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Weekly Market Report For : 2 – 6 December 2024



Overview

- S&P 500 and Nasdaq surged 1% and 3.3%, respectively, making an all-time high on confidence in Trump’s policies and balanced economic data.
- Investors put an 85% chance on the U.S. Federal Reserve cutting rates by 0.25% next week.
- Crude oil prices weakened despite OPEC+ extending production cuts to 2026.
- UnitedHealth’s stock fell 10% following the fatal shooting of its executive.
- China’s stock markets surged 2% as market anticipated more economic stimulus and PMI surpassed expectations.
- The Reserve Bank of India (RBI) kept the interest rate at 6.5% while cutting the Cash Reserve Ratio (CRR) to increase liquidity.



Market Brief

- Last week, the S&P 500 and Nasdaq made an all-time high again by surging 1% and 3.3% respectively on a weekly basis, buoyed by investor confidence in Trump’s policies and the balanced economic data.
- US nonfarm payrolls was strong in November, increasing higher-than-expected by 227,000 jobs, while unemployment rate exceeded the expectation of 4.1% to stay at 4.2%.
- Investors put an 85% likelihood on the U.S. Federal Reserve cutting rates by 0.25% next week.
- 10-year US bond yield declined to 4.15% after jumping excessively high on the presidential election result. The US dollar depreciated against other currencies. The Thai Baht also strengthened due to. The Thai Baht was also supported by domestic factors including the buying spree of tax-saving funds and bustling tourism.
- Crude oil prices went down with the WTI and Brent dropping 1.2% and 1% respectively on a weekly basis on oversupply fears for next year despite OPEC+ extending production cuts to 2026.
- UnitedHealthcare CEO Brian Thompson was shot and killed ahead of the company’s annual analyst meeting, triggering a sharp drop of 10% WoW in UnitedHealth stock.
- The French government faced no-confidence vote on the budget conflict after Prime Minister Barnier had tried to push measures to reduce the deficit from 6.1% to 5% of GDP by 2025 by increasing taxes and reducing the social security budget totaling about 100 billion euros.
- South Korean president Yoon survived an impeachment motion over his declaration of martial law which was abandoned later. However, this political tension caused the KOSPI index to fall by about 2% and resulted in a weakening of the won.
- Syrian President Bashar Assad fled to Moscow after the rebels took Damascus, the Syrian capital. This marked a major turning point but the effort to restore the country has remained a challenge.
- China's stock markets rose 2%, boosted by expectations of more stimulus measures to be discussed in the Central Economic Work Conference this week, as well as the release of Caixin Manufacturing Purchasing Managers' Index (PMI) which reached 51.5, higher than expected level of 50.5.
- The Reserve Bank of India maintained its policy rate at 6.5% as expected, but lowered the Cash Reserve Ratio (CRR) by 50 basis points to 4% to improve liquidity in the economy. Meanwhile, inflation rose to a 14-month high of 6.21% in October which was higher than the upper target of 6%, and the GDP forecast was lowered to 6.6% from 7.2%. The Indian stock market valuation is relatively tight, so it is recommended to gradually enter the market when the index is shrinking.

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