Risk Refuge or Risky Business?

Global Markets Weekly Kickstart

22 April 2025

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Chart of the Week

Fed Officials Maintain Cautious Stance, Focus on Recession Risks and Rate Cut Trajectory

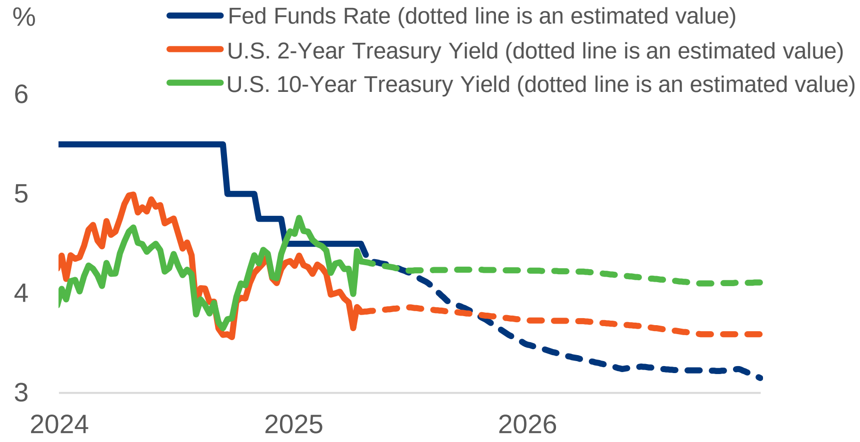
- The U.S. has entered a new phase of tariff negotiations with major global economies. The evolving timeline and scope of potential tariff measures continue to impact financial markets, prompting the Federal Reserve to adopt a wait-and-see approach. In fact, the Fed's March meeting minutes mentioned tariffs and their implications 18 times—far more than the single mention in January—highlighting heightened geopolitical and economic uncertainty. Officials are concerned that consumer spending may weaken and businesses may scale back investments. As a result, the Fed emphasized a prudent approach to interest rate decisions. Recent commentary from Fed officials has remained cautious. Chair Jerome Powell reiterated that achieving the Fed's dual mandate remains challenging and stressed that interest rate cuts will only be considered once inflation shows convincing signs of easing. Markets currently anticipate approximately 100 basis points of rate cuts in 2025, with most actions expected in the second half of the year. The Fed is likely to adjust its policy pace and depth in response to broader economic trends, particularly recession risks. Investors should closely monitor inflation trends, unemployment data, Fed guidance, and Treasury auctions for further clues on policy direction.
- Historically, U.S. rate-cut cycles have averaged a total reduction of about 400 basis points. Currently, markets have priced in roughly half of a recessionary scenario. Given that a potential economic downturn remains the primary risk, and with labor market data yet to show significant softening, U.S. dollar investors may consider taking advantage of yield rebounds to increase exposure to U.S. Treasuries and high-quality investment-grade bonds as a way to reduce portfolio risk.

Source: Bloomberg, Fed

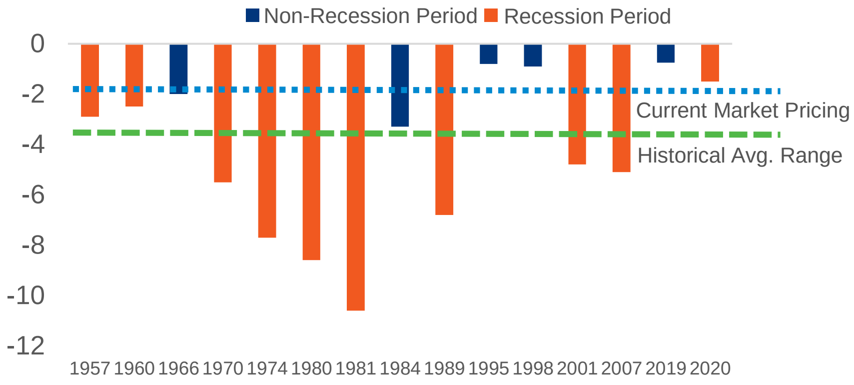
Tariff Uncertainty Persists; Fed Officials Remain Data-Dependent on Policy Moves

Fed Officials	Remarks
Fed Chair and FOMC Voting Member Jerome Powell	U.S. tariffs have surpassed Fed expectations, adding economic uncertainty and prompting caution on rate policy. Powell stated that rate cuts won't happen until inflation clearly eases. The Fed won't act on equity sell-offs but will support global dollar liquidity via foreign central banks.
Federal Reserve Vice Chair and New York Fed President, FOMC Voting Member John Williams	Williams noted that the current economic environment does not reflect a recession, but rather a moderation in growth compared to previous years. He views current monetary policy as appropriate and sees no immediate need to adjust policy rates in the near term.
Federal Reserve Governor and FOMC Voting Member Christopher Waller	Waller believes the inflationary impact of tariffs will likely be transitory. However, he warned that the drag on output and employment from elevated tariffs may be more persistent. In a full-scale tariff scenario, Waller indicated he would favor earlier and more aggressive rate cuts if the economy shows clear signs of slowing. His stance contrasts with that of other Fed officials who view tariffs as a factor that could sustain higher inflation.
Atlanta Fed President Raphael Bostic	The labor market aligns with the Fed's employment goal, but 2% inflation remains out of reach. Powell warned that tariffs may delay progress and noted Trump's policies are slowing growth. Given the uncertainty, the Fed will stay cautious and hold off on policy changes until there's more clarity.

Markets Have Priced In Partial Recession Risk, Projecting Up to 100bps in Fed Rate Cuts This Year



Historical Fed Rate Cuts During Easing Cycles Since 1950 (%)

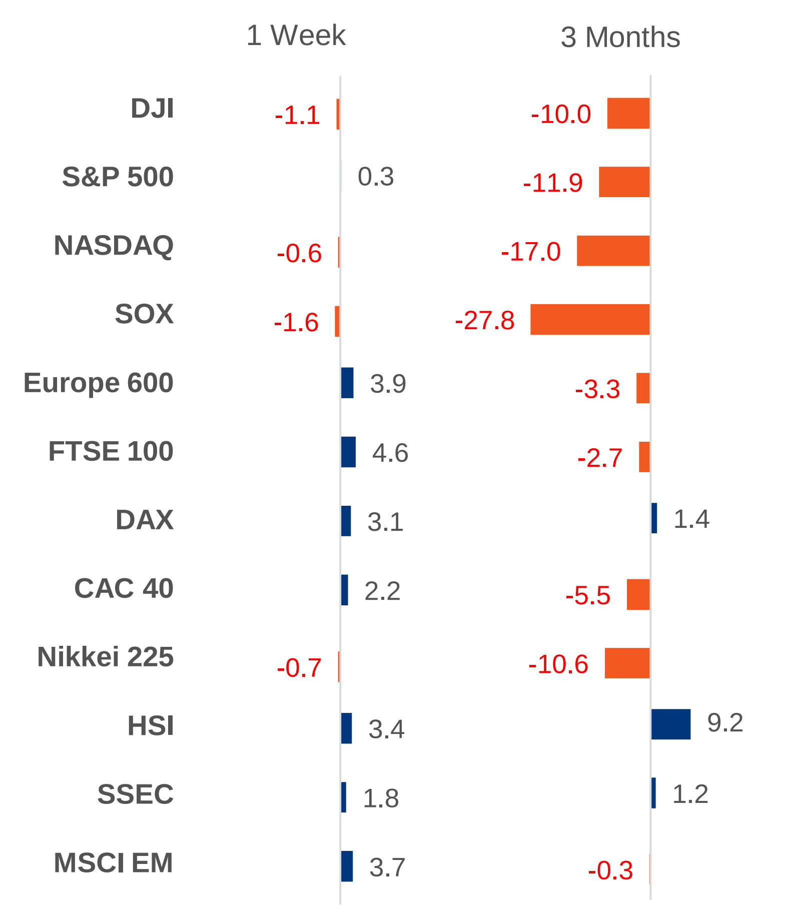


Market Recap

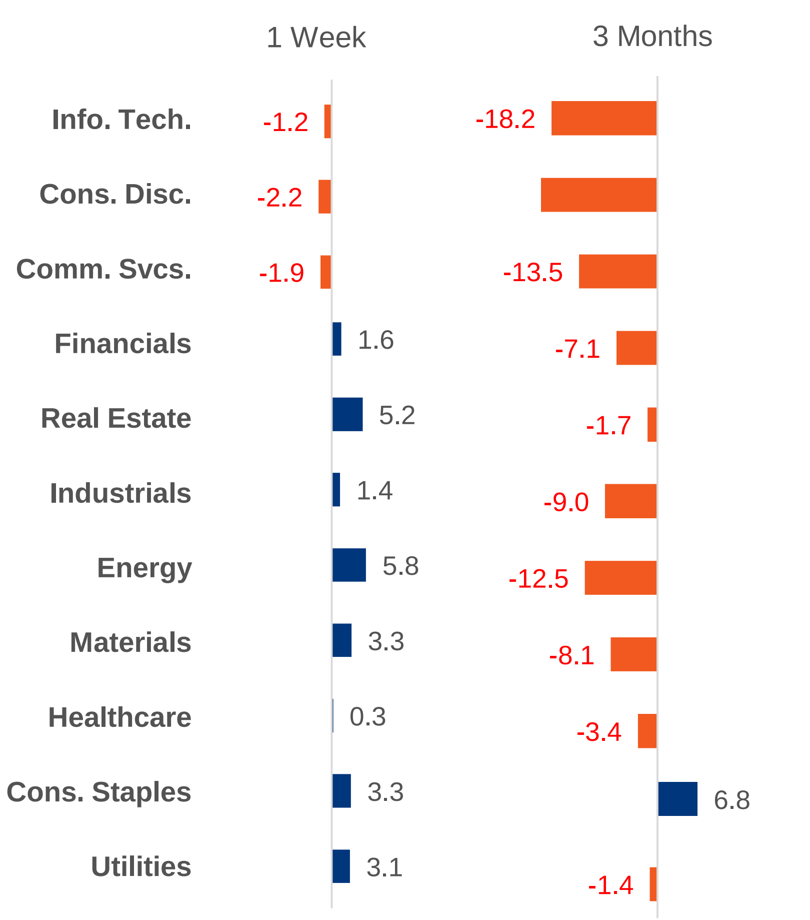
Tariffs Show Some Progress, Corporate Outlook Remains Uncertain; Equities Mixed

- The U.S. and Japan have resumed trade negotiations, with Japan's Prime Minister reportedly planning a visit to the U.S. for direct talks with former President Trump. Meanwhile, China has also expressed interest in reopening discussions with the U.S., suggesting a tentative shift toward constructive engagement on tariffs. On the monetary policy front, Fed Chair Jerome Powell reiterated that the Fed will not intervene to stabilize equity markets unless there is a sharp deterioration in economic data. As a result, U.S. equities ended mixed. In Europe, the European Central Bank announced an additional rate cut to boost liquidity. This, combined with reports that the Trump administration is considering a temporary exemption on auto and auto parts tariffs, contributed to European equities outperforming in recent sessions.
- During U.S.-EU tariff negotiations, President Trump proposed increased European purchases of U.S. energy in exchange for exemptions on tariffs for European automobiles and other industrial goods. Meanwhile, the U.S. Department of Energy plans to cut nearly $10 billion in clean energy subsidies—fueling gains in energy stocks, which have led recent market performance. Geopolitical and policy uncertainties continue to weigh on markets, while corporate earnings guidance has been mixed. TSMC's outlook aligned with market expectations, but leading semiconductor lithography firm ASML reported weaker-than-expected orders in Q1 and revised its guidance downward due to tariff-related concerns. Additionally, NVIDIA's H20 chips have been barred from export to China by the U.S. government, putting further pressure on tech stocks. Investors remain focused on earnings guidance and capital expenditure trends.

Major Stock Indices Performance by Region (%)



US Stock Performance by Sector (%)

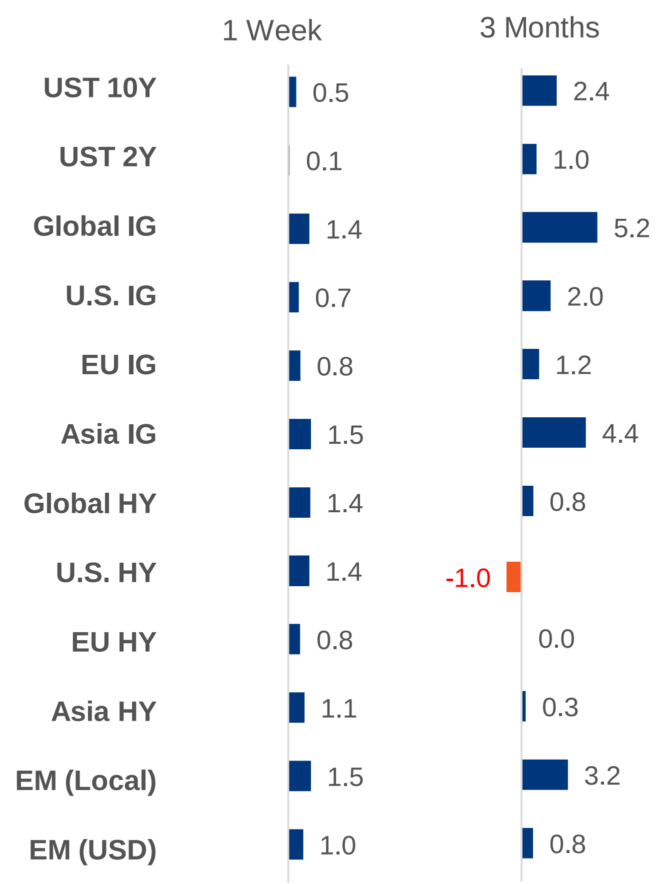


Source: Bloomberg, 18 Apr. 2025

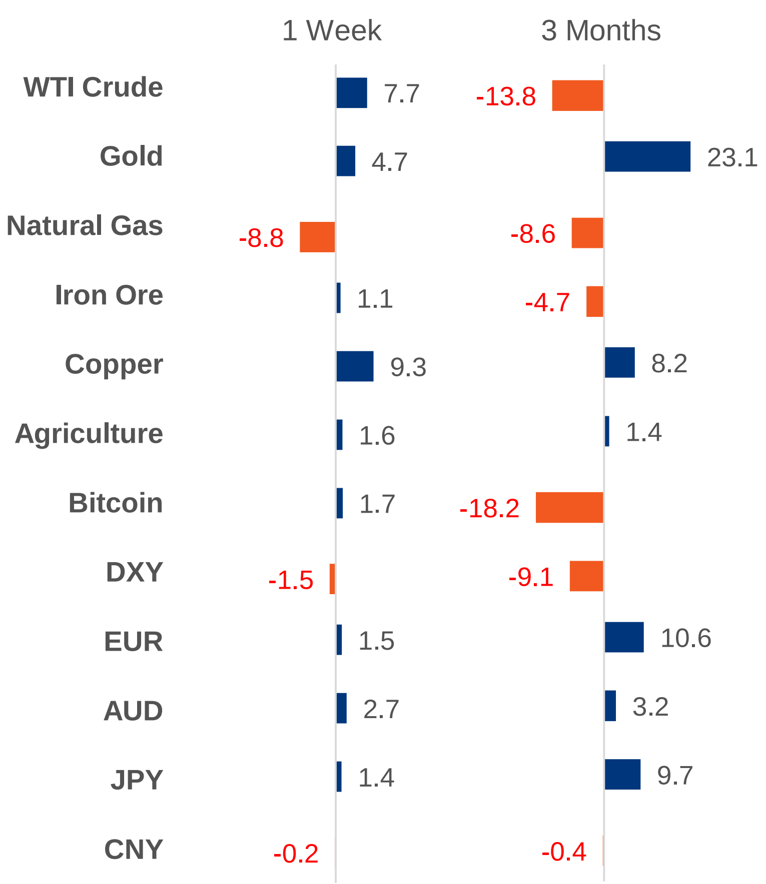
Fed Officials Reaffirm Wait-and-See Stance; U.S. Treasury Yields Fall, Dollar Softens, Gold Extends Gains

