MARKET SCREENING

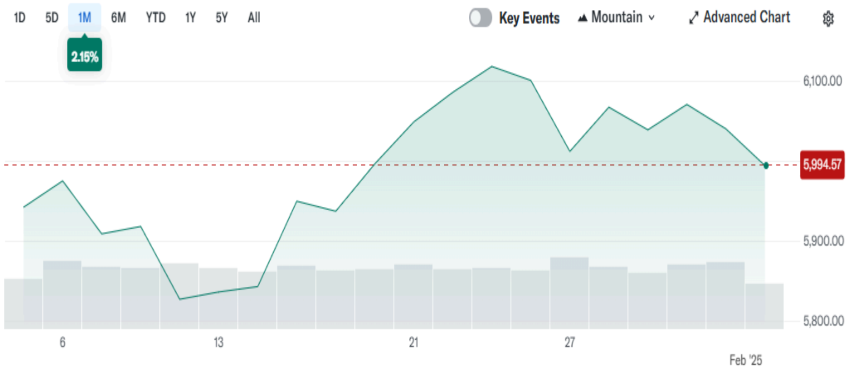
15TH - 31ST JANUARY, 2025

ITIC

MARKET SCREENING: USA

15th - 31st January, 2025

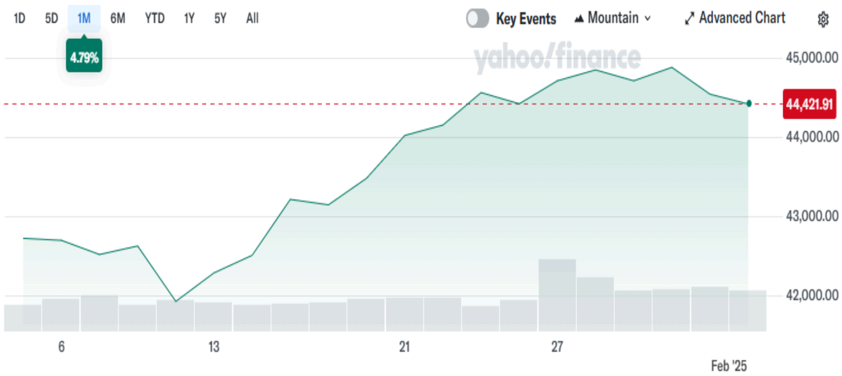
S&P 500



The S&P 500 index opened on January 15th at 5,905.21 and increased to 6,040.53 by January 31st. This represents a 2.3% increase over the two-week period. The S&P 500 faced turbulence on January 27, reacting to the launch of China's open-source AI model, "Deep Seek," which pressured the technology sector. However, the index quickly recovered, supported by strong earnings reports that helped offset losses.

On January 31, sentiment weakened again after the White House announced new tariffs in Canada, Mexico, and China, causing the market to turn lower despite solid corporate earnings. While volatility persisted, the S&P 500 remained resilient, with investors looking ahead to February's earnings in a further direction. However, these new tariffs implemented by Trump could have a significant impact on the index. Given the S&P 500's broad exposure across various sectors, it remains highly sensitive to policy changes, which could drive market movements in either direction.

Dow Jones Industrial Average



The Dow Jones Industrial Average (DJIA) index opened on January 15th at 42,927.76 and increased to 44,544.66 by January 31st. This represents a 3.77% increase over the two-week period, driven primarily by the strong performance of its constituent companies. This upward momentum was largely fueled by the release of the first earnings reports of 2025, which exceeded market expectations. Additionally, the inauguration of Donald Trump on January 20 had a significant impact on investor sentiment, contributing to an increase in the index value.

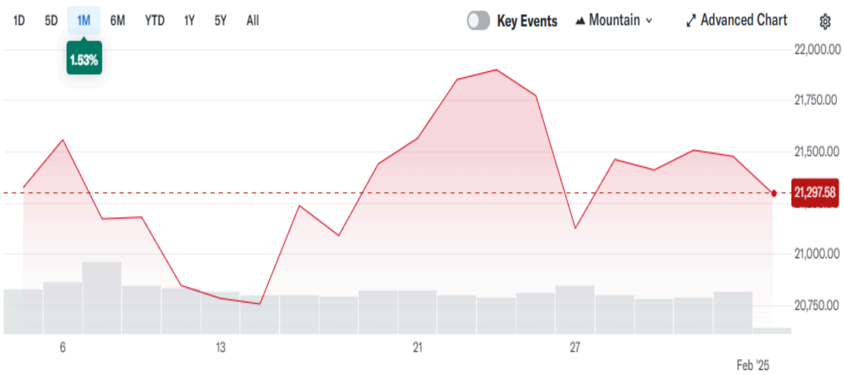
Among the standout performers was Visa, which recorded an 8.1% increase. This surge was driven by heightened investor optimism leading up to the company's earnings announcement on January 31, where Visa surpassed expectations with robust financial results.

