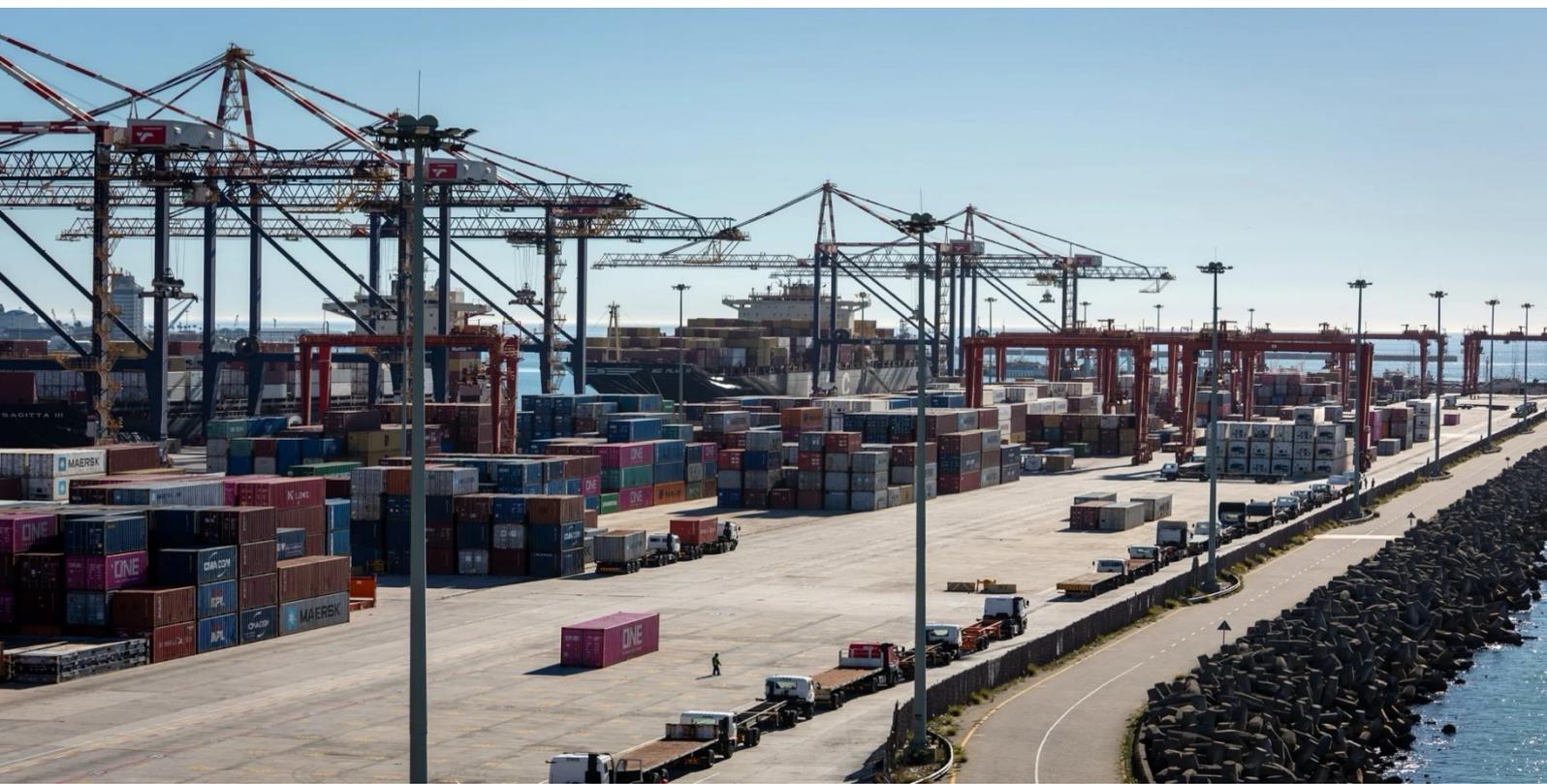


Editor: Quentin Ly

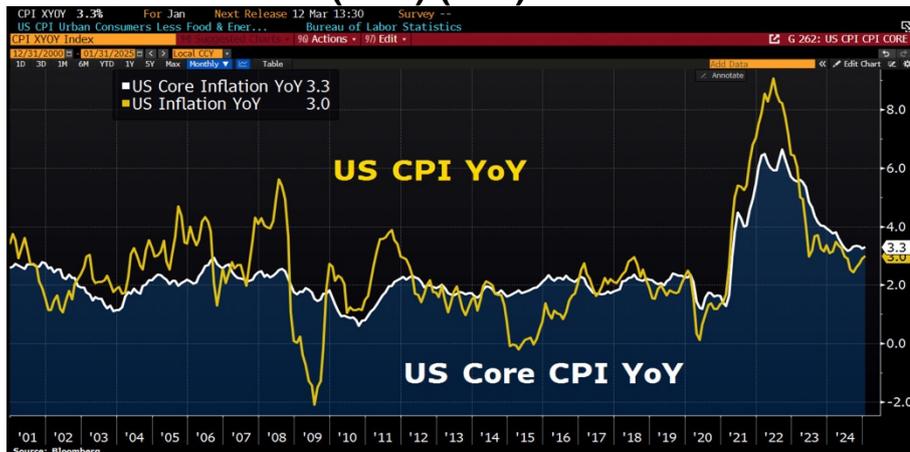


# Weekly Market Report

Sunday 16<sup>th</sup> February 2025



## United States CPI (YoY) (Jan)



Source: Bloomberg (12/02/2025)

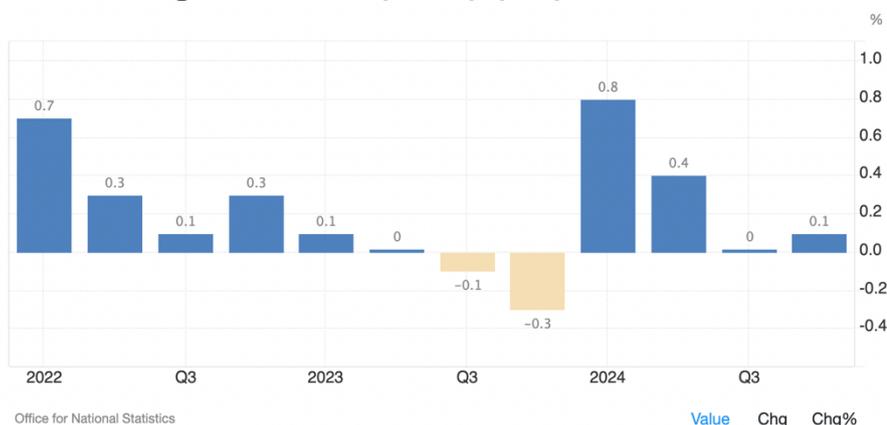
**The annual inflation rate in the US edged up to 3% in January 2025, compared to 2.9% in December 2024, and above market forecasts of 2.9%, indicating stalled progress in curbing inflation.**

Energy costs rose 1% year-on-year, the first increase in six months, after a 0.5% fall in December, mainly due to gasoline (-0.2% vs -3.4%), fuel oil (-5.3% vs -13.1%) and natural gas (4.9% vs 4.9%). Also, prices for used cars and trucks rebounded (1% vs -3.3%), cost accelerated for transportation (8% vs 7.3%) and fell less for new vehicles (-0.3% vs -0.4%). On the other hand, inflation steadied for food (2.5% vs 2.5%) and slowed for shelter (4.4% vs 4.6%).

**On a monthly basis, the CPI rose by 0.5%**, above 0.4% in the previous month and expectations it would slow to 0.3%. The index for shelter rose 0.4%, accounting for nearly 30% of the increase.

**Meanwhile, annual core inflation unexpectedly rose to 3.3%, compared to forecasts it would slow to 3.1%.** The monthly rate edged up more than expected to 0.4%.