- Tariff developments continue to influence market sentiment, while the Fed reiterated that it will maintain its wait-and-see approach to monetary policy until economic goals are met. The market still expects the Fed to cut rates by around 100 basis points this year. U.S. Treasury volatility has notably declined, and as tariff negotiations progress, credit spreads have narrowed from recent highs—supporting the performance of both government and corporate bonds. Reports also suggest former President Trump has approached ex-Fed Governor Kevin Warsh to potentially replace current Fed Chair Jerome Powell in a bid to push for rate cuts. Moving forward, close attention should be paid to economic data trends and the independence of U.S. monetary policy.
- U.S. retail sales came in stronger than expected, though this may be due to frontloading ahead of tariff hikes. The New York Fed's Empire State Manufacturing Survey, while beating expectations, remained in contraction for a second consecutive month, suggesting that ongoing political and economic uncertainty may be slowing business activity. The U.S. Treasury yield curve has flattened, and equity markets remain volatile. The dollar index continued to decline, falling below the key 100 level, while non-dollar currencies such as the euro and Australian dollar gained ground. Meanwhile, U.S.-Japan tariff negotiations have yet to address currency issues, and with no resolution in sight, the Bank of Japan is expected to stay on hold—leading to renewed weakness in the yen. As political and economic uncertainties persist, capital continues to flow into gold as a safe haven, pushing prices to a new high above $3,300 per ounce.

Performance of Bonds (%)



Performance of Commodities and Currencies (%)

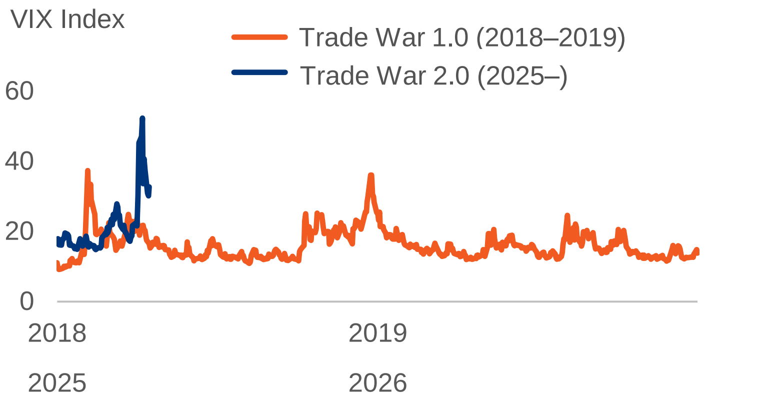


Source: Bloomberg, 18 Apr. 2025

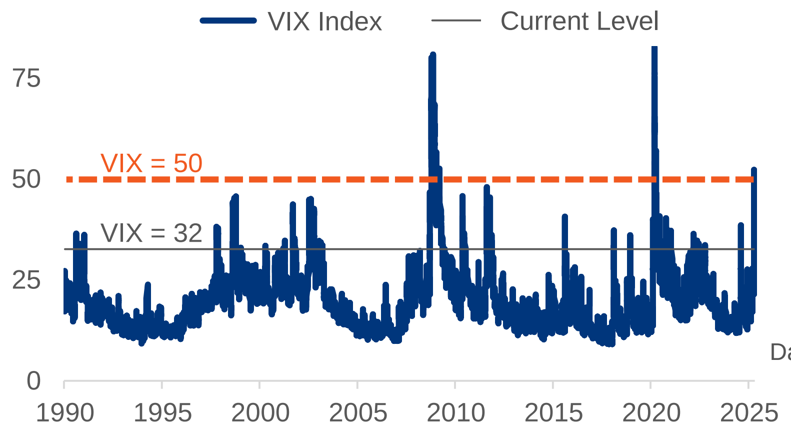
What's Trending Elevated Fear Index Signals Ongoing Risk; Reducing Volatility is the Smart Play

- Much like during Trump's first term, his policy actions have once again triggered heightened market volatility. However, investor sentiment appears even more jittery this time around. The VIX Index at one point surged above 50 levels comparable to those seen during the global financial crisis and the onset of the COVID-19 pandemic. From a historical standpoint, sharp spikes in the VIX without an accompanying economic recession have often presented attractive buying opportunities. In similar past instances, the S&P 500 posted an average return of approximately 6.2% over the subsequent 90 trading days. Following the announcement of Trump's 90-day tariff exemption period, equity markets staged a sharp rebound, with gains already approaching that historical average. While recent momentum has been positive, elevated volatility suggests a cautious approach remains warranted.
- The current VIX index stands at 32—well above the 20-year average of 19. Since 1990, only about 4% of trading days have seen levels higher than this. Assuming no further escalation in tariffs from Trump, the data so far primarily reflect deep pessimism among consumers and producers, with inflation expectations rising and investment appetite waning. However, there has yet to be a clear indication of broad-based economic deterioration or an avalanche of bad news. In the meantime, equities may remain volatile, lacking a strong catalyst for a sustained rally. Given that the S&P 500 is currently trading at a forward P/E ratio of around 20—above historical averages—adopting a low-volatility, defensive strategy remains a prudent approach.

Feeling a sense of déjà vu?

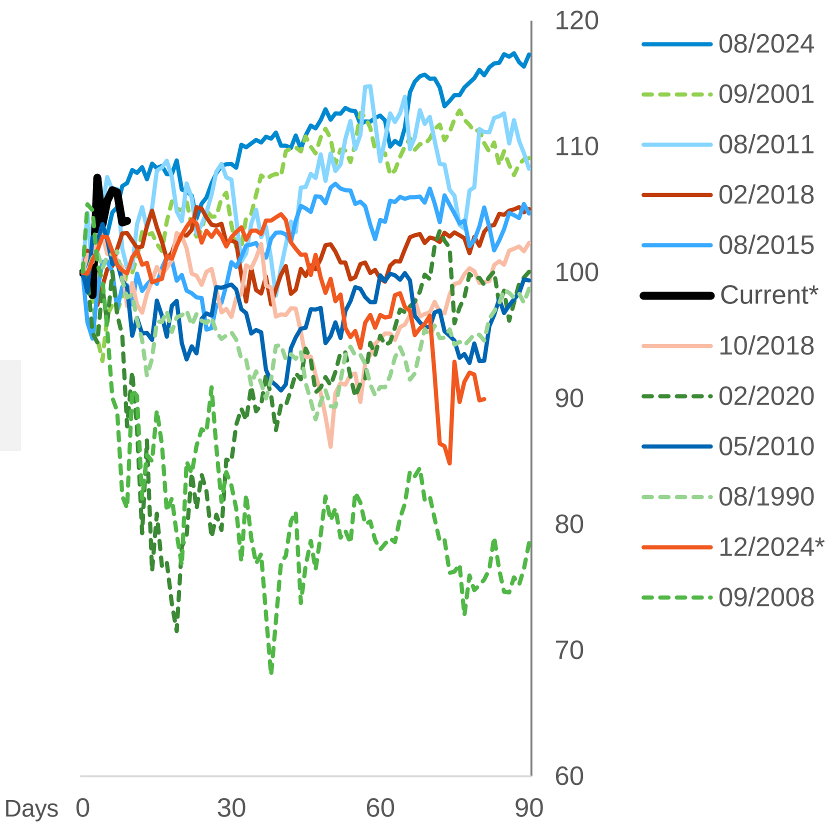


Markets are not out of the woods yet



When Panic Subsides Without Recession, Equities Often Recover

S&P 500 Performance Following a 75%+ Spike in the VIX Index



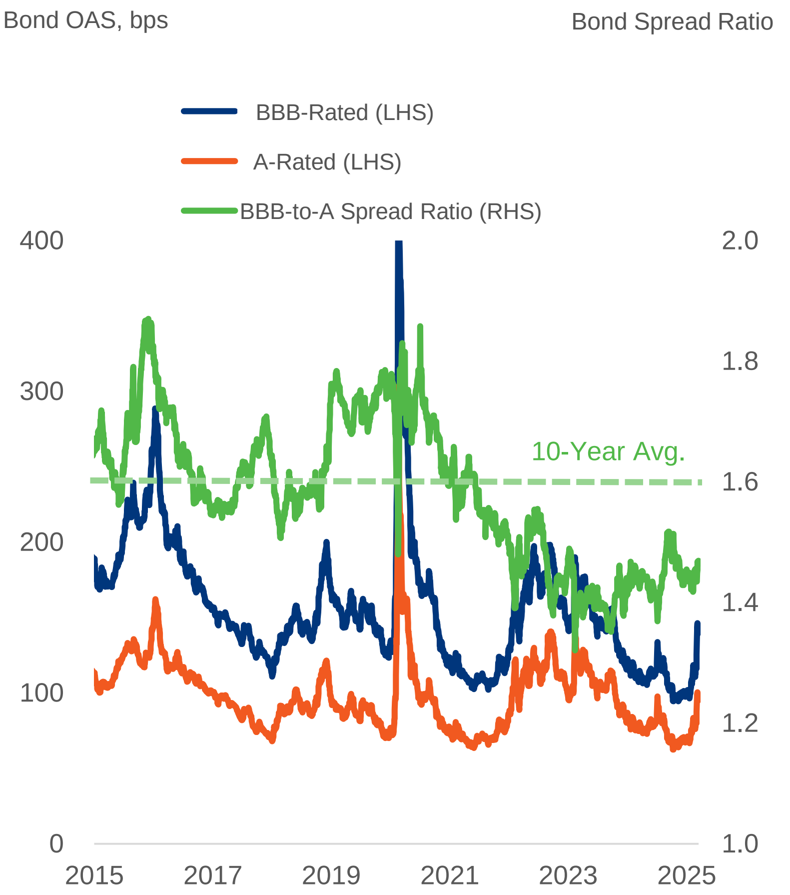
Indexed to 100 on the Day VIX Surges Over 75%; Dotted Lines Indicate Recession Periods

Source: Bloomberg. Note: An asterisk (*) in the right-hand chart denotes data through April 16, 2025 — fewer than 90 trading days

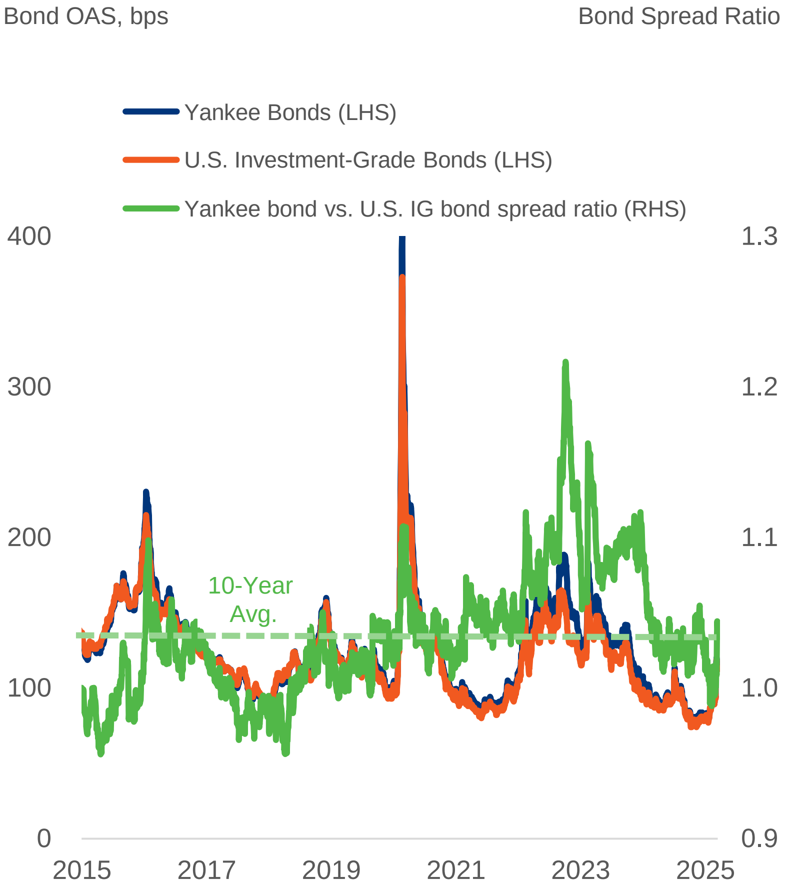
In Focus Ongoing Volatility Spurs Focus on High-Grade A-Rated and Yankee Bonds

- The 90-day delay in U.S. tariff implementation has provided temporary relief for credit spreads, leading to some narrowing. However, if tariffs are enforced, worsening economic expectations could quickly widen spreads for lower-rated bonds and increase the risk of bond price corrections. So far this year, spreads for both BBB- and A-rated bonds have risen, though their spread ratio remains below the 10-year average. Given persistent political and economic uncertainties affecting global bond markets, the primary strategy is to reduce exposure to lower-rated, high-volatility credit bonds. It is advised to prioritize bonds issued by large, leading companies with A ratings or above.
- When examining the spreads of U.S. dollar-denominated investment-grade bonds issued by non-U.S. corporations, they continue to offer attractive value relative to their U.S. counterparts. Considering that U.S. domestic companies may face rising costs and margin compression due to tariffs, investors may benefit from shifting focus toward non-U.S. investment-grade credits with more stable fundamentals. Prioritizing high-quality, cash flow resilient global leaders, particularly in industries such as banking, insurance, utilities, and communication services, can enhance portfolio stability. Emphasis should be placed on companies with lower exposure to international revenues or those offering more favorable risk-adjusted spreads, helping investors navigate market turbulence with greater resilience.

