

CIO Office Global Markets Weekly Kickstart



Are European Stocks Ready To Rise?

25 August 2025

O1 Chart of the Week

US-Russia, US-Ukraine Talks Raise Hopes of War Breakthrough



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Chart of the Week US-Russia, US-Ukraine Talks Hint at Breakthrough, but Truce Still Elusive

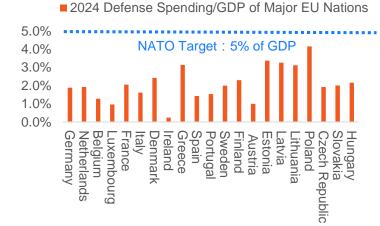
- ▶ Trump met Putin in Alaska on Aug 15 and held talks with Ukraine's president and seven European leaders on Aug 18. While no ceasefire was reached, the US and Europe will start planning a security framework for Ukraine and prepare for a future Zelensky-Putin summit.
- ▶ The war, now over three years long, continues, but global attention is waning as the battlefield stalemates. Trump's push for diplomacy has eased Ukraine's geopolitical risk index. Still, Polymarket odds put the chance of a 2025 ceasefire at just 32%, showing tough hurdles remain in negotiations.
- ▶ Ukraine's damage is severe. World Bank estimates reconstruction needs have reached USD 523.6bn and could rise further as the war drags on. Defense and security concerns also imply sustained upside for European infrastructure and defense-related stocks.

Ukraine Risk Eases but Ceasefire Still Distant



Reconstruction Needs and Europe Defense Spending to Keep Rising



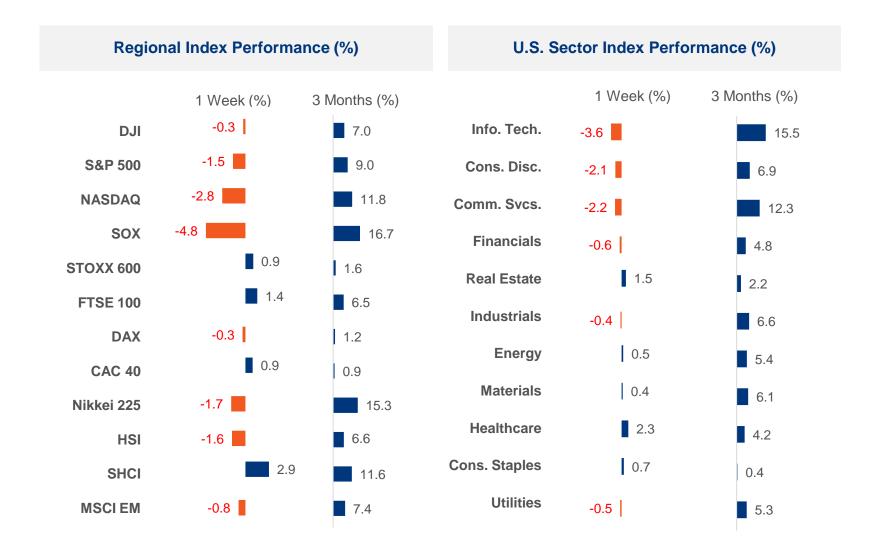






Market Recap Fed Minutes and Chip Tariff Risk Weigh on Growth, Cyclicals

- ▶ Trump said chip tariffs will be set within two weeks, possibly as high as 200-300%, dragging semiconductors and broader US equities lower. Meanwhile, despite no concrete deal from recent US-Russia and US-Ukraine talks, progress on the conflict eased geopolitical risk premiums, supporting most European markets.
- ▶ Despite weak economic data, China A-shares remained resilient, as ample liquidity and retail confidence in anti-"involution" policies sustained risk appetite.
- ▶ Tech stocks retreated on semiconductor weakness. while disappointing economic reports and July Fed minutes-showing most officials leaning toward no action—slightly trimmed September rate-cut expectations. Growth sectors like communication services and cyclicals including consumer discretionary, industrials, energy, and materials underperformed. Defensive sectors such as healthcare and staples drew inflows.



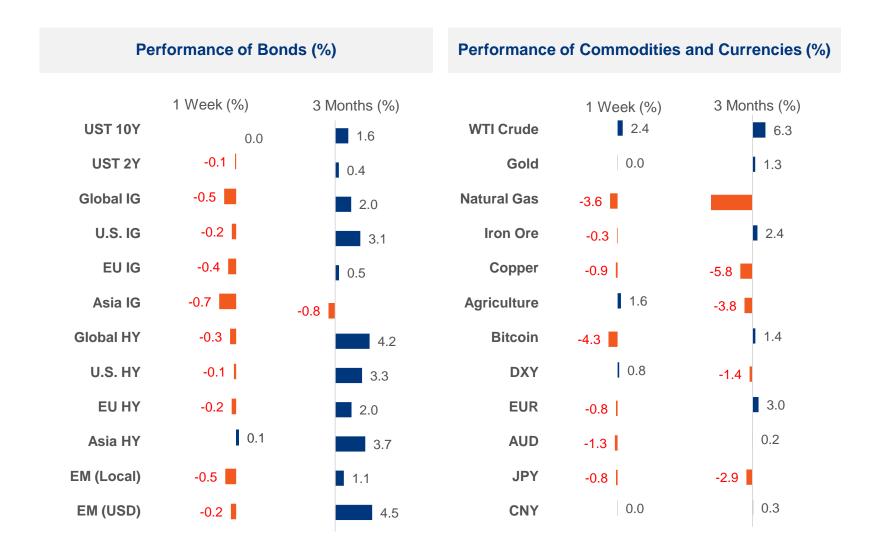
Source: Bloomberg, 22 August 2025



Recap

Rate-Cut Bets Ease; Bonds Dip, Dollar Strengthens, Oil Rebounds

- ► Fed Governor Schmid said rate cuts are not urgent, noting key inflation data remain ahead of the September meeting. His hawkish stance, along with July Fed minutes showing most officials cautious on cuts, pushed down rate-cut expectations and left Treasuries slightly weaker ahead of Jackson Hole.
- ▶ EIA data showed US crude inventories fell 6mn barrels, far above the expected 1.8mn draw. Gasoline stocks dropped 2.7mn barrels versus forecasts of 915k, underscoring robust demand in the summer travel season. Four-week average jet fuel consumption also hit the highest since 2019, reinforcing strong US oil demand and driving crude prices sharply higher.
- ➤ Trump called for Fed Governor Lisa Cook to resign amid a mortgage fraud controversy, raising concerns over political pressure on the Fed. While the dollar briefly dipped, sliding September rate-cut odds ultimately sent the greenback higher, with most non-USD currencies weakening.



Source: Bloomberg, 22 August 2025





China, HK Equities Hold Highs as Liquidity Boosts Risk Appetite; Wealth Effect May Lift Consumption

- ▶ The Hang Seng Index is hovering near 25,000, up nearly 27% YTD. China and HK equities have performed strongly, with the SSE Composite—led by financials and staples—surpassing pre-Covid levels to a decade high. De-dollarization, easing trade tensions, and accommodative policies have underpinned the rally.
- ▶ Onshore liquidity shows signs of risk-taking. The July M1-M2 growth gap narrowed, while the 10Y CGB yield rose from 1.6% to 1.7%, suggesting capital rotation away from defensive fixed income. With the SSE hitting new highs and valuations rising, HSI trades at 11.5x forward PE, near its 10Y average of 11.2x, supported by generally in-line corporate earnings.
- ▶ Given high retail participation in A-shares, a renewed market uptrend may trigger a wealth effect, lifting consumption. 1Q mall tenant sales have improved, and if households move past reluctance to spend, consumption could enter a positive cycle, benefiting China consumer stocks.



