

# Morning Coffee News (Asia)

2 July 2025

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## Top News\* Japan's Trade Strategy Tested as Trump Pushes for Quick Deals

Japan's efforts to maintain a steady, friendly approach to trade negotiations are being tested as President Donald Trump ramps up pressure for a deal ahead of a looming tariff deadline.

With higher US tariffs set to take effect on July 9, Tokyo's cautious strategy has yet to deliver a breakthrough, raising the risk that it could become an easy target in the Trump administration's push for fast wins.

Unlike China, which has taken a more retaliatory stance to US pressure, Japan remains dependent on Washington for trade and security, leaving Tokyo with little appetite for direct confrontation. Instead, chief trade negotiator Ryosei Akazawa is likely to stick to his playbook of keeping talks frequent, polite and firm, not wanting to risk a bad deal with a national vote looming on July 20.

Trump has stepped up his rhetoric. He suggested Monday that across-the-board tariffs could end up much higher than the 24% penciled in for Japan on July 9.

Japan's pitch to Washington has centered on jobs and investment, especially in the auto industry. Ishiba's team is pushing to reduce a steep 25% tariff on Japanese cars and lower the planned across-the-board duties from 24% set to take effect on July 9. Tokyo is also offering cooperation on shipbuilding and increased spending on US semiconductors and liquefied natural gas as sweeteners.

## Market News APAC

- Qantas Airways Ltd. expects that a "significant" amount of customer data was stolen by a cyberattack targeting one of its contact centers. Australia's biggest airline is investigating how criminals gained access to a third-party platform used by the call center that held the service records of some six million customers, it said in a statement Wednesday. An initial review confirmed the stolen data included some customers' names, email addresses, phone numbers, birth dates and frequent flyer numbers. Credit card details, personal financial information and passport details aren't held in the system. The system is now contained, with no impact to the airline's operations or safety, according to the statement. All Qantas systems remain secure, the carrier said.
- A seasonal lift for Asian equities in July may be hard to come by this year due to tariff and macroeconomic concerns dampening sentiment. Investors are holding back on fresh allocations to emerging Asia due to uncertainty over trade negotiations and potential tariff rate increases. Even if trade deals materialize, some levels of tariffs are likely to stay, which would be a drag on the region's export-led economies, and central banks in Asia have lowered their growth outlooks for the year.

Indices Asia	Last	Change	YTD
Nikkei225	39612.81	-0.93%	-0.71%
KOSPI Comp	3043.52	-1.49%	26.86%
S&P/ASX200	8551.00	0.12%	4.80%
Hang Seng	24188.33	0.48%	20.64%
Shanghai Comp.	3449.68	-0.23%	2.90%
TWSE Taiwan	22470.09	-0.37%	-2.62%
MSCI Singapore	1900.11	-0.78%	9.16%
MSCI Malaysia	482.60	0.40%	-7.25%
JCI Indonesia*	6897.26	-0.26%	-2.61%
SET Thailand*	1110.01	1.88%	-20.73%
PCOMP Philippines*	6398.37	-0.40%	-2.02%
VN-Index*	1377.84	0.13%	8.77%
Sensex India*	83697.29	0.11%	7.11%

\*as of yesterday

Indices USA	Yesterday	Change	YTD
DJIA	44494.94	0.91%	4.59%
S&P500	6198.01	-0.11%	5.38%
Nasdaq100	22478.14	-0.89%	6.98%
VIX	16.83	0.60%	-3.00%

Indices Europe	Yesterday	Change	YTD
EuroStoxx50	5282.43	-0.39%	7.89%
SMI	11963.31	0.35%	3.12%
DAX	23673.29	-0.99%	18.91%
MSCI UK	10184.01	0.41%	19.75%
CAC40	7662.59	-0.04%	3.82%

Currencies	Last	Change	YTD
USD/CHF	0.7914	0.04%	14.66%
EUR/USD	1.1793	-0.11%	13.90%
GBP/USD	1.3738	-0.06%	9.76%
USD/JPY	143.6900	0.19%	9.41%
AUD/USD	0.6568	-0.23%	6.16%
NZD/USD	0.6093	-0.10%	8.94%
USD/KRW	1363.4500	0.41%	7.95%
USD/HKD	7.8498	0.00%	-1.03%
USD/SGD	1.2739	0.09%	7.21%
USD/THB	32.4950	0.20%	4.92%
USD/IDR	16211.5000	0.09%	-0.68%
USD/INR	85.5375	-0.25%	0.08%
USD/PHP	56.3530	0.03%	2.64%
USD/TWD	29.1670	-0.01%	12.43%
USD/CNH	7.1645	0.05%	2.42%

