

Market Data

Source: Bloomberg, market data is as of 24 October 2025.
*As we emphasise a long-term focus, the top performing funds were selected based on monthly performance.
*The numbers may show as negative if there is no positive return for the period under review.
The fund performance was referenced from the daily performance report, data was extracted from Lipper.
The performance figures are based on the fund’s respective currency class.
*Past performance is not an indication of future performance.

Market Review ¹

1. This week, global financial markets showed positive performance. In developed market, Japan led the gains, followed by the United States and Europe.
2. Across Asia, markets exhibited positive performances. South Korea led the way with the largest gain, followed by both onshore and offshore markets in China. In Malaysia, the FBMKLCI ended the week with a marginal gain.
3. In the bond market, the yield on the 10-year US Treasury hovered around the 4.00% range as investors weighed the latest trade news and the release of key inflation data. (It’s worth noting that bond prices move inversely to bond yields)

Macro Factors

1. In the United States, the latest report suggests that the U.S. might extend a pause on import duties on Chinese goods beyond three months if Beijing cancels plans for strict new export controls on rare-earth elements. Tensions have risen recently after Washington expanded tech restrictions and proposed levies on Chinese ships, prompting China to respond with parallel measures. Meanwhile, the government shutdown entered its third week, delaying key economic data releases that could inform policy decisions. The annual inflation rate rose to 3% in September 2025, the highest since January, from 2.9% in August and below forecasts of 3.1%. Meanwhile, core inflation ticked down to 3% in September 2025 from 3.1% in each of the previous two months.²
2. In Europe, investors welcomed signs of political stabilization in France and assessed rising expectations of US interest rate cuts. Market sentiments were largely boosted by the positive performance in the luxury sector. On macro, industrial production slipped 1.2% month-over-month in August 2025, reversing an upwardly revised 0.5% gain in July and narrowly beating market expectations of a 1.6% drop.³
3. In China, market sentiment gained relief after US President Donald Trump said he expects to reach a fair-trade deal with China’s President Xi Jinping during their meeting in South Korea later this month. On macro, China’s economy expanded 4.8% year-on-year in Q3 2025, down from 5.2% in Q2, marking its slowest pace since Q3 2024. While in line with market expectations, the GDP growth has lost momentum after a strong start to the year, pressured by U.S. trade tensions, a prolonged property slump, and soft consumer demand. China’s retail sales grew by 3.0% year-on-year in September 2025, slowing from a 3.4% gain in the previous month. Industrial capacity utilization rate decreased to 74.6 percent in the third quarter of 2025 from 75.1 percent in the same period a year earlier. China’s surveyed unemployment rate fell to 5.2% in September 2025, compared to market expectations and August’s six-month high of 5.3%.⁴
4. In Malaysia, the economy expanded 5.2% year-on-year in Q3 2025, accelerating from 4.4% growth in Q2 and marking the fastest expansion in a year, preliminary estimates showed. The faster growth was driven by manufacturing activity, which rose 4.0%, while activity in services remained steady at 5.1%. Annual inflation rate rose to 1.5% in September 2025 from 1.3% in the previous month, marking the highest reading since February. Core inflation, which excludes volatile fresh food and administered prices, went up 2.1% yoy, the most since October 2023, after a 2.0% gain in August.⁵

Investment Strategy ⁶

With the Fed now resuming rate cuts and cash returns are set to fall further, we believe it remains a good time to put cash to work. We maintain the rational for investing in both Equity and Fixed Income remains strong, and we still foresee additional growth in the coming years. Our base case remains that rate cuts have typically been supportive for stock markets during non-recession periods, as well as further benefits for fixed income.

Investors are advised to keep sight of longer-term investing principles that can boost risk-adjusted rates of return **through portfolio diversification and a phased-in strategy**. This can help to manage the risk of poor timing, reduce the influence of emotion, and provide more opportunities to benefit from market dips and rebounds. Our strategy emphasized focusing on companies that demonstrate the attributes of **quality growth, with earnings that are more domestically focused**. Additionally, **quality bonds have historically offered portfolio stability**, especially in times of uncertainty.

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Weekly Market Recap



Sources:

- ¹ Bloomberg, 24 October 2025
- ² Bloomberg, Bureau of Labor Statistics (BLS), ISM, S&P Global, US Federal Board, 24 October 2025
- ³ S&P Global, ECB, Factset, Bank of England (BoE), 24 October 2025
- ⁴ Bloomberg, National Bureau of Statistic China, CEWC, 24 October 2025
- ⁵ Department of Statistic Malaysia, S&P Global, 24 October 2025
- ⁶ Principal view, 24 October 2025

- *SEZ refers to Special Economic Zone
- *PMI refers to Purchasing Manufacturing Index
- *HCOB refers to Hamburg Commercial Bank
- *NBS PMI refers to official data released by National Bureau of Statis in China
- *Caixin PMI refers to data published by Caixin Media and ISH Markit. It provides alternative gauge focusing on smaller and medium-sized enterprises.
- *ECB refers to European Central Bank
- *PBOC refers to People’s Bank of China
- *PCE refers to Personal Consumption Expenditure
- *FOMC: Federal Open Market Committee
- *y-o-y refers to year on year
- *m-o-m refers to month on month
- *UST refers to United States Treasury
- *BNM refers to Bank Negara Malaysia
- * Caixin decided to end its title sponsorship of the S&P Global China Purchasing Managers' Index (PMI) as of July 2025. This decision was part of a "strategic adjustment" for Caixin, aligning with its long-term development needs. Caixin had been the title sponsor since 2015, using it as a way to expand into the data sector and analyze China's economic transformation. Following Caixin's departure, RatingDog (Shenzhen) Information Technology Co., Ltd., a Chinese credit research and bond rating company, successfully acquired the exclusive naming rights for the "S&P Global China PMI". Starting with the August 2025 data release, the index was officially renamed the "RatingDog China PMI". S&P Global continues to be responsible for compiling and releasing the monthly report.

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