## United Kingdom GDP (QoQ) (Q4)



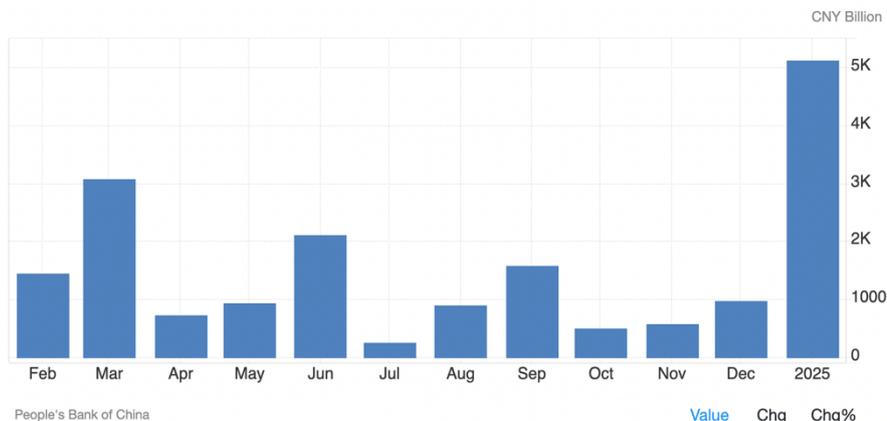
Source: Trading Economics (13/02/2025)

**The British economy expanded 0.1% on quarter in Q4 2024, following no growth in Q3, and beating forecasts of a 0.1% contraction, according to preliminary estimates.**

On the production side, the services sector increased by 0.2% and construction grew by 0.5%, while production fell by 0.8%, marking a fifth straight quarter of contraction, largely driven by a 0.7% decline in manufacturing, mostly transport equipment (-2.3%) and pharmaceuticals (-4%) and a 2.5% decline in mining and quarrying. On the expenditure side, exports were down 2.5% mostly due to fuels, and machinery and transport equipment while imports rose 2.1% driven by large movements in non-monetary gold. Also, gross fixed capital formation declined 0.9%, led by transport (-22.9%). These falls were offset by a large increase

in change in inventories while government spending increased 0.8%, mainly due to public administration and defense, and higher activity in health. Meanwhile, there was no growth in household expenditure.

## China New Loans (Jan)



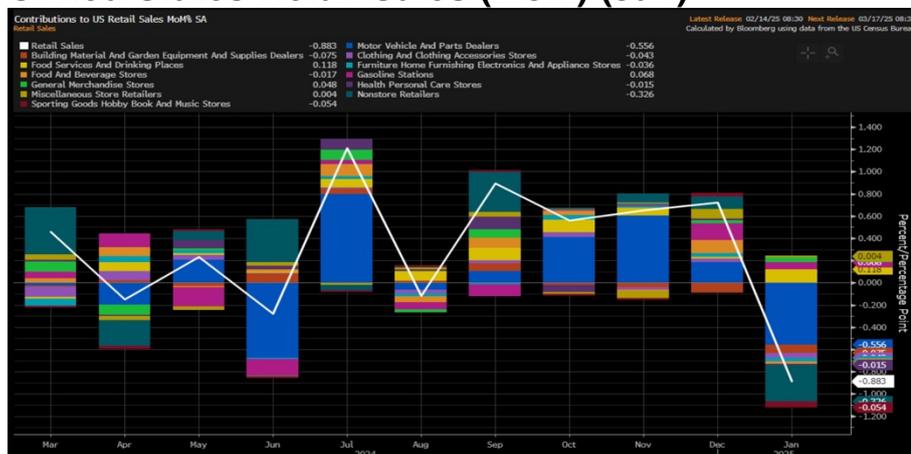
Source: Trading Economics (14/02/2025)

**Chinese banks extended a record level of CNY 5130 billion in new yuan loans in January 2025, above CNY 990 billion in December and easily beating forecasts of CNY 800 billion.**

The reading is also higher than the previous record CNY 4920 billion reached in January 2024, as policy stimulus helped to shore up credit. Also, Chinese lenders tend to front-load loans to secure high-quality customers and expand their market share at the beginning of the year.

**Meanwhile, money supply rose 7% YoY, below 7.3% in the previous month and forecasts of 7.2%. Total social financing soared to CNY 7,060 billion, setting a new record, compared to CNY 2,860 billion in December and forecasts of CNY 6,400 billion.** This is a broad measure of credit and liquidity, including off-balance sheet financing such as IPOs, trust company loans, and bond sales.

