



Weekly Report



Global Equities



U.S. stocks closed lower on Friday as market uncertainty grew following Trump's threat to impose 50% tariffs on European goods

Review: U.S. stocks closed lower on Friday after President Donald Trump recommended 50% tariffs on European goods, reopening a new front in global trade tensions and unleashing a fresh wave of market uncertainty.

Outlook: U.S. President Trump announced on Sunday that he would extend the EU tariff deadline to July 9, following a call with European Commission President Ursula von der Leyen. We are taking a wait-and-see approach in the coming weeks, anticipating further developments that may help clarify the outlook.



European stocks closed lower on Friday as market uncertainty grew following Trump's threat to impose 50% tariffs on European goods

Review: The MSCI Europe Index fell by 0.75% last week after U.S. President Donald Trump ramped up threats of a straight 50% tariff on goods from the European Union, reigniting fears of a damaging global trade war.

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 0.57% last week and the Shenzhen Composite Index fell by 0.67%. Chinese equities closed lower on Friday as investors assessed President Trump's latest tariff threats on European Union and Apple.

Outlook: The U.S. and China agreed to lower their triple-digit tariffs for 90 days in a diplomatic breakthrough, even as questions linger over hopes for a lasting settlement. We are adopting a wait-and-see approach in the coming weeks, anticipating further developments to clarify the outlook.



Hang Seng Index rose last week

Review: Hang Seng Index rose by 1.10% last week as investors assessed President Trump's latest tariff threats on European Union and Apple.

Outlook: Hong Kong finds itself in the crossfire of the U.S.-China trade war. Meanwhile, its property and retail sectors continue to face pressure. Although policy support from China 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 0.57% last week.

Outlook: The U.S. and China agreed to lower their triple-digit tariffs for 90 days, a diplomatic breakthrough that sent Treasury yields and major government bond yields sharply higher on hopes of avoiding a recession, despite lingering uncertainty over a long-term resolution. We are taking a wait-and-see approach in the coming weeks as we await further developments to provide greater clarity on the outlook.



Both global high yield bond and EM bond fell last week

Review: The Bloomberg Barclays High Yield Bond Index recorded 0.01% losses, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.29% losses.

Outlook: The U.S. and China agreed to lower their triple-digit tariffs for 90 days, a diplomatic breakthrough that drove Treasury yields higher, boosting demand for high-yield bonds amid a renewed risk-on sentiment. We are adopting a wait-and-see approach in the coming weeks, anticipating further developments to provide greater clarity on the outlook.



Weekly Report



Commodities



U.S. WTI crude fell 1.54% last week

Review: U.S. WTI fell 1.54% last week to US\$61.53/bbl as investors weighed a report that OPEC+ is discussing a production increase for July, stoking concerns that global supply could outpace demand growth.

Outlook: Overall, the positive impact of OPEC+ restraint and recovering air travel are largely neutralized by headwinds such as robust U.S. production and trade-policy uncertainties, warranting a neutral near-term outlook on crude oil.



Gold prices rose 4.80% last week

Review: Spot gold rose 4.80% last week to US\$3,349.56/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 1.73% last week, closing at 536.99.

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 1.96% last week

Review: The US Dollar Spot Index fell 1.96% last week as new tariff threats from President Donald Trump and the risk of a widening fiscal deficit drag on the currency's appeal.

Outlook: Looking ahead to the second quarter of 2025, the US Dollar Spot Index may come under moderate downward pressure, driven by a potentially more accommodative Fed and a slowdown in U.S. economic growth.



EUR rose against the USD last week

Review: The EUR rose 1.49% against the USD last week as investors offloaded US assets and sought safety in haven currencies.

Outlook: A relatively stable inflation environment and ongoing growth risks may prompt the ECB to step up monetary policy stimulus to support economic stability in the region. However, in the near term, we expect the EUR to remain rangebound until there is greater clarity on U.S. trade policy.



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	23480.77	1.10	6.82	26.18	17.05	16.73	0.41	-16.46
Hang Seng China Enterprise	8521.80	1.36	5.46	29.02	16.90	23.91	-11.19	-42.01
Shanghai Composite	3355.87	-0.57	1.85	8.64	0.12	7.45	17.89	-31.82
Shenzen Composite	1977.81	-0.67	3.24	14.01	1.04	1.16	10.52	-31.59
Dow Jones Industrial	41603.07	-2.47	3.71	6.48	-2.21	25.26	62.84	130.60
S&P 500	5802.82	-2.61	5.02	9.39	-1.34	39.55	91.13	175.77
NASDAQ COMPOSITE	18737.21	-2.47	7.79	10.73	-2.97	54.46	99.07	272.31
FTSE 100	8717.97	0.38	3.60	4.81	6.67	14.93	41.89	25.46
DAX	23629.58	-0.58	6.24	26.41	18.69	66.04	105.39	103.26
NIKKEI 225	37329.22	-1.57	4.55	-3.41	-6.43	40.31	75.49	81.83

Source: Bloomberg 2025/5/23



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
Canada	CPI YoY (April)	2.3%	1.6%	1.7%	Above
Japan	CPI YoY (April)	3.6%	3.5%	3.6%	Above
U. K.	CPI YoY (April)	2.6%	3.3%	3.5%	Above
U. K.	RPI YoY (April)	3.2%	4.2%	4.5%	Above
Malaysia	CPI YoY (April)	1.4%	1.4%	1.4%	On Par
Hong Kong	Composite CPI YoY (April)	1.4%	1.6%	2.0%	Above

Source: Bloomberg 2025/5/23



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	95 5/9	-1.34	5.04
US Treasury 10Y	97 29/32	-0.17	4.51
US Treasury 5Y	99 5/61	0.13	4.08
US Treasury 2Y	99 45/82	0.09	3.99
US Tbill 3M	4.24	-0.29	4.34
China Govt Bond 10Y	99.20	-0.12	1.70
Japan Govt Bond 10Y	98.90	-0.61	1.53
German Bund 10Y	98.79	0.24	2.64
UK Gilt 10Y	98.06	-0.16	4.75

Source: Bloomberg 2025/5/23

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.83	0.19	1.03	0.87
HKD/CNH	0.92	-0.85	-2.61	-3.16
USD/CNH	7.17	-0.65	-1.60	-2.32
USD/JPY	142.56	-1.71	0.26	-9.43
USD/CAD	1.37	-1.81	-0.95	-4.76
GBP/USD	1.35	1.64	1.03	8.50
AUD/USD	0.65	1.04	1.45	5.43
EUR/USD	1.14	1.49	-0.11	10.18

Source: Bloomberg 2025/5/23

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