



>> 1,055 – 1,075 <<

Potential gains: The SET index is expected to open higher and remain in positive territory, boosted by anticipation of an end to the Israel-Iran war and expectations that the Fed will lower interest rates. Domestically, hopes are pinned on the potential introduction of new government projects. Despite positive factors, concerns persist over Thailand's political stability and rising tensions along the Thailand-Cambodia border.

Trading ideas

- 1) Policy rate expected to be held steady:** BBL, KBANK and SCB
- 2) Stocks with high proportion of overseas revenue:** DELTA, HANA, IVL, KCE and PTTGC
- 3) Anti-commodity plays:** BGRIM, GPSC and SCGP
- 4) Selective plays:** ADVANC and GULF
- 5) Short-selling targets:** CBG, DOHOME, HMPRO and OR

Picks of the day

	Target	142.00 / 144.00
	Support	136.00
	BBL	BUY

- Market leader in large corporate lending
- Low risk and highest NPL coverage ratio in the sector

	Target	18.80 / 19.40
	Support	17.60
	HANA	BUY

- Baht weakens again
- Attractive share price

- **Middle East conflicts about to end soon:** Risk appetite, including investment in the SET index, is expected to increase due to the easing concerns over the Middle East conflicts. Iran carried out strikes against a US base in Qatar on Mon, with no casualties, reflecting a softer-than-expected response from Iran. At the same time, US President Donald Trump posted on Truth Social at 5am Thai time that Israel and Iran had agreed to a “complete and total ceasefire” for 12 hours. Under the agreement, Iran will start the ceasefire and, upon the 12th hour, Israel will start the ceasefire. According to him, upon the 24th hour, the 12-day war will come to an end.
- **Anticipation of Fed’s decision to lower policy rates next month:** Market sentiment could be lifted by anticipations that the Fed will lower interest rates at its Jul meeting. Federal Reserve Vice Chair for Supervision Michelle Bowman said inflation appears to be on a sustained path back to 2%. She also expects “only minimal impact” on inflation from trade policy. Bowman said if inflation pressures remain contained, she would support lowering the policy rate at the next meeting. Her view was echoed by Chicago Fed President Austan Goolsbee, who said the impact of tariffs has not been what people feared. Tonight, focus will be on Fed Chairman Jerome Powell’s remarks.
- **Stimulus projects in focus:** Domestically, attention will turn to the cabinet meeting today, amid anticipations that the Finance Ministry will propose the first batch of stimulus projects and measures, totaling Bt115bn, under the allocated budget of Bt157bn. In addition, close monitoring will be on the planned announcement of stimulus measures by the deputy prime minister and the finance minister at noon.
- **Persistent concerns over Thai politics and border tensions:** The market’s potential upside remains capped due to persistent concerns over Thai political stability. The National Anti-Corruption Commission yesterday reportedly resolved to investigate the ethics of Prime Minister Paetongtarn Shinawatra regarding her recent phone call with Cambodian Senate President Hun Sen. Additionally, tensions along the Thai-Cambodian border are escalating following the Thai army’s order to close six permanent border crossings and 10 temporary crossings across six provinces.

+ Additional Factors

- (+) The Deputy Prime Minister and Minister of Finance disclosed that the government is preparing to roll out liquidity support measures for SMEs, with a particular focus on those registered under the Social Security Fund. The initiative will involve a funding allocation of 30 billion baht, drawn from the broader financial support framework totaling 157 billion baht.
- (+) The Deputy Finance Minister affirmed that the government is likely to consider extending the registration period for the 'You Fight, We Help' program beyond its original deadline of June 30, 2025. Further details will be clarified in due course to ensure continued support for retail debtors and SMEs.
- (-) UBS has downgraded its stance on Thai equities from Overweight to Neutral, citing concerns over political uncertainty that may adversely affect policy direction and investor confidence. Additionally, tourism underperformance relative to expectations has also contributed to this reassessment.
- (-) Energy stocks are expected to come under pressure following a 7.22% decline in WTI crude oil prices, which settled at \$68.51 per barrel. The downward trend has extended into this morning’s WTI spot prices, reflecting easing concerns over the situation in the Middle East.

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