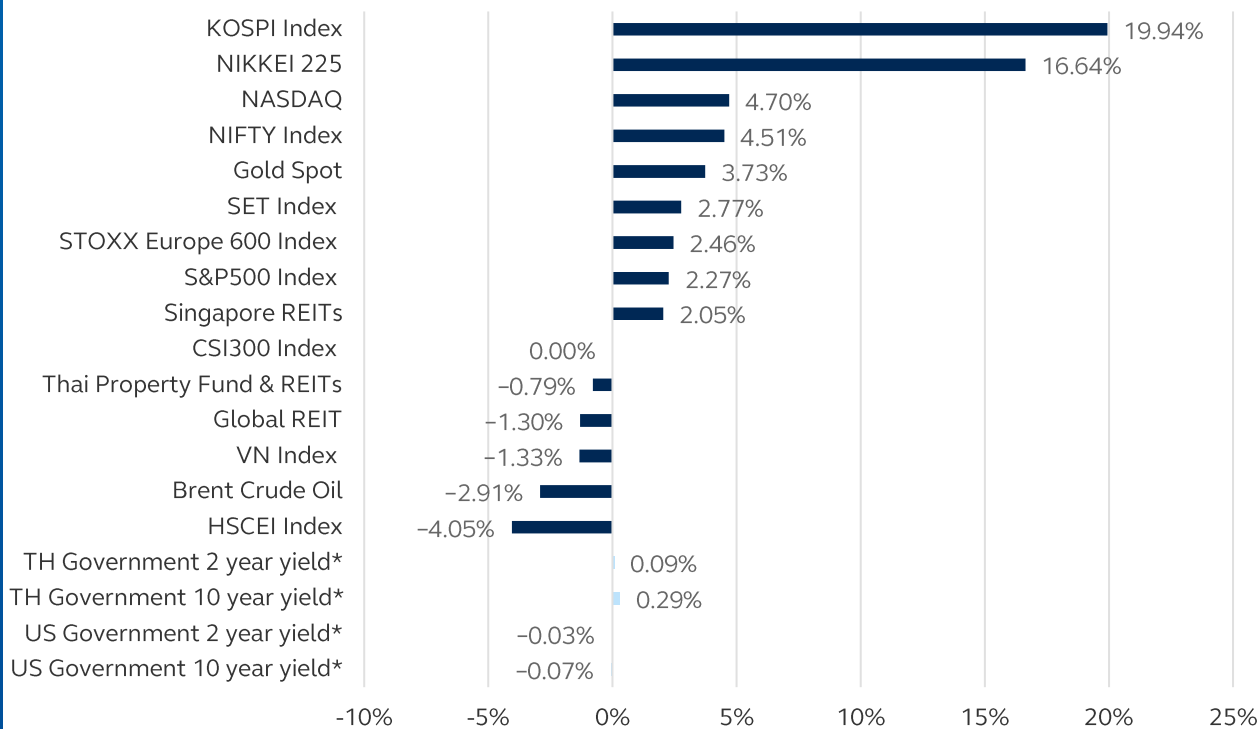
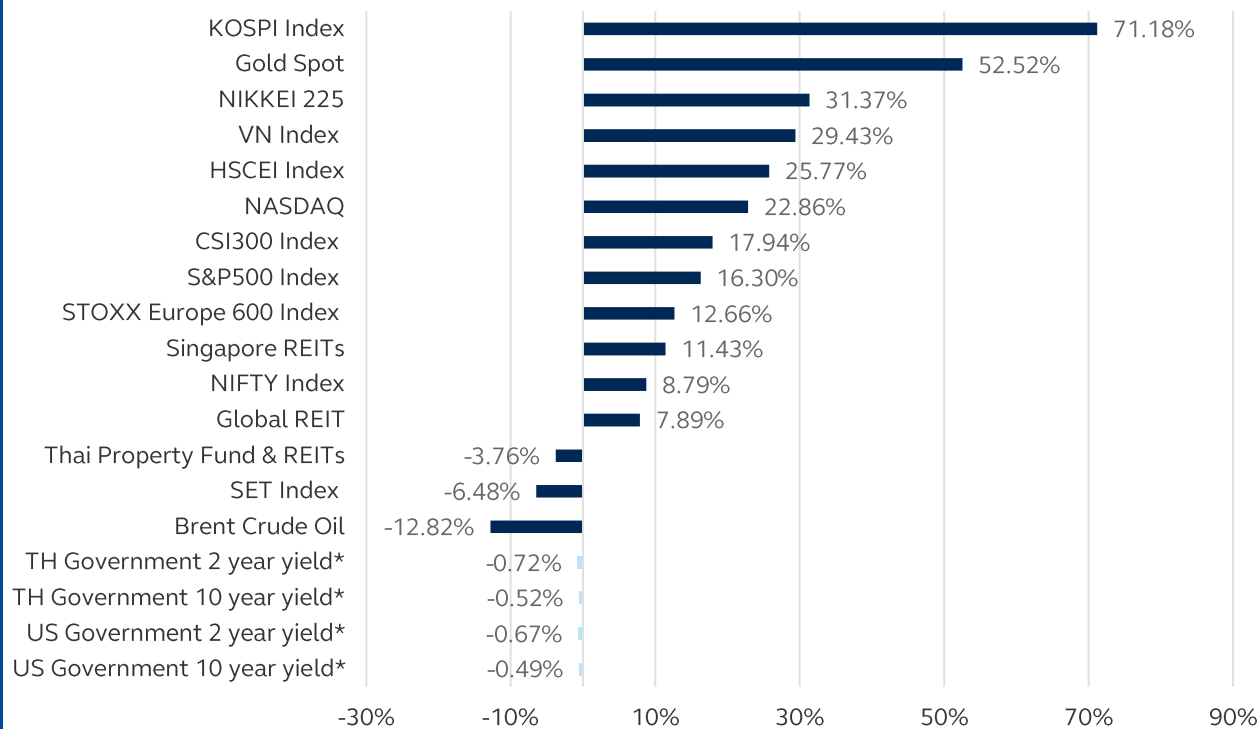


