From CPI to AI: Market Strategy in Focus

- CPI shows cooling headline, keeping Fed cautious even as markets hit new highs.

- Apple pushes AI, Tesla secures Musk, while Intel benefits from tariff talk.

- This Week's DR Pick: NFLX80 with TP of THB4.40 ($1350, USD/THB at 32.5)

CPI Mixed, Fed Cautious, Wall Street Unshaken

The July CPI came in at +0.2% m-m (+2.7% y-y), while core CPI (excluding food and energy) rose +0.3% m-m (+3.1% y-y), broadly in line with market expectations. Following the release, traders increased bets on a Federal Reserve rate cut in September. However, given the persistence in core inflation, we believe the Fed may wait until after September before easing. Markets appear unfazed, with the S&P 500 and Nasdaq hitting fresh highs, reflecting optimism that monetary easing is still on track despite mixed inflation signals.

Apple's Answer to AI

Apple (AAPL80) announced the formation of an internal AI group, the "Answer Team," to accelerate development in generative AI and large language models (LLMs). While Apple has a history of building its own ecosystem, but in our view, competing against established leaders such as OpenAI and Google's Gemini will be challenging—especially after past missteps with Siri and Apple Intelligence. That said, Apple's strong focus on user privacy makes the initiative a logical step. Investors see this move as critical to preserving Apple's competitive edge in services and hardware integration, as AI increasingly becomes a key growth driver for Big Tech valuations.

Securing Musk, Steering Tesla

Tesla (TSLA80) shares remain in focus after the board granted Elon Musk a $29b stock award—96m restricted shares—as a temporary measure while his original $56b 2018 package remains unresolved. The grant requires Musk to stay in an executive role for 2 years and hold the shares for 5 years before selling, effectively securing his leadership through 2030. The board views this as essential to Tesla's shift from a carmaker to an automotive technology leader, with growth driven by Full Self-Driving (FSD) and future robotaxi ambitions.

Semiconductors at the Crossroads

President Trump has floated tariffs of up to 300% on chip imports, a move that would pressure most chipmakers but favor Intel given its strong U.S. manufacturing base—though the plan remains only a statement for now. At the same time, Nvidia and AMD have secured export licenses to China by agreeing to remit 15% of AI-chip revenue to the U.S. government, effectively creating an unprecedented export "tax." Intel shares also rallied after CEO Lip-Bu Tan's White House meeting, which strengthened expectations of government support through incentives or strategic collaboration, amid speculation that the administration may even take a stake in the company to accelerate its Ohio fab buildout and reinforce U.S. semiconductor independence.

This Week's DR Pick: NFLX80 with TP of THB4.40 ($1350, USD/THB at 32.5)

We highlight NFLX80 as our preferred pick with TP of THB4.40. The company's adoption of AI in content creation and ads, alongside the early monetization of its ad-supported tier, is reinforcing earnings momentum. Strong cash flow, expanding content partnerships, and growing pricing power further strengthen its position in the streaming landscape. After a correction from its all-time high, the stock has begun to rebound, and we believe Netflix's operating leverage is becoming increasingly visible—set to accelerate further with AI adoption and continued subscriber growth.
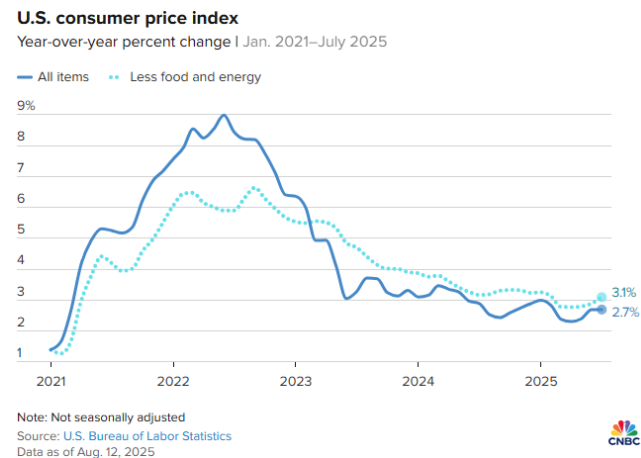
Analyst

