



Weekly Report



Global Equities



U.S. stocks rose last week. U.S. Q3 GDP Surpasses Market Expectations with a 5.2% QoQ Growth

Review: The S&P 500 rose 0.77% last week. The final value of U.S. gross domestic product (GDP) in Q3 increased by 5.2% QoQ, which was higher than market expectations of 5% and the previous value of 2.1%, respectively, which was a new high since the fourth quarter of 2021.

Outlook: According to the latest interest rate futures data, the likelihood of a rate hike in December is very low. In addition, various economic data are still performing well, and long-term U.S. Treasury bond yields have also continued to fall. We expect U.S. stocks to remain strong.



European stocks rose last week. Market Expects Early Interest Rate Cut as November CPI Slows to 2.4% YoY

Review: The MSCI Europe Index rose 1.33% last week. November's consumer price index (CPI) was 2.4% YoY, below market expectations of 2.7% and the previous value of 2.9%, reaching its lowest point since July 2021.

Outlook: As euro zone inflation continues to decrease, market expectations for a future interest rate cut by the European Central Bank have risen. However, Europe carries a higher risk of recession compared to the United States, requiring cautiousness when investing in European stocks.



Chinese stocks closed lower last week. China's November Manufacturing PMI Falls to 49.4, Below Expectations

Review: The Shanghai Composite Index fell 0.31% last week, while the Shenzhen Composite Index fell 1.21% last week. In November, the Manufacturing PMI declined to 49.4, falling below market expectations of 49.8.

Outlook: As the market expects that the United States is about to end its interest rate hike cycle, the interest rate gap between China and the U.S. is expected to narrow, and the RMB is expected to gradually strengthen, which will have a positive impact on the Chinese stock market.



Hang Seng Index fell last week. Asia's first Saudi ETF successfully listed on Hong Kong Exchange

Review: The Hang Seng Index fell 4.15% last week. CSOP Saudi Arabia ETF (2830.HK) is listed on the Hong Kong Stock Exchange. The ETF tracks the FTSE Saudi Arabia Index and involves 56 companies listed in Saudi Arabia in the financial, energy and other industries.

Outlook: In November, the Hang Seng Index still recorded a decline. However, from the perspective of technical indicators, the HSI has shown a bottoming signal (Bollinger bands), and investors are advised to buy the dip.



Global Bonds



FTSE World Government Bond rose last week

Review: FTSE World Government Bond Index rose 1.34% last week. U.S. Treasuries performed well last week, with yields generally falling. The U.S. 10-year Treasury yield fell to 4.19%, while the 30-year yield was 4.38%.

Outlook: Given the consensus that the Fed is nearing the end of its rate hike cycle, we expect a possible rebound in the bond market. Therefore, investors can gradually consider purchasing investment-grade bonds.



Global high yield bond and EM bond rose last week

Review: The Bloomberg Barclays High Yield Bond Index rose 1.10% last week, while Bloomberg Barclays EM USD Aggregate Total Return Index rose 1.47%.

Outlook: Global central bank interest rates may have peaked and investor concerns about the Israeli-Palestinian conflict have receded. This trend may have investors seeking higher-yielding bond markets, driving the performance of these bonds.



Weekly Report



Commodities



WTI crude fell last week

Review: WTI crude oil fell to \$74.07 per barrel last week. OPEC+ members have agreed to voluntarily reduce production early next year, with the total production reduction reaching approximately 2.2 million barrels per day. In addition, OPEC+ also invited Brazil, one of the world's top ten oil producers, to join the alliance.

Outlook: Since Saudi Arabia's production cut plan is originally scheduled to end in December and other OPEC+ members may also consider plans to gradually increase production, the market is worried about weak economic growth in 2024 and a potential surplus of crude oil, and oil prices may continue to fall.



Gold price rose last week

Review: Spot gold rose to US\$2,072.22/oz last week. According to the market's reaction to stronger-than-expected economic activity in the third quarter, U.S. third-quarter GDP growth was significantly higher than market expectations and the previous value, and gold prices fell for a time.