## United States Retail Sales (MoM) (Jan)



Source: Bloomberg (14/02/2025)

**Retail sales in the US contracted 0.9% month-over-month in January 2025, much worse than forecasts of a 0.1% drop, and following an upwardly revised 0.7% gain in December.** It is the biggest decline in retail sales since March 2023, with severe weather and LA fires weighing on consumer spending.

Sales at sporting goods, hobby, musical instrument, & bookstores (-4.6%) recorded the biggest decline, followed by motor vehicles and part dealers (-2.8%); nonstore retailers (-1.9%); furniture (-1.7%); building material & garden equipment (-1.3%); clothing (-1.2%); health and personal care (-0.3%) and food and beverages (-0.1%).

In contrast, sales rose at gasoline stations (0.9%); food services & drinking places (0.9%); general merchandise stores (0.5%) and miscellaneous store retailers (0.2%).

Meanwhile, sales excluding food services, auto dealers, building materials stores and gasoline stations, which are used to calculate GDP, decreased 0.8%. Retail sales data is not adjusted for inflation.



## EQUITY INDEX

Name	Last	Open	High	Low	Chg. %
S&P 500	6,114.63	6,115.52	6,127.47	6,107.62	-0.01%
NASDAQ Composite	20,026.77	19,956.82	20,045.76	19,932.15	+0.41%
Dow Jones Industrial Average	44,546.08	44,720.99	44,769.05	44,498.96	-0.37%
FTSE 100	8,732.46	8,764.72	8,767.73	8,717.54	-0.37%
Euro Stoxx 50	5,491.25	5,485.15	5,521.65	5,482.65	-0.17%
CAC 40	8,178.54	8,164.62	8,212.64	8,155.45	+0.18%
DAX	22,513.42	22,526.87	22,609.97	22,467.37	-0.44%
IBEX 35	12,956.00	12,909.50	12,984.60	12,878.90	+0.15%
FTSE MIB	37,977.59	37,878.93	38,152.37	37,835.64	+0.18%
Shanghai Composite	3,346.72	3,328.48	3,349.08	3,322.53	+0.43%
Hang Seng	22,620.33	22,027.07	22,620.33	22,027.07	+3.69%
Nikkei 225	39,164.50	39,467.50	39,595.00	39,135.50	-0.79%

## FIXED INCOME

Name	Last	Open	High	Low	Chg. %
United States 10-Year	4.477	4.539	4.546	4.447	-1.32%
United Kingdom 10-Year	4.4990	4.5020	4.5320	4.4830	+0.22%
France 10-Year	3.121	3.107	3.137	3.101	+0.32%
Germany 10-Year	2.4230	2.4240	2.4440	2.4130	+0.00%
Spain 10-Year	3.100	3.081	3.114	3.080	+0.65%
Italy 10-Year	3.516	3.499	3.532	3.498	+0.86%
China 10-Year	1.640	1.670	1.670	1.631	+0.61%
Japan 10-Year	1.341	1.338	1.355	1.336	0.00%

## FOREX

Name	Last	Open	High	Low	Chg. %
EUR/USD	1.0491	1.0465	1.0515	1.0446	+0.00%
USD/JPY	152.33	152.80	153.16	152.02	-0.30%
GBP/USD	1.2585	1.2567	1.2632	1.2549	+0.00%
USD/CHF	0.8991	0.9030	0.9051	0.8971	0.00%
AUD/USD	0.6350	0.6318	0.6369	0.6310	+0.00%
USD/CAD	1.4181	1.4194	1.4203	1.4151	0.00%
EUR/GBP	0.8334	0.8328	0.8340	0.8314	+0.00%
EUR/JPY	159.81	159.90	160.33	159.42	-0.04%
GBP/JPY	191.71	192.02	192.56	191.46	-0.13%
USD/CNY	7.2530	7.2788	7.2901	7.2531	-0.55%