Several other blue-chip stocks also delivered strong performances, further propelling the DJIA. JPMorgan Chase saw a 6% gain, Walmart advanced 7.5%, Boeing increased 6.2%, and Amazon climbed 6.4%. These gains helped counterbalance the decline in Nvidia, which faced downward pressure during this period.

On the final trading day of the month, The White House announced that Trump's tariffs on Canada, Mexico, and China will take effect on Saturday, leading to a decline in the Dow Jones Industrial Average.

As a result of this strong market performance from January 15 to January 31, the Dow Jones is approaching its record high, last reached in December 2024.

Nasdaq 100



The Nasdaq-100 index opened on January 15th at 21,067.80 and increased to 21,478.05 by January 31st. This represents a 1.95% increase over the two-week period. The most significant event during this period was the 3% decline on January 27, marking the largest single-day drop since December 18. This downturn was primarily driven by the release of China's open-source AI model, "Deep Seek", which had a substantial impact on technology companies, particularly semiconductor manufacturers. Given that the Nasdaq-100 is heavily weighted toward innovation and technology stocks, it was the index most affected by this development.

Despite this setback, the index recovered, supported by a strong earnings season and inflation data that aligned with the analyst's expectations. These factors helped drive a recovery, offsetting the earlier losses and maintaining investor confidence.

A key milestone during this period was the 40th anniversary of the Nasdaq-100 on January 31, 2025. As the world's leading large-cap growth benchmark, the index has consistently played a pivotal role in shaping the global investment landscape. Since its inception on January 31, 1985, the Nasdaq-100 has redefined innovation, and today, over $500 billion in investment products are linked to the NDX® ecosystem worldwide.

With the earnings season continuing into February, investors remain focused on whether corporate results will sustain the index's momentum and drive it toward new highs.

Major Events Influencing Markets

The second half of January was marked by significant events that shaped market sentiment and influenced the broader economy.

The release of the first corporate earnings reports of 2025 played a central role in market movements, providing insight into business performance and economic conditions. Strong earnings from major companies reassured investors, fueling optimism about corporate resilience despite ongoing macroeconomic uncertainties.

On January 20, Donald Trump was officially inaugurated as President of the United States, an event that brought increased speculation about upcoming economic policies. Markets reacted with optimism to expectations of pro-business measures, including potential tax cuts and deregulation, which many investors believe could stimulate growth.

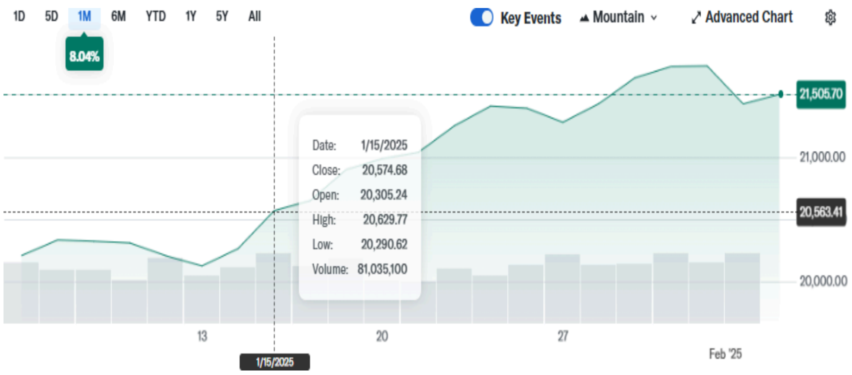
Global technology competition took center stage on January 27, when China unveiled its open-source AI model, "Deep Seek." The release of such an advanced model raised concerns over market positioning and technological dominance, particularly in the artificial intelligence and semiconductor industries. This development signaled a new era of global competition in AI.

As the month ended, market sentiment was further impacted by the White House’s announcement on January 31 that new tariffs on Canada, Mexico, and China would take effect on Saturday. The prospect of heightened trade tensions introduced fresh concerns, as tariffs have the potential to disrupt supply chains, increase production costs, and influence consumer prices.

