"Now I back", not "Now I am back"

- Trump's retreats on tariff against China is an expected U-turn to calm down global investment community and stock markets
- US port charges on Chinese-linked ships also greatly softens
- Buys on Chinese/US/Thai stocks for tech and export sectors with top picks Delta, SCC, IVL, SCGP, BGRIM, GULF, OR, and NER

As hard as it gets

With only overnight, Trump stepped back in a number of his aggressive stances against China, including 1) softening the 145% import tariff on Chinese products; 2) no threat on firing Fed chairman Jerome Powell; and 3) announced a much lighter version of port call tariffs on China-related ships coming to America. Immediately, global stock markets rebounded, including SET, VIX plunged, and gold price declined.

From confrontation to conversation

It is now manifest that China has an upper hand over US on the intensifying trade war, given China has deployed the "stand still and strong response" against any actions that US pursued on China, including raising tariffs, initiated several new tariffs on China-related industries like port call fees on ships. We believe the current tariff level at 145% product-wide on Chinese products has already reached "prohibitively impractical trading level" for any products. Hence, any higher tariff hikes beyond 145% will be immaterial, only symbolic, to China.

IMF's GDP revisions are in shaky stances

After exempting smartphones, electronics products, and laptops, from the reciprocal tariff, Trump is likely to back down on the 25% tariff hike on imported vehicles, which account for 50% of US car sales. After the swift turnback by Trump administration last night, we think the yesterday IMF's revisions of GDPs for Advanced economies to 1.4%, Asia to 3.9%, EU to 0.8%, US to 1.4% (-0.9%pp), China to 4.0% (-0.6%pp), UK to 1.1%, Thailand to 1.8%, Japan to 0.6%, and ASEAN to 4.0%, all being less valid.

Sign of relief, if not shout of joy

The US Trade Representative (USTR) unveiled the final plan to charge Chinese-linked ships to enter American ports last week, with a much softer version than the original proposals announced in February, including 1) scrapping the previous plan to charge fees to shipping companies based on how many Chinese-made vessels they had in their fleets and the number of orders they had placed with Chinese shipbuilders, meaning all ships under the "Chinese-related ships" will face charges regardless who built the ships. Yet the fee structure remains high and will be staggeringly applied in 3 phases of 14-Oct-25, 17 Apr-26, and 17-Apr27, from USD50-USD110/t on Chinese operated ships, USD18-USD28/t on Chinese-built ships, and USD120-USD195/container on Chinese-built and operated ships.

Buy Chinese/ US/Thai stocks for tech/ export sectors

The reliefs of tariff war led to attractive buys on Chinese and US stocks, particularly tech and export sectors – TENCENT80, BABA80, XIOAMI80, NETFLIX80, APPLE80, ALPHABET80, POPMART80. Preferred buys in SET include Delta, SCC, IVL, SCGP, BGRIM, GULF, OR, NER. We think SET index will move rangebound between 1,130-1,200 in April-May and now it is less likely to see "Sell in May", in our view.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Assistant Analyst
Peerayu Sirivorawong

Globlex Securities Co., Ltd.

Exhibit 1: US port charges on Chinese-linked vessels

Sources: USTR

Exhibit 2: GDP revisions for Asian/emerging countries

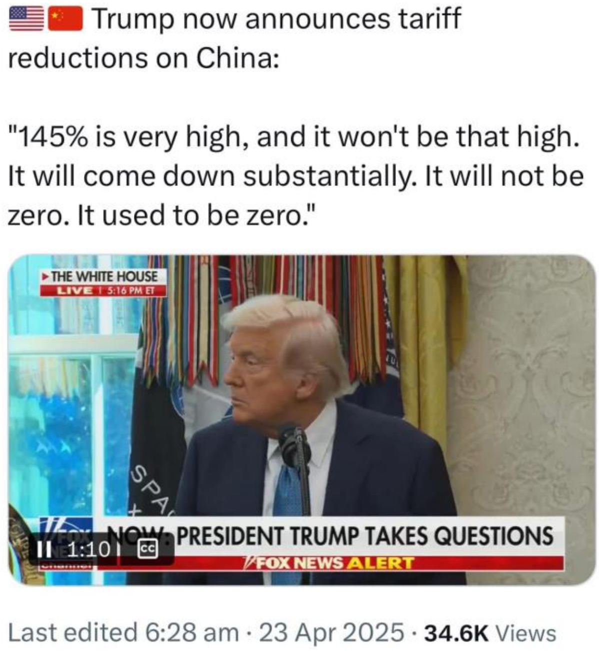
Annex Table 1.1.2. Asian and Pacific Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment
(Annual percent change, unless noted otherwise)

