


# 2025

## Q3 Global Investment Guide Heritage Account

 Quarterly Discussion Theme -  
2025: An Inflection Point for Autonomous Vehicles

**Southeast Asia Editon**







PC Financial (SG) Pte. Ltd.  
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## Foreword

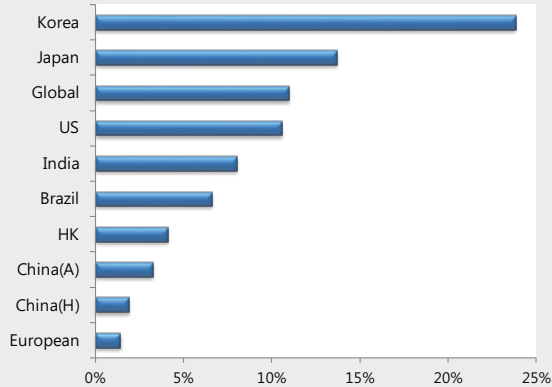
Geopolitical tensions and President Trump's trade offensive dominated market psychology in the first half of 2025, sparking a broad retreat from U.S. assets - equities, treasuries, and even the dollar. The greenback suffered its steepest first-half decline since 1973, an atypical move during a risk-off episode that has forced investors to reassess traditional correlations and their dependence on U.S. assets. Nonetheless, talk of an imminent loss of reserve-currency status remains premature; no alternative yet matches the dollar's liquidity, depth, and institutional backing.

With tariff rhetoric now softening, worst-case scenarios for global growth and inflation have eased, though final outcomes remain uncertain and warrant close monitoring. Fiscal policy has returned to centre stage. The newly enacted One Big Beautiful Bill Act extends tax cuts and introduces additional pro-growth measures for the United States. While this stance should support activity in the near term, it also reignites twin-deficit concerns and has pushed ultra-long Treasury yields higher. Anticipation of Fed cuts are widely expected to begin in September, and synchronised fiscal support in the United States, Europe, and China is lifting sentiment and encouraging a measured shift toward risk.

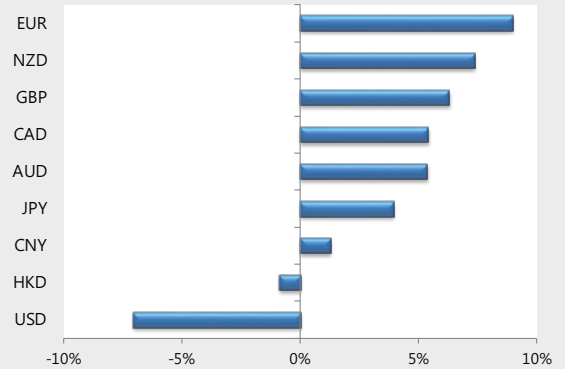
In this environment we favour a barbell strategy. This strategy entails positioning at both extremes of the risk spectrum, seeking opportunities in high-beta growth sectors (such as U.S. and Chinese technology/AI equities) to benefit from looser policy and improving risk appetite, while concurrently investing in defensive asset classes (such as IG bonds and gold) to protect portfolio performance against potential volatility. As your private professional wealth manager, we are committed to our mission to continuously create value for our customers. We aim to safeguard our clients' wealth by delivering sustainable and steady returns, and accomplish our core mission goals for our clients. We construct asset allocation and implement our investment strategies with care and diligence, striving to help our customers navigate their way through unpredictable financial markets.

## Markets' Performance in the Previous Quarter

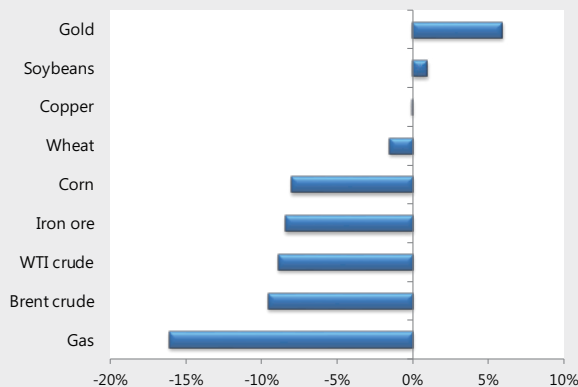
### Global Equity Indexes



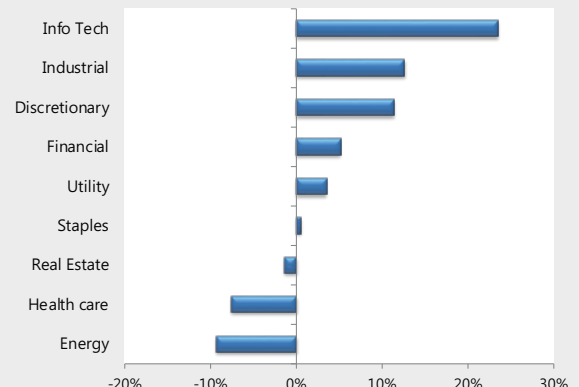
### Major Currencies



### Commodities



### Sectors



## Market Commentary on Previous Outperformers and Underperformers

### Outperformers : Korea, EUR

In Q2 2025, South Korea's KOSPI index surged nearly 24%, mainly supported by policy stimulus and a shift in capital allocation. The Korean won appreciated over 7% against the US dollar, making it the strongest-performing currency in Asia. This reflected positive developments in US-Korea trade negotiations and attracted renewed foreign inflows into Korean equities. Meanwhile, the National Assembly approved a supplementary fiscal budget exceeding KRW 1.2 trillion (around USD 860 million), covering support for SMEs and investment in AI infrastructure. Alongside

the Bank of Korea's decision to pause rate cuts to manage financial risks, these measures helped stabilize market sentiment. The euro also strengthened in Q2, benefiting from a weaker US dollar, rising relative attractiveness of European equities, and improving economic sentiment in the Eurozone. Although the European Central Bank had begun its rate-cutting cycle, markets reassessed the euro's international role and showed increased allocation interest, supporting continued euro appreciation.

### Underperformers : USD, Gas

In Q2 2025, the US dollar depreciated by nearly 7%, reflecting heightened global concerns over US policy direction. The Trump administration's push for high tariffs and expansionary fiscal measures fueled expectations of rising fiscal deficits and inflation. In addition, markets increasingly bet on multiple rate cuts by the Federal Reserve within the year. As a result, the US Dollar Index fell significantly for the quarter, marking its worst quarterly performance in decades. At the same time, natural gas futures also came under pressure, primarily due to oversupply and elevated inventories.

Production in both the US and Canada reached record highs, while newly released LNG capacity in Canada failed to provide immediate demand support, further exacerbating supply pressures. US natural gas inventories remained consistently above the five-year average, driving futures prices down by around 10% over the quarter. Major energy companies such as ExxonMobil, BP, and Shell issued warnings that the decline in natural gas prices was weighing on profit margins, highlighting weakening momentum in the energy sector.

## Quarterly Discussion Theme – 2025: An Inflection Point for Autonomous Vehicles

### The Emergence of a New Transportation Paradigm

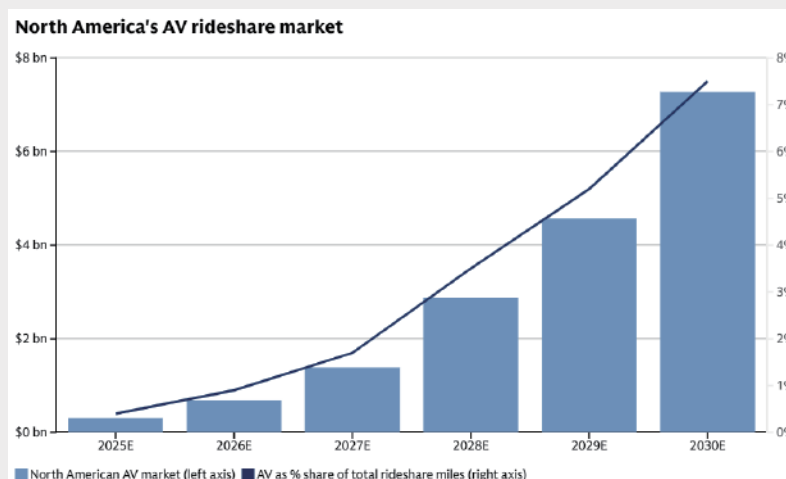
Autonomous driving could transform personal mobility, repurposing time once devoted to driving for video calls, streaming content, or productive work. For employees with lengthy commutes, that in-vehicle flexibility can raise productivity and effectively shorten the workday. Because work can be completed en route, workers may feel freer to live farther from the office, drawing more residents to rural areas and suburbs. Safety benefits are equally compelling: a 2017 RAND study found that deploying autonomous vehicles just 10% safer than the average human driver could avert roughly 200,000 fatalities over 15 years and up to 700,000 over 30, compared with waiting until the technology is 75–90% safer.

Autonomous vehicles (AVs) including self-driving cars, robotaxis, and autonomous trucks are approaching a pivotal moment in 2025. Breakthroughs in AI and growing real-world deployments indicate that the sector is shifting from pilots toward commercial viability. Unlike earlier self-driving systems that relied heavily on hand-coded rules and high-definition maps, today's AVs employ "physical AI": neural networks trained on vast data, able to learn and reason in complex environments.

For instance, modern autonomous-driving software can interpret novel scenarios flexibly, aided by sophisticated perception modules and even language-based reasoning models, while vehicles carry supercomputer-class chips (often supplied by companies such as NVIDIA) to make decisions in real time. Importantly, the cost of critical hardware, including LiDAR sensors (which use laser light to measure distance and create 3-D representations of surroundings), has fallen sharply, removing a long-standing obstacle.

Proofs of concept are now appearing at scale. More than 1,500 AVs are already operating commercially in five U.S. cities. Goldman Sachs Research projects this number will rise to roughly 35,000 by 2030, at which point AVs could generate about \$7 billion in annual revenue and capture around 8% of the U.S. ride-share market—up from less than 1% today. Separately, adoption of autonomous trucks in commercial freight fleets is also expected to expand.

Figure 1: Goldman Sachs projects U.S. robotaxi rideshare market to expand at ~ 90% CAGR from 2025-30, with 40-50% gross margins, driving total industry gross profit to about \$3.5 billion by 2030



Source : Goldman Sachs

In contrast, China is arguably witnessing the world's most aggressive robotaxi rollout. Goldman Sachs forecasts that the country's robotaxi market will surge from \$54 million in 2025 to \$47 billion by 2035. By 2030, Goldman Sachs expects 474,000 robotaxis to be operating across Chinese cities, growing to 1.9 million by 2035, capturing roughly 25% of the nation's shared-mobility sector. This surge marks not just rapid growth but the emergence of an entirely new transportation paradigm.

By mid-2025, regulators on both sides of the Pacific have taken a markedly more supportive stance. In April, the U.S. Department of Transportation and NHTSA unveiled a new Automated Vehicle Framework that opens the door to commercial AV deployment while preserving strict safety oversight. Meanwhile, Chinese authorities are progressively authorizing advanced "hands-off" driving functions and fully unmanned robotaxi operations under tightly monitored pilot programmes, signaling a cautious yet clear shift toward large-scale autonomy.

