

# ASSET PULSE

**MORE THAN TWO DECADES  
OF MAKING FINANCING FAIR  
AND ACCESSIBLE**

*A Q&A with EquitiesFirst Founder  
Alexander Christy, Jr.*

**KEY MARKET AND  
CAPITAL TRENDS**

*Timely actionable insights each month*

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FOR PROFESSIONAL INVESTORS



## IS BUYING THE DIP THE RIGHT CALL?

# IS BUYING THE DIP THE RIGHT CALL IN AN EXTRAORDINARY YEAR?

**In a year defined by trade realignments, inflation fears and geopolitical shocks, equity markets have continued to march higher, attracting strong inflows from investors. JPMorgan estimates individual investors purchased US\$270 billion worth of stocks in the first half of the year alone.<sup>1</sup>**

Many investors were emboldened by the dramatic rebound in equity prices following the April 2 'Liberation Day' event — when tariffs triggered a sharp sell-off — betting that policymakers would again set a floor under markets. With US equities setting new records in recent weeks, is buying the dip still the right strategy? <sup>2,3</sup>

The case for caution is clear. A global trade war, spiralling fiscal deficits and public debt, geopolitical flashpoints, and a slowing global economy have combined to create one of the most uncertain investing environments in a decade. Institutional investors have certainly adjusted their approach. Many are increasing their use of active strategies, expecting that individual stocks will outperform an increasingly expensive broader market. Stock-picking hedge funds attracted US\$10 billion from investors in the first half of the year, reversing years of outflows.<sup>4</sup>

A June survey by Schroders, one of the UK's largest investment managers, found three-quarters of institutional investors see active strategies as essential in this environment, and 80% plan to increase allocations over the next 12 months.<sup>5</sup>

Another short-lived sell-off at the start of August has added fuel to the dip-buying approach, with markets quickly rebounding after new US trade tariffs and a weak jobs report reignited fears of stagflation.<sup>6, 7, 8</sup> A US interest rate cut in September is now priced in, signalling that markets remain convinced that lower rates will keep the music playing.<sup>9,10</sup>

The flows tell a story: familiar giants and indices dominate, but surprise winners — from meme stocks to crypto to niche AI software players — underscore how restless money is flooding back into public markets in unexpected ways.<sup>11,12</sup> Yet, with US tariffs now at their highest since 1934, the question on everyone's mind is whether the next dip will be different.

For now, investors are continuing to buy the dip. But can this instinct last in a world where every dip comes with bigger questions?

## TWO-YEAR TREASURY YIELDS DROP AFTER UPDATED DATA

*Revised US jobs data fuels bets on Fed rate cuts*



# MORE THAN TWO DECADES OF MAKING FINANCING FAIR AND ACCESSIBLE

*A Q&A with EquitiesFirst Founder Alexander Christy, Jr.*



**Over the last 23 years, you've built EquitiesFirst into a global alternative capital provider. How did you get started?**

EquitiesFirst was founded on the belief that we can help people grow their businesses affordably and easily. I have always believed that financing should be fair and accessible to those that have a genuine need for it.

The idea for the business dates back to 1998, when I was working as a commercial mortgage lender. One of my clients, Kropf Apples, which was then the tenth-largest apple grower in the US, came to me to find a solution to their capital shortage after several bad years of apple crops. Even after a couple of transactions, they were US\$3 million short and had no other assets to leverage apart from shares in a publicly traded bank stock.

I did my research, and I used my networks to find a financier in New York who would provide cash against that stock. I brokered the deal, and it turned out that this transaction saved their business. I was so proud of what I had achieved, and impressed by the simplicity of the transaction, that I went to New York myself and started EquitiesFirst in 2002.

Today we are a global alternative capital provider and have issued billions of dollars of loans over the last 23 years. All loans are closed with our own capital without leverage. Our loan book is over US\$1 billion of assets, we have 13 offices in 8 countries, and an amazing team and loyal clients around the world. We have achieved that by sticking to what we believe in.

**Why do clients choose to raise capital from EquitiesFirst?**

We are proud that we have many clients around the world who have chosen to work with us more than once – so we must be doing something right!

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## Q&A WITH CEO

### MORE THAN TWO DECADES OF MAKING FINANCING FAIR AND ACCESSIBLE CONTINUED

First and foremost, our interests are always aligned with those of our clients. While the client retains their exposure to the stock they have used to borrow, including dividends, we become a shareholder for the duration of the transaction. That means we are motivated for the shares to appreciate and for the underlying company to succeed. So we don't short-sell and we don't lend out the stock. We don't engage in any activities that would negatively impact the borrower or the price of the stock.

