



>> **1,075 – 1,090** <<

**SET Index expected to open lower and remain in negative territory:** The Thai equity market is likely to open on a weak note and stay in the red, weighed down by escalating concerns over the stability of the Thai government, with rising speculation about a potential House dissolution. Adding to the negative sentiment are mounting worries over the US economic outlook and renewed tensions in the Middle East between Israel and Iran.

### Trading ideas

- 1) **Global plays:** HANA, IVL, KCE, MINT, PRM, PTTGC, SCGP, SPRC, TOP
- 2) **Defensive plays:** BCH, TTW
- 3) **Selective plays:** NINTENDO19, TFMAMA
- 4) **Short-selling targets:** GPSC, HMPRO, TRUE

### Picks of the day

	<b>Target</b>
	19.10 / 19.60
	<b>Support</b>
<b>HANA</b>	18.00

**BUY**

- Remarkable export growth in electronics sector
- Attractive share price

	<b>Target</b>
	31.50 / 33.00
	<b>Support</b>
<b>NINTENDO19</b>	29.00

**BUY**

- Strong demand for Switch 2
- Double bottom

- **Coalition withdrawal shakes Thai government stability:** Political pressure is intensifying after Prime Minister Paetongtarn acknowledged the authenticity of an audio clip of a phone conversation with Cambodian Senate President Hun Sen. Following this, the Bhumjaithai Party announced its withdrawal from the ruling coalition late last night. All Bhumjaithai ministers have tendered their resignations, effective June 19, 2025. The development could disrupt key government projects and ministerial initiatives, while reducing the ruling bloc's House representation to 261 seats—still above the simple majority threshold of 248 in the 495-member House of Representatives. However, the fate of the coalition hinges on whether other key parties, namely the United Thai Nation Party (36 seats) and the Democrat Party (25 seats), decide to remain in the government. Both parties are scheduled to hold internal meetings at 11:00 a.m. and 5:00 p.m. today, respectively. Should either announce a withdrawal, it would likely mark the collapse of the Paetongtarn administration, as the coalition would then fall short of a majority, severely limiting the government's ability to pass legislation—including the FY2026 budget, which has only cleared the first reading and still awaits the second and third. Against this backdrop, we recommend investors with low-to-moderate risk tolerance to defer investment decisions, as the possibility of House dissolution looms and fiscal momentum could stall.
- **Concerns over US economy and Israel–Iran conflict add to headwinds:** Although the latest FOMC meeting kept interest rates unchanged at 4.25–4.50% in line with market expectations and reiterated the Fed's wait-and-see stance and the dot plot still projects two rate cuts (0.25% each) as before, sentiment turned cautious following the Fed's downgrade of its 2025 GDP forecast from 1.7% to 1.4% and its upward revision of the unemployment rate projection from 4.4% to 4.5%. Meanwhile, geopolitical tensions in the Middle East remain a source of downside risk, with investors increasingly concerned about the potential for US military involvement in the Israel–Iran conflict.

### + Additional Factors

- (+) The Deputy Prime Minister and Minister of Finance announced that the Economic Stimulus Board has approved the first batch of economic stimulus projects, totaling approximately 110 billion baht. The package will be submitted to the Cabinet meeting next week. Around 70% of the projects are related to water management and transportation, while another 10% focus on tourism initiatives. The government expects that this stimulus package could raise GDP by an additional 0.4%.
- (-) The Federation of Thai Industries reported that the Thai Industries Sentiment Index for May 2025 stood at 88.1, marking a decline from 89.9 in April. The decrease reflects growing concerns among industrial operators over domestic economic conditions, global economic uncertainties, the domestic political climate, as well as oil prices and lending interest rates.
- (-) The Thai Hotels Association revealed survey findings indicating that more than half of hotel businesses expect a year-on-year decline in overall revenue in the second quarter of 2025 (2Q68). This sentiment is particularly pronounced among hotels in the northern and central regions, where the majority anticipate a revenue contraction of at least 10%.

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