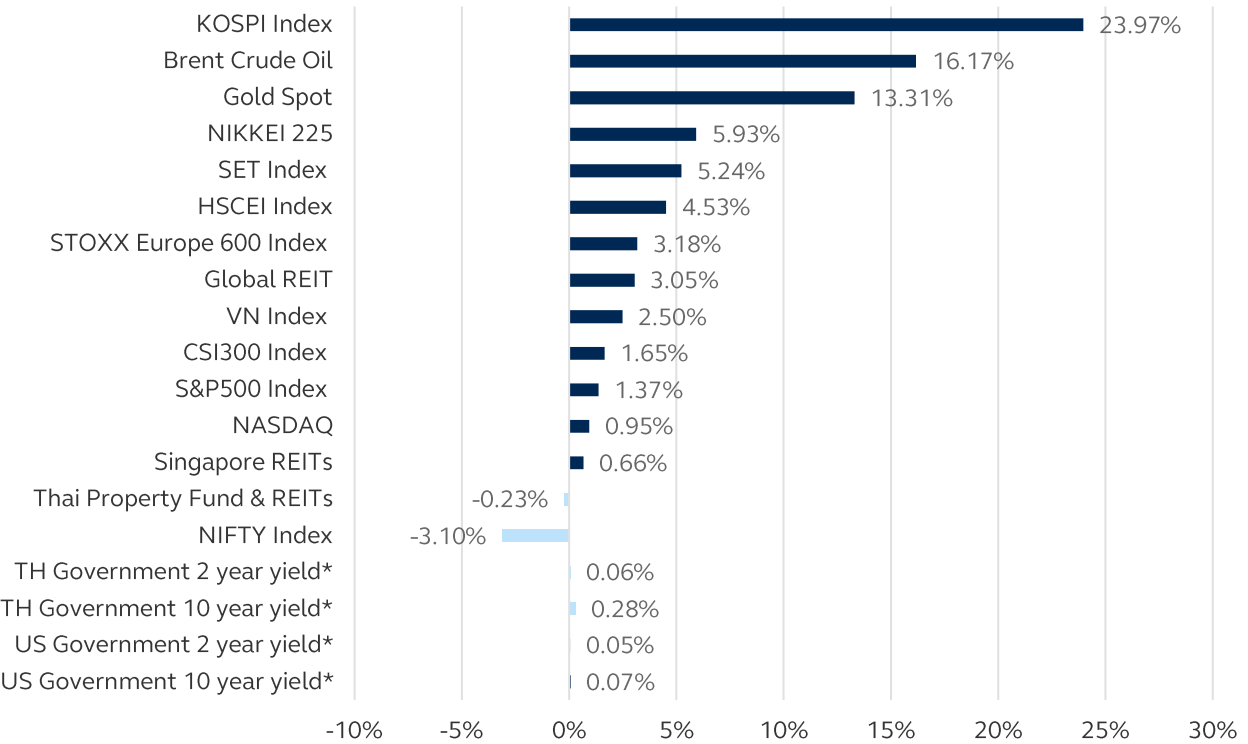
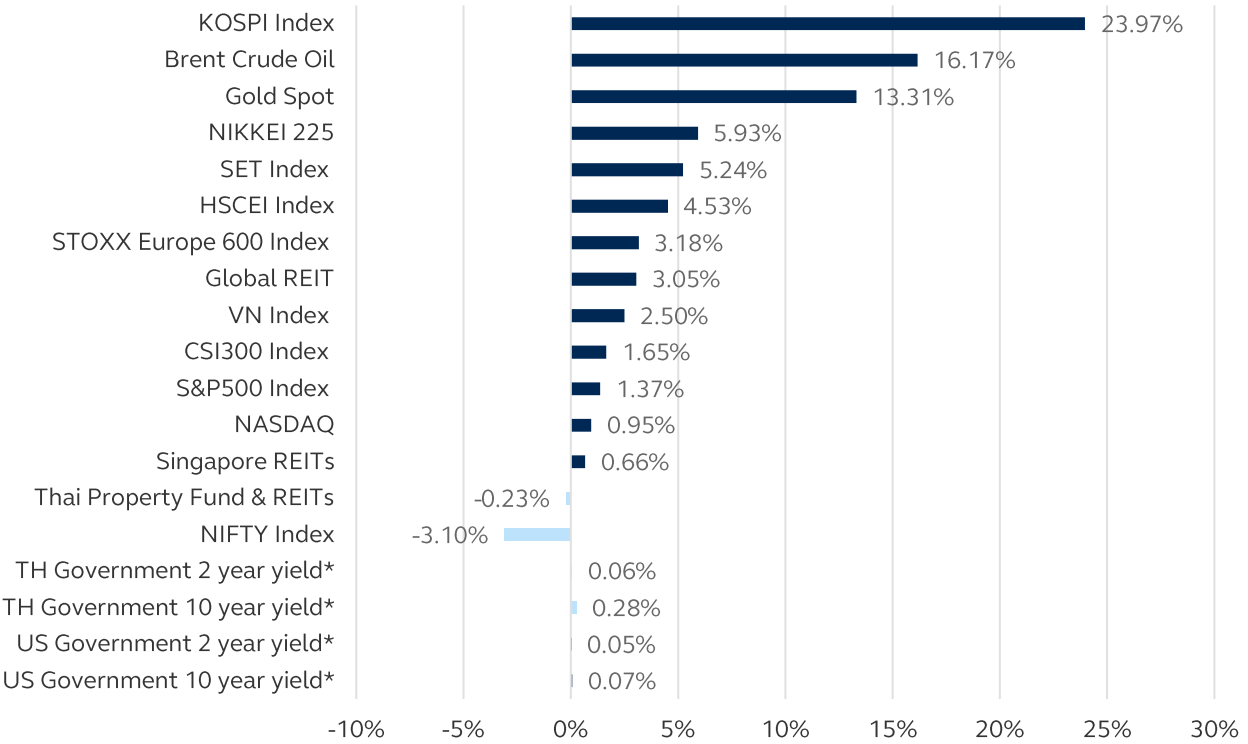


