

Weekly Market Report

For the period of : 15 – 19 November 2021

Overview

Global markets, including SET Index, were driven by stocks' specific factors e.g., earnings, related news, outlook etc. The NESDC revised up Thailand growth forecast in 2021 and 2022 after 3Q21 GDP contracted less than expected.



Equity market

- Global markets closed mixed his week. US markets fell from last week. Although major US retailers reported strong 3Q21 financial results, investors still have concerns on inflation expectation. China markets also changed slightly from the previous week as China major E-Commerce firms reported mixed 3Q21 financial result such as disappointed financial result of Alibaba and a strong financial result of JD.
- SET index closed higher last week and outperformed reginal markets. ICT sector was an outperformer, boosted by a speculation of TRUE and DTAC merger deal, while Finance outperformed, driven by optimism on SAWAD and JMT business plans. Tourism underperformed on the back of profit taking. Institutional investors were net buyers while Foreign investors and Retail investors were net sellers. Crude price dropped from the prior week as concerns on surging of COVID-19 cases in Europe and several countries are considering imposing travel restriction which could lead to weaker crude demand.



Fixed income market

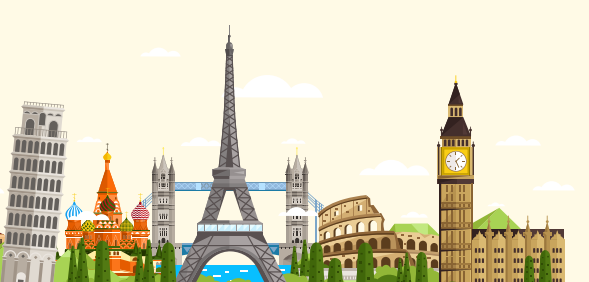
- US retail sales increased 1.7% m/m in October, the biggest rise in 7 months, following an upwardly revised 0.8% gain in September. Housing starts fell 0.7% m/m to an annual rate of 1.52 million units, while building permits increased 4% to 1.650 million units.
- Euro area 3Q21 GDP printed at 2.2% q/q and 3.7% y/y following 2.1% q/q and 14.2% y/y growth the prior quarter. The euro area annual inflation rate was 4.1% in October, up from 3.4% in September, mainly driven by surging energy prices.
- China industrial production rose 3.5% y/y in October following 3.1% rise in September as electricity shortages eased. In addition, retail sales growth accelerated to 4.9% from 4.4% the month before, supported by a week-long National Day holiday. On the other hand, fixed asset investment growth eased to 6.1% y/y in the first 10 months of the year from 7.3% rise over the first 9 months, weighed down by tighter curbs on the real estate sector.
- Japan GDP shrank 0.8% q/q or -3.0% annualized pace in 3Q21 following a downwardly revised 0.4% q/q or 1.5% annualized gain the prior quarter and undershooting expectation. Despite easing virus curbs, growth was hindered by global supply disruptions which hit exports and business spending. Japan exports rose by 9.4% y/y in October, which less than market estimated. This was the weakest increase in overseas sales in 8 months, ending double-digit growth in the previous 7 months, amid softening global demand. Japan imports expanded 26.7% y/y, after a 38.6% jump in September and compared with market expectations of 31.9%. Still, this was the ninth straight month of growth in arrivals, as domestic demand continuing recover. Japan core consumer prices, which excluded food but include energy prices, increased 0.1% in October. The upward pressure on prices came mainly from a 6.4% annual increase in fuel. However, Japan's core inflation rate remains low compared with other advanced economies amid a softer wage growth and weak consumption.
- Thai GDP contracted 1.1% q/q and -0.3% y/y in 3Q21, reversing sharply from an upwardly revised 0.4% q/q and 7.6% y/y growth in 2Q21, but surpassing expectation of a 0.8% y/y decline. Growth was mainly weighed down by a 3.2% y/y fall in private consumption due to the spread of COVID-19 and the government's containment measures. This was partly offset by the rise in exports and government spending. The NESDC upwardly revised its GDP forecast to 1.2% for the current year and to 3.5%-4.5% for 2022 based on revised numbers of expected tourists.

Regional Economic Infomation

U.S.



- Retail sales jumped 1.7% m/m in October after a 0.8% gain in September and higher than market estimates of a 1.4% rise.
- Industrial production rose by 1.6% m/m in October, after a 1.3% drop in September and was the biggest gain since March as production recover from the effects of Hurricane Ida.
- Housing starts fell 0.7% m/m to an annual rate of 1.52 million units. Building permits increased 4% to 1.650 million units.
- Initial jobless claims fell by 1,000 to 268,000 in the week ended November 13.



Europe

- The euro zone economy in 3Q21 expanded by 2.2% q/q and 3.7% y/y, unchanged from the preliminary estimates.

Asia



- Japan economy contracted by 3.0% y/y in 3Q21, below market consensus of a 0.8% fall, mainly reflected a COVID-19 state of emergency and semiconductors shortages. Japan exports advanced 9.4% y/y in October, below market estimates of 9.9% and the weakest growth in 8 months, amid softening global demand and persistent supply chain bottlenecks. Imports jumped 26.7% y/y, amid recovery of domestic demand. The trade deficit was at JPY67.4 billion, compared to a deficit of JPY624.1 billion in September. Japan inflation excluded food and energy plunged 0.7% y/y in October after a 0.5% drop in September.
- China industrial output increased 3.5% y/y in October, compared to a 3.1% gain in September and beating market forecasts for a 3.0% growth. Retail sales rose 4.9% y/y, accelerating from a 4.4% increase in the previous month and beating market estimates for a 3.5% increase. Fixed asset investment in the first 10 months expanded by 6.1% y/y, decelerated from a 7.3% in the first 9 months.



Thailand

- The NESDC reported that the Thai economy in 3Q21 contracted by 1.1% q/q and shrank by 0.3% y/y, better than market expectations of a 2.5% q/q and 0.8% y/y contraction. For the first 9 months, the Thai economy grew 1.3%. The agency expected the Thai economy will expanded by 1.2% this year and by 3.5 – 4.5% in 2022.

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