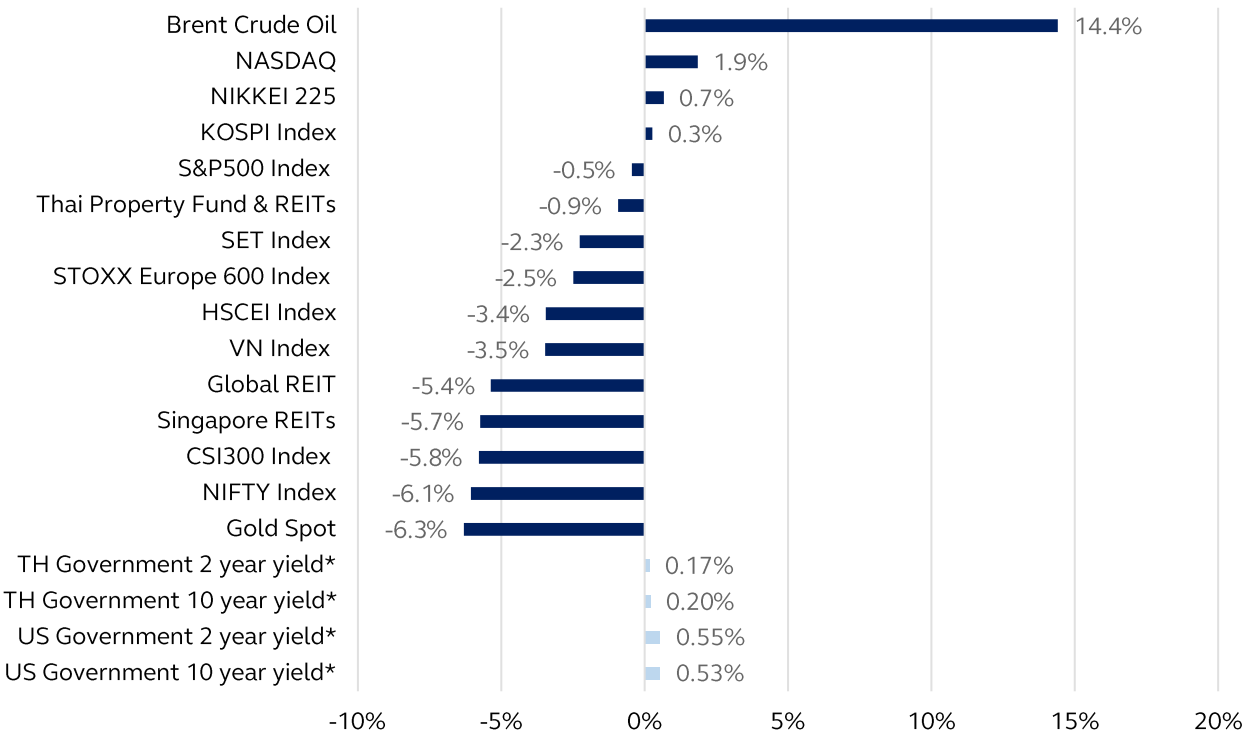
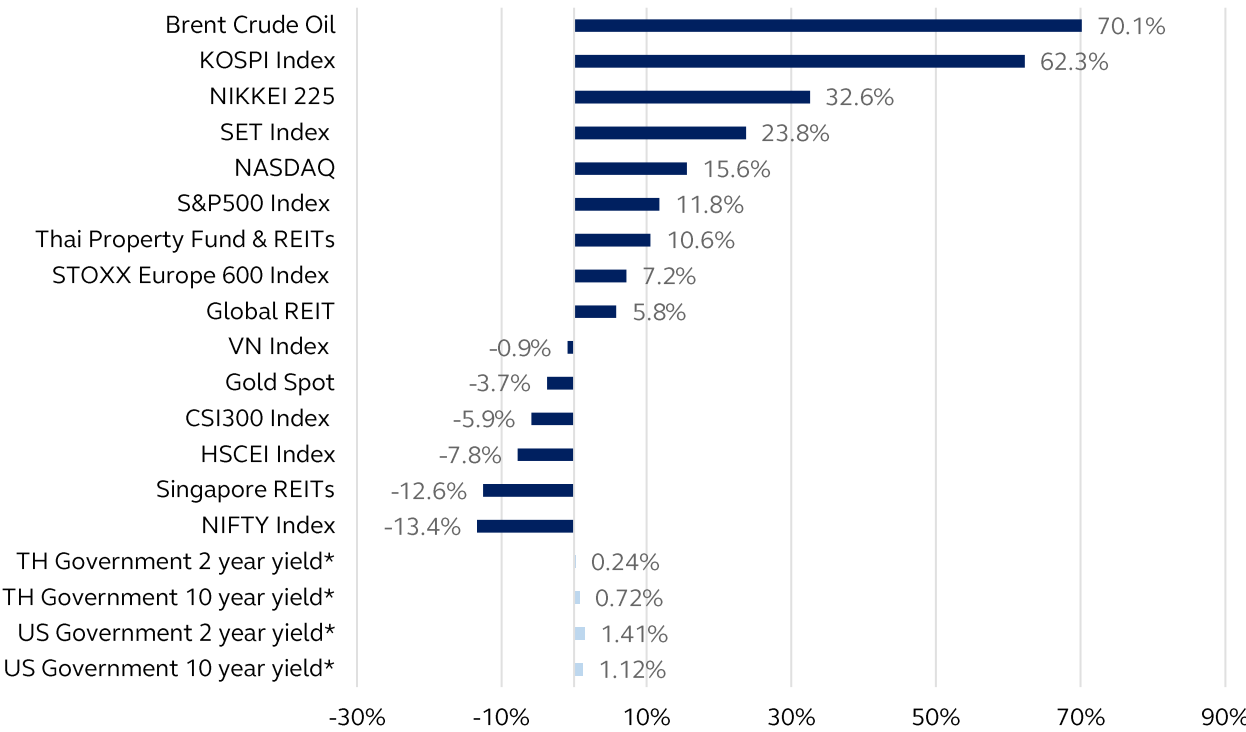