## COMMODITIES

Name	Last	Open	High	Low	Chg. %
Gold Spot US Dollar	2,883.18	2,929.19	2,940.23	2,876.96	-1.57%
Gram Silver US Dollar	1.0336	1.0394	1.0742	1.0301	-0.96%
Crude Oil WTI Futures	70.74	71.52	72.02	70.52	-0.77%
Brent Oil Futures	74.74	75.00	75.85	74.53	-0.37%
Natural Gas Futures	3.725	3.650	3.801	3.635	+2.76%
Copper Futures	4.6645	4.7830	4.8365	4.6365	-2.30%
Platinum Futures	1,019.20	1,048.70	1,058.60	1,009.60	-2.30%
US Corn Futures	496.25	493.00	499.75	492.50	+0.56%
US Wheat Futures	600.00	577.25	602.75	577.25	+3.85%
US Soybeans Futures	1,036.00	1,030.00	1,046.75	1,029.50	+0.58%

# US MARKET RECAP



## U.S. STOCKS MIXED AT CLOSE OF TRADE; DOW JONES DOWN 0.37%

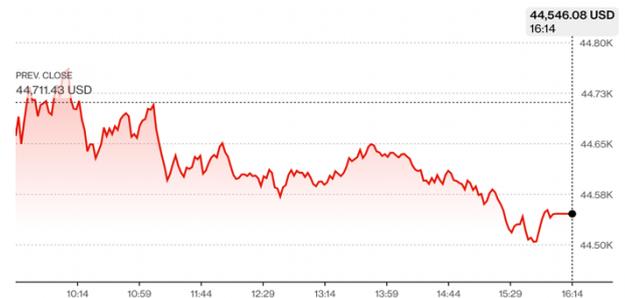
Source: Investing.com & Bloomberg (14/02/2025)

U.S. stocks were mixed after the close on Friday, as gains in the Telecoms, Technology and Oil & Gas sectors led shares higher while losses in the Healthcare, Consumer Goods and Utilities sectors led shares lower.

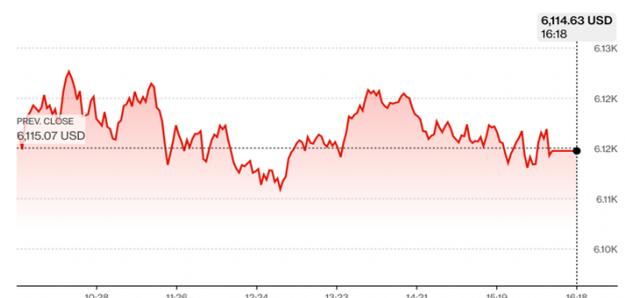
At the close in NYSE, the **DOW JONES** fell 0.37%, while the **S&P 500** declined 0.01%, and the **NASDAQ** climbed 0.41%.

The best performers of the session on the **DOW JONES** were NVIDIA Corporation, which rose 2.63% or 3.56 points to trade at 138.85 at the close. Meanwhile, Goldman Sachs Group Inc added 1.79% or 11.60 points to end at 660.55 and Cisco Systems Inc was up 1.61% or 1.03 points to 64.87 in late trade.

The worst performers of the session were Procter & Gamble Company, which fell 4.75% or 8.13 points to trade at 162.89 at the close. Travelers Companies declined 1.94% or 4.71 points to end at 238.30 and Merck & Company Inc was down 1.67% or 1.41 points to 83.01.



The top performers on the **S&P 500** were Airbnb Inc which rose 14.45% to 161.42, Super Micro Computer Inc which was up 13.32% to settle at 47.91 and Wynn Resorts Limited which gained 10.38% to close at 88.82. The worst performers were Godaddy Inc which was down 14.28% to 182.19 in late trade, DaVita HealthCare Partners Inc which lost 11.09% to settle at 157.42 and Applied Materials Inc which was down 8.18% to 169.20 at the close.



The top performers on the **NASDAQ** were JetAI Inc which rose 132.95% to 6.03, SRM Entertainment Inc which was up 95.53% to settle at 0.70 and WeRide Corp ADR which gained 83.46% to close at 31.50.

The worst performers were OSR Holdings Inc which was down 55.27% to 3.01 in late trade, Cloudatastructure Inc which lost 49.44% to settle at 19.05 and Bolt Projects Holdings Inc which was down 46.33% to 0.66 at the close.



