



- Donald Trump wins US presidential election.
- Dow Jones, S&P500 and Nasdaq hit all-time high.
- Fed cut policy rates by 0.25% as expected. The rate-cutting roadmap could encounter some speed bumps after Trump's victory.
- China announced a debt swap program to refinance local government debt.
- Market expected that Beijing would add more stimulus, included measures to boost domestic consumption and support property sector.

Se Market Brief

- US elections, Fed meeting and China's NPC meeting are the top potentially market-moving events that investors had monitored last week.
- Donald Trump from Republican party has been elected as the 47th President of the United States. Trump won 312 electoral votes and Republicans could secure majorities in both chambers. Republicans have secured a 53-seat Senate majority. In the House of Representatives, Republicans secured at least 213 seats, five short of the majority.
- Markets lean toward "Trump trades" after the election results i.e. stocks, the dollar, bitcoin, and bond yields surged.
 - o Dow Jones +4.6%, S&P500 +4.6% and Nasdaq +5.7% to new record highs,

and Russell 2000 +8.5% as investors bet on Trump's policies e.g. cut corporate tax from 21% to 15%, reduce regulatory burden for business etc.

o Gold retreats on strong dollar. Emerging market shares fell after Trump's win, but rebounded later.

o Bitcoin surged due to Trump's support of digital assets.

o The 10-year US Treasury yields jumped from 3.6% in September to 4.4%. Yields slid to 4.3% after the Fed meeting.

• Fed meeting and interest rates direction.

o The Fed lowered interest rates by 25bps to 4.50-4.75% as expected.

o Fed Chair reaffirmed that the US economy continued to expand at a solid pace and the election results would not have impacts on rate decision in the near-term, while the Fed's approach to future policy would be guided by incoming data.

o Market expected the Fed would cut rates again in December. However, the potential impact of Trump's policies might reduce the pace of cuts.

China

o China showed signs of recovery. Exports grew 12.7% YoY in October, higher than market estimates of 5.2% and up from a five-month low of 2.4% growth in September. This marked the fastest pace in 19 months. Caixin

services PMI rebounded to 52.0 in October, the highest reading in 3 months.

o China shares fell following the US election results. Markets rebounded after the National People Congress (NPC) unveiled a CNY10 trillion debt swap program.

o Investors expected more stimulus to focus more on boosting domestic consumption and supporting property sector.

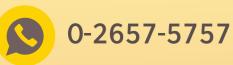
o Goldman Sachs expected China's fiscal deficit would increase to 3.6% of GDP in 2025 from 3.0% in 2024. It also expected Beijing would announce additional stimulus measures.

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