



Monthly Perspective

“You make most of your money in a bear market; you just don’t realize it at the time’ –
Shelby Cullom Davis”

Macro & Market Highlights

1. Fed Pivot Signals Strengthen

U.S. equity markets entered August navigating a pivotal shift in monetary policy. While the Fed held rates steady at 4.25%–4.50%, two influential governors dissented, calling for a rate cut — a rare move not seen since 1993, signaling growing internal support for policy easing.

Previously, robust job data had underpinned the Fed’s case for holding rates. However, the credibility of this data has now come under scrutiny. The Bureau of Labor Statistics revised job growth figures downward by a combined 260,000 for May and June. July’s payrolls came in at just +73,000 vs expectations of 147,000, revealing a much weaker labor market than previously believed.

With the employment pillar now visibly weakened, markets have quickly repriced expectations — implying over a 75% probability of a rate cut in September.

2. US Dollar Whipsaw

Despite the dovish shift, the U.S. dollar held firm initially as crowded short positions were squeezed. However, momentum may be reversing. With the Jackson Hole symposium (Aug 21–23) approaching, investors expect Chair Powell to signal the start of a new easing cycle, further pressuring the USD.

3. Global Equities Tread Water

After a strong July rally, U.S. equities paused, with tech and AI-linked stocks entering a consolidation phase. We expect elevated valuations and softer U.S. data to weigh on Asian tech stocks in the lead-up to the next FOMC meeting.

Asian markets also face renewed pressure from Trump’s tariff announcements, with more than 15% tariffs impacting key regional exports. Hong Kong underperformed, dragged by weak Chinese macro data and persistent foreign outflows.

4. China still searching for a bottom

China’s CSI300 Index remains under pressure, reflecting deteriorating FDI flows and rising capital flight concerns. Without concrete fiscal stimulus and a revival in foreign investor confidence, a sustained rebound remains unlikely..

5. Dividend Season in Focus

August and September mark dividend season across Asia, with high-quality yield names in Singapore, Australia, and Hong Kong continuing to offer attractive risk-adjusted returns amidst macro uncertainty.

Portfolio Positioning Themes:

We believe the confluence of softening macro data, political overhangs, and seasonal tendencies makes August a fertile setup for a market pullback. While short-term sentiment may weaken, this sets the stage for investors with dry powder to position into quality names and long-duration assets ahead of a potential Fed pivot. As the quote reminds us — some of the best buying windows emerge when others hesitate.

- Overweight: Financials, industrials, and infrastructure-related stocks with strong cash flows and pricing power.
- Underweight: Real estate and speculative technology stocks.
- Begin gradual re-entry into long-duration assets (e.g. TLT, FEMB) in anticipation of Q4 rate cuts.

Noteworthy Market Dates

- Aug 7: BOE Policy Decision
- Aug 8: MP Materials Earnings – Watch rare earth demand outlook
- Aug 13: U.S. CPI
- Aug 21: FOMC Minutes
- Aug 29: Japan Dividend Ex-Date (selected stocks)



From the News Desk to the Investment Team

- South Africa says Trump's 30% tariff is based on inaccurate view – 9th July
- It's no bluff: The tariff rate is soaring under Trump – 14th July
- Trump reaps \$50 billion tariff haul as world 'chickens out', only China and Canada retaliated against US tariff war – 16th July
- China economy expanded by 5.3% in first half the year – 16th July
- Trump sets 19% tariff on Indonesia goods – 16th July
- IMF raises global growth outlook as US eases some tariffs – 29th July
- US-China trade talks end without extension of tariff truce, as Trump weighs options – 29th July
- Trump hits India with 25% tariff, threatens oil buying from Russia – 30th July
- EU wine, spirits to face 15% US tariff from Aug 1st, EU says – 31st July
- BOJ holds rates steady at 0.5%, revised up inflation forecast, open to future hike – 31st July
- AI set to add nearly \$1 trillion to Southeast Asia's economy by 2030 – 31st July
- US Nonfarm Payroll rises by 73,000 in July vs 147,000 expected. Unemployment edge higher to 4.2% from 4.1% - 1st August
- Australia eyes more US exports as Trump holds tariffs at 10% - 1st August
- Switzerland is stunned by 39% US tariff, among highest in the world – 1st August
- Trump administration sends mixed messages on China trade pact – 1st August
- Trump signs order increasing tariffs on Canada goods from 25% to 35% - 1st August
- Trump new tariffs will send the US effective tariff rate to 17% - 2nd August



