



全创资本

OMNI CAPITAL PARTNERS

# Investment Newsletter

February 2025

“ Omni Alpha: ”  
Profit From Disruptions

# Why Omni Investment Services

“

By entrusting us with your investments via this **discretionary mandate offering**, you can relieve yourself from the day-to-day burden of managing your assets, allowing you to have more time for other meaningful pursuits.

”

“

Your investments will be **expertly and professionally managed** according to your specific investment goals and risk tolerance, whether investing in private, public or both. Besides, your investment will be supported with timely updates and meaningful reporting to make sure you are well informed.

”

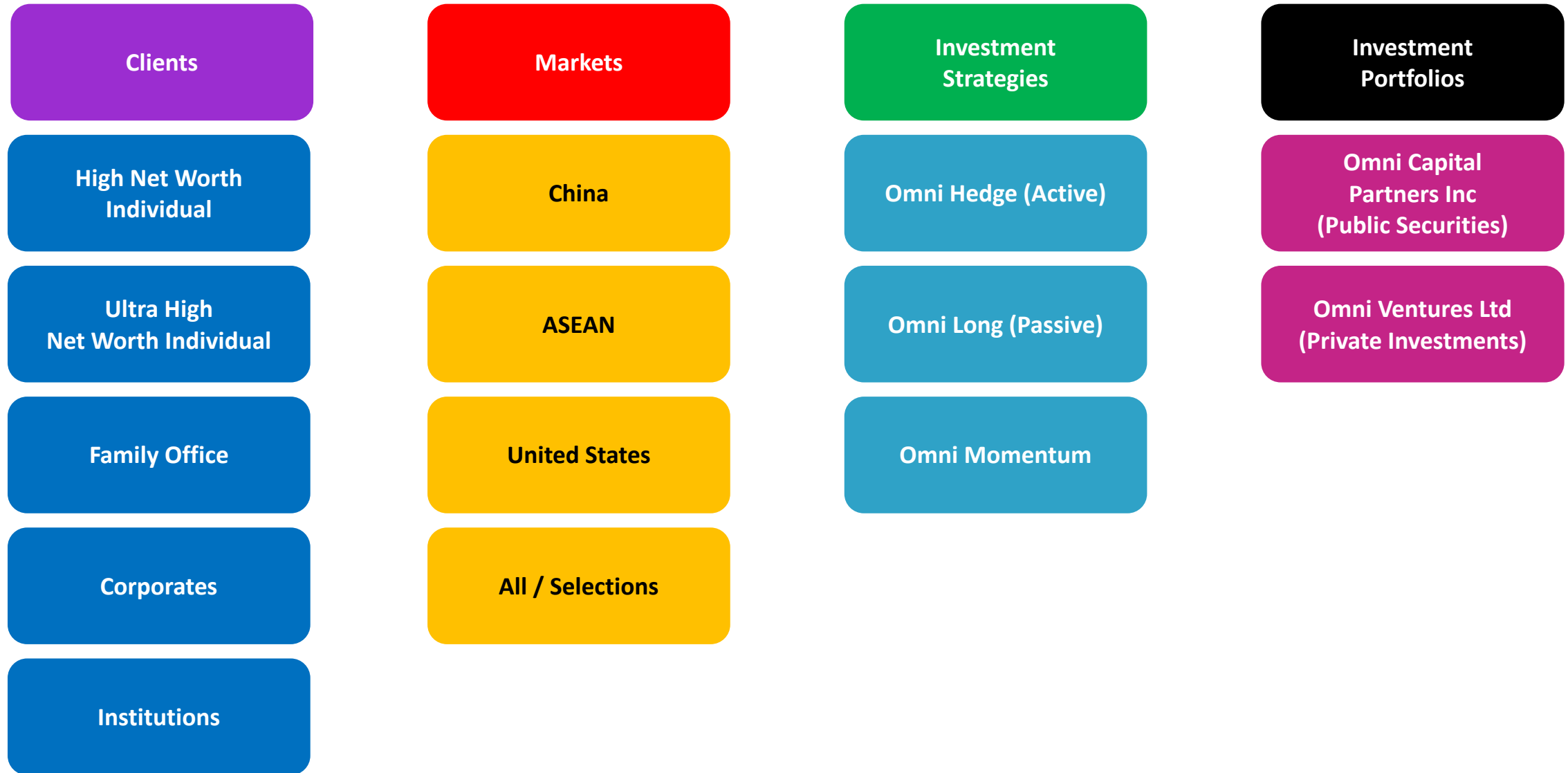
Experienced with  
Impressive Track  
Records