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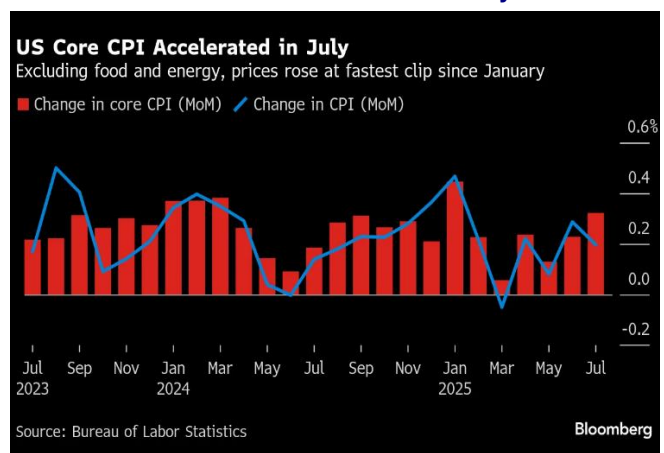suwat.s@globlex.co.th,
+662 687 7026

Assistant Analyst

Peerayu Sirivorawong

.

Exhibit 1: U.S. Consumer Price Index

Sources: CNBC

Exhibit 2: U.S. Core CPI accelerated in July

Sources: Bloomberg

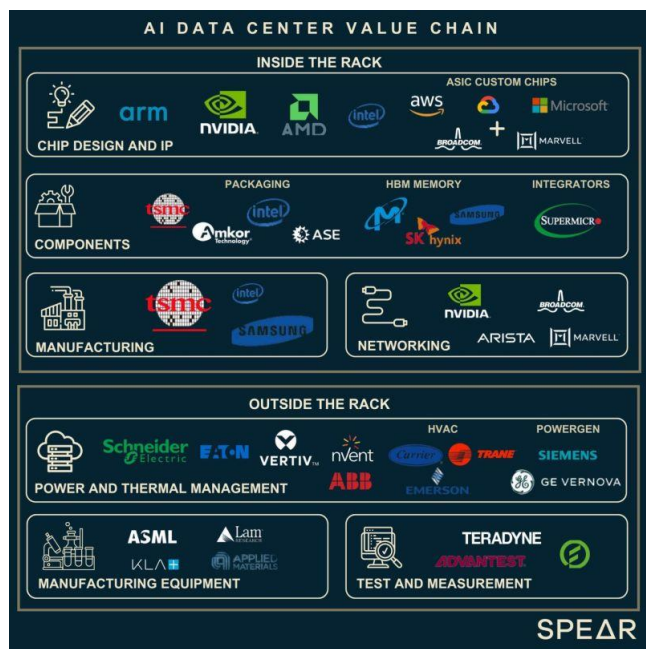### Exhibit 3: Apple announced its AI Team "Answers"
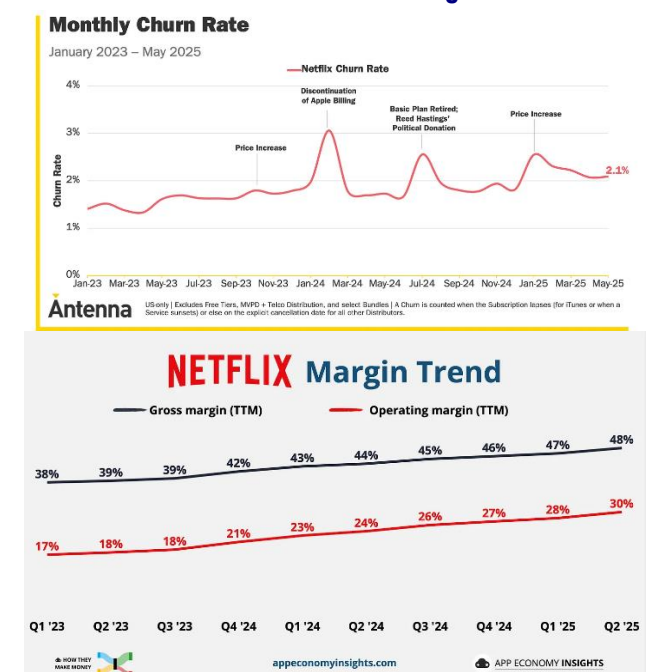

Sources: iMoD

Exhibit 4: Netflix Ads Suite

Sources: Yourstory

Exhibit 5: AI Data Center Value Chain

Sources: SPEAR

Exhibit 6: Netflix Churn Rate and Margin Trend

Sources: Antenna & App Economy Insights

GENERAL DISCLAIMER
Analyst Certification

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

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE
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.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any 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.