

Global Market: What happens if the US Fed cuts interest rates?

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a major news event*

After keeping interest rates steady for the fifth consecutive time at its July meeting¹, the Federal Reserve (Fed) now faces a crossroad². Many economists believe that recent tariff-induced price increases represent a one-time jump, which will be followed by a rapid decline in inflation.³ Supporting this view, the recent inflation rate has not risen as sharply as initially feared.⁴ However, uncertainty remains over whether the worst inflationary pressures are still ahead. Adding to these concerns is pressure from President Donald Trump's administration to lower rates, a move that risks undermining the credibility of US monetary policy, especially since part of the motivation appears to be reducing the government's interest payments on its expanding debt.⁵

Factors influencing a rate cut

What the Fed does at their coming meeting in September depends very critically on what the numbers look like over the next few days. If unemployment goes up substantially in the next employment report and if job creation continues to be low, that will push the Fed toward decreasing interest rates at its coming meeting.⁶ On the other hand, if the next inflation numbers come in high, that would put pressure on the Fed to not decrease rates because it could further fuel inflation.⁶ At this moment, the Fed funds futures market is indicating an 85% probability for a quarter-point rate cut at the coming policy meeting in response to slowing job growth, seemingly overlooking the inflationary pressures.

Upcoming FOMC Meeting	Probability of Rate Cuts
17 Sep 2025	85.7%
29 Oct 2025	52.8%
10 Dec 2025	84.3%
28 Jan 2026	53.7%
18 Mar 2026	58.9%
29 Apr 2026	43.1%

Source: Bloomberg,
extracted on 28 Aug 2025

Potential impact



US Market: Lower interest rates make safer investments like bonds less appealing due to their reduced yields. This environment is particularly beneficial for stock markets. In particular, income-oriented sectors such as utilities and real estate tend to perform well when interest rates are declining.⁷ However, traders should be prepared for possible short-term fluctuations in stock prices, viewing any dips as potential buying opportunities. Another significant advantage for the stock markets is the abundance of liquidity, with approximately US\$7.16 trillion of money market funds currently on the sidelines, which could provide strong support. Additionally, the performance in the last quarter of each year typically strengthens, positioning markets well ahead of the January book openings.



SG Market: Supported by expectations of at least one rate cut by the Fed for the remainder of the year, along with the recent dip in the 10-year Singapore government bond yield and SORA, lower interest rates are expected to reduce financing costs for REITs.⁸ This environment points to a likely inflection in distribution per unit (DPU) growth for S-REITs.⁸ Currently, the FTSE ST REIT Index has recently moved above its flat 200-day moving average, while quarterly momentum has broken above its equilibrium line. As such, the technical signals suggesting that a potential breakout may be imminent.



HK Market: Hong Kong is another clear beneficiary of US rate cuts. Since the HKD is pegged to the USD, any US rate cuts directly influence the HIBOR (Hong Kong Interbank Offered Rate), providing consumers and corporates in the territory with access to cheaper financing.^{9,10} Potentially keep an eye on cyclical industries, as they are likely to benefit from these interest rate reductions, which can help stimulate economic growth.¹⁰ Lower interest rates reduce borrowing costs on consumer loans and mortgages, thereby increasing individuals' disposable incomes and encouraging higher spending.¹⁰ This rise in consumer demand subsequently boosts the demand for goods and services, ultimately benefiting cyclical industries.¹⁰