Different Approach,  
Perspective and  
Ideas

Global Investing  
with focus on  
China, ASEAN, and  
United States

Thematic Investing  
with focus on  
Disruptive  
Technology

# Omni Investment Advisory



# Omni Investment Focus



## Asset Classes

### Public Securities:

- Public Equity
- Digital Assets
- Forex
- Commodities

### Private Investments:

- Startups
- Venture Capital
- Private Equity
- Direct Investments

# Omni Momentum Overview



## Omni Momentum®

### Investment Objective

- This strategy seeks maximum returns and protection of capital.
- Invest in global public securities.
- Trading in markets with volatility and liquidity as they give opportunities.

### Inception Date

- 1 July 2021

### Current Number of Holdings

- -

### Team

- Scott (Strategy / Asset Allocation)
- Derrick (Macro / Theme)
- Analysts (Micro / Sector)

### Momentum Strategy

The key of momentum investing is to know when to enter into a position, how long to hold it for, and when to exit. We can also react to short-term, news-driven spikes or selloffs.

### Purpose

To minimise the risk of adverse movements in prices and to work with volatility by finding buying opportunities in short-term uptrends and then sell when the securities start to lose momentum.

### Characteristics

- Define success in absolute terms
- Active adjustment on correlation to market movements
- Volatility is key
- Performance depends on generation of alpha
- Versatile investment options to optimize the performance

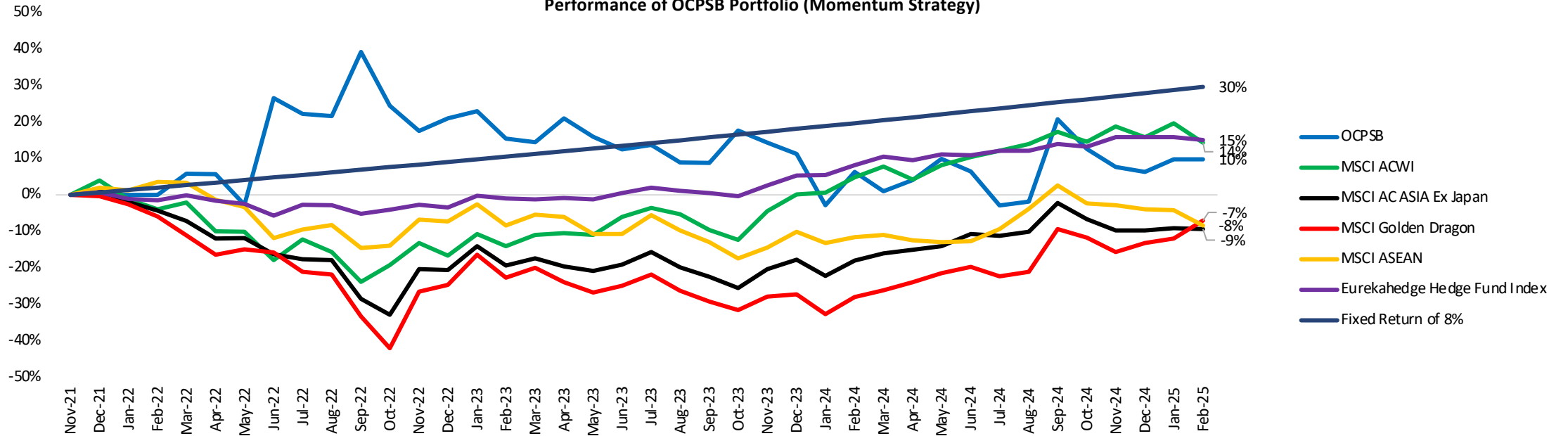
### Features

- Directional
- Arbitrage
- Long / Short
- Event Driven

# Omni Momentum Portfolio



Performance of OCP SB Portfolio (Momentum Strategy)



