



CROSS WEEKLY

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26 May 2025

Brief Weekly Overview

US President Donald Trump threatened to ratchet up his trade war again, pushing for a 50% tariff on European Union goods starting July 9 and warning Apple, he may slap a 25% levy on all imported iPhones bought by US consumers.

Japan's key inflation gauge accelerated to 3.5% in April, driven by rising food and energy costs, adding to the challenges faced by policymakers. Energy prices jumped 9.3% following the phaseout of government subsidies, and policymakers are considering restarting support as early as June to ease gasoline prices.

Singapore's economy grew 3.9% in the three months through March from a year earlier, but the government maintained a forecast for 2025 GDP growth at 0%-2% due to global tariff tensions.

Chinese banks lowered their benchmark lending rates for the first time in seven months, with the one-year loan prime rate cut to 3% from 3.1% and the five-year rate cut to 3.5% from 3.6%. The rate reductions aim to lower the cost of borrowing for firms and households, providing more incentives for investment or spending, but the effect may be limited by low consumer and business confidence.

China's home prices fell at a faster pace in April, signaling the property market slump remains a headache for policymakers as they fend off a tariff war with the US.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
MSCI ACWI Index	USD	868.15	-0.33%	4.15%	3.19%
S&P 500 Index	USD	5802.82	-0.67%	4.20%	-1.34%
Dow Jones Industrial Average	USD	41603.07	-0.61%	2.30%	-2.21%
Nasdaq Composite Index	USD	18737.21	-1.00%	7.40%	-2.97%
STXE 600 PR Index	EUR	545.13	-0.93%	3.35%	7.39%
FTSE 100 Index	GBP	8717.97	-0.24%	2.63%	6.67%
MSCI Asia Ex. Japan Index	USD	762.15	0.54%	6.17%	8.25%
Nikkei 225 Tokyo	JPY	37160.47	0.47%	3.09%	-6.85%
Shanghai A Share Index	CNY	3509.01	-0.94%	2.11%	-0.12%
MSCI EM Index	USD	1170.98	0.48%	5.22%	8.88%
FIXED INCOME					
US2YT Yield	-	3.9912	0.12bps	38.85bps	-25.04bps
US10YT Yield	-	4.5110	-1.77bps	34.91bps	-5.8bps
Bunds 10Y Yield	-	2.5670	-7.6bps	12.3bps	20bps
BBG USD HY Corp	-	7.6900	5bps	-21.01bps	20bps
FOREX					
Euro/US Dollar	USD	1.1362	0.72%	0.30%	9.74%
US Dollar/Japanese Yen	JPY	142.5600	-1.01%	-0.36%	-9.31%
US Dollar/Singapore Dollar	SGD	1.2848	-0.60%	-1.65%	-5.92%
British Pound/US Dollar	USD	1.3537	0.88%	1.56%	8.16%
US Dollar/ Chinese Yuan	CNY	7.1810	-0.34%	-1.24%	-1.62%
Australian Dollar/ US Dollar	USD	0.6488	1.20%	1.34%	4.85%
US Dollar Index	-	99.1120	-0.85%	-0.36%	-8.64%
GOLD / OIL					
Brent Crude	USD	64.78	0.53%	2.63%	-13.21%
Gold Spot Price	USD	3357.51	1.91%	2.09%	27.93%



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EQUITIES

- US stocks fell for the week, with small- and mid-cap indexes hit hardest. The S&P 500 and Dow turned negative for the year, while the Nasdaq dropped 2.47%. Markets declined midweek after a weak 20-year Treasury auction pushed yields higher, following Moody's downgrade of US sovereign debt. Concerns grew after the House passed Trump's tax bill, seen as likely to increase federal debt. On Friday, stocks slid further after Trump announced a 50% tariff on EU imports and threatened a 25% tariff on iPhones, sending Apple shares down over 3%.
- The pan-European STOXX Europe 600 Index fell 0.75%, breaking a five-week winning streak, after US President Donald Trump proposed a 50% tariff on EU goods. Major European markets also declined: Germany's DAX slipped 0.58%, France's CAC 40 dropped 1.93%, and Italy's FTSE MIB sank 2.90%. The UK's FTSE 100 was the exception, rising 0.38%.
- Japan's stock markets declined over the week, with the Nikkei 225 dropping 1.57% and the TOPIX Index slipping 0.18%. Losses were driven by rising expectations of further monetary tightening by the Bank of Japan following stronger-than-expected inflation data. Meanwhile, Japan's lead trade negotiator Ryosei Akazawa reaffirmed the government's push for broader US tariff exemptions ahead of a third round of trade talks in Washington.
- Mainland Chinese stock markets fell as investor focus returned to domestic economic concerns following a temporary trade truce between Beijing and Washington. The CSI 300 Index declined 0.18%, while the Shanghai Composite slipped 0.57%. In contrast, Hong Kong's Hang Seng Index rose 1.10%.

FIXED INCOME

- Japanese government bond yields surged, with the 30-year yield reaching a 21-year high, raising concerns about the unwinding of the yen carry trade.

FOREX

- The pound remained firm, trading around US\$1.3530. A higher-than-expected UK Consumer Price Index (CPI) reading of 3.5% has led to expectations that the Bank of England may maintain its current interest rate stance, supporting the pound

MACRO

- US business activity rebounded in May 2025, following a 16-month low in April, according to S&P Global's Flash Purchasing Managers' Index (PMI) survey data. The Composite PMI rose to 52.1 from 50.6, indicating modest expansion in both manufacturing and services sectors.

DIRECT EQUITIES

- Target sales tumbled more than expected in the first quarter as customers vented their anger over the retailer's retreat from diversity initiatives and fears about the US economy mounted. Same-store sales dropped 3.8 per cent year on year in the quarter as fewer shoppers visited — and spent less — at Target's nearly 2,000 locations, the company reported.

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