Operating as a specialist non-bank capital provider gives us a number of advantages. Our loans are flexible and non-recourse. We will provide capital for whatever the client needs to finance and all that the client has at risk is the stock they have borrowed against.

We are also able to offer low interest rates, which are typically 3-4%, and provide a more attractive loan-to-value ratio of up to 65% of the underlying assets. And our process is efficient: we can move from first contact with a client to funding in just a few days. At the same time, we're a regulated firm and have all the proper guardrails in place. Every transaction is executed in line with industry best practice and we work with top-tier legal and accounting partners. We've had 23 years to hone our process and we execute it well.

#### How do you look at the financial world?

At EquitiesFirst, we see the financial world as being divided in two – the symmetrical and the asymmetrical.

The top 20% of participants, specifically the big banks, operate in the symmetrical world. Here, companies and individuals can easily access liquidity, structured financing and long-term debt. Assets in the symmetrical world are defined by their most recent market price. The big banks have shareholders to answer to, so they want to make a return quickly. They aren't willing to invest time in understanding the true value of an asset and their risk-based decision making is extremely rigid.

The other 80% of finance is what I would call the asymmetrical world, where increased levels of volatility are more likely and the markets are more irrational. That volatility means that the big banks can't touch stocks in the asymmetrical world: it just doesn't fit with their approach to making returns and managing risk.

So this is where EquitiesFirst comes in.

As a privately-owned firm that doesn't manage money for external investors, we are happy to operate in the asymmetrical world. We know how to manage different kinds of risk and can take a longer-term view on assets. Our experience and the process we have developed over more than 20 years allows us to lend against smaller, less liquid and more volatile stocks.

#### Your clients are entrusting you with some of their most valuable assets – how do you earn their trust?

We recognize that it's a big decision to work with us. Many of our clients are entrusting us with shares in the firms they founded, so they need to have absolute confidence in their counterparty. I am a founder myself, so I understand this.

Firstly, we are licensed and regulated in jurisdictions including Australia, Hong Kong, the United Arab Emirates and the United Kingdom. Secondly, we regularly work with some of the world's largest banks, who frequently refer clients to us. We also work with a range of top tier law firms around the world, and we have auditors or accountants in all the jurisdictions where we operate.

Lastly, we've built our reputation for integrity over more than 20 years. We've entered into hundreds of transactions and have always returned stocks when clients repay their loans.

#### How do your values guide your approach?

EquitiesFirst's values are my values. I started this firm because I believed that access to capital should be fair. So EquitiesFirst was founded on respect

for our clients. We have a shared experience of building businesses and operating through market cycles to create value for the long term.

I believe we're also here to help, and that good partnerships require empathy, sincerity and an innovative approach to solving for clients' needs. Helping clients manage through market cycles was how I got started and it's at the core of our culture today. Finally, our model means we are genuinely invested alongside our clients. We thrive when our borrowers thrive, and that's why we have so many clients who have come back to us multiple times.

#### What are you excited about for the future?

I'm so proud that we've become a truly global player in a little over two decades. I get a huge sense of satisfaction every time one of our clients comes back to transact with us again. It shows that we are remaining true to our beliefs – and why we are positioned for continued growth.

We have completed our first transaction in shares on the Abu Dhabi Securities Exchange, about 12 months after we opened our first office in the UAE. Capital markets in the Middle East are growing rapidly and attracting increasing amounts of local and overseas investment. We think this creates a great opportunity for EquitiesFirst, to grow with our clients in the region. Our model is successful and adaptable. As soon as we see a market opportunity, where demand for our offering is likely to be strong, we can move fast to set up and put people on the ground. As well as new market opportunities, I am also excited that we continue to attract great talent.

Wherever we are in the world, we've been able to add some truly exceptional people who really believe in the unique nature of our proposition and share my commitment to helping clients through cycles. This team of hard-working, like-minded professionals is why I'm excited for the next two decades.