MARKET SCREENING: Europe

15th - 31st January, 2025

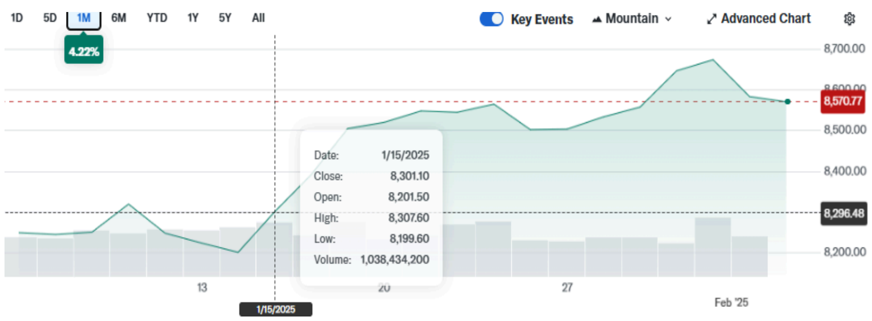
DAX



The DAX following a more balanced trend than the two previous Indexes started January 3rd at 20028.40 and ended 21732.05 on the 31st. Continuing its steady growth since the big fall in August, it was able to withstand the Trump election in a strong manner.

The bearish effects of both the anticipation of the press release on the U.S. CPI for December and the tech-sell at the end of January were both softened when compared to the EURO STOXX 50 and the FTSE 100. From 9th to the 13th the Index fell from 20317.10 to 20132.85, and from the 23rd to the 27th from 24411.53 to 21282.18. Overall, it continues the European trend for a Bullish January. Showing that trough the political uncertainties caused by the increased volatility of the American President, and other economic political events, the European market can grow.

FTSE 100



Similarly to the EURO STOXX 50, After the decline of the Index in the second half of December, the FTSE 100 started January 3rd at 8260.10 and ended 8674.00 on the 31st. This 5% increase translates into the Index recovery to values higher than those pre-Trump.

The first days of the month showed stagnation, closing at 8251.00 on the 8th, although in the next day the 9th it hit a small spike, caused by the rise of the mining and healthcare sectors, resulting in a close price of 8319.70.

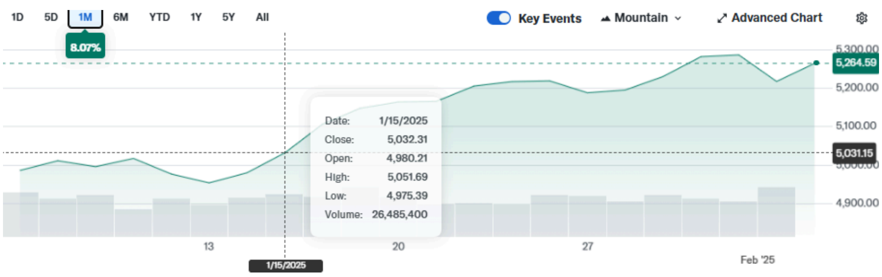
The main bearish period was, once again, registered in the next few days from the 9th to the 13th, related to the pessimistic expectations of the U.S. CPI for the month of December which led to a decrease of the Index to 8201.50.

The positive news caused the European shares to log its best day in the four months as the Index soared to 8565.20 on the 23rd. Resulting in an increase of around 350 points in less than one week.

A small decrease on the 27th is also present as the Chinese AI model Deepseek sparked a global tech sell-off. The Index fell to 8502.40 and recovered in a slower rhythm when compared to the EURO STOXX 50, remaining constant through the 28th, recovering ever so slightly on the 29th, and finally jumping on the last two days to its final values.

Euro Stoxx 50

After the decline of the Index in the second half of December, the EURO STOXX 50 started January 3rd at 4915.54 and ended 5286.87 on the 31st. Presenting an overall bullish month, finally recovering to values higher than those pre-Trump.



The first days of the month showed a strong increase after the weekend of 4th and 5th of January, closing at 4986.64 on the 6th, although in the next three days the Index stagnated around the 5000 mark.

The main bearish period registered in January was in the next few days from the 9th to the 13th, as negative expectations for the release of the U.S. CPI release for the month of December resulted in a decrease of the Index to 4954.21.

The news of a lower-than-expected level of Inflation level is the reason for the ensuing increase in the Index from the 13th all the way through the 27th. As the EURO STOXX 50 reached a high of 5219.37.

