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Weekly Market Report For 22 – 26 June 2026



Overview

- Risk assets retreated as technology stocks came under selling pressure amid concerns over the sustainability of AI-driven growth, prompting investors to rotate further into defensive sectors.
- Oil prices declined as progress in U.S.–Iran negotiations eased supply and inflation concerns, pushing U.S. Treasury yields lower.
- AI-related stocks faced pressure from valuation concerns and scrutiny over AI infrastructure spending, although Micron's earnings reinforced confidence in the long-term AI investment theme.
- U.S. May Core PCE inflation came in line with expectations, suggesting inflation remains contained, while the Federal Reserve assessed that the current policy rate remains appropriate.
- The Bank of Thailand kept its policy rate unchanged at 1.0% and raised its 2026 GDP growth forecast to 2.3%, supported by stronger technology investment and government stimulus measures.

Market Brief

- **Risky assets retreated last week as technology stocks came under selling pressure**, with investors renewing concerns over the sustainability of the AI growth theme. Capital rotated into defensive sectors, particularly healthcare, utilities, and consumer staples.
- **Crude oil prices fell sharply** as easing geopolitical tensions between the U.S. and Iran reduced supply concerns. Progress in bilateral negotiations, the reopening of the Strait of Hormuz, and the relaxation of restrictions on Iran's oil and petrochemical exports pushed oil prices back toward pre-conflict levels.
- Although renewed military exchanges between U.S. and Iran briefly heightened tensions late in the week, both sides subsequently resumed negotiations to de-escalate the conflict and further discussion on the Strait of Hormuz, helping to ease geopolitical risks.
- **Lower oil prices also alleviated inflation concerns**, driving the U.S. 10-year Treasury yield lower. Meanwhile, the U.S. dollar strengthened, weighing on gold prices.
- **The AI sector remained the market's primary focus.** Big Tech stocks faced broad selling pressure, led by Apple after the company raised product prices to offset higher chip costs. Investors worried that higher prices could weaken consumer demand and compress profit margins.
- Semiconductor stocks also declined amid concerns that OpenAI could delay its planned IPO and that investment in AI infrastructure may moderate. However, Micron's quarterly results reinforced confidence in the AI theme, with revenue, earnings, and gross margin exceeding expectations, while its guidance for the next quarter came in above market forecasts.
- Micron also disclosed more than \$22 billion in long-term supply agreements with major customers, supporting a constructive outlook for AI chip demand over the coming years.
- U.S. May Core PCE inflation rose 3.4% YoY and 0.3% MoM, in line with market expectations. Meanwhile, the Federal Reserve Bank of New York indicated that the current policy rate remains appropriate to keep inflation under control.
- **The Bank of Thailand left its policy rate unchanged at 1.0%, as widely expected**, stating that the current policy stance remains appropriate to support the economic recovery. The central bank also expressed a more optimistic outlook for Thailand's economy, citing stronger technology and AI-related investment, a smaller-than-expected impact from geopolitical conflicts, and continued government stimulus.
- The Bank of Thailand raised its 2026 GDP growth forecast to 2.3% from 1.5%, while lowering its 2027 forecast to 1.8% from 2.0%.
- On inflation, the central bank expects price pressures to remain elevated through the rest of this year due to higher energy prices and production costs before moderating next year. It projects inflation at 2.8% in 2026 and 1.4% in 2027, while market participants expect the Monetary Policy Committee to keep the policy rate unchanged at 1.0% for the remainder of this year.

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