## Quarterly Discussion Theme – 2025: An Inflection Point for Autonomous Vehicles

### Equity Investment Opportunities to Capitalize on AVs

AVs and robotaxis run on a multilayer stack—chips, sensors, HD maps, connectivity, vehicle platforms, and fleet management—so opportunities extend far beyond automakers. Key investment themes and representative exposures include:

- **Vehicle Manufacturers (OEMs):** Traditional and industrial vehicle makers adding autonomous functions.
- **Autonomous Driving Software & AI Developers:** Firms whose algorithms, data pipelines, and operating systems will orchestrate driverless mobility.
- **Sensor and Component Suppliers:** Providers of LiDAR, radar, cameras, and other critical components that enable higher levels of automation across consumer and commercial fleets.
- **Semiconductor & Computing Companies:** Producing chips, hardware accelerators, and software that power AV functions.
- **ETFs:** For investors seeking a less concentrated approach, ETFs offer diversified exposure.

Figure 2: Representative AV & Robotaxi Stocks (non-exhaustive list)

Investment Theme	Representative Company	Ticker	Concrete AVs Activity
Vehicle Manufacturers (OEMs)	Toyota Motor Corp.	TSE:7203	Supplying Sienna-based robotaxis to Waymo and piloting autonomous shuttle services.
	Hyundai Motor Co.	KRX:005380	Motional, the 50-50 Hyundai–Aptiv joint venture, is building Level 4 IONIQ5 robotaxis for upcoming deployments in the U.S. and Singapore.
	Caterpillar Inc.	NYSE:CAT	Deploys fully autonomous haul trucks and dozers via MineStar Command.
	Deere & Company	NYSE:DE	Commercialized autonomous 8R tractor with AI-powered vision for row-crop farming.
	Daimler Truck	FWB:DTG	Torc partnership targets Level 4 hub-to-hub freight by 2027.
	XPeng Inc.	NYSE:XPEV	Rolling out City NGP Level 3 ADAS and LiDAR-equipped models across China.
Autonomous Driving Software & AI Developers	Alphabet Inc. (Waymo)	NASDAQ:GOOGL	Operates driverless robotaxi fleets in multiple U.S. cities and developing trucking platform.
	Amazon.com (Zoox)	NASDAQ:AMZN	Testing custom bi-directional shuttles; commercial launch planned for 2026.
	Aurora Innovation Inc.	NASDAQ:AUR	Running driverless freight pilots on Texas I-45 corridor; commercialization 2025.
	Dassault Systèmes SE	EPA:DSY	Virtual twin simulation software accelerates OEM AV validation and safety.
	Baidu Inc.	NASDAQ:BIDU	Apollo Go tops 10 million paid rides in China; eyeing regional launches in Singapore & Malaysia.
	Pony.ai Inc.	NASDAQ:PONY	Offers paid robotaxi routes connecting Guangzhou CBD and airport.
Sensor & Component Suppliers	Tesla Inc.	NASDAQ:TSLA	Tesla debuted its first robotaxi pilot in Austin, Texas in June 2025; broader U.S. rollout is slated for later this year, with owner-supplied Teslas joining the network in 2026.
	Aptiv PLC	NYSE:APT	Supplies radar, cameras and centralized ADAS controllers; co-owns Motional JV.
	Denso Corp.	TSE:6902	Provides millimeter-wave radar and LiDAR modules for Toyota ADAS.
	Allegro MicroSystems	NASDAQ:ALGM	Sells magnetic sensors critical for autonomous steering actuators.
	Hesai Group	NASDAQ:HSI	Global leader in LiDAR solutions, directly impacting autonomous driving across L2 to L4 levels.
	Innoviz Technologies	NASDAQ:INVZ	Focuses on LiDAR technology; key partnership with Mobileye for sensor supply starting in 2026.
Semiconductor & Computing	Ouster Inc.	NYSE:OUST	Digital LiDAR adopted in autonomous forklifts and yard trucks.
	NVIDIA Corp.	NASDAQ:NVDA	DRIVE platform SoCs and GPU software are used by many AV programs.
	Qualcomm Inc.	NASDAQ:QCOM	Qualcomm's Snapdragon Ride platform supports L2+–L4 autonomy; its SoCs combine ADAS, AI, and connectivity, and power Volkswagen's Level 4 program.
	Mobileye Global Inc.	NASDAQ:MBLY	Specializes in AI-based vision systems, offering EyeQ SoCs and software for L2+ to L4 autonomy.
	NXP Semiconductors NV	NASDAQ:NXPI	Major supplier of automotive semiconductors, including microcontrollers, radar, and SoCs for software-defined vehicles.
	Infineon Technologies	ETR:IFX	AURIX TC4x microcontrollers deliver safety compute for sensors and braking.
ETFs	STMicroelectronics NV	EPA:STM	Supply automotive-grade microcontrollers, sensors, and power solutions for ADAS and autonomous driving.
	Micron Technology Inc.	NASDAQ:MU	Provides high-performance memory and storage solutions, including LPDDR5 and NAND flash, critical for autonomous driving data processing.
	iShares Self-Driving EV & Tech ETF	NYSEARCA:IDRV	The ETF tracks developed and EM companies positioned to gain from advances in electric vehicles, battery technologies and autonomous driving technologies. Top holdings include AV companies from both developed and EMs, such as XPeng, BYD, and others.
	Global X Autonomous & EV ETF	NASDAQ:DRIV	The ETF invests in developers of autonomous driving, electric vehicles, and related components and materials. Top holdings include Alphabet, Nvidia, and Microsoft, among others.



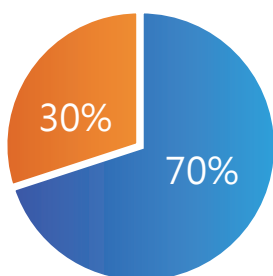
## Quarterly Market Outlook

Investment Market	-2	-1	0	+1	+2	Key Points
<b>Stock Market</b>						
US						Bullish on U.S. Equities Amid Fiscal Tailwinds and Solid Domestic Fundamentals
Europe						Neutral on European Equities as Potential ECB Pause and Trade Uncertainties Remain
Japan						Yen Rebound and U.S. Tariff Pressure Limit Exporters' Outlook
China						Dual Headwinds Persist, Q3 Market Momentum Likely to Remain Weak
North Asia						Capital Inflows and Industrial Momentum Drive Upside in Korea, Taiwan, and Hong Kong
Southeast Asia						Sluggish Exports and Weak Tourism Prolong Economic Stagnation
Other EM markets						Dollar Slide Boosts EM, but Divergent Fundamentals and Trade Risks Keep Us Neutral
<b>Fixed Income</b>						
IG Bonds						Central Bank Divergence Creates Strategy-Rich Opportunities in Bonds
Asian Bonds						With a Weaker Dollar, Asian Central Banks Face No Urgency to Cut Rates Aggressively
Real Estate						China's Property Market Remains Weak; Investment in Related Bonds Not Recommended at This Stage
<b>Commodities</b>						
Energy						Cooling Geopolitical Risks, Supply-Demand Stalemate Maintains Range-Bound
Basic Metal						Weak Demand and Low Inventory Tug-of-War Extend Price Volatility
Agriculture						Export Fluctuations and Global Inventory Battles Limit Upside Potential

☆ -2 = Strong Sell ; -1 = Underweight ; 0 = Neutral ; 1 = Overweight ; 2 = Strong Buy

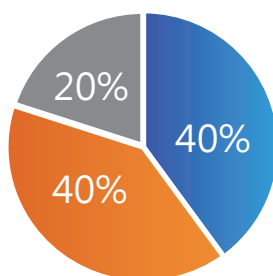
## Portfolio Recommendations

### Aggressive



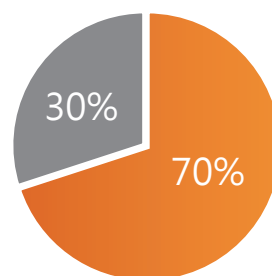
■ Growth

### Balanced



■ Income

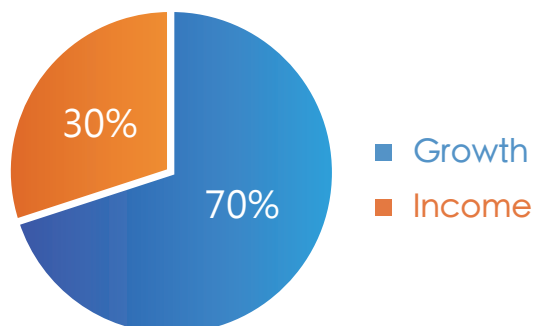
### Conservative



■ Money Market



## Aggressive Portfolio



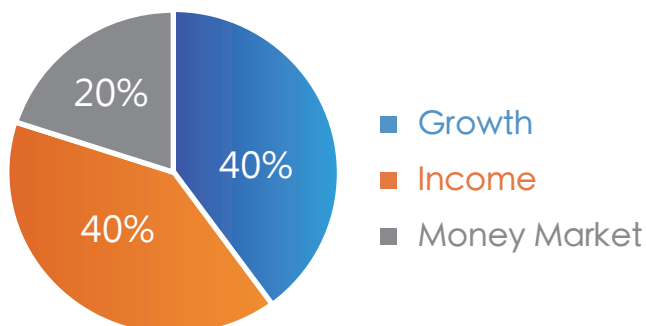
### Growth

Mutual Fund				
Investment Asset	CUR	Investment mandate	Market	ISIN
BlackRock Global Funds - World Technology Fund A2	USD	Invests globally in the equity securities of companies whose predominant economic activity is in the technology sector	Global	LU0056508442
AB - American Growth Portfolio	USD	Invests primarily in equity securities of companies that are organized, or have substantial business activities, in the US	USA	LU0079474960
Schroder International Selection Fund Hong Kong Equity	HKD	Invests primarily in equity and equity related securities of companies listed on the Hong Kong Stock Exchange	Hong Kong	LU0149534421
Barings Korea Feeder Fund - Class A (Acc)	USD	Invests primarily in Korean stocks and stock-related securities	Korea	IE0000838189
Corporate Stock / Equity Linked Note (ELN)				
Investment Asset	CUR	Company Description	Exchange	Ticker
Tesla, Inc.	USD	Produces electric vehicles, batteries, renewable energy solutions, electronics and related services	NASDAQ	TSLA.US
BYD Company Ltd.	HKD	Produces electric vehicles, batteries, renewable energy solutions, electronics, and related services	HKEX	1211.HK
Alphabet Inc.	USD	focusing on online advertising, search engine technology, cloud computing, consumer electronics, and artificial intelligence	NASDAQ	GOOG.US

### Income

Corporate Bond				
Investment Asset	CUR	Investment Description	Coupon	ISIN
Bank of America	USD	YTM : 6.9% / Maturity Date : 2035.11.01	7.000%	US06055JCQ04
J.P. Morgan	USD	YTM : 5.9% / Maturity Date : 2033.10.31	6.100%	US48130CCP86
<Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction				
Mutual Fund				
Investment Asset	CUR	Investment Mandate	Market	ISIN
Manulife - Global Multi-Asset Diversified Income Fund R Mdis (G)	USD	Aims to achieve income generation by investing primarily in a diversified portfolio of equity and fixed income securities of companies and/or governments globally	Global	LU2086872988
BlackRock Global Funds - Global Multi-Asset Income Fund A2 Acc	USD	Invests globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income transferable securities, and etc	Global	LU0784385840