# VOLATILITY SPIKES UP, THEN DOWN, AS LENDING PULSE INDEX HITS NEW HIGH

*Our indicator of lending conditions shows how markets were at first shocked and then pragmatic about tariffs*

## LIQUIDITY PULSE COMPOSITE INDEX

As of end-June 2025



### About Liquidity Pulse

Liquidity Pulse is a proprietary composite index that tracks global credit and liquidity conditions across a selection of major economies, drawing on both market-based signals and central bank-reported lending data. It is a purely indicative editorial feature: it has no connection to any EquitiesFirst product, it is not tradable, nor is it a benchmark of any kind. The index runs from January 2006. Market indicators are the US 10-year Treasury yield, the CBOE Volatility Index (VIX), and the Broad Dollar Index, each of which is inverted. Lending data is taken from central banks in six economies: UK (M4 lending), euro area (loans to non-financial corporations), Singapore (commercial bank lending by industry), Hong Kong (loans and advances by licensed banks), Japan (loans and discounts, total of major and regional banks), and China (total loans). Each data series is standardised using z-score normalisation, with index values reflecting deviations from average for whole time period. All indicators are weighted equally.

For a full overview of the index and how it is compiled, refer to the first issue of Asset Pulse [here](#).

**When the Liquidity Pulse index was introduced in the first edition of Asset Pulse, the most recent data for the index's various constituents was for March 2025. It therefore predated the bulk of the market turmoil that would be unleashed with the new tariff regime of US president Donald Trump.**

With this edition's update of the index including data through June, the impact of Trump's 'Liberation Day' announcements on April 2, and the subsequent lurches of trade policy agreements and punishments, now shows up in the data.

While the previous edition of the index showed a broadly flat line for the last few months of 2024 and the start of 2025, the index now shows a sharp downward spike as liquidity conditions tightened in the worst of the volatility, followed by a steep jump up to beyond its previous flat trendline.

The index is dynamic, showing at any point in time a composite picture of liquidity conditions relative to the average for the entire time period. As new data is added, the average moves, with the result that all historic index values also move slightly as they are expressed in relation to the average. At 0.832, the index now stands at its highest point since inception at the start of 2006, showing the strength of the recovery in certain indicators as the world adjusted to a new trade landscape.

Chief among those was equity market volatility, as expressed by the CBOE Volatility Index (VIX), one of the three market indicator components to the Liquidity Pulse index. The VIX average for April was about 32, its highest level for five years. Back in April 2020, as the COVID-19 pandemic hit, the VIX averaged 41, after reaching 58 the previous month.

For a considerable period, however, the VIX has been becalmed – arguably oddly so, given geopolitical ructions and macroeconomic challenges across the world. For the two years to March 2025, its monthly average reading was below 20.

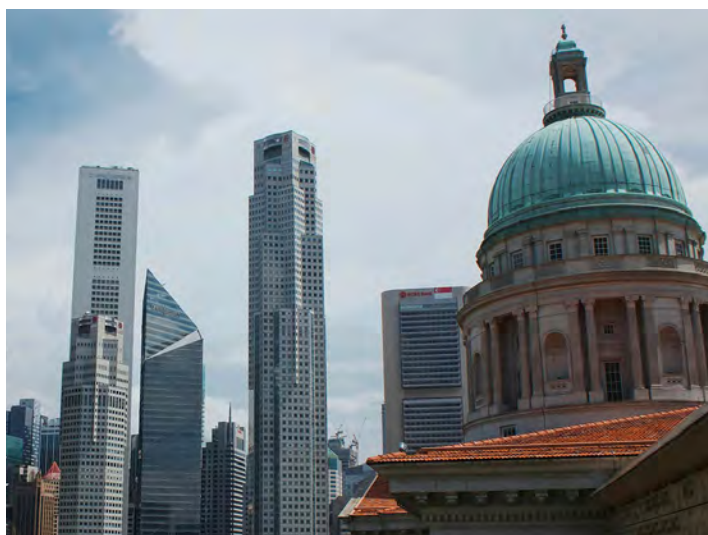
However, in a sign of perhaps just how sanguine investors are today to events that might once have caused months of equity market depression, volatility plummeted again in May, dropping 36% to about 20 again. In June it fell further, to 18.

The other two market indicators – the broad US dollar index and the US 10 year Treasury yield – fell, both of which help to push the Liquidity Pulse index up because we invert their normalised values to reflect the fact that a weaker dollar and a lower Treasury yield typically mean more benign conditions elsewhere.

Total lending in all six markets that contribute to the index continued to rise, led by Singapore and China.

