The US-Greenland Deal, Where We See Opportunity

- **Geopolitics:** The US has secured a strategic victory in the Arctic via a NATO.
- **Tech:** We remain bullish on US Tech, targeting discounted high-quality leaders.
- **China AI** offers deep value as a protected "fast follower" awaiting its next catalyst.

The Trump Playbook: Volatility as Strategy

Under President Trump, policy volatility has transformed from a bug into a feature, creating a predictable rhythm that markets have learned to ride: a shock announcement, a period of negotiation, and finally, a deal that tilts heavily in America's favor. We saw this strategy dismantle resistance during the global tariff wars, and we are seeing it succeed again with Greenland. Despite the initial diplomatic uproar, the situation has pivoted entirely to Trump's advantage. A growing consensus with NATO now outlines a framework that gives the U.S. exactly what it sought—the right to build bases, 'unrestricted freedom of operation,' and access to rare-earth minerals—effectively locking China and Russia out of the Arctic while bypassing the complexities of full ownership.

Buying the Dip Beyond the 'Magnificent 7'

Despite the potential for sudden volatility, we remain structurally bullish on the U.S. equity within the Tech and AI sectors. While Trump's policy shifts initially trigger market turbulence, they ultimately consolidate benefits for the U.S. economy—a pattern the market tends to reward. We view the recent correction as a buying opportunity, particularly in high-quality names outside the 'MAG7.' Cybersecurity leaders like CRWD80 and PANW80 are trading roughly 20% below their peaks, while VISA80 and MA80 have retraced 11%. NFLX80, weighed by short-term outlooks and the WBD merger concerns, presents a 37% off its highs. As we anticipate 2026E to be a year of accelerated AI deployment, investors should also consider looking beyond US borders to China's AI sector as a complementary growth opportunity.

China AI Outlook: The Undisputed #2 and the 'DeepSeek Moment'

We currently position China as the undisputed global #2 in AI. While the U.S. retains the lead in zero-to-one innovation, China remains an exceptionally capable 'fast follower' with the ability to scale applications rapidly. For pure-play exposure, we favor BIDU80, where the search advertising business provides a stable cash cow to fund aggressive AI development. While BABA80 and TENCENT80 hold significant AI capabilities, their potential upside is diluted by heavy weighting in e-commerce, gaming, and fintech. Our thesis is simple: the market is waiting for another 'DeepSeek moment.' If China produces a new breakthrough model or application of that caliber, it will serve as a powerful catalyst to re-rate the entire sector.

Regulatory Risk: Why AI is a 'Protected Class' in China

China currently offers a massive valuation discount compared to the U.S., largely due to fears of government interference—a concern validated by the recent investigation into Trip.com. However, we see AI as a 'protected class' of technology in China; the government is unlikely to interrupt a sector it desperately needs to modernize its economy and catch the U.S. In our view, the regulatory brakes will stay off for AI.

DR Pick: MICRON01, TP of THB9.80 (MU at $500, USD/THB at THB31.3)

We reiterate MICRON01 as our weekly DR pick, with a TP of THB 9.80. We believe the market is only in the early stages of a massive Memory Supercycle. With demand for DRAM and HBM continuing to vastly outstrip supply, this structural imbalance positions manufacturers like Micron to capture extraordinary GPM.

Analyst

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

Assistant Analyst

Peerayu Sirivorawong
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Exhibit 1: Greenland's Rare Earth

Greenland's Rare Earths

Greenland has never had commercial rare earth production, largely due to environmental regulations and local political opposition.

