

MARKETS

Bourse dips despite election landslide

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Sentiment surrounding the Stock Exchange of Thailand (SET) was downbeat yesterday, despite Sunday's landslide election win, as investors dumped shares related to politics and big-cap stocks that might be adversely affected by the policies of the Move Forward Party, analysts say.

The SET index finished 1.28% lower yesterday as shares of Gulf Energy Development Plc (GULF), Thailand's largest power producer, were among the top losers on the bourse along with other electricity producers, namely B.Grimm Power, Global Power Synergy (GPSC) and Ratch Group.

Investors also dumped shares of Advanced Info Service (ADVANC), in which GULF has a controlling stake through InTouch Holdings, and CP All, as well as politically-linked stocks, namely Sansiri Plc, SC Asset and True Corp.

Koraphat Vorachet, head of Thailand Equity Strategy at Capital Nomura Securities, said big-cap stocks which dominated each sector on the SET were sold on the psychological impact of the poll results.

"The Move Forward Party has policies that focus on creating free competition in each business sector. That's why we see investors selling the shares of companies that dominate sectors that they are in, such as retail, power generation and telecom," he told the *Bangkok Post*.

"That is a psychological effect of the election, though I think the winning party would allow all projects that were already endorsed by the government to go ahead," Mr Koraphat said.

Nattawat Onratn, senior executive vice-president at CGS-CIMB Securities (Thailand), said investors rushed to dump shares of listed power producers, led by GULF, on concerns about the policies of the Move Forward Party which clearly referred to lowering the energy tariff. Shares of ADVANC — in the same group as GULF — also lost

ground, falling about 5%.

"It was panic selling as the Move Forward Party, which won Sunday's election and is set to form a new government with the Pheu Thai Party, clearly stated that one of its policies is to cut the electricity tariff. That would affect



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Senior executive vice-president, CGS-CIMB Securities (Thailand)

stocks in the power generation sector," he said.

"Actually, I think we'll have to wait for another one or two months to see clearly the policies of the new government," said Mr Nattawat.

Pichai Lertsupongkit, first vice-president at Thanachart Securities, said he expected the Move Forward Party to face some resistance in forming the new government after the party surprisingly won the majority of votes in Sunday's poll.

"The Move Forward Party's key policies are about the welfare state while the Pheu Thai Party is focused on liberal capitalism, but both have populist promises which can stimulate the economy in the short-term," said Mr Pichai.

"That's why I think the SET index would tend to increase once the election results are known, but slight volatility is possible," he said.

Bualuang Securities said the market would remain volatile until the formation of the government is clear. Stocks that are related to the Pheu Thai Party

were sold after the party won fewer-than-expected seats in the House of Representatives.

Sansiri was down 7.41% in morning trade as SC lost 6.55%. ADVANC, which is linked to the Shinawatra family behind the Pheu Thai Party, fell 2.26% and TRUE dropped 5.23%.

Meanwhile, Asia Plus Securities (ASPS) said the stock market should gain ground soon on expectations that the new coalition government should be stable and proceed with its policies smoothly.

"A political shift is happening and the new coalition government is probably stable as the number of MPs of the potential coalition parties is significantly larger than the opposition parties," ASPS said in its research yesterday.

Since a majority has been won by a few parties, the potential coalition government would be unified in terms of policies and direction, ASPS added.

Statistically, based on the five most recent general elections, the SET Index recorded its smallest return of 3.8% one week after the election and 3.1% one month after the election, with foreign net buying of 9 billion baht on average.

The Election Commission (EC) will take 60 days to investigate the poll results. The first parliamentary session would be held in the first half of July 2023. Then, a new prime minister would be named and the new cabinet would be formed, which is projected to be royally endorsed and take office in August.

A stock analyst who requested anonymity said the anti-monopoly position of the Move Forward party could affect investors' sentiment, regarding the ongoing takeover deal of fixed broadband service 3BB by ADVANC.

Recently, NBTC board approved in principle guidelines for the purchase of fixed broadband service 3BB by AIS from Triple T Broadband (TTTBB) and its investment in Jasmine Broadband Internet Infrastructure Fund (JASIF).

The deal may be monitored more closely than before, though the deal is being processed according to the regulatory conditions of National Broadcasting and Telecommunications Commission, the analyst said.

แนวหน้า

Naew Na
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บุคคล แนวหน้า



สมเด็จพระกนิษฐาธิราชเจ้า กรมสมเด็จพระเทพรัตนราชสุดาฯ สยามบรมราชกุมารี เสด็จออก ณ วังสระปทุม พระราชทานพระราชวโรกาสให้ ศ.นพ.ปิยะมิตร ศรีธรา คณบดีคณะแพทยศาสตร์โรงพยาบาลรามาธิบดี มหาวิทยาลัยมหิดล และประธานคณะกรรมการบริหาร มูลนิธิรามาธิบดีฯ นำ พล.อ.ท.ธนพันธุ์ ห่วงเจริญ กรรมการ กสทช.ฝ่าย ทูลเกล้าฯ ถวายเงินเพื่อสมทบทุนโครงการ “ต้นแบบระบบการบริหารจัดการโรงพยาบาลและข้อมูลสุขภาพด้วยเทคโนโลยี เครือข่าย 5G”