Market Outlook

1-month performance (January)



Year-to-date performance



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



Global equity markets posted strong gains in January, led by Asian stock markets such as South Korea, Japan, China, Vietnam and Thailand. The rally was supported by the rotation out of the U.S. stock where valuations remain relatively stretched into regions with more attractive valuations and those benefiting from the global growth in technology and AI. Therefore, we maintain a Neutral view on global stock markets and a Slightly Overweight view on Vietnam stock markets.

**Fixed Income:** 2-year U.S. government bond yields slightly increased. The Fed keeps interest rates unchanged at 3.50–3.75% in the January meeting, in line with market expectations, while signaling a more constructive outlook for the U.S. economy. Principal Asset Management expects two rate cuts from the Fed this year and 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 +1.37% and NASDAQ +0.95%, supported by better-than-expected Q4 2025 earnings, particularly in the banking sector. However, The market pressured by stretched valuations. Short-term corrections remain possible. Especially, if the remaining Q4 earnings come in weaker than expected.

In Europe, STOXX 600 index rose by 3.18%, hitting a new high in early January. Sentiment was boosted by the EU-India free trade agreement and strong buying in technology and defense stocks, which benefited from increased government budgets. However, markets came under pressure on the uncertainties about trade policies, which negatively affected the automotive and luxury goods sectors.

In Japan, NIKKEI 225 index rose by 5.93%, supported by capital rotation out of U.S. technology stocks as well as an “election rally” ahead of the general election on February 8<sup>th</sup>. which will influence the yen, monetary and fiscal policy directions going forward. Polls indicate that Takaichi’s LDP party maintaining its lead over other parties.

**Indian Equity:** The Indian stock market fell –3.10%, amid continued foreign outflows and the uncertainties about trade policies. Principal Asset Management shifted Indian stock market to Slightly Underweight.

**Thai Equity:** The SET index rose by 5.24% in January, supported mainly by foreign inflows ahead of the national election (“Election Rally”). Additional support came from concerns that Indonesia could be downgraded to Frontier Market status by MSCI, which could redirect flows to other regional markets, including Thailand. Principal Asset Management holds a Neutral view on the Thai stock market.

**Vietnam Equity:** The Vietnamese stock market rose by 2.50%. Market breadth has improved since the beginning of the year, and Fitch Ratings recently upgraded Vietnam’s long term senior secured debt rating from BB+ to BBB , reflecting improved creditworthiness. Inclusion in the FTSE Emerging Markets Index is also expected to attract further foreign inflows. Principal Asset Management shifted Vietnam stock market view to Slightly Overweight.

**Property Funds / REITs:** Global property funds and REITs rose by 3.05% as global equity sentiment strengthened, particularly in non-U.S. markets. Market expectations still point to two Fed rate cuts this year. We maintains a Neutral view on REIT investments.

**Gold:** Gold price rose by 13.31% in January, despite a sharp pullback at month end. The rise was supported by a weaker U.S. dollar and continued purchases by global central banks and ETF investors amid economic and geopolitical uncertainty. However, after a strong rally over the past year, short term volatility from profit taking is possible. Principal Asset Management maintains 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.

Reported by  
Suppachark Erbprasartsook – Head of Investment Strategy  
Thaned Lertpetchpun – Senior Investment Strategist  
Mintra Juntavitchaprapa – Investment Strategist  
Kornkamol Kittipattananon – Investment Strategist  
Nannalin Boonmee - Investment Strategist