



# Weekly Report



## Global Equities



### U.S. stocks closed lower on Friday as concerns over the escalating tariff war overshadowed cooler-than-expected inflation data

**Review:** U.S. stocks closed lower on Friday after cool inflation data was overshadowed by fears that the escalating tariff war being waged by the United States against some of its biggest trading partners could reignite inflation and tip the economy into recession.

**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 lower on Friday as further threats from U.S. President Donald Trump pressured global trading relationships

**Review:** The MSCI Europe Index fell by 1.22% last week as further threats from U.S. President Donald Trump pressured global trading relationships.

**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 rose last week

**Review:** The Shanghai Composite Index rose by 1.39% last week and the Shenzhen Composite Index rose by 1.40%. Chinese equities closed higher on Friday as investors awaited further guidance from Chinese officials regarding policies to stabilize the stock and real estate markets, increase wages, and boost the nation's birth rate.

**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 1.12% last week as investors awaited further guidance from Chinese officials regarding policies to stabilize the stock and real estate markets, increase wages, and boost the nation's birth rate.

**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 fell last week

**Review:** FTSE World Government Bond Index fell 0.11% 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 fell last week

**Review:** The Bloomberg Barclays High Yield Bond Index recorded 0.49% losses, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.22% losses.

**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 rose 0.21% last week

**Review:** U.S. WTI rose 0.21% last week to US\$67.97/bbl after President Donald Trump tightened sanctions on Iranian oil and shipping.

**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 rose 2.58% last week

**Review:** Spot gold rose 2.58% last week to US\$2,989.85/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 rose last week

**Review:** The Bloomberg commodity spot index rose 0.33% last week, closing at 542.73.

**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 fell 0.12% last week

**Review:** The US Dollar Spot Index fell 0.12% last week as investors have been puzzling over the president's aims for the currency amid allies advocating a weaker dollar to benefit manufacturers.

**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 rose against the USD last week

**Review:** The EUR rose 0.42% against the USD last week after German parties agreed on a fiscal deal that could boost defense spending and revive growth in Europe's largest economy.

**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	24110.43	-1.12	6.61	44.19	20.19	12.14	3.64	0.24
Hang Seng China Enterprise	8892.20	-0.40	6.83	52.77	21.98	20.04	-3.52	-25.00
Shanghai Composite	3422.87	1.39	2.00	12.05	2.12	6.46	23.14	-2.38
Shenzen Composite	2107.68	1.40	2.88	18.76	7.68	-1.19	23.64	18.39
Dow Jones Industrial	41488.19	-3.07	-6.86	7.16	-2.48	20.32	95.35	132.44
S&P 500	5638.94	-2.27	-7.78	10.20	-4.13	27.82	122.95	171.85
NASDAQ COMPOSITE	17754.09	-2.43	-11.35	11.15	-8.06	30.40	142.05	259.58
FTSE 100	8632.33	-0.55	-1.55	11.71	5.62	16.88	63.03	26.25
DAX	22986.82	-0.10	0.83	28.16	15.46	59.76	157.15	91.86
NIKKEI 225	37478.96	0.45	-4.33	-3.17	-6.05	40.62	120.32	90.63

Source: Bloomberg 2025/3/14



### Economic data

Country	Event	Previous	Forecast	Actual	Expectation
U.S.	CPI YoY (February)	3.0%	2.9%	2.8%	Below
Japan	PPI YoY (February)	4.2%	4.0%	4.0%	On Par
South Korea	Unemployment Rate - SA (February)	2.9%	3.0%	2.7%	Below
India	CPI YoY (February)	4.31%	3.98%	3.61%	Below
Malaysia	Industrial Production YoY (January)	4.6%	2.7%	2.1%	Below
Mexico	Industrial Production YoY (January)	-2.7%	-1.7%	-2.9%	Below

Source: Bloomberg 2025/3/14



### Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	100 1/32	-0.28	4.62
US Treasury 10Y	102 31/64	0.00	4.31
US Treasury 5Y	99 52/87	0.06	4.09
US Treasury 2Y	100 14/71	0.04	4.02
US Tbill 3M	4.19	0.18	4.29
China Govt Bond 10Y	98.01	-0.28	1.83
Japan Govt Bond 10Y	97.35	0.06	1.51
German Bund 10Y	96.98	-0.29	2.85
UK Gilt 10Y	98.57	-0.13	4.68

Source: Bloomberg 2025/3/14

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.77	0.05	-0.11	0.05
HKD/CNH	0.93	-0.39	-0.27	-1.39
USD/CNH	7.24	-0.34	-0.38	-1.35
USD/JPY	148.64	0.93	-1.89	-5.45
USD/CAD	1.44	-0.44	1.36	-0.05
GBP/USD	1.29	0.43	2.46	3.35
AUD/USD	0.63	0.84	-0.39	2.31
EUR/USD	1.09	0.42	3.78	5.08

Source: Bloomberg 2025/3/14

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