The **CBOE Volatility Index**, which measures the implied volatility of S&P 500 options, was down 2.19% to 14.77 a new 1-month low.

**Gold Futures** for April delivery was down 1.71% or 50.31 to \$2,895.09 a troy ounce.

Elsewhere in commodities trading, **Crude oil** for delivery in March fell 0.88% or 0.63 to hit \$70.66 a barrel, while the April **Brent oil** contract fell 0.47% or 0.35 to trade at \$74.67 a barrel.



## **AI Hype Supercharges Chinese Stocks to a Three-Year High**

*Source: Bloomberg (14/02/2025)*

Chinese stocks in Hong Kong extended a recent rally as the nation's growing capabilities in artificial intelligence boosted optimism over the market's outlook, while a potentially momentous show of support for the private sector gave sentiment an extra lift.

The Hang Seng China Enterprises Index jumped 4.1% on Friday to hit the highest since February 2022, surpassing an October peak spurred by a stimulus blitz. Gains in Alibaba Group Holding Ltd., the biggest boost to the gauge, accelerated in the afternoon session after Bloomberg News reported that its co-founder Jack Ma and other prominent entrepreneurs were invited to meet the nation's top leaders.

Enthusiasm for the nation's technology shares has deepened as China is fast catching up with the global AI frenzy after missing out in the past few years. AI startup DeepSeek's prowess has served as a wake-up call for investors who underestimated the nation's growth potential in the sector and led to a broader re-evaluation of the beaten-down equity market.

## **Nissan Shares Rise as Honda Exit Opens Door to Other Suitors**

*Source: Bloomberg (13/02/2025)*

Nissan Motor Co. shares rose Friday as the official end of talks with Honda Motor Co. opened the door to other potential suitors including Hon Hai Precision Industry Co. and private equity giant KKR & Co.

The automaker's stock rose as much as 8.4% in Tokyo trading, as investors looked past another profit downgrade and the end of discussions about a tie-up with rival Honda to focus on other possible saviors for the struggling company. Honda gained as much as 4.5%.

When talk of an alliance surfaced about three months ago, it seemed genuinely possible that two of the industry's most recognizable brands would join forces to take on the world. But as the weeks wore on, it became clear the legacy automakers would struggle to see eye to eye.

Now they're back where they started, one needs scale to compete on the global stage, the other a lifeline to stay afloat.

## **European Gas Extends Slide as Trump-Putin Talks Bolster Markets**

*Source: Bloomberg (13/02/2025)*

European natural gas prices slumped Thursday as US-Russia talks boosted prospects for an end to the war in Ukraine, raising expectations that supplies from Moscow will resume.

Benchmark futures slumped as much as 6.2% after US President Donald Trump said he discussed the start of peace negotiations with Russian counterpart Vladimir Putin. Stocks rose, and the euro strengthened.

The Kremlin's invasion of Ukraine three years ago sparked turmoil in energy markets, leading to record prices, inflated bills for consumers and weakened industries across the continent. Gas prices have eased from their 2022 peaks but remain elevated, trading at their highest levels since 2023 earlier this week.

The talks and prospect of a peace deal boost optimism that some Russian gas may return to the continent. Transit via Ukraine stopped Jan. 1, with nations such as Slovakia pushing for resumption of the flows from the east, which are cheaper than liquefied natural gas for landlocked countries.

Momentum is gaining as a colder winter than the prior two has led to rapid withdrawals from Europe's storage sites. Competition for LNG cargoes from other global buyers has added to a recent rally.

## France Gets Near-Record Demand for 30-Year Bond Offering

Source: Bloomberg (12/02/2025)

France extended Europe's busiest start to a year on record in the publicly syndicated debt market as investors looked past the country's fiscal and political challenges to lock in yields near the highest in more than a year.

The Treasury sold €8 billion (\$8.3 billion) of 30-year bonds after receiving more than €115 billions of orders, exceeded only by the bids seen at last month's debt offering. The securities due in May 2056 sold at four basis points over comparable debt, according to people familiar with the matter who asked not to be identified.

