Weekly Report

Global Equities

Record Shutdown Ends; Fed Rate Cut Bets Cool, Causing Market Volatility

Review: The 43-day federal shutdown—the longest ever—froze key data releases, increasing uncertainty. Cautious Fed remarks pushed December rate cut odds below 50%.

Outlook: Federal employees returned to work for a "slow restart." Investors are reassessing the policy path and remain cautious regarding high AI stock valuations.

ECB Satisfied with Inflation and Risks; Near-Term Rate Cuts Unlikely

Review: ECB was content as inflation stabilized near 2% and downside risks eased. Its firm stance, influenced by cooling Fed bets, suggests Europe will not ease policy soon.

Outlook: ECB confidence supports the Euro. Markets will monitor Eurozone data for policy pivot clues. Investors will use inflation and growth figures to guide equity and bond positions.

October Industrial and Retail Slowdown Sparks Commodity Demand Concerns

Review: China's October Industrial Output (+4.9%) and Retail Sales (+2.9%) missed expectations. The economic slowdown intensified worries about demand from the world's largest commodity consumer.

Outlook: Markets seek stronger stimulus from Beijing to boost domestic demand. Weak consumption data may pressure cyclical sectors, though "anti-involution" supported commodity stocks remain key.

Hong Kong Indices Diverge; Market Consolidates Amid Waning Risk Appetite

Review: The Hang Seng Index gained 1.24% while Tech fell 0.42%, showing divergence. Slowing mainland TSF and M1 growth drove cautious sentiment and fast sector rotation.

Outlook: Amid global uncertainties (especially the Fed's path), the Hang Seng is expected to remain range-bound. Investors favor defensive, high-dividend stocks and policy-benefiting cyclical sectors.

Global Bonds

Global Bonds Retreat on U.S. Debt Concerns and Hawkish Fed Tone

Review: The negative return reflected a broad drop in sovereign bond prices. Key pressures: U.S. debt worries and cautious Fed comments, which lowered rate cut expectations.

Outlook: Markets will now absorb delayed U.S. economic data. Data strength is crucial for the Fed's path. Investors must monitor bond issuance volume and major central bank policies.

Risk Appetite Sustains High-Yield; EM Bonds Hit by China and Refinancing Risks

Review: The High-Yield Index rose, showing steady demand for risk assets. Yet, EM bonds struggled due to slowing Chinese data and high external debt refinancing risks in specific countries.

Outlook: High-yield sensitivity remains tied to global growth and corporate earnings. EM investors should track Fed policy changes affecting capital flows and Chinese data's impact on commodities.

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Commodities

WTI Crude Oil

Review: WTI crude saw a slight gain. While the end of the U.S. shutdown brought some optimism, weak Chinese economic data—specifically slowing industrial output and retail sales—limited robust demand expectations.

Outlook: Market focus shifts to delayed U.S. inventory and demand data for real consumption insight. Investors will monitor potential Chinese stimulus policies and any new output decisions from the OPEC+ group concerning global supply.

Gold

Review: Gold surged this week, reaching new highs due to strong safe-haven demand. Elevated uncertainty regarding the global economic outlook and cooling Fed rate cut expectations significantly boosted the metal's appeal.
Outlook: Gold's trajectory hinges on shifts in the Dollar Index and U.S. real interest rates. Investors must closely track delayed U.S. inflation and job data to recalibrate the Fed's policy path, which is key to sustaining high gold prices.

Bloomberg commodity Spot index

Review: The Index recorded a notable weekly gain, primarily driven by the strong rally in precious metals (Gold). This gain offset pressure on industrial metals caused by weaker demand from China.

Outlook: The divergence in commodity markets will persist. Energy and industrial metals depend on global economic recovery and Chinese demand prospects, while precious metals are mainly influenced by global rate expectations and safe-haven sentiment.

Currencies

US Dollar Index

Review: The DXY saw a minor dip this week. Cautious Fed rhetoric cooled rate cut expectations, lending support, but the end of the government shutdown prompted some traders to book profits, causing a slight retreat.

Outlook: The Dollar's trajectory is now fully focused on upcoming delayed U.S. economic data, especially inflation and NFP reports. The data's strength will be the central factor in re-calibrating the Fed's policy path and determining the Dollar's year-end performance.

CNY/USD

Review: The Yuan strengthened slightly against the Dollar this week. Despite mixed domestic data, the 4.9% growth in October Industrial Output, alongside the PBoC's continuous efforts to stabilize the exchange rate, provided firm support for the currency.

Outlook: The Yuan's performance remains sensitive to domestic economic indicators, particularly the real estate sector recovery. Additionally, U.S.-China relations and the Fed's policy path will continue to exert significant external pressure on the USD/CNY rate.

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Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	26572.46	1.26	4.45	36.72	32.47	44.86	1.59	19.35
Hang Seng China Enterprise	9397.96	1.41	3.51	34.77	28.92	49.90	-10.88	-6.71
Shanghai Composite	3990.49	-0.18	3.24	18.07	19.06	27.33	20.55	10.70
Shenzen Composite	2511.55	-0.31	2.94	21.91	28.31	22.27	10.71	12.57
Dow Jones Industrial	47147.48	0.34	1.90	7.76	10.82	40.35	59.93	169.58
S&P 500	6734.11	0.08	1.35	13.19	14.49	68.70	87.83	228.42
NASDAQ COMPOSITE	22900.59	-0.45	1.68	19.85	18.59	101.62	93.59	359.30
FTSE 100	9698.37	0.16	2.60	20.16	18.66	31.60	53.54	54.71
DAX	23876.55	1.30	-1.49	23.95	19.93	66.06	82.59	117.63
NIKKEI 225	50376.53	0.20	7.53	30.73	26.27	79.98	98.44	156.62

Source: Bloomberg2025/11/14

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Crude Oil Inventories	5.202M	1.000M	6.413M	Below
China	Industrial Production Index (Year-on-Year) (October)	6.50%	5.50%	4.90%	Below

Source: Bloomberg2025/11/14

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury Bond 30Y	98.03	-0.60	4.75
US Treasury Note 10Y	98.79	-0.53	4.15
US Treasury Note 5Y	99.52	-0.14	3.73
US Treasury Note 2Y	99.80	-0.02	3.61
US Treasury Bill 3M	3.79	1.67	3.88
China Govt Bond 10Y	100.22	0.03	1.81
Japan Govt Bond 10Y	99.96	-0.21	1.71
German Bond 10Y	99.25	-0.40	2.69
UK Gilt 10Y	100.47	-0.72	4.44

Source: Bloomberg2025/11/14

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.7732	-0.05	-0.01	0.06
HKD/CNH	0.9134	-0.31	-0.54	-3.28
USD/CNH	7.0991	-0.38	-0.58	-3.25
USD/JPY	154.5500	0.74	1.78	-1.69
USD/CAD	1.4023	-0.15	-0.16	-2.51
GBP/USD	1.3171	0.07	-1.12	5.23
AUD/USD	0.6538	0.69	0.80	5.66
EUR/USD	1.1621	0.48	0.12	12.24

Source: Bloomberg2025/11/14

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.