Weekly Report

Global Equities

U.S. stocks rose last week. U.S.-Japan Trade Deal and Strong Tech Earnings Propel U.S. Stocks to Record Highs

Review: The S&P 500 index rose 2.43% last week. U.S. equities extended their rally last week, with the S&P 500 and Nasdaq closing at record highs for a fifth straight week, supported by stronger-than-expected earnings from large-cap tech companies.

Outlook: This week, market attention will turn to the Fed's rate decision, core PCE data, and major tech earnings. If results align with expectations and policy signals remain dovish, risk assets could continue to gain.

European stocks rose last week. European Stocks Post Biggest Weekly Gain in 12 Weeks, Led by Banks

Review: The MSCI Europe Index rose 2.12%. European equities logged their biggest weekly gain in 12 weeks, led by banks, as Fed rate cut bets and optimism over a potential Ukraine ceasefire lifted sentiment.

Outlook: If the Fed signals more easing and geopolitical tensions ease, European markets may extend gains; however, renewed U.S.–EU trade frictions or weaker earnings could trigger a pullback.

Chinese stocks closed higher last week.

Review: The Shanghai Composite Index rose 2.11% last week. The A-share market ended higher last week, with the Shanghai Composite up about 2.2% and closing above 3,630 for three consecutive sessions.

Outlook: If Beijing continues to roll out pro-growth and market-boosting measures alongside ample liquidity, A-shares may sustain a structural rally. However, upcoming mid-August economic data will be key to gauging fundamental support.

Hang Seng Index rose last week.

Review: The Hang Seng Index rose 1.43% last week. The Hang Seng Index rose for a fourth straight session, driven by financials and property stocks. Cathay Pacific plunged over 10% after warning of margin pressure despite a modest profit rise. Overall, southbound flows provided support.

Outlook: Continued southbound inflows and HKEX reforms could further improve liquidity and sentiment. However, earnings warnings and external macro volatility remain near-term risks.

Global Bonds

FTSE World Government Bond rose last week

Review: FTSE World Government Bond Index rose 0.39% last week. demand at the Treasury's 10- and 30-year auctions was weak, pushing yields to around 4.10% and 4.83%, reflecting caution over fiscal outlook.

Outlook: If the Fed cuts rates in September and inflation eases, bonds may remain attractive; however, with credit spreads near historic lows, weaker-than-expected data could spark volatility.

Global high yield bond and EM bond rose last week

Review: The Bloomberg Barclays High Yield Bond Index rose 0.63% last week, while Bloomberg Barclays EM USD Aggregate Total Return Index rose 0.46%.

Outlook: If the Federal Reserve expresses a dovish stance and global economic growth is weak, high-rated and high-yield bonds will still be attractive for investment. However, we need to be wary of the risk of a rebound in bond yields due to unexpected improvements in economic data or renewed expectations of interest rate hikes.

Weekly Report

Commodities

WTI crude fell last week

Review: WTI crude oil fell to $63.88 per barrel, or 5.12% last week. Crude oil prices tumbled last week. It is report that oversupply fears intensified after OPEC+ announced a 547,000 bpd supply increase for September, along with weak U.S. gasoline demand.

Outlook: Oil may stabilize if geopolitical tensions ease or OPEC+ pauses further supply increases. Meanwhile, strong diesel demand and tight inventories could continue supporting prices, especially as refining margins remain elevated.

Gold price rose last week

Review: Spot gold rose to US$3,397.75/oz last week, or 1.02%. It is reported that the US government may impose tariffs on imported 1kg gold bars has surfaced, a move that could upend the global gold bar market and deal a fresh blow to Switzerland, the world's largest gold bar refining center.

Outlook: If market risk appetite improves, gold prices may face short-term pressure. However, a weakening US dollar and expectations of interest rate cuts provide downward support, and gold prices are expected to fluctuate between $3,300 and $3,500.

The Bloomberg commodity spot index rose last week

Review: The Bloomberg Commodity Spot Index rose to 528.41, or 0.44% last week.

Outlook: Trump's formal inauguration has added a high degree of uncertainty to the market, coupled with the increasingly prominent geopolitical risks around the world, these factors have jointly had an adverse impact on the demand for commodities.

Currencies

US Dollar Index fell last week

Review: The U.S. Dollar Index fell 0.43% last week.

Outlook: If the Fed cuts interest rates in September, it would put downward pressure on the dollar. Rate cuts typically reduce the appeal of dollar-denominated assets and could lead to a relative depreciation of the greenback.

CNY/USD fell last week

Review: CNY/USD fell 0.38% last week.

Outlook: As the US dollar may come under further pressure, the RMB may continue its moderate appreciation pattern. We can pay attention to whether the 7.18-7.20 range remains stable. If frictions arise again in US-China trade, there is a risk of a pullback.

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	24858.82	1.43	3.05	45.56	24.01	23.87	-0.06	1.47
Hang Seng China Enterprise	8895.28	1.03	2.24	47.59	21.84	30.17	-12.52	-21.03
Shanghai Composite	3635.13	2.11	3.95	27.48	8.86	11.18	9.23	-7.45
Shenzen Composite	2220.15	2.05	6.30	44.82	14.97	1.51	0.31	-2.81
Dow Jones Industrial	43968.64	1.35	-0.44	11.84	3.83	32.51	59.55	153.84
S&P 500	6340.00	2.43	2.07	19.56	8.63	51.87	91.66	206.59
NASDAQ COMPOSITE	21242.70	3.87	4.20	28.10	11.08	67.84	98.93	325.87
FTSE 100	9100.77	0.30	1.73	11.36	11.29	21.83	47.79	36.48
DAX	24192.50	3.15	-0.38	36.34	21.37	76.44	86.63	113.95
NIKKEI 225	41059.15	2.50	5.69	19.40	4.83	46.50	83.07	101.83

Source: Bloomberg 2025/8/8

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	ISM Service Index (July)	50.8	51.5	50.1	Below
US	S&P Global US Serivces PMI (July)	55.2	55.2	55.7	Above
China	S&P Global China PMI Services (July)	50.6	50.4	52.6	Above
China	Trade Balance (July)	US$114.77b	US$104.7b	US$98.24b	Below
Korea	CPI (July)	2.20%	2.10%	2.10%	On Par
UK	Central Bank Rate Decisions (July)	4.25%	4.00%	4.00%	On Par

Source: Bloomberg 2025/8/8

Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	98.42	-0.41	4.85
US Treasury 10Y	99.73	-0.33	4.28
US Treasury 5Y	100.19	-0.26	3.83
US Treasury 2Y	100.21	-0.08	3.76
US Tbill 3M	4.14	-0.60	4.24
China Govt Bond 10Y	99.82	0.21	1.69
Japan Govt Bond 10Y	100.17	0.60	1.48
German Bund 10Y	99.23	-0.05	2.69
UK Gilt 10Y	99.23	-0.47	4.60

Source: Bloomberg 2025/8/8

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.85	-0.00	0.00	1.05
HKD/CNH	0.92	0.03	0.16	-3.07
USD/CNH	7.19	0.03	0.20	-2.07
USD/JPY	147.74	0.33	0.10	-6.12
USD/CAD	1.38	-0.15	0.48	-4.35
GBP/USD	1.35	1.38	-0.19	7.61
AUD/USD	0.65	0.90	-0.81	5.45
EUR/USD	1.16	0.81	-0.21	12.66

Source: Bloomberg 2025/8/8