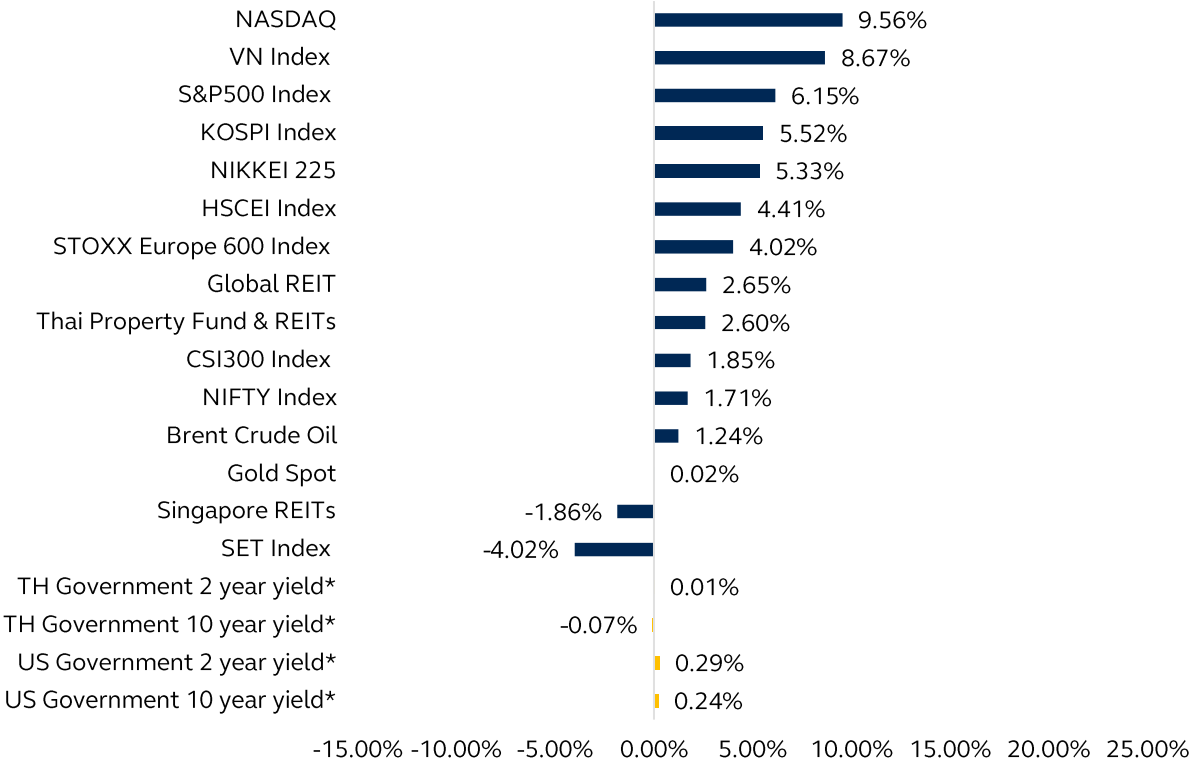
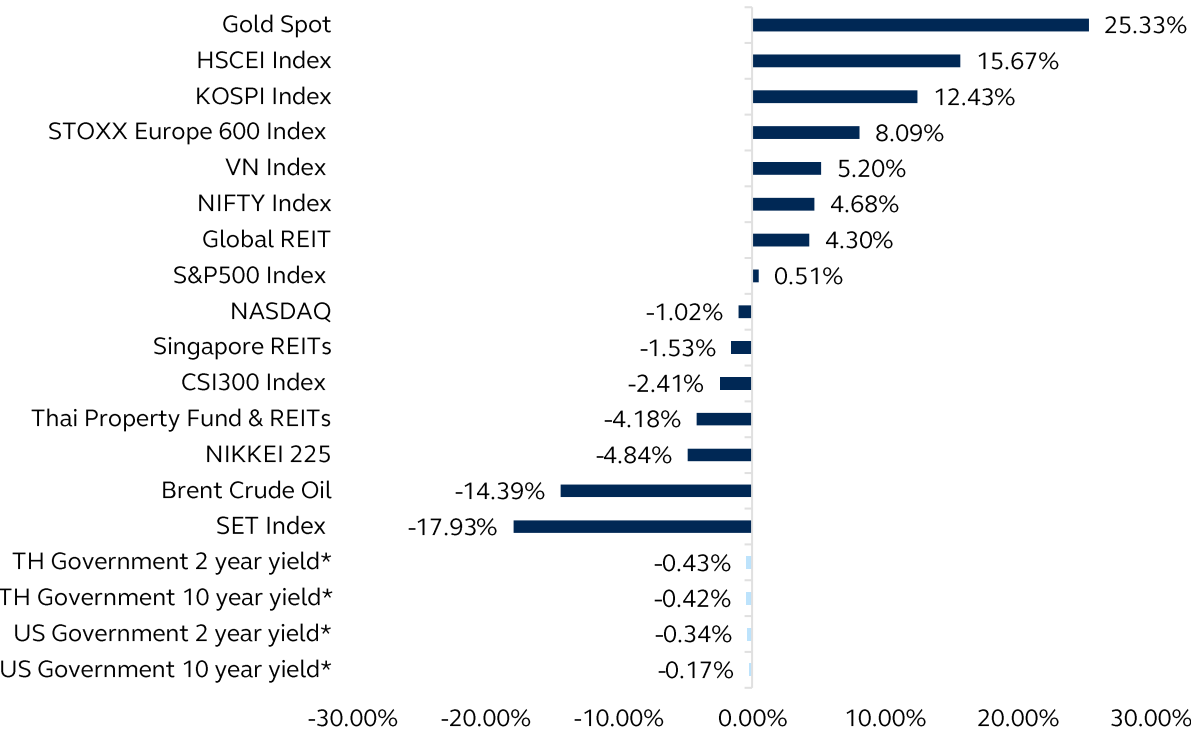


