

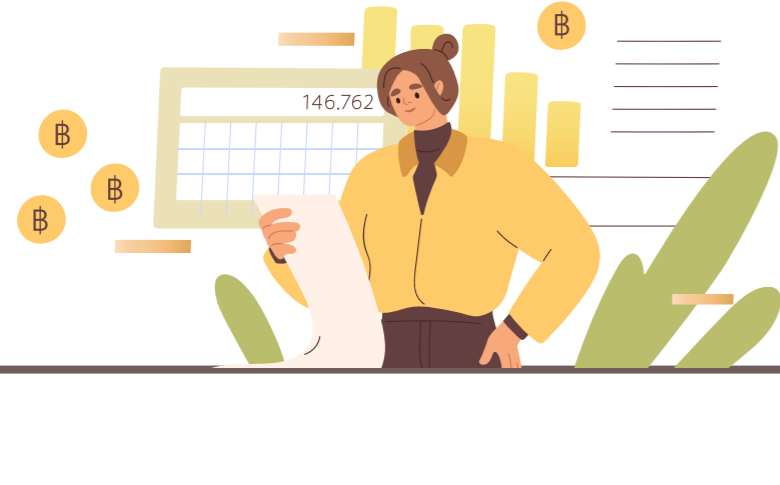
Overview

Global shares ticked lower as investors expected the US interest rates will stay higher for longer.



Equity market

- US stocks closed lower as investors pushed back their expectations of Fed rate cuts amid mixed economic data. Fed Chair Jerome Powell and his colleagues have stressed the need for more evidence that inflation is on a sustained path to their 2% goal before cutting the benchmark interest rate.
- European stocks ended lower as investors focused on the interest rate outlook and monitored rising global bond yields.
- Japan stock markets ended slightly lower from the previous week as markets kept their eyes on the US inflation gauge.
- China shares fell due to ongoing concerns about trade war with the US and rising US Treasury yields.
- SET Index tracked global markets lower. Agribusiness sector surged, while Commerce, Property, and Electronic sectors underperformed. Foreign investors were net sellers while institutional investors and local investors were net buyers.
- Oil prices slid due to concerns on weak demand after benzene and diesel inventories unexpectedly increase.



Fixed income market

- US Treasury yields rose, pushed to a near four-week peak on Wednesday, after tepid demand for US note sales, resilient consumer confidence data and hawkish central bank talk fueled expectations interest rates will stay higher for longer. However, yields fell on Friday as April's Inflation data showed signs of stabilization, leading to hopes that the Federal Reserve will stick to its rate cut plans.

Regional Economic Information

U.S.



- The US economy expanded an annualized 1.3% in 1Q24, below the previous report of 1.6% and slowed down from 3.4% in 4Q23.
- Core personal consumption expenditure price index (core PCE), the Fed's preferred inflation gauge, grew by 2.8% y/y in April as expected, after a 2.8% increase in March.
- Personal income rose 0.3% m/m in April, slowing down from a 0.5% growth in March. Personal spending increased 0.2% m/m, easing from a 0.7% rise in March.
- Pending home sales dropped by 7.7% m/m in April.
- Initial jobless claims increased by 3,000 to 219,000 in the week ended May 25.

Europe

- Preliminary data showed the euro zone headline inflation increased by 2.6% y/y in May after a 2.4% rise in April and compared with market estimates of 2.5%. Core inflation grew by 2.9% y/y following a 2.7% advance in a month earlier and higher than market forecasts of 2.8%
- Euro zone economic sentiment indicator improved to 96.0 in May from 95.6 in April, driven by improvement in service sector sentiment.
- German business climate index held steady at 89.3 n May.

Asia



- China official manufacturing purchasing managers' index (PMI) fell to 49.5 in May from 50.4 in April. This marked the first contraction in manufacturing activity for large companies in government sector since February as new orders and new export orders fell. Official non-manufacturing PMI slid to 51.1 from 51.2. Profits earned by China industrial firm in the first 4 months increased by 4.3% y/y, the same pace as in the first 3 months. Profits grew 4.0% in April, rebounding from a 3.5% contraction in March.
- Japan consumer confidence index fell to 36.2 in May from 38.3 in April as sentiments deteriorated towards all components. Industrial production edged down 0.1% m/m in April after a 4.4% growth in March, mainly dragged by lower output of transportation equipment and machinery, preliminary data showed. On the other hand, retail sales advanced by 2.4% y/y in April, accelerating from a 1.1% increase in the previous month and marking the 26th straight month of gain. Unemployment rate remained at 2.6% in April.

Thai

- The BOT reported that the Thai economy in April improved from the previous month, driven by tourism sector, private consumption and investment, manufacturing sector, and exports, while government spending continued to contract.
- Industrial production rose 3.43% y/y in April after a 5.13% decline in March and beating market forecasts of a 1.1% fall. Output increased for the first time in 19 months, amid economic recovery and last year low base.

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