Treasury	Yield	Change	YTD
US10Y	4.25	0.01%	-7.08%
EUR10Y	#N/A	N/A	#VALUE!
JGB10Y	1.42	0.03%	30.46%
AUD10Y	4.15	0.03%	-4.94%
NZD10Y	4.49	0.01%	0.04%
CNY10Y	1.64	0.00%	N.A.

Commodities	Last	Change	YTD
Gold	3331.92	-0.21%	26.95%
Silver	36.06	0.07%	24.78%
Brent Crude Oil	67.15	0.06%	-7.55%

Singapore Time: 10:02:12 AM

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### What to Watch\*

- SoftBank's Ampere Deal Now Faces a More In-Depth Review by FTC
- China Vows to Curb Intense Competition, Build Unified Market
- China Urged to Embrace Stablecoins as US Moves to Cement Lead
- RBI Panel Likely to Recommend India Retains 4% Inflation Target
- Shadow Lender HDB Set to Debut After Biggest Indian IPO of 2025
- Australian Retail Sales Miss Estimates, Adding to Rate-Cut Case
- Domino's Australia Shares Drop as CEO of One Year Plans Exit
- New 'Squid Game' Season Breaks Netflix Records in Win for Korea
- Thai Leader's Suspension Deals Fresh Blow to Battered Economy
- Binance to Keep Hundreds of Staff in Singapore Despite Crackdown

### Market News EU & US

- Wall Street's largest lenders boosted their dividends after passing this year's Federal Reserve stress tests, a hurdle that regulators made easier to clear by softening some of the requirements laid out in previous years. JPMorgan Chase & Co., Goldman Sachs Group Inc. and Bank of America Corp. were among firms that raised quarterly payouts after the Fed's annual review last week showed that all 22 banks examined would maintain enough capital to withstand a hypothetical economic downturn. Citigroup Inc., Wells Fargo & Co. and Morgan Stanley, as well as several other large lenders, also boosted their dividends. In addition, JPMorgan's board authorized a \$50 billion share buyback, and Morgan Stanley reauthorized a multiyear share repurchase program of up to \$20 billion, with no expiration date. The Fed's exam – a product of the 2008 financial crisis – tends to set the tone for how aggressive banks are in returning capital to shareholders through dividends and buybacks. It requires banks to consider hypothetical crisis scenarios and estimate the losses they might face based on their books of business. The scenario in this year's tests led to lower loan losses in a less severe scenario, due to the mild slowing of the US economy in 2024, among other factors. The results were

also affected by lower private equity losses and higher net revenue. The Fed announced last year that it planned to make changes to its process, and in April unveiled a proposal to average results over two years when setting capital requirements. Fed Vice Chair for Supervision Michelle Bowman has said that potential changes would help the agency address the "excessive volatility in the stress test results and corresponding capital requirements." In that same vein, the Fed also unveiled plans to decrease what's called the enhanced supplementary leverage ratio, which requires banks to hold a certain amount of capital relative to their assets.

- Federal Reserve Chair Jerome Powell stated that the US central bank probably would have cut rates further this year absent President Donald Trump's expanded use of tariffs. Powell said the Fed is waiting to see the effects of the tariffs, which are expected to show up in inflation data in coming months, and will make decisions on a meeting-by-meeting basis. Powell declined to rule out a rate cut as soon as the Fed's meeting on July 29-30, and said the Fed is prepared to learn if the impact of tariffs is "higher or lower, or later or sooner than we expected."