U.S. BBB/A-Rated Corporate Bond Spread Ratio Below 10-Year Average



Highlighting the Investment Appeal of Non-U.S. Corporate Bonds



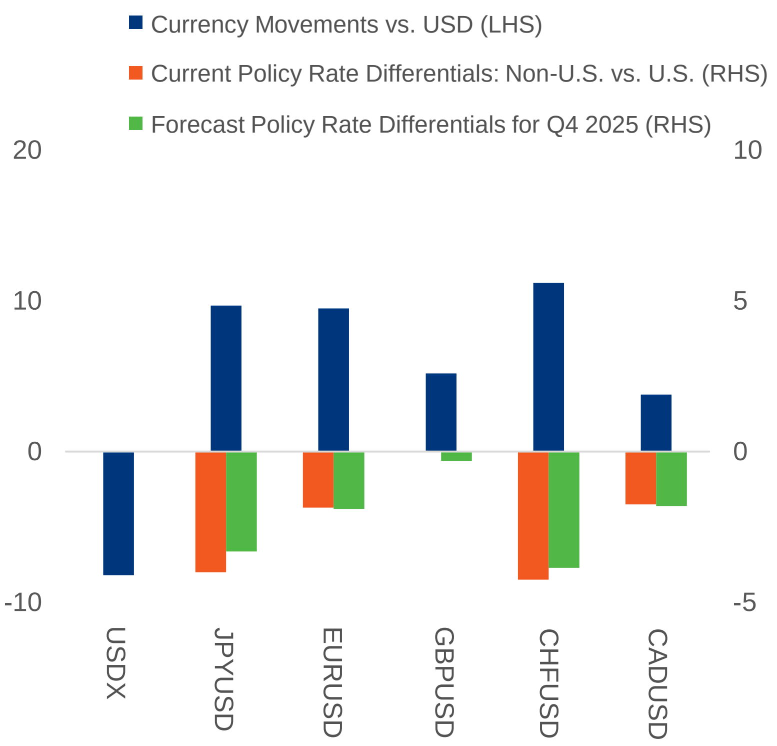
Source: Bloomberg

De-Dollarization Concerns Support Non-U.S. IG Bonds; Watch Capital Flows and Spread Trends

- Rising tariff-related risks have led to a notable reduction in U.S. Treasury holdings by non-U.S. countries, with some capital even flowing out of the U.S. dollar–denominated bond market altogether. As a result, the U.S. dollar has weakened so far this year, while major non-U.S. currencies have generally appreciated. This trend reflects a broader investor response to escalating trade tensions, marked by reduced exposure to U.S. debt and a move toward de-dollarization. Market expectations suggest that the policy rate differential between the U.S. and other major economies will narrow by year-end, further supporting the outlook for non-U.S. currencies to strengthen. In light of persistent concerns around de-dollarization, investors should closely monitor capital flows and relative credit spreads across global markets, particularly in non-U.S. investment-grade debt.
- Although the implementation of U.S. tariffs has been delayed, concerns over the country's growing fiscal deficit remain top of mind for bond investors. The U.S. Treasury may need to increase bond issuance, prompting investors to demand higher term premiums on Treasuries to compensate for perceived fiscal discipline risks. For those concerned about U.S. debt sustainability or potential de-dollarization trends, reallocating into non-USD investment-grade bonds may offer diversification and reduced exposure to U.S.-specific risks. Options include high-quality bonds denominated in Euros, British pounds, Singapore dollars, and other stable currencies—helping mitigate volatility tied to U.S. fiscal policy or dollar weakness.

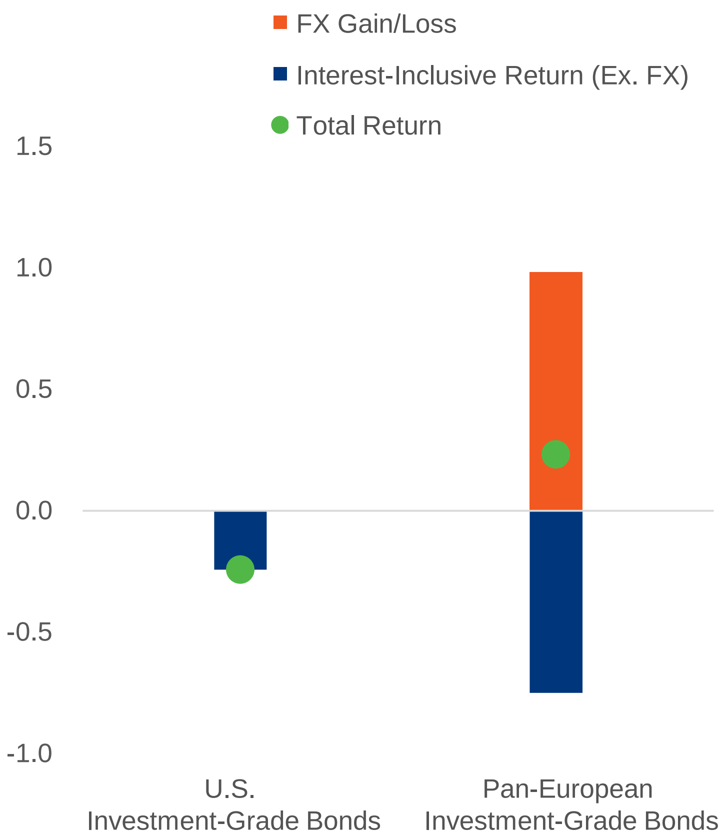
The U.S. Dollar Has Weakened in 2025, While Most Major Developed Currencies Have Strengthened

Appreciation/Depreciation of Key Non-U.S. Currencies vs. the USD (%)



Currency Gains Boost Performance of Non-USD Credit Bonds

Year-to-Date Total Return (%)



Source: Bloomberg

Asset Strategy

Asset Type	Market View	Preferred Assets
Equities	◆ As Trump's tariff proposals move into the negotiation phase, downside risks remain for the U.S. economy and corporate earnings. We maintain a cautious view on U.S. equities in Q2, recommending a defensive investment stance. Investors may consider gradually increasing exposure to sectors such as consumer staples, utilities, and telecommunications—particularly within U.S. domestic demand–driven industries, which are seen as relatively more insulated. ◆ U.K. equities have shown relative resilience, given their lower exposure to tariff impacts. With potential tailwinds from a Russia-Ukraine ceasefire and Germany's fiscal expansion, European equities may initially react negatively to trade tensions, but offer accumulation opportunities on pullbacks. Japan's economy continues to improve, and we see selective opportunities in Japanese bank stocks and domestically oriented companies, especially on dips.	**Strategy**: Preference for large-cap stocks, with a tilt toward defensive sectors such as utilities, telecom, and consumer staples **Regions**: Japanese domestic demand and banking stocks; U.K. equities
Bonds	◆ Given rising concerns over recession risks, there is potential for a decline in long-term U.S. Treasury yields. We recommend moderately increasing allocation to long-duration Treasuries, bearing in mind that while longer maturities offer greater capital gain potential, they also come with higher price volatility. Meanwhile, mid- to short-term Treasuries continue to offer attractive yields—investors may consider locking in rates during periods of yield spikes. In the credit space, selection should focus on higher-rated investment-grade bonds, particularly from sectors with limited overseas revenue exposure such as banking, utilities, and insurance. ◆ Within credit, favor investment-grade bonds with relatively attractive risk-adjusted spreads, including those from the financial, industrial, energy, utilities, and telecommunications sectors.	**Duration**: Focus on long-duration U.S. Treasuries; rate-lock opportunities in high-quality short- to mid-term corporate bonds **Types**: Prefer large-cap investment-grade issuers, with a sector tilt toward financials benefiting from structural tailwinds
Forex	◆ There is a strong possibility of significant rate cuts in the U.S., and the Trump administration appears to favor a weaker U.S. dollar to reduce other countries' export competitiveness. As a result, the dollar is likely to remain under depreciation pressure. ◆ Non-U.S. currencies such as the euro and Japanese yen have appreciated on the back of U.S. dollar weakness and are expected to remain relatively strong in the near term.	**USD**: Bias Toward Depreciation **Euro & JPY**: Expected to Strengthen in the Short Term
Commodity	◆ The back-and-forth nature of Trump's tariff policies has heightened risk-off sentiment, while concerns over economic slowdown, inflationary pressures, and rising fiscal deficits continue to build. In addition, sustained gold purchases by central banks and institutional investors have further fueled momentum in gold prices.	**Gold**: Bullish Bias

Product Spotlight | HK Equities

Q1 Economic Growth Beats Expectations, but Trade Risks Loom

China's Q1 Growth Surpasses Market Expectations

- China's economy got off to a solid start in the first quarter, with GDP expanding by 5.4% YoY—exceeding market expectations of 5.2% and surpassing the official growth target of "around 5%" set earlier this year. However, these figures have yet to reflect rising global geopolitical tensions. According to the latest trade data, exports to the U.S. accounted for 13.5% of China's total exports, while imports from the U.S. made up about 6.7% of China's total imports. At present, both countries have imposed tariffs exceeding 100% on select goods. These elevated trade barriers between the world's two largest economies are expected to significantly reduce bilateral trade flows. Starting in April, exports to the U.S. are likely to experience a sharp decline.

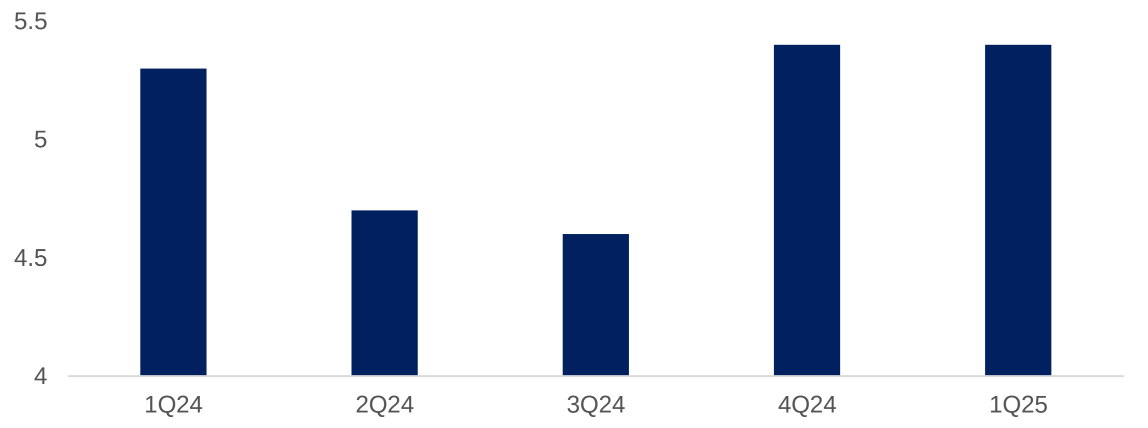
Deteriorating U.S.-China Trade Relations to Weigh on Future Economic Growth

- According to the latest trade data, exports from China to the U.S. accounted for 13.5% of total exports in the first quarter, while imports from the U.S. made up about 6.7% of total imports. With reciprocal tariffs now in effect, China's total exports are projected to decline by approximately 10% in the first year following the tax increases. This drop could shave around 2 percentage points off nominal GDP growth, making it more challenging for China to meet its full-year growth target.

Domestic Demand Continues to Play a Crucial Role in Driving Growth

- March retail sales data surprised to the upside, with YoY growth of 5.9%, well above market expectations of 4.2% and February's 4% reading. Within the breakdown, catering revenue accelerated by 1.3% points to 5.6%, while goods retail sales grew by 5.9%, a 2% point increase from the prior month—marking the fastest pace since November 2023. Beyond traditional categories such as dining and merchandise consumption, emerging consumption trends are also worth market attention. Notably, livestream e-commerce and subscription-based services—both popular among consumers and exhibiting strong user engagement—are gaining traction and warrant closer observation.

China Quarterly GDP Growth (YoY, %)



Retail Sales Continue to Improve

Source: National Bureau of Statistics

Kuaishou Technology (1024)

Closing Price	HK $48.7	Target Price	HK $72

Kuaishou Technology operates as a content community and social platform. The Company helps users create, upload and watch short videos on mobile devices. Kuaishou Technology offers services worldwide.

■ AI Tools Drive Operational Efficiency Gains

Kuaishou's AI strategy is deeply integrated across its three core business pillars: advertising, livestream tipping, and e-commerce—fundamentally reshaping its operational model. Its ACT recommendation model leverages large-scale learning to deliver precise content recommendations across short videos, live streams, and user comments. Meanwhile, AIGC (AI-generated content) is enhancing the efficiency of marketing asset creation, potentially accelerating growth in livestream-driven commerce. Kuaishou's proprietary AI product, "Keling," is capable of generating images, videos, and more. This tool has already been commercialized through a standalone app, creating a new revenue stream independent of Kuaishou's core user base—allowing the company to monetize even outside its existing ecosystem.

■ Growth Seen in Active Users, User Monetization, and Session Duration

Kuaishou's overall daily active user base has continued to expand. In 2024, average daily active users (DAUs) reached nearly 400 million, representing YoY growth of 5.1%. Average time spent per user rose to 127 minutes per day. Alongside user growth, revenue per active user also increased, reaching an annualized RMB 178.8, up 6.9% YoY. Although DAU growth is expected to moderate to 2.6% in 2025, revenue per active user is projected to accelerate, with a YoY increase of approximately 8.9%.

■ Valuation

The market expects Kuaishou's adjusted EPS to reach RMB 4.61 in 2025, reflecting a YoY growth of around 14.6%. Based on current pricing, this implies a forward P/E ratio of 10.3x and a PEG ratio of 0.7. Using a target P/E of 14.6x, the corresponding fair value would be approximately HKD 72 per share.

