



Weekly Report



Global Equities



US Inflation Cooling Fuels Fed Pivot Hopes as Tech Stocks Lead Market Rally

Review: US equities rebounded after early AI sector corrections. Cooler November CPI bolstered rate-cut bets, shifting sentiment and driving the S&P 500 and Nasdaq higher as risk appetite returned.

Outlook: Markets focus on year-end spending and earnings guidance. With inflation easing, investors eye the 2026 easing path while AI sector technical shifts and dip-buying momentum continue to drive volatility.



ECB Holds Rates Steady Amid Weak Growth as Eurozone Manufacturing Remains Sluggish

Review: The ECB maintained rates as expected. While inflation trended toward targets, persistent manufacturing contraction and slowing services growth weighed on economic prospects, leaving major European indices trading in a subdued range.

Outlook: Faced with energy volatility and geopolitical risks, the ECB remains cautious on future policy. Markets await upcoming PMI data to determine if the Eurozone can achieve a modest recovery in early 2026.



China Markets Soften on Weak Demand as Beijing Eyes Fresh Stimulus Measures

Review: November data revealed sluggish domestic demand, with retail and housing missing forecasts. Despite pledges to support high-tech sectors, macro pressure kept the Shanghai Composite fluctuating widely near the 3,900 level.

Outlook: Beijing's emphasis on "anti-involution" and fiscal support remains a catalyst for stabilizing property and consumption. Investors stay prudent, seeking blue-chip sectors with clear earnings visibility for New Year positioning.



Hang Seng Stabilizes on US Rate Outlook Following Early Tech Sector Pressure

Review: HK stocks tracked mainland weakness early in the week before rebounding on cooled US inflation data. Improved global risk appetite and the landmark HashKey listing highlighted the city's ongoing financial innovation.

Outlook: The market remains sensitive to US yields and mainland momentum. With expanded Connect schemes and IPO activity, liquidity may improve, though gains depend on the pace of foreign inflows and RMB stability.



Global Bonds



Global Bonds Flat as Cool US Inflation Meets Stiff Central Bank Resistance

Review: The FTSE WGBI dipped \$0.04%\$. Lower US CPI buoyed rate-cut hopes, but hawkish pushback from Fed and BoE officials limited gains. Prices remained range-bound amid thinning year-end liquidity and policy uncertainty.

Outlook: Investors are prioritizing quality over duration as global policies diverge. Markets eye December PMI and energy trends for 2026 cues, with defensive positioning expected to lead through the new year.



High Yield Gains on Soft Landing Hopes Despite Emerging Market Currency Stress

Review: The Bloomberg Global High Yield Index rose \$0.29%\$. Tightening spreads and economic optimism drove risk appetite. Conversely, emerging debt struggled with a firm US Dollar and local risks, despite China's stimulus support.

Outlook: Yield-seeking remains the dominant theme. High-yield credits are favored entering 2026, while emerging market performance will depend on FX stability and fiscal progress. Dollar strength remains the primary downside risk.

DISCLAIMER: This document is provided to you for your information and discussion only. It is not a solicitation or an offer to buy and sell any security or other financial product. Any information including facts, opinions or quotations, may be condensed or summarized and is expressed as of the date of writing. The information may change without notice and PC Financial (SG) Pte Ltd is under no obligation to ensure that such updates are brought to your attention.



Weekly Report



Commodities



WTI Crude Oil

Review: WTI fell 1.36% to \$56.66. Despite US reserve buying, progress in Russia-Ukraine talks and global growth fears drove a second weekly decline. Demand-side concerns continued to overshadow geopolitical supply risks.

Outlook: Crude faces pressure from projected 2026 surpluses and stable OPEC+ output. Without a clear demand catalyst, prices may test the \$55 support. Markets remain focused on year-end inventory data for consumption cues.



Gold

Review: Gold rose 0.91% to \$4,338.88. A cooler US CPI boosted rate-cut expectations, while year-end hedging pushed prices above the \$4,300 mark. Falling yields remain the primary driver for the precious metal's rally.

Outlook: Lower rates and central bank demand support a move toward \$4,400. However, hawkish Fed comments could trigger profit-taking. Sustained momentum depends on Dollar volatility and the persistence of safe-haven flows.



Bloomberg commodity Spot index

Review: The index eased 0.16% to 580.08. Sluggish energy prices offset strength in gold and soft commodities. Mixed sentiment dominated as investors rebalanced portfolios amid uncertainty over 2026 central bank policy directions.

Outlook: Commodities remain range-bound as markets weigh 2026 growth forecasts. Divergent energy and FX trends suggest continued volatility. Upcoming PMI data will be critical for assessing industrial metal and energy demand.