Outlook: Considering that the consumer price index (CPI) in the United States and Europe has shown a significant slowdown, market expectations for the Federal Reserve and the European Central Bank to raise interest rates have weakened. In this case, gold still has some investment appeal.



The Bloomberg commodity spot index rose last week

Review: The Bloomberg Commodity Spot Index rose to 492.01, or 0.05% last week.

Outlook: As the U.S. dollar is likely to fall further, U.S. dollar-denominated agricultural products will appreciate; at the same time, China's economic recovery will also increase demand for precious metals.



Currencies



US Dollar Index fell last week

Review: The U.S. dollar index fell 0.22% last week. The U.S. personal consumption expenditures (PCE) price index increased by 3% year-on-year in October, lower than the expected increase of 3.1%, and fell from the previous value of 3.4%.

Outlook: In view of the slowdown in various U.S. inflation data, the market believes that the interest rate hike cycle has ended, and the U.S. dollar index is expected to fall.



JPY/USD rose last week

Review: JPY/USD rose 1.79% last week. The UK Consumer Price Index (CPI) rose by 4.6% year-on-year in October, lower than market expectations.

Outlook: Although the yen has performed relatively strongly recently, the Bank of Japan said it is too early to discuss exiting negative interest rates. Therefore, we believe Japan still needs the yen to weaken to stimulate the economy.



Weekly Report



Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	16830.30	-4.15	-5.00	-10.14	-15.17	-37.47	-38.44	-29.61
Hang Seng China Enterprise	5761.73	-4.63	-5.02	-9.74	-14.27	-45.90	-47.30	-49.67
Shanghai Composite	3031.64	-0.31	-0.07	-4.04	-1.96	-12.08	13.60	36.40
Shenzen Composite	1887.98	-0.66	0.63	-7.72	-4.49	-18.03	35.99	79.25
Dow Jones Industrial	35950.89	2.42	6.41	5.27	9.35	19.95	44.83	127.75
S&P 500	4567.80	0.77	5.42	12.84	19.67	24.21	70.17	155.95
NASDAQ COMPOSITE	14226.22	0.38	6.13	24.81	36.67	14.77	99.83	254.33
FTSE 100	7453.75	0.55	1.50	-0.36	1.04	14.95	7.21	15.26
DAX	16215.43	2.30	7.95	12.86	17.77	23.30	44.66	77.78
NIKKEI 225	33431.51	-0.58	3.96	19.58	27.29	24.17	50.74	112.27

Source: Bloomberg 2023/12/1



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Gross Domestic Product MoM (Q3)	2.1%	5.0%	5.2%	Above
US	PCE price index (October)	3.4%	3.0%	3.0%	On Par
China	Manufacturing PMI (November)	49.5	49.7	49.4	Below
Korea	Interest Rate Decision (November)	3.5%	3.5%	3.5%	On Par
Canada	Gross Domestic Product YoY (Q3)	1.4%	0.2%	-1.1%	Below
Euro	Consumer Price Index (November)	2.9%	2.7%	2.4%	Below

Source: Bloomberg 2023/12/01



Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	105.98	3.56	4.39
US Treasury 10Y	102.45	2.28	4.20
US Treasury 5Y	101.12	1.19	4.12
US Treasury 2Y	100.63	0.60	4.54
US Tbill 3M	5.22	-0.43	5.37
China Govt Bond 10Y	98.67	0.23	2.68
Japan Govt Bond 10Y	101.00	0.75	0.69
German Bund 10Y	101.31	2.45	2.45
UK Gilt 10Y	93.03	1.18	4.17

Source: Bloomberg 2023/12/01

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.81	0.29	-0.09	0.15
HKD/CNH	0.91	-0.63	-1.94	2.93
USD/CNH	7.12	-0.34	-2.03	3.07
USD/JPY	146.82	-1.44	-2.35	11.77
USD/CAD	1.35	-0.79	-1.39	-0.33
GBP/USD	1.27	0.45	2.75	4.97
AUD/USD	0.67	1.01	2.85	-2.04
EUR/USD	1.09	-0.67	1.52	1.64

Source: Bloomberg 2023/12/01

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