



RATES, INFLATION AND ENERGY HAVE INVESTORS' ATTENTION

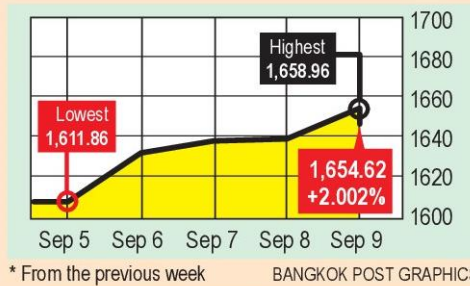
RECAP: Global markets remained fixated this week on inflation, interest rates and energy prices. There was added drama in Britain, where the passing of Queen Elizabeth II came just two days after Prime Minister Liz Truss took office and announced a bold plan to cap soaring energy prices for two years.

In Thailand, the stock market remained volatile as investors reacted to a big European Central Bank (ECB) interest rate increase, while the odds of another 75-basis-point hike by the Fed on Sept 21 grew to 87%. Next week, investors will want to monitor US August inflation which will be released on Tuesday.

On the domestic front, the Constitutional Court called for more information from the drafters of the 2017 charter as the justices consider whether Gen Prayut Chan-o-cha's eight-year term as premier is over. It will convene again on Wednesday, but Finasia Syrus Securities believe a ruling won't come until late September.

The SET Index moved this week in a range of 1,611.86 and 1,658.96 points before closing yesterday at 1,654.62, up 2% from the previous week with daily turnover averaging 65.24 billion baht.

NEWSMAKERS: The European Central Bank (ECB) on Thursday raised its policy rate by a record-high 75 basis points to 1.25% to fight inflation that hit a new high of 9.1% in August. It promised more rate hikes as the euro zone economy still faces recession risk from negative impacts from the Russia-Ukraine war and soaring energy prices.



- The dollar retreated from recent peaks in Asia yesterday as a hawkish rate hike from the ECB lifted the euro and investors looked to US inflation data early next week.
- European Union energy ministers are attempting to reach an agreement on a price cap for Russian gas but Hungary and the Czech Republic are opposed. Meanwhile, Russia's Gazprom has announced an indefinite delay in maintenance of the Nord Stream 1 pipeline, squeezing gas supplies further.
- Lenders of the struggling Chinese developer Evergrande Group have appointed a receiver to seize its Hong Kong headquarters as the world's most indebted developer struggles to emerge from US\$300 billion in liabilities.
- Thailand's Gulf Energy Development Plc (GULF), via subsidiary Gulf Energy USA, is acquiring a 49% stake in the 1,200-megawatt Jackson Generation natural gas-fired power project, its first in the United States, for US\$400 million from J-Power Group. The deal is expected to close in December.
- Bangkok Expressway and Metro Plc has won the bid for the right to jointly invest with the government in the western expansion of the Orange Line light rail system. BEM offered a better investment return and requested fewer subsidies than rival bidder Italian-Thai Development Plc and its South Korean partner Incheon Transit Corp.

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- SC Asset Corporation is bullish on the non-residential property business, with plans to invest in logistics and launch a new hotel in Bangkok's Ratchawat area in December.
- The Thai Bankers' Association (TBA) is waiting for a response from regulators on its request to further ease banks' contributions to the Financial Institutions Development Fund (FIDF) as interest rates rise.
- Thai Oil Plc, the country's largest oil refiner by capacity, is considering investments in India and Vietnam, after Indonesia, where it is scheduled to conclude a petrochemical asset purchase deal early in 2023. The investments in the three countries involve an oil refinery, lube oil and high-value petrochemical products.
- Central Department Store Co plans to spend 15 billion baht to expand its retail business from 2023-27. Chief executive Olivier Bron said 80% of the investment would be allocated to major renovations of existing Central department stores at Chidlom, Mega Bangna and Ram Intra; Robinson Department Stores; and two new stores in Bangkok and provincial areas.
- The industrial estate developer Amata Corporation has secured a concession from the government of Laos to develop a new Amata Smart and Eco City on 19,687 rai in Namor district of Oudomxay province.
- The Finance Ministry has approved a loan guarantee worth 85 billion baht for the Electricity Generating Authority of Thailand (Egat) as it seeks funds to absorb

a higher fuel tariff (Ft) to cushion the impact on consumers' power bills.

