

# JAPANESE STIMULUS PLAN GIVES LIFT TO ASIAN STOCKS

## MARKET MONITOR

NUNTAWUN POLKUAMDEE  
DARANA CHUDASRI

**Recap:** Asian stock markets advanced last week, propelled by Japan's bigger-than-expected fiscal stimulus plan, while investors shrugged off a US Federal Reserve statement that opened room for a policy rate hike later this year. Thai shares also climbed higher in liquidity-driven trade.

The SET index moved in a wide range of 1,501.56 to 1,530.35 points before closing on Friday at 1,524.07, up 1% from the week before, in heavy turnover averaging 60.8 billion baht a day. Foreign investors continued their buying spree with a net position of 12.71 billion baht. Brokers were net buyers of 865.99 million baht. Retail and institutional investors were net sellers of 8.47 billion baht and 5.11 billion, respectively.

**Big movers:** EKH surged 116.4% above its 3.05-baht IPO price to 6.60 baht on its SET debut on Wednesday and finished the week at 6.55 baht. BIZ, also the top gainer, jumped 90% from its 2.90-baht IPO price to 5.50 on the MAI on Thursday before closing at 5.20 baht on Friday. BEM, which also led in volume, added 22.6% to 8.40 baht. KBANK gained 10.3% to 197.50 baht and PTT fell 3.5% to 330 baht. The top loser was TMC, dipping 21.6% to 2.18 baht.

**Newsmakers:** The Fed left interest rates unchanged but said near-term risks to the US economic outlook had diminished, opening the door to policy tightening later this year. It said the economy had expanded at a moderate rate and job gains were strong in June, while household spending also was "growing strongly" and labour utilisation was improving.

■ Japanese Prime Minister Shinzo Abe announced a stimulus package of ¥2 trillion (US\$265 billion) to reflate the flagging economy. The Bank of Japan responded with a modest expansion of its monetary stimulus as it wants to see how fiscal stimulus works before doing more. However,

that disappointed many investors who expected more aggressive action.

■ Britain's economy picked up in the three months up to its vote to leave the EU, helped by the biggest upturn in industrial production since 1999. Second-quarter GDP beat expectations to grow by 0.6%, up from 0.4% in the first three months.

■ South Korea's economy grew at an unexpectedly robust 3.2% annual rate in the second quarter, driven by firmer domestic consumption and capital investment.

■ Thailand's exports contracted less than expected in June, boosted by shipments of cars and parts, hard-disk drives and gold. The US dollar value of exports fell by only 0.1% year-on-year to \$18.1 billion after sliding by 4.4% in May and 8% in April. Imports decreased by 10.1% to \$16.2 billion after edging up 0.5% in May following a 14.9% plunge in April.

■ The cabinet approved the construction of the 25.9km Light Red Line (Bang Sue-Phaya Thai-Makkasan-Hua Mak) and the Dark Red Line (Bang Sue-Hua Lamphong) worth 44.2 billion baht.

■ Rising momentum in the tourism industry is expected to continue in the second half and drive full-year revenue to 2.57 trillion baht, higher than the target of 2.41 trillion, says the Tourism Authority of Thailand (TAT).

■ The Association of Thai Travel Agents (ATTA) is not worried about a possible boycott by Chinese tourists after criticism of their behaviour. On the contrary, it suggests members get ready to accommodate a big influx of Chinese visitors in the last five months of the year. About 1.5 million Chinese tourists are expected to switch their trips from Taiwan, Vietnam and the Philippines to Thailand amid political

conflicts with the three countries.

■ The Stock Exchange of Thailand will miss its target for initial public offerings this year due to the change in accounting standards. The bourse had set a market value target for newly listed companies this year at 270 billion baht, but had only reached 17.5 billion after two companies listed on the SET and five on the Market for Alternative Investment (MAI). The target number of IPOs was 31, includ-

ing 16 on the SET.

■ Siam Cement Group (SCG), Thailand's biggest industrial conglomerate, expects to see flat growth in full-year 2016 revenue at around 460 billion baht, due largely to the poor economic outlook. In the first half it posted a 2% drop in revenue to 218 billion baht, reflecting mainly lower chemical prices.

■ PTT Exploration and Production Plc (PTTEP) doubled its net profit in the second quarter to 2.66 billion baht as it continues aggressive cost-cutting.

■ Siam City Cement Plc (SCCC) has begun the process of buying a 98.95% stake in Sri Lanka's Holcim (Lanka) Ltd and its subsidiaries, which are cement and building material makers. It expects the transaction to be completed within two weeks.

■ WHA Corporation Plc, Thailand's largest developer of built-to-suit logistics facilities, plans an IPO for its subsidiary by the end of this year. Meanwhile, it has set up a joint venture with Japan's Daiwa House Industry Co to develop two warehouse projects worth 2.35 billion baht.

■ Ticon Industrial Connection Plc, a developer of ready-made factories and warehouses, expects its 2016 revenue to grow 5% from 4.8 billion baht last year due to rising demand for warehouses.

■ The engineering and construction group Gunkul Engineering is doing a feasibility study to set up an infrastructure fund for future investment.

■ NewGen Airways, a China-focused charter operator, plans an IPO raise 8 billion baht to finance its ambitious growth plan.

**Coming up this week:** China's manufacturing PMI and Thailand's inflation figures for July are due today.

■ A soft mortgage scheme will go before the cabinet tomorrow. Also scheduled is an MRTA board meeting to find a solution for the Blue Line operating contract. As well, the Reserve Bank of Australia will meet.

■ The Bank of Thailand's Monetary Policy Committee will meet Wednesday and is expected to leave its benchmark rate unchanged at 1.5%.

**Stocks to watch:** Tisco Securities has buy recommendations for stocks expected to report strong second-quarter earnings. They are ACAP, AMC, BIG, BSBM, CENTEL, CHO, MONO, PRIN, PSTC, S, SAMCO, TMT and WHA. It also recommends stocks expected to deliver strong first-half financial results, namely BEAUTY, MALEE, MTLA, AH, RATCH, UNIQ and VNG.

Bualuang Securities has buy

# Bangkok Post

Bangkok Post  
Circulation: 70,000  
Ad Rate: 1,500

**Section:** Business/NATIONAL

**Date:** Monday 1 August 2016

**Volume:** -                      **No:** -

**Page:** B10(Right)

**Col.Inch:** 51.87      **Ad Value:** 77,805

**PRValue (x3):** 233,415

**Clip:** Full Color

**Column:** MARKET MONITOR: JAPANESE STIMULUS PLAN GIVES LIFT TO ASIAN STOCKS

recommendations for SCB, SVI and stocks that are expected to report good second quarter earnings, among them TU, TPCH, SMT and TASCO.

**Technical view:** Finansia Syrus tips support at 1,500 with resistance at 1,542 points. RHB Securities (Thailand) pegs support at 1,514 and resistance at 1,564 points.