Market Update: September

International:

September was a positive month for risk assets, with markets reacting to a shift in the tone of global monetary policy. The resumption of the U.S. Federal Reserve's rate-cutting cycle, combined with the ongoing enthusiasm surrounding artificial intelligence and the absence of new geopolitical shocks, was enough to support gains across equities, sovereign bonds, and corporate credit. Unlike the previous month, the U.S. dollar remained stable against major currencies. However, that stability did not prevent a notable depreciation against gold, which rose nearly 11% during the period.

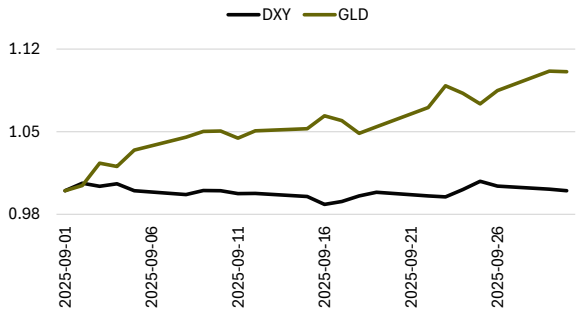


Figure 1: DXY Currency x GLD US Equity monthly returns in September. Source BBG/Tera.

In the U.S., the highlight was the FOMC meeting, where policymakers decided to cut interest rates by 25 basis points to a range of 4.00%–4.25%. The decision was accompanied by guidance indicating two additional cuts are expected by year-end, as well as one dissenting vote in favor of a larger 50-basis-point reduction. Overall, the message signaled a growing concern with economic activity – rather than inflation – as the main driver of policy decisions. This stance reduced the probability of a near-term recession and helped lift market sentiment.

On the other hand, labor market data showed early signs of fatigue: the economy reportedly lost 32,000 jobs in September (according to private surveys), marking the weakest result since March 2023. Consumer confidence also declined, suggesting that economic momentum is increasingly dependent on continued strength in the technology sector.

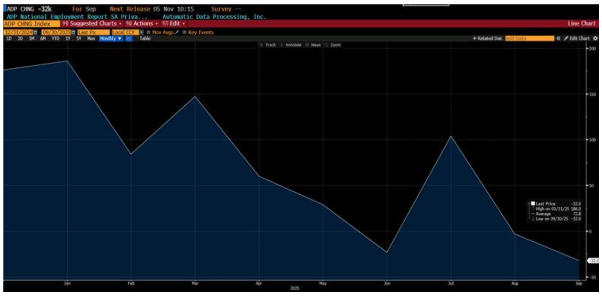


Figure 2: ADP Report, labor market survey. Source BBG/Tera.

In Europe and China, September's data releases had limited incremental impact. Both regions continue to struggle with subdued growth, and no major new stimulus measures were introduced. Currency appreciation against the U.S. dollar has helped ease inflationary pressures, particularly in Europe, where investors are watching for potential central bank signals of rate cuts in the coming months. In China, the upcoming Five-Year Plan (2026–2030 – expected to be unveiled in Q4 – should provide greater clarity on the country's long-term structural and policy priorities.

Domestic (Brazil)

Brazil's economy continues to demonstrate resilience, though key growth drivers – credit, consumption, and investment – are beginning to slow under the weight of high interest rates, external trade frictions (tariffs), and limited fiscal room for additional stimulus. At its September meeting, the Central Bank of Brazil took a surprisingly hawkish stance, signaling no room for rate cuts in the near term. As a result, two-year real interest rates now hover around 9%, an unsustainable level for any economy, indicating structural imbalances that will need to be addressed in the not-so-distant future.

Considering the upcoming 2026 presidential and gubernatorial elections, when candidates typically avoid unpopular measures, substantial reforms are unlikely to occur before early 2027 and will depend heavily on the electoral outcome.

The main political development of the month was the approval by the Lower House of Congress of income tax exemptions for individuals earning up to R$5,000 per month, with partial reductions for those earning up to R$7,500 – a key campaign promise and a major political win for the

administration. The measure will be offset by higher taxation on monthly incomes above R$50,000, although other originally proposed revenue sources – such as the taxation of CRIs, CRAs, LCIs, LCAs, infrastructure debentures, and real estate funds – were removed during congressional negotiations.

This tax reform is expected to be a major talking point in the government's upcoming campaign, though it has so far had little impact on domestic asset prices, suggesting that markets are taking a wait-and-see approach.

