

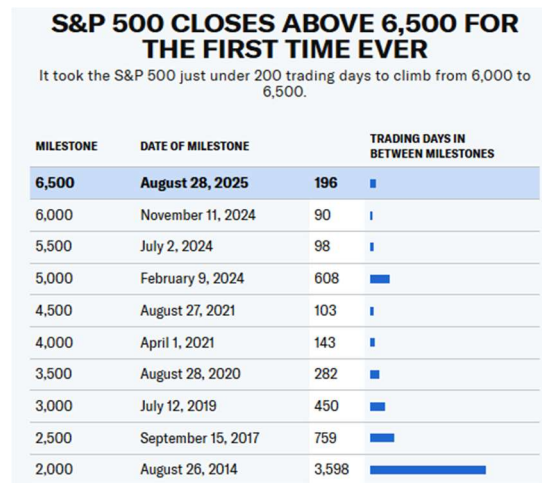


Monthly Perspective

“Life was always a matter of waiting for the right moment to act – Paulo Coelho, author of *The Alchemist*”

August: Another Record Month for U.S. S&P500

August closed with the S&P500 hitting fresh record highs, supported by a combination of robust technology earnings, optimism around the passage of Big Beautiful Bills, and reform momentum from the 401K Bill. Wall Street’s enthusiasm continues to be anchored by a handful of mega-cap tech leaders, though market breadth remains narrow. The resilience of U.S. equities into late summer has kept global risk appetite buoyant, even as pockets of volatility emerged across Asia and Europe as uncertainties of Trump’s tariffs linger.



September: Fed FOMC in Focus

Looking ahead, the key event for September is the Federal Reserve’s FOMC meeting. The central question remains: to hike or not to hike?

- Jobs are the foundation of the U.S. economy. I strongly believe the key to Fed actions lies with weakening in Nonfarm Payrolls, another continuous downside trend could prompt the Fed to act quickly to protect employment damage.
- A stronger labor market print would give the Fed cover to hold steady, while softer data raises the probability of a rate cut sooner than markets currently expect.
- Bond yields continue to reflect this uncertainty, with the 2-year/10-year spread watched closely as a gauge of policy expectations.



For investors, payrolls data will be the single most important driver of near-term sentiment.

September Seasonality & the Fed Cushion

Historically, **September is the weakest month of the year for U.S. equities**. However, the market enters this period with one potential cushion: expectations that the Fed could pivot dovish if growth momentum falters.

- Downside risks may therefore be **limited by policy support**, even if volatility rises.
 - We expect pullbacks to attract **buying interest** from long-term investors, particularly in quality dividend-paying equities that provide both income and defensiveness.
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Portfolio Positioning Themes:

Allocation View	Rationale
Overweight	Financials, Industrials, Infrastructure-linked stocks, with durable cash flows pricing power
Underweight	Real Estate, Speculative Tech with negative earnings, are likely to be vulnerable to rate and valuation pressure.
Tactical Opportunities	Laying into long-duration bonds ahead of expected Q4 cut/s.
Quality Pullback Buy	Dividend paying equities and with good cashflows, use dips to accumulate.

Noteworthy Market Dates

- Sep 6 – U.S. Nonfarm Payrolls (critical for Fed outlook)
- Sep 13 – U.S. CPI (inflation gauge before FOMC)
- Sep 18 – Fed FOMC Policy Decision
- Sep 25 – FOMC Minutes (insight into policy debate)
- Sep 30 – Quarter-end fund flows (potential volatility driver)



From the News Desk to the Investment Team

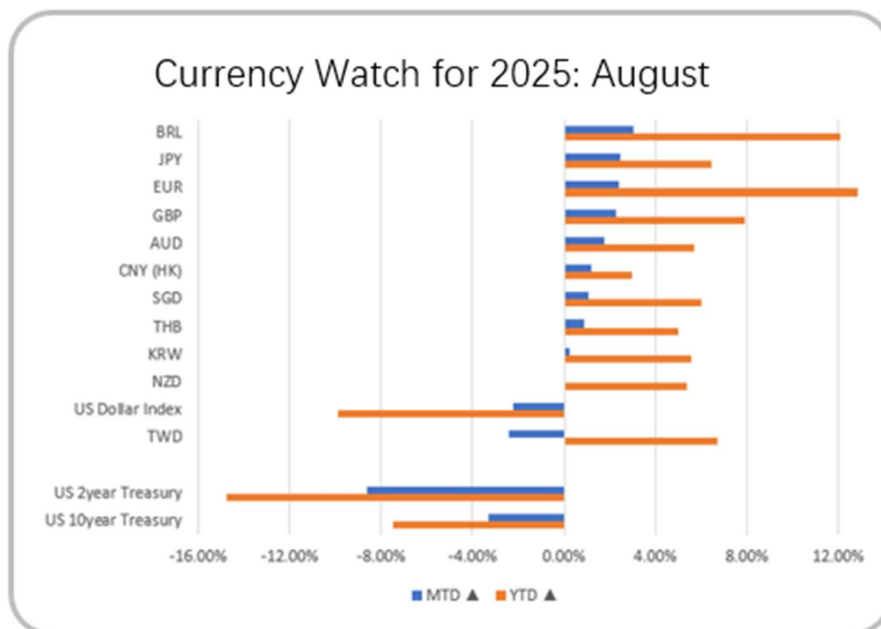
- Aug 1st : US July NFP 73K vs exp 110K, May/June – 258K revision, jobless rate 4.2%
- Aug 7th : Bank of England cut rates by 25bps to 4.00% as expected (5-4vote)
- Aug 8th : US slap 39% tariff on Switzerland's watches, chemicals and technology
- Aug 12th : RBA cut rates by 25bps to 3.6%
- Aug 12th : US July CPI y/y 2.7% vs estimates 2.8%; Core CPI y/y 3.1% vs estimates 3.0%
- Aug 14th : Australia Employment Change +24.5K vs estimates of 25K
- Aug 14th : UK Q2 GDP y/y 1.2% vs expectation 1.0%
- Aug 14th : EU Q2 GDP y/y 1.4% vs expectation 1.4%
- Aug 14th : US PPI 3.7% vs estimates 2.9%
- Aug 15th : Japan Q2 GDP 0.3% vs estimates 0.1%
- Aug 20th : RBNZ cuts 25bps to 3.00%
- Aug 21st Fed minutes show majority of FOMC saw inflation as greater risk
- Aug 22nd : Fed Chair Powell signals path to rate cuts in Jackson Hole speech
- Aug 26th : Trump wants to meet North Korea's Kim this year, he tells South Korea
- Aug 26th : Protests erupt in Indonesia over privileges for parliament members and corrupt elites
- Aug 27th : Trump imposes 50% tariff on India as punishment for buying Russian oil
- Aug 27th : Canada is leading the UK and France in boycotting American goods due to Trump's tariffs
- Aug 28th : US Q2 GDP 3.3% vs expectation 3.1%
- Aug 29th : US Core PCE y/y 2.9% as expected.
- Aug 30th : Most Trump tariffs are not legal, US appeals court rules



