



5 August 2025

1,225 – 1,240

Upward trajectory: The SET index is expected to extend its gains today, supported by expectations that the Fed will lower interest rates by year-end and anticipation that today's cabinet meeting will approve a budget for the second phase of the economic stimulus program. However, the potential upside remains limited due to declining oil prices and investors' cautious stance amid Thai political uncertainty and the Thai-Cambodian border tensions.

Trading ideas

- Bets on 2QFY25 earnings results:** ADVANC, AP, BCH, BDMS, GULF, LH, PR9 and TIDLOR
- Anticipation of MPC's decision to lower interest rate:** AMATA, BEM, KTC, MTC, SIRI, SPALI, TRUE and WHA
- Anti-commodity plays:** BGRIM, GPSC, SCGP, TASCO and TOA
- Dividend stocks:** KKP, SAT and TISCO

Picks of the day

	Target	48.00 / 49.00
	Support	45.50
GULF	BUY	

- Continued expansion in power generation capacity
- Gradual rollout of data center operations

	Target	16.00 / 16.30
	Resistance	15.40
SPALI	BUY	

- Anticipated strongest q-q earnings growth in sector
- Condo transfers expected to improve in 3QFY25

- Anticipation of Fed rate cuts:** Thai stock market sentiment could receive a boost from a shift to risk-on mode among investors. The Wall Street — which appears to have priced in softer labor market data for Jul, released on Fri — rallied last night, with Dow Jones, S&P 500 and Nasdaq increasing 1.34%, 1.47% and 1.95%, respectively. The gains were driven by anticipation that the Fed will lower its interest rates, aligned with Bloomberg's forecasts projecting 2-3 rate cuts by year-end. This differs from the previous estimates of only one cut. According to Bloomberg, a 25bps interest rate cut could occur in Sep, bringing the range down to 4.00-4.25%, which differs from earlier projections that rates would remain unchanged.
- Anticipation of cabinet approval of stimulus budget:** The SET Index is expected to receive a further boost from today's cabinet meeting, where the Finance Ministry is set to propose Bt20bn worth of stimulus projects under the second phase of the economic stimulus program. This amount is part of the remaining Bt42b budget for the 2025 stimulus policy. Key proposals include an additional Bt10bn for the Competitiveness Enhancement Fund and Bt8bn in support for educational loans.
- Falling oil prices; Thai politics and border tensions in focus:** Despite these favorable factors, the market upside could be capped as energy stocks face pressure from falling oil prices. WTI crude fell 1.5% to close at US\$66.29 per barrel yesterday amid rising concerns over oversupply following OPEC+'s decision to increase output by 547,000 barrels per day in Sep. In addition, risk appetite could be limited by investors' cautious stance due to the Thai political uncertainty. Suspended Prime Minister Paetongtarn Shinawatra submitted her formal statement to the Constitutional Court defending against allegations of ethics violations in connection with her leaked audio clip with Cambodian Senate President Hun Sen, according to the secretary-general to the prime minister. In addition, ongoing tensions along the Thai-Cambodia border remain a concern, with the General Border Committee (GBC) meeting between the two countries continuing into its second day today.

+ Additional Factors

- (+) The Office of Small and Medium Enterprises Promotion (OSMEP) is preparing a new policy to support SMEs through soft loans at an annual interest rate of 1%. The initiative, amounting to a total of 2.7 billion baht, will be administered via the OSMEP Fund and aims to assist entrepreneurs in navigating technological transitions and mitigating economic impacts.
- (+) The BOI has unveiled a new incentive scheme - the Qualified Refundable Tax Credit (QRTC) - to attract investment under the evolving global minimum tax framework. In parallel, a Matching Fund initiative has been launched to support high-tech startups in targeted industries, enhancing Thailand's long-term economic competitiveness.
- (+) Japanese Prime Minister Shigeru Ishiba said the government is ready to compile an extra budget to cushion the economic blow from US tariffs.
- (-) The Bank of Thailand reported that the Business Sentiment Index declined to 45.8 in July 2025 from 48.6 in June, reflecting decreases across all components, particularly in production and operating performance.

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