

LITTLE MOVEMENT ON SET AMID GLOBAL FLUCTUATIONS

MARKET MONITOR

NUNTAWUN POLKUAMDEE
DARANA CHUDASRI

Recap: Global and Asian stock exchanges fluctuated last week due to a lack of positive factors to bolster sentiment. The SET Index moved in a narrow range of 1,555.78 and 1,580.92 points and closed at 1,575.88, down 0.16% from the previous week, on brisk average daily turnover of 52.62 billion baht. Foreign investors were net buyers of 960 million baht and brokers bought 1.33 billion more than they sold. Institutions were net sellers of 510 million baht and retail investors pulled 2.11 billion out of market.

Big movers: NCL International Logistics (NCL) hit the 200% ceiling on its MAI debut on Tuesday to close at 5.40 baht. Fire Victor (FIRE), an importer and distributor of valves and fire protection equipment, gained 64.7% on its MAI debut on Thursday to 4.94 baht.

Top gainer CGD added 47.3% to 3.30 baht. Top loser SVI slid 31.9% to 4.12 baht following a major fire at its plant, which will require a six-month closure for repairs. NPARK led in volume, gaining 16.7% to 0.07 baht. The top three in trading value were IFEC, down 9.2% to 12.80 baht; followed by SVI; and PTT, dipping 0.8% to 388 baht.

Newsmakers: China's economy lost momentum in October, with factory growth dipping and investment growth near a 13-year low. Fixed-asset investment grew 15.9% in the first 10 months. October factory output rose 7.7%, higher than August's 6.9% but below forecasts and the second weakest pace since 2008. Retail sales growth eased to 11.5%, the slowest since early 2006.

■ Japanese Prime Minister Shinzo Abe is likely to delay a planned increase in the sales tax, believing the recovery remains too fragile to weather a further blow. The tax rose to 8% from 5% in April, sending the economy into a steep contraction in the second quarter.

■ Indonesia's central bank kept its benchmark interest rate steady at 7.5% as widely expected.

■ The warehouse builder WHA Corp is expected to sign a memorandum of understanding today to acquire full control of the industrial estate developer Hemaraj Land and Development.

■ PTT group foresees further delays in a planned merger of two petrochemical arms as both PTT Global Chemical (PTTGC) and IRPC are in the middle of major investment programmes.

■ The Thai Credit Guarantee Corporation (TCGC) is working with the Government Savings Bank to offer 5 billion baht in SME loans with the 1.75% credit guarantee fee waived for two years. Guarantees are capped at 10 million baht for each firm. SMEs must operate in special economic zones in five provinces along borders with Cambodia, Laos, Malaysia and Myanmar.

■ The draft land and buildings tax bill will be submitted to the cabinet late next month and forwarded to the NLA in the first quarter next year. It is expected to come into effect by 2016. The government will assess 32 million land plots nationwide to form the base value for tax calculations. The Fiscal Policy Office (FPO) has proposed a ceiling of 4% for unused land and land for commercial use, 0.5% for agricultural land and 1% for residential plots.

■ Samart Corp Plc is gearing up for aggressive investment in power plants to create a new source of sustainable revenue in the next three years. It expects to sign deals by January for four waste-energy plants in four provinces worth a combined 1 billion baht.

■ Kasikornbank has spent 1.2 billion baht to open a full-service branch in Vientiane, its first in another Asean country, after receiving a licence from the Laotian central bank.

■ PTT Plc will issue 12 billion baht in new debentures to retail investors. The bonds will mature in six years and 11 months and offer a coupon rate of 4% per year.

■ Intuch Holdings, the parent of mobile leader Advanced Info Service, plans to expand its foreign

institutional investor base next year with Japan, Malaysia and Canada its key targets.

■ True Corp plans a sweeping transformation of its fixed and wireless broadband businesses, spending 43 billion baht to overhaul existing network platforms.

■ The petrol retailer and wholesaler Susco Plc plans to spend 250 million baht through the end of 2015 on new stations, renovating existing ones, and promotional campaigns.

■ BANPU reported a Q3 net profit of 131 million baht, down 81% from Q2 but in line with forecasts. Excluding an extraordinary tax expense of US\$25 million in Australia, normalised profit was 1.2 billion baht, up 82% on the quarter, supported by 25% higher coal sales volume and reduced cost of sales per tonne.

Coming up this week: The NESDB will release official third-quarter GDP figures today. Economists estimate the economy grew by 1% year-on-year, after 0.4% growth in the second quarter.

■ Japan will release third-quarter GDP figures today. Some forecasters say any signs of improvement could prompt PM Shinzo Abe to call a snap election after just two years in office to seek a fresh mandate for his economic programme.

■ The cabinet tomorrow will discuss a proposed Chinese loan deal to develop a dual-track rail line between Nong Khai and Map Ta Phut.

■ The SET board on Wednesday will discuss new measures to curb stock manipulation. Due the same day is the trading debut of J.S.P. Property Plc (JSP) at 2.60 baht per share.

■ The Bank of Japan meets on Wednesday, and the US will release October data on housing starts and building permits.

■ China's HSBC China Manufacturing PMI, US inflation and existing home sales for October and the Markit Eurozone Composite PMI for November are due on Thursday.

■ The energy drink maker Carabao Group Plc (CBG) will make its trading debut on Friday at the IPO price of 28 baht per share.

Stocks to watch: Bualuang Securities still has buy recommendations on stocks that will be added to the MSCI from Nov 25. DELTA, EA and TUF will be added to MSCI Thailand. Joining the MSCI small-cap index will be AIRA, EFORL, ICHI, KTIS, PCSGH, SAWAD, SUPER, DELTA, EA, CENTEL, M, MCOT, PS, TFD and DRT. The brokerage is overweight on PTT, KBANK-F, SCB, ADVANC, PTTEP, CPALL,

KBANK, SCC-F and BBL.

Asia Plus Securities has buy recommendations on two low P/E stocks, SPALI and STPI. It suggests avoiding highly speculative stocks ABC, ACD, CYBER, DIMET, EE, EMC, EVER, GENCO, MLINK, PAE, RICH, SUPER and TIES.

Technical view: Bualuang Securities sees support at 1,555 points and resistance at 1,600. Tisco Securities sees support at 1,555 with resistance at 1,585 and expects the main gauge will claw its way back to 1,600 before year-end.