	Real GDP			Consumer Prices [1]			Current Account Balance [2]			Unemployment [3]		
		Projections			Projections			Projections			Projections	
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Asia	**4.6**	**3.9**	**4.0**	**2.1**	**1.8**	**2.0**	**2.6**	**2.0**	**1.8**	...	...	...
Advanced Asia	**1.5**	**1.2**	**1.4**	**2.6**	**2.1**	**1.9**	**5.4**	**4.5**	**4.5**	**2.9**	**3.0**	**3.0**
Japan	0.1	0.6	0.6	2.7	2.4	1.7	4.8	3.4	3.3	2.6	2.6	2.6
Korea	2.0	1.0	1.4	2.3	1.8	1.8	5.3	3.5	3.6	2.8	3.0	3.0
Australia	1.0	1.6	2.1	3.2	2.5	3.5	–1.9	–3.1	–3.4	4.0	4.3	4.5
Taiwan Province of China	4.3	2.9	2.5	2.2	1.8	1.6	15.7	18.5	19.6	3.4	3.4	3.4
Singapore	4.4	2.0	1.9	2.4	1.3	1.5	17.5	17.2	17.0	2.0	2.0	1.9
Hong Kong SAR	2.5	1.5	1.9	1.7	1.9	2.2	13.0	11.4	11.0	3.0	3.5	3.4
New Zealand	–0.5	1.4	2.7	2.9	2.0	2.0	–6.0	–4.9	–4.7	4.7	5.3	5.3
Macao SAR	8.8	3.6	3.5	0.7	0.9	1.3	31.7	30.0	28.9	1.8	1.7	1.7
Emerging and Developing Asia	**5.3**	**4.5**	**4.6**	**2.0**	**1.7**	**2.0**	**1.5**	**1.1**	**0.9**	...	...	...
China	5.0	4.0	4.0	0.2	0.0	0.6	2.3	1.9	1.7	5.1	5.1	5.1
India [4]	6.5	6.2	6.3	4.7	4.2	4.1	–0.8	–0.9	–1.4	4.9	4.9	4.9
Indonesia	5.0	4.7	4.7	2.3	1.7	2.5	–0.6	–1.5	–1.6	4.9	5.0	5.1
Thailand	2.5	1.8	1.6	0.4	0.7	0.9	2.1	1.2	1.2	1.0	1.0	1.0
Vietnam	7.1	5.2	4.0	3.6	2.9	2.5	6.1	3.2	1.9	2.2	2.0	2.0
Malaysia	5.1	4.1	3.8	1.8	2.4	2.2	1.7	1.6	1.8	3.2	3.2	3.2
Philippines	5.7	5.5	5.8	3.2	2.6	2.9	–3.8	–3.4	–3.2	3.8	4.5	4.5
Other Emerging and Developing Asia 5/	**3.8**	**3.5**	**5.2**	**9.5**	**9.9**	**6.5**	**–0.2**	**–0.6**	**–0.9**	...	...	...
Memorandum												
ASEAN-5 [6]	4.6	4.0	3.9	2.0	1.7	2.2	2.6	2.1	2.0	...	...	...
Emerging Asia [7]	5.4	4.6	4.6	1.6	1.4	1.8	1.6	1.2	0.9	...	...	...

Source: IMF staff estimates.

Sources: IMF as of 22 April 2025

Exhibit 3: Trump's latest wording on tariffs against China



Sources: CNBC

Exhibit 4: US Treasury Secretary Scott Bessent's latest comment on US-China tariff

Sources: Bloomberg

Exhibit 5: IMF's GDP revisions for Global, Advanced Economies, Emerging Market and Developing Economies

Table 1.1. Overview of the *World Economic Outlook* Reference Forecast
(Percent change, unless noted otherwise)