## Balanced Portfolio



### Growth

Mutual Fund				
Investment Asset	CUR	Investment Mandate	Market	ISIN
AB - American Growth Portfolio A	USD	Invests primarily in equity securities of companies that are organized, or have substantial business activities, in the U.S.	USA	LU0079474960
Fidelity Funds - European Growth Fund A ACC	USD	Invests primarily in equities of companies listed on European stock exchanges	Europe	LU0997586606
Franklin Technology Fund A (acc)	USD	Invests primarily in the equity securities of companies expected to benefit from the development, advancement, and use of technology	Global	LU0109392836
Exchange Traded Fund				
Investment Asset	CUR	Investment Mandate	Market	Ticker
SPDR S&P 500 ETF	USD	Track the performance of the S&P500 Index	USA	SPY.US
iShares MSCI Japan ETF	USD	Track the performance of the MSCI Japan Index	Japan	EWJ.US

### Income

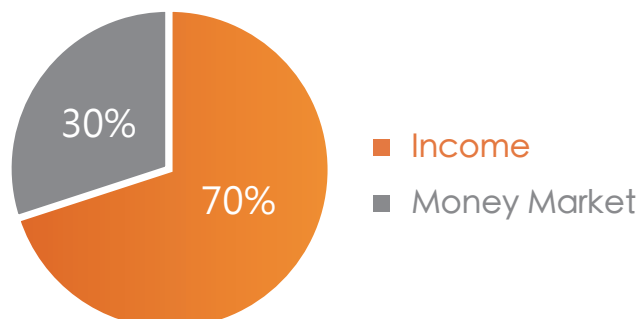
Corporate Bond				
Investment Asset	CUR	Investment Description	Coupon	ISIN
AIA Group	USD	YTM : 5.149% / Maturity Date : 2034.04.05	5.250%	US00131MAQ69
Apple, Inc.	USD	YTM : 4.7% / Maturity Date : 2035.12.05	4.750%	US037833FB15
Netflix, Inc.	USD	YTM : 6.083% / Maturity Date : 2034.08.15	4.900%	US64110LAZ94
<Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction				
Exchange Traded Fund				
Investment Asset	CUR	Investment Mandate	Market	Ticker
Vanguard Short-Term Corporate Bond ETF	USD	Track the performance of the Bloomberg U.S. 1–5 Year Corporate Bond Index	USA	VCSH.US
iShares 1-3 Year Treasury Bond ETF	USD	Track the performance of the ICE US Treasury 1-3 Year Bond Index	USA	SHY.US

### Money Market

Mutual Fund				
Investment Asset	CUR	Investment Type	Market	Ticker
Global X HSCEI Components Covered Call Active ETF	HKD	Mainly invest in Hang Seng China Enterprises Index constituent stocks and covered call option strategies	Hong Kong	3122.HK



## Conservative Portfolio



### Income

Corporate Bond				
Investment Asset	CUR	Investment Description	Coupon	ISIN
HSBC Holdings PLC	USD	YTM : 6.530% / Maturity Date : 2032.11.27	5.250%	US441812KB90
Apple, Inc.	USD	YTM : 4.7% / Maturity Date : 2035.12.05	4.750%	US037833FB15
<Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction				
Mutual Fund				
Investment Asset	CUR	Investment Mandate	Market	ISIN
BNP Paribas Funds USD Short Duration Bond	USD	Invests in government or corporate bonds and other debt instruments, structured debt denominated in USD	Mainly USA	LU0012182399
JPM Income Fund A Mdis	USD	Invests primarily in a portfolio of debt securities	Mainly USA	LU1128926489
HSBC Global Investment Funds - Ultra Short Duration Bond PC (Accumulation)	USD	Invests in bonds and money market instruments, with the portfolio's average duration expected to remain under one year	Global	LU2334455255
PIMCO GIS - Global Investment Grade Credit Fund E Acc	USD	Invests primarily in investment grade global corporate instruments	Global	IE00B3K7XK29
Exchange Traded Fund				
Investment Asset	CUR	Investment Mandate	Market	Ticker
iShares 1-3 Year International Treasury Bond ETF	USD	Tracks U.S. Treasury 1-3 Year Index	USA	SHY US
iShares International Treasury Bond ETF	USD	Tracks FTSE World Government Bond Index - Developed Markets Capped	Global	IGOV US
iShares 0-5 Year TIPS Bond ETF	USD	Tracks Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Years Index (Series-L)	USA	STIP US
CSOP RMB Money Market ETF	CNY	Invests primarily in RMB denominated and settled fixed-rate bonds	China	3122.HK

### Money Market

Mutual Fund				
Investment Asset	CUR	Investment Type	Market	ISIN
Fullerton SGD Cash Fund	SGD	Invests in short-term liquid assets denominated in SGD	Singapore	SG9999005961
Fidelity Funds - US Dollar Cash Fund A-Acc	USD	Invests principally in USD denominated debt securities	USA	LU0261952922

## US: Bullish on U.S. Equities Amid Fiscal Tailwinds and Solid Domestic Fundamentals

★ U.S. equities are expected to remain resilient in 2025Q3, supported by expansionary fiscal policy and solid domestic fundamentals despite lingering concerns over trade negotiations and inflation. The economy is decelerating only modestly and is broadly projected to avoid recession, creating a constructive backdrop for corporate earnings. The recently enacted One Big Beautiful Bill Act will extend the Trump-era tax cuts and other pro-growth provisions, benefiting sectors such

as industrials, communication services, and energy. Meanwhile, trade-policy uncertainty has eased, and a new trade deal with several allies has reduced near-term tail risks, improving market sentiment. While some Fed officials have suggested a possible July rate cut if inflation remains low, Chair Powell and the majority favour caution, making a July cut unlikely. However, Fed funds futures and market consensus now anticipate a 25-bps reduction in September.

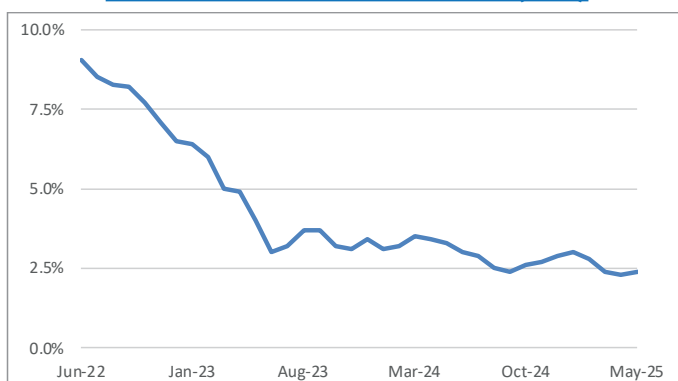
### U.S. Fed Latest Dot Plot



★ In May 2025, U.S. CPI increased marginally to 2.4% from 2.3% in April. While inflation remains well above the Fed's target, there are signs of gradual moderation. The labour market continues to show strength, with the unemployment rate at 4.2% in May, still near historically low levels. AI-driven capital investment remains a major tailwind for the U.S. macroeconomic and corporate earnings outlook. According to Bloomberg data, major tech firms such as Alphabet, Amazon, Meta, and Microsoft are projected to spend

\$311 billion in capital expenditures in 2025 and \$337 billion in 2026. Although the Trump administration's expansive fiscal agenda has reignited concerns about the sustainability of the federal debt trajectory, we believe U.S. equities are well-positioned to navigate these cross-currents. A favourable combination of fiscal stimulus, resilient consumer demand, strong corporate earnings, and an expected shift toward Fed easing should support continued market gains through the remainder of the quarter.

### U.S. Consumer Price Index (YoY)



★ Data Source : Bloomberg, 2025/6/30



## Europe: Neutral on European Equities as Potential ECB Pause and Trade Uncertainties Remain

★ European equities attracted substantial fresh capital and outperformed their U.S. counterparts in 2025Q1, reflecting confidence in the region's political stability amid U.S. policy jitters. However, the tide turned in second quarter as Wall Street surged on stronger earnings and the AI boom. Economically, Eurozone's growth has slowed but remains positive. The ECB projects real GDP to rise 0.9 % in 2025, accelerating to 1.1 % in 2026, aided by easing inflation, firmer real

wages and gradually improving credit conditions, offset in part by global trade frictions. Recession risks are muted, and unemployment remains contained. Crucially, headline inflation has already returned to the ECB's 2 % target, allowing the Governing Council to pause after its June cut and reiterate a data-dependent, meeting-by-meeting approach, with officials emphasizing the need to preserve policy space, cementing a 'pause-and-assess' consensus.

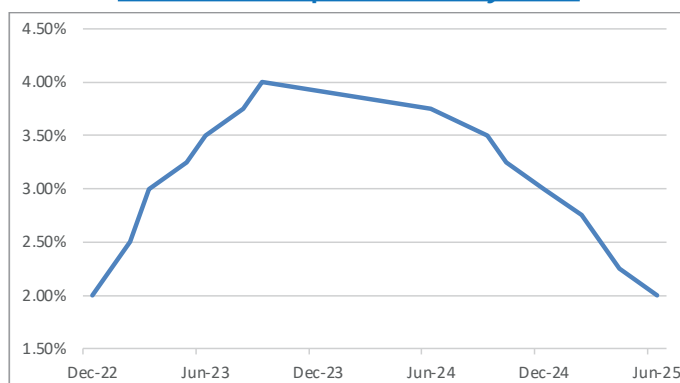
### Eurozone Consumer Price Index (YoY)



★ The primary risk facing the Eurozone is that Brussels fails to seal a trade accord with Washington, triggering President Trump's threat to slap 50% tariffs on almost all EU imports from 9 July. Encouragingly, diplomats on both sides report progress toward a headline "political understanding" that would avert the cliff edge by the deadline, even if it falls short of a full-scale agreement. The EU has indicated it would accept a modest universal tariff only if the pharmaceuticals, commercial aircraft and semiconductor sectors gain immediate relief; otherwise, Brussels is prepared to retaliate

from mid-July. Meanwhile, European governments are ramping up defence borrowing. Germany, for instance, has suspended its debt brake to launch a €500 billion fund for military, infrastructure, and climate projects, supporting growth even though the impact will materialise gradually. With global rotation out of U.S. assets slowing and the ECB signalling a pause after its June cut, Europe is unlikely to enjoy the same reallocation tailwind, reinforcing our neutral stance on the region's equities.