United States

Below are the stocks based on market cap

Ticker	Name	Market Cap	Price [USD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [USD]	Potential returns from Analyst Consensus	Dividend Yield
Top 20 S&P 500 Index Stocks							
NVDA US	NVIDIA CORP	4.41T	181.60	20/11/2025	197.96	9.01%	0.02%
MSFT US	MICROSOFT CORP	3.77T	506.74	30/10/2025	624.70	23.28%	0.66%
AAPL US	APPLE INC	3.42T	230.49	31/10/2025	234.22	1.62%	0.45%
GOOGL US	ALPHABET INC-CL A	2.51T	207.48	29/10/2025	220.94	6.49%	0.40%
AMZN US	AMAZON.COM INC	2.44T	229.12	31/10/2025	262.47	14.56%	N/A
META US	META PLATFORMS INC	1.88T	747.38	30/10/2025	868.07	16.15%	0.28%
AVGO US	BROADCOM INC	1.41T	300.25	04/09/2025	306.31	2.02%	0.79%
TSLA US	TESLA INC	1.13T	349.60	23/10/2025	302.57	-13.45%	N/A
BRKb US	BERKSHIRE HATHAWAY	1.07T	495.72	03/11/2025	517.80	4.45%	N/A
JPM US	JPMORGAN CHASE & CO	822.95B	299.28	14/10/2025	306.88	2.54%	1.87%
WMT US	WALMART INC	766.76B	96.08	20/11/2025	112.40	16.99%	0.98%
LLY US	ELI LILLY & CO	694.86B	734.17	30/10/2025	887.42	20.87%	0.82%
V US	VISA INC-CLASS A SHARES	690.04B	350.35	29/10/2025	395.37	12.85%	0.67%
ORCL US	ORACLE CORP	662.35B	235.81	09/09/2025	249.27	5.71%	0.85%
MA US	MASTERCARD INC	533.96B	590.66	31/10/2025	646.29	9.42%	0.51%
NFLX US	NETFLIX INC	519.90B	1223.50	17/10/2025	1349.49	10.30%	N/A
XOM US	EXXON MOBIL CORP	480.68B	112.75	31/10/2025	124.73	10.63%	3.51%
JNJ US	JOHNSON & JOHNSON	425.77B	176.79	14/10/2025	177.88	0.62%	2.94%
COST US	COSTCO WHOLESALE CORP	421.09B	949.52	26/09/2025	1080.32	13.78%	0.55%
HD US	HOME DEPOT INC	406.36B	408.24	18/11/2025	433.03	6.07%	2.25%
Top 10 stocks in the Utilities Sector							
NEE US	NEXTERA ENERGY INC	152.16B	73.89	23/10/2025	83.29	12.72%	3.07%
IBDRY US	IBERDROLA SA ADR	126.07B	75.48	30/10/2025	72.41	-4.07%	5.08%
IBDSF US	IBERDROLA SA	126.11B	19.01	30/10/2025	18.74	-1.37%	3.78%
SO US	SOUTHERN CO/THE	102.63B	93.28	29/10/2025	97.31	4.32%	3.17%
CEG US	CONSTELLATION ENERGY	98.70B	315.94	04/11/2025	371.14	17.47%	0.49%
DUK US	DUKE ENERGY CORP	96.10B	123.68	07/11/2025	132.36	7.02%	3.44%
ESOCF US	ENEL SPA	94.96B	9.34	05/11/2025	9.84	5.35%	6.39%
ENLAY US	ENEL SPA - UNSPON ADR	94.04B	9.25	05/11/2025	9.49	2.54%	6.45%
NGGTF US	NATIONAL GRID PLC	70.88B	14.31	06/11/2025	16.11	12.61%	4.31%
VST US	VISTRA CORP	65.93B	194.60	07/11/2025	219.94	13.02%	0.46%
Top 10 stocks in the Real Estate Sector							
WELL US	WELLTOWER INC	112.20B	167.75	28/10/2025	179.78	7.17%	1.76%
PLD US	PROLOGIS INC	106.99B	112.68	16/10/2025	120.27	6.74%	3.59%
AMT US	AMERICAN TOWER CORP	95.18B	203.27	29/10/2025	247.60	21.81%	3.34%
EQIX US	EQUINIX INC	77.37B	790.56	30/10/2025	954.50	20.74%	2.37%
DLR US	DIGITAL REALTY TRUST INC	59.00B	169.73	24/10/2025	194.04	14.32%	2.87%
SPG US	SIMON PROPERTY GROUP INC	58.17B	178.17	31/10/2025	184.18	3.37%	4.83%
O US	REALTY INCOME CORP	53.53B	58.55	04/11/2025	62.28	6.36%	5.51%
PSA US	PUBLIC STORAGE	51.09B	291.19	30/10/2025	323.67	11.15%	4.12%
CBRE US	CBRE GROUP INC - A	48.51B	163.04	24/10/2025	166.42	2.07%	N/A
CCI US	CROWN CASTLE INC	43.61B	100.15	16/10/2025	118.37	18.19%	4.24%



