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Weekly Market Report For : 23 – 27 December 2024



Overview

- US stock indices moved sideways, closing the week in positive territory for all indexes. The rise in the 10-year US Treasury yield caused some market volatility.
- Crude oil prices rose, supported by China's economic stimulus measures and a drop in US oil stockpiles.
- Japanese stocks surged, driven by a weaker yen after the BOJ held interest rates steady.
- South Korea ousts acting president, sending won lower and KOSPI stock index down.
- Chinese stocks rose after additional economic stimulus measures were announced.
- The Thai government approved a second phase of 10,000 baht cash handouts and Easy E-Receipt tax reductions scheme.



Market Brief

- Last week, U.S. stock markets moved sideways due to a lack of new drivers and the holiday season, resulting in thin trading volumes. However, all indices closed the week positively: Dow Jones +0.4%, S&P 500 +0.7%, and NASDAQ +0.8%. The 10-year US Treasury yield rose to 4.63%, causing some market volatility.
- WTI crude oil prices increased by 1.6% and Brent by 1.2% compared to the previous week, supported by expectations of China's economic stimulus measures and a decrease in US crude oil inventories.
- Japanese stock markets rose by approximately 4%, boosted by a weaker yen after the BOJ maintained its policy rate last week and signaled it may keep rates unchanged until wage negotiations are concluded in March.

The Japanese government approved a record JPY115.5 trillion (approximately USD730 billion) budget for the fiscal year starting in April, up 2.6% from the current year. Meanwhile, new government bond issuance hit a 17-year low as tax revenues surged, with new bond issuance falling to 28.6 trillion yen. However, the budget plan needs support from opposition parties after Prime Minister Ishiba's coalition lost its majority in the October elections.

- South Korea's parliament voted to impeach acting President Han Duck-soo on Friday, December 27, after Han refused to fill three vacant seats in the Constitutional Court, which is set to adjudicate President Yoon Suk Yeol's impeachment trial. This is the second removal of a national leader in December, following Yoon's martial law decree on December 3, which has hit the South Korean economy. The won dropped 0.4% and the KOSPI index fell 1.02% on Friday, December 27.
- Chinese stock markets rose by approximately 1-2% after Chinese authorities have agreed to issue CNY3 trillion (USD41 billion) worth of special treasury bonds next year, the highest on record, equivalent to 2.4% of 2023 GDP. The proceeds will be primarily targeted at boosting consumption via subsidy programmes, business equipment upgrades, infrastructure projects, and agricultural areas.
- China announced plans to increase and expedite fiscal support to stimulate consumption in 2025. This includes raising pensions and health insurance subsidies for citizens. Additionally, there will be an expansion of effective investments to attract more investments through government spending. Fiscal spending will focus on enhancing technological innovation capabilities, supporting research and development of key technologies, and promoting industrial upgrades.
- SET index +36.39 points or +2.7%, closed at 1,401 points, driven by inflow from tax-saving fund and foreign investors. The tourism sector + 4.8%, ICT +4.5%, and property sector +3.8%.
- Thailand's exports grew by 8.2% in November, marking the fifth consecutive month of growth, while imports grew by 0.9%. Key drivers of export growth included a 9.5% increase in industrial goods exports, especially technology products, and a 5.7% increase in agricultural and agro-industrial products. For the first 11 months, exports grew by 5.1%, and imports grew by 5.7%.
- Thai cabinet approved a second phase of 10,000 baht cash handouts for 4 million elderly people aged 60 and above who did not receive it in the first phase, with a budget of THB40 billion. The cabinet also approved the Easy E-Receipt scheme for tax deductions in 2025, requiring spending between January 15 - February 28, 2025, with a maximum limit of THB50,000 baht, divided into two parts, with the first THB30,000 for spending at general stores and THB20,000 baht for OTOP products.

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