### Eurozone Deposit Facility Rate



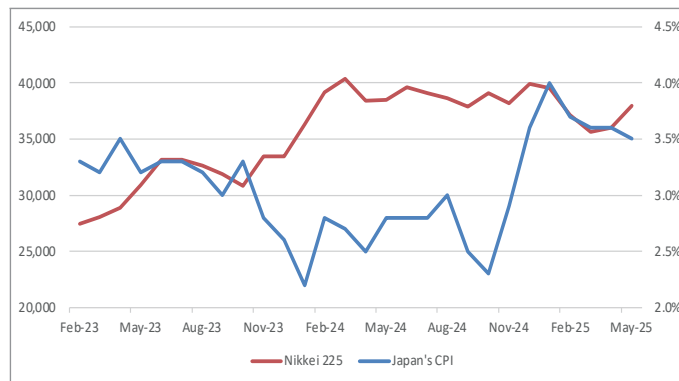
★ Data Source : Bloomberg, 2025/6/30

## Japan: Yen Rebound and U.S. Tariff Pressure Limit Exporters' Outlook

★ Japan's equity market remained relatively stable in Q2 2025, with the Nikkei 225 Index touching the 39,000 level several times in June but failing to achieve a decisive breakout. While corporate earnings were broadly solid—especially among large manufacturers and banks—investor sentiment remained cautious due to valuation concerns and external risks. Capital gradually shifted toward high-dividend, utility, and domestic demand-related stocks, reflecting a decline in market risk appetite. The Bank of Japan left interest

rates unchanged at its June meeting and reiterated a "gradual" approach to policy normalization, reinforcing the consistency of its anti-inflation stance. However, Japan's CPI has stayed above 2% for an extended period, and rising labor costs continue to pressure companies—particularly smaller firms with limited pricing power. Overall, the market in Q2 lacked strong upward catalysts, with gains mainly driven by sector rotation and technical recovery.

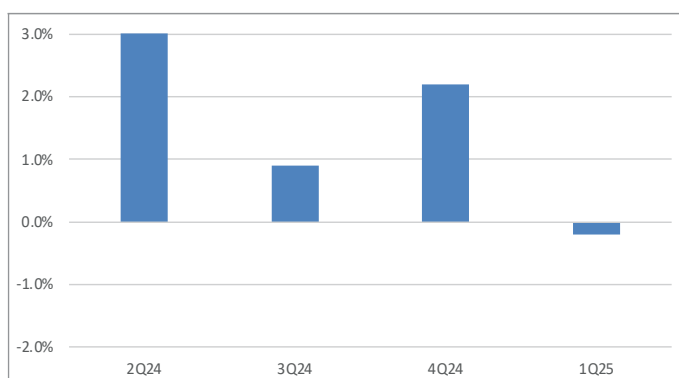
### Japan's CPI Shows Inverse Correlation with Equity Market



★ Looking ahead to Q3, Japan's equity market faces two key uncertainties. The first is currency risk: the yen has rebounded from its lows to around 140 per dollar, and a continued appreciation could erode overseas profits for exporters, especially in the automotive and electronic components sectors. The second is U.S. trade policy. The U.S. government has indicated it may reinstate punitive tariffs of up to 25% on Japanese automobiles after July 9. If implemented, this would directly impact Japan's manufacturing

sector. With exports still accounting for over 15% of Japan's GDP, a breakdown in trade negotiations could weaken corporate investment sentiment and weigh on overall market valuation. Additionally, expectations of a potential rate hike by the Bank of Japan later this year and downward revisions in corporate earnings add further pressure. As a result, we maintain a "Neutral" rating on Japanese equities for Q3.

### Japan's Q1 GDP Shows Signs of Contraction



★ Data Source : Bloomberg, 2025/6/30

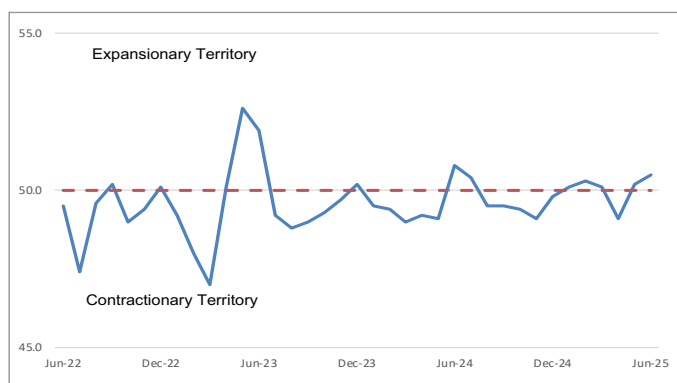


## China: Dual Headwinds Persist, Q3 Market Momentum Likely to Remain Weak

★ Entering Q3 2025, China's equity market continues to face dual pressures from weakened exports and sluggish global demand. The escalating impact of U.S. tariff increases has weighed on major export sectors such as electronics, automobiles, and machinery, with declining overseas orders beginning to erode industrial corporate profits. Some firms have shifted into losses. With no material improvement in U.S.-China relations, tariffs are expected to remain in

place in the near term, keeping foreign investors on the sidelines and limiting the appeal of renminbi-denominated assets. Although the Chinese government continues to boost infrastructure spending and ease credit to support domestic demand, recovery in consumer and investment confidence remains slow, with limited policy transmission effectiveness.

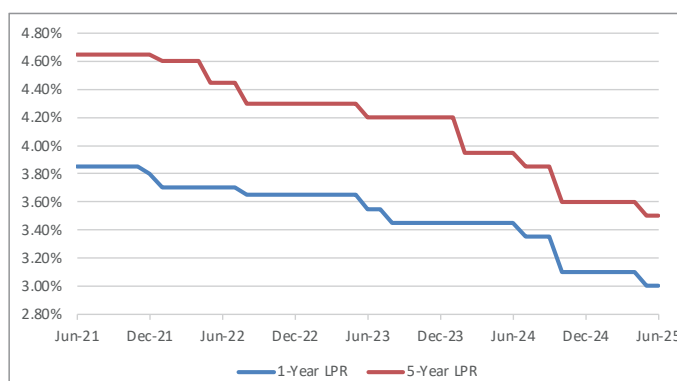
### China's Manufacturing PMI Contracts for Three Consecutive Months



★ Amid a lack of external catalysts and weak improvement in corporate fundamentals, market risk appetite has declined, with capital flowing into high-dividend and low-volatility assets. Near-term equity performance lacks clear upward drivers. Internally, the diminishing marginal impact of policy measures adds further pressure. Despite ongoing fiscal and monetary support—such as reserve requirement cuts and expanded special bond issuance—corporate expansion remains subdued and household consumption cautious. In a global environment of high interest rates

and persistent geopolitical risks, the effectiveness of stimulus on the stock market appears constrained. With no clear breakthrough to restore investor confidence, market positioning has turned defensive, favoring sectors with reasonable valuations and solid cash flows. Balancing U.S.-China trade uncertainties, weak domestic momentum, and limited policy effectiveness, we maintain a 'Neutral' view on China equities and recommend a defensive allocation strategy while awaiting greater clarity on structural opportunities.

### PBOC Continues to Lower Loan Prime Rate



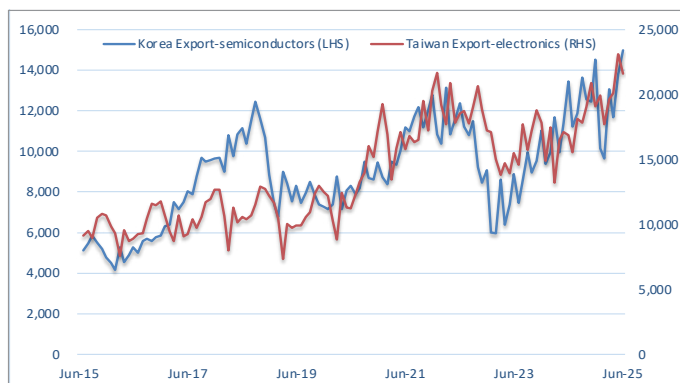
★ Data Source : Bloomberg, 2025/6/30

## North Asia: Capital Inflows and Industrial Momentum Drive Upside in Korea, Taiwan, and Hong Kong

★ Equity markets in South Korea and Taiwan continued their upward trend in 2025, with momentum expected to extend into Q3. The KOSPI Index in South Korea has surged approximately 30% year-to-date, largely driven by strong government-led capital market reforms. Key measures include encouraging higher dividend payouts, enhancing corporate governance, and easing foreign investment restrictions, which successfully attracted significant capital inflows. Taiwan benefited from robust

global demand for AI and semiconductor supply chains, with exports growing 9.4% year-on-year in May—mainly from chips, servers, and automation equipment. Both economies are anchored by high value-added exports while maintaining moderate inflation and stable policy rates, supporting cost control and profit margin expansion. With corporate earnings forecasts continuing to improve, we maintain a "Buy" rating on South Korea and Taiwan equities.

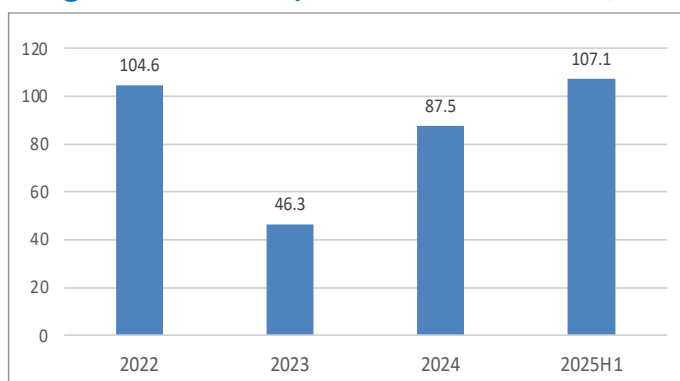
### South Korea and Taiwan's electronics export (Millions, In USD)



★ Hong Kong's capital market saw a notable rebound in the first half of 2025, emerging as one of the world's most active IPO markets. Over 40 IPOs were completed on the Main Board, raising a total of HKD 107.1 billion—an eightfold increase year-on-year—signaling significantly improved market liquidity. High-profile companies, including CATL, are planning secondary listings in Hong Kong, drawing early capital positioning and boosting market sentiment.

Continued southbound inflows have stabilized the market structure, while initiatives by Chinese corporates to enhance shareholder returns and push forward SOE reform have further strengthened investment appeal. With valuations at low levels and fundamentals steadily improving, Hong Kong equities are showing signs of recovery. We maintain a "Buy" rating for Q3 and recommend focusing on large IPO opportunities and policy-driven themes.

### IPO Fundraising in H1 2025 Surpasses Full-Year 2024 (Billions, In HKD)



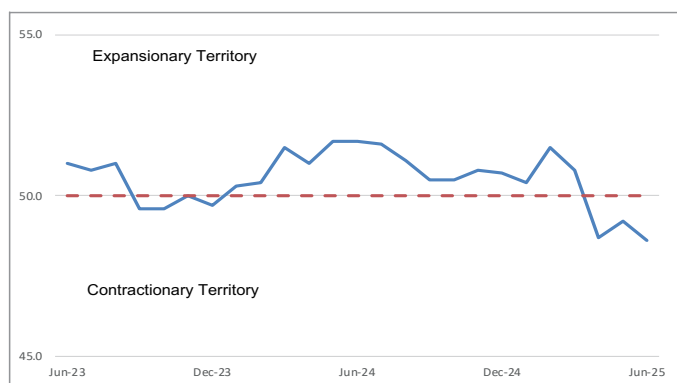
★ Data Source : Bloomberg, 2025/6/30

## Southeast Asia: Sluggish Exports and Weak Tourism Prolong Economic Stagnation

★ Southeast Asia faces challenges of weak economic momentum in Q3, particularly due to ongoing contraction in manufacturing. The ASEAN manufacturing PMI has stayed below 50 for three consecutive months, falling further to 48.6 in June—reflecting broad-based pressure on orders, output, and employment. Export-dependent countries such as Vietnam, Malaysia, and Indonesia have been affected by subdued global trade demand and rising tariff risks, leading to a notable decline in export orders and intensifying inventory and liquidity

pressures on enterprises. While some governments have attempted to support industries through fiscal stimulus, the impact on equity markets remains limited. Benefits from Chinese companies shifting capacity to Southeast Asia have yet to be fully reflected in local listed company earnings, prompting investors to remain cautious. Against the backdrop of global capital rotating back to major markets, Southeast Asian equities struggle to generate sustained upward momentum.