Straits Times Index

Below are the stocks based on market cap

Ticker	Name	Market Cap	Price [SGD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [SGD]	Potential returns from Analyst Consensus	Dividend Yield
Top 20 Straits Times Index Stocks							
DBS SP	DBS GROUP HOLDINGS LTD	142.98B	50.17	06/11/2025	52.00	3.65%	5.95%
OCBC SP	OVERSEA-CHINESE BANKING CORP	75.21B	16.66	07/11/2025	17.54	5.27%	4.90%
ST SP	SINGAPORE TELECOMM	70.18B	4.30	13/11/2025	4.48	4.09%	4.45%
UOB SP	UNITED OVERSEAS BANK LTD	58.61B	35.09	06/11/2025	37.68	7.38%	5.01%
STE SP	ST ENGINEERING	23.86B	7.77	27/02/2026	8.61	10.81%	2.22%
SIA SP	SINGAPORE AIRLINES LTD	20.57B	6.59	13/11/2025	6.51	-1.29%	6.06%
WIL SP	WILMAR INTERNATIONAL LTD	18.23B	2.94	30/10/2025	3.25	10.52%	4.79%
JM SP	JARDINE MATHESON	17.56B	59.84	06/03/2026	62.03	3.66%	3.78%
SGX SP	SINGAPORE EXCHANGE LTD	17.57B	16.45	06/02/2026	15.68	-4.69%	2.28%
CICT SP	CAPITALAND INTEGR COMM	17.10B	2.27	05/02/2026	2.44	7.31%	6.20%
KEP SP	KEPPEL LTD	15.28B	8.43	05/02/2026	9.76	15.74%	4.02%
CLI SP	CAPITALAND INVESTMENT	13.67B	2.75	27/02/2026	3.40	23.66%	4.38%
HKL SP	HONGKONG LAND	13.48B	6.14	06/03/2026	6.64	8.22%	3.72%
CLAR SP	CAPITALAND ASCENDAS REIT	12.44B	2.71	06/02/2026	3.16	16.48%	5.40%
YZJSGD SP	YANGZIJIAN SHIPBUILDING	11.49B	2.93	25/02/2026	3.28	12.02%	4.11%
THBEV SP	THAI BEVERAGE PCL	11.43B	0.46	07/11/2025	0.60	32.20%	5.43%
SCI SP	SEMBCORP INDUSTRIES LTD	10.74B	6.05	27/02/2026	7.59	25.42%	4.30%
GENS SP	GENTING SINGAPORE LTD	8.76B	0.74	20/02/2026	0.88	19.58%	5.52%
STM SP	SEATRIUM LTD	7.75B	2.29	20/02/2026	2.75	19.98%	0.66%
MPACT SP	MAPLETREE PAN ASIA COM TR	7.17B	1.36	19/11/2025	1.49	9.30%	5.81%
Top 20 Singapore Real Estate Investment Trusts							
CICT SP	CAPITALAND INTEGR COMM	17.10B	2.27	05/02/2026	2.44	7.31%	6.20%
CLAR SP	CAPITALAND ASCENDAS REIT	12.44B	2.71	06/02/2026	3.16	16.48%	5.40%
MPACT SP	MAPLETREE PAN ASIA COM TR	7.17B	1.36	19/11/2025	1.49	9.30%	5.81%
MLT SP	MAPLETREE LOGISTICS TRUST	6.11B	1.20	22/10/2025	1.33	10.73%	6.61%
MIINT SP	MAPLETREE INDUSTRIAL TR	5.79B	2.04	29/10/2025	2.32	13.80%	6.46%
KDCREIT SP	KEPPEL DC REIT	5.24B	2.34	23/01/2026	2.51	7.22%	4.46%
FCT SP	FRASERS CENTREPOINT TRUST	4.69B	2.31	24/10/2025	2.55	10.17%	5.31%
SUN SP	SUNTEC REIT	3.82B	1.30	26/01/2026	1.27	-1.98%	4.90%
KREIT SP	KEPPEL REIT	3.77B	0.97	27/01/2026	1.02	5.70%	5.61%
FLT SP	FRASERS LOGISTICS & COMM	3.38B	0.91	07/11/2025	1.00	10.20%	6.72%
PREIT SP	PARKWAYLIFE REAL ESTATE	2.75B	4.20	05/02/2026	4.76	13.23%	3.37%
EREIT SP	ESR-REIT	2.19B	2.74	23/01/2026	2.97	8.58%	8.33%
OUEREIT SP	OUÉ REAL ESTATE TR	1.82B	0.33	23/01/2026	0.34	4.55%	6.79%
LREIT SP	LENDLEASE GLOBAL COMM	1.46B	0.60	03/02/2026	0.68	14.53%	6.05%
CLCT SP	CAPITALAND CHINA TRUST	1.27B	0.74	28/01/2026	0.78	6.12%	6.82%
SGREIT SP	STARHILL GLOBAL REIT	1.25B	0.55	23/01/2026	0.58	6.42%	6.79%
AAREIT SP	AIMS APAC REIT	1.09B	1.35	04/11/2025	1.44	6.67%	6.81%
NTTDCR SP	NTT DC REIT	0.97B	0.95	N/A	1.18	25.40%	N/A
SASSR SP	SASSEUR REAL ESTATE	0.87B	0.69	20/02/2026	0.88	27.17%	8.79%
DCREIT SP	DIGITAL CORE REIT	0.67B	0.52	13/01/2026	0.72	39.03%	7.12%



