



Monthly Perspective

“There is no limit to the damage a man can do when his pride is wounded and his ego is bruised”

May 2025: A Month of Market Resilience

May proved to be a pivotal month for global markets. The U.S. stock market experienced a significant rebound, with the S&P 500 posting its best performance since November 2023, rising 6.2%. The Nasdaq surged 9.6%, while the Dow Jones added 3.9%. This recovery was largely attributed to a mid-month breakthrough in U.S.-China trade talks, which alleviated investor concerns and restored some confidence in the markets.

The “Big Beautiful Bill” – Propping Up Equities Ahead of Trade Friction

Market participants are now turning their attention to what could become President Trump's economic ace card: the so-called Big Beautiful Bill. This proposed stimulus package, aimed at supporting U.S. infrastructure and key industries, is seen as a strategic buffer against the potential fallout from a renewed tariff war with China.

Beyond its political optics, the bill may function as a direct injection of liquidity into the real economy — supporting corporate earnings, sustaining market momentum, and making U.S. equities more attractive in the short term, despite rising external risks.

The “TACO” Phenomenon: A Catalyst for Market Volatility

Late May introduced a sharp turn in sentiment. After being publicly mocked with the “TACO” moniker — Trump Always Chickens Out — the President fired back. On May 30, he announced a surprise hike in steel and aluminum tariffs, doubling them to 50%, effective June 4. The move, seen as emotionally charged and reactive, was widely interpreted as an effort to reassert strength after the public humiliation.

The announcement sent shockwaves through the markets, raising concerns about escalating trade tensions and potential economic repercussions. Investors are now closely monitoring the situation, as any further escalation could lead to increased market volatility.

Key Events to Watch in June

Looking ahead, several developments are expected to influence market dynamics:

- U.S. Job Reports: Upcoming employment data will provide insights into the health of the labor market and could impact Federal Reserve policy decisions.

- European Central Bank Rate Cut: The ECB is anticipated to reduce interest rates, which may affect currency markets and investor sentiment.
- South Korea Elections: The outcome of the national elections could have implications for regional stability and economic policies.
- Reserve Bank of India Rate Decision: A potential interest rate change in India could influence emerging market investments.

Conclusion: A Market Balanced on Ego and Economics

May gave investors reason to hope, but June is already shaping up to be more treacherous. With trade policy now tied tightly to presidential ego and public perception, the market faces a unique kind of risk — one where decisions may not be entirely based on economic logic.

Volatility is likely to return. Whether the "Big Beautiful Bill" can offset tariff turmoil remains to be seen. Investors should remain alert, hedged, and prepared for policy surprises — driven as much by politics as by fundamentals.

