

JULY 28, 2025



PHILEQUITY CORNER

By Wilson Sy

Record after record

US stocks registered their fifth consecutive record weekly close, continuing their relentless climb to new highs. The Nasdaq Composite ended Friday at 21,108.32, marking its 15th record close of the year. The S&P 500 finished at 6,388.64, its 14th record close of 2025. All three major averages posted gains for the week. Notably, the S&P 500 had a perfect week, rising every single trading day.

Global markets catch up

The rally extended globally, with the MSCI All-Country World Index gaining 1.6 percent last week to reach fresh records. International markets outperformed the US as ACWI ex-US surged by two percent to its own all-time high. This was powered by strong gains in European and north-Asian equities. After trailing in the months following President Trump's election, global markets have now caught up.



The Art of the Deal

Trump's "escalate to de-escalate" tactics, rooted in his Art of the Deal playbook, initially unsettled markets that triggered a sharp selloff early this year. But as trade agreements materialized and investors began to view his unorthodox and unreasonable announcements as a negotiating tactic (not a full-blown trade war), sentiment shifted. Japan's Nikkei, for example, surged by 5.3 percent last Wednesday after securing a tariff reduction to 15 percent from 27.5 percent.

Europe leads but US rebounds sharply

Among major markets, Europe has outperformed in 2025, led by Spain, Germany and Italy. Gains have been further amplified in US dollar terms, as the euro has strengthened by 10.2 percent year-to-date against the greenback. Meanwhile, US markets have rebounded sharply since April 2 - dubbed "Liberation Day" following Trump's sweeping tariff announcement.

Since then, US equities have staged a strong recovery fueled by resilient corporate earnings, easing trade fears and continued enthusiasm over AI-led growth. Nvidia has led the US rally, doubling from its low of 86.62 to close at 173.50 last Friday, highlighting the strength of AI-led momentum.

Below are tables showing equity performance since April 2 (Liberation Day) and year-to-date

	Local	Local	in USD	in USD
Major Markets	ytd 2025	since 4/2/2025	ytd 2025	since 4/2/2025
Spain	23.0%	6.8%	39.5%	15.6%
Germany	22.0%	8.5%	38.5%	17.5%
Italy	18.8%	5.6%	34.8%	14.3%
UK	11.8%	6.2%	20.7%	10.3%
Canada	10.7%	8.2%	16.7%	12.9%
US (Nasdaq)	9.0%	19.6%	9.0%	19.6%
US (S&P 500)	8.2%	12.2%	8.2%	12.2%
Australia	6.7%	9.8%	13.7%	14.8%
France	5.9%	-0.5%	20.2%	7.7%
US (Dow Jones index)	5.1%	5.8%	5.1%	5.8%
Japan	4.8%	17.1%	12.1%	18.9%

Mixed results in Asia

In Asia, South Korea, Hong Kong and Vietnam have led the charge with gains of 20 to 30 percent. In contrast, the Philippines, Malaysia and Thailand have lagged. Thailand, currently embroiled in domestic political problems and an armed border conflict with Cambodia, is the region's worst performer.

	Local	Local	in USD	in USD
Asian EM	ytd 2025	since 4/2/2025	ytd 2025	since 4/2/2025
South Korea	33.0%	27.3%	43.3%	35.7%
Hong Kong	28.0%	10.6%	26.6%	9.7%
Vietnam	20.1%	15.4%	17.1%	13.2%
Singapore	12.8%	8.1%	20.6%	13.8%
China (SHCOMP)	7.6%	7.6%	9.8%	9.3%
Indonesia	6.4%	15.7%	5.3%	18.6%
India	5.2%	7.3%	4.2%	6.1%
Taiwan	1.5%	9.7%	13.4%	24.0%
Philippines	-1.3%	3.1%	1.0%	4.1%
Malaysia	-6.2%	0.9%	-0.5%	6.6%
Thailand	-13.4%	3.4%	-7.8%	9.9%



Meme stock resurgence

Retail traders returned to the spotlight last week as meme stocks staged explosive rallies before quickly pulling back. Opendoor Technologies, Krispy Kreme and GoPro each saw gains of more than 100 percent within a day or two, driven by frenzied buying from retail traders. The surge was fueled by renewed buzz on social media forums like Reddit, where retail traders exchanged ideas and hyped speculative plays.

We've written about this retail-driven phenomenon before - in Robinhood rattles markets (Feb. 8, 2021) and Reddit army targets silver (Feb. 15, 2021). Its return today signals that momentum, sentiment and exuberance are once again in the driver's seat. Back in February 2021, when exuberance reached its peak, the Nasdaq topped out at 14,175 and pulled back by 12.6 percent in three weeks before resuming its uptrend.

As markets soar, caution warranted

As markets continue to push higher, signs of excess are emerging. Risk appetite has surged with money rotating into laggards, speculative plays and stocks with questionable fundamentals. With major indices setting record after record, traders are growing increasingly euphoric - chasing momentum, ignoring valuations and piling into frothy names. It's a classic setup for a pullback. As markets soar, caution is warranted.