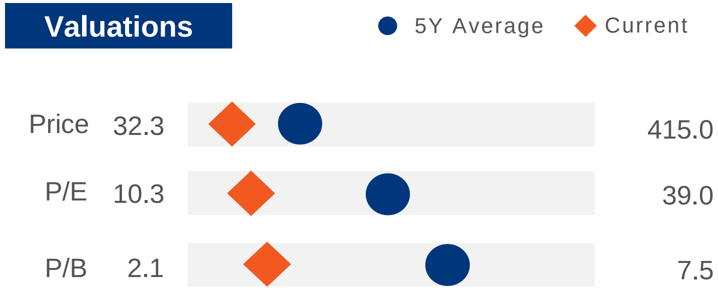
Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Net Income (100M CNY)	-5.8	10.3	17.7	20.0	24.1
NI YoY(%)	NA	NA	72	13	20
EPS(CNY)	-1.6	2.3	4.0	4.6	5.5
DPS(CNY)	0	0	0	0	0
P/E	NA	19.9	11.4	10.0	8.4
Dividend Yield	0	0	0	0	0

Source: Bloomberg; 2025/26F are market estimates

Valuations



1-Year Price

As of 16 April 2025	1M	3M	YTD	1Y	3Y	5Y
Return (%)	-23.3	19.5	17.8	6.7	-23.6	-57.7

Tencent Music (1698)

Closing Price	HK $49.1	Target Price	HK $60.5

Tencent Music Entertainment operates an online music entertainment platform in China. The Company offers platform that comprises of online music, recording, music-centric live streaming enabling users to discover, listen, sing, watch, perform, and socialize music.

- **Low-Entry, High-Retention: A Tiered Pricing Strategy**

  Tencent Music adopts a pricing strategy that starts with low-cost offers to attract new subscribers, followed by higher renewal prices. The basic membership retention rate remains strong at around 80%, while SVIP retention reached 72% in the latest fourth quarter. The market anticipates this figure will rise by one percentage point per quarter, reaching 80% by Q4 2026. SVIP members enjoy exclusive music content, higher audio quality, cross-platform access, live event privileges, and early access to limited-edition artist merchandise. This premium tier is now a core focus of Tencent Music's growth strategy. Notably, music streaming platforms tend to exhibit high user stickiness, and Tencent Music stands to benefit from both subscriber growth and rising ARPU driven by renewals.

- **Tencent Music's Differentiated Strategic Positioning**

  Tencent is actively advancing its platform differentiation strategy. A key example is its investment in original content creation, often achieved through cross-sector IP collaborations and co-creation initiatives. The company has also developed a comprehensive artist development system, which includes a performance-based rating mechanism. Popular artists may be offered performance opportunities—both online and offline—enhancing their engagement and exposure. These initiatives not only boost artist participation and growth but also strengthen Tencent Music's differentiated positioning in the market. By reducing reliance on third-party music labels, Tencent can improve its content control and expand margins, contributing to a potential increase in gross profit margin over time.

- **Valuation**

  Tencent Music is currently trading at a projected 2025 P/E of 17x. Adjusted EPS are expected to accelerate over the next three years, with a CAGR of 20.7%. Applying a target P/E of 20.7x implies a fair value of approximately HKD 60.5 per share.

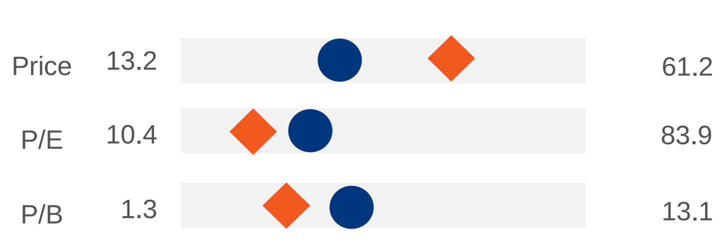
Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Net Income (100M CNY)	4.9	6.2	7.7	8.7	10.3
NI YoY(%)	41	27	23	14	18
EPS(CNY)	1.5	2.0	2.5	2.7	3.2
DPS(CNY)	0.0	0.0	0.0	0.4	0.6
P/E	30.6	23.6	18.9	17.1	14.5
Dividend Yield	0	0	0	1	1

Source: Bloomberg; 2025/26F are market estimates

Valuations



1-Year Price

As of 16 April 2025	1M	3M	YTD	1Y	3Y	5Y
Return (%)	1.6	22.6	12.4	14.9	175.5	175.5

US Equities VIX Index Presents Tactical Trading Opportunities

- U.S. retail sales rose 1.4% MoM in March, in line with market expectations and significantly higher than February's 0.2% increase—marking the strongest gain since January 2023. The primary driver was a sharp 5.3% increase in auto and parts sales, reflecting front-loaded consumer purchases ahead of expected auto tariffs.
- Speaking at the Economic Club of Chicago, Fed Chair Jerome Powell warned that upcoming tariffs could push inflation higher, while simultaneously weakening economic growth and potential employment—a challenging backdrop for monetary policy. However, he emphasized that the Fed still has room to wait for greater clarity before considering any policy adjustments. Powell noted that inflation and labor market conditions may deviate from the Fed's targets over the remainder of the year—or at the very least, show limited improvement. Tariffs are likely to cause at least a temporary rise in inflation, with the risk of a more persistent impact depending on their scale, the speed of pass-through to prices, and the anchoring of long-term inflation expectations. Importantly, he stressed that long-term expectations, which the Fed monitors most closely, remain aligned with the central bank's inflation target.
- U.S. building permits rose 1.6% in March to a seasonally adjusted annual rate of 1.482 million, exceeding market expectations of 1.45 million and up from the prior 1.459 million.
- U.S. housing starts in March dropped sharply by 11.4% MoM to a seasonally adjusted annual rate of 1.324 million units, well below the expected 1.42 million and down from a revised 1.494 million.
- Since April 2, following Trump's announcement of global tariffs and retaliatory measures, particularly from China—the VIX Index has surged sharply, briefly touching 60, signaling a wave of panic-driven selling in the market. While a broader downward trend has formed, intermittent rebounds have occurred during the decline. Investors can use the spread between the VIX spot price and the 3-month forward price to gauge short-term market direction and identify entry or exit points. A shift in the spread from negative to positive may signal a short-term rebound, while a reversal from positive to negative could mark the beginning of a renewed downtrend. Year-to-date, such reversals were observed on March 3, March 31, and April 2 (positive to negative), as well as on March 14 and April 1 (negative to positive). With the exception of April 1, each of these dates was followed by a clear upward or downward move in the broader market.

Comparison of VIX Spot Price vs. 3-Month Forward Price

Source: Bloomberg

American Water Works Co Inc. (AWK)

Closing Price US $148.4	**Target Price** US $155

Provides drinking water, wastewater, and other water-related services in multiple states and Ontario, Canada. Its primary business involves the ownership of regulated water and wastewater utilities that provide water and wastewater services to residential, commercial, and industrial customers.

Resilient Utilities Stocks in Defensive Sectors

Amid rising trade tensions and an increasingly uncertain macroeconomic outlook, U.S. water utility companies stand out as defensive and stable investment options. Their business models—centered around the essential provision of clean water and wastewater treatment—position them as critical infrastructure providers. With revenue and operations entirely based in the U.S. domestic market, these companies are largely insulated from global supply chain disruptions and tariff-related shocks, making them potential safe havens during periods of heightened market volatility.

Defensive Strength of Essential Public Services

It continues to demonstrate resilience, leveraging its regulated utility business model to deliver stable cash flow and consistent dividend growth. For fiscal year 2024, the dividend increased by 8.6% YoY, with a current dividend yield of 2.06%. Management has set a long-term EPS growth target of 7%–9% annually, highlighting a shareholder-centric strategy. Looking ahead, the company plans to invest $170–180 billion in capital expenditures between 2025 and 2029, with a total investment target of $400–420 billion by 2034. These investments will focus on improving infrastructure efficiency, expanding customer reach, and supporting its M&A pipeline. As a U.S.-focused utility, AWK offers low volatility, reliable income, and long-term capital appreciation potential—making it an attractive option during times of uncertainty.

Valuation Consensus

The 12-month average target price on Bloomberg is USD 141, with a high estimate of USD 159 and a low of USD 115.

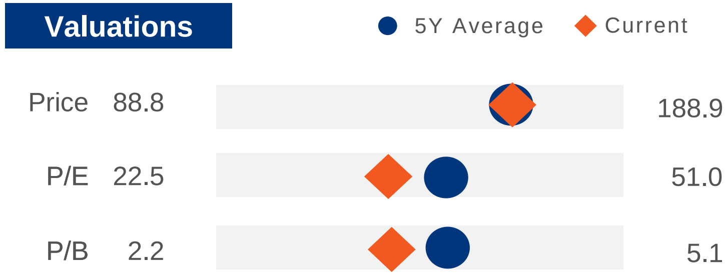
Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Revenue Growth(%)	-3.5	11.7	10.6	5.5	6.8
EBITDA (%)	50.7	52.1	53.5	55.6	57.1
EPS(USD)	4.42	4.90	5.39	5.72	6.15
Net Profit Margin(%)	21.2	22.3	22.4	22.6	23.2

Source: Bloomberg; 2025/26F are market estimates

Valuations



1-Year Price

As of 16 Apr. 2025	1M	3M	YTD	1Y	3Y	5Y
Return (%)	1.1	15.6	17.6	26.9	-2	4.5

Consolidated Edison, Inc. (ED)

Closing Price US $112.10 **Target Price** US $120

Consolidated Edison, Inc., through its subsidiaries, provides a variety of energy related products and services. The Company supplies electric service in New York, parts of New Jersey, and Pennsylvania as well as supplies electricity to wholesale customers.

Highly Defensive Utility Stock

Amid escalating trade tensions, inflationary pressures, and growing regulatory uncertainty, Consolidated Edison stands out for its highly defensive business model. As a fully regulated provider of electricity, natural gas, and steam services focused exclusively on the U.S. domestic market, the company is largely insulated from the direct impacts of international trade disputes and global supply chain disruptions. This enables it to generate stable earnings even during periods of global market volatility, making it a dependable income-generating asset.

Reliable Dividend Yield with a Strong Track Record

It has a solid track record of dividend reliability, having increased its payout for 51 consecutive years with a compound annual growth rate of 5.59%. Its current 12-month trailing dividend yield stands at 2.98%. The long-term dividend payout ratio target remains at 55%–65% of adjusted earnings. Operating within a transparent regulatory framework in New York State, the company benefits from highly predictable and stable revenue streams. Looking ahead, it plans to invest $38 billion in capital expenditures between 2025 and 2029, aiming to grow its utility rate base at an average annual rate of 8.2%. In addition, a simplified capital structure—with no long-term debt at the parent company level—further enhances financial resilience. Given its U.S.-focused operations and essential service offerings, the company is well-positioned as a high-quality holding for conservative and income-focused portfolios in today’s uncertain global environment.

Valuation Consensus

The 12-month average target price on Bloomberg is USD 104.56, with a high estimate of USD 120 and a low of USD 91.

Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
Revenue Growth(%)	14.6	-6.4	4.0	3.2	3.9
EBITDA (%)	30.0	30.2	32.9	35.1	36.7
EPS (USD)	4.51	5.04	5.53	5.63	6.00
Net Profit Margin(%)	10.3	12.0	12.6	12.6	13.5

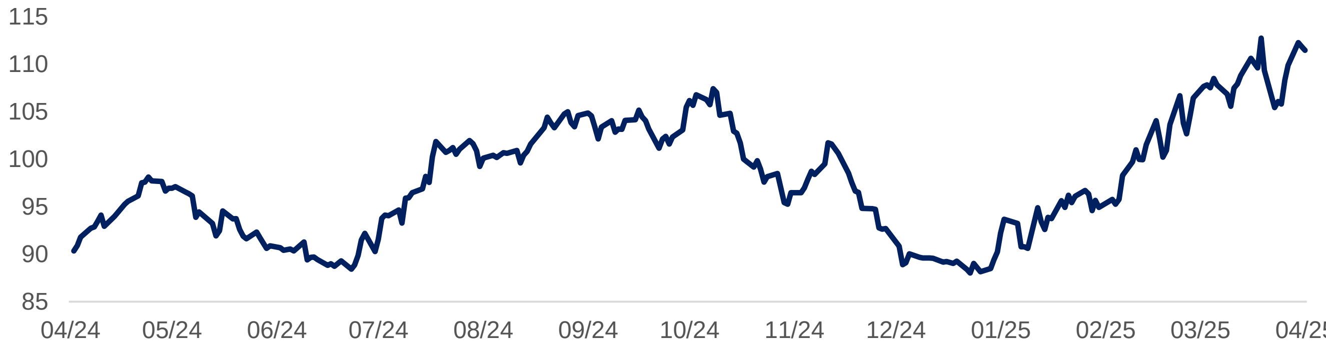
Source: Bloomberg; 2025/26F are market estimates

Valuations

5Y Average / Current

	5Y Average	Current
Price	65.4	112.7
P/E	15.0	23.3
P/B	1.2	1.8

1-Year Price



As of 16 Apr. 2025	1M	3M	YTD	1Y	3Y	5Y
Return (%)	3.5	19	24.9	23.4	8.2	9.1

TW Equities — Taiwan Stocks Break Below Short-Term Averages Amid Escalating U.S.-China Trade Tensions; Volatility Likely to Persist

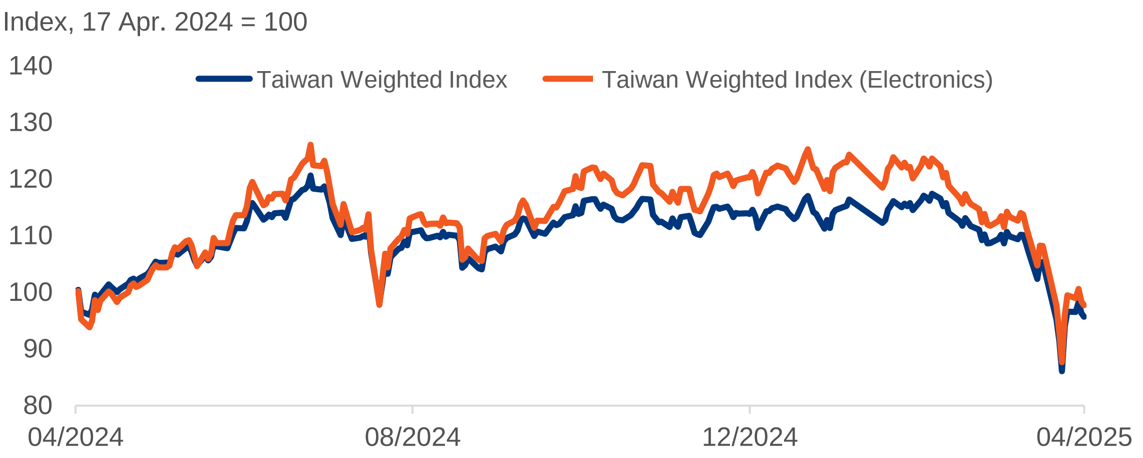
► Rising U.S.-China Trade Tensions Keep Taiwan Market Under Near-Term Pressure

