



1,110 – 1,130

Sideways-down pattern: The SET index is expected to move sideways with a downward bias in today's trading session, pressured by the US announcement of a 36% tariff on goods from Thailand. However, the downside could be cushioned as Thailand still has time to negotiate. Meanwhile, the stock market could still find support from rising oil prices and speculations ahead of 2QFY25 earnings announcement by listed companies.

Trading ideas

- Bets on 2QFY25 earnings results:** ADVANC, AP, BBL, KBANK, KKP, KTB, LH, MAJOR, PR9, SC and SPALI
- Beneficiaries of 'Half-Half Thailand Travel' campaign:** CENTEL, ERW, MINT and OR
- Energy stocks:** PTT, PTTEP, SPRC and TOP
- Selective plays:** M, NSL, RCL and TRUE

Picks of the day

 ADVANC	Target 295.00 / 300.00
	Support 282.00 / 285.00

BUY

- Beneficiary of EPL broadcasting
- Anticipated robust revenue growth in 2QFY25

 KTB	Target 22.40 / 23.00
	Support 21.80

BUY

- Beneficiary of government projects
- 2QFY25 profit projected to reach new high

- Thailand faces 36% tariff from US:** The stock market could face pressure following the US announcement last night of a 36% tariff on goods from Thailand—the same rate originally initiated by the Trump administration on Apr 2. The tariff will be implemented on Aug 1. The tariff rates were also announced for at least 14 countries last night. The 36% tariff on Thai goods could hinder the competitiveness of Thai exports, particularly compared to Vietnam, which faces a reduced 20% tariff following talks with the US. In addition, tariffs imposed on Thailand are the third highest among East Asian and Southeast Asian countries announced in the first batch. The US announced a 40% tariff on Laos (down from the previously announced 48%), 40% on Myanmar (44%), 36% on Cambodia (49%), 32% on Indonesia (unchanged), 25% on Japan (24%), 25% on Malaysia (24%) and 25% on South Korea (unchanged).
- There is time for talks:** Despite facing the 36% tariff, the Thai government still has time to negotiate with the US, as White House press secretary Karoline Leavitt said US President Donald Trump would sign an order to delay the tariff negotiation deadline from Jul 9 to Aug 1. Accordingly, it is important to monitor further trade negotiations between Thailand and the US, as well as proposals sent by Deputy Prime Minister and Finance Minister Pichai Chunhavajira to the US on Sun, which are believed to resemble those proposed by Vietnam. Mr Pichai said the proposals include a broad range of US products that would be subject to zero tariffs. These proposals are under review by the US. It is important to note that the US letter was sent to Suriya Jungrunreangkit, who served as an acting prime minister during the brief period of Jul 1-3. This suggests that the US had prepared the letter in advance, before Thailand's new proposals were submitted on Sun.
- Hopes pinned on rising oil prices and 2QFY25 earnings:** The SET index however may find some support from energy stocks, as WTI crude increased by 1.39% to US\$67.93 per barrel. The increase followed record travel by Americans during the Independence Day holiday on Jul 4, across both air and land transportation. The stock market could still find support from speculation on listed companies with potential strong 2Q earnings. Next week, banks are expected to start reporting their earnings results.

+ Additional Factors

- (+) The Minister of Commerce revealed that contingency plans have already been put in place to cushion the impact of tariff negotiations with the United States. Multiple remedial measures will be implemented through a dedicated relief fund, backed by approximately THB 10 billion in government-reserved funding earmarked for affected sectors.
- (+) Government Savings Bank announced it will expedite the write-off of unsecured non-performing loans (NPLs) following the Cabinet's prior approval of targeted relief measures for small-scale borrowers. The program aims to declassify over 500,000 delinquent accounts linked to government-sponsored credit schemes rolled out during the COVID-19 crisis, starting with an initial phase of 200,000 accounts.
- (-) The head of the government whip confirmed that the administration will definitively withdraw the draft Entertainment Complex Bill from the House of Representatives' agenda on July 9, 2025. The move is intended to allow for broader public engagement and to ease ongoing controversy.
- (-) President Trump has issued a stern warning that a punitive tariff of 10% will be imposed on any country that aligns itself with the BRICS bloc's anti-American agenda — including efforts to replace the U.S. dollar with local currencies or to establish economic mechanisms that circumvent reliance on the greenback.

Strategy team

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