



14 November 2024

1,440-1,460

Sideways mode: The SET Index is likely to move sideways in today's trading session, affected by US CPI data and concentrated trading activity on DELTA. However, investors remain hopeful about buying pressure from foreign investors and China's stimulus measures for the property sector.

Trading ideas

- 1) Tourism and spending:** AU, ADVANC, BTS, CPALL, CPAXT, GLOBAL, ILM, KTC, LHHOTEL, TRUE, AAV and HTC
- 2) Export-linked stocks:** GFPT, CPF, CBG and AAI
- 3) Defensive plays:** INTUCH, PR9 and BDMS
- 4) Selective plays:** BBIK, KBANK, KKP, TISCO, PTG and IVL
- 5) 3QFY24 earnings speculations:** AMATA, CK, CENTEL, ERW, BCH and PRM

Picks of the day



Target
16.20 / 16.70

Support
15.60

BCH

BUY

- Anticipated robust earnings in 3QFY24
- Requests for SSO rate adjustment



Target
9.50 / 9.80

Support
9.15

PTG

BUY

- Growth potential for non-oil business
- Tourism boost in 4QFY24

- **Future Fed decision in focus following US CPI release:** The US CPI for Oct rose 2.6% y-y, accelerating from the previous month's 2.4%, and grew 0.2% m-m, on par with the Sep level. Core CPI for Oct also increased 3.3% y-y and 0.3% m-m, unchanged from the previous month. These figures show no signs of an inflation slowdown, renewing concerns about the Fed's future monetary policy, especially with the potential stimulus policies from the Trump administration, known as Trumponomics, that could drive inflation. This scenario may cause the Fed to pause its interest rate-cutting cycle, leading to a stronger US dollar. The Dollar Index has now reached a one-year high of 106.49, putting downward pressure on Asian currencies. The Thai baht has hit its weakest level in four months at Bt34.93 per dollar, but this condition could benefit export-linked stocks.
- **DELTA's influence:** DELTA's market cap has surpassed Bt2tn, now accounting for over 11% of the SET Index and more than 15.74% of the SET50 Index. This significant weighting means the market could experience heightened volatility if DELTA's stock price declines sharply. Yesterday, the SET Index increased by 6.40 points, with DELTA alone contributing 4.51 points, meaning that other stocks collectively added only a net 1.89 points to the SET.
- **Hope for foreign investors' continued purchases of Thai stocks and bonds:** Yesterday, foreign investors were net buyers of Bt165.91mn in Thai stocks, marking a second consecutive day of net buying. Their net buying in the bond market exceeded Bt435mn, concentrating on long-term bonds with maturities of 5-10 years. This trend, in our view, could lend support to big-cap stocks usually targeted by foreign investors.
- **Home-buying tax cuts to revive China's property sector:** China plans to cut home-buying taxes in megacities, including Shanghai and Beijing, from 3% to 1%. Data shows the property sales in China returned to positive growth in Oct.

+ Additional Factors

- (-)The Federal Reserve Committee is starting to show a tendency to slow down the pace of interest rate cuts after the presidents of the Minneapolis and Richmond Fed branches suggested that the neutral interest rate of the United States may need to be adjusted upwards to match increased productivity. As a result, there is a tendency to reduce interest rates gradually.
- (+)The vice president of the Federation of Thai Industries revealed that the government is preparing to expand the area of the Eastern Economic Corridor (EEC) project, following the positive trend of investment this year.
- (-)The president of the Thailand Development Research Institute revealed that the key conditions for attracting foreign investment in Thailand are the availability of clean energy and the achievement of the Net Zero target by 2065, which is considered slower than other countries in the world.
- (+)The Tourism Authority of Thailand is organizing the "Colors of the River, Loy Krathong Festival 2024" at 5 landmarks across Thailand from November 13-16, 2024.

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