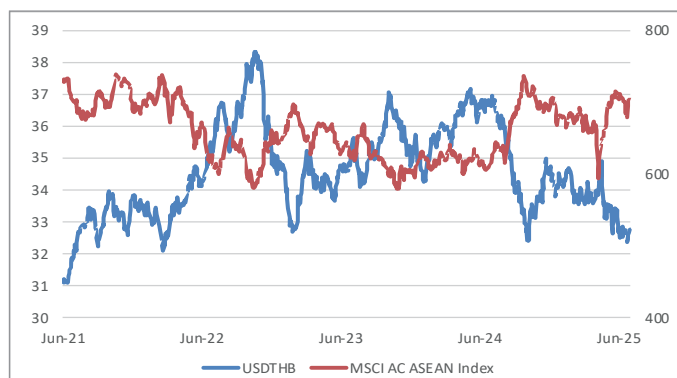
### ASEAN Manufacturing PMI Remains Below 50 for Three Straight Months



★ Thailand, as a representative tourism-driven economy in Southeast Asia, continues to face pressure in its equity market during Q3. From January to May 2025, the number of foreign visitors declined by approximately 1% year-over-year, highlighting a notable slowdown in tourism recovery. Outbound demand from major source markets such as China, Japan, and South Korea has yet to fully rebound, resulting in muted revenue growth for sectors like airlines, hotels, and retail. At the same time, the Thai baht's appreciation against the U.S. dollar may further

discourage inbound spending, indirectly dragging on the pace of recovery. While the government has continued to implement visa waivers and consumer stimulus measures, overall confidence in tourism-related consumption remains below pre-pandemic levels. Unless major events or further border easing occur in the second half of the year, capital may continue flowing into more attractively valued regional markets. As such, we maintain a "Moderately Negative" rating on Thailand's equity market for Q3.

### Stronger Baht Weighs on Local Tourism Sector



★ Data Source : Bloomberg, 2025/6/30



## Other Emerging Markets: Dollar Slide Boosts EM, but Divergent Fundamentals and Trade Risks Keep Us Neutral

★ De-escalating tariff risks, expansive fiscal agendas in the U.S., Europe, and China, and growing anticipation of Fed rate cuts are lifting market sentiment and encouraging investors to adopt a risk-on stance. Notably, the U.S. dollar has recorded its weakest first-half performance of any presidential term in the free-float era, with the DXY index down more than 10 % in 2025H1. A weaker USD provides a meaningful tailwind for EM equities. Historically, EM stocks tend to benefit from a depreciating dollar, as it enhances export competitiveness, attracts

foreign capital inflows, and reduces the burden of external debt. With continued USD weakness expected and improving economic fundamentals, EM equities appear well positioned. However, economic conditions differ significantly across emerging markets, making country-specific and stock selection expertise crucial. Meanwhile, Russia and India reduced their benchmark interest rates in June, while Brazil opted to raise interest rates during the same period to alleviate domestic inflationary pressures and mitigate capital outflows.

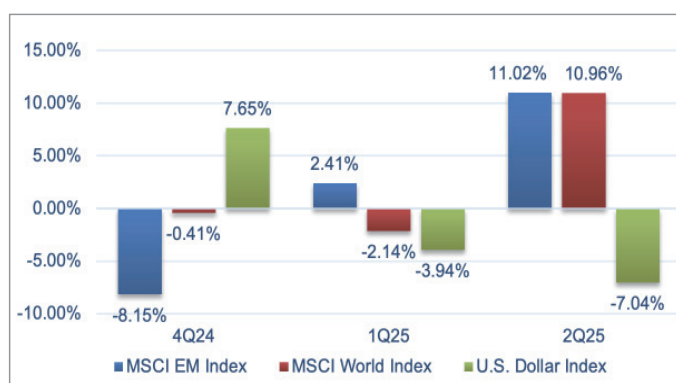
### EM major central banks interest rate policy decisions in June

Country	Prior	New	Decision
Russia	21.00%	20.00%	Cut
Turkey	46.00%	46.00%	Hold
Brazil	14.75%	15.00%	Hike
Hungary	6.50%	6.50%	Hold
India	6.00%	5.50%	Cut

★ U.S. trade policy remains a key external driver for EM equities. This year's tariff dispute dealt a demand shock to economies deeply embedded in global supply chains, and while tensions have eased, a breakdown in talks could quickly revive tariffs and pressure EM stocks. Still, select markets offer standout stories. Several markets, such as India, Argentina, and Saudi Arabia offer compelling long-term opportunities thanks to structural reforms, favourable demographics, or sectoral booms. Argentina, for example, is edging toward political

change and economic stabilisation that could unlock value, although its equity market is small and high risk. Saudi Arabia and Gulf peers benefit from Vision 2030 diversification and still-solid energy revenues, buffering them from U.S.-China frictions. These idiosyncratic narratives highlight that EM is far from monolithic; selectivity is vital. Given ongoing policy uncertainty and mixed fundamentals, we stay neutral on broad EM equities, though active investors may find opportunities by capitalizing on market dispersion.

### MSCI EM Index vs World Index & Dollar



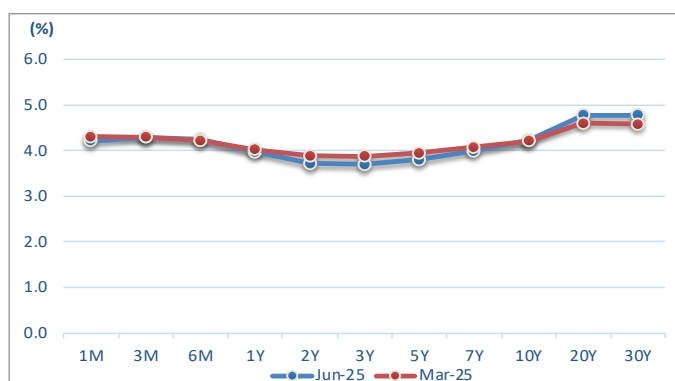
★ Data Source : Bloomberg, 2025/6/30

## Bond Markets: Central Bank Divergence Creates Strategy-Rich Opportunities in Bonds

★ Major central banks are now at distinctly different stages of their policy cycles. The Fed remains on the sidelines, awaiting clearer inflation signals, with futures fully pricing in a 25-bps cut at September. The BOE made its first reduction since 2020 in May. In contrast, the ECB and the Bank of Canada, after a string of earlier cuts, have adopted a 'pause-and-assess' stance. The PBOC is still in stimulus mode, rolling out fresh reserve requirement and policy rate cuts, while the BOJ, having just exited its ultra-easy policy, is standing pat near zero. This divergence is contributing to dispersion and volatility across

global curves—creating a rich opportunity set for active bond investors who can tactically navigate curve shapes, cross-market spreads, and hedging costs. 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 while limiting long-end risk associated with expansive fiscal policy, and includes selective EM local-currency bonds poised to benefit from a softer dollar and the current risk-on tone.

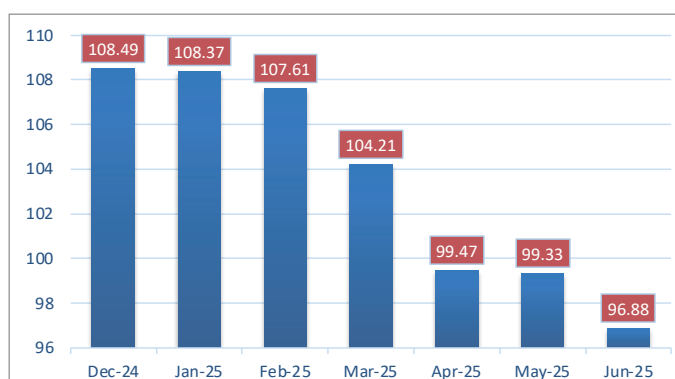
### U.S. Fiscal Surge Lifts Long Yields



★ As tariff tensions ease and expectations of Fed rate cuts boost sentiment, global investors have adopted a more risk-on stance. As a result, downside risk for high-quality bonds now appears limited, providing equity-heavy portfolios with an opportunity to earn carry while mitigating volatility. A softer dollar and stronger risk appetite also support selective allocations to EM debt. Nevertheless, policy and geopolitical shocks could still widen spreads abruptly, as the ultimate outcome of trade negotiations remains uncertain. In addition, we

remain cautious on long-duration exposure, given the expansive fiscal policies being pursued by governments globally. Overall, the bond market outlook for 2025Q3 appears attractive. With global yields hovering near decade highs, investors are presented with a rare opportunity to lock in elevated coupons. At the same time, this environment offers a valuable window to diversify away from a U.S.-centric allocation toward European or select Asian debt, while also broadening sector exposure and shortening effective duration.

### Soft Dollar Buys EM Debt



★ Data Source : Bloomberg, 2025/6/30

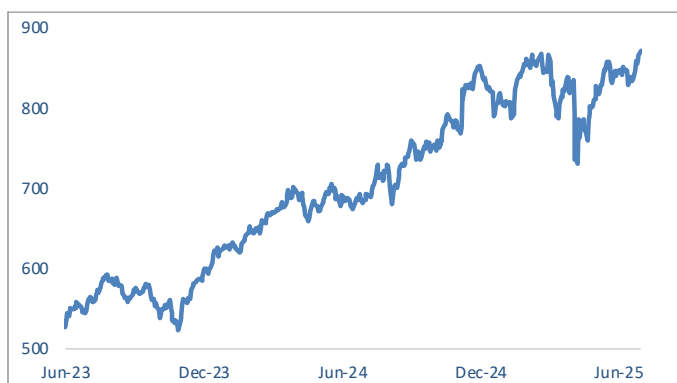
## Industry Trends and Outlook

### Banking – Positive Outcomes from Stress Tests Lead to Neutral-to-Bullish Rating

★ The financial sector is expected to extend its solid performance from the previous quarter. Following the successful completion of annual stress tests by major US banks, several institutions announced share buybacks and dividend increases, boosting market confidence. Meanwhile, market expectations have largely adjusted to the idea that the Federal Reserve is in no rush to cut rates this year. The sustained high-rate environment continues to support net interest margins, helping to bolster short- to medium-term profitability. However, downside risks remain,

including potential defaults in commercial real estate loans and liquidity pressures facing regional banks. Additionally, if economic data weakens significantly or inflation reaccelerates—adding new uncertainty to policy outlook—the financial sector could come under renewed pressure. Overall, supported by buybacks, stable margins, and capital flows, we maintain a neutral rating on the financial sector for Q3, while closely monitoring credit quality and forward guidance in the second half of the year.

