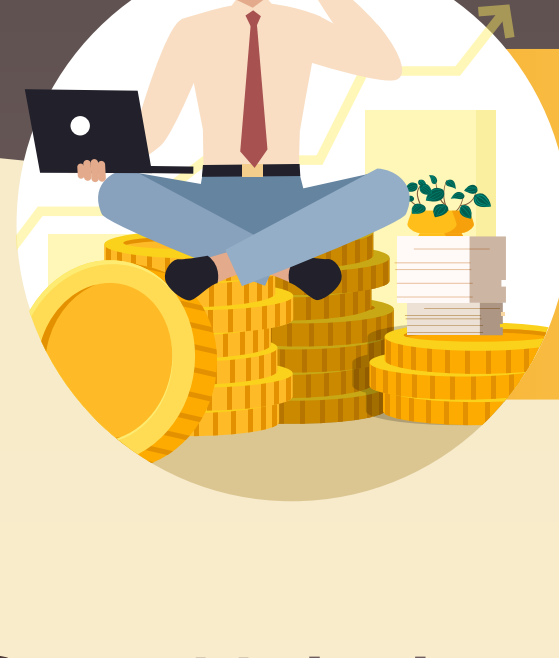


Weekly Market Report

For the period of : 1 – 5 August 2022

Overview

Global stock markets gained as investors bet that softer manufacturing data might encourage the Fed to slow its pace of rate hike.



Equity market

- Majority of global equity markets closed higher from last week. China indices underperformed due to tension arising in Taiwan strait after Nancy Pelosi, the speaker of US house of representatives, made an official trip to Taiwan. Other markets showed good performances this week due to expectation that Fed will be less hawkish after soft PMI readings and less inflation pressure from commodity prices.
- SET Index closed in green compared the prior week, in-line with peers. Banking, Property and Electronic sectors were key outperformers, while Energy names were underperformers. Foreign investors were net buyers this week, while retail and institutional investors were net sellers. Crude price dropped sharply from recession concerns and an increase of US stockpile.

Fixed income market



- Euro area manufacturing PMI fell to 49.8 in July from 52.1 in June, printing below 50 for the first time since June 2020. Furthermore, services PMI declined to 51.2 from 53.0, the lowest level since January 2022 due to cooling domestic demand. The region's retail sales plunged 1.2% m/m and -3.7% y/y in June after adjusting for inflation, compared to 0.4% m/m and 0.4% y/y rise the month before. On the bright side, the region's unemployment rate remains stable at 6.6% in June.
- China official manufacturing PMI unexpectedly declined to 49.0 in July from 50.2 in June, reaching the lowest level in three months. Caixin manufacturing PMI dropped to 50.4 from 51.7, also missing expectation. After a brief rebound following the easing of lockdowns, new outbreak, property market risks, and weakening global demand resulted in a pullback in manufacturing activities. Meanwhile, official non-manufacturing PMI also eased to 53.8 from 54.7. In contrast, Caixin services PMI rose to 55.5 from 54.5, reaching the highest level since April 2021 on improved domestic demand.
- Japan household spending jumped 3.5% y/y in June recovering from a 0.5% fall the month before and marking the first annual rise since February. On a month-over-month basis, spending increased 1.5% compared to a 1.9% fall the month before.
- Thai headline inflation printed at -0.16% m/m and 7.61% y/y in July, moderating from 0.9% m/m and 7.66% y/y rise in June and undershooting expectation. Energy and food prices remained the main drivers of the headline number. However, core inflation quickened to 2.99% y/y from 2.51% y/y previously and surpassed expectation. The ministry of commerce upwardly revised current year's inflation forecast to 5.5 - 6.5% from 4.5% previously estimated.



Regional Economic Information

U.S.



- Nonfarm payrolls increased by 528,000 in July, well above market forecasts of 250,000. Unemployment rate decreased to 3.5% from 3.6% in the prior month. The number of job openings fell by 605,000 to the lowest level in 9 months of 10.7 million in June, the third straight month of decline.
- Manufacturing ISM slid to 52.8 in July from 53.0 in June, pointing to the 26th straight month of rising factory activity. Non-manufacturing ISM increased to 56.7 in July from 55.3 in June, beating market forecasts of a fall to 53.5.
- Exports increased 1.7% m/m to a new record high in June, while imports slid 0.3%, resulting in a trade deficit of USD79.6 billion.



Europe

- Euro zone composite purchasing managers' index (PMI) decreased to 49.9 in July from 52.0 in June as service PMI fell to 51.2 from 53.0 and manufacturing PMI fell to its lowest level in more than 2 years of 49.8 in July from 52.1 in June.
- Euro zone retail sales dropped 1.2% m/m in June as higher prices weigh on consumers' affordability.
- German retail sales fell 1.6% m/m in June as price increase hit consumers' affordability. German industrial production went up 0.4% m/m in June, beating market forecasts of a 0.3% decline after falling 1.0% in May.
- The BOE voted unanimously to raise its policy rate by 0.50% to 1.75% as expected.

Asia



- Japan manufacturing PMI slid to 52.1 in July from 52.7 in June and service PMI fell to 50.3 from 54.0. Household spending jumped 3.5% y/y in June, higher than market estimates of 1.5% as the COVID-19 situation improved.
- China official manufacturing PMI fell to 49.0 in July from 50.2 in June and Caixin manufacturing PMI declined to 50.4 from 51.7, while official nonmanufacturing PMI dropped to 53.8 from 54.7, reflecting lockdowns in several cities following a resurgence of COVID-19 cases. Caixin service PMI increased to 55.5 from 54.5.



Thailand

- Headline inflation edged down 0.16% m/m and surged 7.61% y/y in July, after rising 7.66% y/y in June as oil price fell from the previous month but raw food price rose. Core inflation grew 0.50% m/m and increased 2.99% y/y.

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