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Momentum	0%	2%	12%	3%	10%
MSCI ACWI	-1%	0%	4%	3%	14%
MSCI AC ASIA Ex Japan	1%	2%	2%	2%	-9%
MSCI Golden Dragon	5%	10%	17%	7%	-7%
MSCI ASEAN	-3%	-4%	-3%	-3%	-8%
Eureka Hedge Hedge Fund Index	0%	0%	3%	0%	15%
Fixed Return of 8%	1%	2%	4%	1%	29%

Note: Information as of 28 February 2025

Asset Class Breakdown	
Equity - China	-
Equity - ASEAN	-
Equity - United States	-
Commodity	-
Digital Asset	-
Other	-
Cash	-

Liquidity / Market Cap	
Mega (USD 100 Billion +)	-
Large (USD 10 to USD 100 Billion)	-
Medium (USD 2 to USD 10 Billion)	-
Small (USD 0.3 to USD 2 Billion)	-
Micro (USD 50 to USD 300 Million)	-
Cash	-

# Investment Review and Outlook



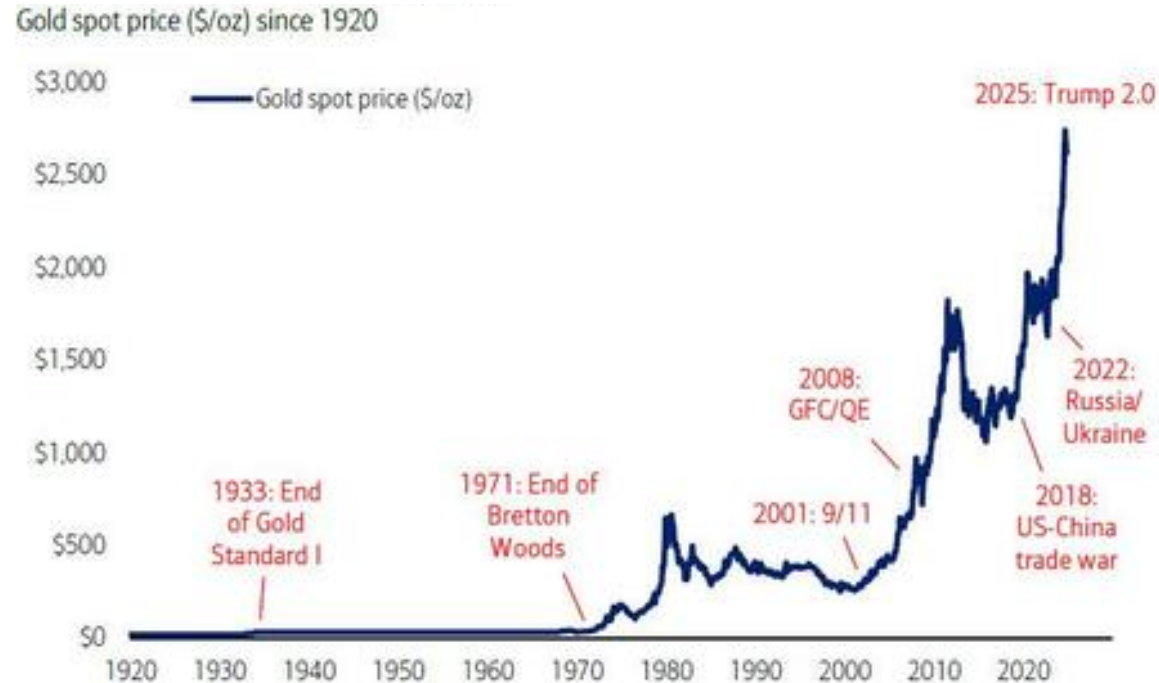
- Bank of America’s Michael Hartnett notes a striking divergence in the market, with U.S. equities, gold, and crypto reaching record highs while bonds remain deeply out of favor. Recent fund flow data shows \$46.8 billion going into cash, \$16.6 billion into bonds, \$2.2 billion into crypto, a mere \$0.1 billion into gold, and a \$0.6 billion outflow from equities. Private client allocations further underscore the trend: of \$3.9 trillion in AUM, 63.3% is in equities, 18.7% in bonds (lowest since mid-2022), 11.2% in cash, and just 0.2% in gold. Meanwhile, U.S. Treasury prices hover around 50% below their 2020 peaks, reflecting investor wariness toward government debt, a mindset Hartnett characterizes with themes like “Anything but Bonds,” “Anywhere but China,” and “All-In on AI,” all favoring U.S. outperformance. He expects this bias could shift if a second wave of inflation prompts further Federal Reserve rate hikes or if U.S. growth disappoints (e.g., via fiscal tightening or a credit event), potentially driving a pivot away from “U.S. exceptionalism” and toward the “BIG” trade in 2025: going long on Bonds, International stocks, and Gold.
- Hartnett believes that Trump is unlikely to stoke inflation in the first half of 2025 through large tariffs or immigration cuts, but the more pressing concern, echoed by Steve Cohen, is a potential, unanticipated slowdown in growth. This could emerge from a weakening housing market, fading wealth and jobs tailwinds, persistent inflation that weighs on consumer confidence, and the onset of a U.S. government recession (particularly given that the 50% jump in nominal GDP over the past five years was fueled by a 65% surge in discretionary spending).

