

Bangkok Post	
Column :	
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FOREIGN PROFIT-TAKING AND INTUCH SALE HAVE AN IMPACT

Recap: The Stock Exchange of Thailand and other regional markets started declining with some outflows from outperforming markets such as Thailand and the Philippines, Asean's two top gainers in 2012.

The SET index fell to below 1,400 points, moving between 1,392.61 and 1,492.21 before closing at 1,412.06, down 0.33% from the previous week, its first decline since the week ending Nov 16, in heavy daily trade averaging 53.71 billion baht. Foreign investors started selling but were still net buyers for the week of 1.35 billion baht. Local institutions bought 1.53 billion, brokers sold 2.08 billion and retail investors 805.05 million baht.

Big movers: Shin Corp (INTUCH), which led the trade value table, fell 1.9% to 65.75 baht after a unit of Singapore's Temasek Holdings sold a 10.3% stake.

Bangkok Land (BLAND) led in volume, rising 8.46% on news that it will revise its book value. Skytrain operator BTS fell 6% to 7.05 baht after the DSI said it was investigating whether the company's planned infrastructure fund breaches the law, given that its contract extension from the BMA is also under investigation.

Newsmakers: Cedar Holdings, a unit of the Singapore state investment arm Temasek Holdings, gained an estimated 20.8 billion baht from its sale of a 10.3% stake, acquired in January 2006, in Shin Corp (INTUCH). As its foreign shareholding falls, INTUCH is expected to expand into new, mainly Thai-owned, businesses. Temasek controls INTUCH via two affiliates, Aspen Holdings and Cedar Holdings. Now Cedar holds only 13.3%, while Aspen's holding remains at 41.62%.

◆ The CP Group reaffirmed on Friday that it has the finances to acquire a large stake in Ping An Insurance, despite mounting speculation that Chinese regulators may block the US\$9.39-billion deal. CP said its planned purchase through four paper companies of shares from HSBC was in compliance with the rules of the Hong Kong Stock Exchange, where Ping An is listed, and that the source of funds was also transparent.

◆ The Bank of Thailand's Monetary Policy Committee left its policy rate unchanged at 2.75%, in line with the market expectations, saying the current rate was appropriate for the economy. There was no additional pressure on inflation and the impact of the minimum-wage increase had been minimal so far, it said.

◆ Energy demand is expected to rise 5.4% to 2.086 million barrels of oil equivalent per day (boed) this year, compared with 6.7% growth in 2012, says the Energy Ministry.

◆ The cabinet last week approved tax relief proposals for small and medium enterprises affected by the nationwide increase of the new minimum daily wage to 300 baht.

◆ The listed developer Sansiri plans to invest 24 billion baht this year to launch 45 new housing projects worth a combined 61 billion baht.

MARKET MONITOR

NUNTAWUN POLKUAMDEE
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- ◆ Thaicom Plc is accelerating plans to launch its Thaicom 8 satellite by early 2016 to keep up with the rapid growth of the digital industry.
- ◆ The combined Dawei deep-sea port and industrial-estate project will require an investment of 350 billion baht, according to an estimate by the National Economic and Social Development Board. This is far higher than earlier estimate of 200 billion from Italian-Thai Development, which holds the concession from Myanmar authorities to develop the site.
- ◆ The listed developer Pruksa Real Estate plans to launch 78 projects worth a combined 55 billion baht this year while expanding into more areas, notably Phuket's Patong.
- ◆ Kasikornbank opened a representative office in Yangon last week. Kasikorn Research Center predicts Myanmar's GDP will rise 6.3% in 2013, with export growth of 11% including natural gas, textiles, and teak.
- ◆ Minor International plans to raise its revenue contribution from international business to 40% within five years, up from 25% in 2011. The group last week announced an investment in Beijing Riverside & Courtyard, a distinctive chain of casual-dining restaurants in China.
- ◆ Siam Commercial Bank plans to maintain non-performing loans at around 2% this year despite an ambitious loan growth target of 12-15%.

Coming up this week: Thai listed companies, led by the banks, begin reporting Q4 and 2012 earnings.

- ◆ China will report Q4 GDP figures, which will be closely watched following the release last week of healthy export figures for December.
- ◆ China, the US and the EU will all report industrial output data, while China and the US will also release retail sales figures for December.

Stocks to watch: Asia Plus

Securities recommends stocks with high upsides, low P/Es, and good expected Q4 growth. They include MK (upside of 24%), AEONTS (22%), ROJANA (28%), STANLY (21%), MCS (24%) and SEAFCO (11%). Stocks with good expected dividend yields include VNT (5.5%), IFS (5.2%), TVO (4.2%) and TOP (4.1%).

- ◆ Finansia Syrus forecasts banks' Q4 profits will be down 16% from the third quarter but up 85% year-on-year, with full-year earnings up 29% from 2011. Its top picks are TISCO and KBANK with target prices at 60 and 225 baht, respectively.

Technical view: Capital Nomura Securities sees support at 1,390 and resistance at 1,430. KT Zmico Securities sees support at 1,400 and resistance at 1,429.

