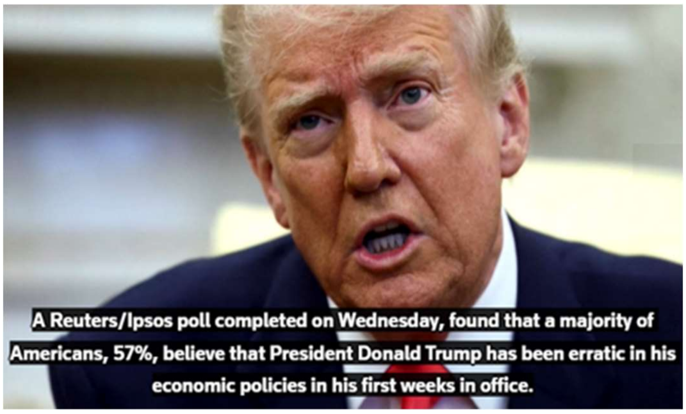
NEW DIMENSIONS CAPITAL

WEEKLY BULLETIN March 2025: Issue #2

Quote of the Week.

"Fear is often our immediate response to uncertainty."

US stocks are under pressure as fresh fears over tariffs resurface. According to a new Harris Poll conducted in early March, a growing number of Americans—90% of Democrats and 57% of Republicans—are increasingly worried about the economic impact of tariffs. Concerns are rising that the renewed trade war rhetoric could reignite inflation and tip the US economy into a recession. This marks a sharp shift in sentiment: just two months ago, only 61% expressed tariff-related concerns. Now, with the White House floating the idea of "reciprocal" tariffs on all imports, including goods from close allies like Canada and Mexico, markets are on edge.


A Reuters/Ipsos poll completed on Wednesday, found that a majority of Americans, 57%, believe that President Donald Trump has been erratic in his economic policies in his first weeks in office.

Historically, tariffs are meant to protect domestic industries. But unless the US can produce everything locally—an unrealistic goal in today's interconnected supply chains—the costs will likely boomerang back in the form of higher consumer prices, disrupted supply chains, and retaliatory tariffs.

While the Trump administration argues that this policy could revive domestic manufacturing and boost wages, even Commerce Secretary Howard Lutnick admitted last week that a recession is "possible" but would be "worth it."

That's a hard sell. The same poll shows that 66% of Americans believe it could take years for the economy to recover from Trump-era tariffs.

Investment Implication

Markets hate uncertainty—and tariffs are one of the most unpredictable tools of economic policy. With inflation still lurking and rate cuts on the horizon, the re-emergence of trade war headlines could inject volatility into equities, especially sectors dependent on global supply chains (e.g., autos, electronics, retail). Investors may consider rotating into defensive sectors, quality dividend names, or even revisiting US exporters with pricing power if retaliatory tariffs don't escalate too far. Stay vigilant, I believe Wall Street my need Fed to rescue the bottom

Last Week 's Notable Events.

US Economy/Politics

- US CPI 2.8% vs estimates of 2.9% - 12th Mar
- Many Americans see Trump's actions on economy as too erratic, Reuters/Ipsos poll finds – 13th Mar
- Consumer sentiment slumps in March to lowest since 2022 as Trump tariffs spark more inflation worries – 14th Mar

Europe Economy/Politics

- American's allies hit back as Trump imposes 25% tariffs on steel and aluminium imports – 11th Mar
- Trump threatens 200% tariff on alcohol from EU countries – 12th Mar

Asia Pacific Economy/Equity

- Indonesia, Vietnam upgrade ties in face of US tariff risks – 11th Mar
- Trump tariff threats cast shadow over Penang's booming semiconductor industry – 15th Mar
- China announces plan to 'vigorously' boost consumption in bid to shore up economy – 16th Mar

Weekly Data Monitor

Weekly chart:

- US equities fell on second week of March as Trump tariff fear spreads within America.
- Gold prices surpass $3,000 an ounce record.
- Oil prices dip as global recession fear increase along with Trump tariffs.

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

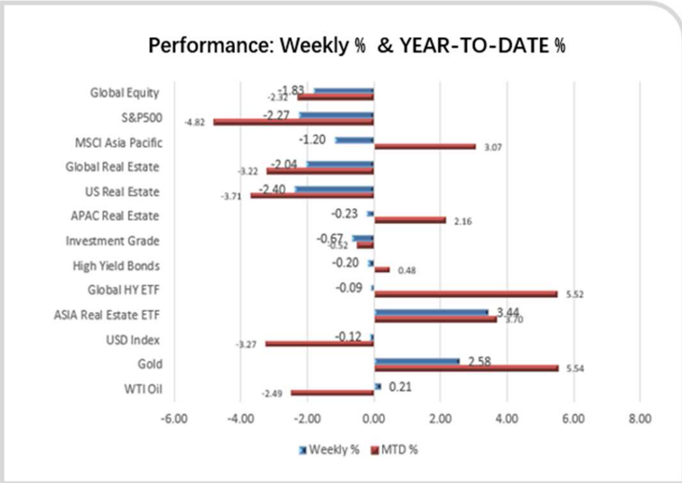


Chart of the Week

This week, we highlight the strong rebound in Chinese bank shares, with China Construction Bank (CCB, 939 HK) leading the way. From January 2024 to now, CCB has delivered a 53% return, defying persistent scepticism about China's economic outlook. Despite repeated bearish calls from Wall Street—often focused on property sector woes and slowing growth—China's policy direction has remained consistent. Authorities continue to pledge support for domestic businesses, with the People's Bank of China actively backing bank lending to stimulate real economic activity.

With China's middle class projected to grow to 707 million, banks are set to play a crucial role in financing consumption, infrastructure, and broader national development goals. Key names like CCB and ICBC (1398 HK) are positioned to benefit directly from these long-term structural trends. For investors, any pullback in these bank stocks—or even HSBC HK, given its China exposure—may offer attractive entry points, especially with dividend yields remaining compelling. That said, patience is key as China navigates the complex dynamics of US-China trade tensions and retools its economic strategy for sustained growth.