



Weekly Report



Global Equities



U.S. stocks closed higher on Friday, supported by cooling inflation and solid earnings

Review: Cooler-than-expected inflation data and upbeat corporate earnings lifted all three major U.S. stock indexes to all-time closing highs on Friday.

Outlook: U.S. equities are expected to remain resilient, underpinned by a favorable mix of fiscal stimulus, robust consumer demand, strong corporate earnings, and a shift toward Fed easing, despite persistent concerns over trade negotiations and inflation.



European stocks closed higher on Friday, boosted by cooler-than-expected U.S. inflation data and hopes for easing U.S.–China trade tensions

Review: The MSCI Europe Index rose by 1.52% last week, boosted by cooler than expected U.S. inflation data and hopes of an easing in U.S.–Chinese trade tensions, as investors assessed a slew of corporate earnings.

Outlook: With global rotation out of U.S. assets slowing and the ECB's decision to keep rates unchanged, 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 2.88% last week while the Shenzhen Composite Index rose by 3.94%. Chinese equity markets closed higher on Friday with a mix of easing U.S.–China trade tensions and fresh policy signals from Beijing to boost domestic demand and innovation.

Outlook: Chinese equities show cautious optimism, supported by favorable PBOC policies and AI/tech momentum. However, weak earnings and property sector challenges may constrain gains, with markets likely to remain range-bound and tech/consumer sectors outperforming traditional industries.



Hang Seng Index rose last week

Review: Hang Seng Index rose by 3.62% last week, supported by easing U.S.–China tensions and fresh policy signals from Beijing to boost domestic demand and innovation.

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 0.26% 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 0.36% gains, while Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.45% 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 rose 6.88% last week

Review: U.S. WTI rose 6.88% last week to US\$61.70/bbl, primarily on the initial sanctions announcement and associated supply-risk concerns. Easing U.S.–China tensions improved risk appetite, further supporting prices.

Outlook: Crude oil markets looks choppy and mostly range-bound as refinery maintenance tempers near-term demand while high U.S./non-OPEC supply and a small OPEC+ November increase cap rallies. Geopolitical risks, including Red Sea disruptions and Russian infrastructure attacks, pose upside risks. However, modest oversupply is expected due to slowing IEA/EIA demand and resumed Kurdish exports.



Gold prices fell 3.26% last week

Review: Spot gold fell 3.26% last week to US\$4,074.46/oz t, primarily due to profit-taking after record highs. Easing U.S.–China tensions also tempered safe-haven 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.



Wheat price rose 1.74% last week

Review: Wheat price rose 1.74% last week to US\$5.125/bushel, primarily driven by unconfirmed rumors of China inquiring about U.S. wheat purchases, sparking short covering in a heavily shorted market. Despite this, abundant global supplies, favorable U.S. planting conditions, and strong export competition from Russia and Argentina limited larger gains.

Outlook: Wheat is expected to remain range-bound as global supply looks ample and import demand is muted. Upside risks mainly come from Southern Hemisphere harvest weather (Australia/Argentina) or policy shifts that disrupt trade flows.



Currencies



USD rose 0.53% last week

Review: The US Dollar Spot Index increased by 0.53% last week, as softness in the British pound (on weaker U.K. data and rising BoE-cut bets) and the Japanese yen (amid expectations of looser fiscal policy and a still-dovish BOJ under new PM Takaichi) outweighed a short-lived post-CPI pullback.

Outlook: The USD is likely to remain weak, driven by 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 fell against the USD last week

Review: The EUR fell 0.10% against the dollar last week as the USD strengthened on reassessed Fed rate expectations and the protracted U.S. government shutdown. Although softer U.S. inflation briefly lifted the euro mid-week, Eurozone political risks (including France's budget concerns) and a dovish ECB capped the upside.

Outlook: The euro is expected to appreciate against the USD in the near term, as the Fed initiate interest rate cuts and proceed at a faster pace than the ECB. Indications of moderating U.S. inflation, combined with weaker labor market data, reinforce expectations for a more rapid Fed easing cycle.

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	26160.15	3.62	0.95	28.10	31.48	70.96	6.41	13.04
Hang Seng China Enterprise	9363.94	3.91	1.34	27.65	29.32	79.82	-5.75	-12.61
Shanghai Composite	3950.31	2.88	4.07	20.73	18.86	33.56	22.42	15.02
Shenzen Composite	2491.35	3.94	1.40	26.87	27.98	28.78	12.65	21.90
Dow Jones Industrial	47207.12	2.20	2.08	12.09	10.96	47.37	71.89	168.51
S&P 500	6791.69	1.92	2.23	16.93	15.47	78.39	100.30	228.75
NASDAQ COMPOSITE	23204.87	2.31	3.21	25.31	20.17	115.01	102.99	361.32
FTSE 100	9645.62	3.11	3.89	16.93	18.02	36.36	68.37	51.54
DAX	24239.89	1.72	2.11	24.54	21.75	83.48	100.93	126.71
NIKKEI 225	49299.65	3.61	10.99	32.77	26.18	84.08	114.33	162.55

Source: Bloomberg 2025/10/24

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
U. S.	CPI YoY (September)	2.9%	3.1%	3.0%	Below
Japan	CPI YoY (September)	2.7%	2.9%	2.9%	On Par
Canada	CPI YoY (September)	1.9%	2.2%	2.4%	Above
Malaysia	CPI YoY (September)	1.3%	1.4%	1.5%	Above
Singapore	CPI YoY (September)	0.5%	0.6%	0.7%	Above
Singapore	Industrial Production YoY (September)	-7.8%	0.5%	16.1%	Above

Source: Bloomberg 2025/10/24

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	102.52	0.28	4.59
US Treasury 10Y	101.98	0.12	4.00
US Treasury 5Y	100.08	0.01	3.61
US Treasury 2Y	100.03	0.02	3.48
US Tbill 3M	3.77	-1.18	3.85
China Govt Bond 10Y	99.86	0.03	1.85
Japan Govt Bond 10Y	1.65	-0.21	1.65
German Bund 10Y	99.77	-0.34	2.58
UK Gilt 10Y	100.52	0.84	4.42

Source: Bloomberg 2025/10/24

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.

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.7699	-0.01	-0.20	-0.01
HKD/CNH	0.9171	-0.14	-0.02	-3.03
USD/CNH	7.1261	-0.15	-0.23	-3.06
USD/JPY	152.8600	1.49	2.96	-2.68
USD/CAD	1.3996	-0.36	0.52	-2.76
GBP/USD	1.3311	-0.60	-0.78	6.46
AUD/USD	0.6513	0.35	-0.62	5.62
EUR/USD	1.1627	-0.10	-0.83	12.32

Source: Bloomberg 2025/10/24

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