



1,065 – 1,090

Downward trajectory: The SET index is expected to decline in today's trading session, pressured by the capped weight measure imposed on the SET50/50FF and SET100/100FF, as well as growing concerns over government stability following a petition lodged by 36 senators against the prime minister. However, the 'Half-Half Thailand Travel' campaign and planned tariff negotiations between Thailand and the US are likely to limit the market's downside potential.

Trading ideas

- Beneficiaries of 'Half-Half Thailand Travel' campaign:** CENTEL, CPAXT, ERW, MINT, CPALL and BJC
- Export and manufacturing growth:** KCE, HANA, ITC, WHA, AMATA and COCOCO
- Anti-commodity plays:** BGRIM, GPSC and SCGP
- Selective plays:** BBL, KBANK, SAT, AH, CKP and ADVANC
- Short-selling targets:** DELTA, MTC and BEM

Picks of the day

	Target	88.00 / 89.50
	Resistance	98.00
	DELTA	SHORT

- 10% capped weight rule
- 2QFY25 outlook likely to be pressured by stronger baht

	Target	11.30 / 11.60
	Support	10.70
	ITC	BUY

- Anticipated growth in export volume
- Lower-than-expected impact from GMT

- **Capped weight measure set to take effect soon:** Starting Jul 1, the capped weight measure will be enforced, affecting the SET50/50FF and SET100/100FF indexes. Under this rule, each stock's weight in the indexes will be capped at 10%. As of the closing price on Jun 27, the top three stocks with the highest weights in the SET50 index are DELTA (12.35%), PTT (8.83%) and ADVANC (8.28%). This shows that only DELTA exceeds the 10% threshold, suggesting the stock could face selling pressure before the rule comes into effect. To bring DELTA's weight down to 10% (assuming the prices and quantities of other stocks remain unchanged), its share price would have to decline to Bt78.00 per share. This could put pressure on the stock market as a whole.
- **Constitutional court case on Jul 1 in focus:** Attention now turns to the Constitutional Court's consideration on Jul 1 as to whether to accept a petition calling for the suspension of Prime Minister Paetongtarn Shinawatra over a leaked audio clip featuring her conversation with Hun Sen, the president of the Cambodian Senate. The petition, which was initiated by Gen Sawat Tasana, invokes the Senate's authority under Section 81 of the constitution. The petition accuses the premier of secretly talking with Hun Sen in a way that could harm the national security and sovereignty, which could lead to severe damage and make it hard to solve later. This petition has renewed concerns over government stability. Some investors may opt to sell stocks to mitigate political risks, potentially capping the market's upside.
- **Hopes pinned on tourism and planned tariff talks with US:** On Jul 1, 'Half-Half Thailand Travel' campaign is set to open for public registration, potentially boosting interest in stocks linked with tourism, transportation and commerce. These sectors are likely to outperform the SET index. Hopes are also pinned on the planned tariff negotiations between Thailand and the US, scheduled for Jul 3. Finance Minister Pichai Chunhavajira has refuted widespread reports claiming that the US has decided to impose an 18% import tax on Thai goods, saying there is still no conclusion on the matter. Thailand is still reviewing tariff-linked proposals initiated by the US, he said. At the same time, Thailand will propose increased imports of armament, aircraft and other goods from the US. The potential progress in the negotiation is likely to ease concerns over tariffs imposed on Thailand.

+ Additional Factors

- (-) The President of the European Commission confirmed that the Union is prepared to handle any situation, including the possibility that negotiations with the United States over the tariff wall fail. This could result in Europe facing tariffs of over 50%.
- (-) The Ministry of Public Health is preparing to draft an additional Ministerial Regulation regarding the criteria for licensing the sale of cannabis flower bouquets, viewing it as a sentiment that might pressure stocks related to cannabis products.
- (-) China has announced that it will fully oppose any trade agreements made by any country with the United States that result in China losing its interests in exchange for tariff concessions.
- (-) Analysts warn that Trump's new tax rate reduction law currently under review in Congress could increase the U.S. government's debt by an additional \$3-5 trillion, on top of the current level of \$36.2 trillion.

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