

Weekly Report



Global Equities

U.S. stocks rose last week. Nvidia's Q4 performance exceeded expectations, and its market value rose to more than 1.9 trillion US dollars



Review: The S&P 500 rose 1.66% last week. Nvidia announced strong Q4 results with earnings per share increasing by 486% YoY to \$5.16, surpassing market expectations of \$4.64. This led to a market value exceeding \$1.9 trillion.

Outlook: Although the US released strong employment and inflation data, market expectations for an interest rate cut were delayed until June. However, U.S. stocks hit new highs, led by big tech stocks. We expect U.S. stocks to remain strong and likely to continue for some time.

European stocks rose last week. Eurozone CPI cooled again in January, but service sector inflation remains high



Review: The MSCI Europe Index rose 1.16% last week. Eurostat announced that the CPI in the euro zone cooled down in January, falling from 2.9% in December last year to 2.8%.

Outlook: As inflation continues to ease and expectations of interest rate cuts emerge, the economic outlook for the euro area is expected to gradually improve. In addition, the euro zone's services sector remains strong, which may make it difficult to reduce inflation.

Chinese stocks rose last week



Review: Chinese stocks rose last week. China's A-shares rose strongly after the New Year, with the Shanghai Composite Index returning to the 3,000-point mark, closing high for eight consecutive days and recovering all losses this year.

Outlook: China's stock market is strong recently, driven by the central bank's interest rate cuts and reserve requirement ratio cuts. We expect China's economic data to improve in the next quarter, benefiting the stock market.

Hang Seng Index rose last week.



Review: The Hang Seng Index rose 2.36% last week.

Outlook: Hong Kong stocks have recorded gains for two consecutive weeks, mainly driven by a series of policy support in the mainland and the performance of A-shares. Although there is no sign of the Fed cutting interest rates for the time being, we expect Hong Kong stocks to maintain good momentum in the coming week.



Global Bonds

FTSE World Government Bond rose last week



Review: FTSE World Government Bond Index rose 0.48% last week.

Outlook: Although the recent strong employment data indicates that U.S. interest rates will remain high for a long time, a rate cut during the year is still a high probability, and investors can buy U.S. bonds with longer maturities at bargain prices.

Global high yield bond and EM bond rose last week



Review: The Bloomberg Barclays High Yield Bond Index rose 0.68% last week, while Bloomberg Barclays EM USD Aggregate Total Return Index rose 0.58%.

Outlook: In addition to the rebound in U.S. inflation, which has led to slower-than-expected interest rate cuts, the recent intensification of geopolitics has also caused high-yield bonds to become volatile. We recommend that we should not increase our holdings of high-risk bonds in the short term.

Weekly Report



Commodities



WTI crude fell last week

Review: WTI crude oil fell to \$76.49 per barrel last week. The U.S. Energy Information Administration (EIA) said on Thursday that crude oil inventories rose by 3.5 million barrels to 442.9 million barrels in the week ended February 16, compared with analysts' expectations for a rise of 3.9 million barrels.

Outlook: Although tensions in the Red Sea have intensified again recently, a significant increase in U.S. crude oil inventories limited gains. In the short term, we expect crude oil to continue to trend sideways. In the long run, geopolitics will still be the biggest factor driving oil prices.



Gold price rose last week

Review: Spot gold rose to US\$2,035.40/oz last week. The minutes of the Federal Reserve meeting were released last week, in which many Fed officials stated that they were in no rush to cut interest rates. The high interest rate environment still supported the rise in U.S. bond yields.

Outlook: Considering that various employment data in the United States are good, causing inflation to remain high, it is expected that the Federal Reserve will cut interest rates slowly. Therefore, the U.S. dollar will strengthen in the short term, and gold is more likely to experience a correction.



The Bloomberg commodity spot index fell last week

Review: The Bloomberg Commodity Spot Index fell to 464.73, or 0.88% last week.

Outlook: Since commodities are the cornerstone of daily life and development, as the global population grows, so does the demand for these materials. At the same time, a lower U.S. dollar and China's lower tariffs will also benefit the trend of commodities.



Currencies



US Dollar Index fell last week

Review: The U.S. dollar index fell 0.29% last week.

Outlook: U.S. Treasury yields rose across the board on expectations that the Federal Reserve may delay another interest rate cut, and the U.S. dollar index is expected to remain strong.



JPY/USD fell last week

Review: JPY/USD fell 0.24% last week.

Outlook: As the market expects the Federal Reserve to cut interest rates in May and the Bank of Japan continues to adopt an accommodative monetary policy, we expect Japan's monetary policy to remain unchanged in the short term, while a lower yen will continue to have a positive impact on Japanese stocks.

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	16725.86	2.36	4.20	-16.93	-2.50	-42.64	-42.23	-25.05
Hang Seng China Enterprise	5765.10	3.71	6.89	-14.53	-0.68	-49.06	-50.37	-40.81
Shanghai Composite	3004.88	4.85	2.64	-8.57	0.41	-14.88	1.55	47.72
Shenzen Composite	1669.85	5.87	0.18	-21.47	-8.54	-26.71	8.47	53.31
Dow Jones Industrial	39069.11	1.30	2.68	19.24	3.83	26.51	50.17	141.86
S&P 500	5087.03	1.66	4.04	28.18	6.69	33.52	82.14	175.80
NASDAQ COMPOSITE	16041.62	1.40	3.50	40.39	6.56	21.26	111.90	273.10
FTSE 100	7684.49	-0.07	0.93	-2.19	-0.35	18.86	7.76	12.82
DAX	17370.45	1.76	2.70	14.53	3.99	26.35	50.94	79.59
NIKKEI 225	39098.68	1.59	7.65	45.03	17.47	30.35	83.47	159.76

Source: Bloomberg 2024/02/23

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claims (Feb/17)	213K	218K	201K	Below
US	Manufacturing PMI (February)	50.7	50.5	51.5	Above
Euro	Consumer Price Index (January)	2.90%	2.80%	2.80%	On Par
Euro	Services PMI (February)	48.4	48.8	50.0	Above
UK	Services PMI (February)	54.3	54.1	54.3	Above
Korea	Central Bank Interest Rate Decision (February)	3.50%	3.50%	3.50%	On Par

Source: Bloomberg 2024/02/23

Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	97.99	1.21	4.37
US Treasury 10Y	97.99	0.35	4.25
US Treasury 5Y	98.76	0.05	4.28
US Treasury 2Y	99.19	0.00	4.69
US Tbill 3M	5.25	0.72	5.41
China Govt Bond 10Y	102.34	0.72	2.40
Japan Govt Bond 10Y	98.95	0.15	0.71
German Bund 10Y	97.90	0.39	2.44
UK Gilt 10Y	103.61	0.67	4.18

Source: Bloomberg 2024/02/23

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.82	0.05	0.13	0.17
HKD/CNH	0.92	-0.13	0.13	0.94
USD/CNH	7.21	-0.08	0.24	1.12
USD/JPY	150.51	0.23	1.57	6.69
USD/CAD	1.35	0.19	0.47	2.06
GBP/USD	1.27	0.52	-0.35	-0.57
AUD/USD	0.66	0.20	-0.33	-3.80
EUR/USD	1.08	0.37	-0.31	-1.99

Source: Bloomberg 2024/02/23

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