Source: Bloomberg, CEIC, 21 August 2025

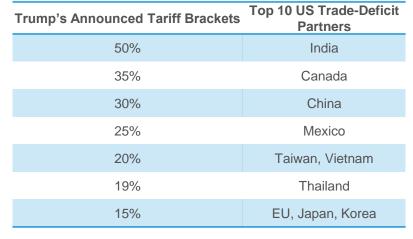


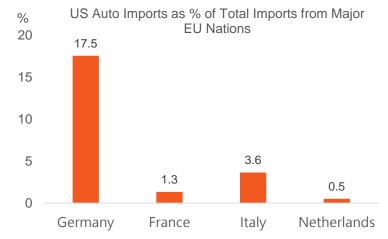
In Focus

Germany to Benefit as Auto Tariff Cut to 15% and Fiscal Expansion Lifts Demand

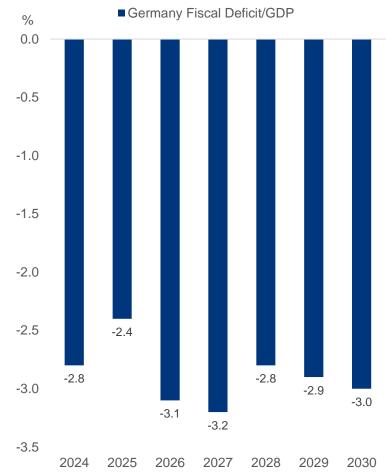
- ▶ The US and EU reached a preliminary trade deal, lowering tariffs to 15%—higher than the UK's 10% but the lowest among the US's top 10 trade-deficit partners. Official documents confirmed coverage of semiconductors, autos, and pharmaceuticals, easing EU trade-policy uncertainty and improving European firms' global competitiveness.
- ▶ US imports from Europe are concentrated in pharma/chemicals, autos, and machinery. German autos account for 17.5% of US imports from Germany, far above other EU peers. With auto tariffs reduced from the originally announced 25% to 15%, Germany is the biggest beneficiary.
- ▶ In 2025, Germany will shift from post—Eurozone crisis austerity toward fiscal expansion, channeling up to EUR 1tn into defense and infrastructure via budgets and special funds. Bloomberg estimates Germany's fiscal deficit-to-GDP ratio will rise to around 3% in coming years, providing meaningful support to its economy and equities.

15% US Tariff on Autos and Other Sectors Favors Germany





Germany Shifts Toward Fiscal Expansion

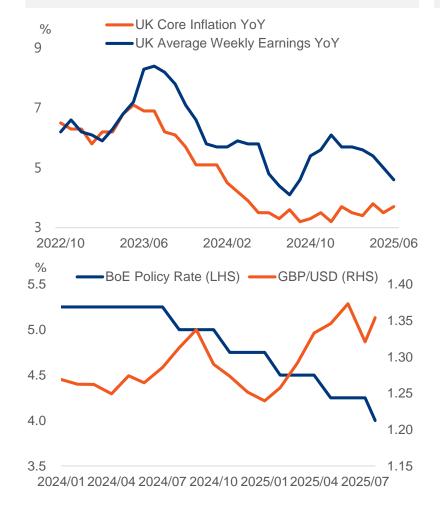




BoE Retains Room to Cut; UK's 10% Tariff Advantage Seen Supporting Economy and Equities

- ➤ Since August 2024, the BoE has cut rates by 125 bps, maintaining a quarterly pace. While core inflation ticked higher recently, slowing average wage growth suggests disinflation ahead, giving the BoE more easing room than markets currently expect.
- ▶ Despite steady cuts, GBP has strengthened, reflecting stronger-than-expected economic data and capital inflows from portfolio diversification amid USD weakness. With the dollar likely to remain soft medium term, support for GBP should persist.
- ▶ On May 8, the UK became the first country to secure a trade deal with the US, with most goods facing only 10% tariffs—lower than the EU, Japan, and Korea's 15%. The lower tariff burden has aided UK equities' relative performance. With domestic monetary easing and external tariff advantages, UK assets are set to remain attractive to investors.

Slowing Wage Growth May Ease Core Inflation



UK Equities Outperform EU Peers Post US-UK Deal







Asset Strategy

Asset Type	Market View	Preferred Assets
Equities	 Recent US data has disappointed, keeping attention on whether the Fed can deliver a September rate cut. With US equities near record highs and valuations elevated, weaker 2H growth could increase correction risk. Investors should maintain balanced sector exposure and flexibility. High-quality, low-volatility stocks can be added, while long-term investors may focus on AI, with software and cybersecurity favored within tech—building positions gradually on pullbacks. In Europe, fundamentals are improving and valuations remain cheaper than the US. UK and German equities, less exposed to trade risks, look preferable. Japan's economy is strengthening, and with a trade deal in place, domestic demand and banks offer dip-buying opportunities. 	Strategy: Add high-quality, low-volatility stocks; for long-term, focus on Al themes with software and cybersecurity favored—accumulate gradually on pullbacks. Regions: European equities, UK equities, Japan domestic demand and bank stocks.
Bonds	 Signs of cooling growth and uncertainty over a September Fed cut left bonds slightly volatile. Short- to medium-term high-grade bonds can be used to lock in yields. Within IG, A-rated and above blue-chip corporates are preferred, with attractive risk-adjusted spreads in financials, industrials, energy, utilities, and communications. With the USD still weak, diversifying into non-USD bonds—such as euro- and SGD-denominated IG debt—can help manage currency risk 	Duration: Lock in yields with short- to medium-term high-grade bonds, focusing on financials, industrials, energy, utilities, and communications. Type: Emphasis on financials, industrials, energy, utilities, and communications.
Forex	 US labor market is cooling, and with Fed personnel changes tilting dovish, policy bias has softened. However, stronger-than-expected PPI adds uncertainty. The DXY may stay supported short term but remains structurally weak medium to long term. Non-USD currencies such as the euro, yen, and pound are expected to trade with an upward bias amid volatility. 	USD: Consolidating with Downward Bias EUR, JPY, GBP: Fluctuating with upward bias
Commodity	◆ The USD is set to weaken medium to long term as rate cuts drive yields lower, while inflation risks and persistent fiscal deficits add pressure. With both central banks and private capital continuing to buy gold, the metal retains upside potential and can be accumulated gradually on pullbacks.	Gold: Bullish bias







Earnings Validate Rally, Unlocking Value Potential in HK Stocks

▶ Strong Market Momentum, Earnings as True Test of Resilience

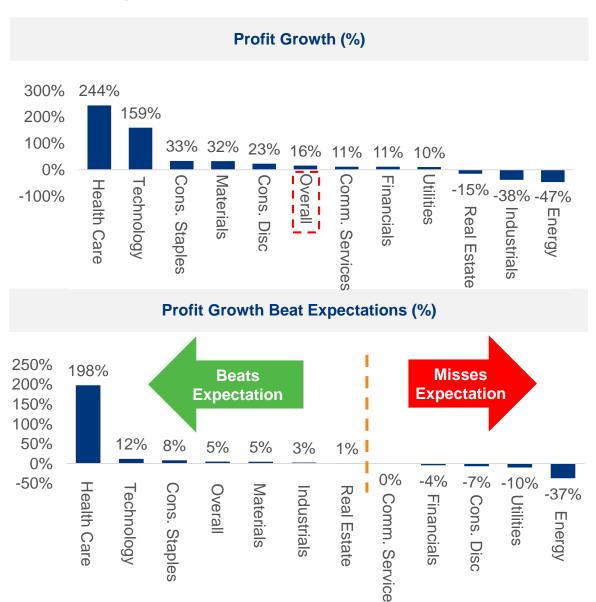
Hong Kong and China equities extended last year's rally, with the Hang Seng Index up 27% YTD, on par with major US, European, and Asia-Pacific markets. Market resilience has been evident with higher turnover and a revived IPO pipeline. While short-term gains may be event-driven, long-term trajectory hinges on fundamentals—making this earnings season a key test of profitability.

