



8 November 2024

1,465–1,485

Anticipated gradual increase: The SET Index looks poised to rise gradually in today's trading session, buoyed by hopes for China's potential economic stimulus measures, the Fed's interest rate cut and the Thai government's anticipated rollout of 'New Year' stimulus gifts.

Trading ideas

- Export and weaker baht:** KCE, DELTA, CCET, HTECH, STA, STGT, NER and TRUBB
- Production base relocations:** GPSC, GULF, PIN, ROJNA, WHA and AMATA
- 3QFY24 earnings speculations:** MTC, PLANB and SPALI
- Tourism sector:** BA, AAV, AOT and AU
- Defensive plays:** ADVANC, BH, BDMS, CHG and TTW
- China plays:** SNNP, CPF, PTTGC and IVL

Picks of the day

 <p>AIS</p>	<p>Target</p> <p>285.00 / 292.00</p>
	<p>Support</p> <p>275.00</p>

ADVANC BUY

- Anticipated profit growth in 4QFY24
- Data center boost

 <p>WHA GROUP</p>	<p>Target</p> <p>6.00 / 6.20</p>
	<p>Support</p> <p>5.80</p>

WHA BUY

- Data center hype:
- Net profit in 3QFY24 expected to grow y-y

- **Anticipation of China's economic stimulus measures:** The focus will shift to the possible introduction of new economic stimulus measures by the Chinese government. This follows a 2.3% tumble in China's imports in Oct, reflecting subdued domestic purchasing power and raising hopes for a fresh stimulus rollout. Zhu Baoliang, a former chief economist at China's economic planning agency, indicated that if the Trump administration imposes additional tariffs of 60% on Chinese goods sold to the US, this could reduce China's exports by US\$200bn, potentially causing a 1% drop in the country's GDP. Chinese economists predict that the new measures worth 10tn yuan are likely to be rolled out. These include: 1) 6tn yuan allocated for government debt restructuring and increasing liquidity for banks, 2) 4tn yuan earmarked for issuing new local government bonds to stimulate the local real estate sector. In the following years, 2-3tn yuan per year may be injected into the economy to support economic recovery. Today is the final day of China's National People's Congress (NPC) meeting, and any additional stimulus measures announced would be a boon for Thai stocks with exposure to the Chinese economy.
- **Fed rate cut as expected:** The Fed lowered its benchmark interest rate on Thu by 25 bps, as anticipated, while refraining from predicting the potential fiscal policies under the Trump administration. Fed Chair Jerome Powell also insisted he would not resign if asked to leave by President-elect Donald Trump, saying that was not permitted under the law. The cut brings the benchmark rate to a range of 4.50% to 4.75%, marking a drop of 75 bps since the beginning of this year.
- **Next week's economic factors:** Several key economic indicators will be under close watch next week. They include 1) the US CPI and Core CPI and PPI and Core PPI for Oct, 2) GDP data in the US and euro zone for 3Q24, 3) Japan's GDP figures for 3Q24, 4) China's manufacturing output for Oct, 5) US retail sales and core retail sales for Oct and 6) the Thai cabinet meeting, expected to consider 'New Year Gift' measures, potentially covering 35 assistance items, including assisting retail borrowers, as suggested by the Thai Bankers' Association.

+ Additional Factors

- (-) China's customs data revealed that in October, China imported 44.7 million tons of oil, a decrease of about 2% compared to September and nearly 9% compared to October of last year. Looking at the overall situation from the beginning of the year to the present, China's oil imports are over 3% lower than last year, putting downward pressure on energy prices and upstream energy stocks.
- (+) Agoda Holdings announced that the number of foreign tourists traveling to Thailand in 2025 is expected to break the pre-COVID-19 record, with over 46% of tourists who previously visited Thailand wanting to return. This has placed Thailand as the second most desirable country to visit this year.
- (+) The Minister of Commerce stated that past data indicates that the US-China trade war has provided Thailand with opportunities to export substitute products to both China and the United States.

Strategy team

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