

MARKET TALK

Investment Strategy



August 30, 2024

Better next week

SET Index is expected to drop slightly this week. Fundamentals are expected to improve next week. The new cabinet should be finalized and ready for royal disbursement, and then the new government should start working in the third week of September 2024 and then push forward digital wallet handout phase 1. After that, SET Index should rally and surpass 1,370 pts. Thailand's international trade figures were better than expected. Bloomberg survey shows that Thailand has lower recession risk, down from 18% to 13%.

SET Index is expected around 1,350-1,365 pts. SET correction should end soon and then rebound thanks to progress on government formation and economic stimulus measures. Top picks today are BH, INTUCH, and OSP.

SUPPORT & RESISTANCE

SUPPORT 1,347-1,350
RESISTANCE 1,365-1,367

TOP PICKS

BH FV@B 304.00
INTUCH FV@B 95.00
OSP FV@B 33.00

STOCKS DELETED FROM MSCI GLOBAL STANDARD IN 2024

Stock	Delete Date	Return (-2W or Before Effective)	Return (Effective Date)	Return (+1M)
BJC	29-Feb-24	4.7%	-6.0%	0.8%
OSP	29-Feb-24	0.5%	-1.5%	0.0%
BANPU	29-Feb-24	-2.6%	-1.8%	-0.9%
BTS	31-May-24	-1.7%	-18.0%	9.7%
MTC	31-May-24	-3.2%	-1.1%	3.3%
LH	31-May-24	-4.3%	-2.2%	-2.6%
AWC	30-Aug-24	9.4%	?	?
EA	30-Aug-24	57.3%	?	?
GPSC	30-Aug-24	0.0%	?	?
IVL	30-Aug-24	8.4%	?	?

Source: MSCI, ASPS Research

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Recession fear subsides in US, TIP

U.S. 2Q24 GDP growth (second estimate) was 3%qoq, better than the first estimate of 2.8%qoq, driven by consumption and private investment. Initial jobless claims decreased 2,000 to 231,000 (lower than 232,000 expected), relieving U.S. recession concern.

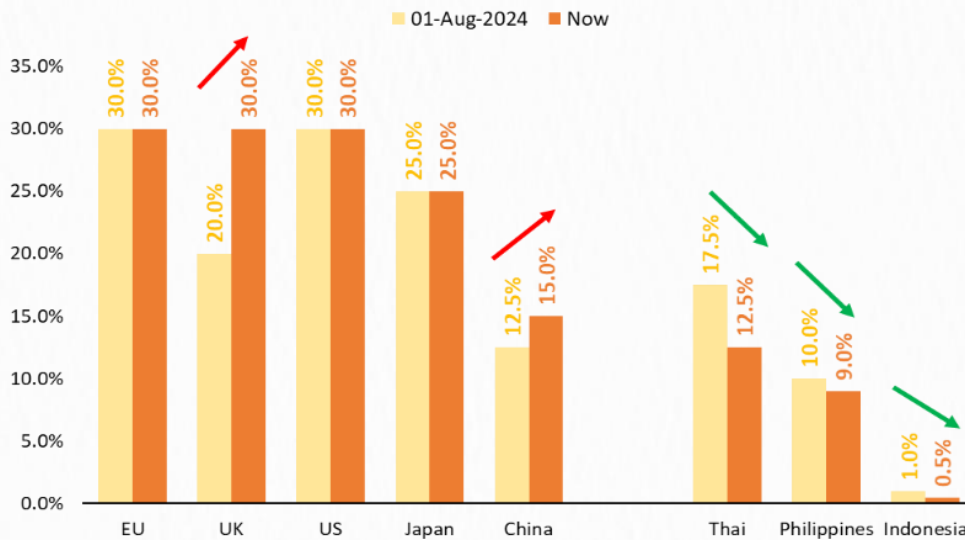
U.S. ECONOMIC FIGURES

Time	Cur.	Imp.	Event	Actual	Forecast	Previous
Thursday, August 29, 2024						
19:30	USD	★ ★ ★	GDP (QoQ) (Q2) ^P	3.0%	2.8%	1.4%
19:30	USD	★ ★ ★	Initial Jobless Claims	231K	232K	233K

