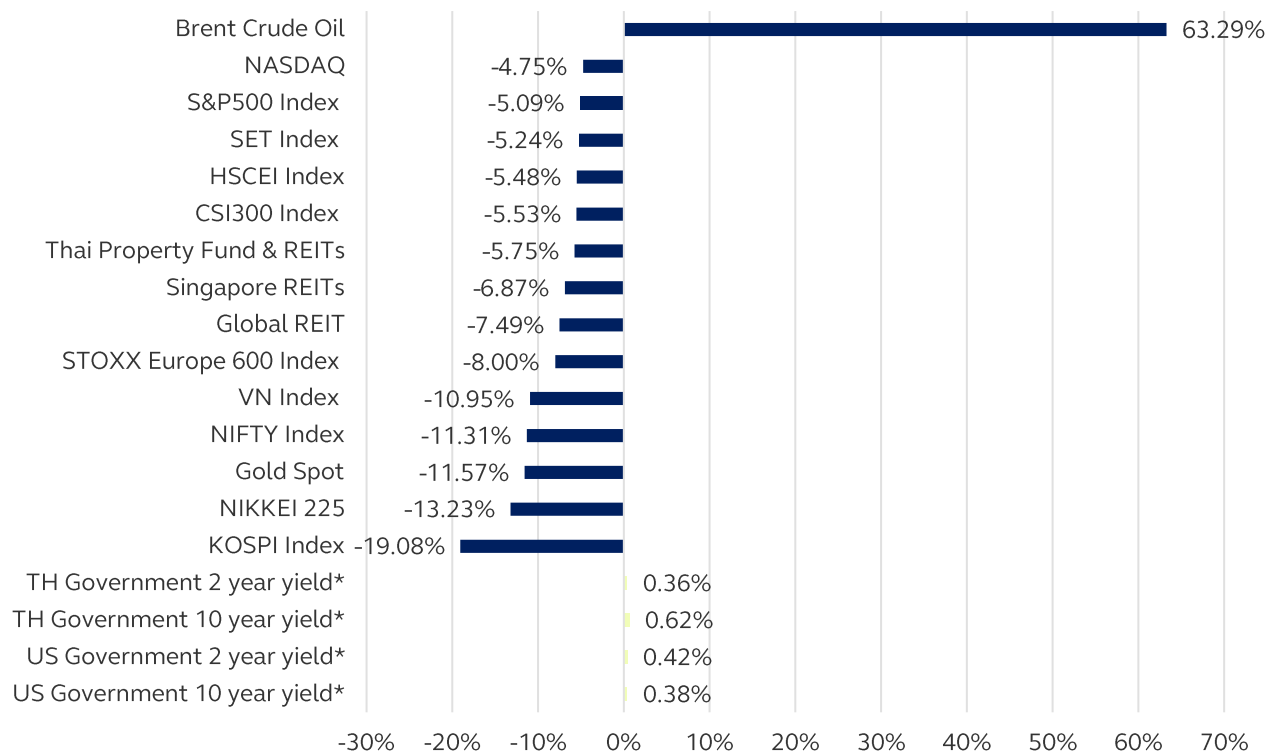
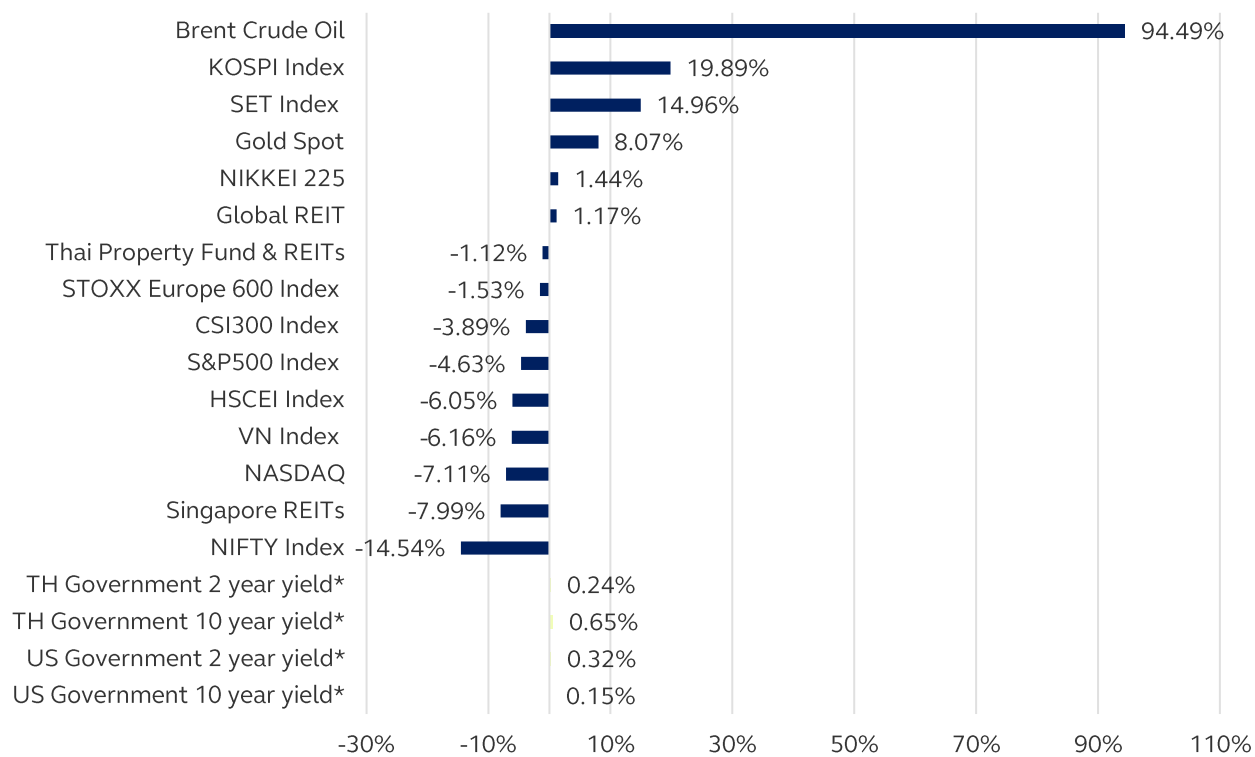