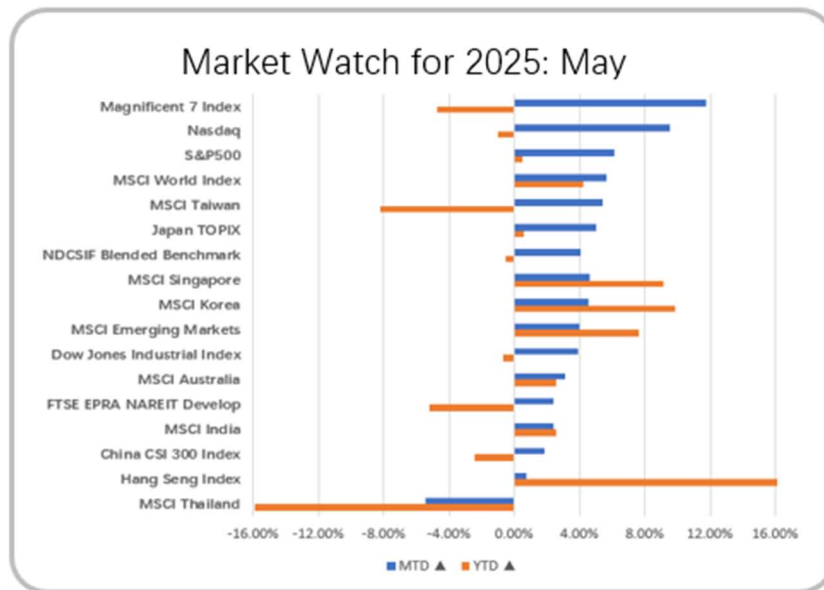


From the News Desk to the Investment Team

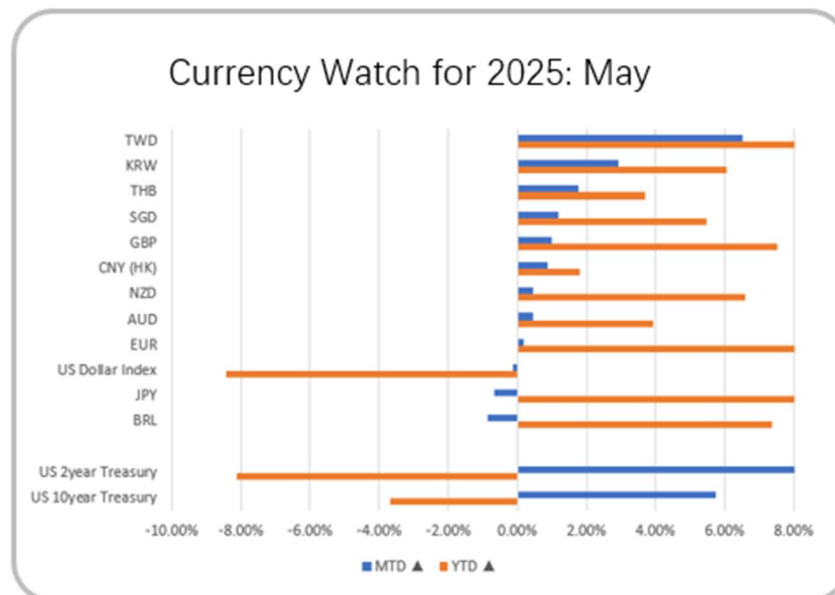
- China Xi ready to work with EU to expand ties, handle friction – 6th May
- Fed keeps rates unchanged, says it will remain cautious, Trump tariff upended – 8th May
- Trump says The EU is nastier than China – 12th May
- US April Core CPI yoy 2.8% vs exp 2.% - 13th May
- University of Michigan Consumer Sentiment Index 50.8 vs exp 53.4 – 16th May
- ECB may have to cut interest rates below 2%, the former hawk says- 18th May
- RBA cut rates to 3.85% - 20th May
- US says it wants trade not aid in Africa. Cuts threaten both – 20th May
- Trump's 'big, beautiful bill' benefits the rich at the expense of the poor – 24th May
- Trump delays 50% EU tariffs until July 9 – 26th May
- RBNZ cuts rates 25bps, flags slightly deeper easing cycle as global risks mount – 28th May
- Gulf States, China, Asean countries pledged to promote trade and work to “unleash the full potential of our partnership” – 28th May
- US Q1 GDP Q/Q came in at -0.2% vs exp -0.3%, last -0.3% - 29th May
- BOE Bailey says uncertain outlook demands careful approach to rate cuts – 30th May
- UN eyes budget and job cuts for 2026 as US scales back aid – 30th May
- Trump says US to double tariffs on steel and aluminum imports to 50% – 31st May
- Australia's trade minister says Trump plan to double steel and aluminum tariffs to 50% 'not the act of a friend' - 31st May
- China Factory Activity contraction eases after trade war truce – 31st May
- EU threatens countermeasures over Trump's steel tariffs hike – 1st Jun
- China accuses US of seriously violating trade truce – 2nd Jun



