

Ride the Bull, Watch the Froth

- A hot May jobs report drove Friday's fast fall: payrolls +172k (vs ~80k expected).
- Monday's bounce says the bull runs on — but outside money is chasing.
- Our pick: MICRON80 (BUY, TP THB39.40), memory demand doesn't care who wins the compute race.

Rates, Not Chips

The market is still choosing its direction, and last week it lurched. After nine straight up-weeks, semiconductor valuations sit high, and richly-priced markets, once they turn, fall fast. Friday was the proof: Wall Street's worst day of the year. The trigger was the jobs report. May payrolls rose 172,000 against a ~80,000 consensus, joblessness held at 4.3%, and March and April were revised up a combined 93,000. A labour market that strong throws cold water on rate cuts — bets on a 2026 Fed hike jumped toward 70% on CME FedWatch. Stretched valuations met higher-for-longer, and broke.

Ride It, Watch the Froth

The encouraging part: despite Friday's plunge, the market closed up on Monday — so we think the rally still has room to run. But ride this bull with both eyes open. With every up-week, outside money piles in, and you can see it in prices detached from logic. Marvell leapt ~33% in one session — its biggest gain ever — after Jensen Huang called it the "next trillion-dollar company"; even Jim Cramer called the move concerning. Virgin Galactic ran ~160% in May as retail bought it as a stand-in for the coming SpaceX IPO. When names move like that, stay alert.

Memory Doesn't Pick Sides

Through all of it, the memory momentum runs on. Memory sits underneath all of it: an AI factory needs more HBM and DRAM whether it runs NVIDIA Rubin, Broadcom ASICs or Google TPUs. Aggregate demand is set by the total buildout, not the vendor mix — so a growth scare for one compute supplier tells you almost nothing about memory. On 7 June NVIDIA and SK Hynix signed a multiyear pact to co-develop memory for Vera Rubin, RTX Spark PCs and Jetson Thor robots — memory, not compute, is the resource the buildout is engineered around. Micron's 2026 HBM is already fully pre-sold on three-to-five-year contracts with price floors; DRAM contract prices ran +90–95% q-q into the year. The thesis strengthened the very week the stock fell — a dislocation, not a downgrade.

Bonds Cut Both Ways

The bond market is flashing the same warning. Treasuries are being sold, lifting the 10-year yield back above 4.5% — its highest since late May — as investors price a higher chance the Fed hikes, not cuts. Higher yields are, all else equal, a headwind for stocks. Yet there is another reading: over a long horizon, owning productive businesses still beats cash or bonds, because equity compounds value where a coupon cannot. So, we hold both thoughts at once — respect the rate risk, but stay invested in what grow.

DR Pick: MICRON80, TP THB 39.40 (MU at USD1,200, USD/THB at 32.85)

MICRON80 is the one component every AI architecture is short of, and it stays cheap even after the run, near 9x 26E EPS vs. the market's ~23x, because the earning is moving faster than the price. Q2 did revenue \$23.9b (+196% y-y); management guides Q3 to \$33.5b ±\$750m at ~68% GPM, one quarter out-earns whole past years. 2026 HBM is sold out on multiyear contracts with price floors, the old boom-bust whipsaw dampened, not repeated.

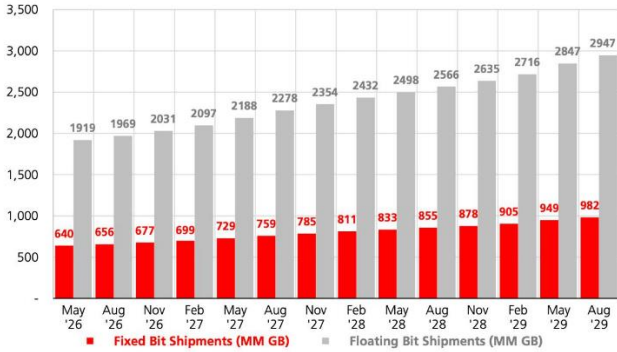
Analyst

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

Assistant Analyst

Peerayu Sirivorawong

Exhibit 1: MU DDR – Fixed vs Floating Volumes under Long Term Agreements



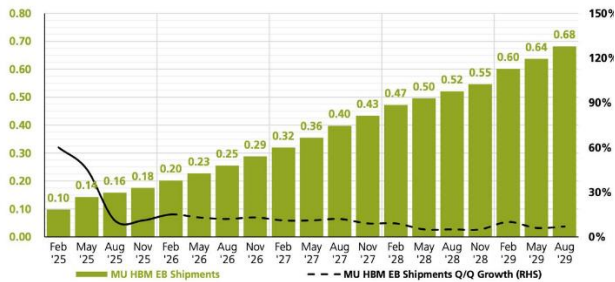
Sources: UBS

Exhibit 2: MU DDR – Fixed vs Floating Volumes (\$/GB) under Long Term Agreements



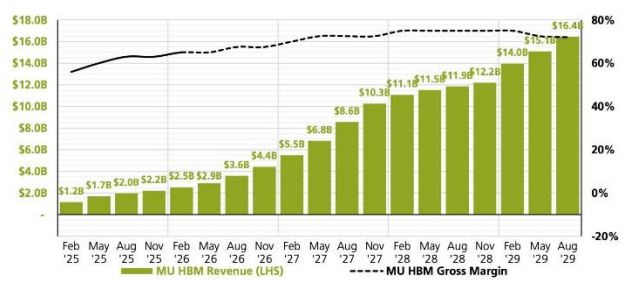
Sources: UBS

Exhibit 3: MU HBM shipments and q-q growth



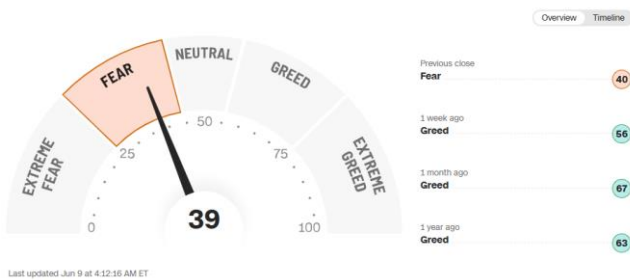
Sources: UBS

Exhibit 4: MU quarterly HBM revenue and GPM



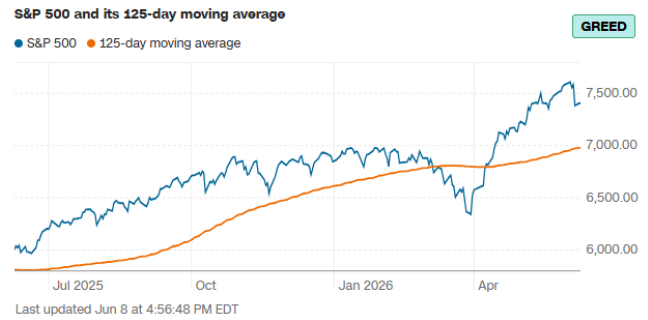
Sources: UBS

Exhibit 5: Fear & Greed Index (9 Jun 26)



Sources: CNN

Exhibit 6: Market Momentum, S&P500 vs 125 days MA



Sources: CNN

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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.