

Weekly Report



Global Equities



U.S. stocks closed mixed on Friday as investors assessed a tense White House meeting between Trump and Zelensky alongside the latest U.S. inflation data

Review: U.S. stocks closed mixed on Friday as investors assessed a tense White House meeting between Trump and Zelensky alongside the latest U.S. inflation data.

Outlook: Trump's tax cuts and deregulation initiatives are expected to boost corporate earnings, increase consumer disposable income, and foster a favorable environment for continued growth in U.S. equities.



European stocks closed higher on Friday, extending their strong start to the year despite late-week jitters over Trump's trade tariff threat

Review: The MSCI Europe Index rose by 0.68% last week, extending their strong start to the year despite late-week jitters over Trump's trade tariff threat.

Outlook: A relatively stable inflation environment and ongoing growth risks may prompt the ECB to intensify monetary policy stimulus to support the region's economic stability. Consequently, we remain cautiously optimistic about European equities.



China equities fell last week

Review: The Shanghai Composite Index fell by 1.72% last week and the Shenzhen Composite Index fell by 3.04%. Chinese equities closed lower on Friday as US President Trump announced fresh tariffs on Chinese imports, while investors booked profit on tech stocks and turned focus to next week's annual parliamentary meeting.

Outlook: Trade tariffs are expected to introduce volatility to Chinese equities. However, we anticipate that the Chinese government will implement more comprehensive measures to accelerate growth, which should provide support for the Chinese equity market.



Hang Seng Index fell last week

Review: Hang Seng Index fell by 2.29% last week as US President Trump announced fresh tariffs on Chinese imports, while investors booked profit on tech stocks and turned focus to next week's annual parliamentary meeting.

Outlook: The property and retail sectors remain under pressure, and while China's policy support may provide some relief, it is likely to have a limited impact on Hong Kong's economy due to China's focus on its domestic economy.



Global Bonds



FTSE World Government Bond rose last week

Review: FTSE World Government Bond Index rose 0.46% last week.

Outlook: The big question that arises is whether the current trend of flight to safety is justified as central banks begin implementing monetary easing measures. In contrast, potential risks from a global economic slowdown and the ongoing conflicts in Russia/Ukraine and Israel/Hamas could severely impact the global economy. Investors should closely monitor these developments in the coming months.



Both global high yield bond and EM bond rose last week

Review: The Bloomberg Barclays High Yield Bond Index recorded 0.26% gains, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.90% gains.

Outlook: We expect the market to continue to price in the timing of the Fed's easing monetary policy, which will limit EM bond market's rise. Bonds with good fundamentals and short maturities will reduce portfolio volatility.

Weekly Report



Commodities



U.S. WTI crude fell 0.91% last week

Review: U.S. WTI fell 0.91% last week to US\$69.76/bbl, pressured by concerns over the potential impact of President Trump's pending tariffs on Mexico, Canada, and China on global economies and oil demand.

Outlook: The crude oil market faces a complex landscape shaped by geopolitical and economic dynamics. The ongoing conflict in Russia/Ukraine and Israel/Iran poses a significant risk to global oil supply. While geopolitical tensions and potential demand boosts from Trump's pro-growth policies and China's stimulus measures could elevate oil prices, we maintain a neutral outlook, anticipating continued price volatility throughout first quarter of 2025.



Gold prices fell 2.66% last week

Review: Spot gold fell 2.66% last week to US\$2,857.83/oz. While gold is considered an inflation hedge, higher interest rates lift the opportunity cost of holding zero-yield bullion. However, gold prices are expected to remain firm this quarter as investors seek refuge from a potential recession and heightened safe-haven demand driven by U.S. tariff threats.

Outlook: Gold can be used as a hedge against inflationary pressures and serve as a safe-haven asset amid investors grappled with uncertainty around the geopolitical tensions and global economic slowdown.



The Bloomberg commodity spot index fell last week

Review: The Bloomberg commodity spot index fell 3.82% last week, closing at 530.39.