Yields are likely to fall from here as the ECB pushes on with interest-rate cuts aimed at shoring up growth amid the risks of trade tariffs from the US. Political turmoil has added to the threat in France, and Wednesday's sale was the first since Prime Minister Francois Bayrou survived a no-confidence vote earlier this week.

## China's Property Crisis Enters a Dangerous New Phase

Source: Bloomberg (11/02/2025)

After four years of standing by as property developers like China Evergrande Group spiraled into default, Communist Party officials decided in late January that China Vanke Co. — one of the country's last surviving real-estate giants — was, for now at least, too big to fail. Faced with a collapse in Vanke's bond prices and the company's warning of a record \$6.2 billion loss, officials from the developer's hometown in Shenzhen stepped in to take operational control. Authorities are working on a proposal to help Vanke plug a funding gap of about \$6.8 billion this year.

The unprecedented intervention has triggered a sigh of relief in markets, but it also underscores a somber reality: The property crisis that hobbled China's economy and created a nearly \$160 billion pile of distressed debt — the world's largest — is getting worse.

Signs of trouble are now popping up everywhere. A brief revival in home sales has fizzled despite multiple rounds of stimulus from President Xi Jinping's government. Chinese bankers have mostly stopped lending to real-estate projects outside major cities such as Shanghai, according to people familiar with the matter. And international creditors are losing patience: More debt restructuring deals are unraveling and at least a dozen developers face petitions to liquidate, including once-storied names like Country Garden Holdings Co.

The pain is also spreading to Hong Kong as Chinese homebuyers and tourists pull back. New World Development Co., a real-estate giant controlled by one of the financial hub's richest families, is racing to sell assets and mortgage some of its marquee properties as losses mount.

It all points to more risks for a Chinese economy already grappling with tepid consumer spending and Donald Trump's tariffs. Without forceful action from Beijing to revive homebuyer confidence and stabilize the \$15 trillion property sector, the deepening crisis threatens to weaken Xi's negotiating hand on trade talks with Trump and further deter foreign investment in China.

## Emerging-Market Risk Spread Falls to Lowest Level Since Covid Surge

Source: Bloomberg (10/02/2025)

The craze for junk-rated debt of some of the world's riskiest countries has sent an emerging-market risk premium to the lowest level since before the Covid shock five years ago.

The yield spread on EM sovereign dollar bonds over US Treasuries narrowed to 314 bps, the tightest since February 2020, just before Covid-19 triggered a global selloff and debt defaults.

While the risk premium covers both investment-grade and high-yield securities, its recent drop stems primarily from the latter as investors are looking to benefit from debt restructurings and fiscal reforms. They're also looking for assets with shorter durations that are less exposed to swings in Treasuries. Emerging-market junk bonds satisfy both requirements.

# ECONOMIC CALENDAR (GMT UK TIME)



Time	Cur.	Event	Forecast	Previous
<b>Sunday, February 16, 2025</b>				
23:50	JPY	GDP (QoQ) (Q4)	0.3%	0.3%
<b>Monday, February 17, 2025</b>				
All Day		United States - Washington's Birthday		
<b>Tuesday, February 18, 2025</b>				
Tentative		USD U.S. President Trump Speaks		
<b>Wednesday, February 19, 2025</b>				
07:00		GBP CPI (YoY) (Jan)	2.8%	2.5%
19:00		USD FOMC Meeting Minutes		
<b>Thursday, February 20, 2025</b>				
13:30		USD Initial Jobless Claims	214K	213K
13:30		USD Philadelphia Fed Manufacturing Index (Feb)	19.4	44.3
17:00		USD Crude Oil Inventories		4.070M
<b>Friday, February 21, 2025</b>				
14:45		USD S&P Global Manufacturing PMI (Feb)	51.2	51.2
14:45		USD S&P Global Services PMI (Feb)	53.2	52.9
15:00		USD Existing Home Sales (Jan)	4.13M	4.24M

## CONTACT, DISCLAIMER & SOURCES

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**Sources:** Bloomberg, Reuters, FT, Investing.com, Trading Economics, Boursorama, Zone Bourse