



# Weekly Report



## Global Equities



### U.S. stocks closed higher on Friday, supported by expectations of a shift toward Fed easing in September and Trump's expansionary fiscal policy

**Review:** U.S. stocks closed higher on Friday, supported by expectations of a shift toward Fed easing in September and Trump's expansionary fiscal policy.

**Outlook:** U.S. equities are expected to remain resilient, underpinned by a favorable mix of fiscal stimulus, robust consumer demand, strong corporate earnings, and an anticipated shift toward Fed easing, despite persistent concerns over trade negotiations and inflation.



### European stocks closed lower on Friday as investors began taking on board the risk of U.S. tariffs being snapped back on again

**Review:** The MSCI Europe Index fell by 0.47% last week as investors began taking on board the risk of U.S. tariffs being snapped back on again.

**Outlook:** With global rotation out of U.S. assets slowing and the ECB signaling a pause after its June cut, Europe is unlikely to enjoy the same reallocation tailwind as in the first quarter of 2025, reinforcing our neutral stance on the region's equities.



### China equities rose last week

**Review:** The Shanghai Composite Index rose by 1.40% last week and the Shenzhen Composite Index rose by 1.13%. Chinese equities closed higher on Friday amid fresh signs of easing Sino-U.S. trade tensions, as both Beijing and Washington appeared to be stepping up efforts to implement the outcomes of recent trade negotiations.

**Outlook:** Valuations remain below long-run averages, but sentiment is capped by lingering property stress and the risk that a new round of U.S. tariffs (decision due 9 July) could dampen exports and foreign-fund appetite. Nevertheless, policy support and attractive valuations should keep the medium-term bias mildly constructive.



### Hang Seng Index fell last week

**Review:** Hang Seng Index fell by 1.52% last week despite fresh signs of easing Sino-U.S. trade tensions.

**Outlook:** Policy easing, record southbound inflows, and a strong IPO pipeline support a constructively cautious outlook. We favor large-cap tech, dividend-paying SOEs, and IPO beneficiaries, while maintaining hedges against ongoing property-sector stress and potential flare-ups in U.S.-China trade tensions.



## Global Bonds



### FTSE World Government Bond rose last week

**Review:** FTSE World Government Bond Index rose 0.12% last week.

**Outlook:** Major central banks are now at distinctly different stages of their monetary policy cycles. For passive investors, a barbell strategy may be worth considering, which combines short- to intermediate-duration U.S. Treasuries and high-grade USD corporates to capture prospective Fed easing, and includes selective EM local-currency bonds poised to benefit from a softer dollar and the current risk-on tone.



### Both global high yield bond and EM bond rose last week

**Review:** The Bloomberg Barclays High Yield Bond Index recorded 0.60% gains, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.49% gains.

**Outlook:** Major central banks are now at distinctly different stages of their monetary policy cycles. For passive investors, a barbell strategy may be worth considering, which combines short- to intermediate-duration U.S. Treasuries and high-grade USD corporates to capture prospective Fed easing, and includes selective EM local-currency bonds poised to benefit from a softer dollar and the current risk-on tone.



## Weekly Report



### Commodities



#### U.S. WTI crude rose 2.26% last week

**Review:** U.S. WTI rose 2.26% last week to US\$66.07/bbl, supported by Iran's suspension of cooperation with the U.N. nuclear watchdog and a newly reached U.S.–Vietnam trade deal. However, a surprise build in U.S. crude inventories limited the upside.

**Outlook:** With OPEC+ set to add approximately 0.55 mb/d starting in August and U.S. production at record highs, while global demand growth slows to below 1 mb/d, the oil market appears relatively balanced. Barring downside risks such as hurricanes or geopolitical flare-ups in the Middle East that could trigger temporary price spikes, positioning suggests oil prices are likely to remain stable.



#### Gold prices rose 1.92% last week

**Review:** Spot gold rose 1.92% last week to US\$3,313.82/oz. The structural drivers supporting a bullish outlook for gold such as geopolitical tensions, a widening U.S. fiscal deficit, de-dollarisation, and concerns over fiat debasement remain intact, supporting sustained official and private demand.

**Outlook:** Demand from central banks to allocate a larger share of reserves to gold has effectively established a price floor, encouraging dip-buying even during periods of dollar strength or rising real yields. Moreover, with Trump in office as U.S. President, persistent policy uncertainty continues to support gold prices.



