

Market Views: What are the key takeaways from the Shanghai Cooperation Organisation summit?

Heather Ng

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The 2025 SCO meeting highlighted further moves toward a new global order, as the Eurasian group's members back regional security, tech innovation and new investment pathways across Asia.



This year's Shanghai Cooperation Organisation summit in the Chinese city of Tianjin marked a pivotal moment in the evolution of Eurasian geopolitics and economic strategy.

Leaders from China, India, Russia and other member states met for talks underscored by a collective ambition to reshape the global order into a more balanced, multipolar framework. Discussions centred on strengthening regional security, deepening economic integration among the SCO's 10 member states and accelerating technological innovation across borders.

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Among the headline outcomes was the launch of the SCO Development Bank, aimed at financing infrastructure and sustainability projects across member nations; a notable diplomatic thaw between India and China, signalling a potential easing of long-standing tensions; and new agreements to expand cooperation in artificial intelligence, green energy and cross-border infrastructure.

AsianInvestor asked industry experts to weigh in on how the summit's outcomes could influence capital market trends and investment opportunities across Asia.

Gary Tan, portfolio manager, intrinsic emerging markets equity team and Singapore CEO

Allspring Global Investments



Gary Tan

The 2025 SCO Summit in Tianjin marks a pivotal moment in the shift toward a multipolar global order. The launch of the SCO Development Bank and renewed diplomatic engagement between China and India signal deeper regional integration and a shared commitment to economic resilience. For investors, this translates into structural tailwinds for emerging market equities, particularly across Asia.

The summit further underscores China's central role in emerging market equities exposure, despite near-term headwinds. Its long-term strategy, focused on domestic consumption, innovation, and self-reliance, aligns with key themes emphasised at the summit, including AI and green energy. While geopolitical risks persist, selective exposure to Chinese equities offers alpha potential, especially in automation and electrification.

Strategic reshoring and rising foreign direct investment into emerging market economies, coupled with digital leapfrogging and demographic advantages, are reshaping Asia's investment landscape. The SCO's emphasis on infrastructure and technology collaboration reinforces this momentum. Equity investors who position portfolios to capture these dynamics through disciplined, bottom-up emerging market equities strategies stand to benefit from transformative growth opportunities.

Kim Catechis, investment strategist

Franklin Templeton Institute

Like BRICS, SCO is a group of countries with different and often conflicting interests, which in aggregate represent a significant portion of the world economy, because of China's weight. The core share geographic proximity and governance styles, with a keen interest in combatting the "three evils" of terrorism, separatism and extremism. It consolidates regional security cooperation and excludes Western influence. According to its charter, the SCO is explicitly tasked with promoting a new "political and economic international order."



Kim Catechis

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The key outcome of the 2025 summit was the agreement to establish an SCO Development Bank, long sought by Beijing and conceded by Moscow under growing reliance on China, highlighting the strength of the China-Russia partnership, increasingly on Beijing's terms.

China announced six new cooperation platforms covering energy, green industry, digital economy, technological innovation, higher education, and vocational training. While these moves further institutionalize China's leadership in the bloc, details remain unclear.

The lack of clarity makes it hard to identify specific capital markets implications, but Russian companies will gain improved access to Chinese bond markets, deepening the country's dependence on Beijing. In geoeconomic terms, this summit underscores China's influence in central Asia and the security of its western border.

Robert Gilhooly, senior emerging market economist

Aberdeen Investments



Robert Gilhooly

President Xi and Indian Prime Minister Narendra Modi made public displays of support for President Putin, suggesting that US attempts to pry Russia away from China (a 'reverse Kissinger') or to encourage India to seek alternative sources of oil are failing.

That said, this remains a disparate group of countries and there was only one tangible outcome following on from the SCO.

China and Russia announced a deal to build the Power of Siberia 2 gas pipeline, which aims to transport 50 billion cubic metres (bcm) of gas to China. Alongside upping exports via existing pipelines, supplies to China will be around half the 230 bcm Russia used to sell to Europe.

But big challenges remain to further integration among the group. Sino-Indian relations came out of the deep freezer after Donald Trump's 50% tariffs, with Modi travelling to China for the first time in seven years. But India and China are likely to remain wary of deepening their ties, not least because of long-standing mistrust and previous border clashes. Tensions rose in May after China supplied fighter jets to Pakistan, for example.

Trump's foreign policy is likely to result in further calls for a multi-polar world order, without the US at its centre. But there is so far only limited evidence of an accelerating integration between these economies. Indeed, despite Trump's actions, meaningful decoupling from the US economy and dollar-based global financial system, outside a few strategic industries, will remain difficult.

Steve Alain Lawrence, CIO

Balfour Capital Group

The 2025 SCO Summit in Tianjin marked a step toward deeper regional financial integration, with potential long-term implications for Asian capital markets. A key outcome was the revival of the SCO Interbank Consortium, bringing together major state lenders from China, Russia, India, and Central Asia to channel liquidity into infrastructure, technology, and cross-border connectivity. The planned SCO Development Bank, modeled on peers like the AIIB, is expected to prioritise renewable energy, digital trade, and transport corridors,



Steve Alain Lawrence

creating a new pool of institutional capital outside Western-led structures.

Corporates are likely to benefit directly. Chinese state utilities and renewable leaders such as LONGi and GCL Technology are positioned to capture yuan-settled projects in Central Asia. Russian energy majors may use SCO settlement mechanisms to secure long-term contracts, while Indian firms such as NTPC and Adani Green could access financing for regional renewables.

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