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Weekly Market Report For : 18 – 22 November 2024



Overview

- Investors switch to US cyclical and small cap shares. Dow Jones +2%, S&P 500 +1.7%, Nasdaq +1.7% and Russell 2000 +4.5%.
- Trump picks Scott Bessent, an advocate for deficit reduction, tax restructuring, and deregulation, to serve as his next Treasury Secretary.
- NVIDIA's 3Q24 revenue surged 94% YoY as data center revenue up 112%. However, stock turned lower due to profit-taking.
- Crude oil surged 6.46% last week, driven by escalating Russia-Ukraine tensions.
- US PMIs beat expectations. Manufacturing gauge rose to a 4-month high and service index climbed to the highest level in 32 months. This lifted the dollar. Europe economy remains weak.
- Thailand's GDP expanded 3.0% in 3Q24, above market forecasts, driven by public investment and private consumption.



Market Brief

- Market traded sideways in tight-range last week, mostly on lack of market moving catalysts.
- Investors switch to US cyclical and small cap stocks. Dow Jones +2%, S&P 500 and Nasdaq +1.7%, and Russell 2000 +4.5% from last week.
- US politics
 - Trump has chosen hedge fund manager Scott Bessent to be Treasury Secretary.
 - Market welcome Bessent's nomination as he supports deficit reduction, tax restructuring, deregulation, and more moderate on tariffs.
- Nvidia's earnings and share prices
 - Revenue grew 94% YoY in 3Q24, higher than analyst estimates, with AI chip demand driving data center revenue up 112%.
 - The firm forecasts sales of 37.5 billion dollars for the fiscal fourth quarter, above market forecasts of 37.1 billion dollars.
 - Nvidia has already shipped Blackwell chips to key partners such as Microsoft, Oracle, and OpenAI.
 - Share price slipped on profit-taking given that the stock has roughly tripled this year amid sky-high expectations.
- Geopolitical tensions
 - Tension between Russia and Ukraine escalated last week after the US and the UK gave Ukraine authority to launch their missiles deep into Russia. Then, Russia retaliated by launching its rockets into Ukraine.
 - Brent crude posted weekly gain of 6%.
 - Stock markets remains calm, while Trump does not commit to back Ukraine in war with Russia.
 - An economic conflict between the US and China continues to put China stock markets under pressure, while China government has not launched additional stimulus yet. Market hope for more fiscal stimulus.
- Economic indicators and FX
 - US PMIs came above expectations in November. Manufacturing PMI was at 4-month high and service PMI rose to 32-month high.
 - Euro zone PMI fell to 48.1 in November from 50 in October and missing expectations.
 - UK retail sales fell 0.7%, well below market forecasts of a 0.3% drop.
 - The euro and British pound fell on those weak data, while the dollar gained.
 - Given the weak outlook for the euro zone economy, market expected the ECB to lower its policy rate by 25bps in December.
- Thai economy and its stock market
 - SET index rose at the beginning of the week, driven by a stronger-than expected 3Q24 GDP and government stimulus.
 - However, the index fell at the end of the week, following global markets. In addition, the index was dragged by a collapse in DELTA share price after it was imposed cash balance restrictions. (effective during Nov. 21 – Dec. 11)
 - GDP expanded by 3.0% in 3Q24, well above market forecasts of 2.4 – 2.7%, driven by public investment on the back of the disbursement of the annual budget, exports, and private consumption.
 - For the first 9 months, GDP grew by 2.3%. The NESDC projected the Thai economy to expand by 2.6% this year and by 2.3-3.3% (mid-point = 2.8%) in 2025. Major risk factors are Trump's policy and high household debt.
 - Government announces the 2nd phase digital handout. The program will be launched in January 2025 and distribute 40 billion baht to around 3 – 4 million individuals aged 60 and above. The 3rd phase is expected to kick-off in 2H25. In addition, government announced plan for restructuring household debts. Qualified borrowers will be eligible for 3-year suspension of interest payments and will be allowed to pay only the loan principal.

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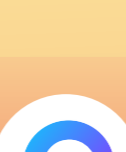
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Should you have any queries, please contact Krungsri Asset Management Company Limited or selling agents or mutual fund sales representatives.

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