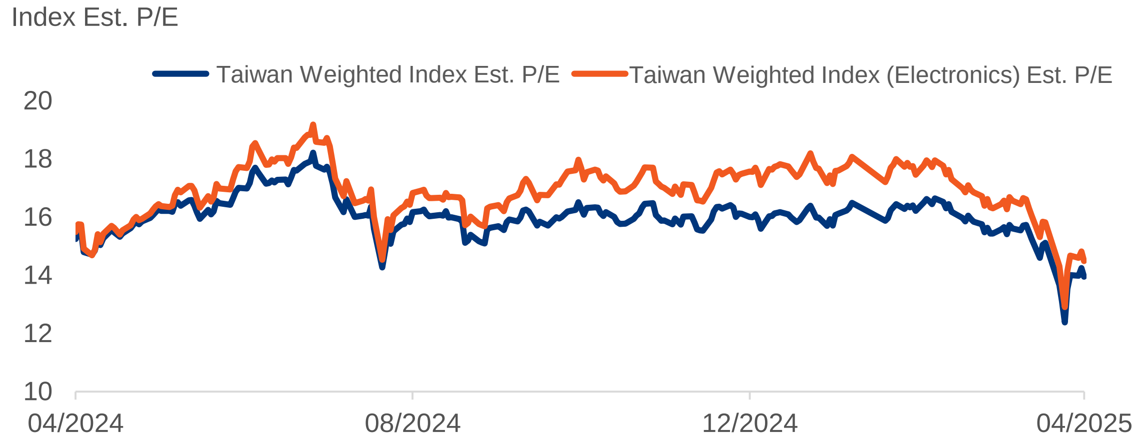
The Taiwan stock market opened higher but closed lower last week, pressured by significant selling in large-cap stocks. The index fell below its short-term moving averages, while trading volume declined for two consecutive sessions—suggesting that the post-rally buying momentum has failed to sustain. From a technical perspective, the market opened strong on Monday but closed with a bearish candlestick and an upper shadow, with the session high of 20,023 forming a near-term resistance level. Although the index surged 344 points on Tuesday, the intraday high of 19,895 failed to surpass the key resistance of 20,023, and turnover continued to shrink. This indicates a potential short-term consolidation phase. A convincing breakout above 20,023 would be required for the market to regain bullish momentum.

► Trump's Tariff Reversal Sparks Focus on Defense and Thematic Security Surveillance Stocks

Reviewing last week's performance in Taiwan equities, most sectors saw broad declines. Previously strong tech stocks, particularly on Monday and Tuesday—took a breather after news surfaced that Nvidia's H20 chips would be restricted from export to China. In contrast, defense and security surveillance stocks emerged as relative outperformers. Defense names, from a technical perspective, were among the first to reclaim their monthly moving averages, signaling resilience against broader market weakness. Meanwhile, security surveillance companies continued to benefit from dual tailwinds: the West Coast International Security Technology Expo and Taiwan's Cybersecurity Conference, both of which provided thematic momentum. With Trump's tariff policy still evolving—and the White House recently announcing tariffs on Chinese goods could increase to 245%—Taiwan's stock market is expected to remain volatile in the near term. As a result, trading strategies should lean toward short-term positioning with a tactical mindset.

Taiwan Weighted Index and Taiwan Electronics Sector Trends & Est. P/E





Source: Bloomberg

Largan Precision Company Ltd. (3008 TT)

Manufactures and markets optical lens modules and optoelectronic components. The Company offers lenses for liquid crystal display (LCD) projectors, scanners, optical mice, digital still cameras (DSCs), digital versatile discs (DVDs), light emitting diodes (LEDs), and photography mobile phones.

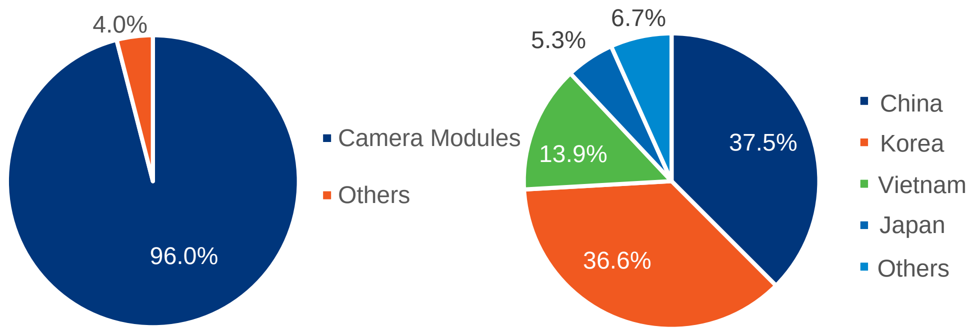
- **1Q25 EPS Beats Expectations**

  1Q25 revenue reached NT$14.6 billion, marking a 28.9% YoY increase—exceeding both our and market expectations. Management attributed the stronger growth in part to robust demand for new smartphone models, which contributed to top-line expansion. A more favorable product mix also supported a higher gross margin of 54.6%, ahead of estimates. On the non-operating side, the company benefited from approximately NT$430 million in foreign exchange gains and NT$1.14 billion in interest income, resulting in EPS of NT$48.3—beating both our and market expectations.

- **No Immediate Impact from Tariff; Robot Product Shipments Underway**

  Regarding recent tariff concerns, management noted that so far, there has been no indication of order adjustments from clients. As for camera modules used in robotics applications, initial small-scale shipments are expected to begin in the second half of 2025. However, total shipment volume for 2025 is likely to remain limited, with customer demand trends in 2026 requiring continued observation.

Revenue Sources and Regions



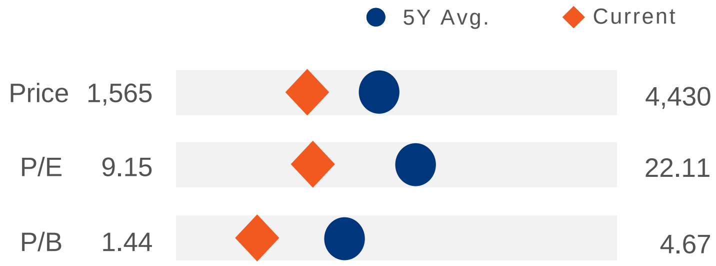
Source: Bloomberg

Financials

	2022	2023	2024	2025F	2026F
EPS (NTD)	169.5	134.1	194.1	204.4	214.7
EPS Growth (%)	21.7	-20.9	44.8	5.3	5.1
P/E Ratio	11.7	14.8	10.2	9.7	9.2
ROE (%)	15.2	11.2	14.8	14.1	13.5

Source: Company data, estimates of KGI analyst

Valuations



1-Year Price

As of 17 Apr. 2025	1Wk	1M	3M	6M	YTD	1Y
Return (%)	9.3	-12.2	-20.7	-14.9	-19.1	-1.6

KGI

Gigabyte Technology Co Ltd. (2376 TT)

Gigabyte manufactures and markets computer motherboards and other peripheral products. The Company produces mother boards, graphics cards, laptops, monitors, and other products. Gigabyte Technology also operates import and export businesses.

U.S. Tariff Delay Triggers Early Shipments in 2Q25

1Q25 revenue remained flat on a QoQ basis. It expects revenue to grow in 2Q25, reflecting improved availability of RTX-50 GPUs and a 90-day delay in the implementation of U.S. tariffs under the Trump administration, which prompted clients to pull forward orders. We forecast a 16% QoQ increase in 2Q25 revenue, driven primarily by growth in graphics card and server-related sales. AI server shipments, particularly B200/GB200 models, are expected to ramp up further, with server revenue accounting for a higher proportion than the 55% seen in 1Q25.

Company Reaffirms Positive Outlook

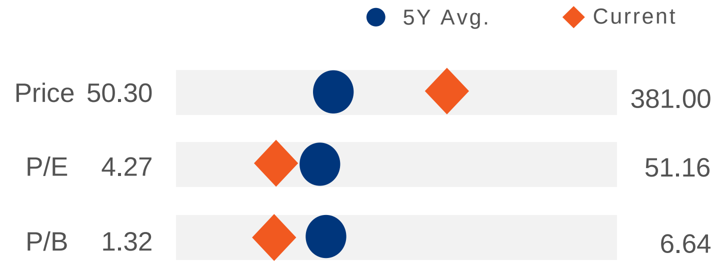
Despite uncertainty surrounding the Trump administration's reciprocal tariff policies, management remains optimistic about 2025, guiding for double-digit YoY revenue growth. The motherboard segment (accounting for 13% of 1Q25 revenue) and graphics cards (27% of 1Q25 revenue) are expected to benefit from product upgrade cycles and higher average selling prices driven by next-generation launches.

Financials

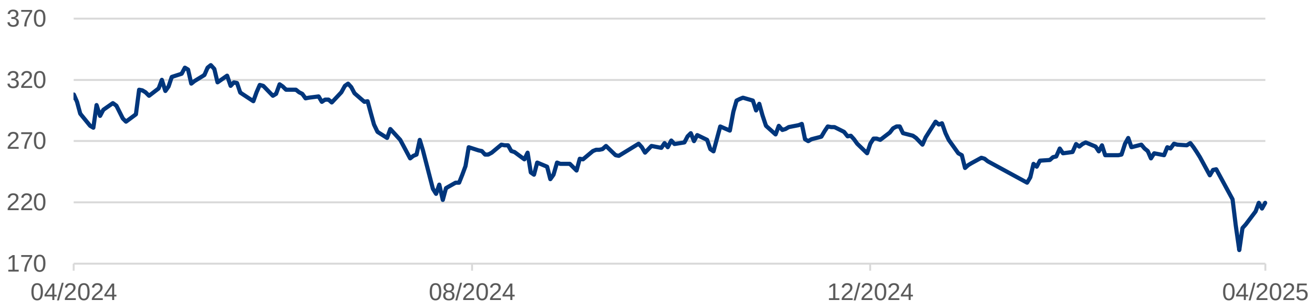
	2021	2022	2023	2024F	2025F
EPS (NTD)	21.01	10.29	7.46	15.03	17.03
EPS Growth (%)	205.4	-51.5	-27.5	101.4	13.3
P/E Ratio	9.6	19.6	27.1	13.4	11.9
ROE (%)	41.1	17.8	12.9	21.5	20.8

Source: Company data, estimates of KGI analyst

Valuations

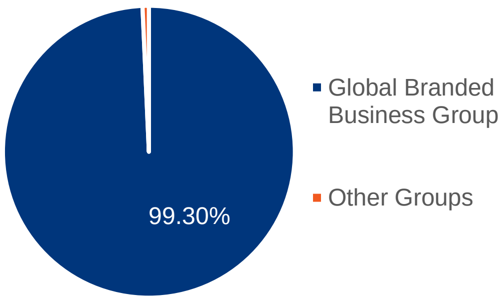


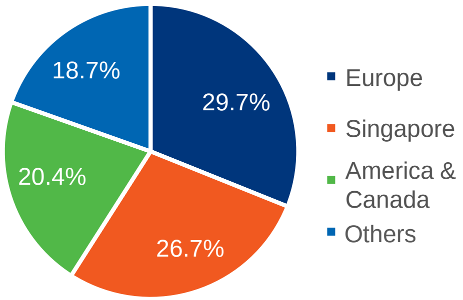
1-Year Price



As of 17 Apr. 2025	1Wk	1M	3M	6M	YTD	1Y
Return (%)	10.3	-15.1	-12.9	-18.9	-19.4	-28.7

Revenue Sources and Regions





Source: Bloomberg

Mutual Funds/ ETFs

Managing Rising Risks with Strategic Bond Allocation

- **AB – European Income Portfolio**
  - Primarily invests in euro-denominated fixed income securities, aiming to generate attractive income and potential capital appreciation through a diversified portfolio of fixed income instruments.
  - The fund employs a barbell strategy, balancing allocations between investment-grade and non-investment-grade bonds to achieve both return potential and stability—reinforcing the core foundation of the portfolio. The current average credit rating stands at BBB+.
  - It maintains broad diversification across various European countries and issuers, including sovereign and corporate entities. The portfolio's latest duration is 5.63 years.
  - Monthly income distribution is available, with multiple currency share classes offered—including EUR, USD-hedged, HKD-hedged, AUD-hedged, and RMB-hedged options. The latest annualized distribution yield for AA EUR class and AA USD-hedged class stands at 5.54% and 6.97%, respectively.
- **Invesco International Corporate Bond ETF (PICB)**
  - Designed to track the performance of the S&P International Corporate Bond Index.
  - The index comprises investment-grade corporate bonds denominated in G10 currencies, including GBP, EUR, USD, and others, with a primary focus on the financial sector.
  - The portfolio is well-diversified, holding over 580 individual bonds.

