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Downward bias: The SET Index is expected to decline in today's trading session, weighed down by growing concerns over political stability, ongoing Middle East conflicts and the US economic outlook. However, the stock market could still find support from rising oil prices, expectations of new government projects and this morning's release of Thailand's export data for May.

Trading ideas

1) SET50/100 additions for 2H25

SET50: BCP, KKP, TCAP and TIDLOR

SET100: AURA, JTS, MBK, TFG, TOA and WHAUP

2) Energy stocks: PTTEP, SPRC, TOP

3) Tourism-linked stocks: CENTEL, ERW and MINT

4) Export-linked stocks: CPF, HANA, KCE and NER

5) Short-selling targets: BGRIM, CBG, GPSC and TRUE

Picks of the day

	Target	9.00 / 9.20
	Resistance	9.70
	BGRIM	SHORT

- Power sales revenue under pressure
- Negative sentiment from war-related risks

	Target	23.70 / 24.20
	Support	22.50
	CENTEL	BUY

- Robust revenue growth expected for 2QFY25
- Long-term views

Government stability in focus

- **Mounting concerns over government stability:** The SET index could face pressure from growing worries over government stability amid reports of a potential cabinet reshuffle. Prime Minister Paetongtarn Shinawatra and leading figures in the ruling Pheu Thai Party were reported to be pressing ahead with the cabinet reshuffle. At 3pm yesterday, coalition Bhumjaithai Party leader Anutin Charnvirakul was informed by the Pheu Thai Party that his party has to move from the Interior Ministry to the Public Health Ministry and a ministerial post in the PM's Office, with a decision required within 48 hours. If the Bhumjaithai Party refuses, the prime minister will reportedly pursue the reshuffle and expel the party from the coalition government. Earlier, Mr Anutin stressed that the Bhumjaithai Party would switch to the opposition if it lost control of the Interior Ministry. If that is the case, the coalition government could see a reduction in its number of MPs.
- **Growing worries over ongoing Middle East conflicts and US economic outlook:** The stock market could be pressured by the ongoing Israel-Iran war, which has entered its fifth day without signals of a peaceful resolution. Last night, US President Donald Trump stressed Iran's skies are now under complete control. The US economic outlook has also added to the negative sentiment, as US retail sales fell by 0.9% m-m in May, worse than the estimated 0.5% contraction and the previous month's 0.1% decline. Tonight, investor attention will turn to the US FOMC meeting, where the policy rate is expected to be held steady at 4.25%-4.5%. Focus will also be on the Fed's economic projections and dot plot, which could signal the direction of the US economy and monetary policy.
- **Support from energy stocks and state projects:** The downside risk however could be cushioned by energy stocks, underpinned by rising oil prices. WTI crude surged 4.28%, closing at US\$74.84 per barrel on Tue, whipped up by conflicts in the Middle East. In addition, further support could come from today's meeting of the economic stimulus committee, which may indicate projects under the Bt157bn budget. Attention is also on the Half-Half copayment scheme aimed at boosting domestic tourism, which opened tourism operator registration yesterday. In addition, focus will also be on this morning's release of Thai trade data for May. Commerce Minister Pichai Nariphaphan earlier said exports in May grew by double digits, potentially boosting market sentiment.

+ Additional Factors

- (+) The Cabinet has approved, in principle, Thailand's bid to host Formula One, with an operational budget of 41 billion baht. The country is expected to serve as host from 2028 to 2035, with the event projected to generate an average annual economic circulation of approximately 16 billion baht during the hosting period.
- (+) The Cabinet has approved a project to lease 1,520 clean energy (EV) air-conditioned public buses over a seven-year period, with a total investment framework of 15.36 billion baht.
- (+/-) The Tripartite Wage Committee has approved raising the minimum wage to 400 baht across Bangkok, while in other provinces, the increase will initially apply only to certain occupational groups—specifically, the hotel and service sectors—as a pilot scheme. The adjustment will take effect on July 1, 2025. The move is viewed as a boost to consumer purchasing power, but conversely, it is expected to place upward pressure on business operating costs.
- (-) The IMD World Competitiveness Yearbook 2025 ranks Thailand 30th out of 69 economies surveyed globally, a drop of five positions from the previous year.

Strategy team

Teerada Charnyingyong - Securities Investment Analyst and Technical Analyst #9501
 Chutikan Santimetvirul - Capital Market Investment Analyst and Technical Analyst #37928
 Pasut Ngowiwatchai, CISA - Capital Market Investment Analyst #127632
 Pattharadanai Jaturaporn - Capital Market Investment Analyst #094041

Thanapong Saelo - Assistant Analyst
 Pattharadanai Jaturaporn - Assistant Analyst

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