

SETBACK FOR TRUMP HURTS US EQUITIES BUT SET RISES

MARKET MONITOR

NUNTAWUN POLKUAMDEE
DARANA CHUDASRI

Recap: Asian stocks drifted last week and Wall Street fell as investors awaited a crucial vote on the US healthcare bill. Its failure on Friday raised questions about President Donald Trump's ability to push through the rest of his agenda including tax cuts. Lower oil prices prompted by persistent worries about the global glut also dampened sentiment. Buying ahead of the dividend season bolstered the Thai stock market but global uncertainties capped gains.

The SET index moved in a tight range of 1,560.98 and 1,581.79 points and closed at 1,573.51, up 0.8% from the previous week, in thin turnover averaging 36.2 billion baht a day. Foreign investors were net buyers of 4.28 billion baht and institutional investors bought 632 million. Retail investors were net sellers of 4.56 billion baht and brokers sold 348.9 million.

Big movers: GL led in turnover, gaining 15.8% to 22 baht, PTT added 3.03% to 408 baht and CPF jumped 7.2% to 29.75 baht. TSF led in volume, gaining 14.3% to 0.4 baht. Top gainers U and MAX, both rose 50% to 0.03 and 0.06 baht, respectively. Top loser MPG fell 18.1% to 0.77 baht.

Newsmakers: China's economic growth is likely to slow to 6.5% this year and cool further to 6.3% in 2018, the OECD said, though exports are set to pick up as global demand strengthens. The OECD also warned of China's ballooning corporate debt.

■ Taiwan's central bank kept its policy rate steady as expected, citing signs of an export-led recovery and mild inflation.

■ Thai exports slid in February after three months of increases, mainly reflecting the high-base effect of a one-off spike in February last year. The Commerce Ministry said exports

fell 2.8% year-on-year in February to US\$18.47 billion after rising 8.8% in January, 6.2% in December and 10.2% in November.

■ The strengthening baht is in line with fundamentals and no central bank intervention is needed, finance permanent secretary Somchai Sujjapongse said as the baht hit its strongest level since early October.

■ The industrial sentiment index fell for a second straight month in February on slowing purchase orders and falling demand after short-term government stimulus measures ended. The Federation of Thai Industries (FTI) index was 86.2 in February, down from 87.2 in January.

■ Thailand's car market is showing clear signs of recovery. The FTI said domestic sales rose by 19.9% year-on-year last month to 68,435 units. On a monthly basis, the figure increased 19.5% from 57,254 units in January.

■ The telecom regulator is floating the idea of creating a unified licensing regime for telecom and broadcasting services in light of technological convergence.

■ BCPG Plc, the electricity-generating arm of Bangchak Petroleum Plc (BCP), has completed its acquisition of a wind farm business in the Philippines, increasing its total renewable power-generating capacity to over 400 megawatts worldwide. The deal to acquire the 50MW PetroWind Energy Inc (PWEI) was sealed on March 17 and the project is expected to start contributing additional revenue within this year. The acquisition is in line with BCP's mission to operate green power plants globally.

■ The auto parts maker Aapico Hitech Plc (AH) expects to seal overseas expansion deals this year, having completed feasibility studies. India is a priority for AH, which operates in Thailand, Malaysia and China.

■ TPI Polene Power Plc (TPIPP), wholly owned by the cement maker TPI Polene (TPIPL), set its initial public offering (IPO) price at seven baht, the upper end of its indicative range, for its 2.5 billion shares. Of the

total, 2.38 billion will be earmarked for investors and the remaining 125 million will be sold to existing shareholders of TPIPL at a ratio of 162 TPIPL shares for one of TPIPP. Subscriptions run from March 24-29 with trading to start in early April.

■ The conflict at Inter Far East Energy (IFEC) continues after representatives of board members, led by Thavich Taychanavakul, asked the SEC to investigate chairman Wichai Thavornwattanayong and director Supanan Ritpairot, alleging they intentionally delayed appointing new board members.

■ Tipco Foods Plc, one of the world's largest canned pineapple manufacturers, has expanded its efforts to reach younger customers by opening a dessert cafe and fusion food restaurant.

■ Saha Pathanapibul Plc (SPC), the marketing arm of the consumer goods giant Saha Group, has revised its strategy in order to increase sales to 33 billion baht this year. It is applying local marketing campaigns to fit consumers in each region, replacing a nationwide strategy.

■ Bank of Ayudhya (BAY) seeks aggressive retail loan growth of 11% this year, largely from mortgages, auto loans and microfinance. The country's fifth-largest lender targets retail loans outstanding of 716 billion baht in 2017, said Dan Harsono, head of retail and consumer banking.

■ Scan Inter Plc (SCN), a natural gas trader and operator of CNG stations, plans to expand in several areas, including adding 13 stations this year. It has an investment budget of 1.4 billion baht.

Coming up this week: TOT today is scheduled to accept proposals for its 2300-MHz frequency.

■ South Korea will release final 2016 GDP figures tomorrow.

■ The Bank of Thailand's Monetary Policy Committee will meet on Wednesday and is expected to leave its benchmark interest rate untouched.

■ Thailand will release its Manufacturing Production Index for February on Thursday, and the US will release final 2016 GDP figures.

Stocks to watch: Thanachart Securities recommends MTLN and has revised up net profit growth to a range of 4-22% on a forecast of loan growth of 43% in the next three years. MTLN aims to add 600 branches this year to bring its total to 2,300, and to reach 3,500 to 4,000 in four years. Tha-

nachart also recommends Q1 earnings plays including AAV, BEC, DTAC, ESSO, GFPT, PTT, PTTGC, SPALI, SPCG and SUSCO.

Tisco Securities recommends stocks with dividend yields above 3% that will go XD in the next two months, including AP, ASERA, KKP, KTB, NYT, QH, SF, SPC and WHA. It also likes undervalued stocks expected to post profit turnarounds this year, such as CENTEL, JWD, ROJANA and TPIPL, and end-month window-dressing targets BANPU, CPN, GPSC, KTC, MCS, SC, SPALI and TPIPL.

Technical view: Thanachart Securities sees support at 1,558 points and resistance at 1,583. Tisco Securities sees support at 1,545 and resistance at 1,585.