Product	AB – European Income Portfolio		Invesco International Corporate Bond ETF (PICB)	
Features	■ Invests in euro-denominated fixed income securities issued by government agencies and corporations across multiple European countries. ■ Holds both investment-grade and non-investment-grade bonds, offering monthly distributions and multi-currency share classes.		■ Tracks an index composed of investment-grade corporate bonds denominated in G10 currencies. ■ Financials represent the largest sector allocation, accounting for over 40% of the portfolio.	
AUM	EUR 1.351 billion		USD 135 million	
Tracking Index	-		S&P International Corporate Bond Index	
Holdings	602		581	
3M/YTD Returns	0.00% / -0.64%		9.51% / 8.40%	
Credit Rating Dist. (%)	AAA AA A BBB BB	23.49 5.31 13.91 20.44 19.14	AAA AA A BBB Unrated and Other	0.24 6.23 42.74 41.95 8.84
Top-5 Regions (%)	Germany France U.K. Italy U.S.	18.45 17.11 16.61 11.89 9.55	France Canada U.K. The Netherlands Spain	25.29 18.81 13.23 12.85 5.44
Top-5 Holdings (%)	Bundesrepublik Deutschland 6.25%, 01/04/30 French Republic Govt Bond OAT 5.75%, 10/25/32 Italy Buoni Poliennali Del Tesoro 6.00%, 05/01/31 Bundesrepublik Deutschland 5.50%, 01/04/31 Spain Government Bond 4.70%, 07/30/41	9.14 5.59 4.06 2.78 2.15	TD 4.21 06/01/27 EDF 6 ⅛ 06/02/34 TD 4.68 01/08/29 RY 4.632 05/01/28 BMO 4.709 12/07/27	0.61 0.60 0.53 0.53 0.53

Source: Bloomberg, 16 Apr. 2025

AB – European Income Portfolio

Profile

This fund primarily invests in fixed income securities issued by European corporations and governments, denominated in euros or other European currencies. It includes both investment-grade and non-investment-grade bonds.

- **Focused Exposure to European Fixed Income**

It primarily invests in euro-denominated fixed income securities issued by government agencies and corporations across various European countries. With a current effective duration of 5.63 years, it is well-suited for investors seeking diversified fixed income exposure across Europe.

- **Barbell Strategy in Action**

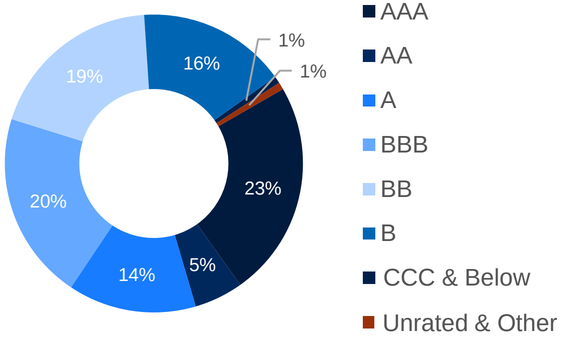
It includes both investment-grade and non-investment-grade fixed income securities, employing a barbell strategy to capture potential high yield and capital appreciation. The fund may invest up to 50% of total assets in below-investment-grade bonds. The current average credit rating stands at BBB+.

- **Monthly Distributions with Multi-Currency Share Classes**

It offers monthly income distributions and a variety of currency share classes, including EUR and USD. Hedged share classes are available in AUD, HKD, RMB, SGD, and USD, providing flexibility for investors across regions.

Inception Date	26 Feb 1999	**AUM**	EUR 1.351 billion
Morningstar Category	Other Fixed Income	**Fund Category**	Bond
Morningstar Rating	★★★	**3Y Stand. Dev. (Ann.)**	5.54%

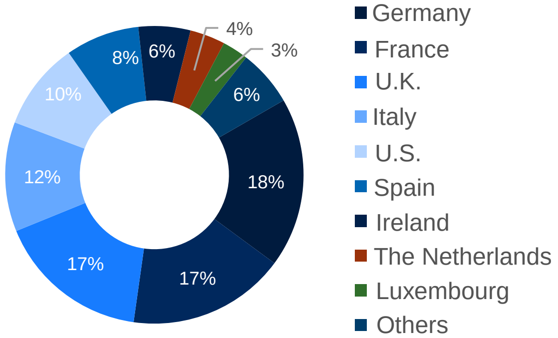
Ratings



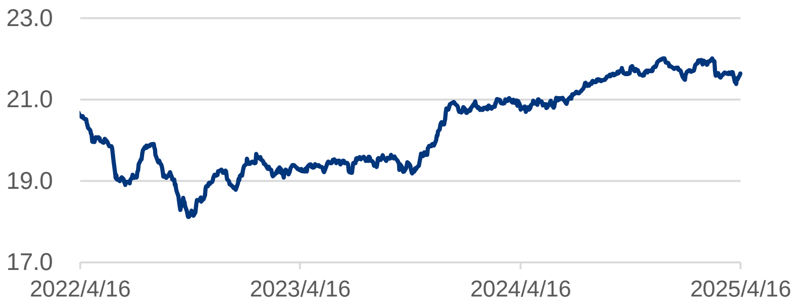
Top-5 Holdings (%)

Bundesrepublik Deutschland 6.25%, 01/04/30	9.14
French Republic Govt Bond OAT 5.75%, 10/25/32	5.59
Italy Buoni Poliennali Del Tesoro 6.00%, 05/01/31	4.06
Bundesrepublik Deutschland 5.50%, 01/04/31	2.78
Spain Government Bond 4.70%, 07/30/41	2.15

Regions



3-Year Net Asset Value



As of 9 April 2025	1M	3M	YTD	1Y	3Y	5Y
USD Cumulative Return	0.46	0.00	-0.64	4.29	1.61	1.85
Quartile Ranking Within Category	2	3	4	3	3	2

Source: AB Asset Management Monthly Report, Morningstar. Performance data as of April 16, 2025; monthly report data as of Feb 28, 2025. Data based on A2 EUR share class

Invesco International Corporate Bond ETF (PICB)

Profile

This ETF tracks the S&P International Corporate Bond Index, aiming to replicate the performance of the index constituents and deliver returns that correspond to the index.

Diversified Regional Exposure

The tracked index comprises investment-grade corporate bonds denominated in G10 currencies and spans multiple regions. Compared with corporate bond ETFs focused on a specific area, this diversification helps mitigate the impact of geographic concentration risk on the overall portfolio.

Focus on Investment-Grade Bonds

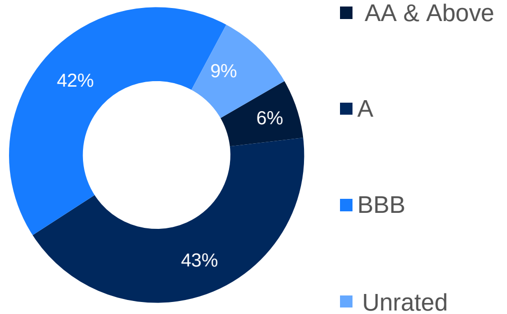
At least 80% of the bonds held in the portfolio are rated BBB or higher, indicating investment-grade corporate bonds. This reflects strong credit quality and lower default risk, contributing to reduced overall credit risk within the portfolio.

Concentration in the Financial Sector

The ETF holds over 580 corporate bonds across various industries, with the financial sector accounting for the largest allocation—over 40% of the total portfolio.

Inception Date	3 June 2010	**AUM**	USD 135 million
ETF Category	Bond	**Holdings**	581
Expense Ratio	0.5%	**3Y Stand. Dev. (Ann.)**	13.51%

Ratings

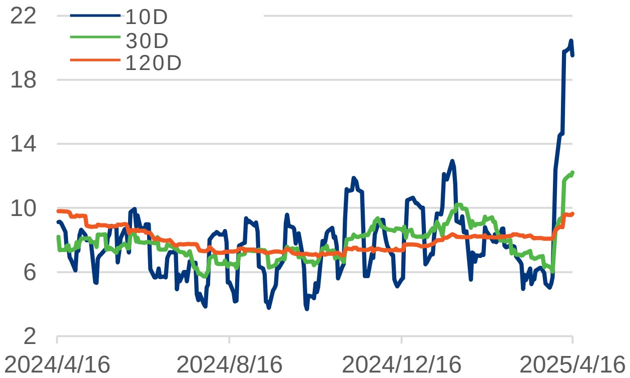


Top-5 Holdings (%)

TD 4.21 06/01/27	0.61
EDF 6 ⅛ 06/02/34	0.60
TD 4.68 01/08/29	0.53
RY 4.632 05/01/28	0.53
BMO 4.709 12/07/27	0.53

1-Year Price

1-Year Volatility



As of 16 April 2025	1M	3M	YTD	1Y	3Y	5Y
Return (%)	3.77	9.51	8.40	9.54	2.22	1.53

Source: Bloomberg, 16 Apr. 2025

Bonds

Weaker Dollar Supports Allocating to EUR- and GBP-Denominated Bonds to Enhance Portfolio Resilience

► NWG 5.642 10/17/34 (NatWest Group)

- NWG is a leading player in the UK retail and commercial banking sector. With a nearly exclusive focus on the UK market, the bank's commercial banking, investment banking, and predominantly secured retail operations have helped maintain the group's strong brand position domestically.
- NWG boasts a solid asset quality profile. Tightly managed lending standards have kept non-performing assets under control. Impairment losses remained low at just 9 basis points in 2024, with the group guiding full-year impairment charges to remain below 20 basis points.
- NWG demonstrates strong profitability, reporting a ROTE of 17.5% in 2024 and a cost-to-income ratio as low as 53.4%.
- In November 2024, Fitch revised NWG's rating outlook from "Stable" to "Positive".

► BNP 4.1986 07/16/35 (BNP Paribas)

- BNP ranks among the top tier in Europe in terms of earnings resilience, quality, and risk diversification. Its core businesses in France, Belgium, Italy, and Luxembourg have historically shown strong resilience throughout economic cycles. Even during periods of sluggish European growth, prolonged low interest rates, and the impact of the Ukraine conflict, BNP has maintained solid profitability.
- BNP's robust retail and commercial banking operations are a key credit strength, providing a stable earnings base. Unlike many global peers, its investment banking arm historically represents a smaller proportion of group operations, despite its substantial absolute scale.
- Compared to most European peers, BNP exhibits relatively stronger asset quality, with a well-diversified loan book across regions, asset classes, and sectors.

Products	NWG 5.642 10/17/34 (NatWest Group)	BNP 4.1986 07/16/35 (BNP Paribas)
ISIN	XS2902577191	FR001400WO34
Highlight	NWG is a market leader in UK retail and commercial banking, supported by solid asset quality	BNP ranks among the top tier in Europe in terms of earnings resilience and quality, and also maintains relatively sound asset quality
Maturity Date	2034/10/17	2035/7/16
Next Redemption Day	2029/10/17	2030/7/16
Coupon (%)	Float/5.642/Semi-annual	Float/4.1986/Annual
Currency	GBP	EUR
Years to Maturity	9.50	10.25
Rating (Moody's/ Fitch/S&P)	Baa1/BBB+/BBB-	Baa2/A-/BBB+
Seniority	Subordinated	Subordinated
YTM/YTC (%)	6.58/6.01	4.38/4.15

Source: Bloomberg

NWG 5.642 10/17/34 (NatWest Group)

Profile

NWG is a leading player in the UK retail and commercial banking sector. It maintains an almost exclusive focus on the UK market, with a strong presence in commercial banking, investment banking, and predominantly secured retail lending. This positioning reinforces the group's brand strength. Compared with its solid footprint in retail mortgages and commercial lending, It has a relatively low exposure to unsecured consumer credit, reflecting its conservative risk appetite.

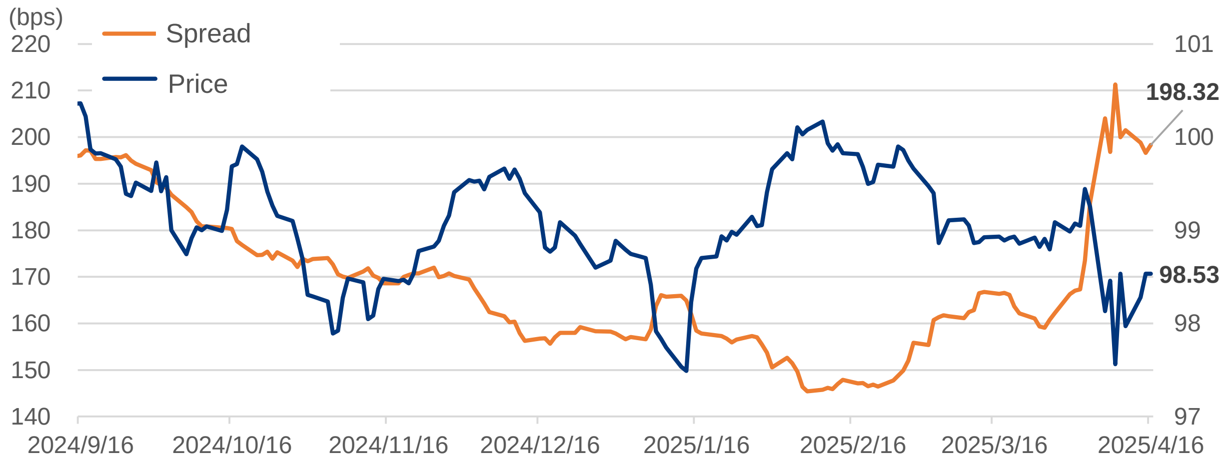
- NWG demonstrates solid asset quality. Its strictly managed underwriting standards help maintain control over non-performing assets. As of end-2024, Stage 3 loans accounted for just 1.45% of total group lending—well below the European banking sector average. Impairment charges remained low at just 9 basis points in 2024.
- The group also boasts strong profitability, reporting a ROTE of 17.5% and a cost-to-income ratio of 53.4% in 2024. Its CET1 ratio stood at 13.6% at year-end. Given NWG's solid asset quality and robust earnings, this capital level provides a substantial buffer above the 10.5% Maximum Distributable Amount (MDA) threshold, and aligns with the group's stated CET1 target range of 13%–14%.
- In November 2024, Fitch revised NatWest Group's rating outlook from "Stable" to "Positive." The agency cited structural improvements in the bank's business profile and expects it to continue delivering solid risk-adjusted profitability.

Financials	2022	2023	2024
Return on Tangible Equity (ROTE)	11.89	17.19	17.34
Non-Performing Loan Ratio (NPL)	1.45	1.53	1.47
Common Equity Tier 1 (CET1)	14.20	13.40	13.60

Overview

Name	NWG 5.642 10/17/34	ISIN	XS2902577191
Maturity Date	17 Oct 2034	Remaining Maturity	9.50
Coupon(%)	Float/5.642/Semi-annual	YTM/YTC(%)	6.58/6.01
Currency	GBP	Min. Subscription/ Increment	100,000/1,000
Ratings (Moody's/Fitch/S&P)	Baa1/BBB+/BBB-	Seniority	Subordinated

Price Since Issuance



Source: Bloomberg, as of April 17, 2025. Note: The coupon reset date is October 17, 2029, with semiannual distributions. The applicable annual rate will be based on the 5-year UK gilt yield at reset, plus a margin of 2.10%

BNP 4.1986 07/16/35 (BNP Paribas)

Profile

BNP stands among Europe's top-tier banks in terms of earnings resilience, quality, and risk diversification. Its core operations across France, Belgium, Italy, and Luxembourg have historically shown strong stability through economic cycles. Despite challenges from sluggish European growth, prolonged periods of low interest rates, and the impact of the war in Ukraine, BNP has maintained robust profitability.