## Market Outlook

### 1-month performance (March)



### Year-to-date performance (Jan-Mar)



\*Information illustrated percentage of bond yield change not return.  
Source : Bloomberg, data as of 31 March 2026

Global financial assets broadly declined in March, including equities, fixed income, and gold, amid heightened geopolitical tensions. These tensions disrupted the transportation of crude oil and liquefied natural gas (LNG)—accounting for nearly 20% of global supply—as well as fertilizers and chemical products. The resulting surge in global energy prices has increased uncertainty and volatility across financial markets worldwide. Overall, we maintain a Neutral view on global assets and a Slightly Overweight view on Thai and Vietnam stock markets.

**Fixed Income:** 2-year U.S. government bond yields rose in March amid inflation concerns from geopolitical tensions. While the Fed held interest rates unchanged at its March meeting and maintained a cautious tone, the dot plot still indicates one rate cut this year and another next year. However, markets are pricing in a slower pace of easing. Principal Asset Management maintains a Neutral view on fixed income investments.

**Global Equity:** Principal Asset Management holds a Neutral view on major global equity markets. The U.S. stock market, the S&P 500 fell 5.09% and the NASDAQ fell 4.75%. Markets were pressured by geopolitical conflicts that disrupted roughly 20% of global crude oil and natural gas supply, reinforcing expectations that the Fed may delay rate cuts. Additionally, ongoing U.S. trade policies remain a headwind to corporate earnings amid persistent inflationary pressures.