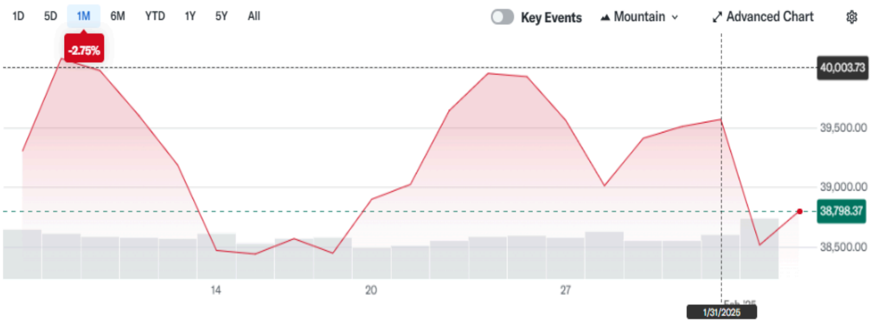
The second, smaller decrease in this month was seen on the 27th and was caused by cheaper Chinese AI model Deepseek as it sparked a global tech sell-off. The Index fell to 5188.45 before resuming its increase until it reached its final value on the 31st.

MARKET SCREENING: Asia

15th - 31st January, 2025

NIKKEI-225

From January 15 to January 31, 2025, the Nikkei 225 Index exhibited notable fluctuations, reflecting a combination of investor optimism, profit-taking, and external market influences. The index started the period at 38,474.30 and experienced both upward momentum and corrective declines, underscoring the volatility in global equities.



On January 15, the index closed at 38,444.58, marking a marginal decline of 0.08%. Early gains driven by strength in Wall Street's tech sector were offset by cautious sentiment among investors awaiting key economic data. In the following days, the Nikkei 225 advanced, supported by strong earnings reports from major Japanese corporations and a positive outlook on U.S. interest rates.

However, the rally was interrupted on January 20, when the index declined by 1.05% to close at 39,190.40. This drop was largely attributed to profit-taking after several days of gains and concerns about potential policy shifts by the Bank of Japan. Despite this setback, the index rebounded in subsequent sessions, buoyed by renewed investor confidence and stability in the global markets.

Toward the end of the month, the Nikkei 225 saw mixed performance. While strong corporate earnings and optimism surrounding AI-driven technology stocks provided some support, global economic concerns and fluctuations in the semiconductor sector weighed on sentiment. As a result, the index edged lower in the final days, closing at 38,444.58 on January 31, as cautious investors reassessed risks.

Throughout this period, the Nikkei 225 oscillated between gains and losses, reflecting the delicate balance between corporate optimism and broader market uncertainties. Investor focus remained on monetary policy developments, corporate earnings, and external economic factors, which played a crucial role in shaping market movements.

SSE Composite

FFrom January 15 to January 31, 2025, the SSE Composite Index experienced notable fluctuations, reflecting mixed investor sentiment and significant market volatility. Starting at 3,275.58 on January 15, it closed at 3,272.01, down by 0.24%.

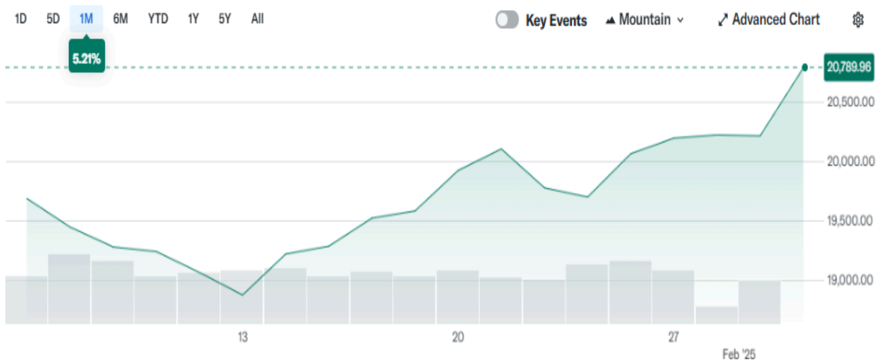
The index rebounded with a 1.17% gain, influenced by U.S. stocks rallying due to favorable CPI data. It then climbed 2.32%, driven by broad sectoral gains. The rally slowed with a 0.09% dip following profit-taking. Positive sentiment lifted the index by 2.57%, buoyed by activity in energy and tech sectors.