Source: Investing, ASPS Research

Bloomberg sees 30% probability of U.S. recession in the next one year (unchanged from early-Aug). Bloomberg sees lower chance of recession in TIP economies, the Philippines (9%), Indonesia (0.5%), and Thailand (13%, down from 18%). Recession concern subsides, so stock markets should rebound from now on.

RECESSION RISK IN NEXT ONE YEAR BY COUNTRY



Source: Bloomberg, ASPS Research

Brent and WTI crude oil prices rose 1.6% and 1.9% yesterday due to a decline in global oil supply. Yesterday, Libya (0.7 million bpd) cut oil production by more than a half and halted export at many ports. Also, Iraq plans to reduce oil production from 4.25 million bpd to 3.85-3.9 million bpd in September. Oil price is expected to stay high longer, so SET Index should be less volatile today. We recommend accumulating refinery stocks such as PTT, PTTEP, TOP, SPRC, BCP, and SUSCO.

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U.S. recession concern subsides while crude oil prices rise further, so SET Index is now bullish (less volatile than global markets). SET Index today is expected around 1,350-1,365 pts.

Tourism, consumption are main drivers

Thailand's 2024 GDP growth is targeted at 2.6-3.0%, growing stronger in 2H24. Main economic driver is tourism. From January 1 to August 25 (YTD), Thailand reported 23.1 million foreign arrivals and tourism revenue of B1.08tr. For the remaining four months of 2024 (Sep-Dec), the government is expected to attract tourists further, which will boost the number of tourists and tourism revenue in 2024 to the targets of 36.7 million and B2.3tr.

THAILAND'S ECONOMIC OUTLOOK IN JUL 2024

Monthly Economic Report		July 2024	
<p>"In July 2024, Thailand's economy has been supported by continuous expansion of the tourism sector and strong export growth. However, private investment should be monitored closely. Import of capital goods grew strong. Yet, commercial cars, passenger cars, and motorcycle sales volume decreased from the same period in 2023."</p>			
Private Consumption	VAT at constant price	Sales of passenger cars	Consumer Confidence Index (CCI)
Increase	+11.4 (%YOY)	+5.0 (%YOY)	57.7 (ดัชนี)
Private Investment	Capital goods imports	Sales of commercial cars	Sales of Cement
Increase	+13.8 (%YOY)	-12.0 (%YOY)	+7.1 (%YOY)
Production	Manufacturing Production Index (MPI)	Agricultural Production Index (API)	Number of foreign tourists
Increase	89.3 (ดัชนี)	-1.4 (%YOY)	+24.6 (%YOY)
Export Import	Export values	Import values	Trade balance
Increase	+15.2 (5 term %YOY)	+13.1 (5 term %YOY)	-1.4 (พันล้านบาทต่อไตรมาส)
Stability	Headline inflation	Core inflation	International reserves
Strong	+0.83 (%YOY)	+0.52 (%YOY)	230.6 (พันล้านดอลลาร์สหรัฐ)
Government measures	<ol style="list-style-type: none"> 1. Accelerate disbursement of FY2024 budget 2. Follow up the economic stimulus packages of FY2024 budget 		