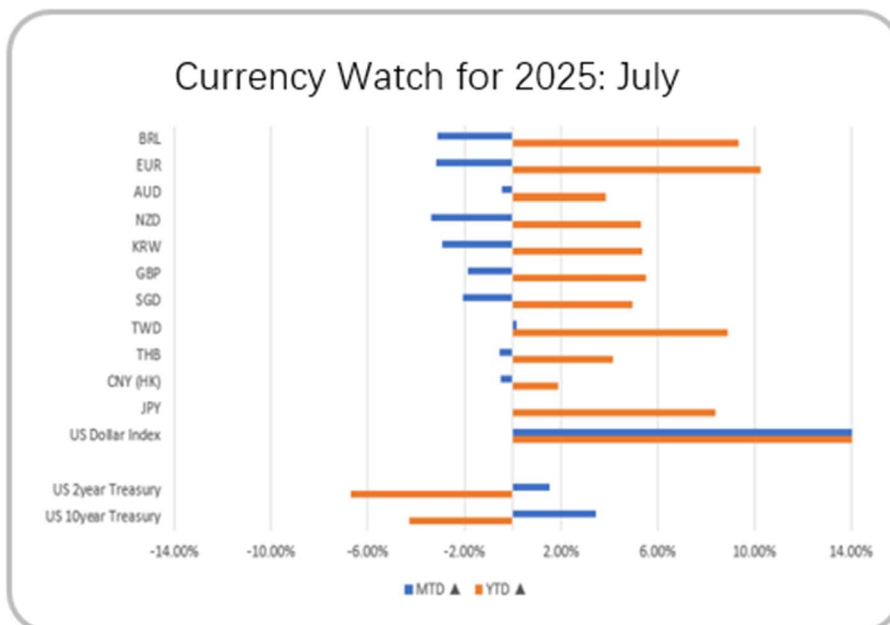
Market Overview



Nasdaq led global equities with a stellar YTD gain above 25%, driven by tech strength.

FTSE EPRA NAREIT lagged with double-digit losses, highlighting pressure in developed market REITs.

MSCI Thailand rebounded sharply in July, while India and China indices slipped for the month.

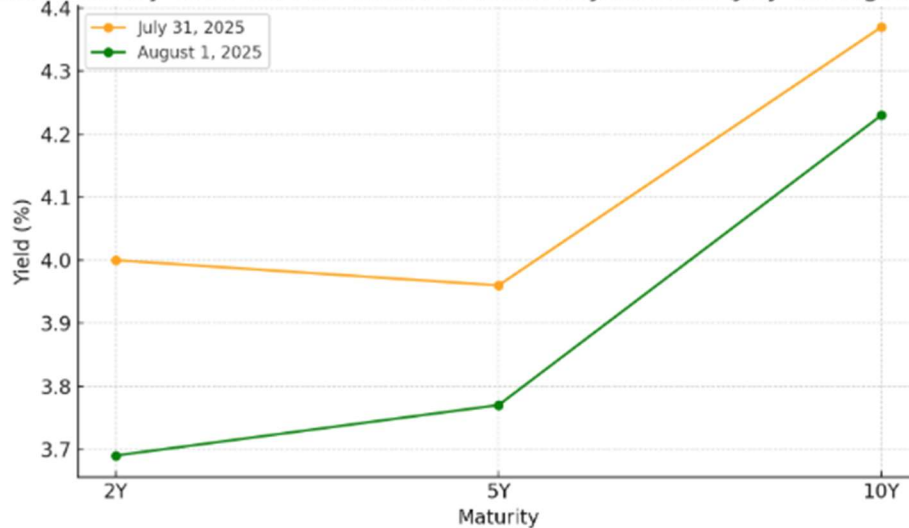


The US dollar staged a strong reversal in July, driven by a short squeeze on the overcrowded short-dollar trade. This sharp rally erased earlier losses and pushed the Dollar Index into positive territory for the year.



Chart of the Month

U.S. Treasury Yield Curve: Market Reaction to Jobs Data (July vs August 2025)



US Treasury yields fall sharply across the curve after July Job data shock, 2Y yield drops 31 bps in a single session

In a significant shift, the U.S. Treasury yield curve steepened at the start of August as markets swiftly priced in the likelihood of Fed easing. The 2-year yield dropped from 4.00% to 3.69%, while 5-year and 10-year yields also declined — reflecting growing conviction that rate cuts are imminent.

This front-end move followed a rare dual dissent within the FOMC and a surprisingly weak U.S. labor report: just +73,000 jobs were added in July, far below expectations, alongside a 260,000 downward revision to prior months. The market response was swift — with the probability of a September rate cut jumping from 37% to over 75%.

This yield curve adjustment has brought long-duration bond ETFs like TLT and FEMB back into focus, as investors rotate toward fixed income to capture potential capital gains and benefit from declining rates.

We believe this marks the beginning of a renewed opportunity cycle for bond allocations — particularly for portfolios seeking income resilience and a hedge against equity market volatility.



New Dimensions Capital

“Steady Hands, Sharp Eyes: Navigating Volatility with Discipline

At New Dimensions Capital, we believe wealth preservation and steady compounding matter most — especially in volatile cycles like the one we’ve just endured.

While many investors have been whipsawed by aggressive policy shifts and headline-driven markets, we’ve remained focused on fundamentals: cash flow, capital discipline, and clarity of purpose.

In today’s climate, where markets swing between rate cut euphoria and recession fears, our approach remains anchored by three principles:

- **Income-first thinking**
We prioritize assets that generate real, recurring income — not speculative growth. Whether it’s dividend-paying equities, infrastructure plays, or conservative fixed income, we seek visibility over volatility.
- **Global flexibility with local insight**
We allocate globally — across Singapore, Japan, Australia, Europe, and the U.S. — but do so with careful attention to local drivers, policy risk, and valuation dispersion.
- **Protecting wealth through structure**
Beyond performance, we work with families and business owners to design investment structures (including VCC sub-funds) that enhance protection, tax efficiency, and generational continuity.

Our goal has never been to chase headlines. It’s to quietly grow capital, preserve downside, and serve clients with clarity and accountability. We are a small, focused team — but we know where we stand, and why it matters.

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