► Accelerating Earnings Growth

As of Aug 20, 167 of 500 Hang Seng Composite constituents have reported results, showing average earnings growth of 16%, beating consensus by 5%. Healthcare, technology, and consumer staples led gains, with related stocks seeing strong share price appreciation supported by solid earnings momentum.

► Value Opportunities Still Underpriced

Despite sizeable YTD gains, we believe part of the intrinsic value of select Hong Kong stocks remains underpriced this earnings season, creating opportunities for investors to uncover hidden value plays.





Leapmotor (9863)

Closing Price HK \$70

Target Price HK \$95

The company designs, develops, manufactures, and sells NEVs, while also producing core EV components (batteries, motors, electronic controls), smart cockpits, autonomous driving systems, and cloud-based connectivity solutions.

■ Profit Inflection and High-Growth Phase

Leapmotor is at a critical profitability inflection point. Growth momentum is strong, with management raising 2025 sales and net profit guidance, while setting an ambitious 2026 target of 1 million units—signaling entry into a rapid expansion stage.

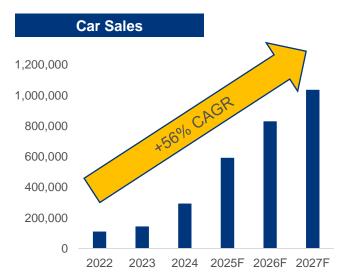
■ Core Growth Drivers: Scale and Strategic Partnerships

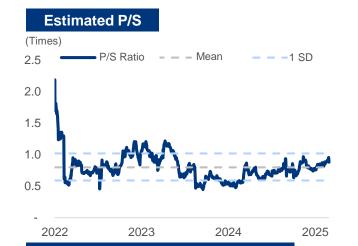
Earnings outlook is driven by both scale effects and external partnerships. As sales rise, operating margin is projected to improve from 3.9% in 2025 to 5% by 2027. More importantly, its deep collaboration with Stellantis paves a long-term growth path through three pillars: European localization boosting overseas sales, component supply from 2H26, and steady growth in carbon credit sales.

Upgraded Earnings, Revaluation Potential

We have raised Leapmotor's earnings forecasts by over 55% on average for the next four years. Accordingly, we lift our target price from HK\$88 to HK\$95, implying 22x 2026E P/E.

Financia	ıls				
	2022	2023	2024	2025F	2026F
Revenue (100M CNY)	12.4	16.7	32.2	64.5	96.1
Revenue YoY	295.4	35.2	92.1	100.6	49.0
EPS (CNY)	-4.9	-3.6	-2.1	0.4	2.3
EPS YoY	NA	NA	NA	NA	483.8
ROE(%)	NA	NA	NA	5.9	22.0









Pop Mart International Group (9992)

Closing Price HK \$319.8

Target Price HK \$350

Primarily engaged in the design, development, and sales of trend toys in China and select overseas markets.

■ Mini-Series Expands Use Cases

Pop Mart is launching the new Mini-Labubu, designed as small accessories such as phone charms. This expands consumer use scenarios, unlocks new demand, and broadens reach to untapped customer groups. The mini-series is expected to extend beyond Labubu into multiple IPs, creating new growth imagination, fueling brand innovation, and expansion.

■ Accelerating Expansion in US and Europe

The company will continue opening stores in the US and accelerating its push into Europe. It also plans to collaborate with local designers to develop products aligned with Western consumer preferences, strengthening localization and competitiveness. This strategy enhances global brand influence and supports growth diversification.

■ Management Optimistic on Revenue and Margins

Management guides 2025 revenue of RMB 30B (+130% YoY), above market expectations. Adjusted net margin is targeted at ~35% in 2025, up from 25% in 2024, suggesting stronger profitability momentum.

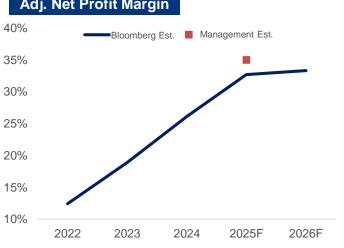
Overseas Growth and New Product Lines to Drive Earnings

With overseas expansion and new product launches, Pop Mart is positioned for sustained earnings growth. Based on DCF, we set a target price of HK\$350, implying 31x 2026E P/E.

Financials						
	2022	2023	2024	2025F	2026F	
Revenue (1B CNY)	4.6	6.3	13.0	30.6	42.1	
Revenue YoY	2.8	36.5	106.9	134.8	37.4	
EPS (CNY)	0.42	0.89	2.57	7.43	10.5	
EPS YoY	-32.2	111.8	188.3	189.7	41.2	
Net Profit Margin	6.9	14.7	33.9	60.2	49.9	







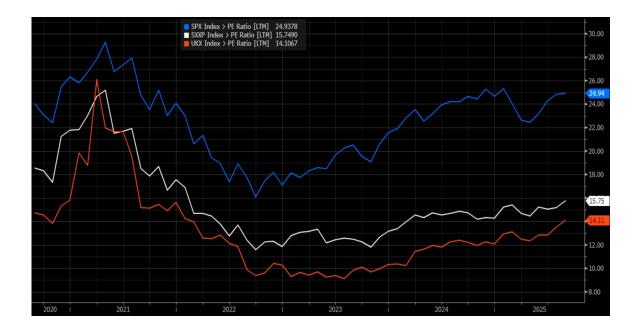




Eurozone Valuations Undemanding, Offering Greater Upside Potential

- ▶ Jackson Hole Takeaways: Labor market transformation emerged as the central theme. Powell hinted at a possible September rate cut. While the labor market shows signs of softening and tariffs are adding near-term inflation pressure, officials noted these effects could be manageable if handled properly. Fed policymakers warned that US growth remains heavily dependent on foreign labor; immigration limits may tighten supply, posing long-term structural challenges. The Fed abandoned its average inflation target, reverting to a flexible 2% target, and stressed that decisions will remain data-driven, free from political influence.
- ▶ FOMC Minutes (July 29–30): Despite slower 1H growth, the Fed kept the funds rate unchanged at 4.25%–4.50%. Officials expressed concern over both labor market conditions and inflation risks. Most judged rate cuts premature, with inflation seen as the larger risk; a minority flagged rising downside risks to employment. The minutes cautioned that if inflation remains persistently high while labor weakens, the Fed may face difficult trade-offs.
- ▶ Europe & UK Outlook: European and UK equities remain cheaper than US peers and have lagged in performance. With Europe and the UK already entering easing cycles, a further Fed cut could accelerate capital flows into European markets. Economic fundamentals are resilient, leaving room for further upside, with recent momentum showing signs of acceleration.

Stoxx 600 / FTSE 100 / S&P 500 Forward P/E Comparison





ARM Holdings (ARM)

Closing Price US \$137.92

Target Price US \$160

Operates as a holding company engaged through subsidiaries in designing and producing semiconductor technologies and related products, including CPUs, memory controllers, system IP, GPUs, security, and storage devices. Its technologies serve global markets in automotive, infrastructure, and consumer electronics.

