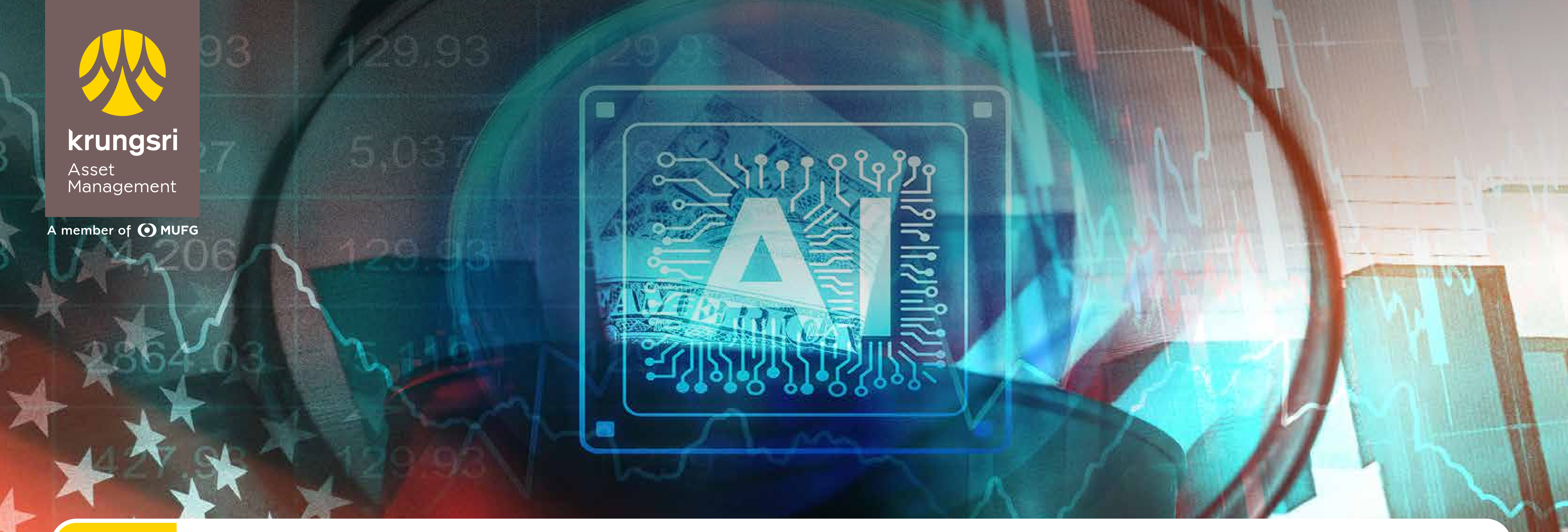

Weekly Market Report For 2 – 5 June 2026

Overview

- U.S. equities retreated as selling pressure hit technology and AI-related stocks.
- Stronger-than-expected U.S. economic data reinforced expectations that the Federal Reserve may delay interest rate cuts.
- Oil prices advanced amid escalating Middle East tensions and concerns over global supply risks.
- China's economic recovery remained uneven, but development in AI continued to stand out.
- Thai equities were supported by foreign fund inflows and improving domestic growth expectations.

Market Brief

U.S. stocks pulled back last week as investors took profits in technology and AI shares. Robust economic data strengthened the case for higher-for-longer interest rates and fueled a rotation toward value-oriented sectors.

o NASDAQ -4.7% S&P 500 -2.6% and Dow Jones -0.3%

o Mid- and small-cap stocks also came under pressure, with the Russell 2000 losing 2.9%. The Philadelphia Semiconductor Index plunged more than 10% in a single session, marking its steepest daily decline since 2020.

o Concerns over the earnings outlook for AI-related chip businesses, particularly Broadcom, weighed heavily on semiconductor and technology stocks.

o Investors increasingly rotated out of AI and mega-cap technology names and into Financials, Healthcare, Energy, and other value-oriented sectors.

U.S. Economic Data

o Labor market remained solid. Nonfarm payrolls increased by 172,000 in May, while April payroll growth was revised higher to 179,000.

o The unemployment rate held steady at 4.3%, while job openings, as measured by the JOLTS survey, rose to 7.62 million, the highest level in nearly two years.

o Private-sector employment increased by 122,000 positions, according to ADP data, underscoring continued labor-market resilience.

o Manufacturing PMI climbed to 54, its highest level in four years, while Services PMI rose to 54.5 from 53.6 in the previous month.

o Although economic activity remained robust, persistent price pressures suggested the Federal Reserve may still lack sufficient justification to begin easing policy in the near term.

o Treasury markets faced renewed selling pressure, pushing the 10-year U.S. Treasury yield higher from 4.44% to 4.55%.

Brent crude rose 2.2% amid heightened Middle East tensions and concerns over global supply disruptions, as progress toward a peace agreement remained elusive.

China

o CSI300 -1.5% and Shanghai Composite -1.0%

o Official manufacturing PMI eased to 50.0 from 50.3, highlighting an uneven recovery. In contrast, the private-sector manufacturing PMI compiled by S&P Global held at 51.8, signaling continued strength among small and medium-sized private enterprises.

o Beijing lowered domestic fuel prices to help reduce costs for households and businesses.

o China's AI sector continued to advance. Tencent is reportedly testing an AI agent within WeChat, while DeepSeek is said to be preparing a new funding round, underscoring the industry's accelerating commercialization and growing contribution to economic activity.

Thailand

o The SET Index gained 14.23 points, or 0.9%, to close at 1,582.60, supported by continued foreign inflows.

o Packaging stocks outperformed on expectations of strong second-quarter earnings.

o Transportation shares benefited from sustained strength in tourist arrivals.

o Construction stocks were supported by expectations of expanding public and private-sector investment activity.

Should you have any queries, please contact Krungsri Asset Management Company Limited or selling agents or mutual fund sales representatives.

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