

# Weekly Market Report

## For the period of 9 – 13 November 2020

### Overview

Global stock market rallied due to economic optimism in the wake of positive news on a potential COVID-19 vaccine. Large cap stocks led the SET index higher and foreign investors were the largest net buyers.

### Equity market



- Global equity market surged from last week led by developed market with European market reached 8-month high following Pfizer's announcement that its candidate vaccine has an efficacy rate of 90% when assessed seven days after the second dose was administered. Sectors that was hit hard by economic impact of the coronavirus pandemic rallied strongly while technology-focused stocks received a sell-off.
- Thai SET index outperformed the region's as foreign investors reversed to be largest net buyer for the first time in several months in response to latest COVID-19 vaccine development. Large cap stocks in Energy, Transportation, Bank sectors and others in tourism-related industries was the main driver of the rally. Other net buyer for the week included proprietary trading, while local individuals and local institution took the opposite.



### Fixed income market

- US headline inflation was unchanged in October compared to a 0.2% m/m gain in September. On a year-on-year basis, the inflation rose 1.2% y/y following a 1.4% rise previously. Core inflation was also flat m/m but was up 1.6% y/y, compared to 0.2% m/m and 1.7% y/y gain the month before.
- Euro area industrial production unexpectedly dipped 0.4% m/m and -6.8% y/y in September, driven primarily by a sharp fall in the output of durable consumer goods. Production has consecutively slowed down after a rebound in May, reflecting subdued demand.
- China headline inflation slipped to 0.5% y/y in October from 1.7% in September, missing expectation and printing below 1% y/y for the first time since March 2017. This resulted from the moderation in food prices, which was driven mainly by the first decline in pork prices since March 2019. In addition, core inflation remained subdued at 0.5% y/y, the same as previous month.
- Thai consumer confidence index rebounded from 50.2 in September to 50.9 in October, bolstered by the government's stimulus and improving agricultural product prices but weighed down by concerns over political uncertainty.

## Regional Economic Information

### U.S.

- Headline inflation rose 1.2% y/y and core inflation increased 0.0% y/y in October.
- Initial jobless claims fell to a 7-month low of 709,000 in the week ended November 7.



### Europe

- Euro zone economy in 3Q20 expanded by 12.6% q/q but contracted by 4.4% y/y.
- Euro zone industrial production decreased 0.4% m/m in September.
- Euro zone economic sentiment index fell to 32.8 in November from 52.3 in October due to concerns about the economic impact of the second wave of COVID-19.
- German exports rose 2.3% m/m in September after a 2.9% rise in August, while import fell 0.1% after a rise of 5.8% in the previous month. The trade surplus expanded to EUR17.8 billion.
- British economy in 3Q20 expanded by 15.5% q/q, but contracted by 9.6% y/y. In 2Q20, GDP shrank by 19.8% q/q and contracted by 21.5% y/y.



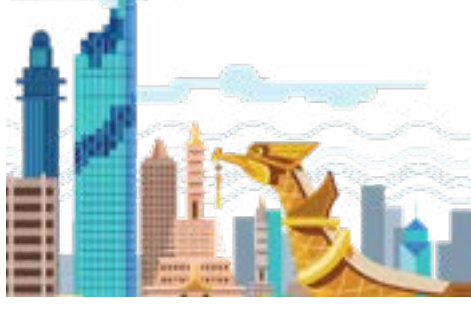
### Asia

- China exports increased by 11.4% y/y to its highest level in 19 months in October, following a 9.9% rise in September. Imports grew 4.7% y/y after rising 13.2% prior month. The trade surplus increased to USD58.4 billion from USD37 billion. China inflation rose at the slowest pace in 11 years, increased by 0.5% y/y in October, down from 1.7% in September, as pork price fell for the first time in 19 months. New yuan loans slowed to CNY689.8 billion in October from CNY1.9 trillion in September.
- Japan core machinery orders fell for the first time in 3 months in September, lost 4.4% m/m after a 0.2% increase in August.



### Thailand

- Consumer confidence index rose to 50.9 in October from 50.2 in September, boosted by government stimulus measures.



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