



**1,130 – 1,145**

**Insignificant move expected:** The SET index is anticipated to tread water in today's trading session as it still faces domestic political pressure despite some support from US-China trade talks. This afternoon, focus will shift to Thailand's CPI data, which is expected to soften in line with declining energy prices. Tonight, attention will turn to US nonfarm payroll figures for potential signals of a Fed rate cut.

### Trading ideas

- 1) **Anticipated boost from 2026 fiscal budget: CK, STECON and TASC0**
- 2) **Defensive stocks: PR9, TTW and PT**
- 3) **Tourism and commerce stocks: MINT, ERW, CENTEL, CPALL, MOSHI, ADVANC and TRUE**
- 4) **Speculative bets on SET10/100 inclusions**
- 5) **SET50: BCP, KKP and TCAP**
- 6) **SET100: MBK, TFG, JTS, TOA, AURA and GFPT**

### Picks of the day

	<b>Target</b>
	<b>14.70/15.00</b>
	<b>Support</b>
<b>CK</b>	<b>14.20</b>

**BUY**

- Bidding on two projects
- CK seen as strong candidate

	<b>Target</b>
	<b>2.26/2.32</b>
	<b>Support</b>
<b>ERW</b>	<b>2.12</b>

**BUY**

- 'Half Half' co-payment scheme set for approval on Jun 10
- Long-term positive view

- **Positive US-China trade talks, Thai political uncertainty:** On Jun 5, President Donald Trump and Chinese President Xi Jinping held a 90-minute phone call for trade talks, which the US president described as "very good." Trump said the talks also touched on China's rare-earth minerals, which will be further discussed in the next meeting. He said Treasury and Commerce secretaries will attend the next meeting, with details to be notified later. This development is anticipated to ease concerns over Trump's tariffs. Despite this positive factor, the market is likely to remain cautious due to domestic political issues, as former premier Thaksin Shinawatra is scheduled to present at a court on Jun 13 regarding his controversial stay at the Police General Hospital. As a result, the market's potential upside could be limited by domestic political uncertainty. Therefore, defensive stocks and those with **particular supportive factors are likely to receive investor interest.**
- **Thailand's CPI data in focus:** Thailand's Headline CPI in May, which is set to be released this afternoon, is expected to drop by 0.83% y-y, while Core CPI is forecast to increase by 0.98% y-y. The further decline in Headline CPI from the previous month's contraction of 0.22% reflects a slowdown in inflation, potentially marking the second consecutive month of decline. In Apr, inflation softened due to declining domestic energy prices in line with lower crude oil prices. Regarding electricity prices, the Ft rate in May was lowered to 19.72 satang per unit, down from the previous month's 36.72 satang. The global crude oil prices in May remain steady compared to the previous month. As such, the ongoing inflation slowdown, largely driven by supply-side factors, could boost the attractiveness of tourism and commerce-related stocks.
- **US nonfarm payroll data takes center stage tonight:** According to Bloomberg, the US nonfarm payrolls are estimated to increase by 126,000 jobs in May, softening from the previous month's rise of 177,000. If this estimate holds true, it would be in line with the softer employment trends seen in the ADP National Employment report, fueling hopes for a Fed interest rate cut. According to the CME FedWatch Tool, the market gives weight to the Fed's decision to maintain its interest rate in a range of 4.25-4.5%. Meanwhile, the interest rate of 3.75-4% is anticipated at year-end.

### + Additional Factors

- (-) EXIM BANK states that although recent signs of improvement in the trade war have emerged, uncertainties remain high and can change at any time. As a result, Downside Risks continue to cast a shadow over Thai exports throughout the second half of 2025, and export growth in Q3 is expected to still show significant slowdown.
- (-) China has called on the United States to stop applying national security concepts beyond appropriate limits and to cooperate with all parties to maintain a multilateral trading system based on rules, following the U.S. decision to increase tariffs on steel, aluminum, and related products from 25% to 50%.
- (+) The IMF points out that uncertainties arising from the impacts of the trade war could pose challenges that are even greater than those during the COVID-19 crisis for the Asian economy.
- (+) The ECB has lowered the deposit facility rate from 2.25% to 2%, without providing any additional guidance on the interest rate outlook for the remainder of the year.

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Ref.No.: C02568\_0103