



US MARKETS POWER AHEAD WHILE SET GAINS MOMENTUM

RECAP: The US stock market continued its upward trend, supported by sound economic figures including forecast-beating exports for November. Market sentiment heading into the Christmas holiday was also positive after the US Congress averted a government shutdown by approving a short-term budget until Jan 19.

On the domestic front, the SET Index moved in a range of 1,723.71 and 1,744.05 points before closing at 1,742.08, up 1.4% from the previous week in heavy trade averaging 58.9 billion baht a day. Foreign investors were net sellers of 1.22 billion baht, while brokerages bought 5.49 billion and institutions 7.11 billion. Retail investors sold 11.38 billion baht in shares.

NEWSMAKERS: US President Donald Trump hailed sweeping tax reforms after they received final approval in Congress, despite fierce criticism by Democrats who say the changes mainly benefit the richest Americans. He is expected to sign his first major legislative achievement, the biggest rewrite of the US tax code in a generation, in the coming days. Corporate tax will be cut from 35% to 21%. Individual taxes will also be cut, but more modestly.

■ A "transition period" after the UK leaves the EU should not continue beyond Dec 31, 2020, Brussels says. This would put a 21-month limit



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on the temporary arrangement — the UK says it should last for about two years. Some business groups have called for a much longer transition period once the UK leaves in March 2019.

- Singapore's central bank permanently barred Yeo Jiawei, a former wealth manager of the Swiss bank BSI involved in breaches related to Malaysia's IMDB fund, from managing financial services firms and advisory activities.
- Heavy year-end investment on Tuesday in mutual funds to reap tax exemptions helped push the Stock Exchange of Thailand (SET) index to its highest level in nearly 24 years. The SET closed at 1,732.31 points, up 0.5%, in

heavy turnover worth 65.8 billion baht. The index touched 1,736.83 at one point.

- Fundraising from initial coin offerings (ICO) could be possible by the second quarter of 2018, says the Securities and Exchange Commission, while acknowledging that the new method could pose a long-term disruptive risk to traditional financiers.
- The Bank of Thailand left its policy rate unchanged on Wednesday as widely expected, while marginally upgrading its economic growth forecast to 3.9% from 3.8% for both this year and next as the economy gains further traction.
- Export growth this year is expected to reach 10% as the figure for November increased 13.4% year-on-year, well above expectations, Deputy Prime Minister Somkid Jatusripitak predicted. The Commerce Ministry expects growth to slow to 6-7% next year given this year's high base.
- The National Legislative Assembly committee on the land and buildings tax has watered down the new property tax rates. The version proposed by the Finance Ministry and approved by the cabinet had set the tax-free threshold at 50 million baht, with an aim at alleviating people's tax burden.
- Fitch Ratings Thailand has placed Thai Beverage Plc's long-term foreign-currency issuer default rating of BBB and national long-term rating of AA+(tha) on a ratings watch with negative implications, after the company announced plans to acquire a 53.59% stake in Saigon Beer Alcohol Beverage Corp, the leading Vietnamese brewer. The deal is valued at US\$4.8 billion.
- Krungthai Bank has filed a complaint with the Department of Special Investigation against financially beleaguered Energy Earth Plc, alleging the struggling coal trader falsified a bill of lading to show it had imported coal from Indonesia.
- SET-listed Nation Multimedia Group Plc will sell its shares in digital TV channel Now26, a publishing plant, logistics and real estate for a total of 1.4 billion baht as part of a business restructuring plan. The assets comprise Nation U, which owns a university licence and operates Nation University; Bangkok Business Broadcasting, the operator of Now 26; WPS (Thailand), which provides printing services; NML, a logistics provider; and land and buildings.

COMING UP: Thailand will release updated export and import figures on Monday.

■ On Tuesday, Japan will release

unemployment, inflation and household spending for November, and the Bank of Japan will release minutes of its last meeting. The US will release October home prices and consumer confidence for December.

- The US will release pending home sales for November on Wednesday, with South Korea releasing consumer confidence for December. China will release manufacturing profit data for November and Japan will announce November home construction and construction purchasing orders.
- Japanese retail sales and the manufacturing index for November are due on Thursday.

STOCKS TO WATCH: DBS Vickers Securities suggests shares with upside short-term trading, which include TCMC, BANPU, VGI, RS, ERW, PSH and JMART. For good fundamentals, it recommends AMATA, BBL, KKP, MTLN, TMB and SENA.

Asia Wealth Securities suggests selective buying of BCH, TCAP and PLANB, while PTT and BANPU are interesting laggards.

TECHNICAL VIEW: DBS Vickers Securities sees support at 1,720 points and resistance at 1,760. KT Zmico Securities sees support at 1,720 points and resistance at 1,778.