Source: NESDC

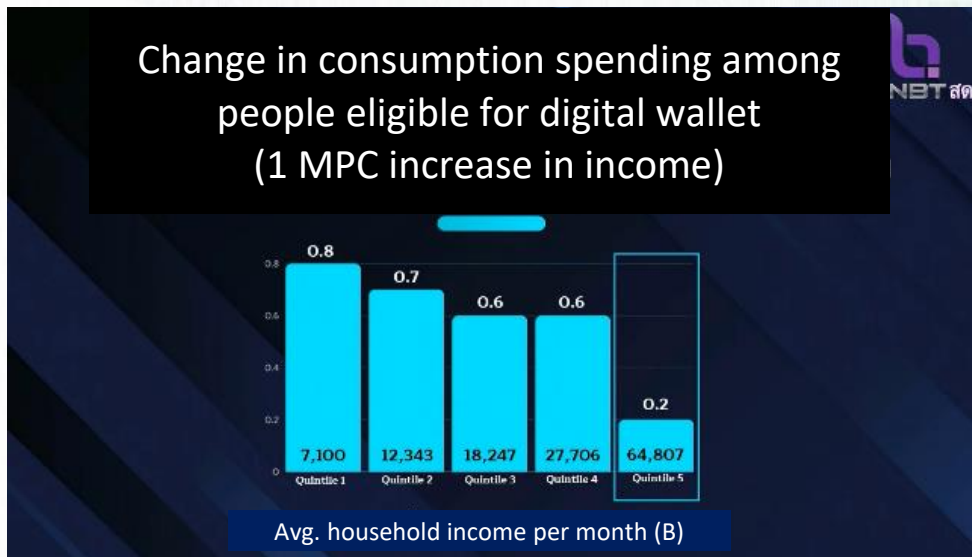
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Consumption will be a main economic driver in late-3Q24 and 4Q24. Acting Deputy Finance Minister said B10,000 digital wallet will be handed out to 14-15 million vulnerable and disabled people in September 2024, or a total budget of B1450bn (B122bn from 2024 extra fiscal budget and B22bn from central budget).

If vulnerable people earn more, spending should increase significantly. Statistically, if households with average income of B7,100/month (Quintile 1) earn additional B10,000, their consumption spending increases B8,000, equal to marginal propensity to consume (MPC) of 0.8.

CHANGE IN CONSUMPTION SPENDING AFTER DIGITAL WALLET



Source: NBT

Thailand's economy is expected to grow further in 2H24, mainly driven by tourism and consumption. If the government pushes forward economic stimulus policies, Thailand's economy should grow as targeted.

Short-term fluctuation due to MSCI rebalancing

Today (Aug 30), SET Index may be highly volatile due to MSCI rebalancing, mainly among global passive funds. During two MSCI rebalancing earlier this year, SET Index fell 0.43% and 0.82% (especially near the closing hour) while one-day trading value was unusually high above B70bn/day.

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TRADING VALUE AFTER MSCI REBALANCING

Date	Chg.	%Chg.	Trading Value
29/02/2024	-11.38	-0.82	73,556,288,389.00
31/05/2024	-5.86	-0.43	74,843,961,430.00
30/08/2024	?	?	?

Source: SET, ASPS Research

Stocks deleted from MSCI lists tended to fall from the announcement date to the effective date but then gradually rebound. After the latest MSCI rebalancing (Aug 13 - present), SET Index rose 4.65% thanks to fund inflow from active funds, while stocks deleted from MSCI Global Standard outperformed the SET, e.g. EA (+57%), AWC (+9%), IVL (+8%).

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AWC	30-Aug-24	9.4%	?	?
EA	30-Aug-24	57.3%	?	?
GPSC	30-Aug-24	0.0%	?	?
IVL	30-Aug-24	8.4%	?	?

Source: MSCI, ASPS Research

SET Index today may drop and fluctuate in the short term due to MSCI rebalancing, but then it may rebound with fund inflow. MSCI may upgrade Thai stocks next time.

