

WEEKLY BULLETIN

June 2025: Issue #2

Quote of the Week.

“War against a foreign country only happens when the moneyed classes think they are going to profit from it” – George Orwell

U.S. equities started the week with strong momentum as easing U.S.–China trade tensions fueled optimism. Positive signals from ongoing negotiations—particularly regarding rare-earth minerals—had lifted market sentiment, with the S&P 500 recently flirting with all-time highs.

However, the rally was cut short as geopolitical risk flared in the Middle East. Over the weekend, Israel and Iran escalated direct military attacks, triggering global risk-off sentiment. Brent crude surged as much as 5.5%, and gold regained its safe-haven appeal. S&P 500 futures turned volatile, and Asian markets opened mixed, with declines seen in Hong Kong and Sydney, while Tokyo showed resilience.

Investment Views

Energy & Commodities: Hedge Through Oil & Gold

Crude oil and gold are both reacting sharply to Middle East tensions. We maintain a tactical overweight on quality energy producers and gold-related ETFs. The risk premium embedded in oil can sustain higher prices in the near term, supporting names with strong cash flow and dividend yields. Similarly, gold remains a core hedge against geopolitical shocks.

Tech Divergence: Watch for Asia Supply Chain Volatility

Taiwan's decision to blacklist Huawei and SMIC adds further complexity to the semiconductor sector. While U.S. tech remains supported by AI momentum (e.g., Meta's multi-billion dollar bet on Scale AI), supply chain friction in Asia could hit select names. We are monitoring Asia-listed chip equipment and foundry companies for pullbacks as potential buying opportunities.

Equity Allocation: Trim Risk, Stay Selective

We are paring back high-beta exposure and rotating into more defensive names—particularly dividend-paying stocks in utilities, healthcare, and consumer staples. In Asia, Singapore and Japan remain preferred markets due to stable governance and earnings visibility. In the U.S., focus remains on quality large caps with pricing power and low debt.

Key Watchlist In The Coming week

- Fed Chair Powell Testimony – signals on rate outlook
- Crude Oil Technical Levels – watch \$85/BBL resistance
- Safe-Haven Flows – Gold, USD, and JPY as risk proxies.

Last Week 's Notable Events.

US Economy/Politics

- US Nonfarm Payrolls rise 139,000 in May vs exp 130,000 while unemployment rate stays at 4.2% - 9th Jun
- World Bank sharply cuts global growth outlook on trade turbulence – 11th Jun
- China-US agree on framework to implement Geneva trade consensus after 2nd day of London talks- 11th Jun
- Trump approves Nippon Steel's \$14.9 billion purchase of US Steel – 14th Jun

Europe Economy/Politics

- UK Starmer calls on Nvidia chief to train up Britons on AI – 10th Jun
- Five nation and EU urge Trump not to impose new airplane tariffs – 11th Jun
- Europe's exporters feel the chill from Trump tariffs – 13th Jun

Asia Pacific Economy/Equity

- Bank of India unexpectedly cut the cash reserve ratio by 100 bps to 3% - 9th Jun
- China May Exports y/y 4.8% vs exp 6.0%, last 8.1% - 9th
- Middle East airspace shut after Israel strikes Iran, airlines cancel flights – 14th Jun

Weekly Data Monitor

Weekly chart:

- Gold shines bright, outperforming all major assets classes.
- Oil surges- WTI up 2.79% this week on Middle East tensions, reversing some of its earlier weakness,

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

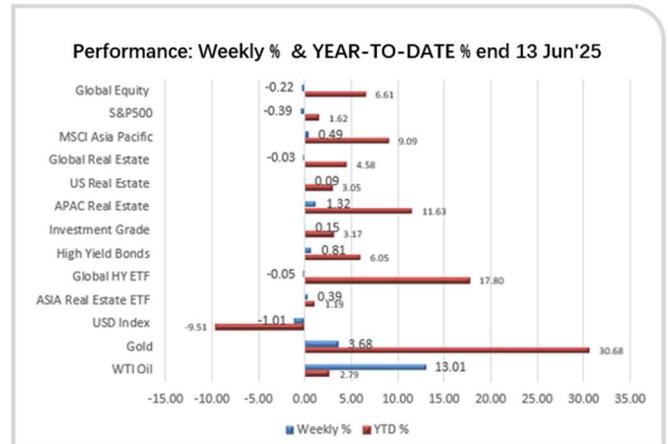


Chart of the Week

The approval of Nippon Steel's \$11 billion acquisition of US Steel could mark more than just a headline deal—it may signal a pivot in US–Japan trade dynamics.

While the transaction appears one-sided—retaining U.S. HQ, leadership, and a “golden share” for national control—it strategically opens several doors:

1. Strategic leverage
Nippon acquisition signals Japan's willingness to invest massively in America Industrial assets, and the ironclad guarantees (golden share, US HQ/Board) help assure Washinton and may pave way for reciprocal trade concessions,
2. Tariff trade-off
Boosting Nippon's US footprint gives Japan leverage to press for lower tariffs or better terms
3. Economic diplomacy
The deal reinforces US/Japan alliance narrative, which could lead to greater alignment on sensitive supply-chain, AI and semiconductor policies, also better US investment into Japanese assets.



With improving geopolitical ties and structural reforms at home, Japan's TOPIX Index may be positioned for further upside, as shown in the chart. A clean breakout above recent highs could set the stage for a 7.5% rally.