

Weekly Market Report For : 30 December 2024 – 3 January 2025

Overview

- US markets volatile, Dow Jones -0.6%, S&P 500 and Nasdaq -0.5% WoW due to concerns over delayed rate cuts.
- The 10-year US Treasury yield rose to 4.6%, and the dollar strengthened to a 2-year high.
- Nvidia surged 4.7%, boosted by Microsoft's investment plans, while Tesla dropped 6% following a decline in 2024 sales.
- Euro and British pound weaken due to more relaxed monetary policies compared to the US and concerns over Trump's tariffs.
- Chinese stock market -5%, following a slowdown in manufacturing PMI and pressure from Trump's policies.
- SET Index -1.2% to close at 1,384.76 points due to concerns over the Global Minimum Tax and net selling by foreign investors.



Market Brief


- Last week, the US markets were quite volatile due to concerns over delayed rate cuts, uncertainties about Trump's policies, and profit-taking. Dow Jones index fell by 0.6%, while S&P 500 and Nasdaq dropped by 0.5% on the week.
- The 10-year US Treasury yield increased by 3 bps to 4.6%, and the dollar strengthened to its highest level in over 2 years due to concerns over Trump's policies.
- US manufacturing PMI rose to 49.3 in December, the highest in 9 months, as manufacturing and new orders rebounded.
- Nvidia shares rose 4.7% Friday (Jan. 3) on expectations of AI investments after Microsoft announced plans to invest USD80 billion in data centers by 2025.
- Tesla shares fell by approximately 6% WoW after reporting 2024 sales of 1.79 million units, down from 2023 sales of 1.81 million, despite management forecasting 20-30% growth in 2025.
- The euro weakened by 1% against the dollar to the lowest since December 2022 and the British pound weakened by 1.17% to the lowest in 8 months. The decline can be attributed to divergence in monetary policy as the ECB signaled it would keep cutting rate while the Fed might delay rate cuts. Trump's import tariffs threats also boost the dollar.
- Chinese stock market fell by 5% WoW after December's manufacturing PMI dropped to 50.5 from 51.5 in November due to declining export values, pressure from Trump's policies, and weak economic data.
- The PBOC has signaled that it is ready to cut interest rates and the reserve requirement ratio to stimulate the economy at an appropriate time.
- China's key bond yield fell to fresh record low last week. China's 10-year sovereign yield dropped by 1.5 bps to 1.6% and 30-year yield fell by 2.9 bps to 1.82%.
- SET Index closed at 1,384.76 points last week, down 1.2% due to concerns over Global Minimum Tax (GMT), foreign net sell of THB1.1 billion, and selling of LTF.

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