### Overnight News

- Trump's Tax Bill Passes US Senate as Republicans Notch Major Win
- Gold Holds Gains as Trump Tax Bill Stokes US Deficit Concerns
- Oil Holds Gain With Middle East Tensions, US Stockpiles in Focus
- Last-Minute Twist on xAI Deal Adds Banks Beyond Morgan Stanley
- Bezos Unloads \$737 Million of Amazon Stock in Year's First Sale
- Trump Says He'll Have to 'Take a Look' at Deporting Musk

### Earnings Releases (Source: Bloomberg)

- Daiseki Co. (9793 JP)

### Rating Changes (Source: Bloomberg)

- Corporate Travel Cut to Hold at Jefferies; PT A\$14.20
- QBE Insurance Cut to Neutral at Macquarie; PT A\$23
- Zip Co. Cut to Underperform at Jefferies; PT A\$2.10
- Kyoritsu Maintenance Raised to Overweight at Morgan Stanley
- Bumi Serpong Raised to Buy at Maybank; PT IDR1,050

**Key Economic Event for this Asia-Pacific Week (Last Updated on 30 June 2025)**

Time	SG/Country	Event	For	Survey	Prior
<b>Monday, 30 June 2025</b>					
13:00	JN	Tokyo Condominiums for Sale YoY	May	--	0.035
6:45	NZ	Filled Jobs SA MoM	May	--	-0.001
7:50	JN	Industrial Production MoM	May P	0.035	-0.011
7:50	JN	Industrial Production YoY	May P	0.016	0.005
9:00	NZ	ANZ Activity Outlook	Jun	--	34.8
9:00	NZ	ANZ Business Confidence	Jun	--	36.6
9:00	AU	Melbourne Institute Inflation MoM	Jun	--	-0.004
9:00	AU	Melbourne Institute Inflation YoY	Jun	--	0.026
9:30	CH	Manufacturing PMI	Jun	49.6	49.5
9:30	CH	Non-manufacturing PMI	Jun	50.3	50.3
9:30	CH	Composite PMI	Jun	--	50.4
9:30	AU	Private Sector Credit MoM	May	0.006	0.007
9:30	AU	Private Sector Credit YoY	May	--	0.067
10:00	SI	Money Supply M1 YoY	May	--	0.094
10:00	SI	Money Supply M2 YoY	May	--	0.064
10:00	SI	Deposits and Balances of Residents Outside Singapore	May	--	629.1b
12:00	TH	Mfg Production Index ISIC NSA YoY	May	0.019	0.0217
12:00	TH	Capacity Utilization ISIC	May	--	56.51
13:00	JN	Housing Starts YoY	May	-0.146	-0.266
13:00	JN	Annualized Housing Starts	May	0.723m	0.626m
15:00	TH	BoP Current Account Balance	May	\$340m	-\$1545m
15:30	TH	Exports YoY	May	--	0.099
15:30	TH	Exports	May	--	\$25022m
15:30	TH	Imports YoY	May	--	0.173
15:30	TH	Imports	May	--	\$26419m
15:30	TH	Trade Balance	May	--	-\$1398m
15:30	TH	BoP Overall Balance	May	--	\$3411m
16:30	HK	Money Supply M1 HKD YoY	May	--	0.055
16:30	HK	Money Supply M2 HKD YoY	May	--	0.065
16:30	HK	Money Supply M3 HKD YoY	May	--	0.066
22:01	AU	Cotality Home Value MoM	Jun	--	0.005
<b>Tuesday, 1 July 2025</b>					
<b>(Exchange Holiday: Hong Kong)</b>					
12:00	MA	CPI YoY	May	0.014	0.014
6:45	NZ	Building Permits MoM	May	--	-0.156
7:00	AU	S&P Global Australia PMI Mfg	Jun F	--	51
7:50	JN	Tankan Large Mfg Index	2Q	10	12
7:50	JN	Tankan Large Mfg Outlook	2Q	9	12

