

CIO Views – Weekly Bulletin



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What's top of investors' minds?

Focus on stimulus versus austerity

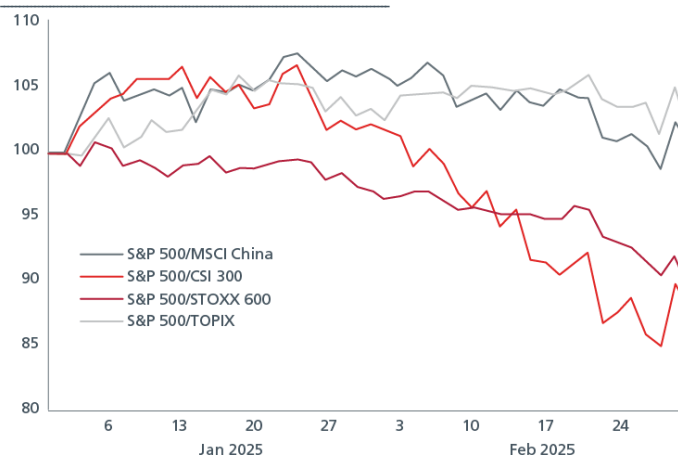
As US President Trump embarks on a global tariff war, opportunities are emerging for investors to explore markets where domestic policy easing can work to offset the impact of the tariff shock.

- The starting point is to recognize that the combination of the inflation shock from tariffs, DOGE cuts to Federal spending, and rapid curtailment of immigration are going to weaken US growth.
- In contrast, China's National People's Congress just announced a meaningful fiscal stimulus with what appears to be a willingness to do more if necessary to get close 5% GDP growth this year. Very low inflation also points to interest rate cuts in the coming months.
- In Japan, the government's pro-labour policies are driving wage growth that should stimulate a consumption rebound this year.
- Although Indian equities have underperformed recently, interest rate cuts by its central bank in the coming quarters should work to support a recovery.
- Outside of Asia, last week the new German government proposed a large, multi-year fiscal expansion and the European Central Bank cut its policy rate 25bps, its sixth cut since June last year.

Putting it all together, as US policy weakens US growth, Asian policy should increasingly work to generate asset market outperformance.