Currencies



US Dollar Index

Review: The DXY rose 0.20% to 98.60. Cooler CPI data fueled 2026 rate-cut hopes, but hawkish Fed rhetoric provided a floor. Concerns over data completeness prevented a deeper sell-off, leaving the greenback marginally higher for the week.

Outlook: Markets eye year-end consumption and 2026 guidance. While disinflation continues, a resilient labor market may deter aggressive easing. The index is expected to fluctuate near current levels, with technical support holding at 98.00.



CNY/USD

Review: The Yuan eased 0.20% to 7.0411. Sentiment initially improved on a new US-China trade framework. However, weak domestic demand and property headwinds pressured the currency, though optimistic 2026 fiscal expansion outlooks capped the losses.

Outlook: Focus turns to trade deal implementation and economic stability. The Yuan's path depends on the pace of fiscal stimulus and broad Dollar strength. High-frequency retail data remains the key metric for assessing a 2026 recovery.



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	25690.53	-1.10	-0.54	30.06	28.07	34.54	-3.05	17.68
Hang Seng China Enterprise	8901.23	-1.96	-2.73	24.46	22.10	37.53	-15.09	-8.53
Shanghai Composite	3890.45	0.03	-1.43	15.44	16.07	26.57	14.60	6.54
Shenzen Composite	2464.89	-0.34	-0.34	21.25	25.93	24.55	8.94	3.58
Dow Jones Industrial	48134.89	-0.67	4.33	13.68	13.14	46.53	59.50	176.36
S&P 500	6834.50	0.10	2.90	16.49	16.20	78.84	84.25	235.19
NASDAQ COMPOSITE	23307.62	0.48	3.29	20.31	20.70	120.99	82.72	366.05
FTSE 100	9897.42	2.57	4.10	22.11	21.10	34.28	51.59	62.70
DAX	24288.40	0.42	4.86	21.63	22.00	74.93	78.19	131.57
NIKKEI 225	49507.21	-2.61	2.00	27.55	24.10	86.34	84.98	162.13

Source: Bloomberg2025/12/19



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Nonfarm Payrolls (Oct)	108K		-105K	
US	Nonfarm Payrolls (Nov)	-105K	50K	64K	Above
US	Unemployment Rate (Nov)	4.40%	4.50%	4.60%	Above
US	S&P Global Services PMI (Dec)	54.10	54.00	52.90	Below
US	S&P Global Manufacturing PMI (Dec)	52.20	52.00	51.80	Below
Euro	CPI (YoY) (Nov)	2.20%	2.20%	2.10%	Below
US	Crude Oil Inventories	-1.812M	-2.400M	-1.274M	Above
Euro	Deposit Facility Rate (Dec)	2.00%	2.00%	2.00%	On Par
Euro	ECB Interest Rate Decision (Dec)	2.15%	2.15%	2.15%	On Par
US	CPI (YoY) (Nov)	3.00%	3.10%	2.70%	Below
US	Initial Jobless Claims	237K	224K	224K	On Par

Source: Bloomberg2025/12/19



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury Bond 30Y	96.84	0.41	4.83
US Treasury Note 10Y	98.80	0.38	4.15
US Treasury Note 5Y	99.13	0.29	3.69
US Treasury Note 2Y	99.79	0.14	3.48
US Treasury Bill 3M	3.53	-0.14	3.61
China Govt Bond 10Y	99.54	0.39	1.83
Japan Govt Bond 10Y	97.43	-0.53	2.02
German Bond 10Y	97.92	-0.26	2.85
UK Gilt 10Y	100.15	0.03	4.48

Source: Bloomberg2025/12/19

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.7811	-0.04	-0.12	0.16
HKD/CNH	0.9039	-0.24	-1.06	-4.29
USD/CNH	7.0342	-0.27	-1.17	-4.14
USD/JPY	157.7500	1.25	0.38	0.35
USD/CAD	1.3802	0.22	-1.77	-4.05
GBP/USD	1.3379	0.06	2.45	6.90
AUD/USD	0.6612	-0.60	2.07	6.85
EUR/USD	1.1710	-0.26	1.49	13.10

Source: Bloomberg2025/12/19

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.

DISCLAIMER: This document is provided to you for your information and discussion only. It is not a solicitation or an offer to buy and sell any security or other financial product. Any information including facts, opinions or quotations, may be condensed or summarized and is expressed as of the date of writing. The information may change without notice and PC Financial (SG) Pte Ltd is under no obligation to ensure that such updates are brought to your attention.