

## Highlight

### Market outlook

May was a positive month for the U.S. stock market, following a decline in April that was driven by concerns over U.S. tax policy. The market rebounded after stronger-than-expected U.S. economic data helped restore investor confidence.

We believe market sentiment may remain cautious amid ongoing concerns around U.S. tariff policy. The recent decision by the Court of Appeals to stay the International Trade Court's ruling which questioned former President Trump's authority to raise customs duties has introduced legal uncertainty that could weigh on investor sentiment. As a result, we believe the U.S. stock market may remain range bound. Additionally, we are closely monitoring the recent appreciation of the Japanese yen against the U.S. dollar, which has been influenced by unwinding carry trades. This may reflect waning investor confidence in equities and declining risk appetite.



### Bitcoin

Bitcoin prices rose last month. However, we believe it may be difficult for Bitcoin to reach new highs in the near term.



### China

Over the recent period, the Chinese stock market has been weighed down by persistent economic concerns. While the Chinese government's stimulus measures have provided some support to the economy and financial markets, they have not been strong enough to trigger a sustained rally. Additionally, ongoing tensions between the U.S. and China continue to pose significant headwinds, making a near-term recovery in the Chinese market challenging.



### Energy Price

As the U.S. and OPEC increase oil production, we expect this could put downward pressure on oil prices.

## Market Update

| Index                                  | Last Price | 2023 | 2024 | YTD% | PE_Ratio |
|----------------------------------------|------------|------|------|------|----------|
| Nasdaq                                 | 18,737.21  | 43%  | 33%  | 25%  | 34.85    |
| S&P500                                 | 5,802.82   | 24%  | 28%  | 22%  | 24.82    |
| STOXX Europe 600 Price Price Index EUR | 550.50     | 13%  | 11%  | 15%  | 15.69    |
| China                                  | 3,335.76   | -4%  | 10%  | 12%  | 14.04    |
| Hong kong                              | 23,241.23  | -14% | 19%  | 36%  | 11.77    |
| India                                  | 81,581.29  | 19%  | 5%   | 13%  | 24.21    |
| Singapore                              | 3,880.71   | 0%   | 17%  | 20%  | 12.28    |
| Thai                                   | 1,161.36   | -15% | -5%  | -18% | 13.76    |
| Vietnam                                | 1,336.90   | 12%  | 12%  | 18%  | 13.52    |
| Malaysia                               | 1,527.17   | -3%  | 8%   | 5%   | 14.23    |
| Indonesia                              | 3,151.25   | 3%   | -12% | -14% | 13.71    |

Source : Bloomberg as of 27 May 2025

## • Investment Thesis

We continue to recommend U.S. stocks, given their exposure to global markets and attractive valuations. In particular, we see strong potential in technology and healthcare innovation stocks, which offer both future growth opportunities and compelling valuations.

Disclaimer

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## Fund Outlook



Positive



Negative

| Fund                                            | Previous<br>As of March 2025 | New<br>As of April 2025 |
|-------------------------------------------------|------------------------------|-------------------------|
| SCB US EQUITY FUND (SCBS&P500)                  |                              |                         |
| Eastspring Asia Active Equity Fund (ES-ASIA)    | Neutral                      | Neutral                 |
| Eastspring Global Energy Fund (ES-GLOBALENERGY) |                              |                         |
| SCB Innovation (SCBINNO)                        |                              |                         |
| Eastspring Genomic Revolution Fund (ES-GENOME)  |                              |                         |

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## Investment Theme



### Long Term

#### USA

- **SCB US EQUITY FUND (SCBS&P500)** ★★★★★ Morningstar Rating 4 star As of 31 March 2025
- SCBS&P500 has an investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: iShares Core S&P 500 ETF. (Master Fund)
- The fund has 4-star by MorningStar.
- The fund mainly invests in companies operating around the world and not only the United States. In addition, the fund invests in a large company and a strong international brand name such as Apple, McDonald's, Google and Microsoft, etc. If the United States is an economic recession, the fund is less affected.
- Over the past month, the performance of the iShares Core S&P 500 ETF remained flat, primarily due to uncertainty surrounding the implementation of the U.S. customs tariff policy.
- Risk Level : 6 (High Risk)  
Low 