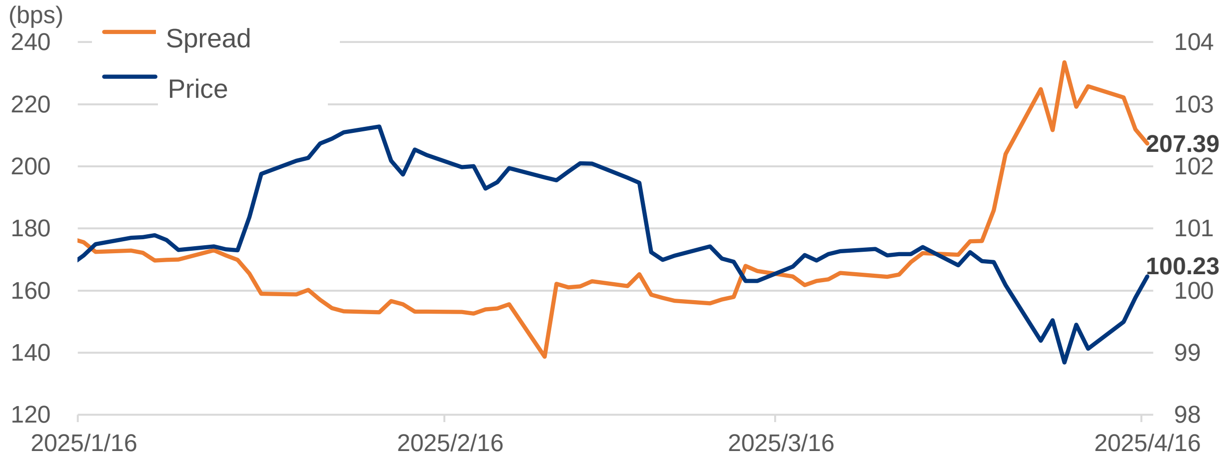
- A key credit strength lies in BNP's strong retail and commercial banking franchises, which provide stable and recurring earnings. Its investment banking division historically represents a relatively smaller share of group revenues. Notably, more volatile global markets revenue accounted for just 18% of total group income over the past two years, compared to an industry average of around 30% among global investment banks. Over the same period, global banking contributed 12% of group revenue, supporting a more stable income base.
- The group's assets are primarily concentrated in low-risk countries such as France, Belgium, and Luxembourg. Over half of its lending is in its core domestic markets, predominantly to retail and small business clients with very limited exposure to unsecured lending. An additional 24% of the loan book stems from universal banking activities outside the core Eurozone markets, while global banking accounts for 21% of the total loan portfolio.
- Compared to most European peers, BNP exhibits relatively stronger asset quality, supported by a well-diversified loan book across geographies, asset classes, and business segments.

Financials	2022	2023	2024
Return on Tangible Equity (ROTE)	9.26	10.25	11.31
Non-Performing Loan Ratio (NPL)	2.17	2.16	2.14
Common Equity Tier 1 (CET1)	12.33	13.20	12.90

Overview

Name	BNP 4.1986 07/16/35	ISIN	FR001400WO34
Maturity Date	16 July 2035	Remaining Maturity	10.25
Coupon(%)	Float/4.1986/Annual	YTM/YTC(%)	4.38/4.15
Currency	EUR	Min. Subscription/ Increment	100,000/100,000
Ratings (Moody's/Fitch/S&P)	Baa2/A-/BBB+	Seniority	Subordinated

Price Since Issuance



Source: Bloomberg, as of April 17, 2025. Note: The coupon reset date is July 16, 2030, with annual distributions. The applicable interest rate will be based on the 5-year EURIBOR ICE swap rate at reset, plus a spread of 1.80%

Appendix — Key Economic Data / Events

APR 2025

14 Monday
- Japan Feb. Industrial Production MoM Final Value (Actual:2.3% Prev:2.5%)
- China Mar. Exports YoY (Actual:12.4% Est:4.6% Prev:-3.0%)

15 Tuesday
- Eurozone Feb Industrial Production YoY (Actual:1.2% Est:-0.7% Prev:-0.5%)

16 Wednesday
- U.S. Mar. Retail Sales MoM (Actual:1.4% Est:1.4% Prev:0.2%)
- U.S. Mar. Industrial Production M (Actual:-0.3% Est:-0.2% Prev:0.8%)
- Japan Feb. Core Machine Orders M (Actual:4.3% Est:1.2% Prev:-3.5%)
- Eurozone Mar. CPI YoY Final Value (Actual:2.2% Est:2.2% Prev:2.3%)
- China Q1 GDP YoY (Actual:5.4% Est:5.2% Prev:5.4%)
- China Mar. Retail Sales YoY (Actual:5.9% Est:4.3%)

17 Thursday
- U.S. Initial Jobless Claims (Actual:215k Est:225k Prev:224k)
- U.S. New Home Sales (Actual:1,324k Prev:1,494k)
- U.S. Building Permits Initial Value (Actual:1,482k Est:1,450k Prev:1,459k)
- Japan Mar. Exports YoY (Actual:3.9% Est:4.4% Prev:11.4%)
- Eurozone Apr. ECB Main Refinancing Rate (Actual:2.40% Est:2.40% Prev:2.65%)

18 Friday
- Japan Mar. Natl CPI YoY (Actual:3.6% Est:3.7% Prev:3.7%)

21 Monday

22 Tuesday
- Eurozone Apr. Consumer Confidence Initial Value (Est:-15.1 Prev:-14.5)
- Taiwan Mar. Export Orders YoY (Est:16.2% Prev:31.1%)
- Taiwan Mar. Unemployment Rate (Est:3.40% Prev:3.35%)
- GE, RTX, DHR, VZ, LMT Performance

23 Wednesday
- U.S. Mar. New Home Sales (Est:681k Prev:676k)
- U.S. Apr. S&P Global Manufacturing PMI Initial Value (Est:49.3 Prev:50.2)
- Japan Apr. Jibun Bank Japan PMI Mfg Initial Value (Prev:48.4)
- Eurozone Apr. HCOB Manufacturing PMI Initial Value (Est:47.5 Prev:48.6)
- TSLA, BA, GEV, NEE, PM Performance

24 Thursday
- U.S. Last Week's Initial Jobless Claims (Prev:215k)
- U.S. Mar. Durable Goods Orders MoM Initial Value (Est:1.5% Prev:1.0%)
- U.S. Mar. Existing Home Sales (Est:4.14m Prev:4.26m)
- Japan Mar. Machine Tool Orders YoY Final Value (Prev:11.4%)
- TXN, PG, NOW, IBM, PEP Performance

25 Friday
- U.S. Apr. U. of Mich. Sentiment Final Value (Est:50.8 Prev:50.8)
- Japan Apr. Tokyo CPI YoY (Est:3.5% Prev:2.9%)
- TMUS, GILD, GOOGL, ABBV Performance

Source: Investing.com

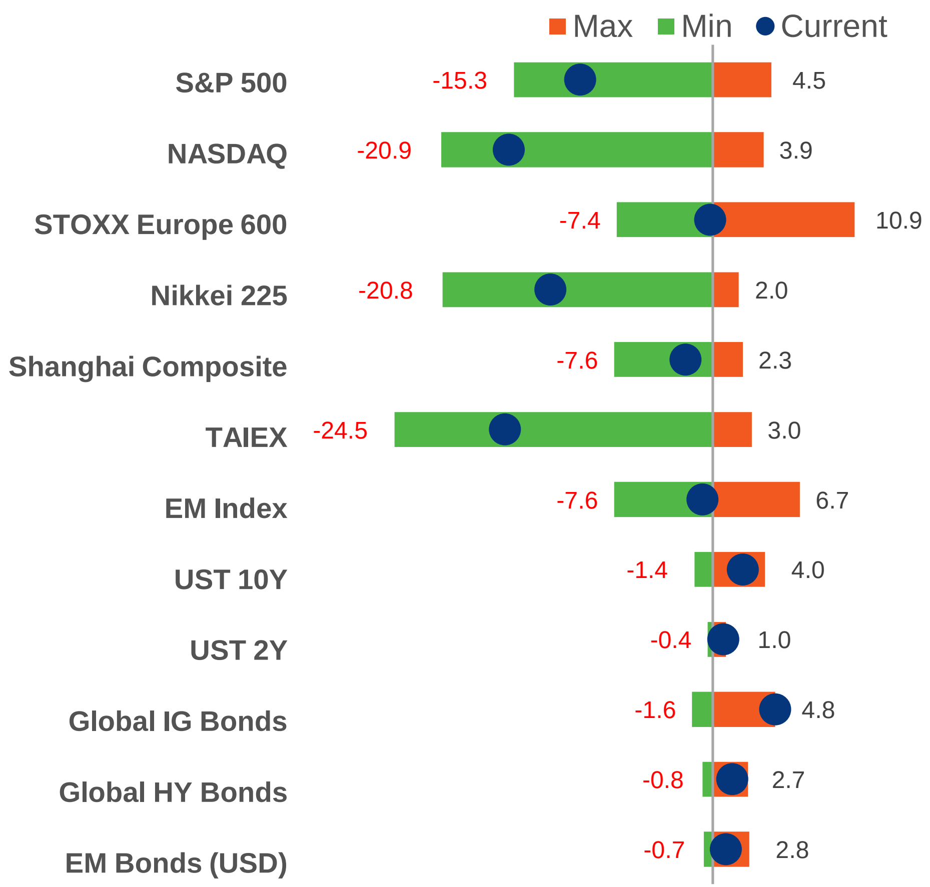
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Announced Revenue (USD)	EPS (F) (USD)	Announced EPS (USD)	Exceed Expectation	
						Revenue	EPS
2025/4/14	Goldman Sachs Group Inc (GS)	14.98B	15.06B	12.31	14.12	V	V
2025/4/15	Johnson & Johnson (JNJ)	21.57B	21.89B	2.58	2.77	V	V
2025/4/15	Bank of America Corp (BAC)	26.99B	27.4B	0.82	0.9	V	V
2025/4/15	Citigroup Inc (C)	21.3B	21.6B	1.86	1.96	V	V
2025/4/16	Abbott Laboratories (ABT)	10.4B	10.36B	1.07	1.09		V
2025/4/16	Progressive Corp (PGR)	21.6B	22.21B	4.74	4.37	V	
2025/4/17	American Express Co (AXP)	17B	17B	3.48	3.64		V
2025/4/17	Schwab Corp (SCHW)	5.46B	5.6B	0.99	1.04	V	V
2025/4/17	UnitedHealth Group Inc (UNH)	111.5B	109.6B	7.29	7.2		
2025/4/17	Marsh & McLennan Co Inc (MMC)	7.09B	7.06B	3.03	3.06		V
2025/4/17	Blackstone Inc (BX)	2.94B	3.29B	1.06	1.09	V	V
2025/4/18	Netflix Inc (NFLX)	10.5B	10.54B	5.69	6.61	V	V

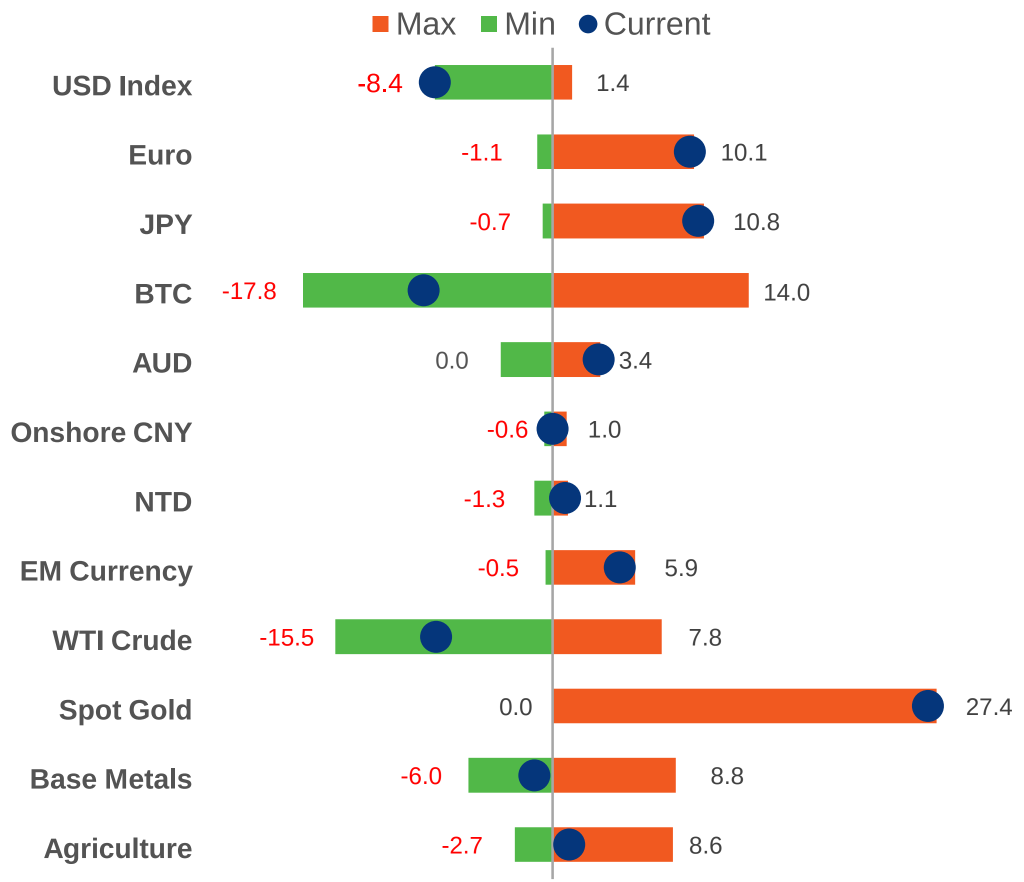
Source: Investing.com

YTD Major Market / Asset Performance

Stock and Bond Market YTD Performance (%)



Currencies and Futures Market YTD Performance (%)



