



TAX OPTIMISM DRIVES DOW, YEAR-END FUND BUYS HELP SET

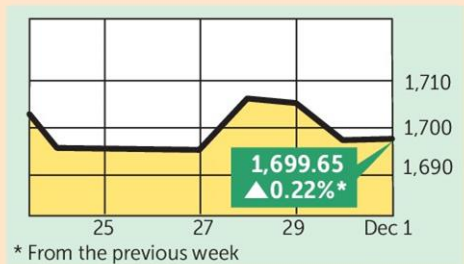
RECAP: US stocks surged this week, with the Dow breaching 24,000 points on investor optimism that the US Senate will pass a major tax-reform bill. The Thai market was quiet with no real catalysts other than the usual year-end demand for long-term and retirement mutual fund purchases.

The SET index moved in a narrow range between 1,687.43 and 1,715.41 points before closing at 1,699.65, up 0.2% from the previous week, in heavy trade averaging 53.35 billion baht a day.

Foreign investors were net sellers of 5.81 billion baht, while brokers sold 1.03 billion baht and retail investors sold 1.1 billion baht worth of shares. Local institutions were net buyers of 7.94 billion, reflecting seasonal fund demand.

NEWSMAKERS: The US economy grew faster than initially thought in the third quarter, buoyed by robust business spending on capital goods and a buildup of inventories. GDP expanded by 3.3% year-on-year, the best pace in three years, up from 3.1% in the second quarter.

- North Korea rattled the world again this week by launching a new type of intercontinental ballistic missile believed to be capable of reaching the US mainland.
- The European Central Bank has reiterated its warning to the region's banks that they pose a potential threat to the economic recovery, and



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unless they modernise they will face falling profit margins.

- Chinese manufacturing activity picked up in November, as robust global demand spurred the economy. The manufacturing purchasing managers' index, edged up to 51.8 from 51.6 in the previous month.
- South Korea will write off the debts of as many as 1.6 million people in a move designed to ease the financial burden on low-income individuals. The scheme is open to some who have struggled to repay debts of less than 10 million won.
- The price of Bitcoin fell by 20% in frenzied trading late in the week after crossing \$11,000 on Wednesday. The cryptocurrency is now

quoted at around \$9,150.

- Total securities held by Asian investors on the SET reached an all-time high in May with a value of 1.68 trillion baht, driven mainly by a significant increase in securities prices after rallies, bourse officials said. The amount marks an 11.9% year-on-year increase and accounts for 36.4% of total securities holdings by foreign investors.
- The Bank of Thailand has painted a rosy picture of the economy, saying fourth-quarter growth could exceed the 4.3% registered in the third quarter, with full-year growth of 4% attainable if exports continue to rise at a double-digit pace.
- Industrial output rose for a fourth straight month in October, but much less than expected, as stronger production of rubber, car engines and processed food was offset by weaker output of air-conditioners, jewellery and textiles. The manufacturing production index rose 0.48% from a year earlier, the Industry Ministry said.
- Willis Towers Watson, a global advisory firm, has forecast salaries in Thailand will rise by 5-6% annually in the short term, saying the economy and inflation are stable. However, there are no major positive factors to support sharp pay increases at the moment.
- The Bank of Thailand and its Malaysian counterpart are expected to agree soon on Qualified Asean Banking (QAB) criteria, paving the way for indigenous banks in one country to operate in the other and receive similar treatment as local banks.
- Airports in Asia Pacific showed the second-highest growth in passenger traffic among the world's key geographical areas in the first nine months of the year. Overall passenger throughput at the region's airports, including those in Thailand, surged 7.3%, trailing only the 9.3% growth recorded in Europe.
- Thai Union Group Plc (TU), the world's biggest tuna exporter, aims for revenue of US\$8 billion (260 billion baht) by 2020, driven by organic growth, innovation and sustainability.
- A fire on Monday at the Navanakorn Industrial Estate in Pathum Thani province affected 12% of the beverage production capacity of Oishi Group, said chief executive Nongnuch Buranasetkul.

COMING UP: Japan will release its November consumer confidence index on Monday. The US will release October factory orders the same day.

- China, France, Germany, the EU, the UK and the US will all release November services and manufacturing purchasing managers' index

(PMI) updates on Tuesday. Also due are euro zone retail sales and US trade data for October.

- Australia will release third-quarter GDP figures on Wednesday and October trade data on Thursday. Also on Thursday, China will release November foreign reserves data.
- Japan will release October current account data and final third-quarter GDP on Friday. China will release November trade data and the US will release its monthly non-farm payrolls report. China will release November consumer and producer prices on Saturday.

STOCKS TO WATCH: Tisco Securities' recommendations for December include ANAN, BJC, JWD, NYT, ROJNA, TFG, TPIPP and TWPC. It also recommends infrastructure plays including AMATA, ROJNA, WHA, CK, SWTEC, UNIQ and SEAFCO.

Capital Nomura Securities recommends accumulating consumer plays such as ROBINS and CPALL and seasonal stocks such as MINT and ERW. Also keep an eye on firms expected to benefit from the run-up to the election expected next year, such as STEC, CK, KBANK, FN, MM and PSTC.

TECHNICAL VIEW: DBS Vickers Securities sees support at 1,680 points and resistance at 1,720. Finansia Syrus Securities sees support at 1,685 and resistance at 1,730.