Key Features

Strategic Hiring to Accelerate Chip Ambitions

Arm has hired Rami Sinno, Amazon's Al chip lead, signaling ambitions to move beyond IP licensing into full-chip and subsystem development. This could expand Arm's role in Al computing but also heightens execution risks, putting it in more direct competition with Nvidia and hyperscalers' in-house designs.

■ Record Licensing and Royalty Growth Highlights Resilient Model

Quarterly revenue reached a record \$1.05B, driven by strong adoption of Armv9, demand for Compute Subsystems (CSS), and data center growth. Royalties rose 25% YoY. With over 70,000 companies using Arm Neoverse chips, the ecosystem spans autos, data centers, and mobile, underscoring broad market momentum.

■ Earnings Performance

1Q26 revenue rose 11.8% YoY to \$1.05B, just \$10M below consensus. Non-GAAP EPS was \$0.35, in line with estimates. Arm guided 2Q revenue between \$1.01B-\$1.11B, broadly in line with market expectations of \$1.05B.

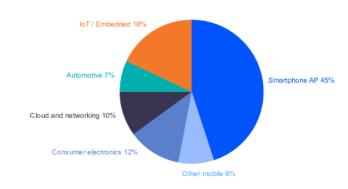
Valuation Consensus

Bloomberg 12-month average target price: \$155.08; high: \$210; low: \$72.20.



Diversified Royalties

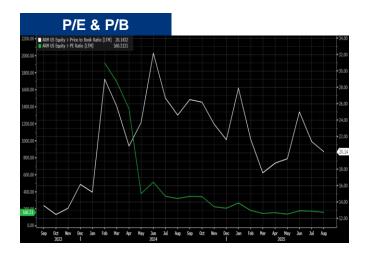
Royalties by End Market - FYE25



Financials

	2023	2024	2025	2026F	2027F
Revenue Growth(%)	-0.9	20.7	23.9	19.0	22.5
EBITDA(%)	31.4	9.0	26.5	46.5	49.8
EPS (USD)	0.54	0.32	0.92	1.69	2.26
Net Profit Margin(%)	20.8	10.4	24.3	37.3	40.8

Source: Bloomberg; 2025/26F are market estimates





Nebius Group NV (NBIS)

Closing Price US \$68.98

Target Price US \$80

Nebius Group is a technology company providing infrastructure and services for Al builders worldwide. Its core business, Nebius, operates as an Al-centric cloud platform purpose-built for Al workloads, serving global clients.

Key Features

Upgraded Guidance Reflects Sustained Strong Demand

2Q25 revenue came in at \$105.1M, up 624.8% YoY. CEO Arkady Volozh highlighted that revenue more than doubled QoQ, with adjusted EBITDA already turning positive ahead of schedule. Annualized revenue guidance for 2025 has been raised to \$900M-\$1.1B, underscoring strong momentum and the company's growing capacity to meet future demand.

■ Aggressive Data Center Expansion to Capture Al Growth

Nebius is actively scaling capacity to meet surging AI infrastructure demand, targeting over 1GW of secured power capacity by end-2026 to support data center expansion. This highlights its commitment to capitalizing on the rapid rise of AI computing use cases.

Earnings Beat

2Q25 revenue of \$105.1M exceeded estimates by \$3.9M, with adjusted net loss at \$91.5M. Annualized run-rate revenue guidance for end-2025 was raised from \$900M to \$1.1B.

■ Valuation Consensus

Bloomberg 12-month average target price: \$89.4; high: \$128; low: \$75.







Financials					
	2023	2024	2025	2026F	2027F
Revenue Growth(%)	46.5	53.4	-98.8	357.5	157.8
EBITDA Ratio	9.0	9.7	-264.9	-9.4	22.8
EPS (USD)	1.30	0.63	-1.22	-1.39	-1.18
Net Profit Margin(%)	6.3	2.5	-291.6	2.4	-28.8

Source: Bloomberg; 2025/26F are market estimates







Al Bubble Concerns Weigh on Taiwan Stocks; Focus Shifts to Mid-Caps and Positive Catalysts

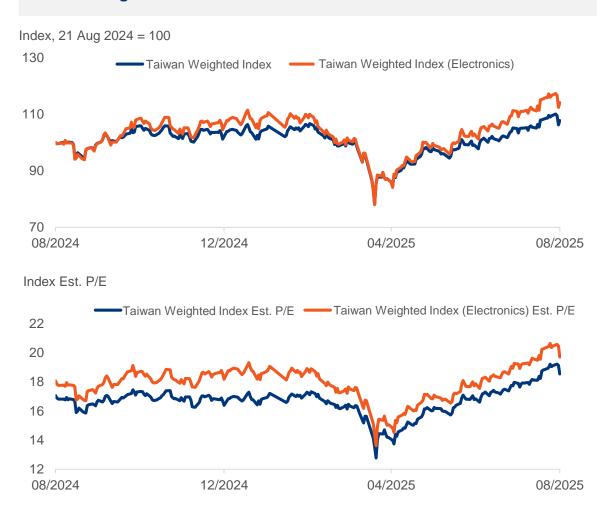
▶ Market Consolidates After Record Highs

From a technical view, last week's selloff came with higher volume after new highs, as Wednesday's sharp drop left a gap and broke below short-term and monthly averages, signaling near-term correction. Thursday's rebound above the monthly average supports upside, but failure to reclaim short-term averages risks another test of the monthly line. The broader uptrend remains intact above 23,557, with potential to retest last week's record high.

► Al Weakness, Rotation Toward Security And Tourism

Large-cap techs gapped lower, briefly breaking averages before rebounding above long-term support, showing bulls remain defensive. Strength was concentrated in surveillance and tourism/leisure stocks, some breaking to multi-month highs with bullish moving averages. By contrast, AI leaders remain weak with bearish setups, suggesting caution. Focus should be on mid-cap names with catalysts, buying on dips when prices stay above short-term and monthly averages.

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



Wynntech (6515 TT)

Wynntech Technology Co. designs, manufactures, and distributes semiconductor products, including high-performance heat spreaders, test sockets, conversion kits, direct-dock probe cards, contact components, and related solutions.

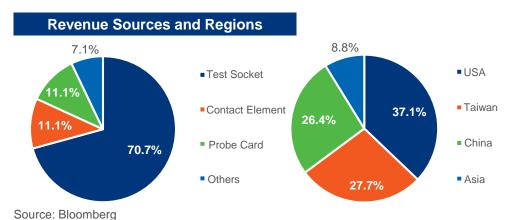
Key Features

■ 3Q25 Revenue Rebound Despite Unfavorable Product Mix

With most gaming GPU probe cards and sockets shipped in 1Q25, the high base drove sequential revenue decline in 2Q25. We estimate shipments of networking IC probe cards and smartphone SoC test sockets will lift 3Q25 revenue by 20–25% QoQ. However, as smartphone SoC sockets carry lower margins, 3Q25 gross margin is expected to decline sequentially.

■ Benefiting From Next-Gen Al GPUs, Structural Outlook Intact

With Advantest launching a new SLT burn-in hybrid tester, Wynntech is likely to secure exclusive orders for sockets in this process. Combined with rising demand for IC test sockets and higher value from increasing pin counts, the company is well positioned to benefit from next-generation AI GPU development.

