



>> 1,050 – 1,070 <<

Anticipated further contraction: The SET index is expected to extend its decline in today's session, pressured by ongoing Middle East conflicts, concerns about Thai government stability and tensions between Thailand and Cambodia. However, the market could still find support from rising oil prices and supportive measures by the SET.

Trading ideas

- 1) **Energy stocks:** PTTEP, SPRC and TOP
- 2) **Virtual bank-related stocks:** ADVANC and SCB
- 3) **Policy rate expected to be held steady:** BBL and KBANK
- 4) **Stocks with a high proportion of overseas revenue:** HANA, IVL, KCE, PTTGC and SCGP
- 5) **Short-selling targets:** BGRIM, GPSC, HMPRO and OR

Picks of the day

	Target	285.00 / 290.00
	Support	260.00 / 265.00

ADVANC BUY

- EPL broadcast
- Long-term positive view

	Target	157.00 / 160.00
	Support	148.50 / 150.00

KBANK BUY

- Policy rate likely to be kept unchanged
- Possible faster decline in provisions compared to peers

- **US strikes on Iran's nuclear facilities:** Sentiment in the SET Index could be eroded by rising tensions in the Middle East following US airstrikes on three Iranian nuclear sites —Fordow, Natanz and Isfahan — on Jun 21 (US time), according to President Donald Trump's statement. He also emphasized that other Iranian locations could be further targeted by the US military. In response to the attacks, Iran's parliament has endorsed closing the Strait of Hormuz, through which about 20% of the world's oil and gas demand flows. Accordingly, the move could spike global energy prices, potentially spurring global inflation and escalating tensions in the Middle East.
- **Neither resign nor dissolve the House:** The market could also face pressure from domestic politics. Although the Pheu Thai party's deputy spokesperson announced that the prime minister will neither step down nor dissolve the House, with a potential cabinet reshuffle in view, investors remain concerned about government stability, which is likely to be a market overhang. The Senate Speaker has submitted petitions asking the Constitutional Court and the National Anti-Corruption Commission to relieve Prime Minister Paetongtarn Shinawatra of her duties following the leak of a recent telephone call with Cambodian Senate President Hun Sen. The official letter asked whether Ms Paetongtarn had committed corruption by willfully violating the constitution or laws, or seriously breached ethical standards.
- **Thailand-Cambodia tensions:** Stocks of companies exporting to Cambodia or operating business in the country could face negative sentiment due to rising tensions between Thailand and Cambodia. This follows warnings by the Thai foreign ministry advising citizen to avoid non-essential travel to Cambodia. Cambodia has also announced a halt to oil and gas imports from Thailand, effective Jun 22.
- **Hopes pinned on rising oil prices and SET measures:** The Thai stock market could receive support from energy stocks, following a spike in WTI crude, which reached US\$77.42 per barrel this morning, whipped up by Middle East tensions. In addition, downside risks could still be limited by temporary measures issued by the SET to address volatility. First, the SET has revised ceiling and floor limits from $\pm 30\%$ to $\pm 15\%$. Second, the dynamic price band has been adjusted by reducing the threshold from $\pm 10\%$ of the last executed price to $\pm 5\%$ of the last executed price.

+ Additional Factors

- (+) The Oil Fuel Fund Executive Committee (OFFEC) has resolved to further reduce the diesel oil contribution rate to the Oil Fuel Fund by 0.65 baht per litre, effective from June 21, 2025.
- (+) The Stock Exchange of Thailand (SET) President stated that the SET continues to promote stable and sustainable growth of the Thai capital market through the Jump+ initiative. The Ministry of Finance is expected to propose the initiative for Cabinet consideration on June 24, with further details to be announced on June 26, 2025.
- (-) A recent North Bangkok Poll revealed that 53.8% of respondents believe the Thai economy has significantly deteriorated compared to six months ago. Looking ahead, 32% expect a sharp economic slowdown in the second half of 2025 relative to the first half.
- (-) The Federal Reserve's Monetary Policy Report to Congress on Friday noted that the economic impact of President Donald Trump's tariff hikes is only beginning to materialize. The Fed emphasized that further clarity on the trajectory will require time and reiterated its cautious stance, signaling no immediate need for additional monetary policy actions.

Strategy team

Teerada Charnyingyong - Securities Investment Analyst and Technical Analyst #9501
 Chutikan Santimetvirul - Capital Market Investment Analyst and Technical Analyst #37928
 Pasut Ngowiwachai, 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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