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7:50	JN	Tankan Large Non-Mfg Index	2Q	34	35
7:50	JN	Tankan Large Non-Mfg Outlook	2Q	29	28
7:50	JN	Tankan Large All Industry Capex Estimate FY	2Q	0.1	0.031
7:50	JN	Tankan Small Mfg Index	2Q	0	2
7:50	JN	Tankan Small Mfg Outlook	2Q	-3	-1
7:50	JN	Tankan Small Non-Mfg Index	2Q	15	16
7:50	JN	Tankan Small Non-Mfg Outlook	2Q	9	9
8:30	SI	URA Private Home Prices QoQ	2Q P	--	0.008
8:30	ID	S&P Global Indonesia PMI Mfg	Jun	--	47.4
8:30	JN	S&P Global Japan PMI Mfg	Jun F	--	50.4
8:30	MA	S&P Global Malaysia PMI Mfg	Jun	--	48.8
8:30	PH	S&P Global Philippines PMI Mfg	Jun	--	50.1
8:30	TH	S&P Global Thailand PMI Mfg	Jun	--	51.2
9:45	CH	Caixin China PMI Mfg	Jun	49.3	48.3
12:00	ID	CPI YoY	Jun	0.0181	0.016
12:00	ID	CPI Core YoY	Jun	0.0242	0.024
12:00	ID	CPI NSA MoM	Jun	0.0013	-0.0037
12:00	ID	Exports YoY	May	-0.018	0.0576
12:00	ID	Imports YoY	May	0.009	0.2184
12:00	ID	Trade Balance	May	\$2400m	\$159m
13:00	JN	Consumer Confidence Index	Jun	33.5	32.8
15:30	TH	Business Sentiment Index	Jun	--	46.7
<b>Wednesday, 2 July 2025</b>					
6:45	NZ	Exports NZD	May	--	7.84b
7:50	JN	Monetary Base YoY	Jun	--	-0.034
7:50	JN	Monetary Base End of period	Jun	--	¥654.2t
9:30	AU	Building Approvals MoM	May	0.04	-0.057
9:30	AU	Private Sector Houses MoM	May	--	0.031
9:30	AU	Retail Sales MoM	May	0.005	-0.001
16:30	HK	Retail Sales Value YoY	May	--	-0.023
16:30	HK	Retail Sales Volume YoY	May	-0.029	-0.033
20:01	NZ	Cotality Home Value MoM	Jun	--	-0.001
21:00	SI	Purchasing Managers Index	Jun	--	49.7
21:00	SI	Electronics Sector Index	Jun	--	49.9
<b>Thursday, 3 July 2025</b>					
9:30	AU	Job Vacancies QoQ	May	--	-0.045
7:00	AU	S&P Global Australia PMI Composite	Jun F	--	51.2
7:00	AU	S&P Global Australia PMI Services	Jun F	--	51.3
7:50	JN	Japan Buying Foreign Bonds	6/27/2025	--	¥615.5b
7:50	JN	Japan Buying Foreign Stocks	6/27/2025	--	-¥88.2b
7:50	JN	Foreign Buying Japan Bonds	6/27/2025	--	-¥368.8b

7:50	JN	Foreign Buying Japan Stocks	6/27/2025	--	-¥524.3b
8:30	JN	S&P Global Japan PMI Composite	Jun F	--	51.4
8:30	SI	S&P Global Singapore PMI	Jun	--	51.5
8:30	JN	S&P Global Japan PMI Services	Jun F	--	51.5
9:00	NZ	ANZ Commodity Price MoM	Jun	--	0.019
9:30	AU	Trade Balance	May	A\$5000m	A\$5413m
9:30	AU	Exports MoM	May	--	-0.024
9:30	AU	Imports MoM	May	--	0.011
9:45	CH	Caixin China PMI Composite	Jun	--	49.6
9:45	CH	Caixin China PMI Services	Jun	50.9	51.1
<b>Friday, 4 July 2025</b>					
6:00	NZ	ANZ Consumer Confidence MoM	Jun	--	-0.055
7:30	JN	Household Spending YoY	May	0.012	-0.001
8:30	HK	S&P Global Hong Kong PMI	Jun	--	49
9:00	PH	CPI YoY 2018=100	Jun	0.015	0.013
9:00	PH	CPI NSA MoM 2018=100	Jun	0.002	-0.001
9:30	AU	Household Spending YoY	May	0.035	0.037
9:30	AU	Household Spending MoM	May	0.005	0.001
13:00	SI	Retail Sales SA MoM	May	--	0.003
13:00	SI	Retail Sales YoY	May	0.019	0.003
13:00	SI	Retail Sales Ex Auto YoY	May	--	0.008
15:30	TH	Gross International Reserves	6/27/2025	--	\$258.4b
15:30	TH	Forward Contracts	6/27/2025	--	\$22.5b

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