



MARKET MONITOR

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WALL STREET BULLS CHARGE AHEAD, FUND BUYS LIFT SET

RECAP: The Dow Jones and S&P 500 indices broke historical highs this week in response to US economic figures including employment that beat market expectations. Better performances by listed companies also helped sentiment.

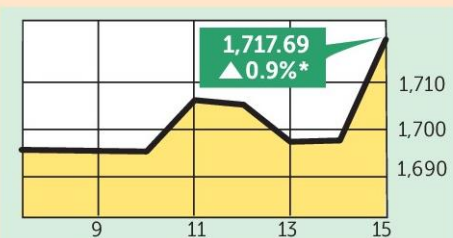
On the domestic front, year-end buying demand for long-term investment funds and retirement mutual funds supported the SET index.

The SET Index moved in a range of 1,699.98 and 1,717.69 points, where it closed yesterday for a gain of 0.9% from the previous week, in moderate trade averaging 48.86 billion baht a day.

Foreign investors were net sellers of 3.42 billion baht, while brokers sold 1.58 million baht and retail investors sold 1.50 billion baht worth of shares. Institutional investors bought 6.51 billion baht to top up their funds.

NEWSMAKERS: The US Federal Reserve raised its benchmark interest rate to 1.5% from 1.25%, as widely expected, amid what it called "solid" gains in the US economy. They also revised their 2018 GDP growth forecast upward to 2.5%, based partly on assumptions that tax cuts will pass.

China's central bank also lifted its rates in a move that surprised economists. The People's Bank of China lifted its 7- and 28-day reverse repurchase agreement rates by 5 basis points.



* From the previous week

BANGKOK POST GRAPHICS

Beijing is attempting to limit the flow of capital out of the country without harming economic growth.

- Businesses across the euro zone are ending 2017 on a near seven-year high, with demand and price pressures picking up and forward-looking indicators pointing to a busy start to 2018. The IHS Markit composite flash Purchasing Managers' Index for the euro zone climbed to 58.0 this month, the highest since February 2011.
- Japanese Prime Minister Shinzo Abe and Myanmar President Htin Kyaw met in Tokyo, where Mr Abe announced fresh support for infrastructure projects aimed at promoting the development of Yangon to facilitate logistics

and improve electricity infrastructure.

- The Asian Development Bank lifted its forecast for Thai GDP growth to 3.8% this year and next, citing a pickup in exports and private investment. The UN Economic and Social Commission for Asia and the Pacific upgraded its 2017 estimate to 3.5% and its 2018 view to 3.4%.
- The Bank of Thailand, Bank Indonesia and Bank Negara Malaysia have announced the launch of a local-currency settlement framework to promote trade and investment in the three countries, effective from Jan 2.
- Quick response (QR) code payment services from Bank of Ayudhya and TMB Bank have won Bank of Thailand approval following regulatory testing. They represent the second batch of bank QR payment services approved.
- Thailand's media and advertising industry is about to end 2017 with a whimper, with revenue projected to plummet by 14.5%, the largest drop in 10 years, according to the Nielsen Company (Thailand) Co Ltd. Its data showed ad revenue from January to November totalled 92.7 billion baht, down 5.7% from the previous year.
- Thai Beverage, through a Vietnam unit, has emerged as the only bidder registered to own at least 25% of the country's top brewer, Sabeco, in which the government is selling a US\$5-billion stake.
- Do Day Dream Plc (DDD), the maker and distributor of Snail White skincare products, has set its initial public offering price at 53 baht a share, making it the priciest IPO of the year.

COMING UP: China will release foreign direct investment data for November today, and the EU will release October trade figures.

- On Monday, Japan will release November trade data, China will also release November home prices and the EU will release November inflation.
- The US will release November home building numbers and construction permits on Tuesday.
- The Bank of Thailand's Monetary Policy Committee will meet on Wednesday, with no change in the policy rate foreseen. Germany will release November producer prices and the US will release current account and home sales updates.
- The Bank of Japan will meet on Thursday and the US will release final third-quarter GDP figures. The EU will also release its consumer confidence index for December.

STOCKS TO WATCH: Tisco Securities forecasts

Energy Absolute Plc (EA) will be added to the FTSE SET Large Cap index, replacing RATCH, effective from Monday.

- Potential new entrants to the TSFE SET Mid Cap index are BGRIM, ORI, PRM, RATCH, RS, and TOA, with outgoing stocks identified as EA, DCC and STPI.

On the FTSE SET Small Cap index, additions are said to include GGC, AH, SAWAD, THRE, UVAN, AMARIN, ASIAN, SEAFCO, SKN, III, ASAP, IHL, LALIN and LST. Leaving will be CGD, PF, UMI, EVER, GSTEL and TT.

Tisco also recommends stocks that will benefit from Eastern Economic Corridor investment, including AMATA, ROJNA and WHA, along with construction plays CK, STEC, UNIQ and SEAFCO.

Asia Wealth Securities recommends big-cap stocks as they are the targets of institutional investors in the energy and petrochemical sectors. Its picks are PTTEP, BANPU and IRPC for the energy sector and BBL, KBANK, TMB and TCAP in banking.

TECHNICAL VIEW: Tisco Securities sees support at 1,685 points and resistance at 1,730. Maybank Kim Eng Securities Thailand sees support at 1,680 points and resistance at 1,720.