RESERVES (Metric Tons)			MINE PRODUCTION (Metric Tons)		
1	China	44M	1	China	270K
2	Brazil	21M	2	U.S.	45K
3	India	6.9M	3	Myanmar	31K
4	Australia	5.7M	4	Australia	13K
5	Russia	3.8M	5	Thailand	13K
6	Vietnam	3.5M	6	Nigeria	13K
7	U.S.	1.9M	7	India	2.9K
8	Greenland	1.5M	8	Russia	2.5K
9	Tanzania	890K	9	Madagascar	2.0K
10	South Africa	860K	10	Vietnam	300
11	Canada	830K	11	Malaysia	130
12	Thailand	4.5K	12	Brazil	20
NA	Myanmar	0	NA	Greenland	0
NA	Madagascar	0	NA	Canada	0
NA	Malaysia	0	NA	Tanzania	0
NA	Nigeria	0	NA	South Africa	0
	Other	0		Other	1.1K
	World total	>90M		World total	390K

VISUAL CAPITALIST

Figures rounded. As of 2024. | Source: USGS

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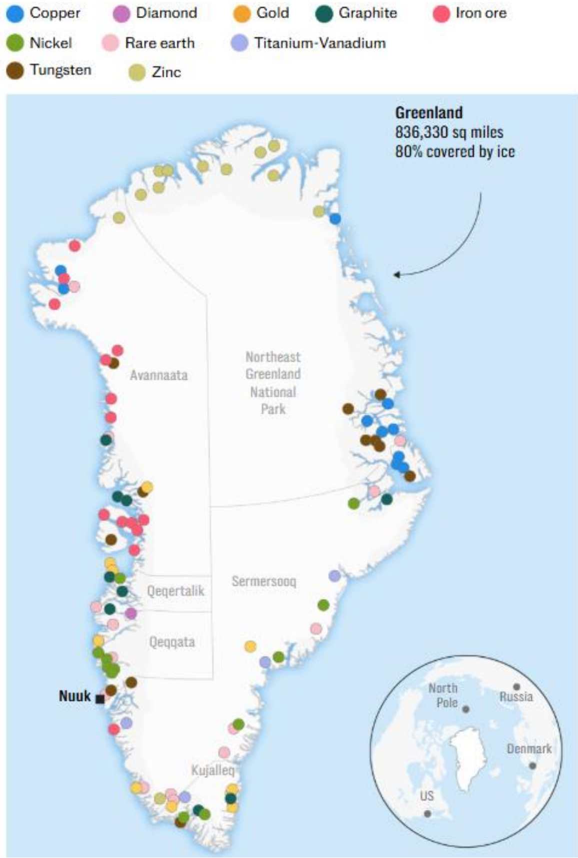
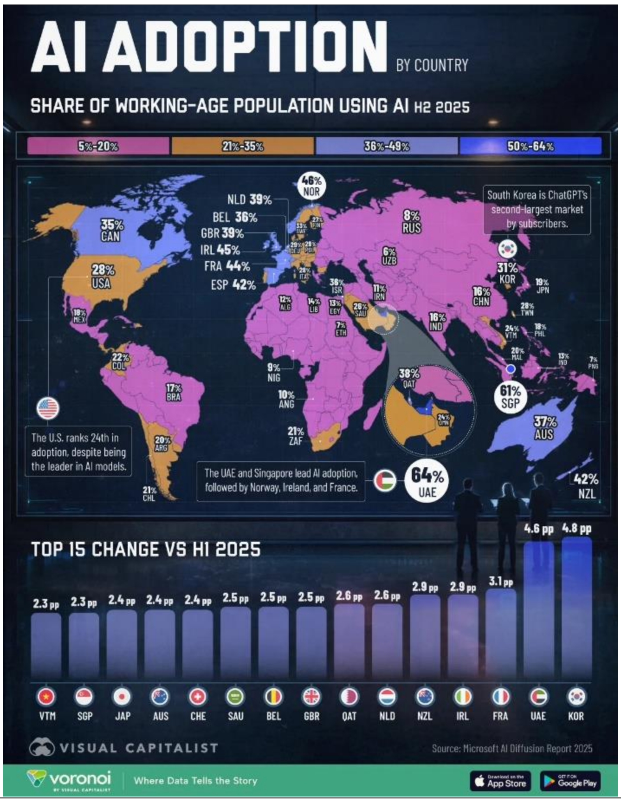
Sources: Visual Capitalist

Exhibit 2: Why Trump eyes on Greenland



Sources: Telegraph

Exhibit 3: AI Adoption by Country



Sources: Visual Capitalist

Exhibit 4: U.S. Data Center Investment

Sources: Visual Capitalist

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Analyst Certification

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

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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.