NEW DIMENSIONS CAPITAL

# WEEKLY BULLETIN

## June 2025: Issue #3

### Quote of the Week.

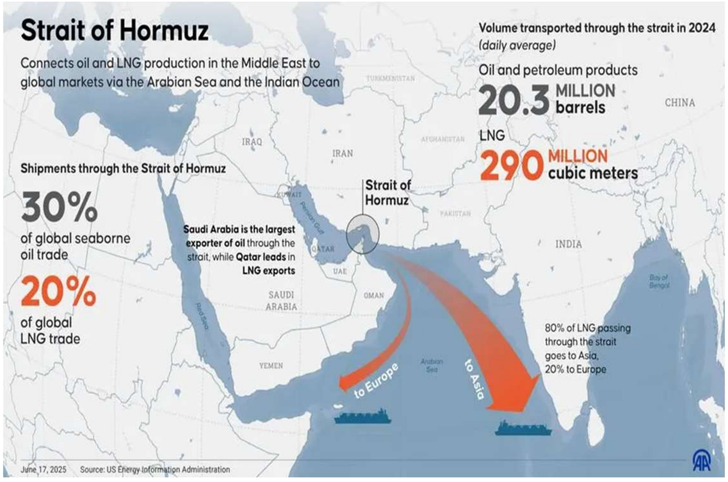
"He who undertakes too many things at once seldom does any of them well" – Dutch Proverb

In the third week of June, we witnessed further escalation in the Middle East conflict. US President Trump, despite earlier suggesting a two-week consideration window, authorized direct strikes on Iran's nuclear facilities over the weekend. This marks a significant turning point in U.S.-Iran tensions and reignites geopolitical risk premium across global markets.

The latest concern is Iran's threat to close the Strait of Hormuz—the world's most critical energy chokepoint. Over 30% of global seaborne oil trade and 20% of global LNG exports flow through this narrow corridor. A full or partial blockade could severely disrupt global energy supply chains, trigger sharp increases in oil prices, and spark inflationary concerns—especially for Asia, where 80% of LNG exports via Hormuz are headed.

Just as markets braced for a prolonged conflict, the unexpected announcement of a **U.S.-Iran ceasefire** has shifted sentiment sharply. President Trump's move to de-escalate tensions brings **welcome relief to global markets**, easing fears over disruptions to the vital **Strait of Hormuz**, through which nearly **30% of global oil trade** flows.

Brent crude, which spiked on war risk, is now retracing as **energy supply fears subside**. The risk premium across equities, bonds, and commodities has begun to unwind, setting the stage for a renewed focus on **macro fundamentals**.




Investment Views

With tensions easing, short-term opportunities may emerge for risk assets, particularly:

- U.S. equities, particularly in large-cap tech, industrials, and financials, which benefit from earnings resilience and policy support
- Asia-Pacific markets, especially oil-importing economies like India and Japan, may also see renewed inflows

However, the ceasefire remains fragile. Trust between Trump and Netanyahu has historically been inconsistent. The longevity of peace remains uncertain.

We are also approaching key deadlines:

- 9 July: U.S. Tariff Pause Deadline
- 12 July: China Tariff Pause Deadline

These could cap the upside in equities until there is clarity on Trump's tariff policy.

### Last Week 's Notable Events.

#### US Economy/Politics

- Trump rips 'too late' Jerome Powell after Fed holds rates steady – 19th Jun
- Fed Waller says central bank could cut rates as early as July – 20th Jun
- US bomb Iran's nuclear facilities is Trump's biggest gamble yet as president – 22nd Jun
- US calls on China to prevent Iran from closing Strait of Hormuz and disrupting global trade – 22nd Jun
- Trump says Iran and Israel agree toa complete and total ceasefire – 23rd Jun

#### Europe Economy/Politics

- Pope Leo XIV says the world must not become accustomed to war – 19th Jun
- Prospects for diplomacy dim after Trump rejects Europe's efforts on Iran – 21st Jun