Source: Bloomberg, 18 Apr. 2025

Technical Analysis

60D MA

S&P 500 Index

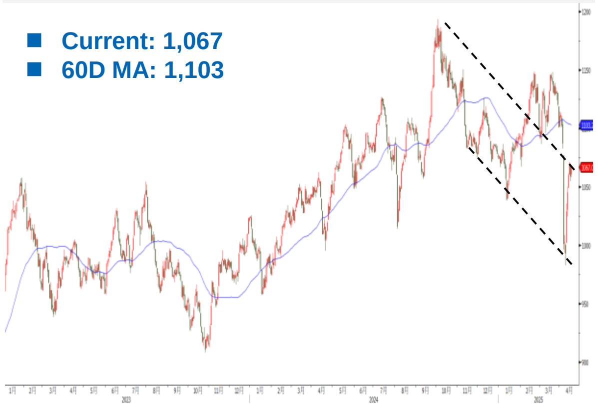
NASDAQ Index

STOXX Europe 600 Index

Nikkei 225 Index

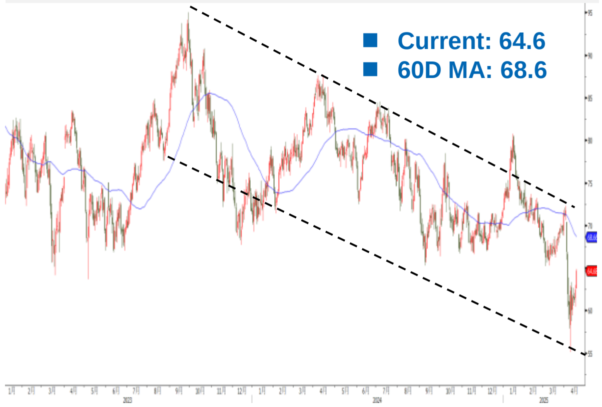
Shanghai Composite Index

MSCI Emerging Markets Index



Gold

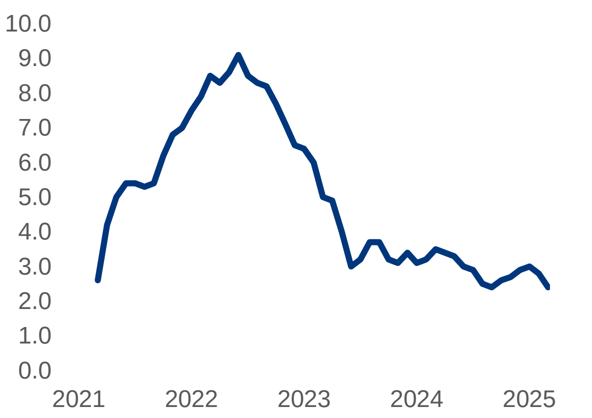
WTI Crude



Source: Bloomberg, 18 Apr. 2025

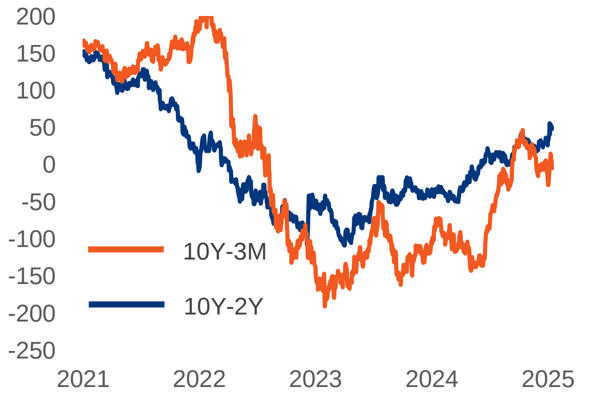
Market Monitor

U.S. CPI YoY (%)

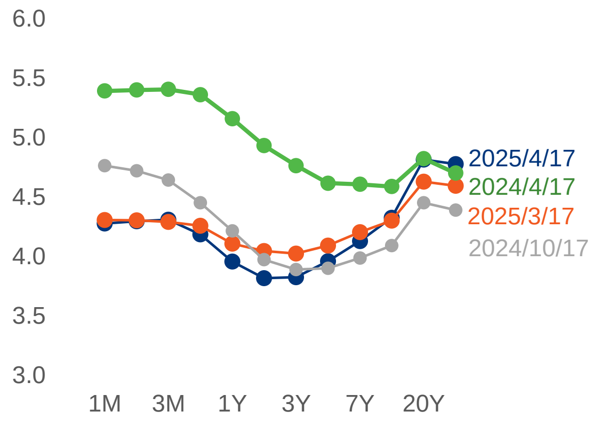


U.S. 10-Year Treasury Yield (%)

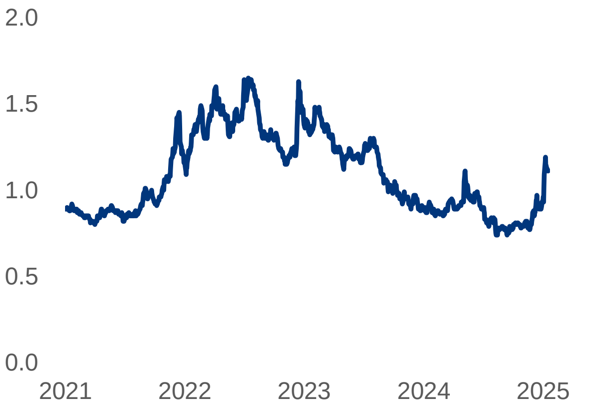
U.S. Treasury Yield Spread (bps)



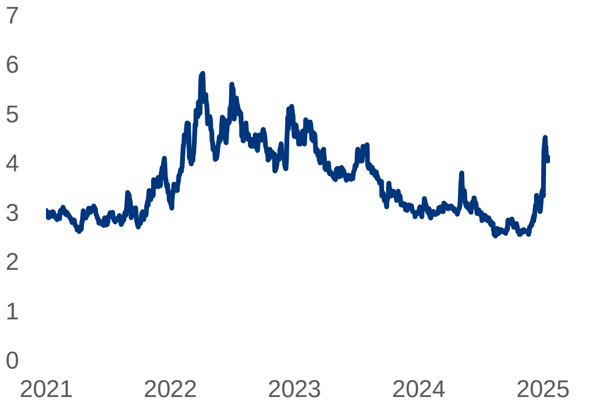
U.S. Treasury Yield Curve (%)



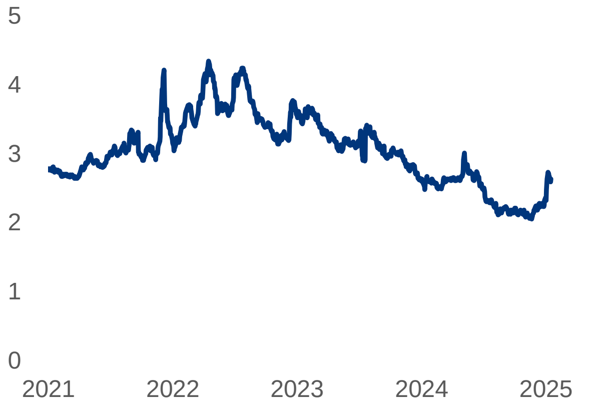
USD IG Credit Spread (%)



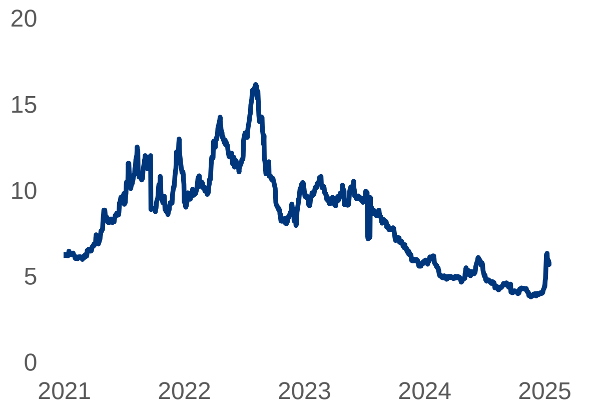
USD HY Credit Spread (%)



USD EM Credit Spread (%)



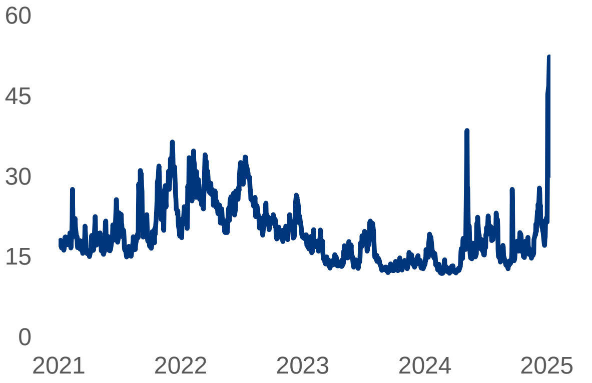
USD Asia Credit Spread (%)



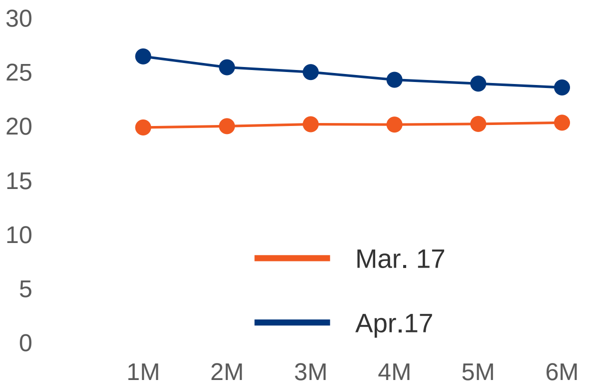
Source: Bloomberg, 17 Apr. 2025

Market Monitor

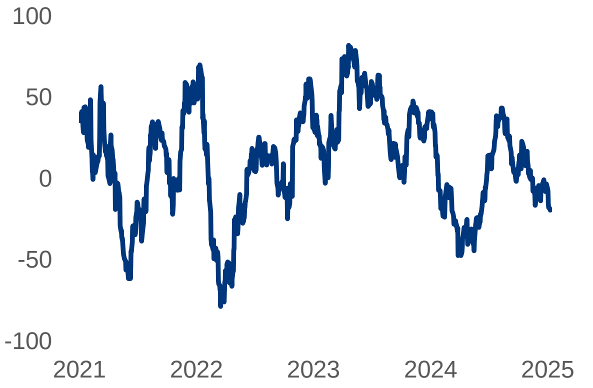
VIX Index



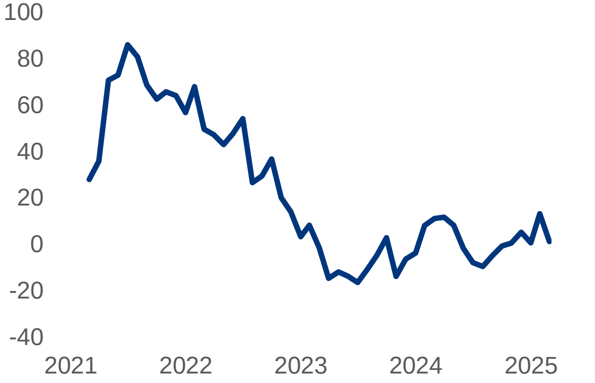
VIX Term Structure



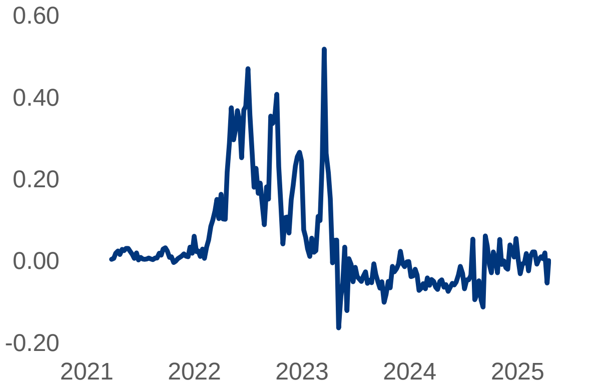
U.S. Citi Economic Surprise Index*



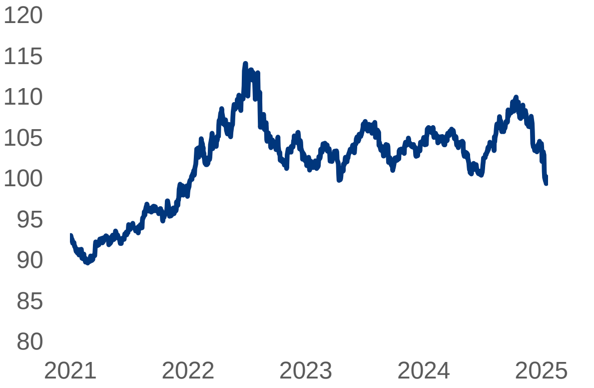
U.S. Citi Inflation Surprise Index*



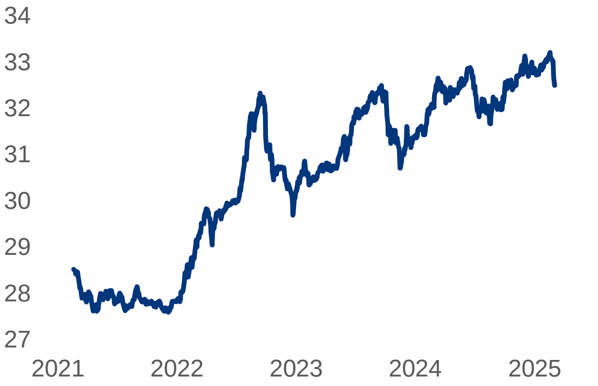
TED Spread (bps)



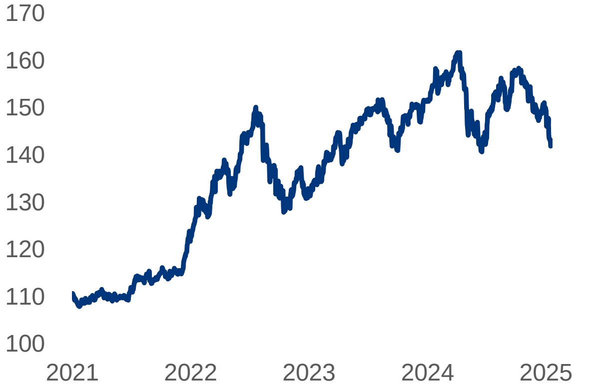
U.S. Dollar Index



USD to TWD



USD to JPY



Source: Bloomberg,17 Apr. 2025; *The Citi Economic/Inflation Surprise Index measures the deviation between economic data/actual inflation and market expectations. A rising index indicates economic improvement/inflation exceeding market expectations.

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