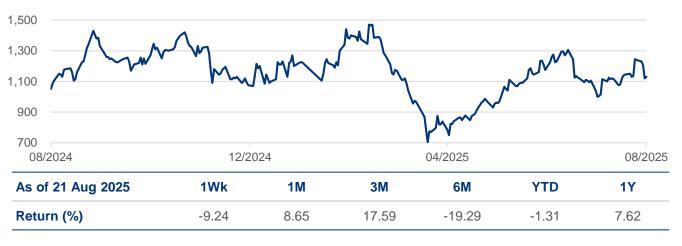


Financials					
	2022	2023	2024	2025F	2026F
EPS (NTD)	32.22	13.52	34.31	43.82	50.03
EPS Growth (%)	122.9	-58.0	153.7	27.7	14.2
P/E Ratio	35.2	83.9	33.1	25.9	22.7
ROE (%)	33.2	12.9	26.3	32.2	35.3

Source: Company data, estimates of KGI analyst

Valuations 5Y Avg. Current Price 224.5 ↑ 1,470 P/E 11.07 ♦ 80.63 P/B 2.97 ↑ 12.99

1-Year Price



Alchip – KY (3661 TT)

Alchip Technologies provides silicon design and manufacturing services, offering a range of SoC solutions optimized for low power, high performance, and cost efficiency, applied across consumer electronics, optical networking, and medical imaging devices.

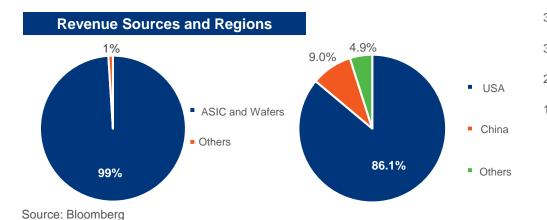
Key Features

■ Positive Momentum From US Hyperscaler Projects

At the investor call, management highlighted significant progress across multiple fronts with US hyperscaler clients. They emphasized that 2H25 will see NRE recognition from 2nm projects, with hyperscaler demand expected to remain strong through 2029.

■ 2026 Outlook Tied to Wafer Execution and CoWoS Orders

In 2026, actual CoWoS-R orders executed by Alchip are expected to account for \~30–35% of US hyperscaler clients' allocated capacity at their major foundry partner, slightly above our estimates. Revenue growth catalysts will mainly come from hyperscaler projects and 5nm programs for Chinese automakers. Progress on these projects will be key to watch.



Financials 2022 2023 2024 2025F 2026F **EPS (NTD)** 19.78 21.44 42.27 50.17 53.17 **EPS** -67.0 97.1 18.7 Growth (%) 29.8 15.1 12.8 P/E Ratio 12.0 **ROE (%)** 12.3 7.0 13.6 14.0

Source: Company data, estimates of KGI analyst

Valuations Price 363.5 ♦ Current P/E 22.13 97.67 P/B 2.58 18.27



Mutual Funds/ ETFs

Tariff Advantage Favors Europe; Pullback Opens Opportunities in UK and Germany

► BlackRock Global Funds – Euro-Markets Fund

- Invests primarily in equities of companies registered in EU member states within the Eurozone, aiming to maximize total return.
- With over 25 years of history, the fund focuses on large-cap names, allocating across Germany, France, the Netherlands, and other European markets.
- Holds 44 stocks, with the top 10 positions accounting for over 40% of the portfolio.

Product	BlackRock Global Funds – Euro-Markets Fu	nd
Features	 With over 25 years of history, the fund focuses on large-can names, allocating across Germany, France, the Netherland other European markets. Holds 44 stocks, with the top 10 positions accounting for or of the portfolio. 	ds, and
AUM	EUR 1.7 Billion	
Holdings	44	
3M/YTD Return	1.88% / 12.08%	
Asset Allocation (%)	Industrials Financials Info. Tech. Discretionary Healthcare	35.25 26.14 15.13 6.46 4.43
Top 5 Regions (%)	Germany France Netherlands Italy Belgium	35.33 24.18 10.15 7.23 5.88
Top 5 Holdings (%)	SAP UniCredit Safran Group Schneider Electric SIEMENS AG	6.38 4.96 4.94 4.84 4.28



BlackRock Global Funds – Euro-Markets Fund

Profile

At least 70% of total assets are invested in equities of companies registered in EU member states participating in the Economic and Monetary Union (EMU).

■ Focus On European Markets

The fund primarily invests in Eurozone member states including Germany, France, the Netherlands, Italy, and Belgium, with the top three country exposures accounting for \~70% of the portfolio.

■ Large-Cap, Mature Market Leaders

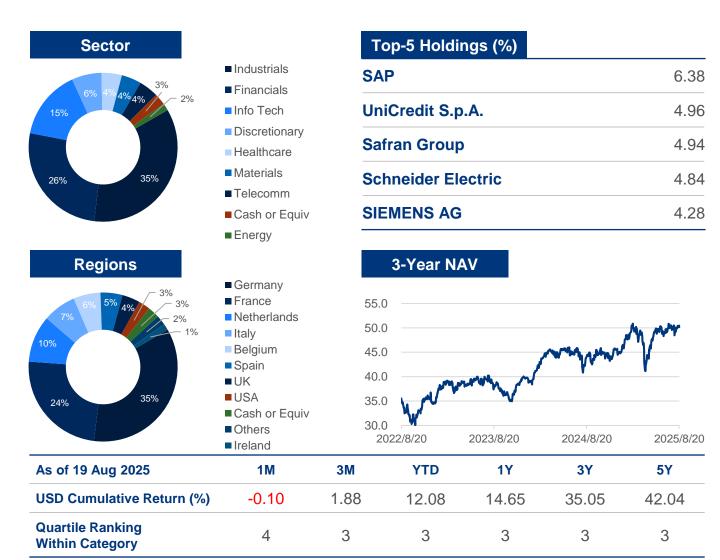
With over 25 years of history, the fund invests in established large-cap companies, focusing on mature market leaders. It holds 44 stocks, including SAP, UniCredit, Safran, Schneider Electric, and Siemens, with any single position capped at below 10% of the portfolio.

■ Multiple Currency Classes Available

The fund offers share classes in USD, EUR, GBP, HKD, SGD, and CHF.

Inception Date	1999/1/4	AUM	EUR 1.7 Billion
Morningstar Category	Europe Equities	Fund Category	Equities
Morningstar Rating	***	3Y Stand. Dev. (Ann.)	21.50%

Source: BlackRock



Mutual Funds/ ETFs

Tariff Advantage Favors Europe; Pullback Opens Opportunities in UK and Germany

▶ iShares MSCI Germany ETF (EWG.US)

- Tracks the MSCI Germany Index.
- Covers large- and mid-cap German companies, including well-known names such as SAP, Siemens, and Allianz.
- Concentrated portfolio with top 10 holdings accounting for over 61%.

► iShares Core FTSE 100 UCITS ETF (ISFU.LN)

- Tracks the FTSE 100 Index, holding all constituent companies, providing exposure to UK large-cap blue chips.
- Holds 100 stocks, with the top 10 positions making up ~45%, including AstraZeneca, HSBC Holdings, and Shell.

