



SHARES REVIVE BUT BREXIT TURMOIL BATTERS POUND, EURO

RECAP: Most Southeast Asian stock markets rose on Friday amid hopes of a thaw in Sino-US trade relations, after tech shares and banks led a modest revival on Wall Street the day before. European stocks also recovered, but sterling and the euro remained fragile amid the turmoil surrounding the release of the draft Brexit agreement.

The SET index moved in a range of 1,638.57 and 1,673.42 points before closing at 1635.00, down 2% from the previous week, in turnover averaging 40.35 billion baht a day. Foreign investors were net sellers of 5.7 billion baht and institutional investors sold 2.72 billion worth of shares. Retail investors were net buyers at 6.8 billion baht and brokerage firms bought 1.6 billion.

NEWSMAKERS: British Prime Minister Theresa May suffered a huge blow on Thursday when four ministers including her Brexit secretary Dominic Raab quit as she tried to sell her proposed EU withdrawal agreement to a divided parliament.

- International Monetary Fund head Christine Lagarde said central banks around the world should consider issuing digital currency, which could make digital currency transactions safer.
- Oil prices have dropped to their lowest level in over eight months amid fears of a slowdown in demand. Benchmark Brent crude earlier this week slumped to \$65.11 a barrel, down from around \$85 less than two months ago.
- Italy's populist government has defied the European Commission by sticking to its big-spending budget plan, risking financial sanctions in a high-stakes standoff with Brussels.



* From the previous week BANGKOK POST GRAPHICS

- Japan's economy shrank 1.2% year-on-year in the third quarter as natural disasters hit spending and disrupted exports.
- Bankers at Goldman Sachs "cheated" Malaysia in dealings with the state fund 1MDB, Prime Minister Mahathir Mohamad said. He is considering more aggressive steps to recoup some of the \$600 million fees earned by the US investment bank for underwriting 1MDB debt issues.
- SoftBank plans to list its mobile unit in Tokyo next month in what could be one of the world's largest stock offerings. The ¥2.4 trillion (\$21 billion) float is part of the Japanese firm's broader move away from telecoms towards tech investing.
- The Chinese e-commerce giant Alibaba filled a record \$30.7 billion in orders on Sunday during its annual "Singles Day" shopping frenzy, but growth slowed from previous years.
- The Bank of Thailand kept its policy rate unchanged on Wednesday, but the 4-3

vote suggested the likelihood of the first rate hike in seven years at the next meeting in December.

- The Federation of Thai Capital Market Organisations has proposed a new investment fund to replace long-term equity funds (LTF), with a 10-year investment period and a tax credit capped at 100,000 baht. Deputy Prime Minister Somkid Jatusripitak will review the proposal.
- Commercial banks' non-performing and special mention loans for small and medium-sized enterprises, automobiles and credit cards ticked up in the third quarter, resulting in a higher potential for more soured loans.
- TMB Bank plans to halve its SME bad-loan ratio to 4% by the end of next year.
- The second batch of Thailand Future Fund (TFFIF) units is expected to be offered in May at the earliest, says the State Enterprise Policy Office.
- Consumer spending in Thailand is projected to surge by 30.7% by 2022, driven mainly by travel, food and beverage sectors, says the global market research firm Euromonitor International.
- The Treasury Department wants to raise the rent for land being used for commercial purposes to a 4% return on assets (RoA), up from 2-3% of RoA, to match economic conditions, its chief says.
- Media spending this year is estimated to grow 3.5% to 89.5 billion baht, with out-of-home and online recording the highest growth of 23% and 21% respectively, says Media Intelligence.
- Large listed developers have reported a mixed performance in revenues in the first nine months of the year, with condominiums remaining a key growth driver.
- The energy firm Bangchak Corp Plc (BCP) has earmarked

TOP 5 GAINERS AND LOSERS

Gainers				Losers			
Securities	Closing price	Change		Securities	Closing price	Change	
• TBSP	15.90	17.78%		• THE	2.22	-29.30%	
• NUSA	0.49	16.67%		• GJS	0.17	-29.17%	
• CPH	6.40	14.29%		• ORI	6.45	-26.70%	
• MANRIN	29.00	12.62%		• SSF	6.15	-26.35%	
• PTL	16.30	8.67%		• MALEE	9.00	-26.23%	

*As of Thursday

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77 billion baht to expand and develop its businesses both domestically and abroad over the next four years.

- Indorama Ventures Plc (IVL), a leading manufacturer of polyester and plastic packaging material, has completed the acquisition of 74% of Medco Plast for Packing and Packaging Systems from Middle East Glass Manufacturing Co (MEG) and the Samaha family.
- Mazda Motor Corp is poised to produce hybrid electric vehicles in the country after the Board of Investment approved its 11.48-billion-baht investment proposal.

COMING UP: Japan will release October trade figures on Monday and France will update unemployment data on Tuesday.

On Wednesday, the OECD will release its latest economic outlook, while the US will announce October durable goods orders and existing home sales. Due Thursday is October inflation in Japan and consumer confidence in the euro zone.

Germany will release the Markit manufacturing purchasing managers' index on Friday, with Canada releasing October inflation the same day.

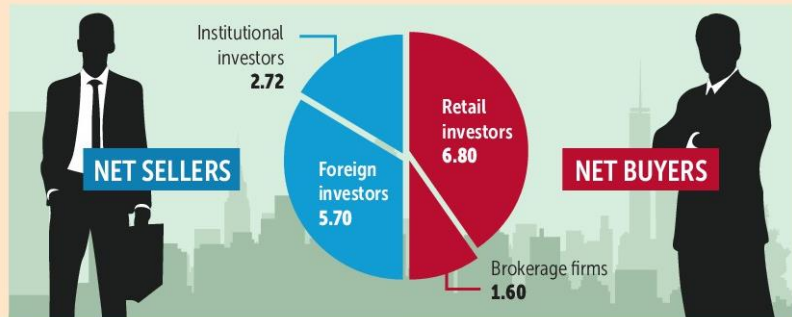
STOCKS TO WATCH: UOB Kay Hian Securities Thailand recommends large-cap stocks poised to benefit from the coming election such as BBL, KTB, STEC, CPALL, AMATA and AEONTS. Among firms with good cash flow and high dividends, top picks are TPCH, TPIPP, CPNREIT, PSH, SPF, EA and BCPG.

Bualuang Securities (BLS) recommends stocks with good fundamentals, including

BEAUTY, ILINK, ORI, KTC, MTC, COM7, BCPG, BEM, THANI, GUNKUL, TTW, TMB, SEAFCO, ANAN, IVL, SAWAD, BCH, QH, TFG, CKP, DELTA, HMPRO, ADVANC, CK and TISCO.

The most attractive stocks from a technical perspective, according to BLS, are AAV, TASCO, AH, BA, JMT, CPALL, TIPCO, SCC, THAI, GPSC, TKN, KSL, PCSGH, MAKRO, GFPT, TCAP, M, EGCO, ILINK, AOT, EPG, BANPU, RJH, BEAUTY and GUNKUL.

TECHNICAL VIEW: DBS Vickers Securities Thailand sees support at 1,620 points and resistance at 1,655. Maybank Kim Eng Securities Thailand sees support at 1,620 and resistance at 1,650.



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