

AI Optimism Lifts U.S. Stocks While Political Instability in Paris Weighs on European Stocks



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	29/08/2025	22/08/2025	% Change
BLOM Stock Index	1,916.30	1,969.98	-2.73%
Average Traded Volume	242,879.80	240,021.00	1.19%
Average Traded Value	1,274,400.60	1,988,629.20	-35.92%
Market Cap	19,640,417,176	20,190,625,052	

The **BLOM Stock Index (BSI)** compiled by BLOMINVEST Bank daily fell weekly by 2.73% to 1,916 points on August 29th, 2025.

On the Beirut Stock Exchange (BSE), the banking sector dominated trading, accounting for 52.67% of the exchange's total trading value, while the remaining were by the real estate sector (45.43%) and industrial sector (1.9%). The most noteworthy trades throughout the mentioned period included:

	29/08/2025	22/08/2025	% Change
Solidere A	77.20	79.60	-3.02%
Solidere B	75.40	80.00	-5.75%
HOLCIM Liban (prev.SCL)	75.00	74.00	1.35%
Audi (C)	2.92	2.97	-1.68%
BLOM (GDR)	7.10	7.15	-0.70%
Audi (GDR)	2.78	2.76	0.72%

	29/08/2025	22/08/2025	% Change
BLOM Preferred Shares Index	20.22	20.22	0.00%

As for the **BLOM Preferred Shares Index (BPSI)**, it stabilized at 20.22.

US Stocks

Index	Currency	29/08/2025	22/08/2025	% Change
S&P 500	USD	6,501.86	6,466.91	0.54%
Dow Jones	USD	45,636.90	45,631.74	0.01%
NASDAQ Comp	USD	21,705.16	21,496.54	0.97%

*prices are as of the time of writing this report

Globally, U.S. stock markets are trading near record highs, led by the Nasdaq's 0.97% climb to 21,705 points, even as Nvidia's mixed Q2 earnings weighed on its share price. The world's most valuable company posted a 50% surge in sales, but withheld guidance on China-related AI chip revenue amid ongoing trade tensions between the world's two biggest economies.

Traders appeared to interpret the results as a confirmation that AI-led growth remains intact, despite trade uncertainty. The S&P 500 followed with a 0.54% gain to 6,502 points, while the Dow Jones edged up 0.01% to 45,637 points.

Macro data added to the bullish tone: the US government revised Q2 GDP growth to 3.3% yearly, a notable upgrade from the initial estimate and a sharp rebound from the 0.5% contraction in Q1. Stronger-than-expected GDP signals resilient economic activity, which supports corporate earnings and reduces recession risk.

European Stocks

Index	Currency	29/08/2025	22/08/2025	% Change
DAX	EUR	24,039.92	24,363.09	-1.33%
FTSE 100	GBP	9,216.82	9,321.40	-1.12%
CAC 40	EUR	7,762.60	7,969.69	-2.60%
STOXX600	EUR	553.67	561.30	-1.36%

*prices are as of the time of writing this report

Across the Atlantic, **European stock markets fell this week**, as investors weighed political and macroeconomic headwinds.

The **CAC 40 led losses**, falling 2.6%, as **political instability in Paris rattled investor sentiment**. Prime Minister François Bayrou warned of over-indebtedness and proposed €44 billion (\$51.34 billion) in budget savings next year to address France's 114% debt-to-GDP ratio. Facing fierce opposition and lacking a parliamentary majority, Bayrou called a surprise confidence vote for September 8th. A likely defeat would mark France's third leadership change in a year, amplifying fiscal uncertainty across the Eurozone.

Stocks avoided steeper losses as **inflation remained below expectations in France and Italy and matched median estimates in Spain**, lowering the odds of an ECB rate cut next month.

The STOXX 600 fell 1.36%, while the DAX and FTSE 100 dropped 1.33% and 1.12%, respectively, reflecting a broader pullback in risk appetite across the region.

Asia Stocks

Index	Currency	29/08/2025	22/08/2025	% Change
NIKKEI	JPY	42,707.93	42,633.29	0.18%
Hang Seng	HKD	25,208.49	25,339.14	-0.52%
Shanghai Comp	CNY	3,850.19	3,825.76	0.64%

*prices are as of the time of writing this report

Asian equities posted mixed results this week, with the Hang Seng down 0.52% while Japan's Nikkei and China's Shanghai Composite gained 0.18% and 0.64%, respectively. The rally in Tokyo and Shanghai was supported by easing U.S.-China trade tensions and policy efforts to curb price wars. In China, trading volumes are on track to hit record highs—even as regulators hint at cooling measures amid persistent property sector stress and tariff pressures.

Index	Currency	29/08/2025	22/08/2025	% Change
MSCI Emerging	USD	1,263.81	1,266.55	-0.22%

*prices are as of the time of writing this report

Similarly, the MSCI Emerging Market index went down this week by 0.22% to 1,264 points.

Arab Stocks

Index	Currency	29/08/2025	22/08/2025	% Change
S&P Pan Arab	USD	1,011.81	1,024.88	-1.28%
Bourse Kuwait	KWD	9,096.19	9,282.40	-2.01%
Saudi Stock Exchange	SAR	10,732.31	10,866.83	-1.24%
Qatar Stock Exchange	QAR	11,226.84	11,342.57	-1.02%
Abu Dhabi Securities Exchange	AED	10,119.12	10,208.76	-0.88%
Dubai Financial Market	AED	6,084.16	6,125.89	-0.68%

*prices are as of the time of writing this report

Arab stock markets declined this week, with benchmark indices across the GCC posting losses amid heightened investor caution ahead of the U.S. PCE inflation release. As most Gulf currencies are pegged to the U.S. dollar, the Fed's inflation outlook—and its implications for interest rate policy—remains a key external driver for regional monetary conditions. The S&P Pan Arab index fell 1.28%, while Kuwait and Saudi Arabia dropped 2.01% and 1.24%, respectively, reflecting sensitivity to global macro signals. Oil prices held near \$67/barrel, but remained too low to ease pressure on energy-linked equities, fiscal balances, or earnings—keeping Gulf markets under strain.

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