

# Weekly Report



## Global Equities

### U.S. stocks fell last week. US President Trump considers replacing Fed Chairman Powell



**Review:** The S&P 500 Index fell 1.50% last week. White House chief economic adviser Hasset said that US President Trump and his team are considering the possibility of replacing Federal Reserve Chairman Powell.

**Outlook:** Due to the uncertainty brought about by Trump's policies, other countries may take retaliatory measures against US tariffs in the future. Investors are advised to remain cautious about US stocks in the short term.

### European stocks rose last week. Tariff policy hits eurozone growth, ECB continues to cut rates



**Review:** The MSCI Europe Index rose 3.96% last week. The European Central Bank (ECB) cut interest rates again today amid concerns that U.S. President Trump's erratic tariff policy could pose a threat to eurozone economic growth.

**Outlook:** As the latest CPI data in Europe showed a decline, this provides more reason for the ECB to cut interest rates. The market currently predicts that the ECB may cut interest rates again in April and June respectively.

### Chinese stocks closed higher last week.



**Review:** The Shanghai Composite Index rose 1.19% last week. China's economy started the year strong, with its first-quarter GDP growing by 5.4% year-over-year, surpassing the market's expectation of 5.2%.

**Outlook:** In the short term, high tariffs are exerting some pressure on trade and the economy, which may affect the stock market's subsequent performance. However, even if tariffs impact China's exports, we believe China will introduce more policies to stimulate domestic demand.

### Hang Seng Index rose last week.



**Review:** The Hang Seng Index rose 2.30% last week.

**Outlook:** As Trump's policies have brought great uncertainty to the Chinese and Hong Kong stock markets and market concerns continue to rise, investors are advised to reduce some of their positions.



## Global Bonds

### FTSE World Government Bond rose last week



**Review:** FTSE World Government Bond Index rose 0.97% last week.

**Outlook:** The latest Federal Reserve dot plot indicates that the Fed may cut rates twice this year, with the median forecast for the federal funds rate at 3.9% by the end of 2025, implying a 50-basis-point rate cut in 2023. In the long term, the U.S. economy's structural issues will still require rate reductions to address, providing certain support for the bond market.

### Global high yield bond and EM bond rose last week



**Review:** The Bloomberg Barclays High Yield Bond Index rose 1.62% last week, while Bloomberg Barclays EM USD Aggregate Total Return Index rose 1.58%.

**Outlook:** Amid the new trade war impact, the U.S. imposed higher tariffs on emerging markets, weakening their advantages from order transfers and raising risks for emerging market bonds. We prefer sovereign-grade bonds instead.

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## Commodities

### WTI crude rose last week



**Review:** WTI crude oil rose to \$63.75 per barrel, or 5.17% last week. Following new U.S. sanctions targeting Chinese refineries importing Iranian oil, crude oil futures prices have risen due to concerns over global supply.

**Outlook:** The uncertainty surrounding trade tensions could lead to an economic recession, resulting in a slowdown in global oil demand. For now, more positive news is needed to stimulate oil prices.



### Gold price rose last week

**Review:** Spot gold rose to US\$3341.3/oz last week, or 2.76%. Gold prices remain near historic highs, briefly surpassing \$3,300, mainly driven by investor concerns over the economic impact of tariffs and a continued flow of funds into gold as a safe-haven asset.

**Outlook:** President Trump's official inauguration brought significant uncertainty to the market, fueling a rise in risk-averse sentiment. Based on expectations of sustained risk aversion, the strong upward trend in gold is likely to continue.



### The Bloomberg commodity spot index rose last week

**Review:** The Bloomberg Commodity Spot Index rose to 515.65, or 1.63% last week.

**Outlook:** Trump's formal inauguration has brought great uncertainty to the market. Among them, a new round of tariff war may trigger an economic recession, which in turn will have a negative impact on the demand for commodities.



## Currencies

### US Dollar Index fell last week



**Review:** The U.S. Dollar Index fell 0.57% last week.

**Outlook:** The dollar is likely to remain sluggish as the market worries that tariffs will trigger a trade war and slow U.S. economic growth.

### JPY/USD rose last week



**Review:** JPY/USD rose 1.01% last week.

**Outlook:** As the market expects that Japan is likely to raise interest rates soon, the interest rate gap between Japan and the United States may narrow further. In addition, as panic sets in, demand for the Japanese yen as a safe-haven asset could increase significantly, driving a rebound in its exchange rate.

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## Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	21395.14	2.30	-10.09	29.00	6.18	3.21	-10.85	-23.18
Hang Seng China Enterprise	7897.44	1.23	-10.24	34.58	7.65	12.55	-18.85	-45.65
Shanghai Composite	3291.43	1.19	-1.90	8.42	-1.52	6.93	16.07	-23.68
Shenzen Composite	1910.76	-0.04	-7.43	13.82	-2.41	-0.20	7.81	-13.51
Dow Jones Industrial	39142.23	-2.66	-9.09	-0.18	-10.28	12.89	62.59	118.07
S&P 500	5282.70	-1.50	-8.99	2.95	-12.30	20.75	84.27	151.88
NASDAQ COMPOSITE	16286.45	-2.62	-10.76	2.72	-17.81	23.61	86.82	224.81
FTSE 100	8275.60	3.91	-4.29	3.14	1.26	10.02	43.41	17.17
DAX	21311.02	4.08	-7.36	18.73	6.51	49.95	103.61	77.61
NIKKEI 225	34279.92	3.41	-9.08	-8.50	-14.13	26.38	78.99	74.44

Source: Bloomberg 2025/4/18



## Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Retail Sales Advance MoM (March)	0.2%	1.4%	1.4%	On Par
US	Industrial Production Mom (March)	0.7%	-0.2%	-0.3%	Below
Euro	CPI YoY (March)	2.2%	2.2%	2.2%	On Par
Euro	ECB Main Refinancing Rate (April)	2.7%	2.4%	2.4%	On Par
CA	Bank of Canada Rate Decision (April)	2.8%	2.8%	2.8%	On Par
UK	CPI YoY (March)	2.8%	2.7%	2.6%	Below

Source: Bloomberg 2025/4/18



## Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	95.66	1.29	4.90
US Treasury 10Y	101.68	1.41	4.41
US Treasury 5Y	100.11	1.08	3.98
US Treasury 2Y	100.20	0.38	3.77
US Tbill 3M	4.20	0.06	4.31
China Govt Bond 10Y	99.46	0.14	1.67
Japan Govt Bond 10Y	101.05	0.30	1.28
German Bund 10Y	99.94	0.90	2.51
UK Gilt 10Y	99.16	1.57	4.61

Source: Bloomberg 2025/4/18

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.76	0.03	-0.18	-0.11
HKD/CNH	0.94	-0.21	0.90	-0.18
USD/CNH	7.29	-0.18	0.71	-0.30
USD/JPY	140.86	-1.78	-6.66	-10.52
USD/CAD	1.38	-0.90	-3.40	-3.84
GBP/USD	1.34	1.18	3.59	6.96
AUD/USD	0.64	1.20	2.15	3.77
EUR/USD	1.15	2.00	6.55	11.15

Source: Bloomberg 2025/4/18

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