



>> **1,060 – 1,075** <<

Sideways trajectory: The SET index is expected to trade sideways in today's session, pressured by persistent concerns over Thai political stability, which needs to be closely monitored, as well as ongoing tensions in the Middle East. However, the market has become more attractive in terms of valuation.

Trading ideas

- 1) **Stocks with high overseas revenue proportion:** HANA, IVL, KCE, PTTGC and SCGP
- 2) **Energy stocks:** BCP, PTTEP, SPRC and TOP
- 3) **Defensive stocks:** BCH and TTW
- 4) **Virtual bank-linked stocks:** OR and SCB
- 5) **DR plays:** AMD80, AMZN80, AVGO80, ESTEE80 and NINTENDO19
- 6) **Short-selling targets:** BGRIM, GPSC and HMPRO

Picks of the day

<p>AMD80</p> <p>BUY</p>	Target
	0.90 / 0.94
	Support
	0.80

- Boost from new product launch
- Technical Throwback Amid Bullish Trend

<p>SCGP</p> <p>BUY</p>	Target
	17.00 / 17.40
	Support
	16.00

- Overseas revenue provides support
- Easing external factors

- **Government stability in focus:** Domestic political situations continue to create negative sentiment for investment. The Klatham Party and the Prachachat Party have confirmed their commitment to remain in the coalition government, while Democrat Party's executive board voted by majority to stay as well. Meanwhile, the United Thai Nation Party and the Chartthaipattana Party are seeking to hold talks with the prime minister before making decisions. With only the Bhumjaithai Party switching to the opposition, the coalition government now has 261 MPs—just above half of the total 495 MPs—raising concerns about its stability. Should more parties leave the coalition or internal conflicts arise, government stability could be jeopardized. Furthermore, the SET index could be more pressured by FTSE rebalancing today.
- **Middle East tensions closely watched:** The ongoing Israel-Iran conflicts continue to create negative investment sentiment, with no signs of ending soon. US President Donald Trump said: "Based on the fact that there's a substantial chance of negotiations that may or may not take place with Iran in the near future, I will make my decision whether or not to go within the next two weeks." The conflicts on the other hand give a boost to energy stocks. According to Citigroup, if the ongoing Israel-Iran hostilities cause a disruption of approximately 1.1mn barrels per day (bpd) of Iranian oil exports, Brent crude prices could rise by 15-20% from the pre-conflict levels.
- **Attractive valuation to support SET:** The downside is expected to be limited after the recent decline in the SET Index, which has brought valuations to more attractive levels. The forward P/E for 2025 stands at 11.79x, below the 10-year historical average and at -1.75 standard deviations. As a result, there may be buying interest in fundamentally strong stocks, especially from investors with a high risk tolerance.

+ Additional Factors

- (+) The Bank of Thailand has announced the three selected entities to establish virtual banks, namely: (1) ACM Holding Co., Ltd. (TrueMoney); (2) a consortium comprising KTB, ADVANC, and OR; and (3) a consortium comprising SCB, WeTechnology Limited, and KakaoBank Corp.
- (+) The Oil Fuel Fund Executive Committee has resolved to further reduce the diesel oil contribution rate to the Oil Fuel Fund by 0.70 baht per litre, effective from June 20, 2025, in an effort to stabilize retail diesel prices at service stations and prevent a price increase.
- (+) China's commerce ministry said on Thursday that "a certain number" of rare earth export licence applications had been approved, but declined to give further details such as the exact amount and how many had been extended to U.S. firms.
- (-) Bangkok Biz News revealed the results of a survey of "100 CEOs" from leading businesses across various sectors, showing that 65% believe the current political situation is significantly undermining economic momentum, with growing signs of a potential recession.

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