



# CIO Views – Weekly Bulletin

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A Prudential plc company

## What's top of investors' minds?

### 1. Buybacks and dividends supporting Chinese stocks

Over the past 18 months, a growing number of Chinese companies have been repurchasing their own stock. From a market perspective, this trend could be viewed positively if it is seen as part of a longer-term market adjustment process.

- Share buybacks in China have increased to record levels as the Chinese government continues to encourage this to assist the stabilisation of the stock markets.
- This approach has some similarities to what Japanese companies have been doing over the past few years as they continue to improve their corporate governance.
- Over the last 3 years it is estimated that Chinese companies had returned around RMB 2 trillion back to shareholders through buybacks and dividends and this number is expected to grow to over RMB 3 trillion in 2024.
- Asia has broadly been a region where companies provide higher levels of dividend payouts to investors, though Chinese companies may have historically been perceived to be at the lower end of this.

**We remain on the lookout for Chinese companies that are providing higher dividend payouts as well as trading below their intrinsic value.**

#chinaequity #dragonpeacock

### 2. Correction or pause?

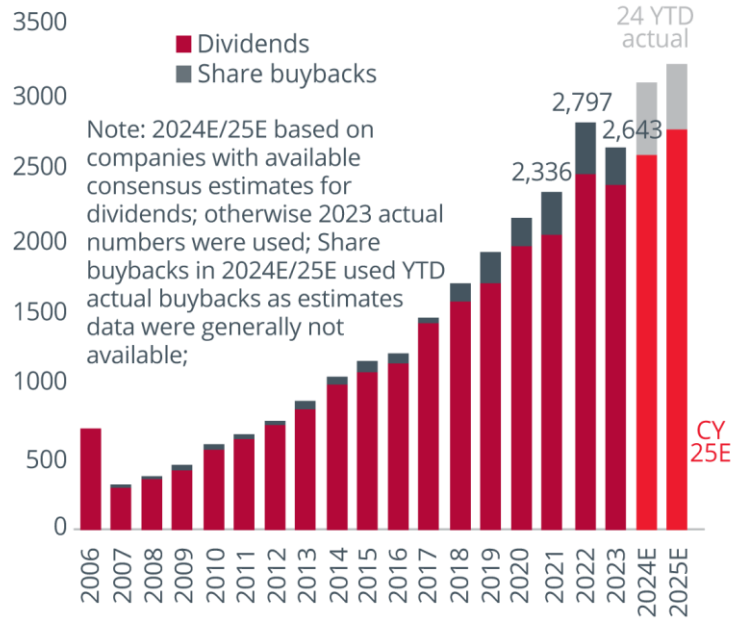
Indian stocks have risen inexorably over the last four years but have drifted lower since September, seemingly denting confidence.

- A smorgasbord of issues including geopolitics, Chinese stimulus, a stronger US dollar and weaker Q2 earnings all contributed to falling markets and foreign investors being net sellers of USD 14.5bn since early October.
- BJP's comfortable election victory in Maharashtra, initially predicted to be a narrow win, provides further comfort of greater political stability.
- Now that the large state elections are over, the market perceives that a BJP-led government is able to implement reforms and increase government spending on capital projects, which had been in a "lull" for the past 6-9 months.
- Tight credit conditions and muted consumption have also added to this 'lull'. However, a rise of income transfer schemes, in line with a more accommodative government approach, could stimulate credit, consumption and job creation, particularly as GDP remains sluggish coming into December.

**We see the recent market correction as a healthy pause, reflecting the near-term slowdown. This was partly due to regulatory-driven credit contraction, which should help reduce market risks in the long run. We remain structurally positive on Indian Equities.**

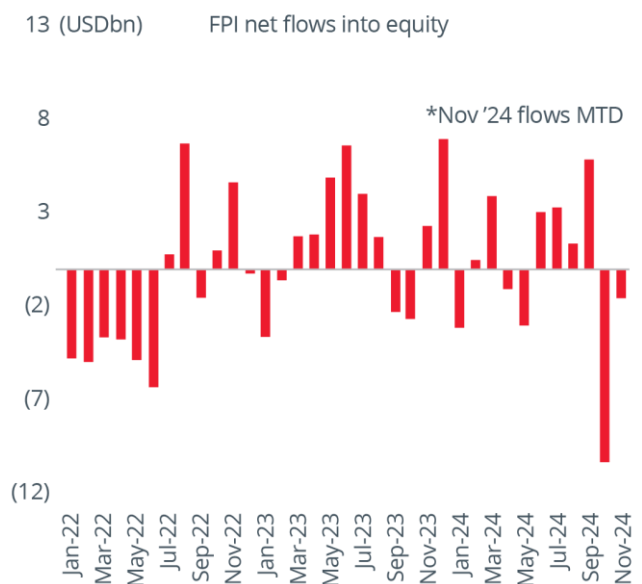
#indiavalue #indiaequities #dragon peacock #indiaconsumption

