



Weekly Report



Global Equities



U.S. stocks ended mixed on Friday as investors weighed potential Fed rate cuts by July and Trump's delay on a decision to strike Iran

Review: U.S. stocks ended mixed on Friday as investors weighed potential Fed rate cuts by July and Trump's delay on a decision to strike Iran.

Outlook: U.S. equities are at an inflection point with sticky inflation and the newly escalating U.S.–Iran conflict push oil and recession risk higher. Elevated energy costs could postpone Fed rate cuts and erode consumer confidence, leaving the market vulnerable to heightened near-term volatility.



European stocks closed lower on Friday as investors remain focused on Israel-Iran conflict

Review: The MSCI Europe Index fell by 1.59% last week as investors remain focused on Israel-Iran conflict.

Outlook: Looser monetary policy, fresh German fiscal stimulus, and stronger earnings momentum should bolster European equities. Yet the oil-price shock from the U.S.–Iran conflict, sticky U.S. tariffs, and subdued consumer confidence could still cap further upside.



China equities fell last week

Review: The Shanghai Composite Index fell by 0.51% last week and the Shenzhen Composite Index fell by 1.60%. Chinese equities closed lower on Friday as investors weighed escalating Israel–Iran tensions and U.S. President Trump's upcoming decision on striking Iran.

Outlook: China's equity outlook is a tug-of-war between new monetary and fiscal support, historically cheap valuations, and reviving earnings on one side, and soft domestic demand, fresh U.S. tariff hikes, and the oil-price shock from the U.S.–Iran war on the other.



Hang Seng Index fell last week

Review: Hang Seng Index fell by 1.52% last week as investors weighed escalating Israel–Iran tensions and U.S. President Trump's upcoming decision on striking Iran.

Outlook: Policy easing, record southbound inflows, and a robust IPO pipeline underpin the bullish case for Hong Kong equities. Nevertheless, headwinds such as unfinished property turnaround, new U.S. tariffs on China, and the oil-price shock triggered by the U.S.–Iran conflict may limit further upside.



Global Bonds



FTSE World Government Bond fell last week

Review: FTSE World Government Bond Index fell 0.13% last week.

Outlook: Major central banks are at very different points in the easing cycle, yet a fresh oil-price shock from U.S. strikes on Iran is lifting inflation risk and safe-haven demand at the same time. Investors have adopted a barbell stance: duration hunters are buying low-volatility Bunds, JGBs and CGBs, while carry seekers pivot into select EM local-currency bonds that gain from a softer dollar.



Both global high yield bond and EM bond rose last week

Review: The Bloomberg Barclays High Yield Bond Index recorded 0.11% gains, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.12% gains.

Outlook: Major central banks are at very different points in the easing cycle, yet a fresh oil-price shock from U.S. strikes on Iran is lifting inflation risk and safe-haven demand at the same time. Investors have adopted a barbell stance: duration hunters are buying low-volatility Bunds, JGBs and CGBs, while carry seekers pivot into select EM local-currency bonds that gain from a softer dollar.



Weekly Report



Commodities



U.S. WTI crude rose 2.67% last week

Review: U.S. WTI rose 2.67% last week to US\$75.48/bbl due to concerns about potential supply disruptions in the Middle East following recent Israel-Iran conflicts.

Outlook: A broader U.S.–Iran conflict that significantly disrupts shipments through the Strait of Hormuz could send crude prices sharply higher. Conversely, swift de-escalation coupled with an OPEC+ decision to boost output would expose the market's latent surplus and likely pull prices back toward pre-crisis levels.



Gold prices fell 1.86% last week

Review: Spot gold fell 1.86% last week to US\$3,356.58/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 Middle East conflicts and 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 1.36% last week, closing at 559.49.

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 0.54% last week

Review: The US Dollar Spot Index rose 0.54% last week, as investors moved into the greenback's safety amid escalating Israel–Iran tensions.

Outlook: The USD is likely to stay firm in the short-term as higher-for-longer U.S. rates, renewed safe-haven demand from the Middle-East conflict and fresh tariff uncertainty offset a widening U.S. fiscal deficit.



EUR fell against the USD last week

Review: The EUR fell 0.61% against the USD last week, as the greenback regained its safe-haven appeal amid a rapid increase in geopolitical tensions.

Outlook: The ECB has signaled a pause after cutting its deposit rate to 2%, limiting the fundamental support for EUR. Meanwhile, safe-haven flows into the USD strengthened following Brent briefly topping \$80 after the U.S. strikes on Iran. Unless oil prices retreat swiftly or the Fed accelerates rate cuts beyond current expectations, the USD is likely to remain firm against the EUR in the short-term.



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	23393.78	-1.52	-0.88	29.76	16.62	9.96	-6.08	-13.91
Hang Seng China Enterprise	8479.09	-1.48	-1.22	31.67	16.31	13.61	-15.15	-37.34
Shanghai Composite	3360.94	-0.51	0.38	12.10	0.27	1.23	13.14	-26.58
Shenzen Composite	1973.11	-1.60	-0.01	19.27	0.80	-8.82	1.32	-29.03
Dow Jones Industrial	42206.82	0.02	1.45	7.81	-0.79	37.58	61.37	132.62
S&P 500	5967.84	-0.15	2.84	9.21	1.47	57.23	90.59	180.95
NASDAQ COMPOSITE	19447.41	0.21	3.79	9.94	0.71	73.14	91.95	276.88
FTSE 100	8774.65	-0.86	0.65	6.52	7.36	24.99	38.84	28.38
DAX	23350.55	-0.70	-1.18	28.56	17.29	80.84	86.45	102.30
NIKKEI 225	38184.10	1.50	2.75	-1.07	-4.29	45.90	69.34	84.55

Source: Bloomberg 2025/6/20



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
U. K.	CPI YoY (May)	3.5%	3.3%	3.4%	Above
Japan	CPI YoY (May)	3.6%	3.5%	3.5%	On Par
Australia	Unemployment Rate (May)	4.1%	4.1%	4.1%	On Par
Hong Kong	Composite CPI YoY (May)	2.0%	2.0%	1.9%	Below
Hong Kong	Unemployment Rate - SA (May)	3.4%	3.5%	3.5%	On Par
China	Industrial Production YoY (May)	6.1%	6.0%	5.8%	Below

Source: Bloomberg 2025/6/20



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	97 25/32	0.14	4.89
US Treasury 10Y	98 83/85	0.25	4.38
US Treasury 5Y	100 1/6	0.25	3.96
US Treasury 2Y	99 29/31	0.15	3.91
US Tbill 3M	4.21	-0.30	4.31
China Govt Bond 10Y	100.25	0.08	1.64
Japan Govt Bond 10Y	100.06	0.14	1.39
German Bund 10Y	99.82	0.20	2.52
UK Gilt 10Y	99.76	0.19	4.53

Source: Bloomberg 2025/6/20

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.85	0.00	0.23	1.05
HKD/CNH	0.91	0.03	-0.03	-3.06
USD/CNH	7.18	0.08	0.21	-2.05
USD/JPY	146.09	1.33	2.88	-6.70
USD/CAD	1.37	1.40	0.22	-4.33
GBP/USD	1.35	-1.16	-0.86	7.23
AUD/USD	0.65	-1.53	-0.99	3.81
EUR/USD	1.15	-0.61	1.14	10.98

Source: Bloomberg 2025/6/20

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