



# FED CHIEF'S RATE COMMENTS SPOOK INVESTORS

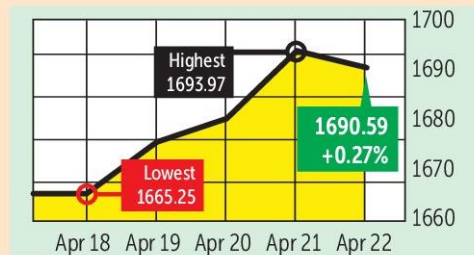
**RECAP:** Global stocks fell while bond yields rose yesterday after Federal Reserve chairman Jerome Powell hinted at more aggressive interest-rate increases next month, spooking markets.

The SET index moved in a range of 1,693.97 and 1,665.25 points this week before closing yesterday at 1,690.59, up 0.27% from the previous week, in daily turnover averaging 70 billion baht.

Foreign investors were net buyers of 3.29 billion baht and institutional investors bought 2.58 billion baht. Retail investors were net sellers of 4.96 billion baht and brokers offloaded 906.06 million baht worth of shares.

**NEWSMAKERS:** The Chinese economy expanded by a better than expected 4.8% year-on-year in the first quarter, but the government warned of "significant challenges" ahead as massive Covid-19 lockdowns started to bite.

- Chinese retail sales contracted in March for the first time since 2020, falling 3.5% from a year ago, as Covid lockdowns took their toll. The official unemployment rate also climbed to 5.8% from 5.5%.
- A half-point interest rate increase "will be on the table" when the US Federal Reserve meets on May 3-4, chairman Jerome Powell said on Thursday.
- The war in Ukraine is making it tougher for many emerging-market governments to make debt payments to foreign creditors, the IMF has warned, fuelling concerns of potential crises that could shake markets and weaken the global economic recovery.
- Soaring fertiliser costs have rice farmers across Asia scaling back their use, a move that threatens harvests and could lead to a full-blown food crisis if prices are not curbed.
- Twitter has moved to defend itself against billionaire Tesla founder Elon Musk's \$43-billion hostile takeover bid, announcing a plan that would allow shareholders to purchase additional stock.
- Elon Musk has lined up \$46.5 billion in financing for a possible hostile takeover of Twitter and is "exploring" a direct tender offer to shareholders, according to a securities filing released Thursday.
- Netflix said it was exploring offering a lower-priced, ad-supported version of



\* From the previous week BANGKOK POST GRAPHICS

its platform to boost its subscriber base, after the streaming giant posted its first quarterly subscriber loss in more than a decade, sending its shares down by more than 20%.

- Cathay Pacific Airways plans to adjust monthly allowances and other perks for pilots as it tries to stem a wave of resignations among crew frustrated by the impact of Hong Kong's tough Covid-19 policies on their lives.
- United Airlines announced a big first-quarter loss but said it expected record revenue in the coming months, suggesting it had reached a pandemic turning point. CEO Scott Kirby said demand was the strongest he'd seen in 30 years.
- Bitcoin exchange-traded funds are expected to be available soon in Australia, as regulators finalise approvals for products offering direct exposure to digital assets.
- The cabinet on Tuesday approved new borrowing of 1.41 trillion baht in the current fiscal year to September, up from a previous plan of 1.36 trillion.
- The country's loan interest burden over the next five years will not exceed the international standard of 10% of government revenue, says Patricia Mongkhonvanit, head of the Public Debt Management Office. The current ratio is estimated at 8%.
- The government is now focusing on maintaining financial and fiscal discipline after undertaking massive borrowing, says Finance Minister Arkhom Termpittayapaisith.



- The Bank of Thailand has further relaxed foreign-exchange regulations to allow for easier capital movement and risk management amid baht volatility. It will reduce limits on transfers, facilitate hedging, and removed limits on purchases of immovable properties abroad.
- Fiscal Policy Office chief Pornchai Thiraveja believes the Thai economy will grow by at least 3% this year despite soaring energy and product prices caused by the Russia-Ukraine war.
- More than 68 billion baht has been spent under three government subsidy schemes designed to help reduce the cost of living and stimulate the economy, says a government spokesman.
- The Finance Ministry is standing firm on its plan to impose a financial transaction tax on individual stock investors this year after seeing growth in the local market.
- Following talks between ministers, Thailand and Vietnam have set a goal increase the value of bilateral trade to US\$25 billion by 2025 from around \$20 billion now.
- The government may continue with the diesel subsidy programme beyond April to help consumers struggling with inflation, but the subsidy would be limited.
- Thai sugarcane farmers may not benefit from higher global sugar prices as their production costs, including fertilisers and oil, are also on the rise amid the Russia-Ukraine war.
- The average cost of constructing a home rose 5.3% year-on-year in the first quarter, reflecting various inflationary factors,