In Europe, STOXX 600 index fell 8.00%, Markets experienced elevated volatility due to a renewed energy crisis and escalating tensions in the Middle East, which drove oil and gas prices sharply higher. Rising production and logistics costs intensified inflation concerns and revived fears that the ECB may delay easing or re-tighten monetary policy

In Japan, NIKKEI 225 index fell 13.23%. As a net energy importer, Japan remains highly sensitive to rising oil prices. Moreover, potential government measures to cap energy prices could limit the effectiveness of previously anticipated fiscal stimulus. Persistently high energy costs may also accelerate expectations of monetary policy tightening by the BOJ.

**Indian Equity:** The Indian stock market fell 11.31%, pressured by prolonged geopolitical tensions that pushed energy prices higher. This weighed on inflation expectations and triggered further depreciation of the Indian rupee, which reached a new record low. Foreign investors were net sellers, with outflows of approximately INR 4.37 billion. Principal Asset Management maintains a Slightly Underweight on Indian stock market.

**Thai Equity:** The SET index fell 5.24%, driven by concerns over geopolitical tensions, as Thailand is net energy importer. This poses potential downside risks to Thailand’s economic outlook. However, we hold a Slightly Overweight view on Thai equities, as the market has shown signs of recovery and has outperformed regional ASEAN peers. Domestic conditions are improving, supported by greater political stability, expectations of economic stimulus measures, and upward revisions to earnings forecasts, while valuations remain attractive.

**Vietnam Equity:** The VN Index fell 10.95%, pressured by rising energy prices due to Vietnam’s high dependence on oil imports from the Middle East. However, domestic supply remains stable, Looking ahead, on 8 April, FTSE is scheduled to announce its interim review, which may include details on Vietnam’s phased inclusion into the FTSE Emerging Market Index. This is expected to provide positive sentiment support. Principal Asset Management maintains a Slightly Overweight view on Vietnam stock market

**Property Funds / REITs:** Global property funds and REITs fell 7.49%. Rising energy prices fueled global inflation, reinforcing a more restrictive monetary policy stance among major central banks. Higher bond yields increased financing costs, weighing on REIT valuations. Principal Asset Management maintains a Neutral view on REIT investments.

**Gold:** Gold price fell 11.57%, pressured by a stronger U.S. dollar and rising U.S. Treasury yields amid heightened geopolitical uncertainty. As a non-yielding asset, gold became relatively less attractive in this environment. We maintain a Neutral view on gold.

## Asset Allocation Outlook

	UW	Slightly UW	Neutral	Slightly OW	OW
Cash	○	●	○	○	○
Fixed Income	○	○	●	○	○
• Global	○	○	●	○	○
• Thailand	○	○	●	○	○
Equity	○	○	●	○	○
• Global	○	○	●	○	○
• Thailand	○	○	○ →	●	○
• India	○	●	○	○	○
• Vietnam	○	○	○	●	○
Property Funds/REITs	○	○	●	○	○
Gold	○	○	●	○	○

### Viewpoints reflect a 1-month horizon

○ → ● indicates a change in preference from the previous month (light blue ○) to the current month (dark blue ●)

### Description of Asset Allocation Outlook table

- OW or Overweight : Allocate asset more than its benchmark
- Slightly OW or Slightly Overweight : Allocate asset slightly more than its benchmark
- Neutral : Allocate asset equal to its benchmark
- Slightly UW or Slightly Underweight : Allocate asset slightly less than its benchmark
- UW or Underweight : Allocate asset less than its benchmark

Caution: Principal Asset Allocation Plan is a service providing advice on allocating investment portfolios by diversifying investment into various financial assets according to investor's investment risk tolerance. Advisement is considered on market conditions to create or adjust balance portfolio, which will be monthly evaluated and adjusted investment mix or portfolio to ensure that the portfolio is well-diversified and consistent with investment outlooks. Due to market price changing from market conditions, the proportion of each asset may deviate from appropriate allocation. This may cause the portfolio to be at higher or lower risk than it should be. Principal Asset Allocation Plan is only advice from Principal Asset Management and investors may not receive return as expected. Investors should make sure that understand about basic investment allocation, recommended by SEC. / Investors should understand product characteristics (mutual funds), conditions of return and risk before making an investment decision. / Past performance does not guarantee future results.

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