Product	iShares MSCI Germany ETF (EWG.US)		iShares Core FTSE 100 UCITS ETF (ISFU.LN)			
Features	 Covers large- and mid-ca companies, including well names such as SAP, Sier Allianz. 	-known	■ Tracks the FTSE 100 Index, holding all constituent companies, providing exposure to UK large-cap blue chips.			
AUM	USD 2.595 Billion	ı	GBP 13.138 Billion			
Tracking Index	MSCI Germany Inde	MSCI Germany Index				
Exchanges	NYSE	NYSE		LSEG		
Holdings	53		100			
Expense Ratio	0.50%	0.50%				
3M/YTD Return	3.38% / 35.42%		6.81% / 25.68%			
Top 5 Sectors (%)	Industrials Financials Info. Tech. Discretionary Telecomm.	25.16 22.45 17.83 8.80 7.29	Financials Staples Industrials Healthcare Energy	24.81 16.33 15.89 12.62 9.95		
Top 5 Holdings (%)	SAP SE SIEMENS AG Allianz Group Deutsche Telekom AG Munich Re Group	14.47 10.52 8.59 6.51 4.46	AstraZeneca plc. HSBC Holdings plc Shell plc. Unilever Ltd Rolls-Royce Holdings plc	7.79 7.35 7.00 4.93 3.96		



iShares MSCI Germany ETF (EWG.US)

Profile

Tracks the MSCI Germany Index, aiming to replicate the performance of German equities included in the benchmark.

■ Focus On German Equities

Provides broad exposure to Germany's equity market, covering large- and mid-cap companies across key sectors, reflecting the overall performance of the German economy.

Concentrated Holdings

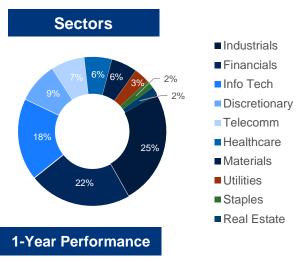
Holds 53 stocks across industries such as industrials, financials, IT, and consumer discretionary. The top 10 holdings account for \~61% of the portfolio, offering targeted exposure to Germany's leading companies.

■ Moderate Expense Ratio

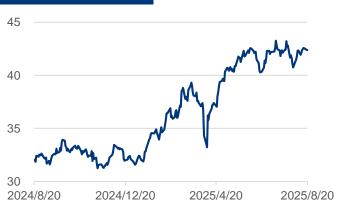
The ETF carries an expense ratio of 0.50%, placing it at a mid-range level among peers.

Inception Date	1996/3/12	AUM	USD 2.595 Billion
ETF Category	Equities	Holdings	53
Expense Ratio	0.50%	3Y Stand. Dev. (Ann.)	21.00%

Source: Bloomberg, 20 August 2025



Top-5 Holdings (%) SAP SE 14.47 SIEMENS AG 10.52 Allianz Group 8.59 Deutsche Telekom AG 6.51 Munich Re Group 4.46



1M

-0.07

3M

3.38

As of 20 Aug 2025

Return (%)



iShares Core FTSE 100 UCITS ETF (ISFU.LN)

Profile

Tracks the FTSE 100 Index, aiming to replicate the performance of its constituent stocks.

■ Focus On UK's 100 Largest Listed Companies

Provides exposure to the largest companies listed on the London Stock Exchange, typically financially strong and stable blue chips, offering broad coverage of the UK large-cap market and reflecting overall equity performance.

■ Diversified Sector Exposure

Holds companies across multiple industries, including global leaders such as AstraZeneca, HSBC Holdings, and Shell, all with significant international operations and influence.

■ Low Expense Ratio

With an expense ratio of 0.07%, this ETF ranks among the lowest in its category, helping investors reduce long-term costs and enhance net returns.

Inception Date	2000/4/27	AUM	GBP 13.13 Billion
ETF Category	Equities	Holdings	100
Expense Ratio	0.07%	3Y Stand. Dev. (Ann.)	14.75%

Source: Bloomberg, 20 August 2025

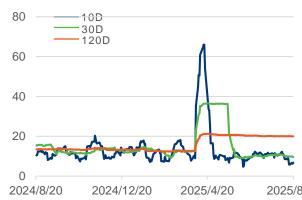


12

Top-5 Holdings (%)

AstraZeneca plc.	7.79
HSBC Holdings plc	7.35
Shell plc.	7.00
Unilever Ltd	4.93
Rolls-Royce Holdings plc	3.96

1-Year Volatility



2024/8/20	2024/12/20	2025/4/20	2025/8/20	2024/8/20	2024/12/20	2025/4/20	2025/8/20
As of 20 Aug 2025		1M	3M	YTD	1Y	3Y	5Y
Return (%)		3.42	6.81	25.68	19.93	56.50	90.45





DXY Remains Weak Within Range; Consider Allocating to Quality EUR-Denominated Bonds

► HSBC Holdings PLC (HSBC 3.911 05/13/34) (EUR)

- HSBC maintains one of the strongest capital positions among European banks, with a CET1 ratio of 14.6% as of 2Q25. Its capital management ensures subsidiaries remain self-sufficient, while profitability outpaces peers, delivering a 14.6% ROTE in 2024.
- The bank benefits from a high proportion of corporate deposits and ample liquidity. A broad, diversified deposit base supports a stronger funding profile than global peers. At end-2024, the loan-to-deposit ratio was just 56%, well below domestic and international averages. Liquidity coverage ratio stands at ~148%. HSBC's long-term policy requires subsidiaries to be self-funded, with deposits exceeding loans.
- Asset quality is solid, with diversified credit exposure across corporates and residential mortgages, geographically skewed toward Hong Kong and the UK, and a generally conservative risk appetite relative to local competitors. Credit performance remains resilient; China CRE exposures are now well-provisioned, limiting future losses. HSBC has also exited underperforming, non-core Western markets to strengthen profitability, targeting \$1.5B in cost savings by 2026.

Product	HSBC 3.911 05/13/34
ISIN	XS3069291782
Features	HSBC combines unmatched capital strength in Europe with robust funding, diversified credit exposure, and improving profitability, making its EUR-denominated bonds a quality allocation option.
Maturity Date	2034/5/13
Next Call Date	2033/5/13
Coupon (%)	Float/3.911/Annual
Currency	EUR
Years to Maturity	8.73
Credit Rating (Moody's/Fitch/S&P)	A3/A+/A-
Seniority	Senior Unsecured
YTM/YTC (%)	3.72/3.62

HSBC Holdings PLC (HSBC 3.911 05/13/34)

Profile

HSBC Holdings PLC operates as a holding company providing personal and commercial banking, trade finance, investment, lending, mortgages, securities, custody, capital markets, treasury, insurance, and financial services globally.

- HSBC benefits from a high proportion of corporate deposits and ample liquidity. Its large, diversified deposit base underpins a stronger funding profile than global peers. As of end-2024, the loan-to-deposit ratio stood at 56%, well below domestic and international averages, while the liquidity coverage ratio was \~148%. The group's long-term policy ensures operating subsidiaries remain self-funded, with deposits exceeding loans.
- Asset quality is sound, with diversified credit exposure across corporates and residential mortgages, geographically weighted toward Hong Kong and the UK. Its risk appetite is typically lower than local competitors in each market. China CRE exposures are now well-provisioned, limiting further credit losses. In recent years, HSBC has exited underperforming and non-core Western markets to enhance profitability, with a cost-saving target of USD 1.5B by 2026.

Financials	2022	2023	2024
P/E (x)	8.67	7.05	7.86
EPS (USD)	1.01	0.93	1.52
Return on Equity (ROE) (%)	8.59	13.77	13.74

Overview			
Name	HSBC 3.911 05/13/34	ISIN	XS3069291782
Maturity Date	2034/5/13	Remaining Maturity	8.73
Coupon(%)	Float/3.91/Annual	YTM/YTC(%)	3.72/3.62
Currency	EUR	Min. Subscription/ Increment	100,000/1,000
Ratings (Moody's/Fitch/S&P)	A3/A+/A-	Seniority	Senior Unsecured

Price (New Issued Bond)



Source: Bloomberg; Note: The coupon resets on May 13, 2033, paying quarterly. The reset rate will be based on EURIBOR plus 1.540% over the bond yield at issuance.





