



SANSIRI

News Clippings

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Column : Market Monitor

Headline : FOREIGNERS TAKE PROFITS TO KEEP SET BELOW 1,300

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FOREIGNERS TAKE PROFITS TO KEEP SET BELOW 1,300

Recap: The Stock Exchange of Thailand fluctuated last week, pressured by external factors and profit taking by foreign investors. For the year to date, the Thai market remains the best performer in Asia with a 26.5% gain from its end-2011 closing of 1,025.32.

The SET index rose at the beginning of last week and fell later after international agencies downgraded the credit rating of Spain and commercial banks in Portugal. The index moved in a range of 1,280.23 and 1,314.64 points and closed at 1,296.98, down 0.9% from the week before. Foreign investors were net sellers of 11.60 billion baht and brokers sold 784.86 million. Retail investors were net buyers of 8.89 billion baht and local institutions 3.50 billion.

Big movers: VGI Global Media (VGI), the advertising subsidiary of the Skytrain operator BTS, rocketed 62.3% from its 35-baht IPO price in its first two days of trading, closing on Friday at 59.25 baht. BTS fell 1.7% to 5.75 baht. PTT fell 2.17% to 315 baht, Property Perfect (PF) was up 4.37% to 1.19 baht.

Newsmakers: S&P downgraded the sovereign rating of Spain by 2 notches to BBB- from BBB+ in light of the country's high unemployment and public debt. The IMF said Spain had seen capital outflows of 296 billion euros since June 2011. Fitch downgraded the outlook for Portugal's commercial banks to negative due to capital risk and low profitability.

◆ Bangkok Bank (BBL) said it planned to increase its emphasis on providing yuan-based transactions and credit in support of the growing role of the Chinese currency in the global economy.

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- ◆ The Supreme Court issued an arrest warrant for fugitive former premier Thaksin Shinawatra in a case involving 11.58 billion baht in loans from Krung Thai Bank to affiliates of the developer Krisadamahanakorn.
- ◆ The Pheu Thai Party executive board elected Pol Lt Gen Viroj Pao-in as acting leader to succeed Yongyuth Wichaidit. Party members will meet on Oct 30 to elect a new leader after Thaksin Shinawatra decides who that person should be.
- ◆ Toyota, Toshiba, Siam Commercial Bank, and Siam Cement are considering pulling their advertising from the highly rated Channel 3 news programmes hosted by Sorayuth Suthassanachinda, who faces embezzlement charges related to withholding 138 million baht in revenue-sharing payments by his production company to Channel 9 operator MCOT. The threatened ad boycott pushed down shares of Channel 3 operator BEC World to 56.75 baht, from a 52-week high of 76.50 baht at the end of last month. Analysts says Sorayuth contributes as much as 20% of BEC World's net profit.
- ◆ Two small banks opened the earnings season and will be followed by their bigger peers this week.

TISCO reported Q3 net profit of 953 million baht, up 6% from a year ago. LH Financial Group posted a net profit of 155.27 million baht, up 26%.

◆ The National Broadcasting and Telecommunications Commission (NBTC) confirmed that subsidiaries of the Big 3 mobile operators — AIS, DTAC and TRUE — had all qualified for the 3G wireless broadband spectrum auction scheduled for Tuesday. The Central Administrative Court is expected to decide today whether to grant an injunction to halt the auction based on a complaint filed by Anuparp Thiralarp an academic who specialises in telecom issues.

Coming up this week: The 10th Asia-Europe Meeting (ASEM) of Finance Ministers will be held in Bangkok. The theme will focus on how to share Asia's dynamic growth with Europe and the rest of the world.

◆ China will release third-quarter GDP figures. A Reuters survey points to 7.4% growth, the lowest in three years, and down from 7.6% in the second quarter.

◆ The SET will join the Asean Linkage today as the third participant. Investors will be allowed to trade stocks on the Malaysian and Singapore exchanges through their local brokers in Thailand. Malaysia and Singapore bourses will introduce attractive stocks for Thai investors on Friday.

◆ The Bank of Thailand is expected to announce eased regulations on outbound capital flows to facilitate investment abroad by Thai companies and investors.

◆ The central bank's Monetary Policy Committee will meet on Wednesday. The market expects no change in the benchmark interest rate of 3% but it does expect GDP and export projections to be cut in line with weakening world conditions.

Stocks to watch: Asia Plus recommends selling fully valued stocks and buying domestic plays with low-beta, dividends higher than 4% and high potential growth and price-to-earnings ratios lower than 12 times. Top picks are KCAR, AEONTS, NOBLE and ROJNA.

◆ Capital Nomura Securities suggests earnings plays on Q3 net profit growth of more than 10%, price laggards, and domestic plays with upside gains of more than 10%. They are ROJNA, HEMRAJ, THCOM, TICON, QH, CENTEL, AMATA, SITHI, SIRI, SCC, SC, SAT, LHBANK, KTB and BAY.

Technical view: Thanachart Securities sees support at 1,290 and resistance at 1,307 points. Globlex Securities sees support at 1,290 and resistance at 1,300 points.