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Sideways mode: The SET Index is poised to move sideways amid increasing prospects of a potential victory by former President Donald Trump in the presidential election, which could ignite concerns about his possible harsh policies, along with the likelihood of continued monetary restrictions in Thailand. However, the downside could be limited by strong US economic conditions and the upcoming results of the US presidential election.

Trading ideas

- 1) **Tourism and related sectors:** AAV, AOT, AWC, BA, BTS, CENTEL, CPALL, CPAXT, CPN, ERW and MINT
- 2) **Relocation of production base:** AMATA, GPSC, GULF, PIN, ROJNA and WHA
- 3) **3Q24 earnings speculations:** CPF, MTC, PLANB, SPALI, STA and TCAP
- 4) **Defensive plays:** ADVANC, BH, CHG and TTW

Picks of the day

<p>CPALL</p>	Target	66.50 / 67.00
	Support	64.00
	BUY	

- Strong convenience store business
- Anticipated profit growth in 3Q

<p>TCAP</p>	Target	53.50 / 54.50
	Support	52.50
	BUY	

- 3QFY24 earnings expected to increase, tracking positive outlook of TTB and MBK
- Promising dividends

- **Trump leads race:** The unofficial vote counts this morning from NBC News indicate that former President Donald Trump is currently leading. As of 7:43 AM (Thailand time), he has secured 23 electoral votes, while Vice President Kamala Harris has only 3 votes. The unofficial results also reveal that the Republicans have already gained 24 seats in the House, while the Democrats have secured 7 seats. Additionally, Republicans have traditionally held more seats in the Senate than Democrats. From this perspective, it appears that Republicans are leading both in the race for the White House and in Congress. This aspect could exert pressure and provide negative sentiment for countries with trade surpluses against the US, including Thailand. Concerns are growing about Trump's potential for harsh policies, as he pointed out that the US should not face high trade deficits with other nations. However, the downside risk for the SET Index could be limited, pending the ongoing vote counts, as most of the early voting occurred in the Republican stronghold states. Close monitoring is needed to find out whether Vice President Kamala Harris will ultimately be able to pull ahead.
- **Inflation rate potentially approaching target range:** Today, attention will turn to Thailand's CPI for Oct, with Headline CPI and Core CPI expected to grow 0.94% y-y and 0.8% y-y, respectively, accelerating from the previous month's levels of 0.61% y-y and 0.77% y-y. This shows the Headline CPI may be nearing the lower boundary of the 1-3% range targeted for late 2024 by the Bank of Thailand. This is likely to encourage the Monetary Policy Committee to uphold its interest rate and maintain a neutral monetary policy stance, which could dampen sentiment in the SET Index.
- **Service PMI shows strong US economy:** Sentiment in the SET Index could be supported by the strong US service PMI for Oct and easing concerns about US economic conditions. The ISM service PMI improved to 56 in Oct, reaching the highest level in almost two years, surpassing the estimated 53.8 and rising from 54.9 in Sep. S&P Global services PMI slightly declined to 55.0 in Oct from 55.2 in Sep. However, this marks the 21st consecutive month of activity growth.

+ Additional Factors

- (+) The Cabinet has approved the budget for the fiscal year 2025, with a central fund allocation of 2.553 billion baht to alleviate the hardships faced by farmers affected by disasters.
- (+) The Ministry of Tourism and Sports revealed that from January 1 to November 3, 2024, Thailand had welcomed a total of 29 million international tourists, generating approximately 1.36 trillion baht in revenue from their spending.
- (+) The Thai National Shippers' Council is confident that this year's export growth will surpass 2%, exceeding the previous forecast of 1-2%, with an estimated value of approximately \$290 billion. This optimism follows a 3.9% increase in exports during the first nine months of 2024 (9M67), driven by collaboration between the public and private sectors in promoting exports, as well as the positive effects of the U.S.-China trade war.
- (-) Southeast Asia's internet economy will log its slowest growth on record this year, a group of researchers said, underscoring weakness in consumer demand and a push to show profits instead of revenue gains, Bloomberg reports.

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