

30 September 2024

Positive factors in queue for market boost

## Market Outlook

>> 1445 - 1465 <<

The Thai stock market looks poised to recover in today's trading session, supported by favorable factors anticipated this week, with buying expected ahead of these positive elements. First, hopes are pinned on the Vayupak Fund, with over Bt150bn set to flow into the capital market from Oct 1, providing an opportunity to buy mid- and large-cap stocks targeted by the fund. Second, the tourism and transport sectors are likely to receive a boost from the Golden Week holiday, spanning Oct 1-7, as Thailand is one of the popular destinations for Chinese tourists, who currently rank second in terms of foreign tourist arrivals to Thailand. Last week, over 104,000 Chinese visitors traveled to Thailand, only behind those from Malaysia with 126,000 travelers. Third, Prime Minister Paetongtarn Shinawatra is scheduled to attend the 3rd Asia Cooperation Dialogue (ACD) Summit in Doha, Qatar, where she will deliver her vision on Oct 3. The following day, she is due to deliver her speech at TNN Dinner Talk 2024 under the theme "EMPOWERING THAILAND: Leadership for a New Economy". Early next week, she is scheduled to give remarks at a forum organized by Bangkokbiznews. These events are likely to benefit stocks in the domestic plays and the construction sector. Fourth, the US PCE for Aug grew 2.2% y-y and 0.1% m-m, softening from the previous month's levels of 2.5% y-y and 0.2% m-m, fueling expectations of future Fed rate cuts and the potential for a 'soft landing' for the US economy, giving risk assets a boost. Finally, China's central bank has conducted 182bn yuan of seven-day reverse repos at an interest rate of 1.5% on Sun, increasing liquidity in the Chinese economy. This morning, China's PMI data for Sep will be under close watch, with manufacturing PMI expected to approach 50, providing positive sentiment.

**Trading ideas:** 1) State policies: CK, CPAXT, KTB, STEC, WHA, M and KTC, 2) tourism plays: AOT, AAV, ERW, BA, MINT and CENTEL, 3) global interest rate-cutting cycle and stronger baht: BGRIM, GULF, GPSC, TVO and ICHI and 4) Vayupak Fund: ADVANC, INTUCH, SABINA, SC and SIRI

## Positive Factors

- "The Information" reported, citing inside sources, that Amazon has exceeded its advertising booking target for its video streaming service for next year, reaching USD 1.8 billion.
- Reuters reported, citing inside sources, that major Chinese cities such as Shanghai and Shenzhen are planning to lift the remaining key restrictions to attract potential homebuyers and revitalise the sluggish real estate market.
- The Ministry of Higher Education, Science, Research and Innovation (MHESI) has revealed that Thailand's ranking in the Global Innovation Index (GII) 2024 has improved to 41st from its previous position of 43rd. Thailand has shown progress in both the Innovation Input Sub-index, moving up to 41st from 44th, and the Innovation Output Sub-index, climbing to 39th from 43rd.
- Rayong is becoming a hotspot! Chinese EV manufacturers are flocking to establish production plants, driving land prices up by 22.9%. The hottest location, Ban Chang, has seen prices surge by 52.5%, making it an ideal area for residential development to accommodate industrial workers and tourism. Klaeng District follows as the next most popular area.

## Negative Factors

- In August 2024, Toyota Thailand reported a total vehicle sales of 45,190 units, marking a 25% y-y decrease. The passenger car market slowed down by 22.6%, while the commercial vehicle market also declined by 26.5%. The 1-tonne pickup truck segment saw a significant drop of 39.2%. However, the xEV market accounted for 38% of total vehicle sales, showing a 20% y-y growth.
- Prime Minister Paetongtarn Shinawatra presided over the launch of the "30 Baht Treatment Anywhere" programme aimed at ensuring nationwide healthcare access. Bangkok is targeting nationwide implementation by this year. This initiative is seen as having a negative sentiment towards hospital stocks, particularly those with a high proportion of revenue from social security patients.
- Germany revealed that the number of unemployed people increased by 17,000 to 2.82 million in September 2024, signalling issues in the country with the largest economy in Europe.
- Taiwan is on high alert after detecting multiple Chinese missile launches, shortly after Beijing tested an ICBM, further escalating tensions in the region.

## PICKS OF THE DAY

	Target
	65.00 / 67.00
	Support
<b>AOT</b>	63.00

- Upbeat outlook for 4QFY24, driven by tourism
- Tourist season from 1QFY25-2QFY25

	Target
	58.50 / 60.00
	Support
<b>GULF</b>	55.00

- External support factors
- New PDP to be submitted to cabinet

### Strategy team

Teerada Charnyingyong - Securities Investment Analyst and Technical Analyst #9501  
Chutikan Santimetvirul, CISA - Capital Market Investment Analyst and Technical Analyst #37928  
Pasut Ngowiwatchai, CISA - Capital Market Investment Analyst #127632  
Pattharadanai Jaturaporn - Capital Market Investment Analyst #094041

Thanapong Saelo - Assistant Analyst

Ref.No.: CO2567\_0185