

Weekly Market Report For 23 - 27 June 2025

Overview



- ❖ Middle East and trade tensions ease.
- ❖ Risky assets gain, safe-haven assets drop.
- ❖ Oil falls on easing fear of supply disruptions.
- ❖ US and China have signed a trade agreement.
- ❖ Fed reiterates it is in no rush to cut, want to see impact from tariff before making next move.
- ❖ Thai MPC votes 6:1 to keep benchmark rate at 1.75%.

Market Brief



Global shares rose last week, bolstered by

- o Middle east tensions eased after Trump announced that Israel and Iran have reached a ceasefire agreement.
- o US and China signed a formal trade agreement.
- o Market expects the US central bank to cut rates again this year as some economic data show sign of slowing.



Those factors boost risk appetite, buoyed by rising equity markets, while gold prices fall as investors turn away from safe-haven assets.

Oil prices fall as oil supply risk wane after Iran took no action to disrupt oil and gas traffic through the Strait of Hormuz, and Trump says China can buy Iranian oil. In addition, OPEC+ plan to lift its oil production by 411,000 barrel per day in August.



Trade talks between the US and its trading partners

- o **China:** The US has signed an official trade agreement with China. China will allow rare earth exports to the US, while the US will lift a series of restrictive exports measures e.g. export controls on Electronic Design Automation (EDA) software. The agreement helps deescalating trade tensions and boosts market sentiment.
- o **Canada:** The US ended trade talks with Canada on Friday (June 27) in response to the country's digital services tax on US technology companies. US tech stocks pare gains after the news.
- o **Other trading partners:** US Commerce Secretary hinted that deals are incoming with the top 10 largest trade partners by July 9. At the end of the week, Treasury Secretary said the deadline may be extended if needed, adding that President Trump will make final decision.



Federal Reserve's stance on interest rates

- o In his testimony to the congress, Fed Chair Jerome Powell reiterated that the US economy and job market remains resilient and the central bank is in no rush to cut rates. Fed officials want to wait for clarity on tariffs and its impacts on inflation. Fed is ready to cut rates if inflation eases more than expected or job market shows sign of weakness. Market expected the next rates cut will be in September FOMC meeting.
- o Market concerns about Fed independence after Wall Street Journal reported that President Trump plans to nominate the new Fed Chair in September – October, well before Powell's term ends in May.



Thailand

- o The cabinet approved a THB115 billion economic stimulus package. The package includes water and transport infrastructure (73% of total budget), tourism (Half-Price Thai Travel, set to open in July), exports, agriculture, employment, local economy development, etc. The government expects the package to raise GDP growth by 0.4% and to create 7.4 million jobs.
- o The MPC voted 6-to-1 to put its policy rate on hold at 1.75% as widely expected. The committee viewed that the Thai economy grew better than expected in 1H25, but growth is projected to slow in 2H25. The BOT expected the Thai GDP growth of 2.3% in 2025 and slow to 1.7% in 2026, while inflation is expected to stay low. The MPC indicated a willingness to consider another 1 - 2 cuts this year.

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