

### Market Outlook:

### External influences, window dressing ritual kicks off

24 December 2014

- The Dow overnight surged above the 18,000 mark for the first time ever as economy showed sign of strength with the final third-quarter GDP expanding at a robust 5% annualized pace in 3QFY14, which also beat the consensus forecast. In contrast, the new home sales turned out to fall by 1.6% in November.
- The positive sentiment in overseas market would bode well for the SET that trading volume became increasingly thinner. The market movement lately has been navigated by energy stocks, which have been rolling along the volatile oil price. Nevertheless, oil price drifted higher in early trading on Wednesday in response to the stronger-than-expected US GDP reading.
- In addition to risk-on mode and recovering oil price, the year-end window-dressing ritual, which is likely to kick off (see details in Special Report dated 19 December), should provide some support to the market. The trading range for the SET index is expected to be between 1520 and 1545 points today.
- For short-term strategy, we see a good opportunity to accumulate big-cap stocks, such as KBANK, BBL, KTB, ADVANC, INTUCH, CPALL, CPN, and BGH to lock in gains on the year-end window dressing.

- **HOLD (Short-term Target)**  
BGH (18.8), KBANK (248)
- **ADDITIONS (Short-term Target)**  
CPALL (43): The long holidays and New Year celebrations should encourage spending in convenient stores.
- **DELETIONS**  
MC: Take profit +4.38%

### Key factors to watch

- Dec 24: US initial jobless claims (290,000)
  - Stocks on cash balance list: TPOLY, WIIK, PSTC, KIAT, CHOW, SPA, and CCN
  - Stocks expected to be on cash balance list: BMCL, SVOA, TCC, KC, SMART, CIG, SPVI, and NINE
- Note: Figures in parenthesis are estimates.

### Technical Picks

Stock	Rating	Support	Resistance	Cut
AJP	Trading	15.60	17.00, 17.70	15.20
TGPRO	Trading	0.55	0.62, 0.68	0.53
CHO	Trading	4.90	5.25, 5.45	4.86

### Derivatives Insight:

**Strategy:** Go long S50Z14 at ATO with profit-taking target at 1030-1035 points. Cut loss at four points below the entry level.

- US GDP expanded by 5% at annual pace, which also topped the consensus forecast, and this should bode well for oil price and stock markets across the globe.
- Headlines from Spain and Portugal would lend support to the market. A political move in Greece should be under scrutiny, however.
- The year-end window dressing would buoy the SET50 index after the buying spree from institutional investors.
- The S50Z14 would rebound above 1030 points after the basis closed at -2.27 points yesterday, approaching its mean at -0.46 points.

### SET Index: Market takes a breather

The odds are bearish but the muted trading sentiment should limit the weakness to certain extent. We thus keep support at 1525, 1513 and resistance at 1546, 1560. Cut loss at 1500 points.



### SET50 Index Futures: Rebound seen above 1030 points

	Strategy	Trading Range
PTTEPZ14	Let profit run on long position, opened at Bt118, with target at Bt124. Cut loss on pullback below Bt116.	Bt118.00-Bt122.80
GFZ14	Go short GFZ14 at Bt18,500. Cut loss above Bt18,600.	Bt18,400-Bt18,600
BRF15	Go long BRF15 at ATO. Cut loss at Bt15 from the entry level.	Bt1,985-Bt2,040
USDH15	Let the profit run on existing long position, opened at Bt33.05, with target at Bt33.12. Cut loss below Bt33.00.	Bt33.00-Bt33.11