

Investment Strategy: Raise equity exposure to 50% of portfolio if decisively above 1188

Market Stocks: Further gains likely but more limited

European equities rose yesterday on hopes for further stimulus action from policymakers. The European Central Bank (ECB) is expected to cut interest rates by 25 bps to 0.75% at its upcoming policy meeting on Thu to jumpstart the economy. US stocks ended slightly lower though the Institute for Supply Management's manufacturing index came in at a lower reading than expected in Jun, which some investors took as a signal the US Federal Reserve will take more forceful actions to boost the economy. Overall we believe bullish external factors would continue to keep the positive bias for the SET index intact today but yesterday's strong rally may however lead to more range-bound trading today.

For short-term strategy, investors may raise equity exposure to 50% of the portfolio if the SET index can decisively break above 1188.

Resistance: 1200, 1213

Support: 1180, 1168

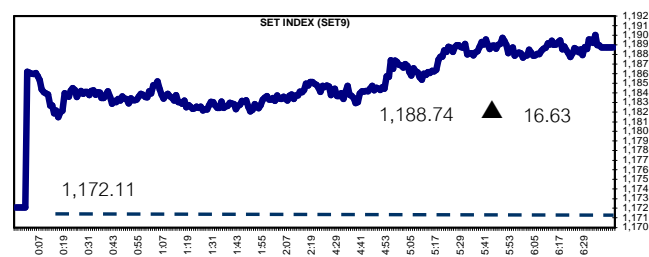
Factors affecting the market:

- + Foreign investors remained net buyers of Thai shares worth Bt1,729.41mn on Mon.
- The DJIA fell 8.70 points to 12,871.39 points on Mon, shaking off a surprise contraction in manufacturing which some investors took as a signal the US Federal Reserve will take more forceful actions to boost the economy.
- NYMEX crude oil futures settled US\$1.21 lower at US\$83.75/barrel on Mon as weak manufacturing data out of the US, Europe and China reinforced concerns about slowing economic growth and its threat to demand for petroleum.
- 0 Thailand's headline inflation in Jun 2012 rose by 2.56% y-y, below the Ministry of Commerce's forecast but in line with analysts' estimates, according to data released from the Ministry of Commerce. For the year, the ministry expected inflation to be around 3.5%, below the previous upper bound of its inflation target range at 3.8%.
- 0 The National Energy Policy Committee asked oil refineries to increase legal oil stock from 5% to 6% within 90 days to deal with volatility.

Market Yesterday

SETI H: 1,190.03 (+1.53%)

L: 1,181.48 (+0.80%)



	Close	+/-	% +/-
SETI	1,188.74	16.63	1.42%
SET50	827.40	13.02	1.60%
Market Cap (Btbn)			9,852.24
Value (Btmn)			26,312.35
P/E (x)			9.80
P/BV (x)			2.08
Div. Yield (%)			3.58

Investor Trading(btmn)

	BUY	SELL	NET
Foreign	6,477.11	4,747.70	1,729.41
Institution	2,454.34	3,396.32	-941.98
Proprietary	3,241.48	3,396.32	-154.84
Retail	14,139.43	14,602.95	-463.52
Accum.(Jul.)	BUY	SELL	NET
Foreign	6,477.11	4,747.70	1,729.41
Institution	2,454.34	3,396.32	-941.98
Proprietary	3,241.48	3,396.32	-154.84
Retail	14,139.43	14,602.95	-463.52

Overseas Indices

	Close	+/-	% +/-
DJIA	12,871.39	-8.70	-0.07%
NASDAQ	2,951.23	16.18	0.55%
NIKKEI	9,003.48	-3.30	-0.04%
Hang Seng	Close	NA	NA
FTSE	5,640.64	69.49	1.25%
DAX	6,496.08	79.80	1.24%
CAC40	3,240.20	43.55	1.36%

Money&Commodities

	Close	+/-	% +/-
Forex			
Baht/US\$	31.5600	-0.190	-0.60%
Yen/US\$	79.4800	-0.290	-0.36%
US\$/Euro	1.2582	-0.008	-0.60%
Dollar Index (DXYO)	81.8690	0.242	0.30%
Oil US\$ / Barrel			
NYMEX - Crude (Aug)	83.75	-1.21	-1.42%
ICE - Brent (Aug)	97.34	-0.46	-0.47%
GRM (Singapore)	7.39	2.64	55.58%

Sasikorn Charoensuwan, Analyst Reg #9744

Tel. 66 2 635 1700 #480