**Asia Pacific Economy/Equity**

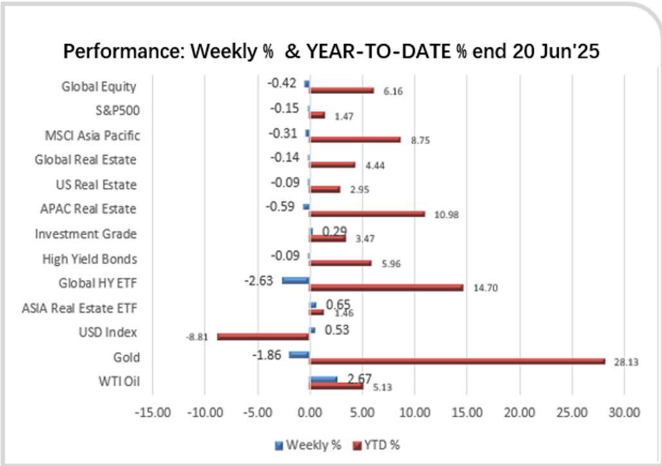
- China calls for ceasefire, dialogue amid tensions in Middle East – 19th Jun
- Vietnam joins BRICS as 10th partner nation – 19th Jun
- Malaysia tops Southeast Asia tourism rankings in Q1 – 21st Jun
- Iran reported moves to shut Strait of Hormuz after US attacks – 22nd Jun

## Weekly Data Monitor

**Weekly chart**:

- Global equities dipped on initial fears of U.S.-Iran escalation.
- USD and oil spiked, reflecting safe-haven flows and energy risks

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




## Chart of the Week

### Fed Holds The Golden Bullet

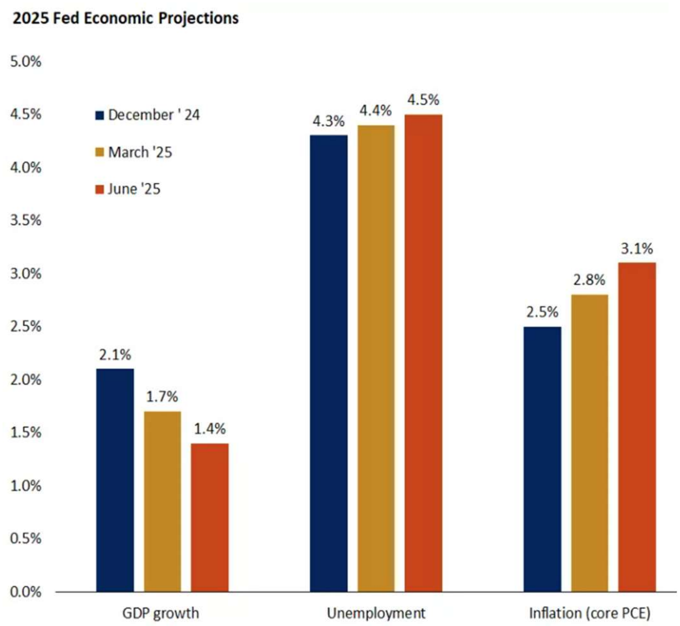
The latest Fed projections reaffirm a key message: the U.S. central bank stands ready to act if the economy stumbles.

Despite geopolitical uncertainties and trade frictions, the Federal Reserve's latest projections suggest that it retains significant flexibility to support markets if growth falters.

As the chart shows:

- GDP growth expectations have been cut from 2.1% (Dec 2024) to just 1.4% (June 2025),
- Unemployment projections have ticked up to 4.5%,
- And core PCE inflation is now forecast to stay elevated at 3.1%.

This scenario offers the Fed flexibility to act, reassuring markets. Wall Street may remain resilient even in the face of geopolitical shocks, assuming risks don't spiral out of control.




*Source: Federal Open Market Committee.*