NEW DIMENSIONS CAPITAL

WEEKLY BULLETIN

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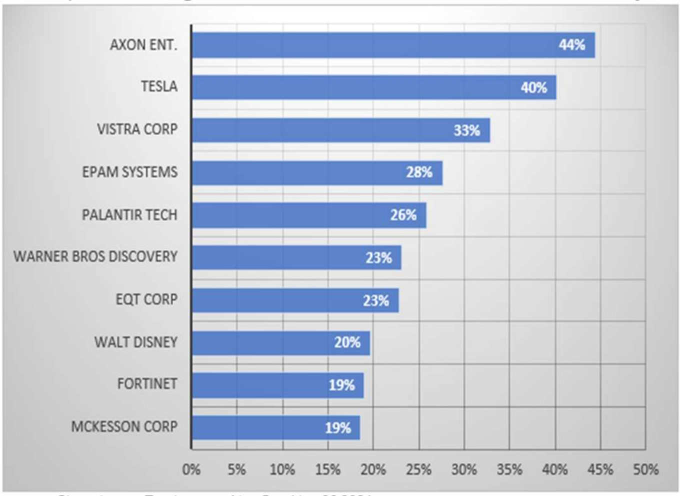
Quote of the Week.

"The greatest enemies of the equity investor are Expenses and Emotions – Warren Buffett

S&P 500 remains on a strong trajectory through the third week of November, undeterred by Nvidia's mixed earnings results. While the market initially shrugged off Nvidia's "slower pace" forward guidance, it quickly focused on the company's impressive quarterly beat. However, what's striking this time is the lack of enthusiasm for technology and semiconductor stocks. Instead of rallying on Nvidia's momentum, capital seems to be rotating into new sectors. If you take a look at the chart on the right, you'll notice that the stocks leading the market since US Election Day aren't the familiar names like Nvidia, Microsoft, or Alphabet. Instead, newer leaders like Axon Enterprise, Tesla, and Vistra Corp are emerging. Even the Dow Jones Index has benefited from this rotation, as traders look beyond the mega-cap tech names to smaller-cap opportunities.

Best performing stocks in S&P500 since US Election day



source: Bloomberg - Total returns Nov 5 to Nov 22,2024

Sentiment right now is driven by "greed"—not in the reckless sense, but in the belief that as long as the U.S. economy doesn't show any significant weakness, the rally can continue. Wall Street is revising its targets higher, with traders pushing various index stocks to maintain momentum. Meanwhile, the semiconductor sector is taking a breather, which could signal that some of the earlier growth stories are stabilizing.

With year-end approaching, there's little threat of profit-taking just yet. The market is on course for another round of "New Year optimism," which could drive buying well into next year—especially if the Federal Reserve hints at a rate cut in December FOMC. But, as always, caution is necessary. While the bull run is still intact, keep an eye out for any signs of overheating or shifts in market sentiment.

Narrative in the Asia Pacific region contrasts sharply with that of the U.S. and other markets. There are three key challenges weighing on the region's outlook.

- Slower Fed Rate Cuts: The prospect of a slower pace of U.S. rate cuts is weighing on the real estate sector, which is significant in many regional economies.
- Trump Tariffs: Ongoing tariffs continue to affect countries with strong U.S. export links, such as Taiwan, South Korea, Japan, China, Canada and Mexico.
- Uncertain China Growth: Despite numerous policy measures, Wall Street analysts remain skeptical about China's recovery without a major stimulus.

However, tech and financial stocks in Japan, South Korea, Taiwan, Australia, and Singapore are trading near record highs, making stock selection more challenging. I expect "buy on dips" strategies to push regional quality stocks higher for the New Year rally, but increased volatility when we head into January month-end.

Last Week 's Notable Events.

US Economy/Politics

- US economy is poised to beat expectations in 2025 Goldman Sach' – 20th Nov
- Trump promises 25% tariff on Mexico and Canada, extra 10% tariff on China – 25th Nov

Europe Economy/Politics

- German economy avoids summer recession but a winter recession is looming – 23rd Nov
- Moscow says Biden undermining Trump peaceful path on Ukraine – 25th Nov

Asia Pacific Economy/Equity

- BOJ sees progress in wage-driven inflation, keeps Dec rate hike on table – 18th Nov
- China advisers call for steady 5% 2025 economic growth goal, stronger stimulus – 21st Nov
- Temasek Holdings raises stake in ST Engineering to 51% - 22nd Nov
- Philippine peso hits 2 year low against dollar on rate cut speculation – 22nd Nov
- Thai tourism authorities expect more Chinese visitors in 2025 – 23rd Nov

Weekly Data Monitor

Weekly chart:

- US Stocks continue upward trajectory on positive Trump's Treasury pick.
- Gold surges as Russia-Ukraine conflict escalates..
- USD strengthen on Trump's tariff threat.

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	1.40	2.72	19.15	25.31	19.72	69.46
S&P500	1.68	4.63	25.15	30.93	26.97	90.49
MSCI Asia Pacific	-0.01	-2.09	7.56	12.83	-7.41	10.47
Global Real Estate	1.95	1.21	9.57	21.86	-5.78	17.13
US Real Estate	2.60	2.18	12.14	25.22	-0.72	26.83
APAC Real Estate	-0.01	-3.74	-1.30	4.36	-20.77	-24.71
Investment Grade	0.28	0.71	8.18	13.31	10.70	25.71
High Yield Bonds	-0.13	-1.44	-1.31	3.91	-11.91	-8.52
Global HY ETF	0.59	-3.84	5.46	9.20	13.65	28.11
ASIA Real Estate ETF	-0.90	-2.98	-9.71	-3.94	-19.29	-29.34
USD Index	0.81	2.95	5.64	3.52	10.50	8.87
Gold	5.97	-2.77	29.33	32.47	49.15	83.34
WTI Oil	6.30	1.89	-1.51	-6.58	-9.98	21.65

Chart of the Week.

With the U.S. national debt surpassing $36 trillion, fiscal policy has become a key concern for investment strategies in 2025. Rising debt could lead to higher interest rates, inflation, and market volatility, impacting asset prices and investment flows. As fiscal reforms are prioritized globally—especially in advanced and emerging economies—investors should diversify their portfolios, focus on fiscally disciplined countries, and hedge against inflation and market downturns. Structural reforms, such as improving education and skills, accelerating the green energy transition, and enhancing governance, are critical to ensuring long-term growth. Additionally, changes in U.S. fiscal policy, including the upcoming end of the debt ceiling suspension on January 2, 2025, could have significant implications for global markets, highlighting the need for careful monitoring and adjustments in investment strategies.