



Weekly Report



Global Equities



U.S. stocks closed higher on Friday, even as Wall Street tempered rate-cut hopes after data showed hotter wholesale inflation and stronger July retail sales

Review: U.S. stocks closed higher on Friday, even as Wall Street tempered its rate-cut hopes amid economic data this week showing higher-than-expected wholesale inflation and a rise in July retail sales.

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 higher on Friday, in line with global markets despite greater investor optimism

Review: The MSCI Europe Index rose by 1.32% last week, in line with global markets despite greater investor optimism.

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 1.70% last week and the Shenzhen Composite Index rose by 3.63%. Chinese equities closed higher on Friday, as cash-rich local investors poured into a market buoyed by easing trade tensions with the U.S.

Outlook: Beijing is considering central SOE purchases of unsold housing inventory, while the 90-day extension of the U.S.–China tariff truce helps reduce near-term geopolitical risks. Trading is expected to remain choppy and range-bound, with a tilt toward dividend-rich SOEs and high-quality technology names.



Hang Seng Index rose last week

Review: Hang Seng Index rose by 1.65% last week, as resilient risk appetite helped investors look past a raft of disappointing economic data.

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 0.11% 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 0.50% gains, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.51% 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 fell 1.69% last week

Review: U.S. WTI fell 1.69% last week to US\$62.91/bbl, as markets awaited the outcome of the summit between U.S. President Donald Trump and Russian President Vladimir Putin on a potential ceasefire in Ukraine.

Outlook: OPEC+ is rolling back cuts by ~0.55 mb/d into September, non-OPEC growth persists, U.S. refineries are running near 96% with stocks recently building, and the International Energy Agency pegs 2025 demand growth at only ~0.7 mb/d, all consistent with comfortable balances. Upside risks are mainly weather and geopolitics, with National Oceanic and Atmospheric Administration flagging an above-normal Atlantic hurricane season.



Gold prices fell 1.81% last week

Review: Spot gold fell 1.81% last week to US\$3,353.39/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 0.70% last week, closing at 532.12.

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 0.34% last week

Review: The US Dollar Spot Index declined 0.34% last week as investors remained cautious ahead of Fed Chair Powell's upcoming Jackson Hole speech.

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 0.77% against the USD last week on growing conviction that the Fed will resume rate cuts in September, supported by cooling U.S. inflation and softer data. Meanwhile, expectations for near-term ECB easing diminished amid persistent eurozone inflation and prospects for fiscal support, further enhancing the euro's appeal.

Outlook: The Fed is expected to begin cutting rates and is likely to move at a faster pace than the ECB. Signs of cooling inflation in the U.S., coupled with softer labor market data, strengthen the case for a more accelerated path of Fed 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	25426.53	1.65	2.42	45.88	26.75	28.65	0.23	7.65
Hang Seng China Enterprise	9130.71	1.62	1.61	48.18	25.25	36.27	-12.42	-16.07
Shanghai Composite	3740.50	1.70	5.83	29.90	11.60	14.13	8.39	-1.37
Shenzen Composite	2348.39	3.63	9.04	51.61	19.97	5.00	2.17	5.81
Dow Jones Industrial	44946.12	1.74	1.36	10.54	5.65	32.20	61.80	156.67
S&P 500	6449.80	0.94	2.43	16.12	9.66	50.56	90.27	207.58
NASDAQ COMPOSITE	21622.98	0.81	3.48	22.64	11.97	66.78	92.88	327.39
FTSE 100	9138.90	0.47	1.63	9.96	11.82	21.18	50.39	40.03
DAX	24359.30	0.81	0.29	32.95	22.35	77.84	89.10	123.15
NIKKEI 225	43737.10	3.73	9.84	14.91	9.63	51.12	89.74	111.04

Source: Bloomberg 2025/8/15



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
U. S.	CPI YoY (July)	2.7%	2.8%	2.7%	Below
China	Retail Sales YoY (July)	4.8%	4.6%	3.7%	Below
China	Industrial Production YoY (July)	6.8%	6.0%	5.7%	Below
Japan	PPI YoY (July)	2.9%	2.5%	2.6%	Above
U. K.	Industrial Production YoY (June)	-0.3%	-0.2%	0.2%	Above
India	CPI YoY (July)	2.10%	1.40%	1.55%	Above

Source: Bloomberg 2025/8/15



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	97 13/37	-1.10	4.92
US Treasury 10Y	99 4/9	-0.30	4.32
US Treasury 5Y	100 1/6	0.05	3.84
US Treasury 2Y	100 8/35	0.10	3.75
US Tbill 3M	4.12	0.00	4.22
China Govt Bond 10Y	99.34	-0.52	1.74
Japan Govt Bond 10Y	99.44	-0.66	1.57
German Bund 10Y	99.04	-0.80	2.71
UK Gilt 10Y	98.93	-0.63	4.64

Source: Bloomberg 2025/8/15

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.82	-0.30	-0.27	0.74
HKD/CNH	0.92	0.11	0.28	-2.83
USD/CNH	7.19	-0.20	0.01	-2.12
USD/JPY	147.19	-0.51	-0.95	-6.24
USD/CAD	1.38	0.16	0.55	-4.05
GBP/USD	1.36	0.94	1.06	8.33
AUD/USD	0.65	0.11	0.17	5.37
EUR/USD	1.17	0.77	0.68	13.05

Source: Bloomberg 2025/8/15

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