#### S&P500 Financials Index

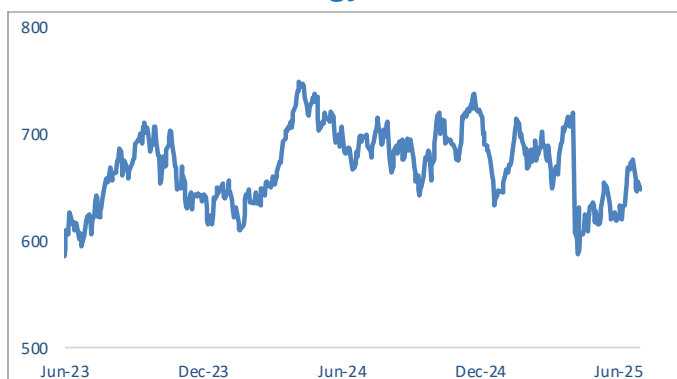


### Energy – Easing Geopolitical Risks, But Fundamental Pressures Persist

★ The US energy sector continues its weak performance from the previous quarter, as falling oil and natural gas prices place pressure on corporate cash flows. ExxonMobil recently issued a profit warning, citing a significant decline in Q2 earnings due to persistently low oil and gas prices. Although tensions between Israel and Iran temporarily pushed oil prices higher, the subsequent announcement of a formal ceasefire agreement by the US swiftly erased the risk premium, with Brent crude tumbling more than 10% from its

peak. At the same time, rising output from OPEC+ and a recovery in US shale production have added to supply-side pressure, while lackluster demand recovery in China has capped upside support. Against the backdrop of high interest rates and ongoing economic uncertainty, energy companies are becoming more conservative with capital expenditures, and valuations remain unattractive. We revise our outlook for the energy sector in Q3 to negative.

#### S&P500 Energy Sector Index



★ Data Source : Bloomberg, 2025/6/30



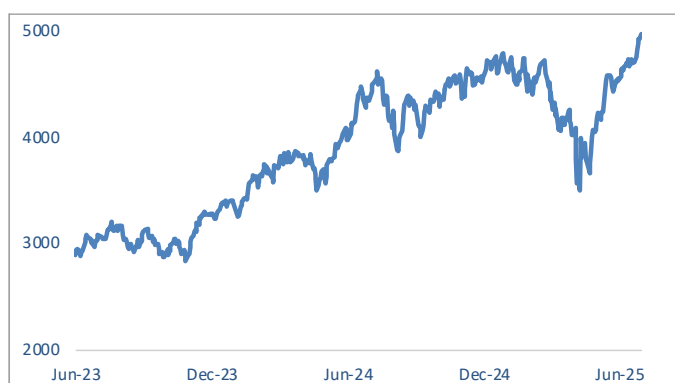
## Industry Trends and Outlook

### Technology – AI Momentum Continues, Valuation and Policy Risks Coexist

★ The US technology sector continues to lead market performance, as AI technologies move further from the R&D phase toward commercial monetization, driving sustained upward revisions in corporate earnings expectations. The "Magnificent 7" have rapidly expanded in areas such as cloud computing, edge AI, and automation applications, fueling strong demand across the semiconductor, server, and software service segments—creating a robust upstream-downstream growth cycle. In addition, the Trump camp has shown support for AI infrastructure in its policy stance, while

tax incentives for R&D spending remain in place. As a result, technology companies have seen notable improvements in capital returns and free cash flow. While valuations for some leading names are already elevated, the sector retains relative appeal due to strong earnings visibility and the market's increasing tolerance for higher interest rates. Although trade tensions and regulatory risks may introduce short-term volatility, they are not expected to alter the sector's long-term upward trajectory. We revise our outlook for the technology sector to moderately bullish.

#### S&P500 Info Technology Sector Index



### Health Care – Rising Costs and Policy Uncertainty Weaken Attractiveness

★ Health Care – The US healthcare sector remains under pressure from persistently rising medical costs and potential policy headwinds. According to guidance from several major insurers, surging expenses related to GLP-1 weight-loss drugs, inpatient care, and behavioral health have pushed projected medical inflation for 2025 to nearly 8%—the highest level in 13 years. While certain segments—such as medical devices and select innovative drugmakers—still hold long-term growth

potential, the sector remains highly fragmented, and structural opportunities have yet to fully materialize. More importantly, if Trump strengthens his policy stance in the second half of the year and pushes for cuts to Medicaid or ACA subsidies, confidence in the insurance and healthcare services sub-sectors could face renewed pressure. In the absence of clear policy support or signs of cost containment, we maintain a neutral-to-bearish rating on the healthcare sector.

#### S&P500 Health Care Sector Index



★ Data Source : Bloomberg, 2025/6/30

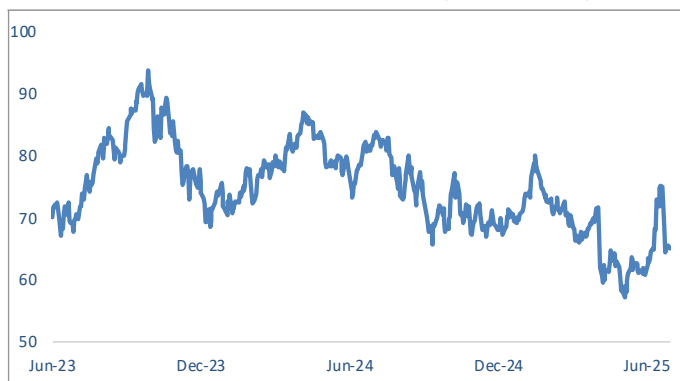
## Industry Trends and Outlook

### Crude Oil – Cooling Geopolitical Risks, Supply-Demand Stalemate Maintains Range-Bound

★ The crude oil market remains weighed down by supply-demand imbalances and weakening market sentiment. Following the official announcement of a ceasefire agreement between Israel and Iran by the U.S., geopolitical risks eased sharply, leading to a steep drop in Brent crude prices and the near disappearance of risk premiums. On the supply side, OPEC+ has begun gradually increasing output since July, adding over 1.3 million barrels per day, while U.S. shale production is also on the rise, significantly increasing supply pressure. On the demand side, weakness persists,

with sluggish manufacturing activity in the U.S. and Europe and no strong rebound in China's domestic demand, leaving global oil consumption without solid support. While uncertainties in the Middle East remain, market expectations for near-term supply-demand improvement are low, and overall trading sentiment is cautious. We maintain a "Negative" rating on the crude oil market for Q3, projecting Brent crude prices to fluctuate between USD 65 and 72, pending a clearer structural shift in fundamentals.

#### WTI Crude Oil Futures (US\$/BBL)



### Copper – Policy-Driven Volatility Emerges, Long-Term Demand Remains Supported

★ The copper prices have fluctuated amid policy-driven momentum and shifting demand dynamics. At the end of Q2, the U.S. announced tariffs of up to 50% on imported copper, triggering short-term panic buying and a surge in futures prices—COMEX copper posted its largest single-day gain since 1968. While this move led to a sharp price spike, it also prompted rapid restocking across global markets, causing prices on the LME and SHFE to retreat as supply chain distortions narrowed

arbitrage opportunities. Meanwhile, China's ongoing upgrades to its power grid, along with steady progress in renewable energy and vehicle electrification, offer long-term structural support for copper demand. However, rising U.S.-China trade tensions, elevated inventories, and persistent financial market volatility may keep prices in a consolidation range in the short term. We maintain a "Moderately Bullish" rating on the copper market for Q3.

#### Copper Futures (US\$/MT)



★ Data Source : Bloomberg, 2025/6/30

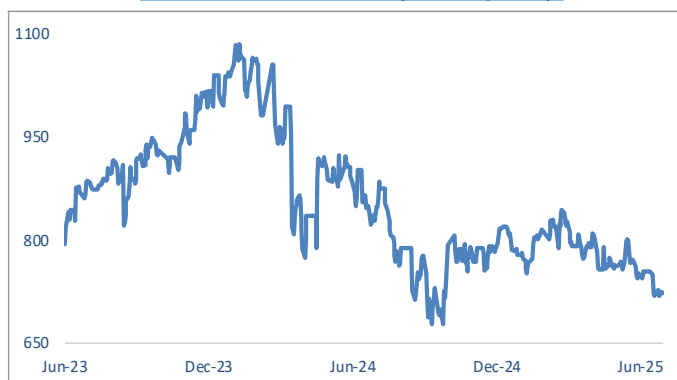
## Industry Trends and Outlook

### Iron Ore – Weak Demand and Low Inventory Tug-of-War Extend Price Volatility

★ The iron ore prices continue to trade within a narrow range, extending the pattern observed in Q2. Although the recovery momentum in China's real estate and manufacturing investment remains limited, port inventories have fallen below 133 million tons, indicating a tightening supply as import volumes slow. On the supply side, Australian shipments have declined due to weather disruptions, while Brazil and India have struggled to significantly ramp up exports, keeping overall shipments relatively moderate. According to consensus from the Singapore commodities forum,

near-term iron ore prices will remain primarily driven by Chinese steel demand, with benchmark spot prices expected to fluctuate between RMB 700 and 790 per ton in Q3. Given supply-side adjustments and cost support, further downside appears limited; however, in the absence of strong domestic demand or clear trade policy direction between China and the U.S., there is also little room for a substantial rebound. We maintain a "Neutral to Slightly Bearish" rating on the iron ore market for Q3.

#### Iron Ore Futures (CNY\$/MT)

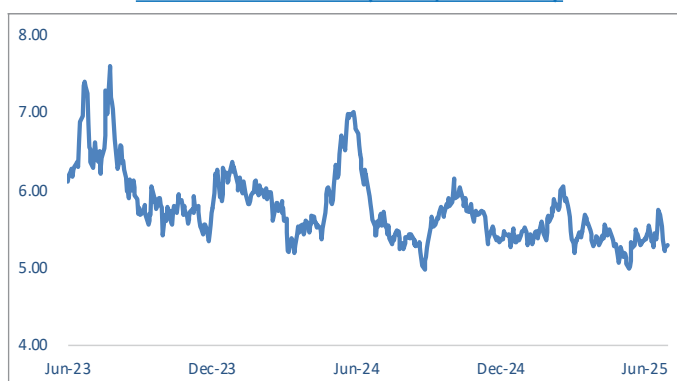


### Wheat – Export Fluctuations and Global Inventory Battles Limit Upside Potential

★ The wheat market remains characterized by a complex interplay of supply and demand, resulting in price fluctuations. At the end of Q2, Russian wheat exports sharply declined to their lowest level since the financial crisis due to adverse weather and delayed harvests. Although the government urgently cut export taxes to zero, this only caused short-term disruptions to global supply. Meanwhile, ample inventories in the U.S. and India provide significant counterbalance: U.S. stocks reached 850 million bushels in Q2, slightly above

market expectations, and India announced no import needs following a strong spring harvest, weakening price support. Despite a technical rebound in futures in early July, market participants generally remain cautious about the medium- to long-term price outlook. A stronger U.S. dollar also suppresses agricultural export competitiveness. In the absence of substantial demand drivers, we maintain a "Neutral" rating on the wheat market for Q3.

