

Weekly Market Report

For the period of : 27 September – 1 October 2021

Overview

SET Index fell from last week, in-line with global markets, due to concerns about high inflation rate and uncertainty about US debt ceiling.



Equity market

- Majority of global markets closed in red this week due to an increase in US bond yield, energy shortage in China and concerns about US debt ceiling. China markets outperformed peers this week as Evergrande started to pay due interests to domestic investors. US indices were underperformed, while other major markets closed lower from last week.
- SET index closed in negative territory this week, in-line with regional markets. Fund flows into Energy and Petrochemical sectors helped stabilized the markets, while Banking and Transportation sectors were underperformers. Foreign investors were still net buyers, together with retail investors, while institutional investors were net sellers. Crude oil price rose from last week as OPEC plus raised oil supply slower than expected and China said it will buy more oil.



Fixed income market

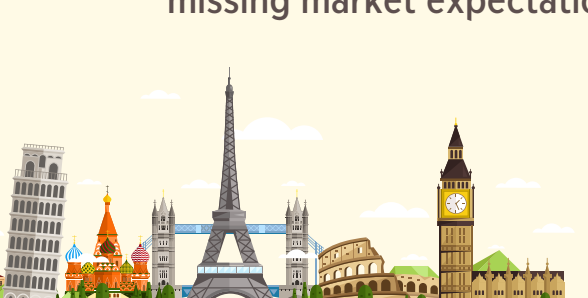
- The US economy in the second quarter expanded by 6.7%, slightly higher than previously thought. Durable goods orders increased more than expected in August.
- Euro zone unemployment rate slid to 7.5% in August. Headline inflation accelerated to 3.4% y/y in September from 3.0% in August. Manufacturing PMI fell to 58.6 in September from 61.4 in August, while economic sentiment index improved in September led by industrial sector.
- Japan retail sales tumbled 4.1% m/m in August and industrial production fell for the second straight month in August amid rising number of new COVID-19 cases. However, consumer confidence index rose to its highest level in 19 months in September.
- China official manufacturing PMI fell to 49.6 in September, pointing to a contraction for first time in 19 months, while Caixin gauge improved from the previous month as new orders increased for the first time in 3 months. Official non-manufacturing PMI jumped to 53.2 in September from 47.5 in August.
- The BoT's MPC voted unanimously to put its policy rate on hold at 0.5%, citing that an earlier-than-expected relaxation of the containment measures should support growth in the last quarter this year. The central bank maintained Thai GDP growth forecast this year at 0.7% and revised next year growth forecast to 3.9%.

Regional Economic Information

U.S.



- The US economy expanded at an annual rate of 6.7% in 2Q21, higher than the previous estimate of 6.6%.
- Personal income grew 0.2% m/m after an increase of 1.1% in July, while consumer spending jumped 0.8% following a 0.1% drop in July. Core personal consumption expenditures price index (core PCE) increased 3.6% y/y in August, matching July's gain.
- Durable goods orders jumped 1.8% m/m in August, following a 0.5% gain in July and higher than market forecasts of a 0.7% rise, mainly driven by orders for nondefense aircraft and parts.
- Initial jobless claims increased 11,000 to 362,000 in the week ended September, missing market expectation of a decline to 330,000.



Europe

- Euro zone unemployment rate fell to 7.5% in August from 7.6% in July as expected.
- Euro zone flash headline inflation rose 0.5% m/m and 3.4% y/y in September after a 0.4% m/ and 3.0% gain in August. Core inflation accelerated to 1.9% y/y from 1.6% in August.
- Euro zone manufacturing purchasing managers' index (PMI) dropped to 58.6 in September from 61.4 in August.
- Euro zone economic sentiment index climbed to 117.8 in September from 117.6 in August, beating market expectation for a fall to 116.9, supported by optimism in the industry.
- German retail sales increase 1.1% m/m in August, a rebound from a 4.5% decrease in July, but below the 1.5% increase expected. German Consumer Climate Indicator heading into October rose to the highest reading since April of 2020, as economic and income expectations improved.
- The British economy expanded by 5.5% q/q in 2Q21, higher than an initial estimate of a 4.8% growth, as household consumption surged more than expected.

Asia



- Japan retail sales fell 4.1% m/m in August, following a 1.0% gain in July. Industrial production dropped 3.2% m/m in August, falling for the second straight month, amid rising number of COVID-19 cases. Unemployment rate held steady at 2.8% in August. Consumer confidence index rose to 37.8 in September from 36.7 in August, the strongest ready since February 2020, as all main sub-indices improved.
- China official manufacturing purchasing managers' index (PMI) decreased to 49.6 in September from 50.1 in August. The index showed the first contraction in manufacturing sector since February 2020, amid the COVID-19 outbreaks, higher raw material costs, supply bottlenecks and electricity rationing. In contrast, Caixin manufacturing PMI rose to 50.0 from 49.2 as new orders rose for the first time in 3 months. The official non-manufacturing PMI jumped to 53.2 in September from 47.5 in August as COVID-19 pandemic receded. Profits at China industrial firms in the first 8 months increased by 49.5% y/y, slowing from a 57.3% rise in the first 7 months.



Thailand

- The BoT's Monetary Policy Committee (MPC) voted unanimously to keep its policy rate at 0.50% as expected. The central bank expected the Thai economy to expand by 0.7% in 2021 and 3.9% in 2022, while significant progress on vaccination and earlier-than-expected relaxation of the containment measures should support growth in 4Q21.
- The BoT reported that the Thai economy in August continued to be hit by the COVID-19 outbreak. Private consumption fell from the prior month caused by strict containment measures and exports grew at a slower pace as COVID-19 outbreak.
- Exports increased 8.93% y/y in August, slowing from a 20.27% rise in the previous month, as COVID-19 outbreak hit manufacturing sector. Excluding gold, oil related and weaponry, exports jumped 19.43%. Imports surged 47.92% y/y, following a 45.94% jump in the prior month, resulting a trade deficit of USD1.22 billion.

Disclaimer

The information contained in this document is correct and accurate at the time of publication, but does not provide any warranty of its accuracy. However, the Company reserves the rights to change any information, opinions and estimates contained in this document without giving prior notice.

Investment contains certain risks. Investors should carefully study the fund prospectus before making investment decision. Past performance is not an indicative of future performance. This document is not the fund prospectus and is intentionally produced for general information only.

Should you have any queries, please contact Krungsri Asset Management Company Limited