However, the upward momentum was interrupted with a 0.53% loss after China's stock market showed a downward trend, with the SSE Composite dropping 0.44%. A slight recovery saw a 0.51% gain, but it fell by 1.39% due to renewed investor caution. A modest recovery followed with a 0.51% increase.

Policy tightening concerns caused a 1.73% drop. The period concluded with a 1.45% decrease as investor confidence weakened, aligning with China's major indices sliding, the SSE Composite falling 0.44% and Shenzhen 0.88%.

HKSE

The HKSE saw a significant increase of nearly 20%, outperforming European markets. This growth was driven by stimulus measures announced by the Chinese government to restore investor confidence and strengthen the financial sector.



However, the market also faced challenges. In January 2025, Chinese and Hong Kong stocks declined following statements from the U.S. president about potential new tariffs on Chinese imports. The Hang Seng dropped by 1.6%, ending its streak of gains.

To stabilize the markets, the Chinese government mandated that mutual funds and pension funds significantly increase their investments in local stocks. Starting this year, mutual funds must raise their equity holdings by at least 10% annually over the next three years, while commercial insurance funds must allocate 30% of new premium revenue to the stock market. This initiative aims to inject long-term investments and strengthen the capital markets.

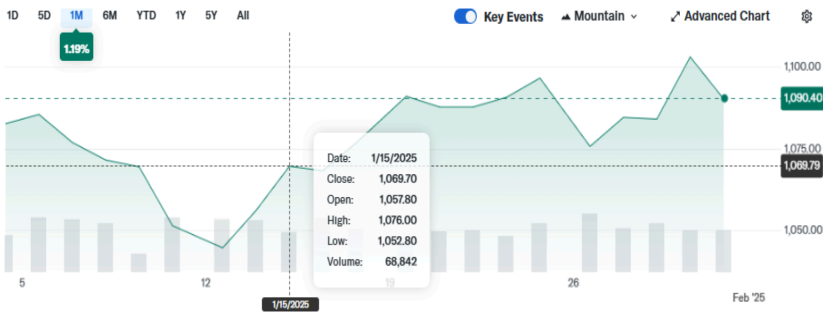
These developments highlight how the Hang Seng Index's performance is influenced by both domestic policies and external factors.

MARKET SCREENING: Emerging Markets and Global Markets

15th - 31st January, 2025

MSCI Emerging Markets Index

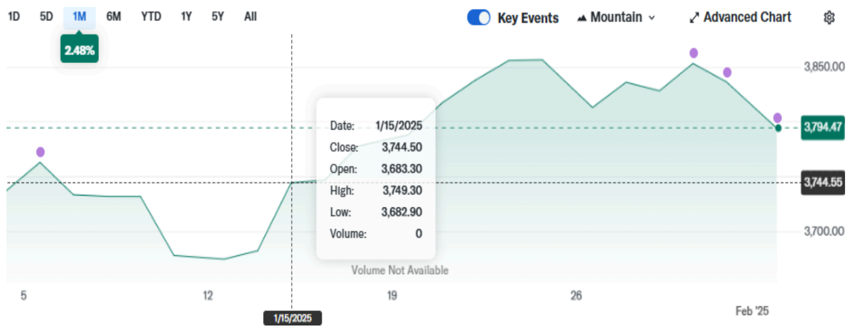
In the period between January 15 and January 31, 2025, the general trend of the MSCI Emerging Markets Index was upward. From 1,055.80 on January 15, it went up to about 1,093.36 on January 31, representing an increase of about 3.6% over the period.



This has been in emerging market equity flows, however, driven largely by investor sentiment over the probability of rate cuts from key central banks, evolving global investment strategies, and evolving economic landscapes among some key emerging markets. At the same time, emerging market equity funds posted outflows for a 12th successive week, while their bond counterparts reported inflows for the fourth straight week, pointing to cautiously optimistic sentiment toward the asset class.

MSCI World Index

In the same period, the MSCI World Index had shown a positive turn. From a closing of 3,744.47 on January 15, the index went up to 3,813.33 on January 31, thus representing about a 1.8% increase.



This upward trajectory is in tandem with the broad global market, which was sparked by optimism among investors expecting a probable interest rate cut by major central banks, strong corporate earnings reports, and positive economic indicators from developed markets. The MSCI World Index, covering large- and mid-cap representation across 23 developed markets, is a broad gauge of global equity performance.

On the whole, in the second half of January 2025, emerging and global markets continued to record positives, led by European equities, while emerging markets were resilient amid global economic changes.

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