Hong Kong

Below are the stocks based on market cap

Ticker	Name	Market Cap	Price [HKD]	Earning Announcement Date	Analysts' Consensus 12M Target Price [HKD]	Potential returns from Analyst Consensus	Dividend Yield
Top 20 Hang Seng Index Stocks							
700 HK	TENCENT HOLDINGS	5.43T	599.00	13/11/2025	694.95	16.02%	0.76%
1398 HK	IND & COMM BK OF CHINA	2.67T	5.77	29/08/2025	7.04	22.06%	3.11%
9988 HK	ALIBABA GROUP HOLDING	2.22T	121.50	29/08/2025	146.90	20.90%	0.89%
939 HK	CHINA CONSTRUCTION BANK	2.01T	7.49	29/08/2025	9.11	21.62%	5.86%
941 HK	CHINA MOBILE	1.96T	89.15	21/10/2025	104.15	16.82%	5.86%
3988 HK	BANK OF CHINA	1.79T	4.31	29/08/2025	5.28	22.51%	2.98%
5 HK	HSBC HOLDINGS PLC	1.74T	100.10	28/10/2025	103.61	3.51%	5.13%
857 HK	PETROCHINA CO	1.68T	7.39	30/10/2025	8.20	10.99%	6.91%
1810 HK	XIAOMI CORP	1.37T	53.20	14/11/2025	66.53	25.06%	N/A
3968 HK	CHINA MERCHANTS BANK	1.18T	47.84	29/08/2025	56.22	17.51%	4.60%
2628 HK	CHINA LIFE INSURANCE CO	1.10T	23.88	30/10/2025	24.22	1.42%	3.22%
2318 HK	PING AN INSURANCE GROUP	1.10T	56.30	21/10/2025	69.68	23.76%	5.00%
1211 HK	BYD CO LT	1.06T	115.10	29/08/2025	158.56	37.76%	1.29%
883 HK	CNOOC	935.90B	18.64	28/10/2025	21.48	15.26%	7.26%
1088 HK	CHINA SHENHUA ENERGY	799.15B	34.88	29/08/2025	34.24	-1.85%	7.12%
1299 HK	AIA GROUP	751.59B	72.40	16/03/2026	89.86	24.12%	2.52%
386 HK	CHINA PETRO & CHEMICAL	712.69B	4.34	28/10/2025	4.83	11.27%	5.75%
3690 HK	MEITUAN	642.27B	116.30	14/11/2025	152.93	31.50%	N/A
9999 HK	NETEASE INC	673.09B	211.00	14/11/2025	243.81	15.55%	2.13%
2899 HK	ZIJIN MINING GROUP CO	651.89B	24.74	20/10/2025	27.87	12.67%	2.22%
Top 10 stocks in the Consumer Discretionary Sector							
9988 HK	ALIBABA GROUP HOLDING	2.22T	121.50	29/08/2025	146.90	20.90%	0.89%
3750 HK	CONTEMPORARY AMPEREX TECH	1.39T	410.20	20/10/2025	456.78	11.35%	0.27%
1211 HK	BYD CO LTD	1.06T	115.10	29/08/2025	158.56	37.76%	1.29%
6288 HK	FAST RETAILING CO LTD	792.37B	24.90	09/10/2025	N/A	N/A	0.97%
300 HK	MIDEA GROUP CO LTD	609.20B	81.50	29/08/2025	95.44	17.10%	4.66%
9992 HK	POP MART INTERNATIONAL	430.82B	322.20	26/03/2026	371.49	15.30%	0.28%
9618 HK	JD.COM INC	343.85B	121.30	14/11/2025	168.33	38.77%	3.28%
2020 HK	ANTA SPORTS PRODUCTS	270.90B	101.60	19/03/2026	116.12	14.29%	2.64%
6690 HK	HAIER SMART HOME CO	252.28B	25.28	28/08/2025	31.64	25.14%	4.18%
2333 HK	GREAT WALL MOTOR CO	214.78B	18.06	29/08/2025	15.58	-13.72%	2.67%
Top 10 stocks in the Industrials Sector							
6936 HK	SF HOLDING CO-H	261.25B	44.70	28/08/2025	54.48	21.88%	1.07%
1919 HK	COSCO SHIPPING HOLDINGS	256.64B	14.38	28/08/2025	13.81	-3.95%	11.77%
1766 HK	CRRC CORP LTD-H	229.73B	6.30	30/10/2025	6.90	9.59%	1.90%
788 HK	CHINA TOWER CORP LTD-H	208.57B	11.77	20/10/2025	13.43	14.12%	4.05%
669 HK	TECHTRONIC INDUSTRIES CO	183.84B	101.00	04/03/2026	116.43	15.27%	2.42%
66 HK	MTR CORP	165.95B	26.72	06/03/2026	28.03	0.05	4.91%
1800 HK	CHINA COMM CONST	144.56B	5.61	30/10/2025	N/A	N/A	3.16%
2338 HK	WEICHAI POWER CO	144.32B	16.57	29/08/2025	19.68	0.19%	4.81%
390 HK	CHINA RAILWAY GROUP	143.85B	4.00	29/08/2025	5.18	29.50%	4.86%
2050 HK	ZHEJIANG SANHUA INTELLI	139.78B	30.40	28/08/2025	35.80	17.76%	N/A

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