Market Outlook

1-month past performance (October)



Year-to-date performance (Jan-Oct)



*Information illustrated percentage of bond yield change not return.
Source : Bloomberg, data as of 31 October 2025

Global stock markets continued to rally in October, led by Asian stock markets such as South Korea and Japan. The rally was supported by the Fed decision to cut its policy rate by 0.25% in October meeting. Furthermore, Investors also anticipate another 0.25% rate cut in December, followed by two more 0.25% cuts by the end of Next year, Easing U.S.-China trade tensions and stronger-than-expected Q3 earnings from U.S. listed companies further boosted sentiment toward risk assets globally. Therefore, we maintain a Neutral view on Global stock markets.

Fixed Income: 2-year and 10-year U.S. government bond yield were relatively stable compared to the previous month but rose significantly following Fed Chair Jerome Powell's statement after the October 29 meeting, which highlighted uncertainty around a potential rate cut in December. Additionally, concerns over a possible U.S. government shutdown added pressure to the bond market. Principal Asset Management maintains Neutral on fixed income investments.

Global Equity: Principal Asset Management holds a Neutral view on major global equity markets. The U.S. stock market, S&P 500 Index rose by 2.27% and NASDAQ by 4.70%, supported by the Fed rate cut 0.25% to 3.75–4.00% at its October meeting and better-than-expected Q3 earnings from U.S. listed companies.

In Europe, STOXX 600 index rose by 2.46%, the European Central Bank (ECB) held its policy interest rate steady, as expected. However, Europe is likely to face pressure from the banking sector and political instability in France.

In Japan, NIKKEI 225 index surged 16.64%, following the election of Sanae Takaichi as Japan's first female Prime Minister. Her pro-growth and accommodative monetary policy stance boosted investor confidence.

Indian Equity: The Indian stock market rose 4.51%, supported by optimism over trade negotiations with the U.S. and strong domestic economic growth. Principal Asset Management maintains a Neutral view on Indian equities.

Thai Equity: The SET rose 2.77%, following the formation of a new government and a clear election timeline, which is expected to reduce political uncertainty and enhance economic stability. Additionally, the Bank of Thailand signaled readiness to ease monetary policy further if economic conditions weaken. Furthermore, the Thai stock market's valuation remains undervalued compared to historical averages, Principal Asset Management maintains a Slightly Overweight on the Thai stock market.

Vietnam Equity: The Vietnamese stock market slightly declined by 1.33%. While short-term volatility may persist, long-term prospects remain positive, supported by strong economic growth with Q3 2025 GDP growth at 8.23% and The government targets double-digit GDP growth next year. Additionally, Foreign investment inflows are expected to rise following FTSE's official upgrade of Vietnam to Emerging Market status in October.

Property Funds / REITs: Global property funds and REITs declined slightly after the Fed signaled uncertainty over a December rate cut. Despite a long-term downward trend in interest rates, short-term volatility may persist due to economic slowdown risks and trade policy uncertainties. Principal Asset Management maintains a Neutral view on REIT investments.

Gold: Gold price rose strongly, driven by safe-haven demand amid global economic and geopolitical uncertainties. A weaker U.S. dollar and expectations of further Fed rate cuts also supported continued inflows into gold. However, we 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.

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