Market Outlook

1-month performance (September)



Year-to-date performance (Jan-Sep)



*Information illustrated percentage of bond yield change not return.
Source : Bloomberg, data as of 30 September 2026



Global equity markets mostly declined in September as higher oil prices, persistent geopolitical risks, and elevated government bond yields intensified inflation concerns and expectations of tighter monetary policy. The Federal Reserve, Bank of Japan, and European Central Bank raised policy rates during the month, weighing on most Asian and European markets. U.S. technology shares were a notable exception, supported by earnings prospects and continued AI investment. With return dispersion widening in an interest-rate-sensitive environment, investors should emphasize earnings quality and diversification. Principal Asset Management maintains a Neutral view on overall asset allocation.

Fixed Income: U.S. 2-year and 10-year Treasury yields rose in September after the Federal Reserve increased its policy rate. Persistent inflation and higher energy prices revived concerns that rates may remain higher for longer. Elevated yields continue to pressure bond prices, particularly longer-duration securities. Principal Asset Management maintains a Neutral view on fixed income overall.

Global Equity: Principal Asset Management remains Positive on major global equity markets. Although higher policy rates and bond yields continue to pressure the broader market, technology and AI-related stocks remain key sources of support. In September, the S&P 500 declined 0.5%, while the NASDAQ gained 1.9%, reflecting confidence in earnings prospects and continued AI investment.

In Europe, the STOXX Europe 600 fell 2.5% in September as higher energy prices and tighter monetary policy weighed on sentiment. The ECB raised interest rates and signaled that inflation risks remain elevated, potentially affecting household purchasing power and corporate earnings in the coming periods.

In Japan, the Nikkei 225 rose 0.7% in September, outperforming most global markets on demand linked to AI and technology. The BOJ raised its policy rate to its highest level in several years. Although bond yields and yen volatility may drive near-term fluctuations, corporate reform and improved capital efficiency remain supportive over the longer term.

Indian Equity: The Nifty 50 declined 6.1% in September as higher oil prices heightened concerns over inflation, the current account, and the rupee, given India's position as a major net energy importer. Some capital also rotated toward markets with greater AI exposure. Despite strong fundamentals and a favorable long-term growth outlook, Principal Asset Management maintains a Neutral view on Indian Equity.

Thai Equity: The SET Index declined 2.3% in September as rising U.S. Treasury yields pressured capital flows to emerging markets. Higher energy prices may also weigh on household purchasing power and business costs, while flooding across several areas late in the month could affect near-term activity and confidence. Principal Asset Management maintains a Neutral view on Thai Equity.

Vietnam Equity: The VN Index fell 3.5% in September amid selling in large-cap stocks, particularly Vingroup, and continued foreign outflows. Although FTSE Russell upgraded Vietnam to emerging-market status in September, related inflows are expected to build gradually through 2027, providing medium to long-term support. Trading liquidity and near-term selling pressure may still weigh on sentiment. Principal Asset Management therefore maintains a Neutral view on Vietnam Equity.

Property Funds / REITs: Global, Thai, and Singapore property funds and REITs declined in September as higher bond yields reduced the relative appeal of dividend yields and raised financing costs. Principal Asset Management maintains a Neutral view on Property Funds/REITs, with a preference for high-quality assets with resilient cash flows.

Gold: Gold prices declined 6.3% in September as expectations of persistently high interest rates, a stronger U.S. dollar, and rising bond yields increased the opportunity cost of holding gold. Geopolitical risks and continued central-bank purchases remain supportive, but Principal Asset Management maintains a Negative view on gold.

Asset Allocation Outlook

	Negative	Neutral	Positive
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 (light blue ) to (dark blue )

Description of Asset Allocation Outlook table

- Negative: Indicates a negative view on the asset.
- Neutral: Indicates a neutral view on the asset.
- Positive: Indicates a positive view on the asset.

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 (the 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 – Senior Investment Strategist
Kornkamol Kittipattananon – Investment Strategist
Nannalin Boonmee, CISA - Investment Strategist