



1,100 – 1,115

Sideways pattern: The SET index looks set to trade sideways in today's session, pressured by political uncertainty and a rise in US bond yields following fresh signals from the Fed and the passage of a new US tax bill, which could weigh on Wall Street. Meanwhile, eyes are now on trade negotiations between the US and its trading partners, as well as today's release of the US labor data.

Trading ideas

- Bets on upbeat 2QFY25 earnings:** BBL, KBANK, KKP and KTB
- Global plays:** HANA, KCE, ITC, PTTGC and SCGP
- Beneficiaries of 'Half-Half Thailand Travel' scheme:** CENTEL, ERW, MINT, OR, CPALL and CPAXT
- Selective plays:** SCC, SPALI, AP, WHA and AMATA

Picks of the day

<p>AP</p>	Target
	6.80 / 7.00
<p>AP</p>	Support
	6.30 / 6.40

- More project launches in 2Q25
- 2Q profit likely to recover better than 1Q

<p>PTTGC</p>	Target
	20.60 / 21.00
<p>PTTGC</p>	Support
	20.00

- External factors remain supportive
- Pursuing asset-light strategy

- Political development in focus:** The Constitutional Court yesterday resolved to accept a petition lodged by 36 senators against Prime Minister Paetongtarn Shinawatra for consideration and suspended her from office. The case involves a leaked audio clip featuring her conversation with Cambodian Senate President Hun Sen. Deputy Prime Minister Suriya Jungrungreangkit, who is now serving as acting prime minister, is expected to lead the new cabinet ministers to swear an oath before the King on Jul 3, the official process for assuming the ministerial roles. Following this process, the caretaker prime minister role will be handed over to Phumtham Wechayachai, who is set to become the deputy prime minister and interior minister. Ms Paetongtarn has 15 days to testify at the court in the audio leak case. She also currently holds the position of culture minister. The stock market has responded positively to this political development, as it provides greater clarity on the political landscape. However, uncertainty remains — including whether the prime minister would decide to step down, how the anti-government protests will unfold and whether a non-list PM candidate will be nominated. Accordingly, the market is unlikely to extend its gain that much. Meanwhile, attention is now shifting to stocks of companies that are about to announce their earnings results for 2QFY25.
- US bond yields boosted by Fed's signals and new tax bill:** The Fed Chair reiterated the stance of keeping interest rates on hold, stating that the Fed will wait for developments in economic indicators before deciding to cut rates. He noted that the impact of tariffs will likely push inflation higher during the summer, prompting the Fed to make decisions gradually based on data at each meeting. Meanwhile, the US Senate has passed the "One Big Beautiful Bill Act" by a narrow margin of 51 votes in favor to 50 against. Analysts view this as coming at the cost of greater fiscal burdens, potentially requiring the government to issue more bonds in the future and increasing the supply of US Treasury bonds. These two factors have pushed US 2-year and 10-year bond yields higher to 3.78% and 4.24%, respectively, putting pressure on risk assets.
- US's trade deals and labor figures draw attention:** The market is expected to closely monitor US trade talks with its trading partners, including Thailand, ahead of the Jul 9 deadline. Any progress on the issue could benefit the Thai stock market. In addition, ADP nonfarm employment change for Jun, which will be announced tonight, will be in focus. Nonfarm payrolls for Jun will also be released on Fri.

+ Additional Factors

- (-) The Minister of Tourism and Sports revealed that the cumulative number of foreign tourists from January 1 to June 30, 2025, totaled 16.68 million, a decrease of 4.66%y-y. This figure is still far from the Bank of Thailand's tourist target and the total number of tourists in 2024, suggesting a potential y-y slowdown in the total number of tourists for the entire year.
- (-) S&P Global Commodity Insights stated that as of the end of June, Europe's gas reserves decreased y-y, reflecting the high demand for natural gas in Europe. This trend is likely to support LNG prices, negatively impacting power plant stocks.
- (-) Fitch Ratings indicated that the high debt ratios of large Thai companies reflect a reliance on debt financing rather than cash flow. This raises concerns about a potentially fragile capital structure and increased refinancing and liquidity risks.
- (+) The Department of Foreign Trade reported that Thailand's utilization of FTA privileges from January to April exceeded 79.45%, expanding by 13.46% y

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