Global	1m	3m	6m	12m	24m	36m
Commodities						
BBG WTI Crude Oil	-1,37%	0,83%	-4,37%	5,78%	-8,34%	14,21%
BBG Gold	10,54%	16,40%	22,48%	44,10%	104,19%	126,38%
BBG Commodities	2,15%	3,65%	0,46%	8,88%	9,93%	8,50%
BBG Dollar Index	-0,04%	0,86%	-5,80%	-1,83%	-5,18%	-10,25%
Equity Index						
S&P 500 Total Return	3,65%	8,12%	19,96%	17,60%	60,35%	95,01%
NASDAQ Composite	5,61%	11,24%	30,99%	24,58%	71,42%	114,27%
MSCI ACWI Ex-USD	3,36%	6,35%	17,99%	13,72%	38,92%	62,78%
Equity Sectors						
S&P 500 Communication Services	5,53%	11,82%	32,17%	34,33%	90,18%	160,85%
S&P 500 Consumer Discretionary	3,12%	9,36%	21,75%	19,47%	51,74%	70,89%
S&P 500 Consumer Staples	-1,82%	-2,90%	-2,42%	-1,88%	19,76%	25,20%
S&P 500 Energy	-0,52%	5,26%	-4,60%	0,94%	-1,64%	23,57%
S&P 500 Financials	0,04%	2,86%	8,13%	18,92%	62,43%	77,81%
S&P 500 Health Care	1,62%	3,27%	-4,60%	-9,60%	8,18%	15,06%
S&P 500 Industrials	1,72%	4,56%	17,70%	13,87%	52,30%	86,43%
S&P 500 Information Technology	7,21%	13,04%	39,60%	27,44%	93,15%	169,83%
S&P 500 Materials	-2,31%	2,63%	5,30%	-6,09%	15,40%	33,42%
S&P 500 Real Estate	-0,14%	1,72%	0,72%	-5,59%	23,84%	17,19%
Equity Factors						
Bloomberg US Pure Volatility	0,96%	2,34%	6,26%	6,29%	6,86%	5,52%
Bloomberg US Pure Growth	-1,47%	-1,33%	-0,47%	2,77%	3,02%	0,14%
Bloomberg US Pure Size	1,04%	1,21%	4,01%	5,93%	8,28%	12,04%
Bloomberg US Pure Dividend	-0,86%	0,17%	-2,67%	-2,80%	-1,25%	-3,37%
Bloomberg US Pure Value	-0,86%	0,30%	1,14%	0,55%	0,33%	6,43%
Bloomberg US Pure Momentum	2,92%	2,87%	6,84%	9,17%	18,46%	13,32%
Equity Themes						
SPDR S&P Global Natural Resourses	1,96%	9,16%	12,80%	6,97%	14,55%	34,51%
iShares U.S. Infrastructure Etf	1,96%	7,83%	18,13%	14,55%	49,86%	73,75%
iShares Exponential Tech	5,48%	10,25%	25,40%	19,01%	39,39%	64,20%
Fixed Income						
BBG US TIPS	0,43%	2,10%	2,59%	3,79%	13,96%	15,38%
BBG US Corporate	1,50%	2,60%	4,47%	3,63%	18,43%	22,75%
BBG US Agg Total Return	1,09%	2,03%	3,26%	2,88%	14,79%	15,53%
BBG US Treasury	0,85%	1,51%	2,37%	2,06%	11,97%	11,06%
BBG US Corporate HY	0,82%	2,54%	6,15%	7,41%	24,32%	37,09%
BBG EM USD	1,11%	3,40%	6,03%	6,91%	25,02%	34,47%
Cash USD	0,38%	1,10%	2,22%	4,57%	10,39%	15,64%



Brasil	1m	3m	6m	12m	24m	36m
Pós-Fixado						
Brazil CETIP DI Rate Accumulat	1,22%	3,70%	7,15%	13,30%	25,82%	42,74%
Anbima IMA-S	1,24%	3,75%	7,23%	13,52%	26,29%	43,59%
Anbima Debentures Index IDA DI	1,19%	3,76%	7,07%	14,10%	30,65%	47,42%
Prêmio de Crédito	-0,03%	0,05%	-0,07%	0,71%	3,84%	3,28%
Pré-Fixado						
Anbima IRF-M 1	1,20%	3,70%	7,24%	13,18%	24,81%	41,70%
Anbima IRF-M	1,26%	3,24%	9,30%	12,11%	21,58%	38,08%
Anbima IRF-M 1+	1,29%	2,96%	10,21%	11,36%	19,90%	36,76%
Indexado Inflação						
Anbima IMA-B 5	0,66%	2,14%	5,05%	9,20%	18,40%	32,19%
Anbima IMA-B	0,54%	0,57%	5,77%	5,89%	11,83%	24,18%
Anbima IMA-B5+	0,44%	-0,55%	6,21%	3,34%	7,09%	17,97%
Anbima Debentures Index ID	2,30%	3,64%	9,39%	11,37%	23,31%	30,80%
Prêmio de Crédito (s/ média B5 e B)	1,69%	2,25%	3,77%	3,56%	7,11%	2,04%
*Inflação IPCA**	-0,11%	0,39%	1,65%	5,13%	9,59%	14,64%
Imobiliario						
Bovespa Real Est In Fund	3,25%	3,03%	8,34%	8,57%	11,50%	20,02%
Hedge Funds*						
Anbima Hedge Funds Index	1,76%	3,10%	10,74%	14,06%	23,32%	29,46%
Renda Variável						
BRAZIL IBOVESPA INDEX	3,40%	5,32%	12,27%	10,94%	25,46%	32,90%
BOVESPA Dividend Index	2,82%	5,11%	12,57%	11,65%	33,40%	52,29%
BM&FBOVESPA Small Cap	1,58%	0,70%	16,93%	10,55%	6,40%	3,27%
BRAZIL Financial Index	4,23%	3,92%	17,08%	21,16%	42,73%	48,03%
BOVESPA Utilities Index	7,21%	11,33%	28,90%	30,35%	51,93%	65,70%
BM&FBOVESPA REAL ESTATE	6,63%	13,69%	41,58%	39,51%	46,43%	56,72%
BM&FBOVESPA Consumption	1,49%	0,21%	13,53%	7,02%	6,71%	-12,30%
BOVESPA INDUSTRIAL INDEX	-0,80%	-2,39%	1,23%	0,65%	27,78%	33,33%
BOVESPA Basic Mat Index	-0,19%	4,45%	-1,51%	-9,81%	-6,69%	5,99%
BRAZIL ELECTRIC.ENRGY IX	4,47%	7,26%	27,40%	20,97%	27,16%	38,43%
FX						
USD-BRL Carry Return	-2,75%	-4,32%	-10,95%	-9,88%	-6,44%	-19,25%

