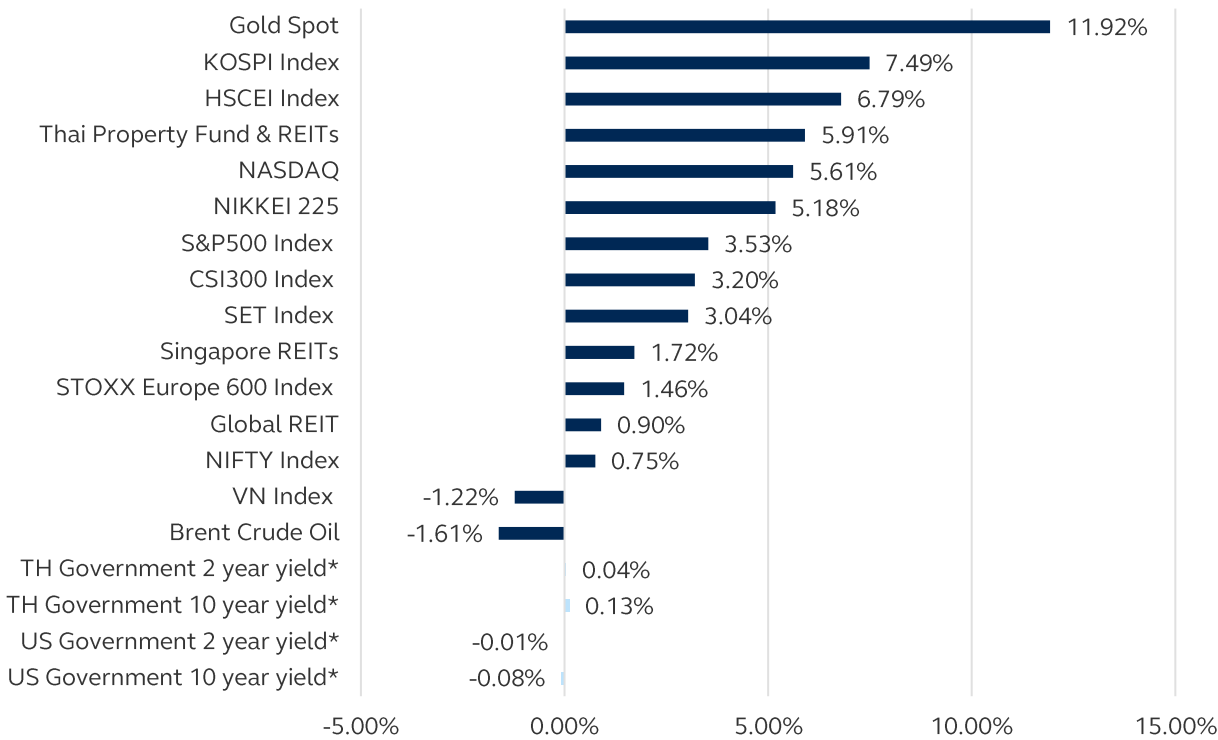
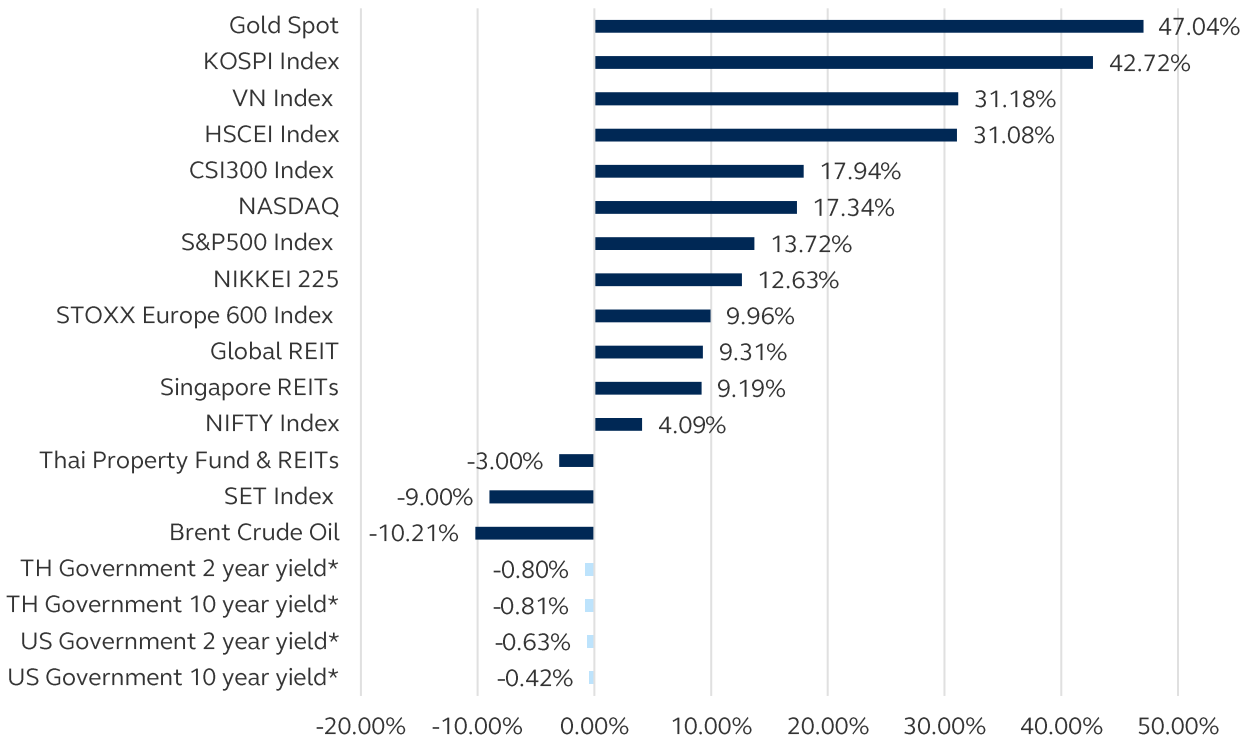