## TOP 5 GAINERS AND LOSERS

Gainers			Losers		
Securities	Closing price	Change	Securities	Closing price	Change
TEAMG	11.90	73.72%	SCBB	85.75	-17.15%
AQ<C>	0.03	50.00%	SCM	6.90	-10.97%
SISB	14.00	35.92%	KGI	5.80	-10.77%
TSR	3.66	20.39%	SO<XD>	18.40	-10.68%
TNPC	3.50	18.24%	PPPM<C, NP>	0.28	-9.68%

As of Thursday

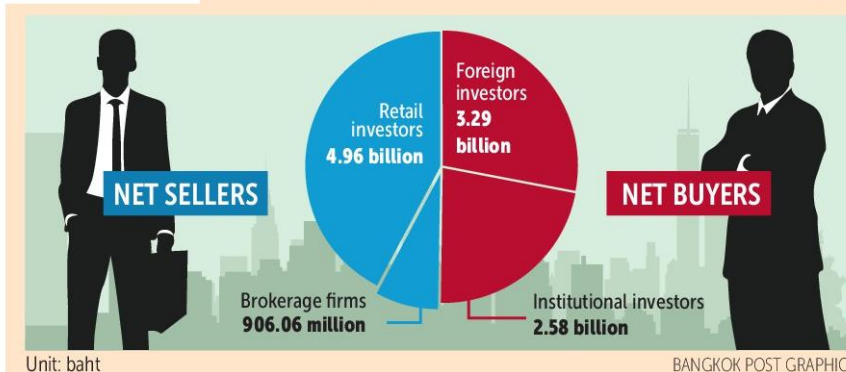
\*New Listing

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according to Real Estate Information Center.

- From May 1, vaccinated foreign travellers will be required only to self-test for Covid-19 with antigen kits, with RT-PCR testing and five days quarantine for the unvaccinated.
- Most Thai travellers are still not ready to take trips abroad as Covid threats, higher expenditure from health and safety measures, and regular changes to entry rules for each country remain obstacles.
- The budget for the "Tour Teaw Thai" subsidy scheme should be extended until October, with new initiatives to boost travel to secondary destinations, says the Association of Domestic Travel.
- About 83,000 people visited Surat Thani during Songkran, boosting tourism-related income by 84% year-on-year, with major attractions including the return of the full-moon party, which drew thousands to Koh Phangan.
- Deals on sales from the Erawan and Bangkok gas fields in the Gulf of Thailand have been finalised, paving the way for more domestic production to reduce dependence on expensive LNG imports, officials said this week.
- SET-listed Gulf Energy Development, the country's biggest private power producer by market value, has concluded a deal to invest in a digital asset exchange service of US-based Binance as it continues to expand its digital technology business.

■ A House committee studying the impact of the True-DTAC mobile business merger plans to ask the cabinet to seek a delay pending further study of monopoly and consumer protection issues.



■ TrueMoney, a major digital financial service provider in Asean, has partnered with Merkle Capital, a local digital asset management firm, to enable users to invest in cryptocurrency through TrueMoney Wallet, the first time Thai consumers can make such an investment through an e-wallet.

■ Nok Air wants the government to help it reduce its operational costs to sustain its flights on the Bangkok-Betong and Nakhon Ratchasima-Chiang Mai routes. It plans to resume flying to Betong on April 29 after cancelling the service earlier because of low demand.

**COMING UP:** Germany will release the April business climate index on Monday. The US will release March core durable goods orders and new home sales and April consumer confidence on Tuesday.

■ Australia will announce first-quarter consumer prices on Wednesday and the US will release March pending home sales. On Thursday the US will release preliminary first-quarter GDP and Australia will release March retail sales.

■ China will release the April Caixin manufacturing PMI on Friday, Germany will release first-quarter GDP and the euro zone will release April consumer prices.

**STOCKS TO WATCH:** Globlex Securities recommends stocks of firms that will benefit from high crude prices, including PTTEP, PTTGC and TOP, and agriculture stocks such as TMILL and TVO.

The government's decision to scrap the the Test & Go entry scheme and Thailand Pass registration, beginning on May 1, will benefit AOT, ERW, CENTEL, MINT and AWC. Stocks that will gain from summer season consumer activity are SNC, KOOL, SAPPE, ICHI and TACC.

UOB Kay Hian Securities recommends reopening plays including CPALL and MAKRO, and tourism stocks including CENTEL, ERW, MINT, BAFS, AAV and SHR.

**TECHNICAL VIEW:** DBS Vickers Securities sees support at 1,660 points and resistance at 1,710. UOB Kay Hian sees support at 1,680 and resistance at 1,700.