STOCK CALENDAR

🕒 30 สิงหาคม 2567

August 2024						
Monday	Tuesday	Wednesday	Thursday	Friday		
26	27	28	29	30		
<p>Last trading day SABUY-W2</p> <p>XD</p> <p>AIMCG @B0.0900 AIMRT @B0.1433 AMATA @B0.25 AYUD @B0.90 BGRIM @B0.18 BRRGIF @B0.13058 CPNREIT @B0.0399 GPI @B0.10 K @B0.03 KCAR @B0.08 KCE @B0.60 M @B0.50 MOONS @B0.06 NAT @B0.22 NSL @B0.35 PCSGH @B0.10 PHOL @B0.10 PQS @B0.05 RPH @B0.11 SABINA @B0.69 SFLEX @B0.06 TFG @B0.075 VCOM @B0.12</p> <p>XN</p> <p>B-WORK @B0.3203 BRRGIF @B0.14 CPNREIT @B0.1283</p>	<p>XD</p> <p>AH @B0.30 ASP @B0.07 BIS @B0.05 BJC @B0.15 BLA @B0.20 BLC @B0.06 BTC @B0.01 CHG @B0.02 CK @B0.15 FSMART @B0.23 FTE @B0.04 GFC @B0.10 HUMAN @B0.12 IHL @B0.06 IMPACT @B0.22 IVL @B0.175 KTBSTMAR @B0.1741 LHHOTEL @B0.3100 LHPF @B0.0700 LHSC @B0.1810 NNCL @B0.05 PIMO @B0.02 POLY @B0.20 SAMTEL @B0.03 SC @B0.05 SNP @B0.10 SPALI @B0.60 STP @B0.25 SYNEX @B0.10 TKN @B0.30 TKS @B0.12 TOG @B0.20 WINNER @B0.06 XO @B1.70</p> <p>XE</p> <p>SABUY-W2 1:1w @B5.00 (final, "SP")</p> <p>XN</p> <p>QHPF @B0.1500</p>	<p>XD</p> <p>2S @B0.07 APO @B0.15 CCET @B0.07 CPTGF @B0.1555 CPW @B0.04 EGTIF @B0.1056 FORTH @B0.15 FPI @B0.04 FUTUREPF @B0.15358 GVREIT @B0.1963 HTECH @B0.075 JSP @B0.0316 KAMART @B0.10 KBSPIF @B0.2350 KISS @B0.10 PLT @B0.01 PSH @B0.15 PTT @B0.80 SIRI @B0.07 SKR @B0.09 SPRC @B0.25 TFIF @B0.1102 THIP @B0.65 TOA @B0.33 TTLPF @B0.5400 TQM @B0.45 UNIQLO80 @B0.02612</p> <p>XN</p> <p>CPTGF @B0.0175 EGATIF @B0.1300 FUTUREPF @B0.2059</p> <p>New shares trading</p> <p>NEWS 77,994,520,700 shrs (pp)</p>	<p>XD</p> <p>BCH @B0.12 BKKCP @B0.1600 CPF @B0.45 EKH @B0.28 JUBILE @B0.19 KLINIQ @B0.65 LALIN @B0.165 LPH @B0.03 MIPF @B0.33 OSP @B0.30 SECURE @B0.20 SPCG @B0.50</p> <p>New shares trading</p> <p>EA13C2412E 120,000,000 units</p>	<p>New list - Warrant</p> <p>PPPM-W6 130.309m units, B1 par</p> <p>XD</p> <p>PROSPECT @B0.2150 SSTRT @B0.2000 TIF1 @B0.1350 VENTURE19 @B0.0654</p> <p>New shares trading</p> <p>GIFT 253,318,965 shrs (w) RS 21,363,303 shrs (w) SDC 444,444,443 shrs (pp)</p> <p>Conversion</p> <p>AJA-W3 1.071:1w @B0.166 (final) BC-W2 1:1w @B2.00 BEYOND-W2 1:1w @B10.00 (final) CHO-W4 1:1w @B0.23 CSC-P 1:1 JCKH-W2 1:1w @B0.03 JSP-W1 1:1w @B2.50 (final) SAWAD-W2 1.146:1w @B87.188 SCN-W3 1:1w @B1.00 SSP-W2 1.21:1w @B16.529</p>		