#### Wheat Futures (US\$/Bushel)



★ Data Source : Bloomberg, 2025/6/30



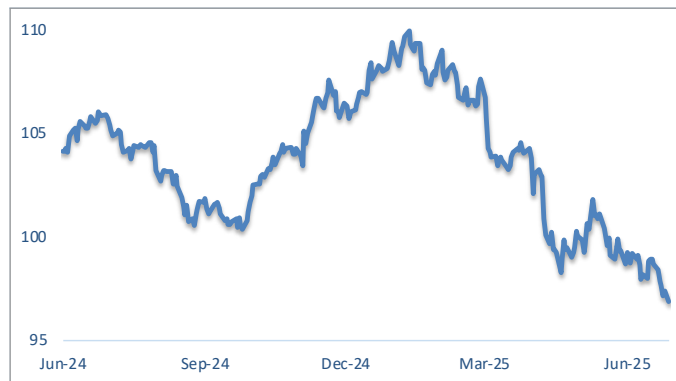
## Industry Trends and Outlook

### Dollar Index – Resistance : 110.17 / Support : 96.37

★ The dollar has logged its worst first-half in more than 50 years, as financial markets over the past six months have been dominated by geopolitical tensions and President Trump's trade war. This is the first time since 2002 that a sharp dollar decline has coincided with major risk-off events, prompting institutions to question traditional correlations and reassess reliance on U.S. assets. However, speculation that the greenback could lose its reserve-currency role remains premature, as no rival currency yet matches the scale and systemic requirements to underpin global trade. While some Fed officials have mooted a July rate cut,

Chair Powell and the majority favour caution, making a July cut unlikely. However, fed-funds futures now fully price in a 25-bps cut at September's meeting. Meanwhile, the One Big Beautiful Bill Act is projected to add about \$3.3 trillion to federal debt over the next decade, rekindling twin-deficit concerns that weigh on the dollar. As a result, we expect further dollar softening in 2025Q3, 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. Support is at 96.37 (52-Week Low) and resistance at 110.17 (52-Week High).

#### Dollar Index

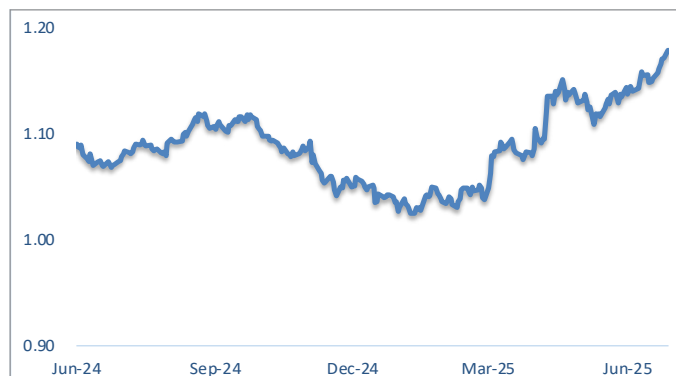


### EUR/USD – Resistance : 1.1835 / Support : 1.0890

★ The Fed and the ECB now sit at very different points in their policy cycles. The Fed is still in 'pre-easing' mode, staying on the sidelines and awaiting clearer inflation signals before its first cut, while the ECB, after multiple reductions, has adopted a 'pause-and-assess' stance. At the same time, EU and U.S. negotiators have conceded that a comprehensive trade agreement is 'impossible' before the July 9 deadline. Encouragingly, however, both sides are working toward a face-saving framework to avert Trump's proposed 50% blanket tariffs. This

unresolved negotiation remains 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 in 2025Q3, as upside momentum has faded following a strong first-half rally. Linger trade uncertainty, a stalled ECB easing cycle, and an expected Fed cut offset one another, keeping the pair in equilibrium. Support is at 1.0890 (13-Week Low) and resistance at 1.1835 (Price 3 Standard Deviations Resistance).

#### EUR/USD



★ Data Source : Bloomberg, 2025/6/30

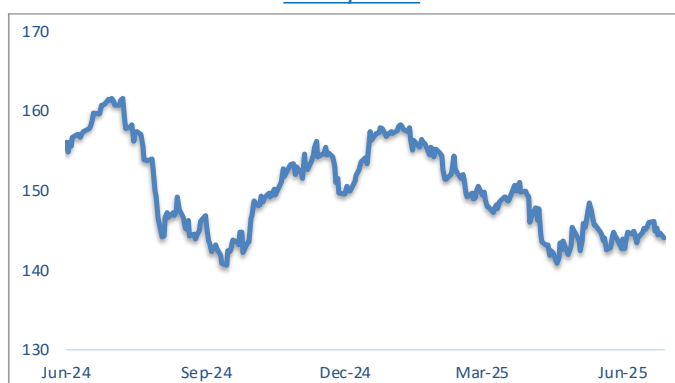
## Industry Trends and Outlook

### USD/JPY – Resistance : 161.805 / Support : 139.890

★ The Fed and the BOJ currently sit at opposite ends of the monetary policy spectrum. The Fed is expected to begin its first cut by September, while the BOJ remains on hold following its January hike, with markets still expecting at least one further hike before end-2025. This divergence is underpinned by Japan's supportive macro backdrop: real incomes are rising, the current account surplus remains substantial, and core inflation climbed to 3.7% in May. However, the wide policy rate

differential of ~400 basis points (Fed: 4.25–4.50%, BOJ: 0.50%) continues to support attractive carry trades, which remains a headwind for the yen. Additional event risk stems from the upcoming tariff deadline, which could trigger increased JPY volatility. Balancing these dynamics, we expect USD/JPY to remain volatile but broadly range-bound through 2025Q3. Support is at 139.890 (13-Week Low) and resistance at 161.805 (52-Week High).

#### USD/JPY

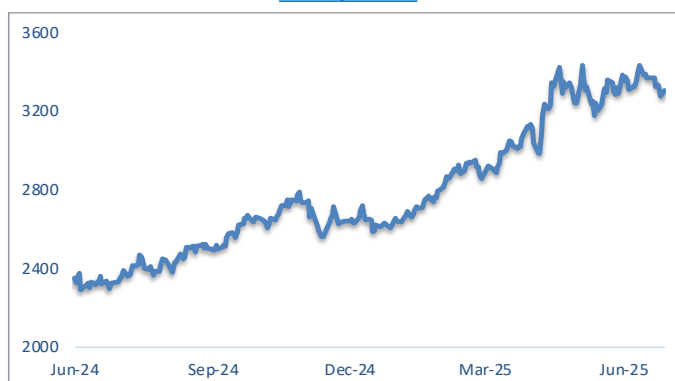


### XAU/USD – Resistance : 3495.89 / Support : 2972.73

★ Gold was a standout in 2025H1, rallying about 26% year-to-date and briefly breaking a record of \$3,500/oz in April amid peak tariff anxiety before consolidating in the \$3,300–\$3,400 range as immediate risks faded. The structural drivers 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. A recent World Gold Council survey shows 76% of central banks expect gold to take a larger share of reserves over the next five years, with over half

planning to add to holdings within 12 months. These steady inflows have effectively installed 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, the uncertainty factor remains high regardless of subsequent trade and policy developments, and this persistent uncertainty continues to underpin gold prices. Accordingly, we expect gold's performance to remain robust in 2025Q3. Support is at 2,972.73 (13-Week Low) and resistance is at 3,495.89 (52-Week High).

#### XAU/USD



★ Data Source : Bloomberg, 2025/6/30

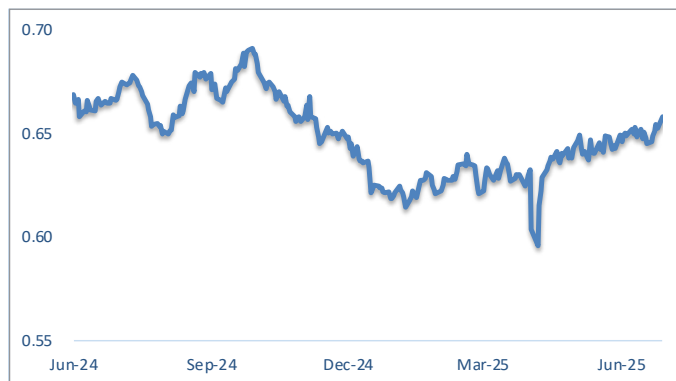
## Industry Trends and Outlook

### AUD/USD – Resistance : 0.6942 / Support : 0.5916

★ Australia's economy is losing momentum, with 2025Q1 GDP growing by just 0.2%, while both consumption and housing activity continue to soften. Headline CPI declined to 2.1% year-over-year in May, down from 2.4% in April, confirming that inflationary pressures are easing. With growth risks rising and inflation moderating, we expect the RBA to deliver a third consecutive 25 bps cut at the upcoming July meeting,

with further easing likely before year-end. This weakens the AUD's yield appeal. Meanwhile, although the Fed is also expected to begin easing, its pace will likely be more measured compared to the RBA, maintaining a negative interest rate differential for the AUD. As a result, we hold a bearish outlook on the AUD in 2025Q3. Support is at 0.5916 (13-Week Low) and resistance is at 0.6942 (52-Week High).

#### AUD/USD

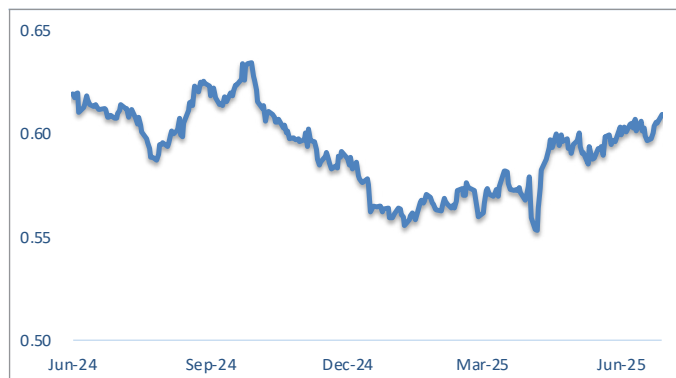


### NZD/USD – Resistance : 0.6378 / Support : 0.5487

★ The RBNZ has cut the Official Cash Rate by 225 bps since August 2024, bringing it to 3.25% as of May 2025. This easing has helped the economy recover from a mild recession and kept inflation within the 1–3% target band, though growth remains subdued. The RBNZ is expected to pause in July while maintaining a dovish bias, leaving room for further easing if inflation expectations moderate. Meanwhile, the Fed is expected to begin easing in September. However, in

our view, it is difficult to determine which central bank is currently more dovish. Regardless, the wide interest rate differential, combined with the superior liquidity and perceived safety of the USD, is expected to favor the greenback over the kiwi. Accordingly, we maintain a bearish outlook on the NZD for 2025Q3. Support is at 0.5487 (52-Week Low) and resistance is at 0.6378 (52-Week High).

