MARKET MOVE

Favorable sentiment following long holiday

13 August 2025

1,255–1,275

Upward trajectory: The SET index is expected to increase in today's trading session, supported by positive signals in trade negotiations between the US and China, easing concerns over the Russia-Ukraine war as well as anticipation of monetary easing in both the US and Thailand. There is a likelihood that the MPC will lower its policy rate in its meeting today.

Trading ideas

1) Anticipation of MPC interest rate cut: AMATA, BEM, BTS, CRC, KKP, KTC, MTC, SIRI, SPALI, TIDLOR, TISCO, TRUE, WHA and WHAIR

2) 2QFY25 earnings speculation: AP, BCH, BDMS, CK, LH, PR9 and STECON

3) Anti-commodity plays: BGRIM, GPSC, GULF, SCGP, TASCO and TOA

4) China plays: HANA, IVL, PTTGC and SCC

Picks of the day

MTC — BUY

Target	38.50 / 39.25
Support	36.75

- Outperforming peers
- Benefiting from a downtrend in interest rates

STECON — BUY

Target	6.80 / 6.90
Support	6.45

- Profit seen significantly up for 2QFY25
- UTA construction project

- **Favorable reconciliatory signals among major economies:** The SET index could find support from positive signals in US-China trade negotiations, after US President Donald Trump on Aug 11 signed an order extending the pause on a 145% tariff on Chinese goods by 90 days, or until Nov 10, 2025 (previously set on Aug 12, 2025). By this, China and the US still face tariffs of 30% and 10% on each other's goods, respectively. These tariff rates were set following talks between the US and Chinese representatives in Geneva in May. Additionally, market sentiment is expected to improve amid easing concerns over the Russia-Ukraine war, following Trump's remarks that he will meet with Russian President Vladimir Putin in Alaska on Aug 15 as part of his push to end the conflict.
- **High anticipation of Sep interest rate cut:** Data shows that both US Headline and Core CPI met expectations, with m-m growth of 0.2% and 0.3%, respectively. On a y-y basis, growth came close to estimates. Accordingly, the market is likely to respond positively, as it presents no inflationary surprises. This could raise investor anticipation that the Fed will lower its interest rate in Sep, in line with the FedWatch Tool's reading of a 93.4% likelihood of a Sep rate cut of 25 bps, up from 85.9% just a few days earlier. Moreover, the prospect of an interest rate cut also sent Nasdaq to a new all-time closing high on Aug 12, up 1.39% from the previous day.
- **Hopes pinned on monetary and fiscal measures:** The Bank of Thailand's Monetary Policy Committee (MPC) is expected to reduce its policy rate by 25 bps in its meeting today to 1.5% to counter the risk of a significant economic slowdown in 2H25—a move that could provide a boost to the stock market—and to prepare for upcoming US tariffs. Thailand is now aware of the exact tariff rates it will face when exporting to the US. This reduces the need to preserve monetary policy ammunition to cope with uncertainty. Furthermore, attention will turn to the House of Representatives' session, which begins today and runs until Aug 15. This event could provide an additional lift if there are positive signals that the FY26 budget bill will pass its second and third readings.

+ Additional Factors -

(+) The Board of Investment of Thailand has approved relief measures to support investors affected by the situation along the Thai-Cambodian border, offering investment incentives to facilitate the relocation of production bases to Thailand. In addition, the Board has granted investment promotion privileges to four projects with a total investment value of 27 billion baht.

(-) It is anticipated that energy stocks will face downward pressure following a 1.24% decline in WTI crude prices, which settled at $63.17 per barrel, amid concerns that oil demand may decelerate during the U.S. summer driving season.

(-) Japan's major companies listed on the Tokyo Stock Exchange posted a 10.2% decline in profits in the period between April and June compared to the same quarter in 2024. This was the first decline in three years, with the manufacturing sector particularly hard hit by the increase in US tariffs.

(-) The Food and Agriculture Organization (FAO) reported that world food commodity prices rose by 1.6% m-m to 130.1 in July 2025, marking the highest level since February 2023, supported by rising international prices in the meat and vegetable oil categories.

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