

What's Hot Today:

► Optimistic impact of US- Vietnam tariff on top Chinese textile OEMs

Events: The US government has reached a trade agreement with Vietnam last week, for a 20% tariff on Vietnamese exports going into the US, which was higher than the current 10% but lower than 46% first stated in April. However, a 40% tariff will remain for transshipments aimed at Chinese companies accused of passing their products through Vietnam to avoid US tariffs. Under the agreement, Vietnam will charge no tariffs on products produced in the US.

Our view: Progress in tariff negotiations has alleviated market concerns regarding tariff uncertainties. While the market reaction remained relatively subdued, which we attributed to the fact that the 20% tariff was largely in line with expectations and the current stock prices of relevant companies have already priced in for the impact. With the U.S.- Vietnam trade deal now confirmed, investors' focus should shift towards the operational resilience of textile companies.

Leading enterprises that have long completed the layout of localized production capacity in Vietnam, such as **Shenzhou International (2313 HK, HK\$57.55, HK\$86.5bn)**, **Yue Yuen Group (551 HK, HK\$12.08, HK\$19.4bn)**, and **Nameson (1982 HK, HK\$0.79, HK\$46.5bn)** are expected to benefit from the new tariff policy. Previously, some Chinese apparel enterprises adopted a strategy of shipping raw materials or semi-finished products to Vietnam for minimal processing such as labeling and packaging, before exporting to the US to reduce tariff costs. However, as the transshipment channels for small and medium-sized manufacturers are blocked, orders may concentrate on top OEMs.

Meanwhile, leading manufacturers are expected to gain priority access to local raw material supplies, strengthening their cost advantages. In contrast, low-to-mid-end Chinese textile enterprises with thin profit margins and heavy reliance on US exports, may face sustained pressure going forward. As competition eases following this period of market consolidation, the profitability of top OEMs is likely to improve, driven by higher order volumes, stable pricing power, and enhanced operational efficiency. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	23,892	-1.1%	19.1%
HSCEI	8,597	-1.3%	17.9%
HSCCI	4,108	-0.2%	8.7%
CSI300	3,991	-0.2%	1.4%
Shanghai A	3,661	-0.1%	-2.4%
Shanghai B	260	-0.1%	-2.4%
Shenzhen A	2,198	-0.0%	7.4%
Shenzhen B	1,242	0.1%	2.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	44,458	0.5%	4.5%
S&P 500	6,263	0.6%	6.5%
Nasdaq	20,611	0.9%	6.7%
NIKKEI Index	39,644	-0.4%	-0.6%
FTSE Index	8,867	0.1%	8.5%
CAC Index	7,878	1.4%	6.7%
DAX Index	24,549	1.4%	23.3%