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|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|

 High

#### ASIA EX JAPAN

- **Eastspring Asia Active Equity Fund (ES-ASIA)** ★★★★★ Morningstar Rating 3 star As of 31 March 2025
- ES-ASIA has an investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: Schroder International Selection Fund - Emerging Asia. (Master Fund)
- The fund has 3-star by MorningStar.
- Over the past month, the fund's performance has remained flat due to uncertainty surrounding the implementation of the customs tariff policy.
- Risk Level : 6 (High Risk)  
Low 

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| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
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 High



### Short Term

#### Energy

- **Eastspring Global Energy Fund (ES-GLOBALENERGY)** ★★★★★ No Morningstar Rating As of 31 March 2025
- ES-GLOBALENERGY has a policy to diversify investment in foreign mutual funds and/or foreign ETFs in the energy-related technology sector both in the upstream and downstream industries, exploration, development and distribution of energy.
- Although ES-GLOBALENERGY is not rated by Morningstar, however, the fund is still the AIAM's top pick.
- We remain positive on the energy sector. With the U.S. and OPEC expected to increase oil production, we anticipate a decline in oil prices, which could, in turn, stimulate demand.
- Risk Level : 7 (High Risk)

Low 

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 High

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## Investment Theme



### Turnaround

#### ARKK

- **SCB Innovation (SCBINNO)** ★★★★★ No Morningstar Rating As of 31 March 2025
- SCBINNO has an investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: ARK INNOVATION ETF (ARKK) (Master Fund) and ETF has Active Management.
- Although SCBINNO is not rated by Morningstar, however, the fund is still the AIAM's top pick.
- ARKK is a popular fund with Cathie Wood as the fund manager who has been able to multiply investors' profits over the past year. Although the fund has decreased by about 70%, however, the fund still has good fundamental because of investing in new technology and innovation stocks. AIAM seen as an opportunity to invest because AIAM believed that this fund will be able to recover.
- Over the past month, the ARK Innovation ETF (ARKK) has remained flat in performance due to uncertainty surrounding the implementation of the customs tariff policy.
- The SCBINNO fund has been around for more than 1 year, however, the ARK INNOVATION ETF (ARKK) has been in operation for more than 5 years.
- Risk Level : 6 (High Risk)

Low 

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 High

#### ARKG

- **Eastspring Genomic Revolution Fund (ES-GENOME)** ★★★★★ Morningstar Rating 1 star As of 31 March 2025
- ES-GENOME has an investment policy focus on investing in one foreign mutual fund (Feeder Fund), namely: ARK Genomic Revolution ETF (ARKG) (Master Fund) and ETF has Active Management.
- The fund has 1-star by MorningStar.
- ARKG is a very popular fund that has multiple yielded over the past year because technology stocks have grown exponentially. Although the fund is currently decrease about 60% from the previous year, the company has confidence in Cathie Wood, a fund manager who has the ability to manage the fund and pick stocks that are expected to grow in the future. Including climate change leading to the emergence of new diseases. It is a positive factor to invest in the medical innovation sector in the future.
- Over the past month, the ARK Genomic Revolution ETF (ARKG) has shown flat performance due to uncertainty surrounding the implementation of the customs tariff policy.
- The ES-GENOME fund has been around for more than 1 year, however, the ARK Genomic Revolution ETF (ARKG) has been in operation for more than 5 years.
- Risk Level : 7 (High Risk)

Low 

|   |   |   |   |   |   |   |   |
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| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
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 High

Source : Bloomberg, SCBAM, Eastspring Investments, Abrdn, One Asset Management

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