# *Investment Review and Outlook*



- Hartnett ALSO notes that if U.S. tariffs on \$1.4 trillion of imports from China, Mexico, and Canada had been enforced. He argues that the 2025 landscape is more vulnerable to a large-scale trade war than in 2018, when robust global manufacturing and low inflation provided a cushion. Despite a steady inflation backdrop and a lower relative weight of tech stocks, the trade environment is bifurcated into a strategic confrontation with China and several tactical, transactional disputes with other nations. With China's reliance on U.S. exports having dropped from 7.2% of its GDP in 2007 to just 2.8% today, and given the high stakes on both sides, neither is likely to risk an all-out escalation, including a full-blown tech war. Hartnett warns that it would be a major political misstep for a Trump administration to trigger a second inflation surge, which could derail efforts to manage the broader economic challenges ahead.
- Chinese authorities are quietly advising top AI entrepreneurs and researchers to limit U.S. travel to safeguard sensitive innovations, a reflection of Beijing's emphasis on national security and technological self-reliance amid ongoing U.S.-China tensions. Despite these restrictions, investor sentiment toward China's tech sector remains bullish. A softer stance from Trump on tariffs has buoyed the CNH, while the upcoming National People's Congress on March 5 is anticipated to bring greater fiscal clarity. Moreover, breakthrough AI developments from firms like DeepSeek and Alibaba are bolstering the case for a re-rating of Chinese tech relative to its global peers. JPMorgan's market intelligence team has accurately captured these dynamics, with the latest move higher in the sector underscoring both the resilience and the upside potential of China's technology landscape.

# The History of Gold Bull Markets



Bank of America’s Michael Hartnett argues that “US exceptionalism” is nearing its end, as global equities have already begun to price in the peak of American outperformance, a likely easing of geopolitical tensions in the Middle East and between Russia and Ukraine, and a de-escalation of the US-China trade conflict (which he views as the key trade issue). Meanwhile, gold has been climbing to new record highs for weeks, surpasses \$3,000 per ounce. According to Hartnett, transformative historical periods often drive major gold rallies, such as the Great Depression in the 1930s, stagflation in the 1970s, 9/11, the Global Financial Crisis, and the populist shift of the 2020s—and a “Trump 2.0” administration appears poised to be another epochal event. In his view, gold is already anticipating these changes.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# US Stocks Outperformance VS ROW Peaking



US stocks appear to be peaking relative to global markets amid a geopolitical backdrop where the high costs of government and conflict make peace an attractive, low-cost alternative, a scenario viewed positively for global equities. According to BofA strategist Hartnett, after a challenging week, the fate of US stocks will ultimately be determined by the interplay between interest rates and earnings per share. If inflation begins to ease, the market could see an upward breakout; conversely, a slowdown in growth might trigger a downward shift.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# US Interest Payments Likely to Rise >\$100 in 2025



