NEW DIMENSIONS CAPITAL

WEEKLY BULLETIN   October 2025: Issue #1

Quote of the Week.

"Never stay in a position that violates what you believe in" – Jack Schwager

Market Recap — Buyers Beware

US equities extended gains into the early week of October, led once again by tech stocks, as AI optimism overshadowed concerns from the Fed minutes. While pro-Wall Street media continue to headline "two more cuts in 2025," bond markets remain unconvinced, signaling growing uncertainty about the Fed's next move.
Fresh analyst upgrades on Dell and CoreWeave's new AI tools added further fuel to the rally, pushing valuations deeper into bubble territory. Markets also brushed aside the 8th day of the US government shutdown, assuming deficit spending will be debt-financed — a belief that defies fiscal prudence.
At this stage, the market looks increasingly sentiment-driven rather than fundamentals-based. Buyers beware — optimism is turning speculative.

Across Asia, the MSCI Asia Pacific Index trading on the softer side, weighed down by tech weakness following Oracle's disappointing AI margins news. Hong Kong led the declines, with Taiwan, Singapore, and Malaysia also softer. Vietnam briefly jumped 3% after its FTSE upgrade to Emerging Market status, before trimming gains. New Zealand advanced after a surprise 50bps rate cut, while China and South Korea remained shut for holidays. Focus will turn to China's market reopening after Golden Week.

FX Watch — USD Takes a Breather

The USD eased as markets faded earlier concerns over political uncertainty in France and Japan. Headlines highlighting expectations of two more Fed cuts in 2025 capped the dollar's upside. With sentiment stabilizing, traders may look to fade USD rallies and position for selective Asia FX strength ahead of Powell's remarks.

Conclusion & Action Plan

- Stay tactical in US Tech: continue to ride the momentum, selectively but take profits on extended AI-driven names. Market likely to rotate among Mag 7, in turn trying to stretch prices to their maximum until something breaks.
- Rebalance towards yield and value favour dividend-paying stocks, financials, infrastructure plays.
- FX Positioning: Fade short-term USD strength; look for recovery potential in SGD, THB, supported by solid domestic fundamentals and Central bank
- Diversify Beyond Tariff Risk: Increase exposure to ASEAN, India, and MENA as alternatives to U.S.-centric growth, particularly if trade frictions or fiscal risks re-emerge.

Last Week 's Notable Events.

US Economy/Politics

- 6th Oct – US FCC to vote to tighten restrictions on Chinese telecom equipment,
- 7th Oct – US government shutdown deepens as talks stall over healthcare funding.
- 8th Oct - US Foreign Student Arrivals plunge nearly 20% in August
- 8th Oct – A divided Fed sees more rate cuts ahead this year: Fed
- 10th Oct – Ttump ratchets up US-China trade war with new 100% tariffs, export controls.

Europe Economy/Politics

- 6th Oct – French government quits just hours after being appointed, deepening political crisis.
- 9th Oct - Italy, China reaffirm strong ties, pledge closer cooperation.

Asia Pacific Economy/Equity

- 2nd Oct – China to launch new visa to lure young Tech talent amid US curbs.
- 3rd Oct – India and China to resume direct flights after a five-year ban,
- 6th Oct – Vietnam economy accelerates despite dip in US exports, footwear drop.
- 8th Oct – China Foreign Reserves edge higher as Gold prices hit record high.
- 8th Oct – Aussie corporates eye Asean expansion as Trump tariffs reshape global business

Weekly Data Monitor

Weekly chart:

- S&P500 rare sell-off after months of gains..
- Oil falls as new tariff threaten global slowdown and the risk of lower oil demand.
- Gold trading above $4,000 mark.

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

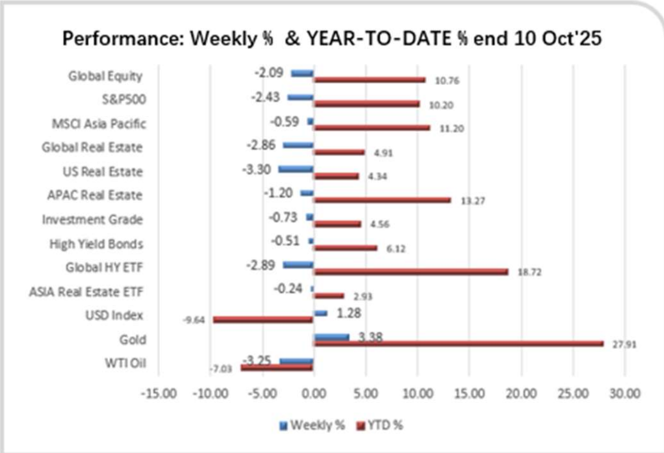

Chart of the Week

The next wave of value creators in Banking

The Kantar BrandZ survey highlights banks with the greatest potential to create new value over the next 12 months — driven not by size or capital strength, but by customer perception, innovation, and digital engagement.

Interestingly, emerging-market champions dominate the list. Brazil's Nubank, South Africa's Capitec, Thailand's KBank, Indonesia's BCA, and Egypt's NBE all rank high for their ability to capture new market share through digital-first strategies and strong client connectivity.

In contrast, global heavyweights like HSBC, Barclays, and JPMorgan are absent — reflecting their maturity and slower growth momentum. As Kantar's Ellie Thorpe noted, "They're winning today, but their chances of winning tomorrow are lower."

At NDC, we see this as part of a broader capital shift toward financial inclusivity and digital disruption in emerging markets:

- Allocate selectively to next generation banks that are scaling digital ecosystems

Top 10 Banks With Potential To Create Most Value

Rank	Market	Brand	Likelihood of growing market share by revenue in next 12 months
1	Brazil	Nubank	74%
2	South Africa	Capitec	71%
3	Japan	Rakuten Bank	69%
4	Czech Republic	Air Bank	68%
5	Thailand	KBank	67%
6	Egypt	National Bank of Egypt (NBE)	66%
7	Japan	SBI Sumishin Net Bank	66%
8	Indonesia	BCA	66%
9	Saudi Arabia	Al Rajhi Bank	66%
10	Australia	CommBank	65%

Source: Kantar BrandZ
Note: there are decimal percentage points differences between banks displaying equal scores, hence they are not equally placed in the ranking

- Favour banks with strong retail franchise and cross platform ecosystems – integrating fintech services into daily life.
- Look for Asean banks that combine traditional lending prudence with technology driving customers need.