

LION GLOBAL SAYS

A dark blue megaphone icon is positioned between the words 'LION' and 'GLOBAL'. The letter 'O' in 'GLOBAL' is replaced by a white globe showing the continents of North and South America.

A Quick Guide To What's Happening In The Markets

MACRO MOVERS & SHAKERS



GROWTH

INFLATION

POLICY

US

Growth remained strong early in the year due to front-loaded imports ahead of tariffs, boosting jobs and manufacturing. However, business sentiment and consumer confidence declined. A temporary tariff truce eased recession fears, but uncertainties from immigration, tariffs and budget funding remain, with growth expected to slow going forward.

U.S. inflation eased, with Consumer Price Index ("CPI") at 2.3% year-over-year and core CPI at 2.8%. While front-loaded demand ahead of tariffs supported growth, inflation remained subdued due to falling food prices and weak goods inflation. Tariff-related uncertainty continues to cloud the outlook.

The Fed is likely to stay on hold due to tariff uncertainty and inflation risks. Powell emphasized avoiding preemptive moves to keep long-term inflation expectations anchored. The Federal Open Market Committee may act if labor market weakness becomes clear, but any response could be limited.

Europe

Q1 2025 growth is supported by front-loaded demand, stronger industrial output, and ECB-driven investment. However, weak retail sales point to soft consumer spending. Trade uncertainty, a strong euro, and rising import competition from Asia could push the economy toward recession in the coming quarters.

Eurozone inflation eased slightly, with CPI down at 2.2%. Despite stronger Q1 2025 exports and investment, weak consumption and rising import competition—especially from Asia—are adding disinflationary pressure. Producer prices rose 3.0% year-over-year, but core inflation is decelerating.

The ECB is expected to continue cutting rates to support weak growth and boost confidence in reaching its 2% inflation target. Meanwhile, the region's shift from planned fiscal tightening to expansionary policies will likely keep deficits elevated, adding upward pressure on long-term interest rates.

Asia

China's growth faces pressure. Manufacturing held up, but consumption and investment weakened. Trade uncertainty and weak lending signal fragile demand. A tariff truce may lift short-term growth. Further stimulus likely after the conclusion of tariff negotiations.

China's push to find new export markets is creating global disinflationary pressure. Exports rose 9.3% year-over-year, but domestic demand stayed weak. The CPI fell 0.1% and PPI dropped 2.7% year-over-year, reflecting falling prices and subdued demand.

Outside of US, central banks globally are expected to be more forthcoming with policy easing, in light of recent dollar weakness. China has plenty of policy room, including easing borrowing costs and reserve requirements for banks to defend its economy.

Japan

Japan, facing high U.S. tariffs due to its trade surplus, may see weaker economic data ahead despite optimism from ongoing talks. Meanwhile, Japanese firms continue structural reforms to boost governance, capital efficiency, and shareholder returns.

Japan's inflation remained elevated at 3.6%, with core inflation at 3.5%, driven by rising energy costs as subsidies tapered off. While food inflation eased, export growth was modest, and economic momentum showed signs of slowing, suggesting inflation may gradually cool in the coming months.

Monetary policy normalization in Japan is expected to be maintained, driven by higher wages demand, but there is a growing concern that JPY appreciation could dampen momentum for rate hikes.

Risks

- Trade tensions escalate as US/China fail to reach an agreement
- Sticky inflation means that the Fed must keep rates higher for longer
- Policymakers in China fail to stabilize growth

SENSIBLE CONSIDERATIONS

At A Glance

Legend:

Outlook

Negative

Neutral

Positive

Valuation

Expensive

Fair

Cheap



EQUITIES	Geography		Outlook	Valuation	
	Global		Neutral	Expensive	Tariffs uncertainty has raised concerns about the growth outlook in the near term
	US		Negative	Expensive	Equities have recovered from the Liberation Day sell-off and valuations are expensive. Q1 2025 earnings have been strong but there is a risk of margins erosion as companies might not be able to pass on the full cost of tariffs
	Europe		Neutral	Fair	Defense spending set to rise. Expect on-going political, policy and energy crisis to precipitate structural changes to improve outlook in the longer term
	Japan		Neutral	Fair	Rate hikes due to return of inflation and growth supports equities in addition to on-going corporate governance reforms
	Asia Pac ex Japan		Positive	Fair	Weak USD eases financial conditions. Tailwind for Asian central banks to cut rates. Lower cost of servicing USD-denominated debt.
	Market		Outlook	Valuation	
	China		Neutral	Cheap	Some relief from trade war with IPO market seeing signs of life.
	South Korea		Positive	Cheap	Uniquely positioned in a multipolar world. Newly elected President is pro-market.
	Taiwan		Negative	Expensive	Decelerating earnings revision and above average valuations.
BONDS	India		Neutral	Fair	India finally commenced monetary easing with CPI well anchored and benefiting from lower oil prices.
	Singapore		Positive	Expensive	Potential Value-Up play to galvanize greater private sector participation
	Malaysia		Positive	Cheap	Upturn in investment cycle driven by infrastructure and data center development
	Indonesia		Positive	Cheap	Pullback in market provides attractive entry level.
	Thailand		Negative	Cheap	Weak domestic consumption and policy implementation to be seen. Stay cautious despite low valuations
	Vietnam		Positive	Cheap	Long term economic growth tailwind, stable and pro-growth government, well-educated and motivated population, undemanding market valuation.
	Market & Duration		Outlook		
	Singapore		Positive		Singapore bonds should outperform with lower SGD interest rates arising from a weaker USD
	Asia		Negative		Credit spreads are likely range-bound though spreads at tight
	Short Duration		Positive		Attractive short-term yields due to a shallower path of interest rate cuts and supported by demand for carry strategies

AT A GLANCE | GENERAL PRODUCT SUITE

ETF	Liquidity	Fixed Income	Stable Growth	Stable Income	Decumulation	Efficient Beta	Regional Opportunities	Single-country Opportunities	
Lion-Phillip S-REIT ETF	LionGlobal SGD Liquidity Fund	LionGlobal Short Duration Bond Fund**	LionGlobal All Seasons Fund Standard	LionGlobal All Seasons Fund Standard (Dist)	LionGlobal All Seasons Fund Standard (Decu)	Infinity Global Stock Index Fund**	LionGlobal Asia Pacific Fund**	LionGlobal Japan Growth Fund**	LionGlobal Japan Fund
Lion-OCBC Securities Singapore Low Carbon ETF	LionGlobal SGD Money Market Fund	LionGlobal Singapore Investment Grade Bond Fund	LionGlobal All Seasons Fund Growth	LionGlobal All Seasons Fund Growth (Dist)	LionGlobal All Seasons Fund Growth (Decu)	Infinity U.S. 500 Stock Index Fund**	LionGlobal China Growth Fund	LionGlobal India Fund	LionGlobal Malaysia Fund
Lion-OCBC Securities Hang Seng TECH ETF	LionGlobal SGD Enhanced Liquidity Fund	LionGlobal Singapore Fixed Income Fund**				Infinity Europe Stock Index Fund	LionGlobal Southeast Asia Fund	LionGlobal Vietnam Fund	LionGlobal Taiwan Fund
Lion-OCBC Securities China Leaders ETF	LionGlobal USD Enhanced Liquidity Fund	LionGlobal Asia Bond Fund						LionGlobal Korea Fund	LionGlobal Thailand Fund
Lion-Nomura Japan Active ETF (Powered by AI)*	Lion-BIBDS Islamic Liquidity Fund							LionGlobal China Growth Fund	LionGlobal Singapore Trust Fund
Lion-OCBC Securities APAC Financials Dividend Plus ETF	<p>*This is an actively managed ETF</p> <p>**CPFIS Funds: LionGlobal Short Duration Bond Fund Class A SGD (Dist), LionGlobal Singapore Fixed Income Investment Class A SGD, Infinity Global Stock Index Fund SGD, Infinity Global Stock Index Fund Class C SGD, Infinity U.S. 500 Stock Index Fund SGD, LionGlobal Asia Pacific Fund SGD, LionGlobal Japan Growth Fund SGD and LionGlobal Japan Growth Fund SGD-Hedged.</p>								
Lion-China Merchants Emerging Asia Select Index ETF									
Lion-China Merchants CSI Dividend Index ETF									

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