DXY Remains Weak Within Range; Consider Allocating to Quality EUR-Denominated Bonds

► Électricité de France (EDF 3.25 05/07/32) (EUR)

- Électricité de France (EDF) is the world's second-largest and Europe's largest integrated power utility, holding a dominant position in France and strong market share in the UK and Italy. EDF accounts for 70–75% of France's power generation, with a 70% share in the residential market and 50% in non-residential. Playing a central role in France's energy transition, EDF is building new nuclear plants; as of 2023, 90% of its output was low-carbon, including 78% nuclear and 9% hydro—positioning it as a leader in the global decarbonization era.
- EDF was fully renationalized in June 2023 and is now 100% owned by the French government. Nuclear power remains a policy priority across nearly all French political parties, ensuring EDF continues to enjoy strong state support as a cornerstone of national energy policy.
- The company delivered strong results in 2023 and 2024. Despite moderating energy prices, EDF raised its 2024 nuclear output forecast twice (in September and December), supporting earnings outlook. In June 2024, S&P revised its rating outlook on EDF to positive, and we expect a potential future upgrade.

Product	EDF 3.25 05/07/32		
ISIN	FR001400ZGF2		
Features	World's largest nuclear power operator, Europe's largest renewable energy operator, and France's largest urban energy provider.		
Maturity Date	2032/5/7		
Next Call Date	2032/2/7		
Coupon (%)	Fixed/3.25/Annual		
Currency	EUR		
Years to Maturity	6.71		
Credit Rating (Moody's/Fitch/S&P)	Baa1/BBB+/BBB		
Seniority	Senior Unsecured		
YTM/YTC (%)	3.29/3.29		

Électricité de France (EDF 3.25 05/07/32)

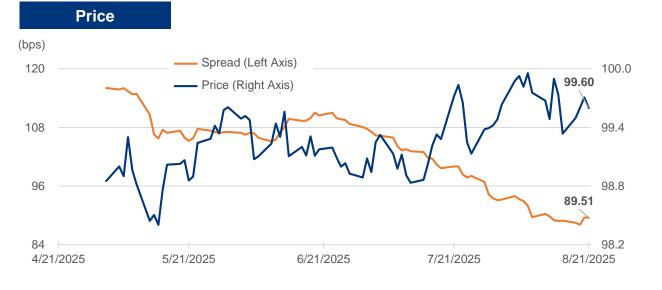
Profile

Founded in 1946 and headquartered in Paris, EDF is majority-owned by the French government and responsible for power generation, transmission, and distribution across France. It is the world's largest nuclear power operator, Europe's largest renewable energy operator, and France's largest urban energy provider.

- In June 2023, EDF was fully renationalized and is now 100% state-owned. Nuclear energy remains a top policy priority across nearly all French political parties, ensuring EDF continues to benefit from strong government backing as the cornerstone of France's energy strategy.
- EDF delivered strong performance in 2023 and 2024. Despite the pullback in energy prices, the company raised its 2024 nuclear output guidance twice (in September and December), supporting profitability. In June 2024, S\&P revised EDF's outlook to positive, and a future credit rating upgrade is likely.

Financials	2022	2023	2024
Operating Margin (%)	-13.50	9.43	15.44
EPS (USD)	-2.23	6.18	3.54
Profit Margin (%)	-4.84	18.06	12.42

Overview			
Name	EDF 3.25 05/07/32	ISIN	FR001400ZGF2
Maturity Date	2032/5/7	Remaining Maturity	6.71
Coupon(%)	Fixed/3.25/Snnual	YTM/YTC(%)	3.29/3.29
Currency	EUR	Min. Subscription/ Increment	100,000/100,000
Ratings (Moody's/Fitch/S&P)	Baa1/BBB+/BBB	Seniority	Senior Unsecured







Key Economic Data / Events

AUGUST 2025

Monday

19 Tuesday

- US Jul Housing Starts (Act:1,428k Est:1,297k Prev:1,358k)
- US Jul Building Permits (Prelim) (Act:1,354k Est:1,386k Prev:1,393k)
- HK Jul Unemployment Rate (Act:3.7% Est:3.5% Prev:3.5%)

20 Wednesday

- Eurozone Jul CPI YoY (Final) (Act:2.0% Est:2.0% Prev:2.0%)
- Japan Jul Exports YoY (Act:-2.6% Est:-2.1% Prev:-0.5%)
- Japan Jun Core Machinery Orders MoM (Act:3.0% Est:-0.5% Prev:-0.6%)
- Taiwan Jul Export Orders YoY (Act:15.2% Est:16.7% Prev:24.6%)

Wednesday

Thursday

- US Weekly Initial Jobless Claims (Act:235k Est:225k Prev:224k)
- US Aug S&P Global Mfg PMI (Act:53.3 Est:49.7 Prev:49.8)
- Eurozone Aug HCOB Mfg PMI (Act:50.5 Est:49.5 Prev:49.8)
- Eurozone Aug Consumer Confidence (Act:-15.5 Est:-14.7 Prev:-14.7)
- Japan Aug S&P Global Mfg PMI (Act:49.9 Prev:48.9)
- HK Jul CPI YoY (Act:1.0% Est:0.9% Prev:1.4%)

2 Friday

- Japan Jul Nationwide CPI YoY (Act:3.1% Est:3.1% Prev:3.3%)
- Taiwan Jul Unemployment Rate (Est:3.30% Prev:3.34%)
- Jackson Hole Central Bank Symposium (thru Aug 23)

Monday

- US Jul New Home Sales (Est:628k Prev:627k)
- US Jul Building Permits (Final) (Prev:1,393k)

26

Tuesday

- US Jul Durable Goods Orders MoM (Prelim) (Est:-4.0% Prev:-9.4%)
- US Aug Conference Board Consumer Confidence (Est:96.4 Prev:97.2)
- HK Jul Exports YoY (Prev:11.9%)

27

• Earnings: NVDA

28

Thursday

- US Weekly Initial Jobless Claims (Prev:235k)
- US 2Q GDP QoQ (Est:3.1% Prev:3.0%)
- Eurozone Aug Consumer Confidence (Final) (Prev:-14.7)
- Eurozone Aug Economic Sentiment (Prev:95.8)

29

Friday

- US Jul Core PCE YoY (Est:2.9% Prev:2.8%)
- US Jul Core PCE MoM (Est:0.3% Prev:0.3%)
- US Aug Michigan Consumer Sentiment (Final) (Est:58.6 Prev:61.7)
- Japan Jul Industrial Production MoM (Est:-1.1% Prev:2.1%)
- Japan Jul Unemployment Rate (Est:2.5% Prev:2.5%)
- Japan Aug Tokyo CPI YoY (Est:2.6% Prev:2.9%)



