Weekly Report

Global Equities

US-China Conflict Intensifies: Trump Threatens 100% Tariffs as Q3 Earnings Season Begins.

Review: President Trump's plan to levy 100% tariffs on Chinese goods from November ignited fears of a full trade war. The start of earnings season, featuring reports from financial titans like J.P. Morgan, created notable market anxiety.

Outlook: Rising trade tensions will continue to strain tech stocks and broad market confidence. Investors will keenly watch for subsequent tariffs, China's retaliatory moves, and the rest of the corporate earnings reports.

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Eurozone Awaits HICP Data Amid Ongoing World Bank/IMF Meetings.

Review: The Eurozone had no major domestic news. Global financial leaders met at the World Bank/IMF Annual Meetings to address critical macroeconomic challenges.

Outlook: Inflation data is largely expected to exceed forecasts, likely confirming September's accelerating inflation trend. This outcome will heavily influence expectations for the ECB's future monetary policy path.

China Retaliates with Rare Earth Controls

Review: China countered US tariff threats by restricting rare earth exports and launching an investigation into US companies. Attention was also on the upcoming September CPI data.

Outlook: Trade friction remains the key market driver, with the rare earth issue specifically exerting pressure across global supply chains.

Hang Seng Corrects on Profit-Taking; Hang Seng Bank Shares Soar on Privatization Offer.

Review: The Hang Seng Index saw significant profit-taking after the prior week's gains, finishing down over 3%. HSBC's privatization bid for Hang Seng Bank caused the latter's share price to jump sharply.

Outlook: Southbound capital flows are resuming post-National Day holiday, signaling a likely increase in trading activity. Further developments on the HSBC acquisition will continue to affect related bank stock performance.

Global Bonds

Global Government Bonds Stage Strong Rally on Renewed Flight-to-Safety and Dovish Expectations.

Review: Market Safe-haven demand spiked due to US-China trade war fears, tariff threats, and weak economic data. Fed rate cut expectations also revived, pushing the FTSE World Government Bond Index price up.

Outlook: Investors will continue monitoring Fed officials and geopolitical risks. Further escalation of the trade conflict would likely sustain capital flows into safe-havens, supporting bond prices.

Risk Assets Hit by Trade Friction; High-Yield Gains Lag Government Bonds.

Review: The Although global rate-cut expectations supported the broader bond market, intensified US-China trade friction raised corporate credit risk. Gains in high-yield and emerging market debt were suppressed by this dampened risk appetite.

Outlook: High-yield performance remains constrained by recession risks and corporate earnings forecasts. Emerging market bonds could find relief if market risk appetite improves and liquidity remains ample.

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For reference only

20 October 2025

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Commodities

WTI Crude Oil

Review: Oil prices hit recent lows ($57.54/bbl, down -2.31%) due to trade war anxieties. Despite an early rally on softer rhetoric, supply glut worries dominated, causing a weekly decline.

Outlook: Focus shifts to OPEC+ policy and global demand. If US-China tensions persist, weakening crude forecasts, oil could face sustained downward pressure.

Gold

Review: Gold Safe-haven demand surged, propelled by US tariff threats, high stock volatility, and revived Fed rate-cut hopes. Spot gold gained strongly ($4251.82/oz t), breaching key levels.

Outlook: Gold's path links to geopolitical risks and the dollar. If conflict remains unresolved and growth slows, gold, as the main safe haven, should maintain its strength.

Bloomberg commodity Spot index

Review: Though crude fell on demand fears, strong gains in precious metals like gold buoyed the index. This reflected clear flight-to-safety sentiment, boosting the index's return.

Outlook: The index's trend relies on internal divergence. Continued strength in safe-haven assets must offset pressure on industrial commodities from the global slowdown.

Currencies

US Dollar Index

Review: Escalating US-China trade tensions and tariff threats heightened global slowdown fears. Renewed expectations for Fed easing weighed on the dollar, leaving the DXY volatile and under pressure.

Outlook: Investors will closely watch Fed officials' latest comments on monetary policy and the progress of US-China trade talks. An easing of safe-haven demand could mitigate the dollar's downside pressure.

CNY/USD

Review: The USD/CNY rate saw a modest appreciation for the Yuan. This was primarily driven by the external environment of a weakening US Dollar Index.

Outlook: The Yuan's direction hinges on US-China trade negotiations and China's economic data. If China stabilizes its economy alongside a weaker dollar, the Yuan is likely to remain relatively stable or show slight strength.

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	25247.10	-3.97	-2.42	24.50	29.12	59.10	5.42	9.82
Hang Seng China Enterprise	9011.97	-3.70	-2.34	23.81	26.90	67.82	-7.38	-15.38
Shanghai Composite	3839.76	-1.47	1.45	18.83	15.63	27.69	16.45	12.10
Shenzen Composite	2396.92	-4.34	-1.56	27.65	24.35	23.45	6.79	19.34
Dow Jones Industrial	46190.61	1.56	-0.27	6.74	8.57	52.28	63.17	168.28
S&P 500	6664.01	1.70	-0.01	13.63	13.30	81.79	93.55	228.15
NASDAQ COMPOSITE	22679.97	2.14	0.21	22.66	17.45	113.66	96.93	364.66
FTSE 100	9354.57	-0.77	1.50	11.92	14.46	34.72	58.84	47.43
DAX	23830.99	-1.69	0.81	21.23	19.70	86.65	87.10	134.84
NIKKEI 225	47582.15	-1.05	8.71	25.62	22.75	81.33	107.79	161.34

Source: Bloomberg 2025/10/17

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Philadelphia Fed Manufacturing Index (Oct)	23.2	8.6	-12.8	Below
US	Crude Oil Inventories	3.715M	0.300M	3.524M	Above
Euro	CPI (YoY) (Sep)	2.0%	2.2%	2.2%	On Par
China	GDP (YoY) (Q3)	5.2%	4.7%	4.8%	Above
China	Industrial Production Index (YoY) (Sep)	5.2%	5.0%	6.5%	Above

Source: investing.com 2025/10/17

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	102.31	0.28	4.61
US Treasury 10Y	101.93	0.24	4.01
US Treasury 5Y	100.14	0.19	3.59
US Treasury 2Y	100.08	0.12	3.46
US Tbill 3M	3.8800	0.33	3.92
China Govt Bond 10Y	100.09	0.02	1.82
Japan Govt Bond 10Y	100.65	0.50	1.62
German Bund 10Y	100.25	0.51	2.57
UK Gilt 10Y	100.00	1.01	4.50

Source: Bloomberg 2025/10/17

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.7686	-0.17	-0.04	-0.02
HKD/CNH	0.9175	0.01	0.19	-2.85
USD/CNH	7.1268	-0.18	0.14	-2.89
USD/JPY	150.6100	-0.93	2.13	-4.03
USD/CAD	1.4020	-0.19	1.39	-2.60
GBP/USD	1.3427	0.77	-0.58	7.35
AUD/USD	0.6499	-0.12	-1.39	5.16
EUR/USD	1.1655	0.82	-1.17	12.66

Source: Bloomberg 2025/10/17

ps: The US 30-year Treasury bond is typically quoted in 32nds, while the 10-year Treasury note is generally quoted in 64ths for finer precision, though both are based on the standard fractional system.