

SET HAS BEST WEEK OF YEAR AS PYONGYANG RATTLES INVESTORS

Recap: Another missile launch by North Korea and Hurricane Harvey in the US shook global capital markets as investors reallocated assets, shifting to safe havens such as gold and bonds, as well as equities in Asian emerging markets including Thailand. Previously the worst performer among emerging market peers, the SET had its highest weekly percentage gain of the year.

The SET Index broke 1,600 points, moving between 1,577.72 and 1,624.37 before closing at 1,618.42, up 2.7% from the previous week, in heavy turnover averaging 57.73 billion baht a day. Foreign investors were net buyers of 5.58 billion baht, brokers bought 6.80 billion baht, and institutional investors purchased 923.61 million baht. Retail investors sold 13.31 billion baht.

Big movers: Triple i Logistics (III) entered the SET on Friday, gaining 52.3% from its IPO price of 4.80 baht to close at 7.55 baht. PTT led in turnover, rising 1.5% to 400 baht; AOT gained 5.3% to 55 baht, and SCB rose 4.9% to 151 baht. U led in volume, unchanged at 0.03 baht. BTC was the top loser, falling 13.1% to 0.73 baht. Top gainer NEWS surged 100% to 0.02 baht.

Newsmakers: The US flew some of its most advanced warplanes in drills with South Korea last Thursday, sending a clear warning after North Korea launched a midrange missile designed to carry bombs over Japan.

■ Indian economic growth slumped

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to 5.7% in the first quarter, official data showed, as the impact of last November's demonetisation continued to drag on the economy.

■ A joint cabinet meeting between Cambodia and Thailand on Thursday in Siem Reap will exclude discussions of the Phnom Penh-Bangkok rail link, leaving the launch date in limbo.

■ The NBTC will auction at least one 2600-megahertz licence in December after recalling unused spectrum from the broadcaster MCOT.

■ Nominal farm income contracted by 2.6% in July, the first decrease this year and down from 8.1% growth in June, weighing on private consumption, a Bank of Thailand official said.

■ Inflation rose 0.17% year-on-year in July after two consecutive months of contraction, due to higher prices except for foods and beverages.

■ The National Legislative Assembly is likely to rework the land and building tax bill after asking the Finance Ministry to consider whether taxpayers can afford the new tax bills. Officials will compare the tax burden on potential

payers of the proposed land and buildings tax versus current local development taxes.

■ The Thailand E-Payment Association is urging the Bank of Thailand and policymakers to open the standardisation of quick response (QR) code payment and authentication of "know your customer" (KYC) identity verification to non-bank service providers, reducing operating cost and promoting the national e-payment scheme.

■ Energy Absolute Plc (EA) has allocated 600 million baht over the next five years to develop and operate the first charging stations for electric vehicles (EVs) in Thailand.

■ GMM Channel Trading Co, the operator of GMM25, the digital TV channel owned by GMM Grammy Plc, reiterated that operations and staff will remain intact even though it has sold a 50% stake to the billionaire Sirivadhanabhakdi family.

■ Kasikornbank has expanded into Indonesia by purchasing a 9.99% stake in Bank Maspion Indonesia for about US\$20 million.

Coming up this week: Thai consumer confidence for August will

be released today, as will euro zone manufacturer prices for July. The US will release official July trade figures on Wednesday.

■ The European Central Bank will meet Thursday, the same day as the release of final Q2 GDP data for the euro zone.

Stocks to watch: Tisco Securities suggests laggards in the SET50,

namely BANPU, CK, MTL, TPIPL and TRUE.

Laggards in the SET100 include GUNKUL, SAWAD, UNIQ and WHA.

Stocks expected to be included in the FTSE SET Index series are EA and WORK.



* From the previous week

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KGI Securities (Thailand) remains bullish on the tourism sector, but AOT is fully valued, so the broker suggests looking at BCH, ERW and MINT instead. It is also positive on construction stocks STEC and SEAFCO. For a specific event play, it suggests COM, which will benefit from the launch of new Apple and Samsung smartphones in September.

Technical view: Tisco Securities sees support at 1,600 points and resistance at 1,650 points. KGI Securities (Thailand) sees support at 1,600 points and resistance at 1,640.