UST interest payments (12m cumulative, \$bn) & rate projections



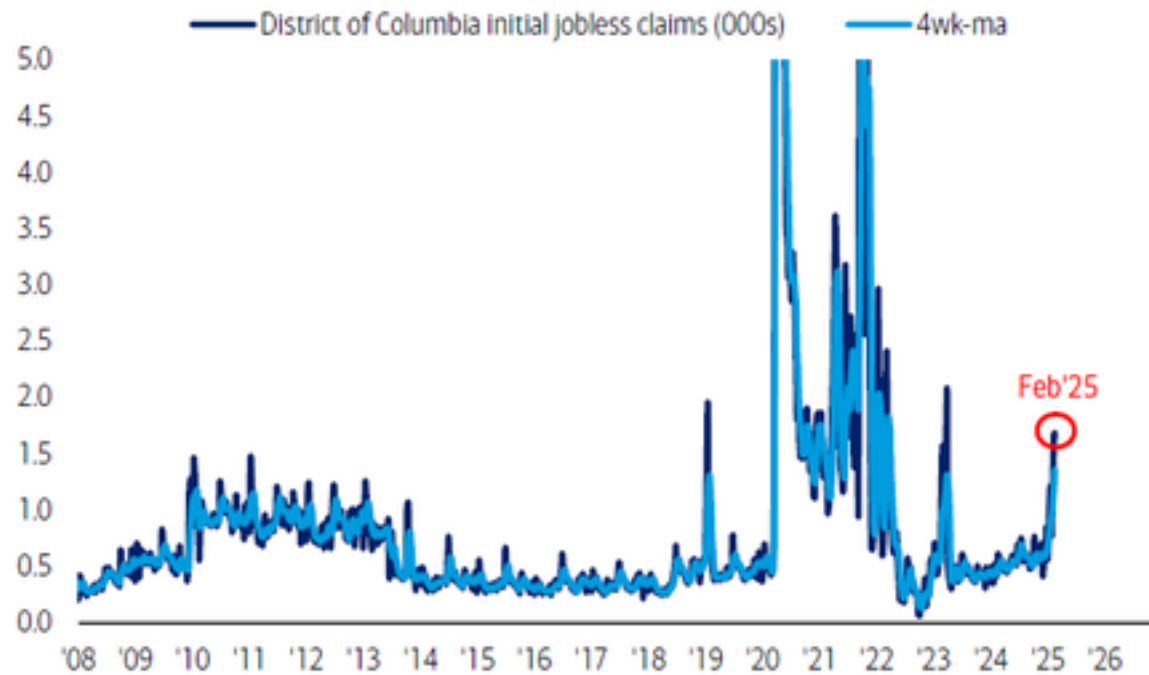
Hartnett anticipates that U.S. Treasury yields will drop below 4%, a shift he connects to the enormous scale of government debt, currently at \$37 trillion and a budget deficit that has averaged 9% of GDP over the past five years. This massive fiscal expansion has helped drive a 50% surge in nominal GDP since 2020, positioning the U.S. government as the world's third-largest economy at around \$7 trillion. Crucially, Hartnett argues that a deliberate government recession is needed to slow the escalating debt spiral, especially given that interest payments are expected to climb by \$100–\$300 billion in the next 12 months.

Note: Information as of Feb 2025

Source: BofA Global Investment Strategy

# Washington D.C Recession Begins

Initial jobless claims (000s): Washington DC



Washington D.C. is showing signs of an early recession, evidenced by a surge in initial jobless claims. With the U.S. government currently spending around \$7 trillion, divided into \$4 trillion of politically untouchable “mandatory” outlays (Social Security, healthcare), \$2 trillion in “discretionary” spending, and \$1 trillion in interest payments. Any significant deficit reduction likely requires deep cuts in defense or general government budgets. Because the District of Columbia’s economy relies heavily on government activity, these looming cuts are already impacting local employment, which explains the noticeable jump in D.C. jobless claims as shown in the chart. This trend aligns with the notion that the “era of U.S. fiscal excess” is ending, prompting populist pressure for a smaller federal footprint and triggering the downturn in the nation’s capital.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# US Homebuilder Stocks at 16-month Lows VS S&P 500

