Oct 8 Showdown: Betting 50 bps to Set the Tone

- We expect the BoT to cut 50 bps at its first meeting under Vitai.
- The move aligns with his growth-first mandate and Anutin's short political clock.
- We recommend Utilities (GPSC, BGRIM, BCPG), Non-banks (SAWAD, MTC), and Exporters (DELTA, AAI, ITC, CPF) as key beneficiaries of the easing cycle.

Rate Reset — Vitai's First Impression Counts

The October 8 meeting will define Vitai's credibility as governor. With inflation at –0.79% y-y and consumption flat, Thailand faces deflationary pressure that warrants faster easing. A 50-bps cut would restore real rates closer to neutral and reset the policy stance in one decisive step, instead of two gradual moves. This "front-load then pause" approach mirrors early tenures of reformist central bankers who use the honeymoon period to deliver bold action before opposition forms.

Politics and Mandate — A Rare Alignment

Though appointed under Pheu Thai, Vitai inherits a political environment that suits his growth bias. Prime Minister Anutin and Finance Minister Ekniti both need visible results before the next election cycle. A joint MoF–BoT push—cutting rates while managing FX flows—signals a functional partnership rather than the friction seen under Sethaput. This coordination allows Vitai to act aggressively without jeopardizing stability, turning political urgency into monetary momentum.

FX Dynamic — A Weaker Baht as Policy Ally

A 50-bps rate cut should naturally guide the baht weaker, and this time, that's precisely the point. A moderate USD/THB move toward 33–34 would help rebalance Thailand's external position, lifting both export competitiveness and tourism receipts without threatening financial stability. Unlike past cycles, BoT under Vitai can tolerate a softer baht, using targeted inflow monitoring to prevent speculative swings while allowing market-led depreciation to work as a growth lever. In essence, a weaker baht becomes an extension of monetary easing—supporting trade, tourism, and earnings recovery in tandem with lower rates.

Market Implications — Guiding Expectations, Not Surprising Them

The success of this cut depends less on magnitude and more on message. A well-framed 50-bps move should anchor front-end yields and flatten the curve, while signaling that policy remains data-driven, not politically dictated. If communication is clear, equity markets should reprice toward rate-sensitive assets without triggering capital volatility. The key test isn't the rate cut itself, but how Vitai signals control—turning a necessary move into a credible new regime.

Top Picks – Positioning for Easing and Golden Week Tailwinds

We recommend Utilities, Non-banks, and Exporters as the key beneficiaries of Thailand's monetary easing. Utilities such as GPSC, BGRIM, and BCPG should see margin recovery as borrowing costs and LNG prices decline. Non-banks like SAWAD and MTC stand to gain from cheaper funding and improving household liquidity. Meanwhile, Exporters—notably DELTA, AAI, ITC, and CPF—should benefit from a weaker baht that boosts competitiveness and earnings translation into year-end.

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Exhibit 1: Anutin Government's Short- and Medium-Term Economic Policies (2025)

Sources: The Standard Wealth

Exhibit 2: Thailand Policy Rate Trend (2021–2025)

Sources: Trading View

Exhibit 3: 2025 BoT Meeting Calendar.

Calendar	GMT	Reference	Actual	Previous	Consensus
2025-04-30	07:00 AM	Interest Rate Decision	1.75%	2%	1.75%
2025-06-25	07:00 AM	Interest Rate Decision	1.75%	1.75%	1.75%
2025-08-13	07:00 AM	Interest Rate Decision	1.5%	1.75%	1.50%
2025-10-08	07:00 AM	Interest Rate Decision		1.5%	
2025-12-17	07:00 AM	Interest Rate Decision			

Sources: Tradingview

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Analyst Certification

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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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