

## Weekly Market Report For 10 – 14 March 2025

# Overview



- ❖ US shares fell amid heightened concerns over economic recession and Trump tariffs
- ❖ US inflation eased, but the Fed is expected to keep rate unchanged
- ❖ A potential recession and Trump tariffs remained major concerns for global investors
- ❖ China shares gain after Beijing outlined comprehensive stimulus measures
- ❖ Thai cabinet approved Thai ESGX fund to help support the Thai stock market

# Market Brief



## US

- o US CPI and PPI decelerated, but concerns about economic recession and Trump tariffs weighed on sentiment.
- o S&P500 entered into correction territory during the week before surging by more than 2% on Friday March 14. For weekly performance, S&P500 and Nasdaq fell around 2.3 – 2.4%.
- o The Senate passed a short-term federal funding bill that will fund the Federal government until the end of September, ending the threat of a government shutdown.
- o February's CPI +2.8% YoY, below forecasts of 2.9% and easing from 3% previously. PPI +3.2% YoY, lower than market expectations of 3.3% and following a 3.7% gain in the prior month.
- o Despite slowing inflation, the Fed is widely expected to leave interest rates unchanged as the central bank wants to see the net effect of Trump's policy. Key to watch will be commentary from Fed Chair Jerome Powell and the Fed's economic projections, includes "dot plot", which may signal for where interest rates could be headed in the future.



## Key factors pressure global shares

- o Recession: Trump said the US economy is in transition and he refused to rule out a recession. Goldman Sachs put the chance of recession at 20% as US job data remains strong.
- o Trade wars and tariffs: Trump imposed 50% tariffs on Canadian steel and aluminum, but reversed course and chose to stay at 25% after Canada and Europe hit back.



## Gold prices surged as concerns over escalating trade wars and global economic slowdown pushed investors into safe havens.



## China

- o China stocks rose more than 2% tracking optimism over the Chinese economy after Beijing outlined a plan to strengthen consumer demand by increasing wages, offering more subsidies, increasing social welfare and stabilizing stock market.
- o Investors expect Beijing will roll out additional stimulus measures to achieve its 5% GDP target.
- o Latest China data came in-line with expectation with retail sales +4% YoY and industrial production +5.9% YoY.



## India

- o India inflation dropped to 3.6% YoY in February from 4% in the previous month. This marked the slowest rise in consumer prices in 7 months and fell below the Reserve Bank of India's 4% mid-point target.
- o Market expects the central bank to cut rate further amid sluggish economy after India's central bank reduced its benchmark rate for the first time in nearly 5 years last month.



## Thailand

- o The Thai cabinet approved the establishment of Thai ESGX tax-deductible fund to help support the stock market. Investors are allowed to switch from existing LTF and/or can make additional investments during May 1 – June 30. The new fund is expected to slow LTF redemptions and bring in new capital to the stock market.

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