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Weekly Market Report For 5 – 9 January 2026



Overview

- U.S. stocks hit record high despite geopolitical concerns.
- U.S. labor market shows signs of slowing, bolstering fed rate-cut hopes.
- Thai inflation remains in negative territory, fueling bets on BOT rate cut.
- China signals economic stimulus through more accommodative monetary policy.
- Vietnam's robust growth boosts positive outlook for ASEAN markets.

Market Brief

U.S. stocks extended their gains last week

- The S&P 500 hitting a new high, up 1.6% WoW, while the Nasdaq climbed 1.9%.
- Defense stocks rose, buoyed by security concerns and heightened geopolitical tensions, alongside President Trump's call to boost U.S. defense spending to \$1.5 trillion by 2027.

Japanese equities came under pressure

- China enforced tighter export measures toward Japan, blocking military-related items.
- China is considering curbs on rare earth exports in retaliation for Japan's remarks on Taiwan, a move opposed by Tokyo over concerns it could hit key industries.

Oil prices swung sharply on Venezuela-related developments, ending the week higher as supply fears grew amid concerns over production capacity, prolonged protests in Iran, and the ongoing Russia-Ukraine conflict.

Gold prices extended gains, supported by rising geopolitical tensions and weaker-than-expected U.S. jobs data, fueling market expectations of Fed rate cuts.

The U.S. Supreme Court is reviewing the legality of Trump-era import tariffs, with no ruling yet on whether the government can use the IEEPA law to impose such duties—and if found unlawful, whether refunds to importers will follow. The case remains one to watch.

U.S. labor market data indicates a slowdown, but not yet a severe recession.

- Nonfarm payrolls rose by 50,000 in December, missing expectations of 66,000 and down from 56,000 in the prior month.
- Unemployment rate fell to 4.4%, beating market expectations.
- Wage growth accelerated to 3.8% YoY in December, beating market expectations and exceeding the previous month's pace.
- October and November job gains were revised down by a total of 76,000.
- The Fed is expected to hold rates at its January meeting, with markets pricing in two rate cuts in 2026, starting around midyear.

China

- Inflation rose 0.8% YoY in December, the highest in nearly three years, and climbed 0.2% MoM, exceeding market expectations.
- Producer Price Index (PPI) fell 1.9% YoY, the smallest drop in over a year, signaling that Beijing's measures to curb excessive business competition (Anti-Involution) are taking effect—providing another boost for Chinese equities.
- The PBOC hinted at further monetary easing ahead, with potential interest rate cuts and reductions in banks' reserve requirement ratio (RRR) expected this year.

Thailand

- Thailand's inflation fell 0.28% YoY in December, marking the ninth consecutive months of decline but beating market expectations. Full-year inflation dropped 0.14%, the first annual contraction in five years, mainly due to lower energy prices following oil trends, government cost-of-living relief measures, and softer food prices.
- Thailand's economy is expected to slow, while soft inflation leaves room for monetary easing, paving the way for the central bank to continue lowering interest rates this year.

Vietnam

- Vietnam's economy surged in Q4 with GDP growth of 8.4%, beating market expectations and lifting full-year growth to 8.02%, driven by strong exports, domestic consumption, and government infrastructure investment. These factors have boosted investors' sentiment.

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