Market Outlook

1-month past performance (May)



Year-to-date performance (Jan-May)



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



In May, global equity markets mostly recovered past pre-announcement levels for Reciprocity Tariff measures, reflecting progress in trade negotiations. UK became the first nation to secure a trade agreement with US, while Europe still faced pressure from tense trade negotiations between US and EU. Asian equity markets and some emerging markets continued to face challenges due to weak domestic economic data, which heightened concerns about trade policies and macroeconomic conditions.

**Fixed Income:** U.S. 2-year and 10-year Bond yields increased due to concerns that Donald Trump's One Big Beautiful Bill might lead to more government bond issuance. Moody's Ratings downgraded the US credit rating to Aa1 over concerns about the rising public debt. Principal Asset Management maintains a neutral outlook on fixed income.

**Global Equity:** Principal Asset Management holds a neutral outlook on global equities. US equity recovered significantly, with the S&P500 index up by 6.15% and NASDAQ up by 9.56%, following Trump's more relaxed stance on trade protection measures.

European stock market STOXX 600 index rose by 4.02%, driven by expectations of potential rate cuts by the European Central Bank (ECB) in June, coupled with positive news of Trump's trade agreement with UK.

Japan's NIKKEI 225 index increased by 5.33%, fueled by investor optimism that Japan might be the next country to secure a trade agreement with US, after 4 rounds of joint negotiations.

Although the stock markets have rebounded past pre-announcement levels for Reciprocity Tariff measures, uncertainties in Trump's policies, especially with China and Europe, remain.

**India equity:** India's NIFTY 50 index rose by 1.71%, led by small and mid-cap stocks, supported by strong corporate earnings and continuous inflows of foreign investment. Principal Asset Management maintains a neutral outlook on Indian equity.

**Thai equity:** Thai stock market rose by 1.71%, led by small and mid-cap stocks, supported by strong corporate earnings and continuous inflows of foreign investment. Principal Asset Management maintains a neutral outlook on Thai equity.

**Vietnam equity:** Vietnamese stock market surged strongly by 8.67%, driven by strong Q1 2568 earnings and positive progress in trade negotiations between Vietnam and US, with the next round of discussions scheduled for early June.

**Property Funds/REITs:** Global real estate investment trusts (REITs) prices remain stable amidst uncertain investment environments, particularly Trump's tax policies, which exert pressure on global economic activities and influence central bank interest rate policies in many countries. Principal Asset Management maintains a neutral outlook on REITs.

**Gold:** Gold prices in May were highly volatile, with some periods of decline due to profit-taking after previous sharp increases driven by uncertainties in Trump's trade policies that could impact the global economic outlook. Principal Asset Management maintains a neutral view on gold investments, considering that gold prices may consolidate in the short term if trade negotiations between US and other countries make progress.

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.

Reported by

Suppachark Erbprasartsook – Head of Investment Strategy  
Thaned Lertpetchpun – Investment Strategist  
Mintra Juntavitchaprapa – Investment Strategist  
Kornkamol Kittipattananon – Investment Strategist