#### The Bloomberg commodity spot index rose last week

**Review:** The Bloomberg commodity spot index rose 0.49% last week, closing at 541.91.

**Outlook:** Broad commodity indices look neutral-to-slightly-bearish into year-end, with downside pressure from ample oil supply and cooling global growth partly cushioned by precious-metal safe-haven demand and structural metals usage in electrification.



### Currencies



#### USD fell 0.23% last week

**Review:** The US Dollar Spot Index fell 0.23% last week amid market optimism over trade agreements and expectations of a Fed rate cut in September.

**Outlook:** The USD is likely to remain weak, driven by looming Fed easing and rising fiscal concerns. However, the pace of depreciation may moderate, as much of the weakness appears to have already been priced in during the first half of 2025.



#### EUR fell against the USD last week

**Review:** The EUR fell 0.11% against the USD last week after stronger-than-expected U.S. payroll data pushed Treasury yields higher, strengthening the greenback against the euro.

**Outlook:** The unresolved negotiations remain the principal near-term risk for the euro, but our base case is that a 'political understanding' will be reached, avoiding a tariff shock. Overall, we expect EUR/USD to trade range-bound, as the euro's earlier upside momentum has faded following a strong first-half rally and the ECB's signal to slow the pace of easing.



## 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	23828.56	-1.52	0.15	33.87	18.79	10.10	-8.27	-4.24
Hang Seng China Enterprise	8575.37	-1.75	-0.63	34.36	17.63	13.75	-19.10	-27.21
Shanghai Composite	3466.07	1.40	2.38	17.50	3.41	3.02	3.61	-6.84
Shenzen Composite	2072.78	1.13	3.24	30.29	5.89	-6.95	-3.95	7.39
Dow Jones Industrial	44828.53	2.30	4.83	13.85	5.37	42.84	73.15	152.17
S&P 500	6279.35	1.72	4.65	12.79	6.76	60.90	99.64	201.70
NASDAQ COMPOSITE	20601.10	1.62	5.48	12.25	6.68	77.27	99.16	312.23
FTSE 100	8822.91	0.27	-0.17	7.54	7.95	22.73	42.54	37.17
DAX	23787.45	-1.02	-2.13	28.75	19.48	85.21	88.54	122.80
NIKKEI 225	39628.41	-0.85	5.00	-3.14	-0.67	49.59	75.23	95.38

Source: Bloomberg 2025/7/4



### Economic data

Country	Event	Previous	Forecast	Actual	Expectation
Switzerland	CPI YoY (June)	-0.1%	-0.1%	0.1%	Above
South Korea	CPI YoY (June)	1.9%	2.1%	2.2%	Above
Eurozone	Unemployment Rate (May)	6.2%	6.2%	6.3%	Above
Indonesia	CPI YoY (June)	1.60%	1.80%	1.87%	Above
Philippines	CPI YoY (June)	1.3%	1.5%	1.4%	Below
Brazil	Industrial Production YoY (May)	-0.3%	3.5%	3.3%	Below

Source: Bloomberg 2025/7/4



### Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	98 17/75	-0.32	4.86
US Treasury 10Y	99 7/32	-0.46	4.35
US Treasury 5Y	99 13/18	-0.43	3.94
US Treasury 2Y	99 3/4	-0.22	3.88
US Tbill 3M	4.25	0.95	4.36
China Govt Bond 10Y	100.26	0.07	1.64
Japan Govt Bond 10Y	100.61	-0.02	1.43
German Bund 10Y	99.88	0.50	2.61
UK Gilt 10Y	99.68	-0.30	4.54

Source: Bloomberg 2025/7/4

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.85	0.00	0.03	1.05
HKD/CNH	0.91	0.22	-0.17	-3.25
USD/CNH	7.16	0.21	-0.15	-2.26
USD/JPY	144.47	0.48	0.10	-7.94
USD/CAD	1.36	0.10	-0.57	-5.30
GBP/USD	1.37	-0.72	0.61	8.92
AUD/USD	0.66	-0.94	0.05	5.35
EUR/USD	1.18	-0.11	3.08	13.71

Source: Bloomberg 2025/7/4

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