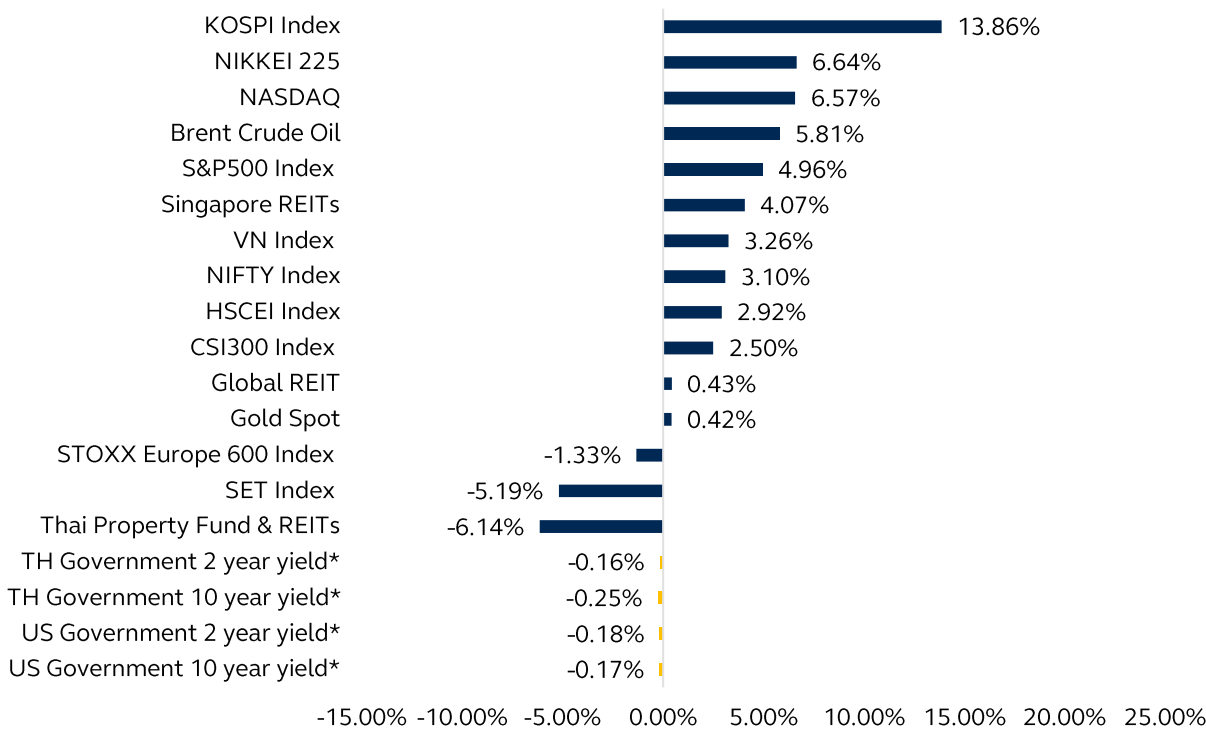
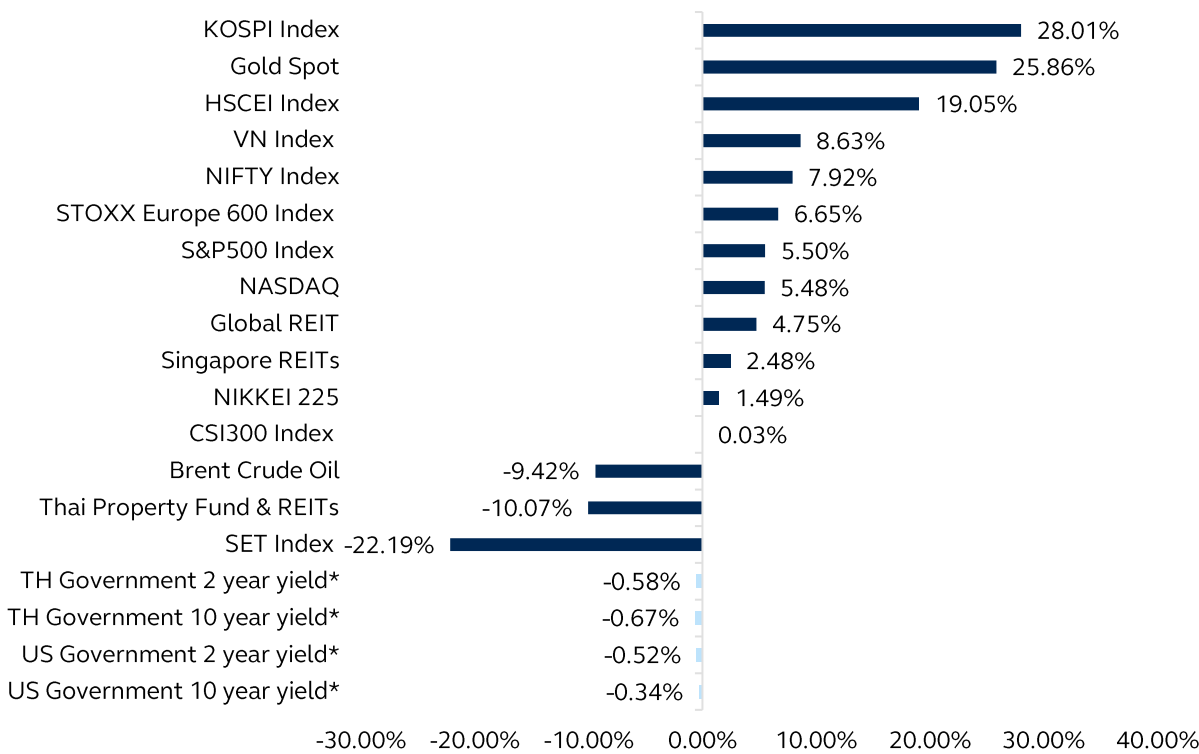