Market Overview



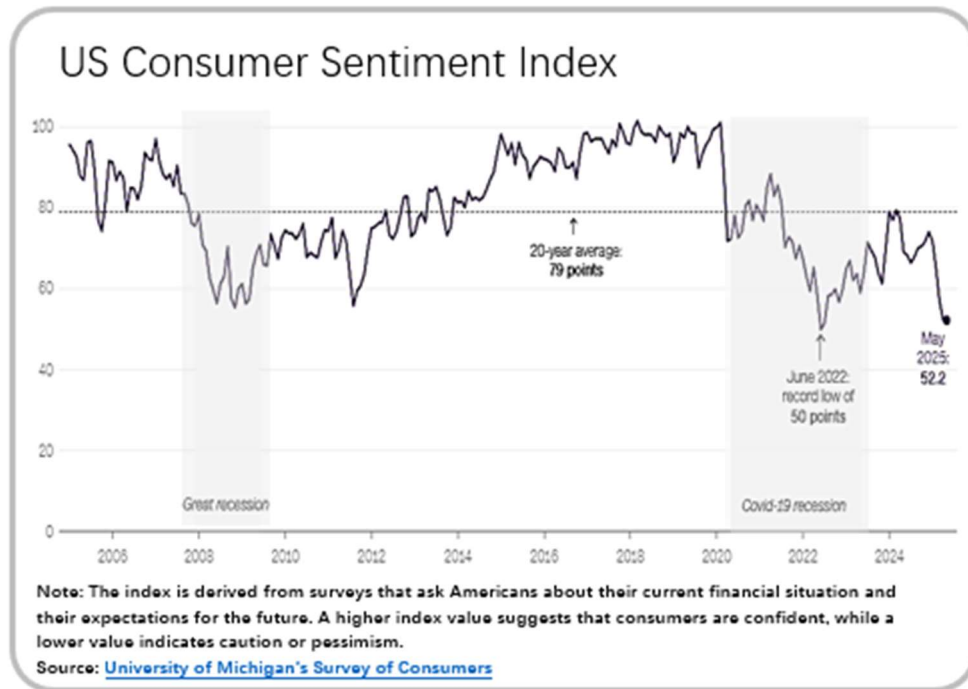
Magnificent 7 Index and Nasdaq were the strongest performers in May while Hong Kong benchmark consolidating after 16% gains for the year on US/China trade truce.



The US Dollar Index and the US 2-Year Treasury have both fallen significantly year-to-date, signaling a broad USD weakness. Taiwan dollar, Korean Won and Thai Baht lead the gainers in May.



Chart of the Month



Last month, we showed the risk of US GDP heading lower while this month we saw another indicator US Consumer Sentiment Index falling to a near-record low. The University of Michigan's consumer sentiment index has hit some of its lowest readings on record, with researchers saying that uncertainty over trade policy continues to dominate consumers' thinking about the economy. The building economic headwinds are weighing more heavily on Americans, the university's index of consumer sentiment is down almost 30% since January. The biggest concern for the economy is how people and businesses manage those sour feelings and to what extent they change behaviours. A pullback in spending and business investment could ultimately lead to a contraction in the economy and rising unemployment. Thus, I strongly believe that is why Trump is rushing his 'Big Beautiful Bill', the bill that could cushion all these impact and keep Wall Street protected.



New Dimensions Capital

Building Wealth Beyond Generations with VCC Structures

At New Dimensions Capital, our mission goes beyond short-term performance — we are committed to helping families and entrepreneurs build enduring financial legacies. With rising demand for structured and flexible investment platforms, Singapore's Variable Capital Company (VCC) framework stands out as a leading solution for multi-generational wealth planning, tax efficiency, and robust asset protection.

A high-profile court case involving Chinese tycoon Zhong Renhai came to light, which I happened to read about it in May. He is suing four former staff members in Singapore for allegedly misappropriating US\$56 million from his family office and company. Although the operations were based in Singapore, the accused used a British Virgin Islands entity to orchestrate the fraud — revealing the dangers of relying on loosely governed offshore structures. With over S\$74 million in unauthorised payouts, this serves as a stark warning to ultra-high-net-worth individuals managing cross-border wealth without institutional-grade oversight.

At New Dimensions Capital, we have purposefully structured our investment platform under the Singapore VCC regime — not only for its tax and structural flexibility, but also for its governance strength and investor protection. The VCC framework includes:

- Regulatory oversight by MAS via licensed fund managers

- Independent custodians and fund administrators
- Audited financial statements under Singapore law
- Fiduciary duties at the board level with full transparency
- Segregated liability between sub-funds ring-fence risk

Unlike opaque offshore setups, the VCC structure enforces operational clarity and accountability between fund managers, asset owners, and service providers — significantly reducing the risk of internal fraud or misuse.

If your family or enterprise prioritizes long-term wealth continuity, control, and security, the Singapore VCC may offer the most trusted and future-proof path forward. At New Dimensions Capital, we are here to serve and welcome any questions you may have about how VCC structures can support your legacy planning.

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