



Weekly Report



Global Equities

Fed Holds Rates Steady as Dow Jones Breaks Historic 50,000 Milestone



Review: The Federal Reserve kept rates at 3.5%-3.75%. While the Nasdaq fell on tech profit-taking, blue-chip strength led the Dow up 2.5% to a record 50,000-point close.

Outlook: Markets shift focus to potential March rate cuts. Investors will monitor core inflation and labor data to gauge the Fed's timing, likely increasing short-term market volatility.

ECB Maintains Key Rates for Fifth Consecutive Meeting Amid Stable Inflation



Review: On February 5, the ECB kept its deposit rate at 2%. Signals of economic resilience and stable inflation outlooks supported a near 1% gain across major European indices.

Outlook: With a stabilizing Euro, sustained cooling of inflation may provide the ECB room for monetary easing later this year, potentially boosting corporate lending and investment confidence.

Manufacturing Contraction and Weak Retail Sales Weigh on Major China Indices



Review: January's PMI of 49.3 highlighted weak domestic demand. Despite steady industrial output, property sector pressures weighed on sentiment, causing both Shanghai and Shenzhen indices to drop 1.27%.

Outlook: Investors look for stimulus measures around the Lunar New Year. Attention centers on March macro data to confirm if fiscal policies are effectively strengthening the real economy.

Hang Seng Index Slides 3% Despite Robust AI-Driven IPO Activity



Review: Despite an AI IPO boom driving turnover, weak mainland data and foreign capital reallocation pressured the HSI, leading to a 3.02% decline and losing the 27,000 level.

Outlook: Short-term focus remains on Stock Connect capital flows. The post-listing performance and earnings prospects of AI firms will be critical for the HSI to stabilize by late February.



Global Bonds

Persistent High Yields Weigh on Global Government Bond Index Performance



Review: Despite high rates, strong corporate earnings and low default rates provided a buffer. The Bloomberg Global High Yield Index rose 0.01%, showing a balance between policy and fundamentals.

Outlook: Focus shifts to EM refinancing and currency stability. While risk appetite may drive seekers toward yield, any labor market softening could trigger credit spread widening and price downside.

Resilient Corporate Fundamentals Steady High Yield Bonds Amid Rate Uncertainty



Review: Record-high equities boosted risk sentiment, lifting high-yield bonds by 0.26%. EM debt stabilized amid a steady USD, with credit spreads near lows on soft-landing hopes.

Outlook: Anticipated rate cuts should ease corporate refinancing pressures. However, trade policy shifts may impact EM currencies; flows will depend on the balance of growth and yields.

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Commodities

WTI Crude Oil



Review: Elevated US inventories and soft manufacturing data from major consumers fueled demand concerns. WTI crude fell 2.55% to \$63.55 per barrel, reflecting a surplus-heavy market and cautious industrial sentiment.

Outlook: Focus remains on OPEC+ output decisions and geopolitical shifts. If industrial demand stays sluggish, prices may stabilize at lower levels, while markets evaluate the impact of energy deflation on broader inflation.

Gold



Review: Spot gold rose 1.43% to \$4,964.36 as stock market volatility and rate uncertainty boosted the metal's appeal. Investors increasingly allocated to bullion to hedge against potential economic downturns and policy shifts.

Outlook: Gold's trajectory depends on real interest rates and US dollar strength. Increased recession risks could push prices past \$5,000, though technical resistance and profit-taking at record highs remain key factors.

Bloomberg commodity Spot index



Review: The index declined 2.27% this week, pressured by falling energy and industrial metal prices. Resilience in gold and agriculture failed to offset the impact of downgraded global economic growth forecasts.

Outlook: Performance hinges on the implementation of fiscal stimulus in major economies. Without a manufacturing rebound, commodity prices may remain range-bound as markets monitor the balance between supply costs and consumption.



Currencies

US Dollar Index



Review: Cautious rhetoric from Fed officials and resilient economic data reduced the perceived urgency for a March rate cut. Safe-haven inflows further bolstered the greenback, pushing the DXY spot rate up to 97.63.

Outlook: Focus shifts to upcoming non-farm payrolls and CPI data to confirm U.S. economic resilience. Sustained positive data would reinforce the Dollar's interest rate advantage, keeping it a dominant force in global currency markets.

CNY/USD



Review: Weaker-than-expected January manufacturing PMI raised doubts about the recovery's pace. Combined with the stronger U.S. Dollar, the onshore Yuan depreciated by 0.31% this week to end at 6.9353 amid cautious sentiment.

Outlook: Investors are watching for central bank intervention via fixing rates or liquidity operations to stabilize the currency. Ahead of the Lunar New Year, policy support and liquidity shifts will determine the CNY's recovery potential.



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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	26559.95	-3.02	-0.56	27.13	3.63	24.70	-9.32	37.70
Hang Seng China Enterprise	9031.38	-3.07	-2.30	17.44	1.32	24.88	-21.88	12.12
Shanghai Composite	4065.58	-1.27	-0.44	24.30	2.44	25.17	16.28	47.12
Shenzen Composite	2649.57	-1.27	1.21	34.87	4.69	23.07	13.59	51.34
Dow Jones Industrial	50115.67	2.50	1.32	12.00	4.27	46.72	60.89	212.94
S&P 500	6932.30	-0.10	-0.18	13.95	1.27	66.48	78.35	274.27
NASDAQ COMPOSITE	23031.21	-1.84	-2.19	16.37	-0.91	90.12	66.21	439.53
FTSE 100	10369.75	1.43	2.44	18.82	4.41	31.85	59.80	84.12
DAX	24721.46	0.74	-0.69	12.87	0.94	61.36	75.87	178.41
NIKKEI 225	54253.68	1.75	3.30	38.88	7.78	95.96	88.52	237.28

Source: Bloomberg2026/2/6



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	S&P Global Manufacturing PMI (Jan)	51.90	51.90	52.40	Above
US	ISM Manufacturing PMI (Jan)	47.90	48.50	52.60	Above
US	ADP Nonfarm Employment Change (Jan)	37K	46K	22K	Below
US	S&P Global Services PMI (Jan)	52.50	52.50	52.70	Above
US	ISM Non-Manufacturing PMI (Jan)	53.80	53.50	53.80	Above
US	Crude Oil Inventories	-2.295M	-2.000M	-3.455M	Below
Euro	ECB Interest Rate Decision (Feb)	0.02	0.02	0.02	On Par
US	Initial Jobless Claims	209K	212K	231K	Above



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury Bond 30Y	96.44	0.43	4.85
US Treasury Note 10Y	98.34	0.32	4.21
US Treasury Note 5Y	99.96	0.20	3.76
US Treasury Note 2Y	100.00	0.11	3.50
US Treasury Bill 3M	3.59	0.63	3.67
China Govt Bond 10Y	99.81	0.03	1.80
Japan Govt Bond 10Y	99.01	0.21	2.22
German Bond 10Y	100.50	0.06	2.84
UK Gilt 10Y	99.57	0.14	4.56

Source: Bloomberg2026/2/6

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	7.8133	-0.01	0.32	0.39
HKD/CNH	0.8870	-0.40	-1.04	-1.04
USD/CNH	6.9301	-0.41	-0.72	-0.65
USD/JPY	157.2200	1.58	0.36	0.33
USD/CAD	1.3675	0.46	-1.01	-0.36
GBP/USD	1.3611	-0.55	0.81	1.01
AUD/USD	0.7013	0.70	4.08	5.10
EUR/USD	1.1815	-0.30	1.08	0.59

Source: Bloomberg2026/2/6

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