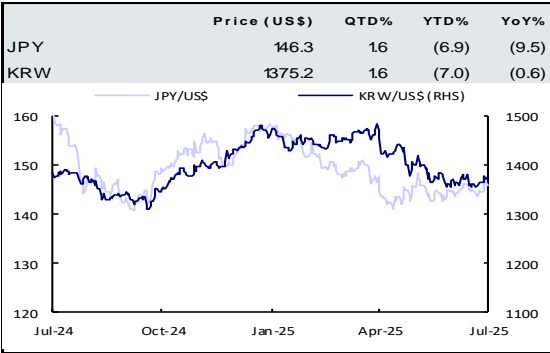
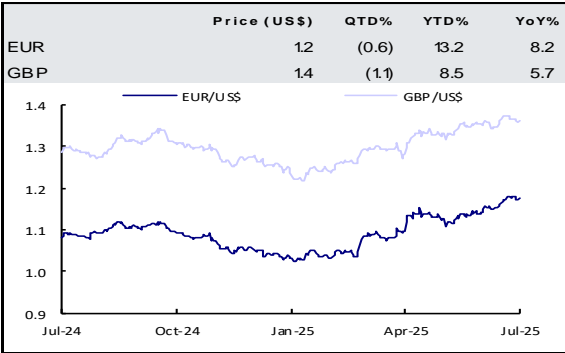
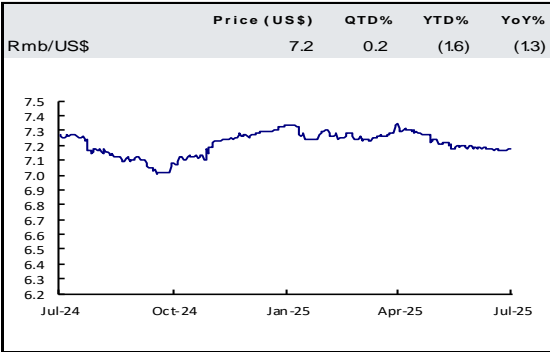
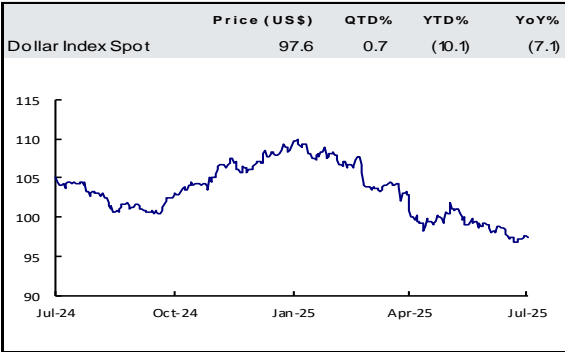
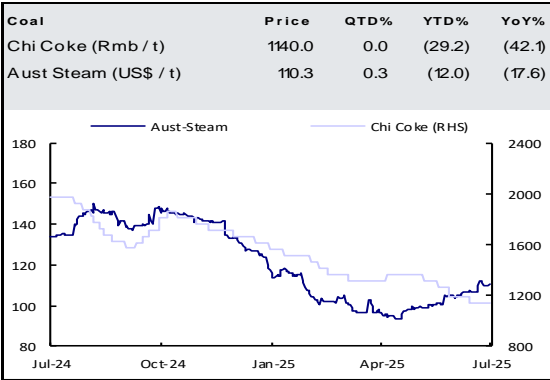
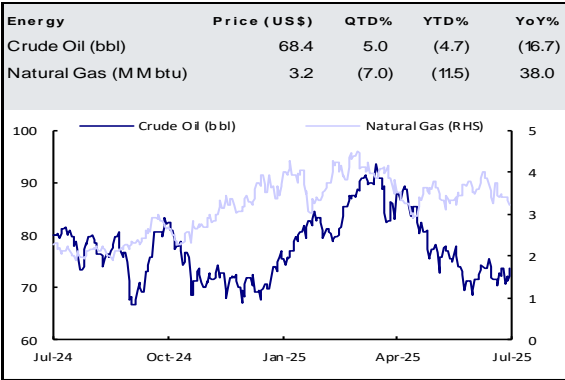
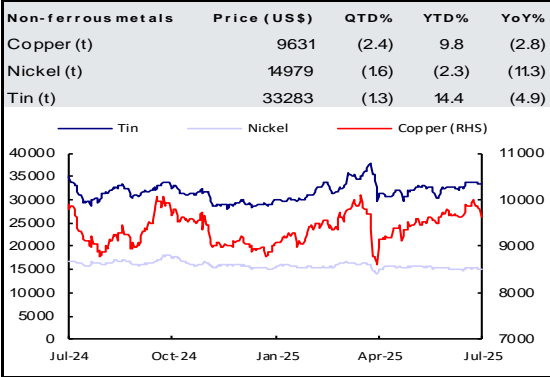
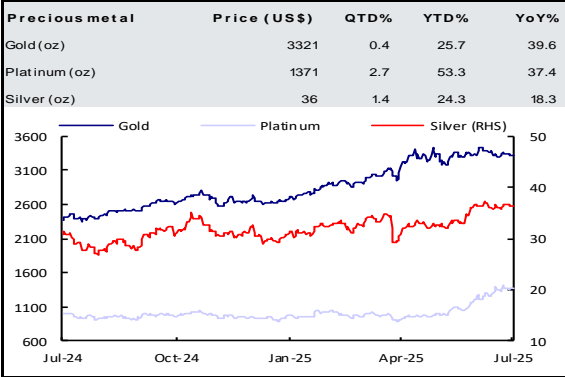
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,313	0.4%	26.5%
STEEL (US\$/oz.)	2,105	1.2%	17.9%
SILVER (US\$/oz.)	36	-1.0%	25.8%
CRUDE OIL (US\$/bbl)	68	0.1%	-5.1%
COPPER (US\$/oz.)	9,630	-2.0%	9.8%
ALUMINIUM (US\$/oz.)	2,596	0.9%	1.8%
PLATINUM (US\$/oz)	1,350	-1.6%	48.6%
ZINC (US\$/oz.)	2,742	2.2%	-7.9%
WHEAT (US\$/bu)	542	0.6%	-1.6%
CORN (US\$/bu)	415	0.3%	-6.9%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,007	-1.0%	-2.2%
PVC (US\$/t.)	N/A	N/A	-6.8%
CRB	301	0.8%	3.0%
BDI			43.5%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.850	0.853	146.330	0.794	7.181
HKD	0.127		0.109	18.639	10.118	0.915
EUR	1.172	9.201		171.500	1.074	8.412
JPY	0.007	5.365	0.583		0.543	0.049
CHF	1.259	9.883	1.074	184.215		9.038
RMB	0.139	1.093	0.119	20.374	0.111	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	15	-5.3%

Source: Bloomberg

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Wholesale Inventories	MoM		9-Jul-25
Initial Jobless Claims	WoW		10-Jul-25
CPI	MoM		15-Jul-25
PPI	MoM		16-Jul-25
Industrial Production	MoM		16-Jul-25
Business Inventories	MoM		17-Jul-25
Retail Sales	MoM		17-Jul-25
Housing Starts / Building Permits	MoM		18-Jul-25
Existing Home Sales	MoM		23-Jul-25
New home Sales	MoM		24-Jul-25
Durable Goods Orders	MoM		25-Jul-25
Consumer Confidence	MoM		29-Jul-25
GDP	QoQ		30-Jul-25
Personal Income & Spending	MoM		31-Jul-25
ISM Manufacturing PMI	MoM		1-Aug-25
Employment Report	MoM		1-Aug-25
Factory Orders	MoM		4-Aug-25
Trade Balance	MoM		5-Aug-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		10-Jul-25
Trade Balance	MoM		14-Jul-25
Retail Sales	MoM		15-Jul-25
Industrial Production	MoM		15-Jul-25
GDP	YoY		15-Jul-25
PMI Manufacturing	MoM		31-Jul-25
Foreign Exchange Reserves	QoQ		7-Aug-25
PPI	MoM		9-Aug-25
CPI	MoM		9-Aug-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		17-Jul-25
CPI	MoM		21-Jul-25
Trade Balance	MoM		28-Jul-25
GDP	QoQ		31-Jul-25
Money Supply - M2	MoM		31-Jul-25
Retail Sales	MoM		31-Jul-25
PMI	MoM		5-Aug-25
Foreign Currency Reserve	MoM		7-Aug-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Composite Interest Rate	MoM		

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