Homebuilders vs S&P 500 – price relative



US homebuilder stocks have underperformed the broader S&P 500, reaching 16-month relative lows and shedding about 30% since October, which reflects a worsening outlook for the housing market and raises concerns about consumer sentiment. Mortgage applications remain pinned to multi-year lows, signaling weaker buyer demand as high interest rates and affordability challenges persist. Because housing is a significant driver of household wealth and spending, a downturn in homebuilding often ripples through the economy, reducing demand for everything from furniture to construction labor. As strategist Michael Hartnett notes, this is “never a good sign for the US consumer,” because it can foreshadow a broader pullback in spending and heightened economic caution if the housing weakness continues.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# China House Prices Stabilizing

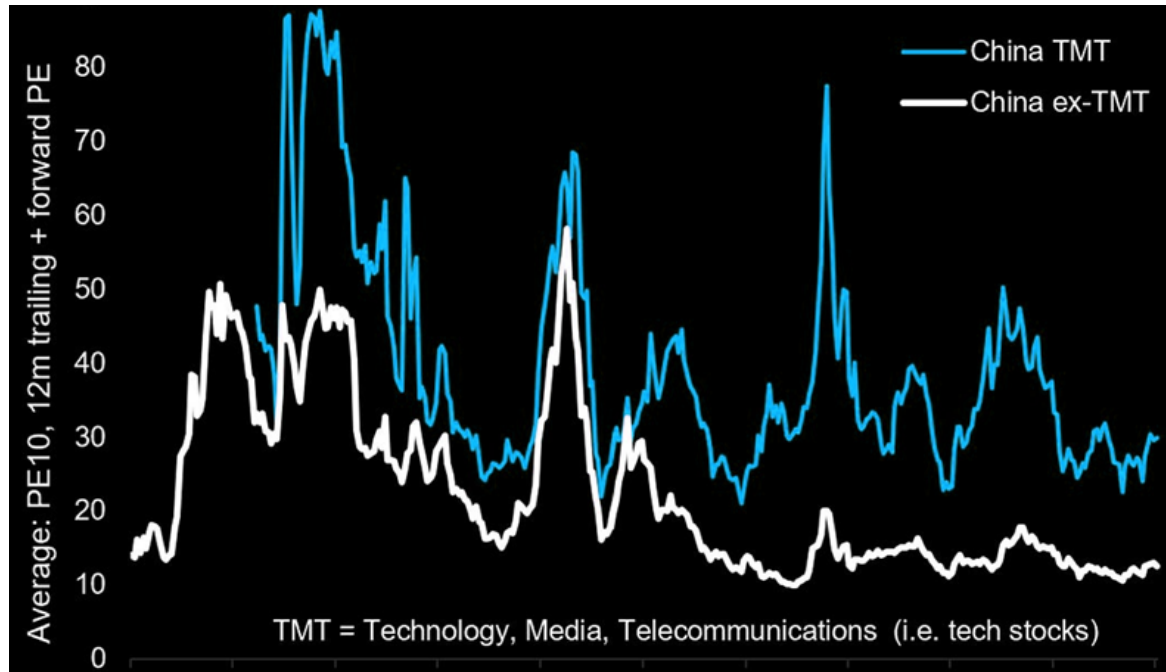
Number of Chinese cities with new home prices rising m/m



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Source: BofA Global Investment Strategy

# China Valuations: Combined PE Ratio



JPMorgan's Hung highlights a compelling rotation from U.S. hardware to software, underscoring that Chinese internet software stocks are trading at attractive multiples, roughly 10–15x compared to 25–40x for their U.S. counterparts. For instance, while ChatGPT is valued at \$157 billion, Alibaba's current \$238 billion sum-of-the-parts valuation doesn't even account for the potential upside from its Qwen AI model or the rerating of its cloud business. This valuation gap is particularly notable given that Chinese tech stocks are trading at the lower end of their historical range and have consistently delivered stronger upside during China's cyclical bull markets.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# Big Rotation from US Magnificent to China BATX



BATX\* and Magnificent 7 market cap (\$tn)



Bank of America's Michael Hartnett points out that while U.S. tech remains exceptionally well-owned and valued, totaling \$16 trillion in market cap across the Magnificent 7. Meanwhile, China's tech giants (Baidu, Alibaba, Tencent, Xiaomi) together hover around \$1 trillion, creating a potential rotation opportunity.

Note: Information as of Feb 2025  
Source: BofA Global Investment Strategy

# Contact Info



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