#### NZD/USD



★ Data Source : Bloomberg, 2025/6/30



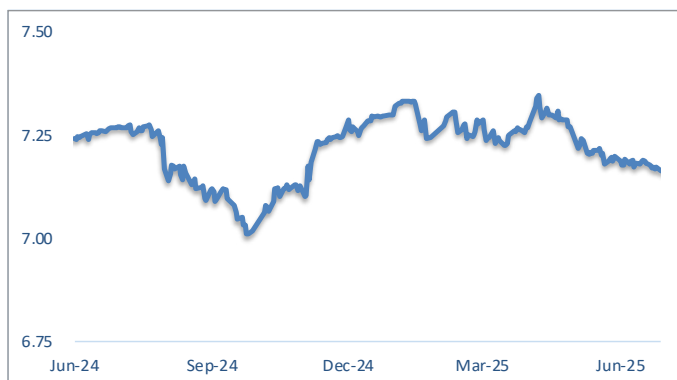
## Industry Trends and Outlook

### USD/CNY – Resistance : 7.3393 / Support : 7.0092

★ China's economy remains weighed down by tepid growth, deflationary pressure, and lingering trade frictions, prompting increased monetary and fiscal stimulus. These conditions typically align with currency weakness, as policymakers often permit or encourage some depreciation to support exporters and re-inflate import prices. Beijing, however, is likely to manage any slide carefully, given its focus on financial stability and past reluctance to allow erratic moves. Meanwhile, the Fed is expected to begin easing in September,

which may soften the dollar but won't fully offset the PBOC's easing bias. Additionally, the U.S.–China interest rate differential, while narrowing, still offers limited structural support for the yuan. Accordingly, we anticipate only a mild, controlled depreciation of CNY through 2025Q3, as Chinese authorities use a weaker currency to bolster growth while avoiding sharp volatility. Support is at 7.0092 (52-Week Low) and resistance at 7.3393 (52-Week High).

#### USD/CNY

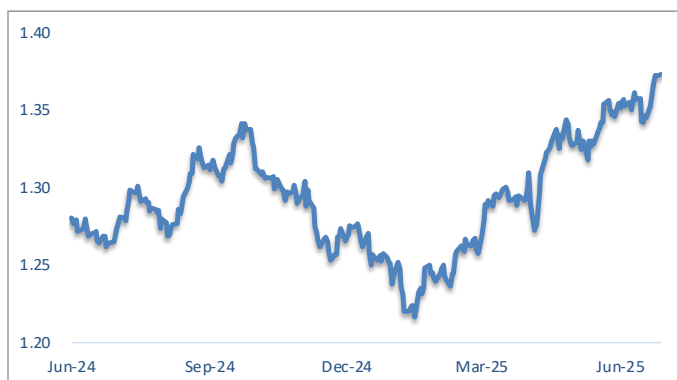


### GBP/USD – Resistance : 1.3889 / Support : 1.2721

★ The BOE has pivoted from fighting inflation to cautiously nurturing growth. It delivered its first cut since 2020 in May and held rates steady at the June meeting. While headline inflation saw a temporary bump (from 2.6% in March to 3.4% in May), due largely to regulated energy and utility price changes, the BOE expects inflation to hover around the mid-3% range through year-end and then gradually ease toward the 2% target in 2026. With inflation prospects improving, markets are increasingly pricing in more rate cuts (as soon as the August meeting), putting downward

pressure on sterling in recent months. Meanwhile, the Fed is expected to begin easing in September, though it remains too early to determine which central bank is more dovish. The U.K.'s sluggish growth and declining inflation imply fewer reasons for GBP to rally, but also suggest the worst-case scenarios (spiraling inflation or deep recession) are temporarily off the table. As a result, we expect GBP/USD to remain range-bound in 2025Q3, with no strong directional bias. Support is at 1.2721 (13-Week Low) and resistance at 1.3889 (52-Week High).

#### GBP/USD



★ Data Source : Bloomberg, 2025/6/30



## PCSFG Diversified Investment Tools

### Securities

#### Broad range of stocks from different markets

HK Stocks, China A-shares, US Stocks, Singapore stocks

#### Diversified stocks and ETFs investment recommendation

Professional team execute rigorous stocks and ETFs selection and offer recommendation according to updated market outlook

#### We help you track markets and gain insight to global markets

Daily focused stocks, daily market updates, global market focus and weekly market updates

#### Check your account status at any time

Monthly statement, customized investment solutions

#### Reasonable fees

Enjoy premium service at a reasonable price

### Structured Products

#### Equity Linked Note (ELN)

Structured investment product linked to equity. Performance of the product depends on the stock price of the underlying equities

#### Structured Note (SN)

With a diverse range of underlying investment including equity, indexes, interest rates, commodities or a portfolio, an investor can receive agreed interest income or earn capital gain at agreed participation rate at maturity. The outperformance of the note at maturity depends on the performance of the underlying investment

#### Dual Currency Investment (DCI)

Also known as Premium Currency Investment (PCI), this is a structured investment that combines a foreign currency investment with a foreign exchange option

### Bonds

#### Wide variety of bonds

Wide range of bonds issued by different countries, government, financial institutions and other large corporates

#### Various settlement methods to suit your needs

Various currencies, rates and maturities available

#### Bonds Portfolio Recommendation

Advise fixed income asset allocation and help clients to construct bond portfolio fitting in with their risk-reward profile

### PC Series Fund \*For professional investor only

#### Funds with flexible features to help you achieve your investment goals

#### Available fund types:

- Equity Fund
- Hedge Fund
- Bond Fund
- Real Estate Fund
- Mortgage Fund
- Private Credit Fund

## PCSFG Diversified Investment Tools

### Mutual Funds

We provide access to more than 60 asset managers with more than 1,000 funds under management. Asset managers on our platforms are well known and focused in Asia, Europe, and the US and include such diverse areas as technology, fixed income, and alternative investments like hedge funds. We can tailor-make a suitable fund portfolio for you based on your investment objectives.

Reputable Fund Houses (Singapore Region)					
01	abrdn Asia Limited	22	First Sentier Investors (Ireland) Limited	43	Nikko Asset Management Asia Limited
02	Aggregate Asset Management Pte. Ltd.	23	Franklin Templeton International Services S.à r.l.	44	Ninety One Singapore Pte. Limited
03	AllianceBernstein (Singapore) Ltd.	24	Fullerton Fund Management Company Ltd	45	Nordea Investment Management AB
04	Allianz Global Investors GmbH	25	GAM Fund Management Limited	46	Pecora Capital LLC
05	Allspring Global Investments Luxembourg S.A.	26	Goldman Sachs Asset Management (Singapore) Pte. Ltd.	47	Phillip Capital Management (S) Ltd
06	Amundi Luxembourg S.A.	27	Guinness Asset Management Ltd	48	PIMCO Global Advisors (Ireland) Limited
07	Aviva Investors Luxembourg S.A.	28	HSBC Investment Funds (Luxembourg) S.A.	49	PineBridge Investments Ireland Limited
08	AXA Investment Managers Asia (Singapore) Ltd	29	iFAST Financial Pte. Ltd.	50	Pinnacle Capital Asia Private Limited
09	Baillie Gifford Investment Management (Europe) Limited	30	INVESCO Management SA	51	Prime Asia Asset Management Pte. Ltd.
10	Banjaran Asset Management Pte. Ltd.	31	Janus Henderson Investors Europe S.A.	52	RHB Asset Management Pte. Ltd.
11	BlackRock (Luxembourg) S.A.	32	JPMorgan Asset Management (Europe) S.à r.l.	53	Schroder Investment Management (Europe) S.A.
12	BNP Paribas Asset Management Luxembourg	33	Jupiter Asset Management Limited	54	Sundaram Asset Management Singapore Pte. Ltd.
13	BNY Mellon Investment Management Singapore Pte. Ltd.	34	Lion Global Investors Limited	55	T. Rowe Price (Luxembourg) Management S.à r.l.
14	Canaccord Genuity Wealth (International) Limited	35	M&G Investment Management Limited	56	Threadneedle Management Luxembourg S.A.
15	Capital International Management Company Sàrl	36	Man Investments Limited	57	UBS Fund Management (Luxembourg) S.A.
16	CSOP Asset Management Pte. Ltd.	37	Manulife Investment Management (Singapore) Pte. Ltd.	58	UOB Asset Management Ltd
17	DWS Investment GmbH	38	Maybank Asset Management Singapore Pte. Ltd.	59	Value Partners Limited
18	E Fund Management (Hong Kong) Co., Limited	39	Mirae Asset Global Investments (Hong Kong) Limited	60	Vanguard Group Ireland Ltd
19	Eastspring Investments (Luxembourg) S.A.	40	Momentum Global Investment Management Limited	61	Wellington Luxembourg S.à r.l.
20	Eurizon Capital S.A.	41	Natixis Investment Managers International	62	Zeal Asset Management Limited
21	FIL Investment Management (Luxembourg) S.A.	42	Neuberger Berman Asset Management Ireland Limited		

\* Due to limited space, the fund house list is not exclusive.

**For more information, please contact our Relationship Managers.**



# New Capital Investment Entrant Scheme

## 新资本投资者入境计划

Qualified investors who makes investment of not less than HK\$30 million net in the permissible investment assets (or equivalent in foreign currencies) to which he/ she is entitled to the scheme.

在香港投資於获許投資資產達**3,000万港元或以上 (或等值外币)** 的合資格投資者，可透過計劃申請來港。





# Permissible Investment Assets

## 获许投资资产

### Permissible Financial Assets

#### 获许金融资产

- |                                       |   |
|---------------------------------------|---|
| ■ <b>Equities</b><br>股票               | ■ <b>Eligible Collective Investment Schemes</b><br>合资格集体投资计划  |
| ■ <b>Debt Securities</b><br>债券        | ■ <b>Certificates of Deposits</b><br>(Maximum Investment Limit HK\$3 million)                         |
| ■ <b>Subordinated Debt</b><br>后偿债项    | ■ <b>存款证</b><br>(投资金额上限 300 万港元)  |
| ■ <b>有限合伙基金</b><br>(投资金额上限 1,000 万港元) | ■ <b>Ownership Interest in Limited Partnership Funds</b><br>(Maximum Investment Limit HK\$10 million) |

### Real Estate

(The total investment amount which is counted towards the fulfillment of minimum investment is subject to an aggregate cap of HK\$10 million)

#### 房地产

(获计入符合最低投资门槛的要求的总投资上限为1,000万港元)

- |   |  |
|---|--|
| ■ <b>Residential Real Estate</b><br>住宅房地产 | ■ <b>Non-Residential Real Estate</b><br>非住宅房地产 |
|---|--|

### CIES Investment Portfolio

(Maximum Investment Limit HK\$3 million)

#### 资本投资入境计划投资组合

(投资金额上限 300 万港元)

### Additional Investment Holding Mechanism

Apart from the existing holding method, an Applicant can also hold his investment in a private company

#### 新增持有投资方式

除现行持有方式外，申请人亦可透过全资拥有的私人公司持有投资



PC Immigration  
寶鉅移民



Mainland (内地): 86-15000225449  
Hong Kong (香港): 852-52232118



hkcies@pcsfg.com.hk



Wechat 微信



Red Note 小红书



Website 官网



Much More Than Private Bank

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[www.pcsfg.com/heritage](http://www.pcsfg.com/heritage)

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