

Weekly Market Report For: 24 - 28 June 2024

## Overview

- Wall Street moved in a tight range last week.
- Nasdaq outperformed other indexes, +18.1% in 1H24, supported by Al theme.
- A poll showed that 67% of debate watchers believed Donald Trump won the debate compared to 33% who said Joe Biden won.
- U.S. inflation gauge softened, boosting hopes of Fed rate cut in September.
- EU and China agree to hold talks on EV tariffs.
- sector.

The Japanese yen weakened to a 38-year low, adding tailwind to export

- China economy shows sign of slowdown as manufacturing PMI remains at 49.5, below the 50-point mark that separates growth from contraction, for the second consecutive month.
- The Ministry of Finance raised the investment amount of Thai ESG fund to not exceed THB300,000 and trimmed holding period to 5 years.



## Market Brief

- Wall Street moved in a tight range last week. Dow Jones and S&P500 -0.1% from the previous week, while Nasdaq +0.2%.
- In 1H24, Nasdaq +18.1%, thanks to Al trend, while S&P500 +14.5% and Dow Jones +3.8%.
- 67% of debate watchers felt that Donald Trump won the debate compared to 33% who believe Joe Biden won. During the debate, Biden stumbled over his words and at times sounded incoherent. By comparison, Trump appeared confident, sounded robust and kept a mostly calm demeanor during the debate. Some Democrats are talking about replacing Joe Biden.
  - Both candidates predicted households would pay more if the other won the election. Trump said Biden would raise taxes for families. Biden countered that people would see their costs rise from Trump's plans to hike tariffs on imports. Biden has pledged to not raise taxes on those earning less than
  - \$400,000, but has called for raising taxes on top earners. o Trump wants to put a 10% tariff on all imports, and much higher duties

on Chinese products. He also pushes for extending the 2017 Tax Cuts and

Jobs Act, which many of its provisions will expire in 2025, no action will mean a reversion to the prior set of 35%. U.S. economic data

May's core PCE +2.6% YoY as expected, the lowest level in 3 years.

- On a monthly basis, core PCE and +0.1%, the slowest pace in 6 months.
  - Headline PCE +2.6% YoY and was flat from the previous month. Softened inflation data fuel bets of Fed rate cuts. According to the CME FedWatch Tool, the market is expecting a 64.1% probability that the Fed will cut rates in its September meeting.
  - IMF trimmed its U.S. GDP growth forecast from 2.7% to 2.6% and warned about rising debt level. Federal Reserve's stress test showed all 31 large banks meet

the central bank's minimum requirements, indicating that large banks are

well positioned to weather a severe recession.

- Nvidia share prices were largely volatile during the week, fell more than 10% at the beginning of the week but surged 7% in one day, putting the company back above the \$3 trillion market cap level.
- EU and China agree to negotiate on tariffs after the European Commission raised import duties on Chinese EV. China's EV companies have been considering investing in Europe along with tax agreements and China plans to import more goods from EU.

The first round of a snap parliamentary election in France on June 30

- indicates that Marine Le Pen's far-right National Rally party lead at 34%, while the left-wing got 28.1% and President Emmanuel Macron's centrist alliance came with 20.3%. The second round of voting on July 7 is the one to watch. Japanese yen slumped past 160 against the dollar, the weakest level in 38
- years and extending losses this year to 12%, amid speculation authorities may take necessary actions on currencies. However, Japan shares climbed, thanks to a weaker yen boosting export stocks. China manufacturing PMI was at 49.5 in June, marking its second straight month in contraction territory. Service PMI was at 50.5 compared with

market forecasts of 51.0. Investors focuses on China's Politburo meeting

- in the middle of this month, which should provide direction of its economic policy. Vietnam's GDP grew 6.93% in the second quarter from a year earlier, exceeding market projections of 6% and accelerating from the 5.87% in the first quarter. The economy expanded 6.42% in the first half of this year
- with manufacturing output growth at 8.67%. Exports grew by 12.5% in the second quarter, boost by electronics and seafood. IMF expects Vietnam's economy to expand by 6% this year, but has warned about exchange rate risks and inflation risks.

The Ministry of Finance raised the investment amount of Thai ESG fund

from THB 100,000 to not exceed THB 300,000 and trimmed holding period

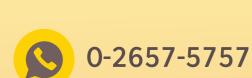
## from 8 years to 5 years, effective during 2024 - 2026.

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