

Monthly Market View

September 2022 by Krungsri Asset Management

Recommended Funds

KFSMART

KFHAPPY-A
KFGOOD
KFSUPER

KF-SINCOME
KF-CSINCOM

KF-HCHINAD
KFACHINA

KFCMEGA

KFVIET

Investment Outlook by Fund Managers

Positive outlook

Negative outlook



US

This month

Previous month



Europe

This month

Previous month



China

This month

Previous month



Japan

This month

Previous month

Global economic condition

US



This month

Previous month

- Federal Reserve Chair Jerome Powell reiterated the importance of maintaining a restrictive policy stance for "some time" to restore price stability and stressed that the historical record cautions strongly against prematurely loosening policy. Regarding near-term policy rate path, Powell noted that another unusually large increase in interest rates could be appropriate at the next FOMC meeting although the final decision will depend on the totality of the incoming data.
- Headline CPI was flat m-m in July, compared to 1.3% increase in June and marking the slowest pace since the start of the pandemic.
- GDP contracted at -0.6% annualized rate in Q2, up from a previously reported -0.9% contraction and following -1.6% contraction in Q1.

Europe



This month

Previous month

- The ECB raised key rates by a record-setting 75bps at its September meeting.
- Headline inflation accelerated to another all-time high of 9.1% y-y in July.
- Manufacturing PMI and services PMI declined in August, resulting in the composite index dropping to a 16-month lowest.
- The region's economic sentiment fell in August, marking the lowest reading since February 2020 and undershooting expectation. The figure was dragged by a drop in optimism in industry and in services.

China

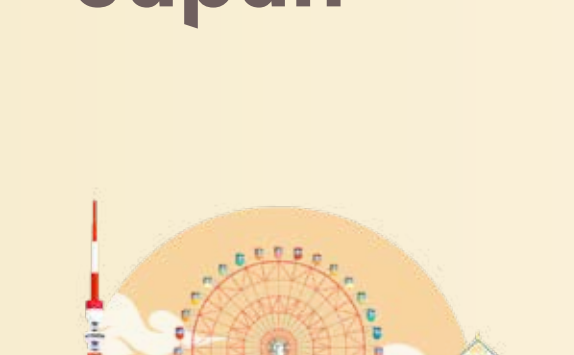


This month

Previous month

- Export rose in July, surpassing expectation, and was mainly supported by automobiles, steel products, and textile-related products. Meanwhile, imports rose but missing expectation.
- Retail sales grew in July but was below expectation. The decline was led by sales of furniture and construction-related categories.
- Headline inflation rose in July, driven by the surge in pork prices. While this marked the highest inflation rate in two years, the number missed estimates due to subdued consumer demand.

Japan

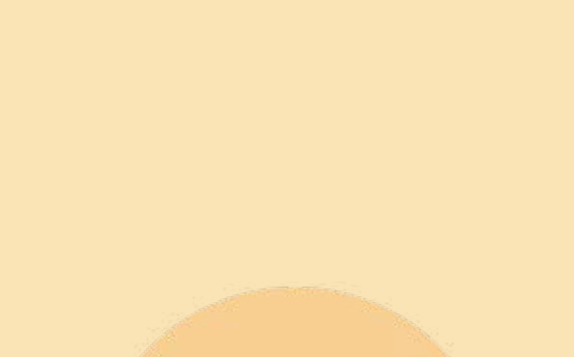


This month

Previous month

- Exports rose in July, marking the 17th straight month of gains led by US-bound shipments of cars and China-bound shipments of chip-related products. Meanwhile, imports soared, marking the 16th straight month of double-digit growth and was boosted by higher prices of oil and gas.
- Retail sales increased in July. However, household spending dropped July, weighed down by the rise in Covid-19 cases. On the bright side, household confidence improved in August, reaching the highest level in three months.
- Core inflation accelerated further to 2.42% y-y in July, mainly driven by energy costs.
- GDP rose at an annualized pace of 2.2% q-q in Q2. Growth was led by consumer spending and capital expenditure.

Thailand



- The MPC voted to raise the policy rates 0.75% so that inflation will be controlled within next year's target. According to the committee report, Thai economy continued to strengthen and is expected to return to the pre-Covid level by year-end.
- Exports increased in July, and the gain was supported by strong demand for food, falling freight rates, and weak Thai baht. Imports rose, driven by shipments of crude oil and natural gas.
- The increase in headline inflation marked the steepest rise in July 2008 and was attributed to higher oil prices and last year's low base.
- GDP expanded 2.5% y-y in Q2 2022, the number was below expectation and marked the softest growth in three quarters.
- The NESDB revised its current year's GDP growth forecast to 2.7%-3.2% and headline inflation to 6.3%-6.8%.