### Share buybacks/ Dividends for all China Universe



Source: Wind, Factset, Goldman Sachs Global Investment Research

### Foreign investor flows into India Equity markets

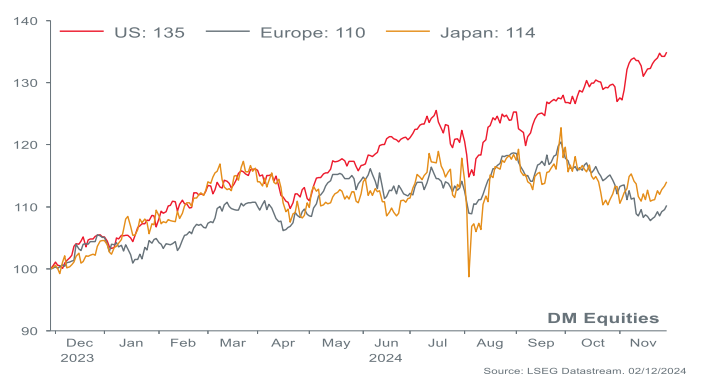
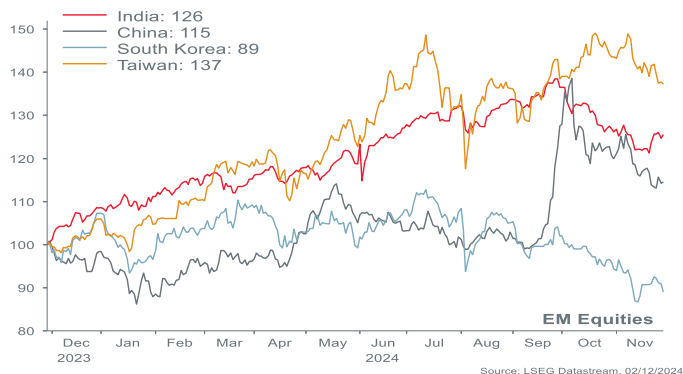
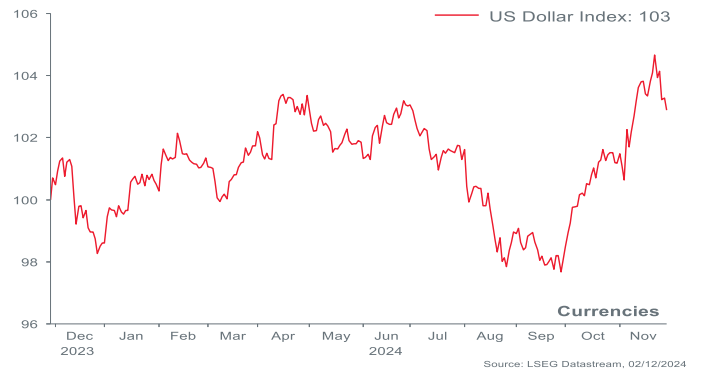
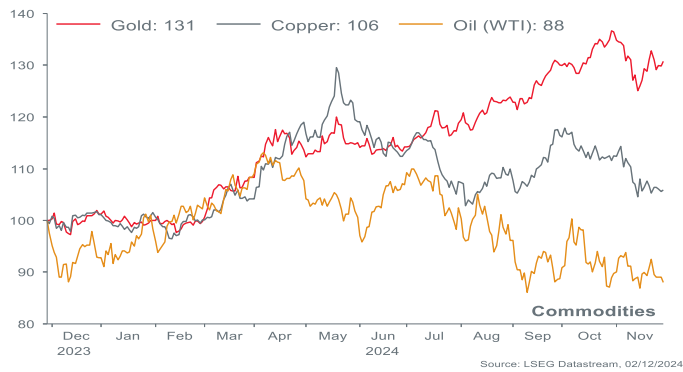
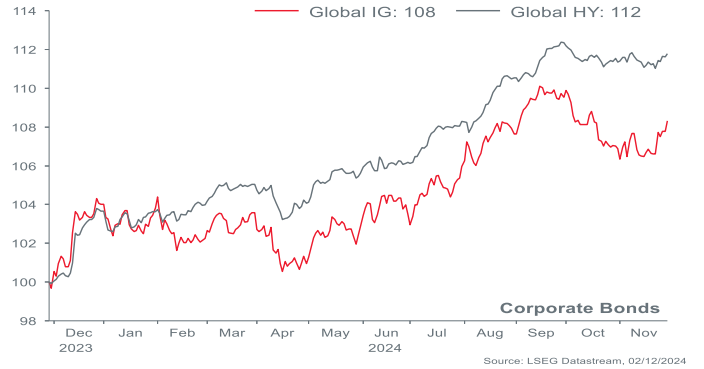
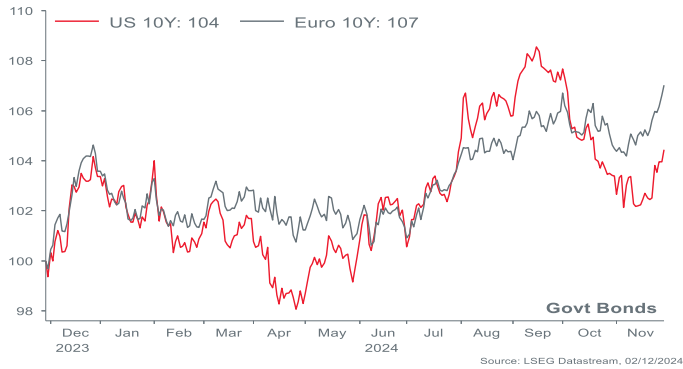
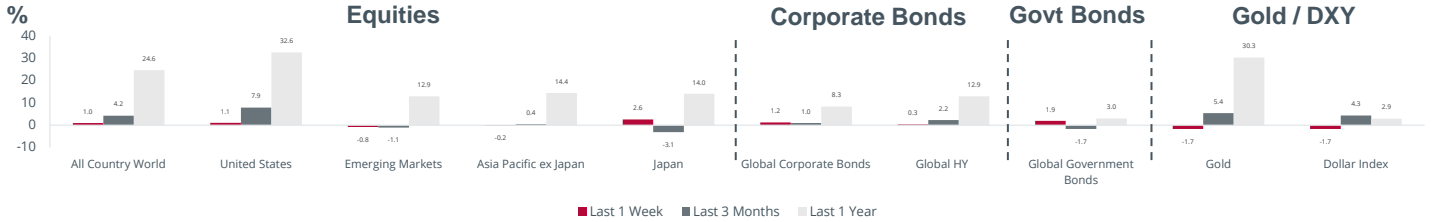