Outlook: Inflation and geopolitical tensions continue to pose upside risks to commodity prices. Investors should remain cautious and closely monitor developments in the coming months.



Currencies



USD rose 0.94% last week

Review: The US Dollar Spot Index rose 0.94% last week as investors evaluated a tense White House meeting between Trump and Zelensky, reinforcing demand for the dollar as a safe-haven currency.

Outlook: The USD is expected to strengthen in the first quarter of 2025, supported by a slower pace of Fed rate cuts and its safe-haven status amid economic disruptions from tariffs. Additionally, the dollar's strength will be reinforced by increased U.S. Treasury bond issuances to fund Trump's tax cuts.



EUR fell against the USD last week

Review: The EUR fell 0.79% against the USD last week as investors evaluated a tense White House meeting between Trump and Zelensky, reinforcing demand for the dollar as a safe-haven currency.

Outlook: A relatively stable inflation environment and persistent growth risks may lead the ECB to enhance monetary policy stimulus to support the region's economic stability. In the near term, we anticipate the EUR to weaken against the USD as the ECB adopts a more dovish stance compared to the Fed.

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	22941.32	-2.29	13.47	38.29	14.36	2.11	-12.72	-7.13
Hang Seng China Enterprise	8417.43	-2.88	13.99	46.93	15.47	6.55	-19.72	-29.53
Shanghai Composite	3320.90	-1.72	2.16	9.71	-0.92	-4.60	10.96	1.77
Shenzen Composite	2025.25	-3.04	5.97	17.38	3.47	-11.72	7.22	23.12
Dow Jones Industrial	43840.91	0.95	-1.31	12.16	3.05	29.73	69.16	140.84
S&P 500	5954.50	-0.98	-0.67	15.91	1.24	36.46	98.26	182.50
NASDAQ COMPOSITE	18847.28	-3.47	-2.81	15.81	-2.40	39.22	117.03	278.47
FTSE 100	8809.74	1.74	2.64	14.67	7.79	21.70	31.13	27.88
DAX	22551.43	1.18	5.24	27.16	13.27	64.63	88.16	99.92
NIKKEI 225	37155.50	-4.18	-3.54	-6.90	-6.87	39.80	76.24	97.48

Source: Bloomberg 2025/2/28

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
Australia	CPI YoY (January)	2.5%	2.6%	2.5%	Below
Mexico	Unemployment Rate (January)	2.43%	2.70%	2.70%	On Par
Brazil	Unemployment Rate (January)	6.2%	6.6%	6.5%	Below
Singapore	Industrial Production YoY (January)	10.6%	9.1%	9.1%	On Par
Russia	Industrial Production YoY (January)	8.2%	5.4%	2.2%	Below
Japan	Retail Sales YoY (January)	3.7%	3.9%	3.9%	On Par

Source: Bloomberg 2025/2/28

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	101 33/65	3.19	4.53
US Treasury 10Y	102 53/57	1.87	4.26
US Treasury 5Y	99 2/3	1.29	4.07
US Treasury 2Y	100 3/22	0.34	4.05
US Tbill 3M	4.20	-0.06	4.30
China Govt Bond 10Y	102.49	-0.12	1.76
Japan Govt Bond 10Y	98.30	0.47	1.40
German Bund 10Y	100.76	0.60	2.41
UK Gilt 10Y	98.01	0.78	4.51

Source: Bloomberg 2025/2/28

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.78	0.11	-0.18	0.13
HKD/CNH	0.94	0.45	-0.19	-0.69
USD/CNH	7.30	0.53	-0.39	-0.61
USD/JPY	149.81	0.91	-2.94	-4.18
USD/CAD	1.44	1.67	-0.55	0.54
GBP/USD	1.26	-0.44	1.47	0.49
AUD/USD	0.62	-2.33	-0.14	0.34
EUR/USD	1.04	-0.79	0.13	0.20

Source: Bloomberg 2025/2/28

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