



MARKET MONITOR

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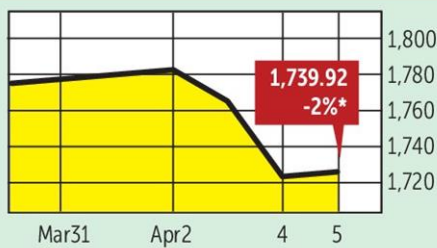
TRADE-WAR WORRIES SEND SHARES TOPPLING WORLDWIDE

RECAP: Global stock markets endured a rocky ride this week, rebounding on Thursday as signs emerged that the US and China might try negotiating ways to avert a trade war. But markets sank again yesterday after President Donald Trump threatened yet another batch of punitive tariffs — this time on \$100 billion worth of Chinese goods.

Shares in Thailand rebounded after tumbling more than 40 points on Wednesday in response to trade worries. Other risk factors also loom as analysts have downgraded the outlook for the banking and energy sectors, while some are starting to look at the possible impact of an indefinite postponement of the general election if the Constitutional Court finds the related laws deficient.

The SET index moved in a range of 1,724.88 and 1,783.73 points before ending the holiday-shortened week at 1,739.92, down 2.1% from the previous week, in turnover averaging 64.21 billion baht a day. Brokerage firms were net sellers of 4.47 billion baht, foreign investors sold 2.6 billion and local institutions sold 603.08 million worth of shares. Retail investors were net buyers of 7.66 billion baht.

NEWSMAKERS: China on Wednesday threatened painful tariffs on politically sensitive US goods including soybeans, aircraft and autos. That was a retaliation to looming US tariffs on more than



* From the previous week BANGKOK POST GRAPHICS

1,000 Chinese imports worth \$50 billion. On Thursday Mr Trump ordered his officials to find another \$100 billion in Chinese imports to target. Beijing has yet to respond.

- Europe's economic recovery is gaining pace, with euro zone unemployment falling to 8.5% in February, the lowest since December 2008, and inflation rising to 1.4% in March.
- Japan's ruling parties have reached a consensus on a bill that will pave the way for casino gambling, with local residents charged 6,000 yen (\$57) in entrance fees while foreign visitors could enter for free.
- The Philippine competition watchdog has joined peers in Singapore and Malaysia in looking into the acquisition by Grab of the

Southeast Asian business of its ride-hailing rival Uber. Both firms have SoftBank of Japan as a major investor.

- Thailand is said to be high on Donald Trump's new list of trade offenders, meeting all three criteria in a currency report due to be released soon. The criteria are the size of the trade surplus with the US, magnitude of the current-account surplus relative to the economy, and degree of net purchases of foreign currencies.
- Exports of agricultural and food products will be the hardest hit if the baht continues its gains, said the Thai National Shippers' Council. The impact may cause export growth to drop to 5% this year, down from earlier projections of 6%.
- Kasikornbank, which has the country's most popular mobile banking app, forecasts its non-interest income this year could contract by 6-8% after it jumped on the no-fee bandwagon for online transactions.
- Finance Minister Apisak Tantiworawong has instructed state-run banks to keep their interest rates unchanged throughout this year to help promote more broad-based economic growth.
- The Bank of Thailand is in talks to link the PromptPay system with Singapore's PayNow to let users in both countries send money to each other using mobile phone numbers.

- Consumer sentiment picked up in March, after dropping in the previous month, buoyed by stronger exports and tourism, but global trade tensions and low farm prices were a worry. The index compiled by the University of the Thai Chamber of Commerce rose to 79.9 from 79.3 in February.
- Headline inflation rose 0.79% in March from the same month a year earlier, compared with 0.42% in February and 0.68% in January.
- Telenor chief executive Sigve Brekke is pressing the government to allow more extended payments in future bandwidth auctions if it decides to use Section 44 to relax the payment terms of Advanced Info Service (AIS) and True Move, the winners of the 2015 auctions.
- Fashion TV aims to raise €67 million (7.6 billion baht) through the initial offering of its F-coin, a cryptocurrency that gives buyers access to heavily discounted products and services on the company's platform.

COMING UP: Japan will release March trade and consumer confidence figures on Monday, and Thailand will foreign-exchange reserves for March. Germany will announce February trade figures and Canada will release March housing starts.

On Tuesday, China will release data on new yuan loans for March. Australia will release its



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business confidence index. France and Italy will release industrial production figures for February. The US will release the March producer price index.

China on Wednesday will release March consumer prices, the UK will announce February trade and industrial production figures, and the US will release its March consumer price index and updated wage data.

The minutes of the March 21 Fed meeting will be released on Thursday. China will release March trade figures on Friday.

STOCKS TO WATCH: Krungsri Securities recommends focusing on firms with growth potential in the energy, food and beverage, property, and banking sectors. Its top picks for this year are ANAN, BANPU, BBL, BCH, IVL, HTC, MINT, PTTGC, SPALI and TMB.

DBS Vickers Securities Thailand recommends stocks with strong fundamentals for the second quarter including AEONTS, AOT, ERW, DIF, IVL and SENA. Low-beta stocks are identified as BBL, TCAP, TISCO, AEONTS, CPALL, BTS, BH, LALIN, SC, SPALI, MODERN and DIF.

TECHNICAL VIEW: Krungsri Securities sees support at 1,715 points and resistance at 1,760. DBS Vickers Securities sees support at 1,700 points and resistance at 1,750.