

## MARKET MONITOR

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# FED NOT READY TO TURN OFF TAP

**Recap:** Stock markets worldwide moved up as Janet Yellen, the next Federal Reserve chairman, said the central bank would not stop its stimulus until the labour market improves and inflation rises. Locally, political tensions eased after the Senate rejected the amnesty bill and the International Court of Justice ruling in the Preah Vihear dispute was seen as fair.

However, concern persists ahead of tomorrow's Constitution Court ruling on the Senate makeup, which could spell more trouble for the governing Pheu Thai Party.

The SET index moved in a range of 1,379.79 and 1,427.69 before closing on Friday at 1,420.66, up 1.1% on the week, in sluggish trade averaging 29.68 billion baht a day. Foreign investors pulled 13.62 billion baht out of the market. Institutional investors were net buyers of 6.11 billion baht, retail investors 5.24 billion and brokers 2.27 billion baht.

**Big movers:** SMPC was the top gainer, up 1,372% to 26 baht. EVER rose 35% to 1.77 baht and ROH closed up 30% at 32.50. Top loser WAT closed down 12.5% at 0.07 baht, AS closed down 10.9% at 9.70, and OGC fell 8.7% to 34 baht.

**Newsmakers:** The government expects exports to grow by 5% next year, but only 3% if political tension persists. Commerce Minister Niwatthamrong Bunsongphaisan conceded export growth this year would be just 1% to \$231.57 billion.

◆ The Finance Ministry insists public debt will not exceed its self-imposed limit of 50% and the international standard of 60% of GDP, says Fiscal Policy Office (FPO) deputy chief Ekniti Nitithanprapas.

◆ Krung Thai Bank aims to triple its earnings by 2016 from 23 billion baht last year. President Vorapak Tanyawong said KTB's extensive resources and vast room for growth were the keys to achieving the goal.

◆ The CPN Retail Growth Fund is raising 11.57 billion baht in new capital through a rights offering to buy an existing mall from Central Pattana Plc. Once the fund-raising is completed, CPNRF will be Thailand's largest property fund with 25.6 billion baht in assets, up from 15.8 billion baht.

◆ CK Power Plc, the Ch. Karnchang affiliate, expects revenue growth of 20% to 6.8 billion baht next year. It will be the first full year of operation for its co-generation plant in Ayutthaya.

◆ IRPC Plc announced a five-year capital expenditure of 66 billion for manufacturing high value-added petrochemical products.

◆ Indorama Ventures Plc, the world's largest polyester maker, will halt production at its PET plant in England for up to two years due to sluggish margins.

◆ Quality Houses has boosted this year's revenue target from 18 billion baht to 20 billion after reporting revenue of 15.64 billion and net profit of 2.57 billion in the first nine months.

◆ The property market in Greater Bangkok is likely to grow by only 5% this year, much lower than the previous forecast of 10%, due to stricter mortgage rules, higher household debts and political problems, say industry groups.

◆ Listed contractors showed the best profit growth among stock sectors in the third quarter, averaging 172% from the same quarter of last year. Ch. Karnchang led with a gain of 944%.

◆ Ratchaburi Electricity Generating Holding continues to acquire operating assets to lift revenue while developing greenfield projects. It recorded a net profit of 5.83 billion baht in the first nine months.

**Coming up this week:** The NESDB will announce official Thai Q3 GDP figures today. The Senate hopes to finish debating the 2-trillion-baht loan bill by Saturday.

**Stocks to watch:** Globlex Securities recommends buying CPN, BEAUTY, DCON and SIRI, and a trading buy on MLINK. Country Group suggests undervalued stocks CK and TUF. Asia Plus has buy calls on UNIQ and SRICHA.

**Technical view:** Asia Plus sees support at 1,340 and resistance at 1,438. Phillip Securities sees support at 1,380 and resistance at 1,480.

