



# Weekly Report



## Global Equities



### U.S. stocks closed mixed on Friday as Wall Street took a breather at the end of the first week of earnings reporting season

**Review:** U.S. stocks closed mixed on Friday as Wall Street took a breather at the end of the first week of earnings reporting season.

**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 weighed a mixed bag of corporate earnings and awaited U.S.–EU trade-talk results

**Review:** The MSCI Europe Index fell by 0.15% last week as investors weighed a mixed bag of corporate earnings and awaited U.S.–EU trade-talk results.

**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 0.69% last week and the Shenzhen Composite Index rose by 1.74%. Chinese equities closed higher on Friday, lifted by growing hopes that Beijing will unveil fresh stimulus measures and by the upbeat news that Nvidia can resume selling its H20 AI chips in China.

**Outlook:** The late-July Politburo meeting is expected to unveil incremental stimulus, while the surprise approval of Nvidia's H20 AI-chip sales has lifted tech sentiment. A modest single-digit rebound, driven by tech and policy-supported SOEs, with property and heavy industry continuing to underperform, is anticipated.



### Hang Seng Index rose last week

**Review:** Hang Seng Index rose by 2.84% last week, lifted by growing hopes that Beijing will unveil fresh stimulus measures and by the upbeat news that Nvidia can resume selling its H20 AI chips in China.

**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 fell last week

**Review:** FTSE World Government Bond Index fell 0.22% 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 fell last week

**Review:** The Bloomberg Barclays High Yield Bond Index recorded 0.03% losses, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.04% losses.

**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 fell 1.62% last week

**Review:** U.S. WTI fell 1.62% last week to US\$66.97/bbl, as markets judged that the latest EU sanctions on Russian oil would have little impact on supply, while concerns about U.S. tariffs weighed on demand.

**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 fell 0.17% last week

**Review:** Spot gold fell 0.17% last week to US\$3,396.70/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 1.14% last week, closing at 549.59.

**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 rose 0.64% last week

**Review:** The US Dollar Spot Index rose 0.64% last week, buoyed by stronger-than-expected U.S. economic data and upbeat corporate earnings that reinforced investor confidence.

**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 rose against the USD last week

**Review:** The EUR rose 0.37% against the USD last week, largely reflecting dollar weakness spurred by dovish Fed signals and President Trump's renewed attacks on Chair Powell.

**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	24994.14	2.84	6.22	41.72	24.60	21.28	-0.25	-2.78
Hang Seng China Enterprise	9040.20	3.44	6.02	44.55	24.01	27.21	-11.75	-24.30
Shanghai Composite	3559.79	0.69	5.95	20.09	6.21	8.86	6.80	-12.03
Shenzen Composite	2176.28	1.74	10.52	35.30	11.18	-0.42	-3.34	-4.92
Dow Jones Industrial	44569.59	-0.07	5.60	10.63	4.76	39.12	66.05	147.46
S&P 500	6333.82	0.59	6.13	15.06	7.69	58.39	94.45	197.13
NASDAQ COMPOSITE	21046.63	1.51	8.22	18.73	8.99	74.52	97.06	301.21
FTSE 100	9009.63	0.57	2.68	10.47	10.24	23.92	43.70	32.84
DAX	24297.13	0.14	4.05	33.71	22.04	83.42	84.46	109.31
NIKKEI 225	39819.11	0.63	3.69	0.56	-0.19	42.65	75.02	91.05

Source: Bloomberg 2025/7/18

### Economic data

Country	Event	Previous	Forecast	Actual	Expectation
Japan	CPI YoY (June)	3.5%	3.3%	3.3%	On Par
China	Retail Sales YoY (June)	6.4%	5.3%	4.8%	Below
Eurozone	CPI YoY (June)	6.2%	6.2%	6.3%	Above
U. K.	CPI YoY (June)	3.4%	3.4%	3.6%	Above
U. S.	CPI YoY (June)	2.4%	2.6%	2.7%	Above
Canada	CPI YoY (June)	1.7%	1.9%	1.9%	On Par

Source: Bloomberg 2025/7/18

### Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	96 7/23	-0.50	4.99
US Treasury 10Y	98 43/64	0.03	4.42
US Treasury 5Y	99 25/37	0.19	3.95
US Treasury 2Y	99 58/75	0.10	3.87
US Tbill 3M	4.23	-0.06	4.34
China Govt Bond 10Y	100.05	0.00	1.66
Japan Govt Bond 10Y	99.47	-0.13	1.56
German Bund 10Y	99.17	0.31	2.69
UK Gilt 10Y	98.66	-0.31	4.67

Source: Bloomberg 2025/7/18

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.85	-0.00	-0.00	1.05
HKD/CNH	0.92	-0.01	-0.04	-3.26
USD/CNH	7.18	-0.02	-0.06	-2.27
USD/JPY	148.81	-0.26	0.81	-6.27
USD/CAD	1.37	-0.13	-0.34	-4.85
GBP/USD	1.34	0.55	-0.17	7.87
AUD/USD	0.65	-0.21	1.10	5.54
EUR/USD	1.16	0.37	1.11	13.07

Source: Bloomberg 2025/7/18

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