#USEconomy #Fed #equities #rates

US markets are underperforming



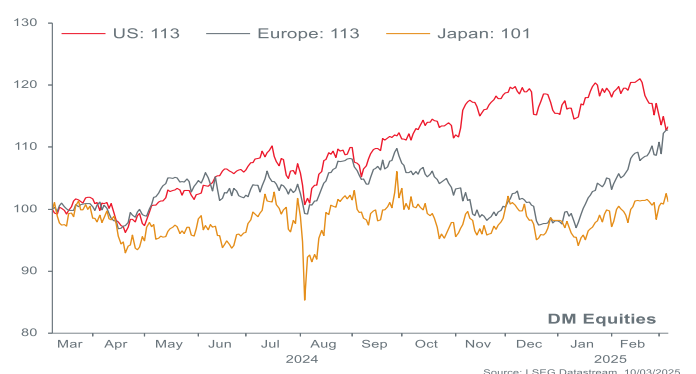
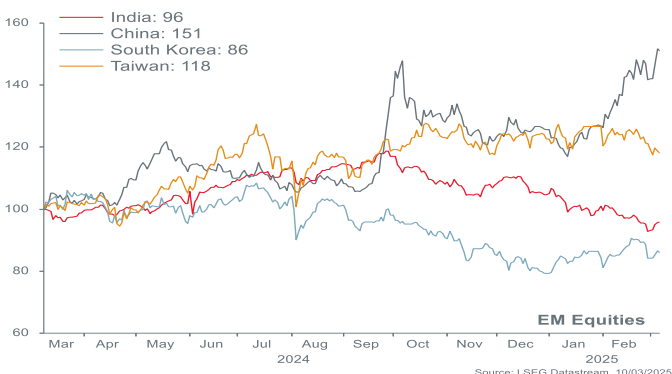
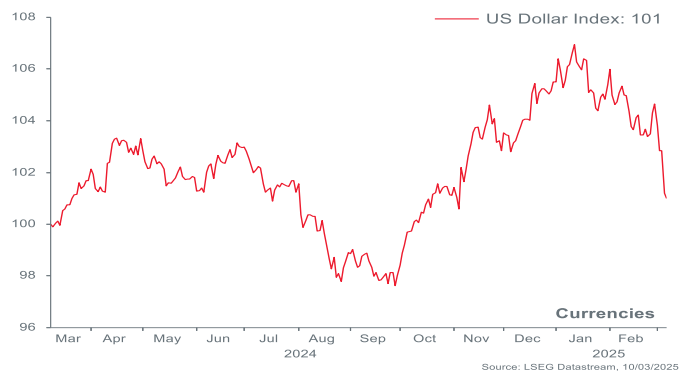
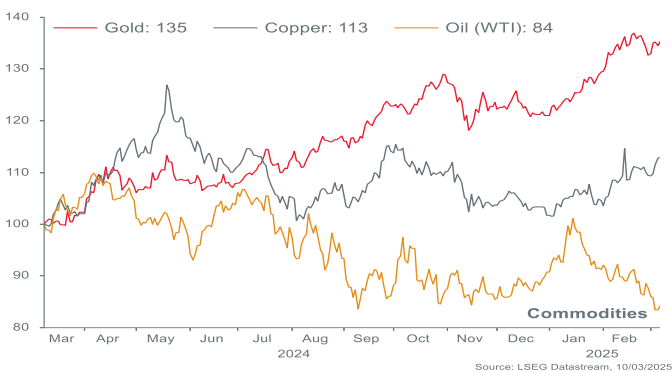
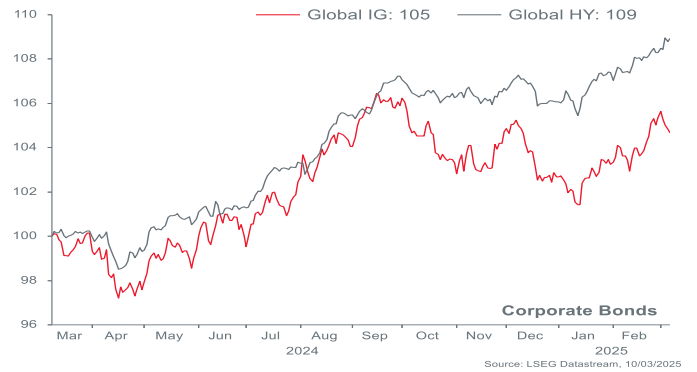
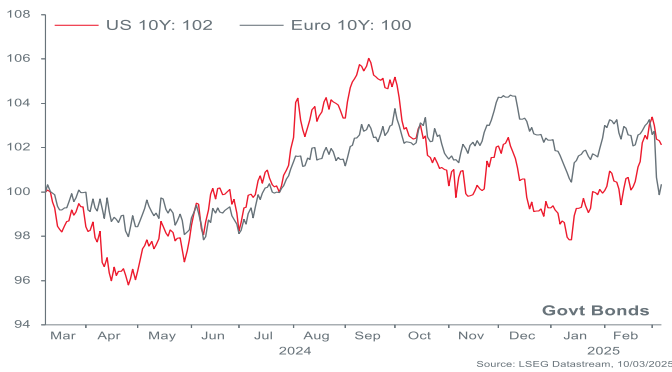
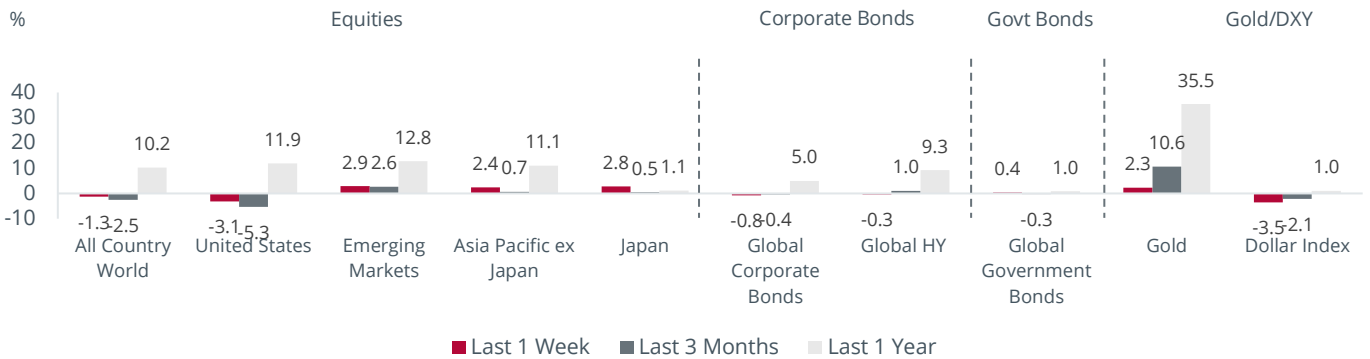
Source: LSEG Datastream, March 2025

