



Weekly Report



Global Equities



U.S. stocks rose last week. Fed signals September rate cut, saying time has come for policy adjustments

Review: The S&P 500 rose 1.45% last week. During the Jackson Hole Economic Symposium, Jerome Powell clearly stated that it is the right time to adjust monetary policy, and the upward risks of inflation have diminished.

Outlook: While the U.S. may cut interest rates in September, signs of a deteriorating labor market have become apparent, sparking market concerns about an economic recession. Therefore, it is recommended that investors consider reducing their positions or increasing holdings in more defensive stocks.



European stocks rose last week. Eurozone service sector expands, but manufacturing activity is contracting

Review: The MSCI Europe Index rose 1.28% last week. The Eurozone services PMI reached 53.3 in August, the highest level since April. However, the Eurozone manufacturing PMI dropped to 45.6, the lowest in eight months.

Outlook: Considering that the Eurozone economy is recovering moderately, inflation levels have also remained stable. We expect the Eurozone to cut interest rates again in September, which will be beneficial to the subsequent development of European stock markets.



Chinese stocks closed lower last week

Review: The Shanghai Composite Index fell 0.87% last week. The People's Bank of China has announced that the Loan Prime Rate (LPR) will remain unchanged. The one-year LPR is maintained at 3.35%, while the five-year-plus LPR is also kept at 3.85%.

Outlook: Given the market expectation of upcoming interest rate cuts in the U.S., the Chinese yuan has rebounded to the 7.13 level. However, the market still anticipates China to further implement accommodative monetary policy, which could potentially lead to a more substantial rebound in the A-share market.



Hang Seng Index rose last week.

Review: The Hang Seng Index rose 1.04% last week. China's Ministry of Finance announced that it will issue the fourth tranche of 2024 RMB treasury bonds in Hong Kong on August 14, with an issuance scale of 9 billion yuan.

Outlook: The recent lack of good news, coupled with signs of a decline in trading volume, has caused the Hang Seng Index to remain stuck at 17,000 points. Likewise, we do not expect Hong Kong stocks to rebound until the first US interest rate cut.



Global Bonds



FTSE World Government Bond rose last week

Review: FTSE World Government Bond Index rose 1.27% last week.

Outlook: As the U.S. labor market deteriorates, the market expects the U.S. to cut interest rates in September. According to the latest interest rate futures data, the probability of a rate cut in September has reached 100%, which will be beneficial to the performance of the bond market.



Global high yield bond and EM bond rose last week

Review: The Bloomberg Barclays High Yield Bond Index rose 0.93% last week, while Bloomberg Barclays EM USD Aggregate Total Return Index rose 0.74%.

Outlook: Major economies such as Europe and Canada have already begun implementing the first round of interest rate cuts. Canada has reduced rates twice recently, while the Eurozone is preparing for another rate cut in September. Against this backdrop, high-yield bond investments are expected to generate more attractive returns.



Weekly Report



Commodities



WTI crude fell last week

Review: WTI crude oil fell to \$74.83 per barrel last week. Although oil prices rose sharply by more than 2% due to the impact of Federal Reserve Chairman Powell's speech, overall, oil prices still recorded a decline.

Outlook: Since some central banks have already begun to cut interest rates, and the United States is also likely to cut interest rates in September, once it enters an easing cycle, the possibility of a recovery in the global economy will increase significantly and drive greater energy demand.



Gold price rose last week

Review: Spot gold rose to US\$2,512.59/oz last week. Gold prices fell from record highs as market focus remained on U.S. interest rate cuts and concerns about an economic recession brewing.

Outlook: As central banks around the world are preparing to loosen monetary policies and enter a cycle of interest rate cuts, this will boost gold prices. At the same time, the likelihood of a recession in the United States has increased, spurring demand for gold.



The Bloomberg commodity spot index rose last week

Review: The Bloomberg Commodity Spot Index rose to 489.88, or 0.78% last week.

Outlook: This will have a positive impact on commodity demand due to supply disruptions in some markets, rising geopolitical tensions and an expected lower dollar. Therefore, we can expect commodities to remain strong and likely to continue for an extended period of time.



Currencies



US Dollar Index fell last week

Review: The U.S. dollar index fell 1.67% last week.

Outlook: Due to the previously strong performance of the U.S. economy, the dollar has remained strong for an extended period. However, with the potential onset of a recession and the approach of interest rate cuts, the dollar index is expected to stay weak until the end of the year.



JPY/USD rose last week

Review: JPY/USD rose 2.23% last week.

Outlook: Since the Bank of Japan may be about to raise interest rates, and the United States may be about to enter a rate cut cycle, the interest rate gap between the United States and Japan is about to narrow, so the Japanese yen is expected to remain strong.



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	17612.10	1.04	4.51	-0.94	4.35	-30.01	-30.73	-29.76
Hang Seng China Enterprise	6219.24	0.93	4.50	1.71	8.88	-29.72	-37.28	-44.09
Shanghai Composite	2854.37	-0.87	-1.36	-6.94	-4.15	-18.57	-0.42	29.33
Shenzen Composite	1506.22	-2.76	-3.68	-19.70	-17.74	-37.97	-3.49	25.26
Dow Jones Industrial	40712.78	1.27	1.44	19.88	9.25	16.93	58.98	140.70
S&P 500	5570.64	1.45	3.21	27.89	18.13	26.05	95.76	181.73
NASDAQ COMPOSITE	17619.35	1.40	3.00	31.54	19.10	19.62	127.63	291.14
FTSE 100	8288.00	0.20	0.51	13.48	7.69	16.88	17.38	22.06
DAX	18493.39	1.70	1.17	19.20	11.23	17.98	59.83	94.33
NIKKEI 225	38364.27	0.79	0.80	20.06	13.46	36.86	87.39	147.17

Source: Bloomberg 2024/8/23



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Jobless Claims (8/27)	228K	230K	232K	Above
US	Manufacturing PMI (August)	49.6	49.6	48.0	Below
Euro	Services PMI (August)	51.9	51.9	53.3	Above
Euro	Consumer Price Index (July)	2.9%	2.9%	2.9%	On Par
Canada	Consumer Price Index (July)	2.7%	2.5%	2.5%	On Par
Korea	Interest Rate Decision (July)	0.035	0.035	0.035	On Par

Source: Bloomberg 2024/8/23



Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	102.72	0.92	4.09
US Treasury 10Y	100.62	0.76	3.80
US Treasury 5Y	101.57	0.55	3.65
US Treasury 2Y	100.84	0.33	3.92
US Tbill 3M	5.00	-0.94	5.13
China Govt Bond 10Y	101.09	0.32	2.14
Japan Govt Bond 10Y	101.88	-0.20	0.89
German Bund 10Y	103.16	0.24	2.24
UK Gilt 10Y	102.13	0.17	3.99

Source: Bloomberg 2024/8/23

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.80	0.08	-0.16	-0.22
HKD/CNH	0.91	-0.33	-1.88	0.08
USD/CNH	7.12	-0.25	-2.04	-0.14
USD/JPY	144.37	-2.04	-6.61	1.82
USD/CAD	1.35	-0.95	-2.39	1.98
GBP/USD	1.32	1.69	2.67	3.77
AUD/USD	0.68	0.88	3.70	-0.32
EUR/USD	1.12	0.97	3.10	1.39

Source: Bloomberg 2024/8/23

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