		Projections		Difference from January 2025 WEO *Update* [1]		Difference from October 2024 WEO [1]	
	2024	2025	2026	2025	2026	2025	2026
World Output	**3.3**	**2.8**	**3.0**	**–0.5**	**–0.3**	**–0.4**	**–0.3**
Advanced Economies	**1.8**	**1.4**	**1.5**	**–0.5**	**–0.3**	**–0.4**	**–0.3**
United States	2.8	1.8	1.7	–0.9	–0.4	–0.4	–0.3
Euro Area	0.9	0.8	1.2	–0.2	–0.2	–0.4	–0.3
Germany	–0.2	0.0	0.9	–0.3	–0.2	–0.8	–0.5
France	1.1	0.6	1.0	–0.2	–0.1	–0.5	–0.3
Italy	0.7	0.4	0.8	–0.3	–0.1	–0.4	0.1
Spain	3.2	2.5	1.8	0.2	0.0	0.4	0.0
Japan	0.1	0.6	0.6	–0.5	–0.2	–0.5	–0.2
United Kingdom	1.1	1.1	1.4	–0.5	–0.1	–0.4	–0.1
Canada	1.5	1.4	1.6	–0.6	–0.4	–1.0	–0.4
Other Advanced Economies [2]	2.2	1.8	2.0	–0.3	–0.3	–0.4	–0.3
Emerging Market and Developing Economies	**4.3**	**3.7**	**3.9**	**–0.5**	**–0.4**	**–0.5**	**–0.3**
Emerging and Developing Asia	5.3	4.5	4.6	–0.6	–0.5	–0.5	–0.3
China	5.0	4.0	4.0	–0.6	–0.5	–0.5	–0.1
India [3]	6.5	6.2	6.3	–0.3	–0.2	–0.3	–0.2
Emerging and Developing Europe	3.4	2.1	2.1	–0.1	–0.3	–0.1	–0.4
Russia	4.1	1.5	0.9	0.1	–0.3	0.2	–0.3
Latin America and the Caribbean	2.4	2.0	2.4	–0.5	–0.3	–0.5	–0.3
Brazil	3.4	2.0	2.0	–0.2	–0.2	–0.2	–0.3
Mexico	1.5	–0.3	1.4	–1.7	–0.6	–1.6	–0.6
Middle East and Central Asia	2.4	3.0	3.5	–0.6	–0.4	–0.9	–0.7
Saudi Arabia	1.3	3.0	3.7	–0.3	–0.4	–1.6	–0.7
Sub-Saharan Africa	4.0	3.8	4.2	–0.4	0.0	–0.4	–0.2
Nigeria	3.4	3.0	2.7	–0.2	–0.3	–0.2	–0.3
South Africa	0.6	1.0	1.3	–0.5	–0.3	–0.5	–0.2
Memorandum							
World Growth Based on Market Exchange Rates	2.8	2.3	2.4	–0.6	–0.4	–0.5	–0.3
European Union	1.1	1.2	1.5	–0.2	–0.2	–0.4	–0.2
ASEAN-5 [4]	4.6	4.0	3.9	–0.6	–0.6	–0.5	–0.6
Middle East and North Africa	1.8	2.6	3.4	–0.9	–0.5	–1.4	–0.8
Emerging Market and Middle-Income Economies	4.3	3.7	3.8	–0.5	–0.4	–0.5	–0.3
Low-Income Developing Countries	4.0	4.2	5.2	–0.4	–0.2	–0.5	–0.4
World Trade Volume (goods and services)	**3.8**	**1.7**	**2.5**	**–1.5**	**–0.8**	**–1.7**	**–0.9**
Imports							
Advanced Economies	2.4	1.9	2.0	–0.3	–0.4	–0.5	–0.5
Emerging Market and Developing Economies	5.8	2.0	3.4	–3.0	–1.1	–2.9	–1.2
Exports							
Advanced Economies	2.1	1.2	2.0	–0.9	–0.6	–1.5	–1.0
Emerging Market and Developing Economies	6.7	1.6	3.0	–3.4	–1.7	–3.0	–1.3
Commodity Prices (US dollars)							
Oil [5]	–1.8	–15.5	–6.8	–3.8	–4.2	–5.1	–3.2
Nonfuel (average based on world commodity import weights)	3.7	4.4	0.2	1.9	0.3	4.6	–0.6
World Consumer Prices [6]	**5.7**	**4.3**	**3.6**	**0.1**	**0.1**	**0.0**	**0.0**
Advanced Economies [7]	2.6	2.5	2.2	0.4	0.2	0.5	0.2
Emerging Market and Developing Economies [6]	7.7	5.5	4.6	–0.1	0.1	–0.4	–0.1

Sources: IMF qas of 22 April 2025

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Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

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