Market Review

Global equities saw a decline of 1.3% over the past week. The S&P 500 dropped by 3.1%, while the Asia ex-Japan equity index rose by 3.0%, Japan equities increased by 2.8%, EM equities by 2.9%, and China equities by 1.6%. The Global Aggregate Bond index fell by 1.1%. The yield on 10Y US treasuries rose by 8bps and the 5Y/30Y yield spread steepened by 3bps. The yield on 10Y Singapore gov bonds rose by 1bp. US investment grade credit spreads widened by 2bps and Asia credit spreads widened by 1bp.

The Dollar weakened against several major currencies, with the Dollar index DXY declining by -3.5%. Asian currencies strengthened against the Dollar, with the ADXY index rising by 0.9%.

Asset Performances



Market Data

Equity Indices	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
World								
MSCI AC World Index (USD)	852.10	-1.26	-1.99	-2.48	10.22	1.28	887.72	743.29
North America								
US S&P 500 Index	5,770.20	-3.10	-4.24	-5.26	11.88	-1.89	6,147.43	4,953.56
US Nasdaq Composite Index	18,196.22	-3.45	-6.80	-8.38	11.82	-5.77	20,204.58	15,222.78
Europe								
MSCI Europe	2,294.50	3.59	7.02	9.51	9.17	14.56	2,294.50	1,979.88
Asia Pacific								
MSCI Asia Pacific ex Japan	590.66	2.36	1.27	0.70	11.05	3.73	629.66	514.71
Japan Nikkei 225	36,887.17	-0.72	-4.90	-5.64	-6.85	-7.54	42,426.77	31,156.12
Shanghai Stock Exchange Composite	3,372.55	1.56	2.09	-0.93	11.40	0.62	3,674.40	2,689.70
Hong Kong Hang Seng	24,231.30	5.62	14.66	21.97	49.30	20.79	24,669.62	16,044.45
Taiwan TAIEX	22,576.07	-2.07	-3.84	-2.66	14.64	-1.99	24,416.67	19,291.88
Korea KOSPI	2,563.48	1.21	1.65	5.57	-3.18	6.83	2,896.43	2,360.18
India NIFTY 50	22,552.50	1.93	-4.28	-8.61	0.26	-4.62	26,277.35	21,281.45
Australia Stock Exchange 200	7,948.20	-2.74	-6.62	-5.61	2.38	-2.59	8,615.20	7,492.60
Indonesia Jakarta Composite	6,636.00	5.83	-1.58	-10.12	-10.01	-6.27	7,910.56	6,246.28
Thailand SET	1,202.03	-0.14	-6.24	-17.21	-12.40	-14.15	1,506.82	1,173.13
Malaysia FTSE Bursa KLSE	1,547.27	-1.74	-2.74	-4.09	0.74	-5.79	1,684.68	1,528.52
Philippines Stock Exchange PSE	6,298.29	5.01	2.33	-6.40	-7.88	-3.53	7,604.61	5,862.59
Singapore FTSE Straits Times Index	3,914.48	0.48	1.37	3.12	24.91	3.35	3,951.64	3,125.64

