



13 November 2024

>> 1445 – 1465 <<

**Sideways mode:** The SET Index looks set to move sideways in today's trading session. The Thai stock market is likely to be supported by anticipation of upcoming 'New Year' stimulus gifts from the government and a recovery in tourism, though the upside could remain limited due to fund outflows and growing concerns about US inflation.

### Trading ideas

- 1) **Tourism and spending:** AU, ADVANC, BTS, CPALL, CPAXT, GLOBAL, ILM, KTC, LHHOTEL and TRUE
- 2) **3QFY24 earnings speculations:** BEM and CPF
- 3) **Export-linked stocks:** ASIAN, GFPT and TFMAMA
- 4) **Defensive plays:** INTUCH and PR9
- 5) **Selective plays:** BBIK, KBANK, KKP and TISCO

### Picks of the day

 <b>BBIK</b>	Target	45.00 / 47.00
	Support	42.00
	<b>BUY</b>	

- Strong earnings growth in 3QFY24
- Solid backlog

 <b>TISCO</b>	Target	97.50 / 98.50
	Support	95.50
	<b>BUY</b>	

- Rebound in loan volume
- Attractive dividends

- **Anticipation of 'New Year' stimulus gifts:** The SET Index could find support from anticipation of new stimulus measures, as the deputy finance minister said that the board responsible for steering the economic stimulus policy will meet with the government on Nov 19, which could shed light on the economic direction. The Finance Ministry will have to consider which sectors require more stimulus. Meanwhile, the 'New Year' stimulus gifts and the 10,000-baht digital wallet scheme are expected to be discussed at the meeting.
- **Strong tourism, aided by weaker baht:** Stocks linked to tourism and related sectors could see sentiment lifted by the recovery in foreign tourist arrivals. From Jan 1-Nov 10, Thailand received 29.8mn foreign tourists, a surge of 29% y-y. In addition, the weaker baht may further support tourism and export. This morning, the Thai baht hit the lowest level in almost three months, nearing Bt35.00 per dollar. The depreciation of the baht is likely to continue to pressure the SET Index amid fund outflows. While foreign investors were net buyers of Bt500mn in Thai stocks yesterday, their net selling in the Thai bond market rose to Bt4bn.
- **Growing concerns about US inflation:** Upside in the Thai stock market is likely to be limited due to rising concerns about US inflation in the face of the Trump administration, which could delay Fed rate cuts. This is reflected by the CME FedWatch Tool, which shows a 40% chance of the Fed's decision to uphold interest rates at its Dec meeting, up from 22% the previous week, along with an increase in the US 2-year Treasury yield to 4.37%, the highest level since the end of Jul 2024. Tonight, the focus will be on the release of US CPI data for Oct, which could add to inflation concerns. Headline CPI for Oct is expected to increase by 2.6% y-y and 0.2% m-m, compared to the previous month's levels of 2.4% y-y and 0.2% m-m, while Core CPI for Oct is anticipated to rise by 3.3% y-y and 0.3% m-m, on par with the previous month's growth rate.

### + Additional Factors

- (+) The Cabinet has approved a resolution allowing the Government Savings Bank to implement the "Job Creation and Career Development Loan Program" with a total budget not exceeding 15 billion baht. This initiative aims to enhance liquidity and alleviate the debt burden for small-scale individuals, freelance professionals, and regular income earners.
- (-) The Cabinet has approved a credit measure for home purchases and construction with a special interest rate for five years, available for loans up to 3 million baht, with a total credit limit of 50 billion baht. Additionally, there is a repair and renovation loan offering a special interest rate for three years, with a maximum loan amount of 100,000 baht and a total credit limit of 5 billion baht.
- (-) Japan's Isuzu Motors lowered its annual net profit forecast by 25 billion yen to 135 billion yen as the outlook worsened for pickup truck sales in Thailand, a vital market.
- (-) In a monthly report on November, OPEC said world oil demand would rise by 1.82 million barrels per day in 2024, down from growth of 1.93 million barrels per day forecast last month. This adjustment is anticipated to exert downward pressure on energy sector stocks.

#### Strategy team

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