

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

Policy risks and growth concerns sent stock indexes lower for a second consecutive week, except the Dow Jones Industrial Average which managed to gain just about 1% for the week. Growth stocks led the decline and the Nasdaq Composite recorded its worst weekly drop since September. The story of Q4 earnings & 2025 guidance season has been that year-over-year EPS growth is starting to finally broaden out across the U.S. and the world, and this appears to be driving a broadening performance away from the Magnificent Seven and into the S&P 493 in recent weeks despite the soft patch of economic data and policy uncertainty. Tariff fears also continued to be a drag on equities as President Donald Trump reiterated plans to impose new levies on several trade partners by March 4.

Data highlights: In U.S., Initial claims for state unemployment benefits jumped 22k to a seasonally adjusted 242k for the week ended February 22. The increase was the biggest since last October. Analyst's consensus was 221k. The GDP growth rate slowed down to 2.3% compared to 3.1% for the previous quarter. Canada's GDP grew by 0.6% in the fourth quarter of 2024 compared to the previous quarter. This quarterly growth corresponds to an annualized rate of 2.6%, surpassing expectations of 1.8%. Over in Europe, The Eurozone's annual inflation rate for January 2025 was reported at 2.5%, up from 2.4% in December 2024. Finally, the monthly CPI results from the Australian Bureau of Statistics showed that it has held steady at 2.5% slightly lower than analysts' expectations of 2.6%.

Week ahead: Eurozone (Feb) CPI - Monday | Australia GDP Growth Rate - Wednesday | Eurozone Retail Sales & ECB Interest Rate Decision - Thursday | Eurozone GDP Growth Rate & Employment Change, U.S. Non-Farm Payrolls & Unemployment Rate - Friday.

Global Markets Overview

Treasury yields: U.S. Treasuries remained the safe haven of investor funds, rallying for a third consecutive week amid continued uncertainties arising from tariff threats and weakening U.S. consumer confidence data. U.S. 2-year yields closed below 4% for the first time since October last year while the U.S. 10-year yields traded lower by some 20bps to close the week at just over 4.2%. The spread between the 2-year and 10-year German bunds widened to 38bps as the yields on the papers also dropped in the week. The yield on the 10-year Japanese Government Bond fell to 1.37%, from 1.43% at the end of the previous week, trending down on a soft domestic inflation print and the Central Bank's firm commitment to increase its bond repurchases in response to any abnormal rise in yields.

Equities: The Pan-European STOXX 600 Index ended the week higher, posting its longest streak of weekly gains in local currency terms since August 2012. The S&P 500 is down 3.3% from its record high on Feb. 19 with Much of the selloff being led by momentum stocks, especially the Magnificent Seven. Stock investors have turned very cautious in recent days as American Association of Individual Investors bears surged to 60.6% last week, the highest since the trough of the 2022 bear market. The AAI bull/bear ratio plunged to 0.32, also as pessimistic as at the trough of the 2022 bear market. Amidst this uncertainty, Nvidia again beat the stock market's sky-high expectations, reporting impressive financial results for both its fourth-quarter and full 2025 fiscal year. The numbers show a company in command of the AI-driven semiconductor industry, with revenue rising on the back of continued, unprecedented demand for GPUs. The \$11 billion in revenue directly attributed to the ramping-up of Blackwell chips not only exceeded market expectations but also dispelled concerns about supply constraints cratering. This suggests that Nvidia's AI business is stronger than some analysts had anticipated, and Blackwell now represents about one-third of the total data-centre revenue.

Currencies: The U.S. Dollar index, which compares the strength of the currency against a basket of other major currencies, rallied within the week by 0.94%. The greenback rallied the most against the Comdolls as commodity prices also tumbled on a week-on-week basis. Over the week, the yen weakened to the low end of the JPY 150 against the U.S. dollar range—however, the Japanese currency logged significant gains for the month of February, strengthening on expectations that the BoJ will raise interest rates again this year.

Commodities: Wheat and Corn prices tumbled for a second consecutive week, shedding 7.99% and 7.68% respectively from the week before following the realization that Northern Hemisphere winter crops have successfully weathered a period of cold temperatures without sustaining significant damage. In the U.S., farmers are expected to expand corn acreage by 4.2% this spring, boosting planted area to nearly 94.6 million acres, driven by favourable weather, low hay prices that are shifting production from silage to grain, and a reallocation from soybeans, wheat, and sorghum. Natural Gas prices also snapped the three-week winning streak, tumbling by 9.45% pressured by record output and forecasts for milder weather. Warmer conditions through mid-March are expected to reduce heating demand, allowing utilities to withdraw less gas from storage.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.21	-5.03	-7.90
Bund 10Y	2.41	-2.59	1.65
Gilt 10Y	4.48	-1.95	-1.88
Japan 10Y	1.38	-3.64	25.16

Indices	Close	% W/W	% YTD
S&P 500	5955	-0.98	1.24
EU Stoxx 600	560	0.24	10.77
FTSE 100	8810	1.74	7.79
Nikkei 225	37156	-4.18	-6.87

Currencies	Close	% W/W	% YTD
EURUSD	1.0375	-0.79	0.20
GBPUSD	1.2577	-0.44	0.49
USDJPY	150.63	0.91	-4.18
USD Index	107.61	0.94	-0.80

Commodities	Close	% W/W	% YTD
WTI Crude	69.76	-0.91	-2.73
Wheat	555.75	-7.99	-1.20
Coffee	373.05	-4.16	18.48
Natural Gas	3.83	-9.45	5.53

Performance of Major Global Financial Assets

% Change.

	W/W	MTD	YTD	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
	-5.0	0.0	-7.9	-2.6	0.0	-1.9	-3.6	-4.8	-0.5	-1.0	-3.4	-0.2	1.2	1.7	-4.2	-2.3	0.9	-0.8	-0.4	0.9	0.4	1.7	-0.9	-2.7	-1.0	-4.2	-8.0
		0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
				1.6	1.6	-1.9	25.2	-1.6	0.5	1.2	-0.6	11.6	13.3	7.8	-6.9	14.4	-0.8	0.2	0.5	-4.2	-0.3	-0.8	-2.7	8.9	12.1	18.5	-1.2
				GOV. BOND YIELDS					EQUITY INDICES					CURRENCIES					COMMODITIES								

KEY: -100% ← → +100%

Data Sources: Bloomberg, Investing.com, Standard Investment Bank

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