



1,455-1,470

Downward trend: The SET Index looks poised to decline in today's trading session amid growing pressure from fund outflows from Asia to the US and rising concerns over a potential pause in the global interest rate-cutting cycle.

Trading ideas

- 1) **Exports and weaker baht:** KCE, DELTA, CCET, HTECH, STA, STGT, NER and TRUBB
- 2) **Relocation of production bases:** GPSC, GULF, PIN, ROJNA, WHA and AMATA
- 3) **3QFY24 earnings speculations:** CPF, MTC, PLANB, SPALI and TCAP
- 4) **Defensive plays:** ADVANC, BH, BDMS, CHG and TTW

Picks of the day

	Target	38.75 / 39.75
	Support	37.00
	KCE	BUY

- Speculations on US-based revenue stocks
- KCE ramps up acquisitions

	Target	21.50 / 22.00
	Support	20.80
	STA	BUY

- 3QFY24 earnings projected to grow strongly
- Anticipated increase in rubber exports for 4Q

- **Rubber and electronics sectors anticipated to rise:** The unofficial US presidential election results show Republican Donald Trump's victory with the 291 Electoral College votes, exceeding the 270 threshold. Republicans have also taken the Senate majority with 52 seats. Accordingly, Republicans appear to take control of both the Senate and the House, providing a boost to the new US administration. This development has fueled speculative buying in US stocks, with S&P 500, Nasdaq and Dow Jones on Wed surging by 2.53%, 2.95% and 3.57%, respectively. Trump's 'American first' policy is likely to bolster domestic purchasing power and benefit listed companies, while US dollars has strengthened, with the dollar index rising to 105.12. The Thai baht on the other hand weakened to Bt34.33 per dollar, hitting a two-month low. This could prompt fund outflows from Asian stock markets, including the SET Index, to Wall Street. However, we remain optimistic about stocks linked to rubber and electronics sectors, which are expected to show strong exports to the US even after Trump assumes office. This is because the US could import these products from Thailand instead of China, given the potential for increasing import tariffs on Chinese products under the Trump administration.
- **FOMC's stance in focus:** Today, attention will shift to the Federal Open Market Committee (FOMC) meeting, which is expected to reduce its policy interest rate by 25 bps to a range of 4.50-4.75%. We believe that its meeting will also consider the possible fiscal policies under Trump, so it is important to closely monitor its outcome and members' opinions. There is a likelihood that the Fed will pause its rate-cutting cycle to balance fiscal and monetary policies, which may set a similar trend globally.
- **MSCI rebalance:** No Thai stocks were added to the MSCI Global Standard, while SCGP was removed from the index. CCET has been included in the MSCI Global Small Cap index, while TQM was removed. The rebalancing will take effect on Nov 25.

+ Additional Factors

- (+)The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) assesses that the Thai economy in 2024 is likely to grow at a rate of 2.6-2.8%, higher than the previous estimate, driven by exports benefiting from the upward cycle of the electronics sector, which is expected to see export growth of 2.5-2.9%, up from the earlier estimate of 1.5-2.5%. Additionally, factors supporting this growth include boosted purchasing power and accelerated budget disbursement by the government.
- (-)The Director of the Petroleum Institute revealed that Thailand's gas reserves are continuously decreasing, reaching a critical stage, and that no new gas sources have been found or produced since 2005, which may lead to a natural gas shortage in the future within 15 years, potentially causing an increase in electricity costs.
- (-)The State Security Committee is set to meet today to consider whether Mr. Thaksin's hospitalization is in violation of the law.

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