- Despite slower export growth in July, the Thai National Shippers' Council remains bullish that overall exports could rise by 6-8% this year, helped by a weak baht and increased food shipments. However, high global inflation, energy prices, freight rates, as well as shortages of raw materials remain key threats.
- Siam Makro Plc has allocated between 22.7 billion and 24.9 billion baht this year to expand its retail and wholesale business. At least 11.2 billion is for expanding Makro's wholesale business domestically and internationally, business initiatives, customer engagement, and the B2B Marketplace.
- Inflation in Thailand is expected to peak in the third quarter and decelerate in the final quarter, resulting in a full-year average around 6%, the Commerce Ministry's target.
- SCG Packaging Plc has acquired a 90.1% stake worth US\$1.98 million in Jordan Trading Inc, a New York-based trader of waste materials, notably paper, as it continues to strengthen its packaging material recycling business.
- Minor Food Group Plc, the operator of the Pizza Company and other brands, aims to beef up delivery and takeaway services to cash in on growth

trends in Asia as the pandemic has accelerated this behaviour.

- CK Power Plc will double its electricity generating capacity to 4,800 megawatts by 2024, mostly from renewable energy. The additional capacity, both from new development projects and assets it will acquire, will come from hydropower as well as solar and wind farms.
- Thailand attracted 73.6 billion baht in foreign investment, an increase of 64% year-on-year, during the first seven months of 2022, from 323 projects. Most of the funds came from Japan, Singapore, the US, Hong Kong and China.
- The Shrimp Board says a temporary decision to import fresh shrimp to help the processing business will not affect local prices. Prices have been good since last year, helped by an insurance system that boosts the price by 11-20 baht per kilogramme.

COMING UP: Locally, the Ministry of Energy says it will seek cabinet approval for measures to help reduce people's cost of living by mitigating the energy cost impact.

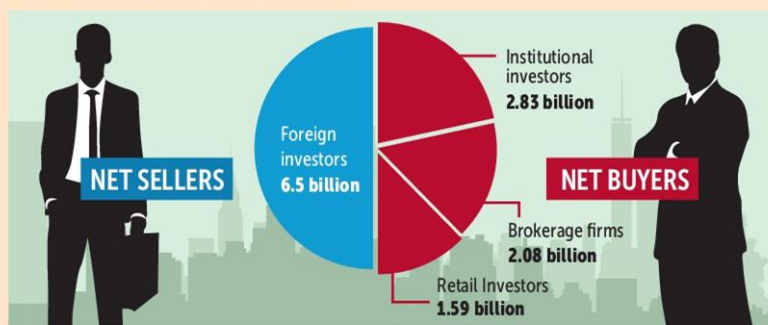
- Elsewhere, the September ZEW business confidence index for the euro zone will be released. The US will release August consumer prices on Tuesday and producer prices on Wednesday, which are likely to influence the

outcome of the next Fed meeting on Sept 20-21.

STOCKS TO WATCH: Capital Nomura Securities recommends stocks that have become more attractive because of rising bond yields such as TLI, BLA, SCB and KBANK; high-growth and digital tech stocks that gain from rebounding domestic demand, namely JMT, SINGER, CHAYO, BE8, BBIK and IIG; and stocks that will benefit from the launch of the Apple iPhone 14 including COM7, JMART, SPVI, CPW and SYNEX.

DAOL Securities recommends being overweight on hospital stocks as medical tourism picks up amid pent-up demand during the pandemic, especially among patients from the Middle East and CLMV countries.

TECHNICAL VIEW: Maybank Securities sees support at 1,600 points and resistance at 1,660. ACL Securities sees support at 1,635 points and resistance at 1,665.



TOP 5 GAINERS AND LOSERS

| Gainers | | | | Losers | | | |
|------------|---------------|----------|--|------------|---------------|----------|--|
| Securities | Closing price | % Change | | Securities | Closing price | % Change | |
| TEAMG | 8.00 | 56.86 | | JASIF | 7.60 | -12.64 | |
| PEACE | 4.86 | 15.17 | | TWZ | 0.07 | -12.50 | |
| CPH | 41.75 | 14.38 | | SDC | 0.26 | -10.34 | |
| THCOM | 11.60 | 13.73 | | TSR | 5.10 | -8.93 | |
| TRITN | 0.25 | 13.64 | | UP | 24.10 | -8.19 | |

As of Thursday

*New Listing

BANGKOK POST GRAPHICS