

STOCKS TRADE IN NARROW RANGE AS INVESTORS COMB US DATA

MARKET MONITOR

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Recap: Global investors remained concerned last week about US political developments and economic data that could influence a Federal Reserve interest-rate increase, amid signs that the Fed was growing more cautious. Wall Street staged a revival on Friday after the US reported strong employment numbers for July.

The SET index moved in a tight range of 1,576.08 and 1,583.70 points before closing at 1,578.26, down 0.2% from the previous week, in turnover averaging 42.28 billion baht a day. Foreign investors continued to be net sellers at 13.32 billion baht and institutional investors sold 562.8 million. Brokers were net buyers of 3.15 billion baht and retail investors bought 10.73 billion.

Big movers: PTT led in turnover, losing 1.8% to 381 baht. ADVANC remained unchanged and closed at 188 baht. SCB fell 5% to 143 baht. SUPER led in volume, gaining 0.8% to close at 1.28 baht. BTC was the top loser, plunging 14.3% to 0.06 baht. Top gainer AMARIN surged 42% to 6.90 baht.

Newsmakers: The US economy grew at an annual rate of 2.6% between April and June, an improvement from 1.2% in the first quarter and closer to the 3% promised by the Trump administration. The Labor Department reported on Friday that employers added 209,000 jobs in July, well above forecasts of 185,000, and unemployment fell to 4.3%.

■ Russian Prime Minister Dmitry Medvedev said new US economic sanctions against his country, signed reluctantly by President Trump, were tantamount to the declaration of a “full-fledged economic war”.

■ Bank of England governor Mark Carney has warned that uncertainty over Brexit is already weighing on the economy. His comments came as the central bank cut its economic growth forecast for the year to 1.7% from 1.9% and kept interest rates unchanged.

■ The euro zone economy has grown twice as fast as the UK in recent months, expanding by 0.6% in the second quarter after growth of 0.5% in the first quarter.

■ India’s central bank cut its bench-

mark interest rate to a six-and-a-half-year low of 6%, down from 6.25%, after a drop in consumer prices and an overall

slowdown in economic growth.

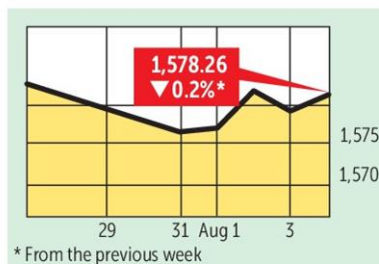
■ Bitcoin’s underlying software code was split last Tuesday, generating a new clone called Bitcoin Cash, but the new virtual currency got off to a slow start due to lacklustre support for its network.

■ Thai economic growth in the second quarter is expected to be close to the first quarter’s reading of 3.3% and accelerate to 3.7% in the second half, according to the Bank of Thailand.

■ The Thai National Shippers’ Council (TNSC) has revised its 2017 export growth forecast up to 5% from its previous range of 2.5% to 3.5%, as exports rose in the second quarter, indicating a recovery in major importing countries.

■ Consumer prices rose in July after a two-month contraction. The consumer price index (CPI) was 100.53, up 0.17% year-on-year, attributed to rising energy prices in line with global oil prices.

■ The manufacturing production index (MPI) dropped slightly to 111.76, down 0.16% year-on-year and 3.1% from the previous quarter, as exports in some



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industries remained poor and continued to weigh on the overall index in the first half, according to the Office of Industrial Economics.

■ The SET has asked Polaris Capital Plc (POLAR) to provide information by today on why the company withdrew its business rehabilitation petition submitted to the Central Bankruptcy Court.

■ The SEC is assessing whether Energy Earth Plc (EARTH) has violated the SEC Act 1992 after the company’s recent

debt liabilities report showed an increase from a previous disclosure. The SEC is now waiting for a special audit report to show whether the company’s board concealed information in its disclosure to the SEC.

■ Former premier Yingluck Shinawatra delivered a tearful closing statement at her trial last Tuesday, saying she did not act dishonestly in the loss-making rice-pledging programme and that she was being politically persecuted. The Supreme Court will rule in the case on Aug 25.

■ **Coming up this week:** Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) will start trading on the SET today at the IPO price of 10.30 baht. Indonesia will release Q2 GDP data.

■ China will release July inflation data on Wednesday. The Philippine central bank will meet on Thursday, the same day June trade data is released. US producer prices are also due.

■ The US will release July inflation data on Friday.

Stocks to watch: Yuanta Securities recommends stocks of companies expecting to report good Q2 profits, with high dividend and growth potential, identified as TPIPP, BEM, PSH, SIRI and JWD. Small and mid-cap stocks expecting positive results in the second quarter include ILINK, MONO and SYNEX.

Tisco Securities expects volatility in August as investors pay closer attention to how and when the Fed will start adjusting its balance sheet. But it expects foreign funds will return to Thailand’s stock market in the final quarter amid a steady domestic economic recovery. Its stock picks for August are AP, BANPU, BEAUTY, ROJNA, SEAFCO and TPIPP.

Technical view: SCB Securities sees support at 1,565 and resistance at 1,600. Asia Wealth Securities puts support at 1,550 and resistance at 1,600.