September 2024						
Monday	Tuesday	Wednesday	Thursday	Friday		
2	3	4	5	6		
<p>Last trading day</p> <p>ALL STRAK WORLD</p> <p>XD</p> <p>BCPG @B0.10 DRT @B0.26 OR @B0.27 PB @B0.89</p> <p>Conversion</p> <p>SIMAT-W5 1:1w @B2.00 (Final)</p>	<p>Delisting</p> <p>ALL STRAK WORLD SIMAT-W5</p> <p>Last trading day TRUBB-W2</p> <p>XD</p> <p>BSRC @B0.08 LUXF @B0.54 MINT @B0.25 TPCH @B0.23</p>	<p>Sector move</p> <p>Thanulus (TNL) - Fashion > Finance & Securities</p> <p>XD</p> <p>BA @B0.60 BBL @B2.00 BCP @B0.60 GAHREIT @B0.32 GRDREIT @B0.28 KKP @B1.25 MLF @B0.1300 PINGAN80 @tba</p> <p>XE</p> <p>TRUBB-W2 1:1w @B6.00 (final, "SP")</p> <p>XN</p> <p>CTARAF @B0.1350</p>	<p>XD</p> <p>HTC @B0.48 ONEE @B0.08 RATCH @B0.80 MST @B0.38 NETASE80 @tba SCB @B2.00</p>	<p>XD</p> <p>BKNG80X @tba LANNA @B1.10 PEP80X @tba</p> <p>XW</p> <p>SGC 5 existing: 1SGC-W1</p>		
9	10	11	12	13		
<p>XD</p> <p>GOOG80X @tba GPSC @B0.45 HPF @B0.133 MHI @B0.175 M-STOR @B0.11 MNT @B0.035 MNT2 @B0.075 MNRF @B0.03</p>	<p>Last trading day TRITN-W6</p> <p>XD</p> <p>BANPU @B0.18 BDMS @B0.35 HMPRO @B0.18 SSPF @B0.1655 TIPH @B0.50 TISCO @B2.00 TISCO-P @B2.00</p>	<p>XD</p> <p>BAY @B0.40 KBANK @B1.50 SUSCO @B0.08</p> <p>XE</p> <p>TRITN-W6 1:1w @B0.25 (final, "SP")</p>	<p>XD</p> <p>EGCO @B3.25 K080X @B0.01746</p> <p>Conversion</p> <p>MBAX-W2 1:1w @B3.00 (final) NATION-W4 1:1w @B0.25</p>			
16	17	18	19	20		
		<p>Conversion</p> <p>SABUY-W2 1:1w @B5.00 (final)</p>	<p>Delist</p> <p>SABUY-W2</p>			
23	24	25	26	27		
<p>Last trading day</p> <p>SAAM-W2 TPS-W1</p> <p>XD</p> <p>SO @B0.007407407623 SO 15 existing: 1std</p> <p>Conversion</p> <p>APURE-W3 1.03948:1w @B6.734 DEMCO-W7 1:1w @B3.50</p>		<p>XE</p> <p>SAAM-W2 1.0056:1w @B10.9753 (final, "SP") TPS-W1 1:1w @B1.20 (final, "SP")</p>	<p>XD</p> <p>NINTENDO19 @tba SMFG19 @B0.1066</p> <p>Conversion</p> <p>TRUBB-W2 1:1w @B6.00 (final)</p>			

October 2024					
Monday	Tuesday	Wednesday	Thursday	Friday	
	1	2	3	4	
			<p>Conversion</p> <p>ASW240A 1cb:125 @B8.00 (final) TRITN-W6 1:1w @B0.25 (final)</p>		
7	8	9	10	11	
<p>Last trading day</p> <p>W-W5</p> <p>XW</p> <p>JAS 2 existing: 1JAS-W4</p>	<p>XE</p> <p>W-W5 0.0667:1w @B2.10 (final, "SP")</p>				

ที่มา: set.or.th