Source: Bloomberg, Jefferies November 2024

## MARKET REVIEW

Global equities returned 1.0% over the past week. The S&P 500 returned 1.1%, Asia ex-Japan equity index returned -0.3%, Japan equities -0.5%, EM equities -0.8% and China equities 1.3%. The Global Aggregate Bond index returned 1.8%. The yield on 10Y US treasuries declined by 23bps and the 5Y/30Y yield spread steepened by 2bps. The yield on 10Y Singapore gov't bonds declined by 13bps. US investment grade credit spreads widened slightly, and Asia Credit spreads tightened by 2bps. The Dollar was mostly weaker against major currencies as the Dollar index DXY moved by -1.7% and Asian currencies were mostly stronger against the Dollar as ADXY index moved by 0.2%.

## ASSET PERFORMANCES



## MARKET DATA

Equity Indices	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
World								
MSCI AC World Index (USD)	862.49	0.98	1.70	4.25	24.62	18.64	863.10	692.09
North America								
US S&P 500 Index	6,032.38	1.06	3.42	7.88	32.56	26.47	6,044.17	4,537.24
US Nasdaq Composite Index	19,218.17	1.13	2.70	9.72	34.78	28.02	19,366.07	14,058.52
Europe								
MSCI Europe	2,053.91	1.76	-3.74	-7.36	6.70	1.66	2,250.56	1,925.00
Asia Pacific								
MSCI Asia Pacific ex Japan	576.47	-0.20	-3.75	0.38	14.41	9.00	629.66	491.14
Japan Nikkei 225	38,208.03	-0.20	-1.79	-0.40	14.67	14.18	42,426.77	31,156.12
Shanghai Stock Exchange Composite	3,326.46	1.81	1.22	17.83	10.09	11.82	3,674.40	2,635.09
Hong Kong Hang Seng	19,423.61	1.01	-6.17	9.21	14.30	13.94	23,241.74	14,794.16
Taiwan TAIEX	22,262.50	-2.80	-2.90	0.27	28.16	24.16	24,416.67	17,151.58
Korea KOSPI	2,455.91	-1.81	-6.18	-7.75	-2.54	-7.51	2,896.43	2,386.96
India NIFTY 50	24,131.10	0.94	-1.37	-4.06	20.08	11.04	26,277.35	19,956.30
Australia Stock Exchange 200	8,436.20	0.51	2.27	4.86	19.91	11.14	8,477.10	7,014.10
Indonesia Jakarta Composite	7,114.27	-1.13	-6.47	-6.73	1.11	-2.18	7,910.56	6,698.85
Thailand SET	1,427.54	-1.30	-1.63	5.17	2.87	0.83	1,506.82	1,273.17
Malaysia FTSE Bursa KLSE	1,594.29	0.28	-1.29	-3.58	10.25	9.60	1,684.68	1,440.40
Philippines Stock Exchange PSE	6,613.85	-2.45	-8.65	-4.03	5.57	2.54	7,604.61	6,158.48
Singapore FTSE Straits Times Index	3,739.29	-0.18	4.15	9.83	21.22	15.40	3,766.93	3,052.35