Market Outlook

1-month past performance (June)



Year-to-date performance (Jan-Jun)



*Information illustrated percentage of bond yield change not return.
Source : Bloomberg, data as of 30 Jun 2025



Most global stock markets rose in June after easing tensions in the Middle East reduced regional stress and positively impacted risky assets worldwide. Trade negotiations between US and China also showed positive progress, with both countries reaching initial agreements. Trade agreements with other countries are also nearing finalization. Additionally, analysts continue to adjust US stock performance forecasts upwards, leading Principal Asset Management to have a slightly overweight view of global equity. However, the Thai stock market is still under pressure from political factors, and listed companies' performance has not yet recovered.

Fixed Income: US government bond yields for 2-year and 10-year maturities declined, supported by the Federal Reserve's recent meeting results, where the latest Dot Plot signaled the possibility of two interest rate cuts within this year. Geopolitical tensions in the Middle East also drove investors to seek safe assets. However, Principal Asset Management maintains a neutral view on bond market investments.

Global Equity: Principal Asset Management has a slightly overweight view on investments in major global stock markets. The US stock market rose, with the S&P500 index up by 4.96% and NASDAQ up by 6.57%, following Donald Trump's more relaxed stance on trade restrictions..

European stock market STOXX 600 index fell by 1.33% due to ongoing uncertainties in US-Europe trade negotiations and potential short-term pauses in Middle Eastern conflicts. However, the ECB cut interest rates by 0.25% in June as expected.

Japan's NIKKEI 225 index rose by 3.10% due to easing tensions between US and China. Additionally, semiconductor stocks rose following US stock market, amid expectations of strong growth in AI technology demand.

However, further monitoring of trade negotiations between the US and other countries is required before the upcoming deadline for tariff imposition on July 9.

India equity: India's Nifty index rose by 3.10%, led by small and mid-cap stocks, as investors' concerns over trade wars, geopolitical tensions, and capital inflows eased. Principal Asset Management maintains a neutral view on investments in the Indian stock market.

Thai equity: Thai stock market declined by 5.19%, primarily pressured by domestic political uncertainties and the continued poor performance of listed companies. Principal Asset Management has a slightly underweight view on Thai stock market.

Vietnam equity: Vietnamese stock market rose by 3.26%, mainly supported by large-cap stocks, especially in the real estate and industrial estate sectors, benefiting from clear economic recovery trends.

Property Funds/REITs: increased slightly by 0.43%, amidst volatility from uncertainties in Trump's tax policies, which pressured global economic activities. However, the Federal Reserve chairman stated in his semi-annual speech that the Fed would not rush to cut interest rates, awaiting clarity on the impact of the tax measures. Principal Asset Management maintains a neutral outlook on REITs.

Gold: Gold prices fluctuated in June after the US-China trade agreement boosted demand for risky assets and reduced gold's appeal as a safe asset, along with easing geopolitical tensions. However, Principal Asset Management maintains a neutral outlook on gold, as it may consolidate in the short term if trade tensions between the US and its trading partner ease.

Asset Allocation Outlook

	UW	Slightly UW	Neutral	Slightly OW	OW
Cash					
Fixed Income					
• Global					
• Thai					
Equity					
• Global			→		
• Thai		←			
• India					
• Vietnam					
Property Funds/REITs					
Gold					

Viewpoints reflect a 12-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.

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