# OUR LATEST THINKING ON KEY MARKET AND CAPITAL TRENDS

*EquitiesFirst monitors critical market and industry trends relevant to our clients, providing timely and actionable insights each month.*



## FROM THUMB DRIVES TO DEEP TECH: WHY INNOVATION IS CENTRAL TO SINGAPORE'S SUCCESS

As Singapore celebrates 60 years of independence, it faces a new challenge: sustaining innovation in a world shaped by fragmentation and fast-moving technology shifts. From its shipyard roots to becoming a hub for AI and biotech, Singapore has consistently reinvented itself — but maintaining this edge will require new approaches to funding research and commercialisation. This is where securities-backed financing can play an important role.

[READ THE FULL ARTICLE HERE](#) —

## JAPAN REAL ESTATE REBUILDS CASE FOR GLOBAL CAPITAL

Once known for deflation and stagnation, Japan is now making headlines for a very different reason: a property resurgence that's attracting global capital. Tokyo has emerged as the world's top city for real estate investment in early 2025. From office towers to second homes, Japan's property market is being reshaped by structural forces rather than speculation — with infrastructure, demographics, and reform driving long-term demand.

[READ THE FULL ARTICLE HERE](#) —



## A GREEN BOOST FOR AUSTRALIAN MINING

Australia's ambitions to become a global powerhouse in green metals production, backed by supportive government policies, could bring significant economic tailwinds. The country already has some of the key ingredients in the form of a huge mineral resource, an industrial base and ample supplies of renewable energy. But with global competition heating up and investor sentiment still somewhat subdued, progress on the ground remains uneven.

[READ THE FULL ARTICLE HERE](#) —



## LATEST INSIGHTS

### KEY MARKET AND CAPITAL TRENDS CONTINUED

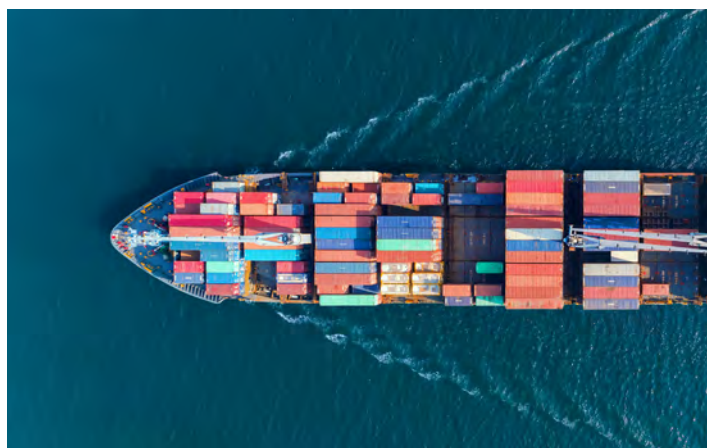


#### IPO BOOM A STEPPING STONE FOR HONG KONG TO BECOME REGION'S CAPITAL HUB

Hong Kong's IPO market has staged a remarkable recovery — putting it on track to be the world's top IPO venue this year. This resurgence is driven by strong fundamentals, including favourable access to high-growth industries, supportive policy changes, and a highly liquid market. The boom highlights Hong Kong's potential to power Asia's growth and could help it emerge as the listing destination of choice for the Asia Pacific region over the long term.

This article was first published in the Opinion section of Hong Kong newspaper South China Morning Post

[READ THE FULL ARTICLE HERE](#)



#### 'MADE IN BRITAIN' NEEDS MORE THAN MARKETS - IT NEEDS CREDIT

A run of new trade deals has lifted the outlook for UK businesses, offering a much-needed boost after years of underinvestment and sluggish growth. With new agreements struck across the US, India, and Europe, British firms have an opportunity to tap into global markets, drive productivity, and expand revenue streams. However, persistent challenges around access to credit continue to hold many companies back, particularly mid-sized firms and scale-ups striving to capitalise on these new opportunities.

[READ THE FULL ARTICLE HERE](#)

#### FROM OIL TO ALGORITHMS: WHY A NEW FRONT IS EMERGING IN GLOBAL AI RACE

In a region once reliant on hydrocarbons, data has become the new currency — and AI the engine refining it. Recent deals involving the UAE and Saudi with the US, worth hundreds of billions of dollars, may position the Middle East to emerge as a third hub for global AI innovation, joining the ranks of the US and China. Yet, while infrastructure and institutional support are growing, traditional credit providers can be slow to adapt and entrepreneurs still cite financing as a major barrier.

[READ THE FULL ARTICLE HERE](#)



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## NOTES

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