Market Overview



U.S. equities led global markets in August, with the S&P500 and Nasdaq posting solid gains, while Asia showed mixed results, strong rally in China Index but negative performance in India, Thailand and South Korea.



The US dollar slid against most G10 currencies in August as markets priced in a high probability of a Fed cut in September. The Taiwan dollar was the notable underperformer, weakening on capital outflows and softer regional growth momentum.”

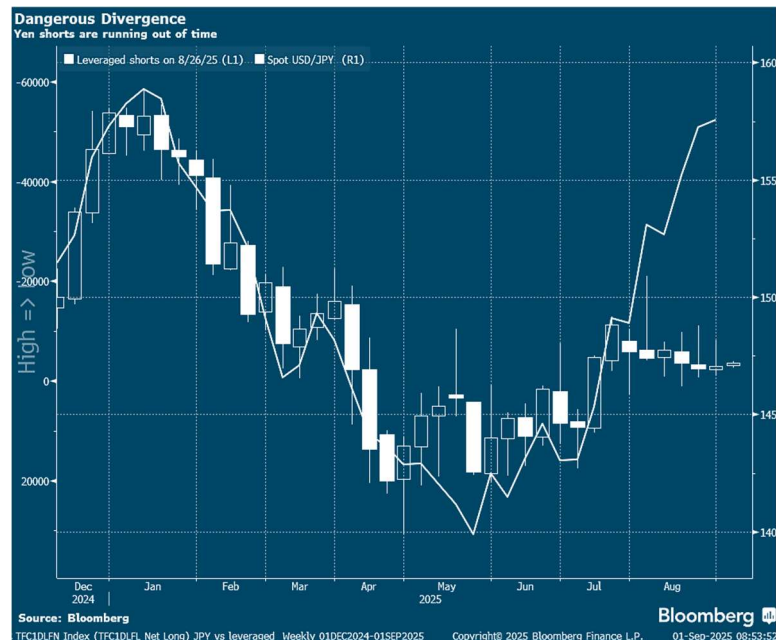


Chart of the Month

The chart highlights a dangerous divergence: since July, leveraged funds have been adding to short yen positions (long USD/JPY exposure), yet spot USD/JPY has failed to follow higher, consolidating instead in a narrow 145–150 range, probably due to on-hold Fed and BOJ.

This disconnect suggests that positioning is stretched while price momentum has stalled. If speculative short yen positions begin to unwind, both positioning and spot could drop together, especially if Fed starts cutting rates — setting up a potential break below 145, with downside risk toward the 140 major support line.:

- Positioning Mismatch
Extreme speculative short-yen exposure without price confirmation signals vulnerability.
- Fed vs BOJ policy shift
A September Fed cut, combined with expectations of BOJ tightening, could be the trigger for a sharp yen rebound.



Opportunities for Investors

1. Build tactical USDJPY shorts above 147.88, with target at 140 - 141.
2. Options Strategy – Zero Cost (current spot 147.92)
 - a. Buy USDJPY Put Strike 144, tenor 3 month
 - b. Sell USDJPY Call, Strike 150, tenor 3 month
 - c. Sell USDJPY Put, Strike 140, tenor 3 month



New Dimensions Capital

“Clear understanding is the key to patience wait, and the power to act swiftly”

At New Dimensions Capital, we believe the best course in today's market is patience with purpose. With equities near all-time highs, short-term momentum trades may look tempting, but lasting success comes from discipline.

We prefer to wait for pullbacks to add quality companies at better valuations, knowing that patience today will reward us tomorrow. Prudence is not passivity — it is preparation. When the right opportunities present themselves, we are ready to act decisively for our investors.

This is the best time for investors to connect with us — to hear our views, share perspectives, and learn about the quality names we have locked in for the next pullback. At NDC, we stand ready to move when valuations turn in our favor.

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