

# Market Views: What does the ASEAN summit mean for Asian markets?

Heather Ng  
16 hours ago

Investors offer their key takeaways after a high-level meeting of Southeast Asian leaders and key dialogue partners.



Leaders from the Association of Southeast Asian Nations (ASEAN) and officials from key dialogue partners, including US President Donald Trump, gathered in Kuala Lumpur this week against a backdrop of shifting geopolitical dynamics.

The summit in Malaysia's capital focused on deepening regional integration, strengthening economic cooperation, and addressing pressing issues such as supply chain resilience, digital transformation and climate adaptation.

*AsianInvestor* invited leading investors to share their top two takeaways from the high-level meetings and reflect on how these developments could shape Asian markets over the next six to twelve months.

**Pauline Ng, head of ASEAN, emerging markets and Asia Pacific (EMAP) equities**

**JP Morgan Asset Management**

We believe that ASEAN markets continue to demonstrate resilience and offer diverse growth drivers amid persistent global uncertainty. The region differentiates itself as an attractive destination for supply chain



Pauline Ng

diversification, and AI demand growth has also served as a tailwind for electronics manufacturing exports in the region.

Vietnam's forthcoming FTSE Emerging Market upgrade is a vote of confidence in the country's ongoing market and regulatory reforms, while Malaysia's emergence as a regional hub for AI development and data centre infrastructure is gaining traction. Indonesia, despite recent underperformance, presents long-term value, especially in quality banks and select resource sectors. The renewed fiscal and monetary impetus may also help to revive investor optimism and drive future growth.

From a sector perspective, we prefer financials, technology and consumer names benefiting from digitalisation and rising middle-class consumption. Active bottom-up stock selection remains crucial given wide dispersion in fundamentals. Overall, ASEAN's favourable demographics, structural reforms and digital transformation position it as a compelling, diversified investment destination for the years ahead.

### **Zhikai Chen, head of Asia, global emerging market equities**

#### **BNP Paribas Asset Management**

ASEAN is clearly positioning itself as a resilient, neutral production base. Leaders reiterated deeper economic integration, upgraded regional trade frameworks with China to cover supply-chain connectivity and stressed keeping high-value manufacturing and logistics inside the bloc.

For equities, that supports Malaysia and Thailand in particular, where we see continued foreign direct investment into electronics, industrial components and transport infrastructure. We stay overweight Vietnam, Malaysia and Thailand, and we like select beneficiaries in banks, real estate/REITs, and energy rather than broad cyclicals.



Zhikai Chen

ASEAN also pushed ahead with a Digital Economy Framework Agreement, aiming to harmonise data, payments and cross-border platforms, and to scale digital services as a regional asset class rather than a domestic story. That underpins our overweight in communication services, electronics and semiconductors – we see structural demand for e-commerce, payments, digital media and connectivity.

Key risks to monitor are external demand shock, a stronger USD/higher US interest rate and any renewed geopolitical flare-up that disrupts capital flows.

### **Michael Langham, economist**

#### **Aberdeen Investments**

Our main two takeaways were that tariff uncertainty will continue to hover over the region in 2026 and that regional integration remains on course, if not at a more gradual pace than some would like.

We're still to get clarification on how the US will approach sectoral tariffs, particularly on semiconductors and pharmaceuticals, and the issue of re-exports. The lack of clarity on that front does raise the possibility of sudden tariff threats from the US administration to the region's biggest exporters over the re-exporting of Chinese goods.



Michael Langham

From a market perspective, this may favour less trade-exposed economies such as the Philippines and Indonesia, which could navigate these risks more effectively. The uncertainty also complicates the China + 1 strategy for manufacturers, potentially leading to more diversified but less efficient supply chains. Still trade diversification could also encourage more capital diversification, something that we think could be a tailwind for the region.

On a more positive note, the welcoming of Timor-Leste into ASEAN is a positive step towards regional integration, a trend that we expect to persist given the external challenges that face the region.

Multi-polarity is a key geopolitical theme for us and ASEAN is heavily exposed to US-China tensions. As such, we see regional alignment on regulations and the lowering of trade barriers as key to providing some buffer to external shocks. Indeed, the growing middle class consumer base is an attractive structural theme for us in the region.

**Steve Alain Lawrence, CIO**

**Balfour Capital Group**

The 2025 ASEAN Summit in Kuala Lumpur reinforced Southeast Asia's position as one of the world's most resilient and fast-growing regions. The first key takeaway is the bloc's renewed focus on digital and infrastructure integration through the ASEAN Connectivity 2045 framework – a long-term catalyst for capital inflows. Over the next 6-12 months, we remain constructive on Indonesia and Vietnam, where accelerating FDI, digitalisation and expanding middle-class consumption are driving double-digit earnings growth. Market leaders such as Bank Central Asia, Telkom Indonesia and Vingroup are well placed to capture these structural trends.



Steve Alain Lawrence

The second takeaway is ASEAN's unified commitment to energy transition and supply-chain resilience, which will channel investment into renewables, semiconductors and advanced manufacturing. We see opportunities in ACEN Corp, Delta Electronics (Thailand) and PTT Exploration & Production as beneficiaries of the region's green and industrial transformation.

Despite near-term volatility, ASEAN remains a structural bull story – anchored by favourable demographics, disciplined fiscal management and growing trade autonomy. We expect ASEAN equities to outperform broader emerging markets over the coming decade.

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