Government Bonds	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
US Treasury Yield (%)								
10 Year	4.19	-4.90	-1.87	8.46	-1.80	8.65	4.71	3.62
10 Year Bond Yield (%)								
Japan	1.06	-2.31	8.09	18.41	55.38	71.27	1.10	0.55
China	2.05	-1.53	-4.15	-5.39	-23.95	-20.36	2.70	2.04
Australia	4.36	-4.21	-2.20	10.37	-0.37	10.20	4.70	3.82
Singapore	2.75	-4.58	-3.68	1.33	-6.44	1.52	3.45	2.41
Thailand	2.32	-4.72	-4.92	-9.38	-21.89	-13.75	2.98	2.32
Malaysia	3.83	0.08	-3.04	1.11	-2.72	2.54	4.01	3.69
Indonesia	6.87	-0.52	0.23	3.84	3.59	5.90	7.27	6.43

Currencies (vs USD)	Latest	1 week Change	1 Month Ago	3 Months ago	1 Year Ago	YTD	52 week high	52 week low
Developed Markets								
EUR	0.21	1.52	-2.25	-4.53	-3.58	-4.18	1.12	1.04
GBP	0.39	1.64	-2.14	-3.27	0.34	0.06	1.34	1.23
CHF	-0.22	-1.43	1.60	3.98	0.80	4.68	0.92	0.84
JPY	-1.18	-3.22	-2.35	3.29	1.70	6.16	161.68	140.60
Asia								
CNY	-0.02	-0.04	1.57	2.04	1.58	2.04	7.28	7.01
HKD	-0.02	-0.03	0.14	-0.20	-0.29	-0.34	7.84	7.76
INR	0.13	0.16	0.61	0.81	1.45	1.65	84.56	82.71
MYR	-0.09	-0.56	1.58	3.06	-4.51	-3.27	4.80	4.12
KRW	0.07	-0.55	0.83	4.61	8.02	7.75	1,405.80	1,288.65
SGD	-0.25	-0.56	1.13	2.77	0.44	1.49	1.37	1.28
TWD	-0.34	-0.37	1.15	1.79	3.71	5.73	32.85	30.68
IDR	-0.16	-0.19	0.54	2.79	2.92	2.89	16,445.00	15,095.00

	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
Bond Indices								
Bloomberg Global Aggregate USD	94.87	1.02	0.76	-0.14	3.30	0.64	96.21	91.49
Bloomberg U.S. Aggregate USD	92.20	1.34	0.69	-1.13	3.82	0.55	94.86	87.88

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### Sources

**Page 2 (top chart):** Eastspring Investments, Refinitiv, as at 29 November 2024. Equities: using MSCI indices in USD, United States is using the S&P 500. Corporate Bonds: using ICE BofA indices in USD. Government Bonds: using the FTSE Global Sovereign Bond index, in USD. Gold is London Bullion Market US Dollar per Metric Tonne. DXY is US Dollar Index.

**Page 2 (remaining charts):** Eastspring Investments, Refinitiv, as at the end of the prior week, rebased to 100 as at 1 year ago. Equities: MSCI indices, in USD. Corporate Bonds: using Bloomberg indices in USD. Government Bonds: using ICE BofA US 10 Year US Treasury and ICE BofA 7-10 Year Euro Government indices. Commodities: Gold is London Bullion Market US Dollar per Metric Tonne Ounce. Copper is LME Copper Grade A Cash US Dollar per Metric Tonne. Oil is Crude Oil WTI Spot Cushing US Dollar per Barrel. US Dollar is US Dollar Index.

**Page 3:** Eastspring Investments, Refinitiv, as at 29 November 2024. Equities: MSCI indices in USD, other indices in local currency. Other indices or assets as stated.

Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes/sector. The historical performance or forecast presented in this slide is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund.



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