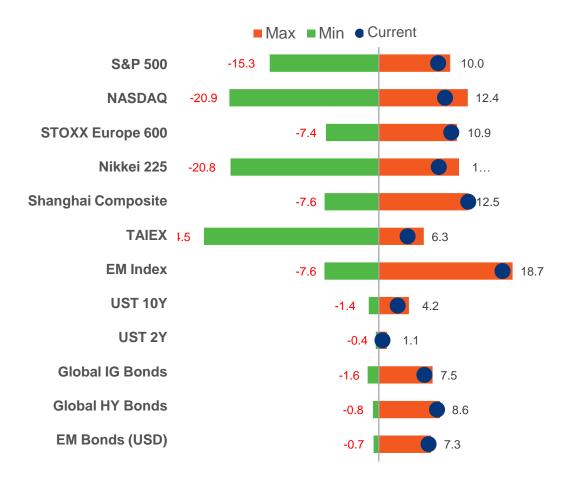
Key Earnings Releases

Date	Name	Revenue (F) (USD)	Actual Revenue (USD)	EPS (F) (USD)	Actual EPS (USD)	Exceed Exp Revenue	pectation EPS
2025/8/18	Palo Alto Networks Inc (PANW)	2.5B	2.5B	0.89	0.95		V
2025/8/19	Home Depot Inc (HD)	45.44B	45.30B	4.72	4.68		
2025/8/19	Medtronic PLC (MDT)	8.38B	8.60B	1.23	1.26	V	V
2025/8/20	TJX Companies Inc (TJX)	14.14B	14.40B	1.01	1.10	V	V
2025/8/20	Lowe's Companies Inc (LOW)	23.96B	23.96B	4.24	4.33		V
2025/8/20	Analog Devices Inc (ADI)	2.76B	2.88B	1.95	2.05	V	V
2025/8/21	Walmart Inc (WMT)	174.4B	177.4B	0.74	0.68	V	
2025/8/21	Intuit Inc (INTU)	3.74B	3.80B	2.66	2.75	V	V

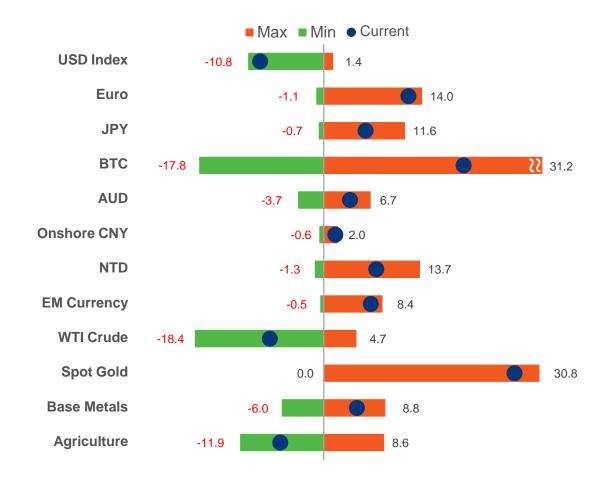
Source: Investing.com

YTD Major Market / Asset Performance

Equities & Bond Markets YTD Performance (%)



Currencies and Commodities Market YTD Performance (%)



Source: Bloomberg, 22 Aug 2025



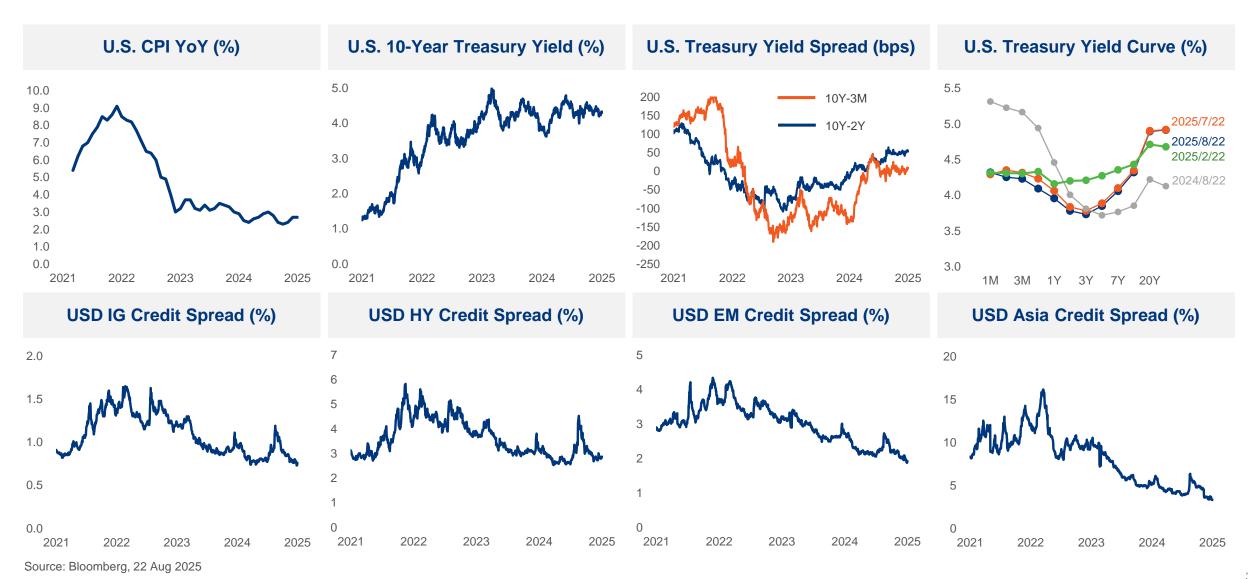
Technical Analysis



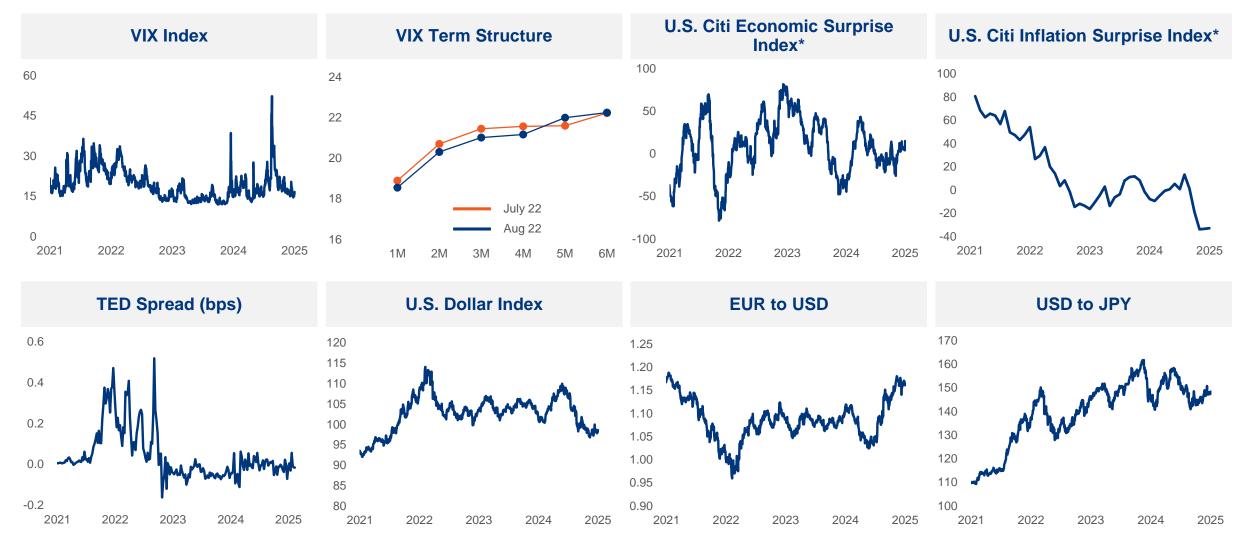
Source: Bloomberg, 22 Aug 2025



Market Monitor



Market Monitor



Source: Bloomberg, 22 Aug 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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