



FRESH VIRUS SPIKES GIVE INVESTORS PAUSE

RECAP: Most Southeast Asian stock markets ended lower yesterday, with Indonesia losing the most and Thailand the sole gainer, as a sharp rise in new coronavirus cases dented the appeal of riskier assets.

The SET index moved in a range of 1,476.89 and 1,532.87 points this week before closing yesterday at 1,495.09, down 2% from the previous week, in turnover averaging 60.42 billion baht a day.

Retail investors were net buyers of 9.3 billion baht and brokerage firms bought 5.5 billion. Institutional investors were net sellers of 8.5 billion baht and foreign investors offloaded 6.3 billion worth of shares.

NEWSMAKERS: The coronavirus outbreak has accelerated outside China, with South Korea reporting a surge in infections on Friday. China adjusted the number of its cases for the third time, raising more questions over data reliability. Japan is also seeing cases in several unconnected areas. As well, two passengers from the quarantined cruise ship *Diamond Princess* died and the number of cases reached 634 out of 3,700 passengers.

- China has postponed the annual meeting of the National People's Congress, originally scheduled to start on Monday, because of virus concerns. The event is not expected to take place until late March or early April.
- The US ambassador to Germany said that President Donald Trump had threatened to cut off intelligence-sharing with countries that dealt with the Chinese tech firm Huawei.
- Japan has suffered its worst quarterly GDP contraction in more than five years, with a 1.6% contraction attributed to the consumption tax increase and a deadly typhoon taking a toll on the world's third-largest economy.
- HSBC has announced further cost-cutting, including layoffs of 35,000 employees, after profits slid by a third last year. Its interim chief warned the global

banking giant was still "not delivering acceptable returns".

- Apple said it would miss its revenue target for the March quarter due to the coronavirus epidemic, as iPhone supplies worldwide are being affected, underlining the economic cost of the pandemic.
- Facebook went on trial in a San Francisco court on Tuesday, as the US Internal Revenue Service tries to convince a judge the social media company owes \$9 billion linked to its decision to shift profits to Ireland.
- Thailand's economy grew last year by 2.4%, at its weakest pace in five years, as exports and public investment slowed, and the impact from the coronavirus is set to compound the misery this year.
- Chevrolet dealers slashed prices by up to 50% after General Motors announced that it would exit the Thai market and lay off all 1,500 workers at its Rayong plant, which will be sold to Great Wall Motors of China by year-end.
- Thai tourism has been dealt another massive blow after 80% of Japanese tour groups cancelled packages to the kingdom, prompting tour operators to urge airlines to reduce flight frequencies. The number of Thais travelling to Japan has also dropped by 20%.
- The country could lose 170 billion baht in tourism income, cutting 2020 GDP growth

TOP 5 GAINERS AND LOSERS

Gainers			Losers		
Securities	Closing price	Change	Securities	Closing price	Change
• MONO	1.03	37.33%	• ROBINS	19.50	-61.00%
• TTI	19.70	22.36%	• MAX	0.01	-50.00%
• B52	0.22	22.22%	• SPORT	0.10	-37.50%
• SRICHA	7.40	12.98%	• DDD	18.60	-15.07%
• THIP	23.70	12.86%	• AJA	0.25	-13.79%

*As of Thursday

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* From the previous week

BKPgraphics

by a full percentage point, if the coronavirus outbreak takes six months to contain, says GSB Research. Hotels and tour operators are now pinning all their hopes on domestic travellers in the run-up to Songkran.

■ The virus outbreak

is likely to trim the value of Thai exports to China by 1% in the first quarter to about \$2.5 billion, according to estimates of the Thai National Shippers' Council and the Commerce Ministry.

- The country's car exports in January hit a 93-month low, totalling 65,295 cars, a sharp drop of 20% year-on-year as overall economic sentiment at import destinations remained downbeat.
- Banking loan growth could slow to levels below economic growth, while the bad-loan ratio is expected to surpass 3% of credit outstanding this year as the economy falters, says a senior official at the central bank.
- State investment worth at least 400 billion baht is expected to be pumped into the economy in the second quarter following the passage of the long-delayed fiscal 2020 budget, says Finance Minister Uttama Savanayana.
- The Internal Trade Department will post the prices of 300 medical services on its website later this month so consumers can review them before seeking medical treatment.
- Shares of SET-listed Central Retail Corporation Plc (CRC) closed 25 satang below their offer price on the first day of trade for the biggest equity IPO by market cap in local market history, amid sentiment blighted by virus worries.
 - The National Broadcasting and Telecommunications Commission has signalled that the 3500-megahertz range is unlikely to be auctioned for 5G purposes this



Unit: billion baht

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year. The move could affect third-ranked mobile operator DTAC, which holds less bandwidth than bigger rivals.

- Mobile leader Advanced Info Service (AIS) is promising speed increases up to 2,400% on its future 5G network on the 2600MHz band, after securing the largest haul of 1,450MHz of bandwidth for both uploads and downloads in the Feb 16 auction.
- As the Covid-19 virus outbreak hits the tourism sector, SET-listed Grande Asset Hotels & Property Plc says it expects hotel revenue to fall this year, while MBK Plc is also preparing to revise its outlook.
- SET-listed Thai Union Group Plc (TU), a global seafood conglomerate, saw its 2019 net profit rise by just 0.5% year-on-year amid a challenging sales environment and a one-time impairment expense.

COMING UP: Germany will release fourth-quarter 2019 GDP data on Tuesday. The EU will release February business confidence on Thursday and the US will release the second estimate of Q4 GDP data.

- Britain will release February consumer confidence on Friday, France and Canada will release Q4 GDP, and the US will release January personal income and spending.

STOCKS TO WATCH: Tisco Securities notes that newly listed CRC will be added to the SET50 and SET100 indices on Tuesday, while BPP and AAV will be withdrawn.

Stocks benefitting from fiscal 2020 budget approval are STEC, SEAFKO, CK, PYLON and TASCO. Stocks gaining from low interest rates are AEONTS, KKP, S11, THANI, AP, LH, QH,

SPALI, ROJNA,
EASTW,SUSCO,
TTW, WHAUP,
MC, MAJOR, TVO,
BTSGIF, DIF and
TFIF.

Bualuang Securities recommends PTT for its high core profit, RS for expected earnings recovery this quarter and CBG

for record-high quarterly earnings. Stocks warranting close monitoring are AOT and BEM as prices could dip further.

TECHNICAL VIEW: Finasia Syrus Securities sees support at 1,575 points and resistance at 1,530. SCB Securities sees support at 1,580 and resistance at 1,510.