

## Trading Range

1,700-1,715



## Stock of the Week :

TKS

## Upside Momentum\* :

RSP

PTTGC

SAMART



\*Upside Momentum

## Market Outlook

- **Possible pullback toward 1,700 points:** Heightened trade worries and lack of fresh positive domestic catalysts could set Thai stocks up for further pullback toward 1,700 points today. Trade tensions between the US and China have returned to the fore as US President Donald Trump is today due to unveil revisions to his initial tariff list targeting US\$50bn of Chinese goods. The list will contain 800 product categories, down from 1,300 previously. In this sense, we expect much of the same sideways-to-lower trading between 1,700-1,715 points in the SET index today.
- **ECB stands pat on rates as expected, BOJ next in focus:** The market's attention will today shift to the BOJ's monetary policy meeting at which interest rates are expected to be kept on hold after the ECB on Thu left interest rates unchanged as widely expected and outlined plans to end its massive bond purchase scheme or the so-called QE by the end of this year.

## Investment Theme

- **Selective trading:** Hold onto CKP, IVL and SNC on strong earnings momentum, and CPALL as a proxy play on domestic consumption after exiting position in TDEX with a loss of 3.7%.
- **Arbitrage opportunity:** Hold onto **short VGI** and long VGI-W1 positions. (Please see the May 30, 2018 issue of our 'Trading Idea' for more details.)