Market Outlook

1-month past performance (September)



Year-to-date performance (Jan-Sep)



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



Global stock markets continued to rally in September, supported by the Fed decision to cut its policy rate by 0.25% in September meeting. Furthermore, FOMC members' expectations (dot plot) signaled two more 0.25% cuts by the end of this year, supporting global risk asset investment. Meanwhile, Vietnam stock market declined slightly, with trading thinner as investors awaited the official announcement from FTSE on October 7 regarding Vietnam's potential upgrade to Emerging Market status. If the upgrade is officially confirmed, foreign flow is likely to return to the Vietnamese stock market by \$5-6 billion. Therefore, we maintain a Neutral view on stock markets.

Fixed Income: 2-year and 10-year U.S. government bond yield, slightly declined despite the Fed's initial interest rate cuts in September. However, the Fed's cautious stance on future rate cuts, amid a weakening labor market, inflation concerns, and the risk of a US federal government shutdown, is putting negative pressure on 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 +3.53% and NASDAQ increased by +5.61%, supported by the Fed rate cut 0.25% to 4.00-4.25% at its September meeting and the Dot Plot also signaled two more rate cuts within the year.

In Europe, STOXX 600 index rose by 1.46%, the European Central Bank (ECB) held its policy interest rate steady, as expected. However, Europe is likely to face pressure from political instability in France and a tightening trade policy.

In Japan, NIKKEI 225 index rose by 5.18%, after Prime Minister Shigeru Ishiba announced his resignation. The market anticipates more economic stimulus measures from the new prime minister. However, tighter monetary policy following the Bank of Japan (BOJ)'s decision to hold interest rates steady at its September meeting may pressure Japan stock market.

Indian Equity: The Indian stock market rose slightly by 0.75%, pressured by unresolved trade negotiations with the U.S. and foreign investor selling. However, overall economic indicators are strong, with listed company earning continuing to grow. Principal Asset Management maintains a Neutral view on Indian equities.
























































Thai Equity: The SET rose 3.04% following the formation of a new government, which is expected to reduce political uncertainty and enhance economic stability. The new government is preparing to accelerate short-term economic stimulus policies for the remainder of the year. Furthermore, the Thai stock market's valuation remains undervalued, leading Principal Asset Management to shift outlook for the Thai stock market to Slightly Overweight.

Vietnam Equity: The Vietnamese stock market slightly declined by 1.22%, due to profit-taking. However, Vietnam's long-term economic growth is expected to be strong, driven by the country's fundamentals. Principal Asset Management holds a Neutral view on Vietnamese equities. While short-term volatility may persist, long-term prospects remain positive, especially with FTSE's potential upgrade of Vietnam to emerging market status.





Property Funds / REITs: Global property funds and REITs rose slightly by 0.90%, supported by the Fed's rate cut in September. Principal Asset Management maintains a Neutral view on REIT investments.

Gold: Gold price risen strongly, driven by a weaker dollar, significant gold buying by central banks worldwide, and uncertainty surrounding US policy actions. The ongoing geopolitical uncertainty has led investors to buy safe-haven assets for diversify.

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.

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