Government Bonds	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
US Treasury Yield (%)								
10 Year	4.32	2.10	-3.77	3.97	5.52	-5.66	4.81	3.62
10 Year Bond Yield (%)								
Japan	1.57	10.92	16.78	44.59	108.20	39.18	1.52	0.71
China	1.76	-1.29	9.05	-10.30	-23.42	4.70	2.36	1.61
Australia	4.41	2.58	1.26	4.11	9.78	1.03	4.70	3.82
Singapore	2.69	-2.08	-5.88	-0.99	-11.06	-6.08	3.45	2.41
Thailand	2.20	-	-3.51	-4.76	-13.73	-3.08	2.83	2.17
Malaysia	3.78	-0.53	-1.10	-1.10	-1.64	-1.15	4.01	3.69
Indonesia	6.87	-0.81	-0.28	-0.69	3.45	-2.18	7.30	6.43

	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
Bond Indices								
Bloomberg Global Aggregate USD	93.71	-1.10	-0.43	-1.46	0.20	-0.05	96.21	91.49
Bloomberg U.S. Aggregate USD	91.84	-0.72	0.99	-0.74	1.26	1.56	94.86	87.88

Currencies (vs USD)	Latest	1 week Change	1 Month Ago	3 Months ago	1 Year Ago	YTD	52 week high	52 week low
Developed Markets								
EUR	0.45	4.40	4.89	2.50	-1.04	4.63	1.12	1.02
GBP	0.29	2.73	4.12	1.40	0.89	3.27	1.34	1.22
CHF	-0.44	-2.62	-3.29	0.13	0.23	-3.05	0.92	0.84
JPY	0.05	-1.71	-2.23	-1.33	-	-5.82	161.68	140.60
Asia								
CNY	-0.18	-0.67	-0.74	-0.50	0.58	-0.89	7.33	7.01
HKD	-0.02	-0.11	-0.26	-0.12	-0.65	0.03	7.84	7.76
INR	0.10	-0.42	-0.60	2.87	5.31	1.81	87.63	82.71
MYR	-0.29	-1.08	-0.56	-0.11	-6.19	-1.25	4.79	4.12
KRW	0.11	-0.84	-0.31	1.75	9.52	-1.88	1,476.78	1,308.30
SGD	-0.14	-1.48	-1.76	-0.81	-0.19	-2.53	1.37	1.28
TWD	-0.17	-0.24	-0.02	1.33	4.43	0.13	33.09	31.31
IDR	-0.21	-1.72	0.12	2.81	4.09	1.24	16,575.00	15,095.00

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Sources

Page 2 (top chart): Eastspring Investments, Refinitiv, as at 7 March 2025. Equities: using MSCI indices in USD, United States is using the S&P 500. Corporate Bonds: using ICE BofA indices in USD. Government Bonds: using the FTSE Global Sovereign Bond index, in USD. Gold is London Bullion Market US Dollar per Metric Tonne. DXY is US Dollar Index.

Page 2 (remaining charts): Eastspring Investments, Refinitiv, as at the end of the prior week, rebased to 100 as at 1 year ago. Equities: MSCI indices, in USD. Corporate Bonds: using Bloomberg indices in USD. Government Bonds: using ICE BofA US 10 Year US Treasury and ICE BofA 7-10 Year Euro Government indices. Commodities: Gold is London Bullion Market US Dollar per Metric Tonne Ounce. Copper is LME Copper Grade A Cash US Dollar per Metric Tonne. Oil is Crude Oil WTI Spot Cushing US Dollar per Barrel. US Dollar is US Dollar Index.

Page 3: Eastspring Investments, Refinitiv, as at 7 March 2025. Equities: MSCI indices in USD, other indices in local currency. Other indices or assets as stated.

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