

Daily Thai News Summary: 9 March 2016

1. Foreign interest sought in medium firms

Source: **The Nation** ([Link](#))

The Stock Exchange of Thailand will strongly promote medium-sized listed companies in a move aimed at making them more attractive to foreign investors, SET president Kesara Manchusree said yesterday. Speaking on the topic of "Bright Light of the Thai Stock Market" at the "SCB Investment Symposium 2016 - Thailand Ahead", she said medium-sized listed companies generally had high growth potential, with several of them ranking in the top 30 in terms of market capitalisation in the Thai bourse in the past decade. Ten years ago, companies such as PTT, Siam Cement Group and commercial banks dominated the leading market-cap rankings, but in recent years the SET has witnessed a rise among players in 'light' industry - led by retail, hospitality and transportation businesses - also being ranked in the top 30, she told the symposium.

While the number of medium-sized listed companies is growing, foreign investors are concerned about their scale, which is usually unattractive for investment, Kesara said, adding that the SET would therefore have to promote these companies and help them to expand their businesses in order to attract overseas investment in their equities. Despite volatility, the Thai stock market has continued to provide good returns, with a return on investment of 24 per cent over the past five years, and an average price-to-earnings ratio of 13 to 15 per cent, the bourse chief said. Stocks are interesting for those who prefer diversified investment, she added. Yol Phokasub, president of Siam Commercial Bank, told yesterday's event that Thai economic growth was expected to remain in the region of 2 to 5 per cent this year, because investors were concerned about the domestic economy and there were no positive signs for the country's exports as yet.

2. Ichitan, Oishi pursue different strategies in Bt 15 Bn tea market

Source: **The Nation** ([Link](#))

The two largest players in Thailand's bottled-tea market, Ichitan Group and Oishi Group, have been initiating different strategies to take leading positions in the Bt15-billion market. While Ichitan has invested heavily in extremely aggressive promotions, such as giving away luxury vehicles and condominiums, to gain market share, Oishi Group is to focus on strengthening its brand and long-term sustainable growth. Ichitan Group yesterday gave away the first Bt10-million prize in its summer campaign. A luxurious condo in The River by Raimond

Land project, fully furnished and ready to move into, was bestowed into the first lucky winner's hands. The campaign still has 29 other big prizes including a luxurious 80.94-square-metre duplex condo in the heart of Bangkok's Thonglor area, worth Bt15 million, and 28 Mercedes-Benz GLA 200 Urban luxury vehicles valued at Bt2.09 million each. Tan Passakornnatee, president and chief executive of Ichitan Group, said the company had selected only 30 deluxe rewards that people of any class dream of, worth Bt83 million in total. *"We selected condominiums in prime locations in Bangkok as prizes because condos are valuable assets whose value increases all the time, particularly those in good locations. Many new-generation and middle-income people want to own condominiums as one of the priority assets in life. We also decided to give away Mercedes-Benz in our campaign because it is a luxury vehicle brand that is known and desired by people at every level."*

Meanwhile, Jesdakorn Ghosh, vice president for beverage business at Oishi Group, said the company's board decided not to invest heavily in hard-sell promotions, but to build brand loyalty and promote sustainable growth for the long term. This is in line with the company's vision to triple revenue from its beverage business and to increase its net profit by 12 per cent by 2020.

3. Superrich Thailand investing in further branch expansion, infrastructure improvement

Source: **The Nation** ([Link](#))

Under its second-generation management, Superrich Thailand, a leading currency-exchange service, is raising its registered capital from Bt150 million to Bt200 million in order to expand via nine new branches and infrastructure improvement. The plan is expected to help increase revenue by 30 per cent this year. *"This strategic move aims to cash in on an opportunity for tremendous growth in the currency-exchange market, whose size is poised to multiply from the government's efforts to stimulate the economy and tourism, as well as from full implementation of the Asean Economic Community early this year,"* Thanattzalin Susamawathanakun, managing director for corporate development of Superrich Thailand, said yesterday. Started last year, the overhaul is by far the biggest move in the 50-year history of the currency-exchange service provider. Since a new generation of management leaders took office, the company has turned its focus more on investing in human-capital development, upgrading technology, strengthening its brand position and giving value-added service to customers.

With the additional Bt50 million in registered capital, she said the company would open nine more branches by the end of this year - taking the total to 20 - upgrade its infrastructure, and hire another 20 to 30 staff. Sittharmanin Susamawathana-kun Poonsapmanee, the company's managing director for business development, said the new outlets would be built in prime locations in Bangkok to serve increasing demand from both local and international travellers. Superrich Thailand currently operates 11 branch offices in the capital's central business district,

tourist destinations, shopping centres and international airports, which help it reach out to a broad range of customers amid fierce competition both from new players and existing ones that want to open more outlets.

4. Banks keen on crowd funding operation

Source: **The Nation** ([Link](#))

Some commercial banks have asked the Bank of Thailand how they can become crowd-funding operators, said Tongurai Limpiti, deputy BOT governor for financial institutions' stability. At a press briefing on the role of the central bank in regulating payment systems, she said the rules would become more flexible to comply with the scale of business and regulations should not be a barrier to innovation. The goal of the BOT is to facilitate smooth payment systems. Legislation on payment systems is expected to be approved soon, which will give the BOT additional tools to regulate non-banks and financial-technology (fintech) operators. The current authority to regulate non-banks, credit cards and e-money falls under the Revolutionary Council Order No 58, she said. Fintech is regarded as a new innovation in the financial system and there are rising numbers of fintech operators in Thailand, which is changing the landscape for commercial banks, Tongurai said. Banks are interested in being crowd-funding operators by setting up online portals.

5. Aditya Birla unit to take over Thai Carbon Black

Source: **The Nation** ([Link](#))

India-based Aditya Birla Group's subsidiary SKI Carbon Black (Mauritius) is launching the mandatory tender offer for all remaining shares it does not own in Thai Carbon Black. It would tender for 213.76 million shares or 71.25 per cent of Thai Carbon Black's issued shares. At the price of Bt22 apiece, the deal will cost Bt4.7 billion. The tender offer was filed to the Securities and Exchange Commission yesterday. SKI recently boosted its stake in the Thai company to 28.75 per cent, which automatically forces it to launch the mandatory tender offer.

6. Indonesia, Thailand equities rise most in Asia; Goldman Sachs sees ASEAN economy grow 4.5% in 2016

Source: **Economic Times** ([Link](#))

With volatility rocking markets in China and Japan this year, equity investors are finding refuge in Asia's brightest spots: Indonesia and Thailand. Southeast Asia is providing a haven as the region's economies accelerate. Indonesia and Thailand are the biggest gainers this year among Asian equities, a turnaround from 2015 when the two benchmark indexes tumbled more than 12% amid a plunging baht and rupiah. The region and its currencies have been calmer amid expectations the Federal Reserve will delay further interest rate hikes, says Alan Richardson at Samsung Asset Management.

Economies in Indonesia and Thailand recorded faster-than- estimated growth in the fourth quarter as stimulus measures by the two governments helped shield the countries from China's slowdown. Thai Prime Minister Prayuth Chan-Ocha accelerated budget spending to help everyone from farmers to small businesses amid falling exports. Thailand's SET Index has climbed 8.4% this year through Monday. That's helping to lure foreign funds to Indonesia and Thailand, two of three countries that recorded net inflows this year among eight Asian markets tracked by Bloomberg. About \$327 million flowed into Indonesian stocks and \$195 million into Thai equities.

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