



THE SET Newsletter



In August 2006, The Stock Exchange of Thailand (SET) welcomed three new listings: **Ekarat Engineering PCL (AKR)**, **DSG International (Thailand) PCL (DSGT)**, and **Rich Asia Steel PCL (RICH)**.

AKR, a producer and distributor of transformers and solar cell energy systems, joined the Resources Group on August 7. Two days later, SET welcomed DSGT, a leading manufacturer and distributor of disposable diapers, to the Consumer Products Group. Finally, RICH, a steel producer and distributor, joined the Property & Construction Industry Group on August 31.

Although these companies operate in different industries, they each have solid fundamentals and are leaders in their respective markets. These new listings add to the steadily increasing variety of SET's quality investment products.

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Experts tip Thai market index to be at 740 by end-2006

Most stock analysts estimate that The Stock Exchange of Thailand (SET) Index would end the year at about 740 points, down 7.5% from the 800 projected earlier, according to recent research from Securities Analysts Association (SAA).

A survey of stock analysts from 19 companies was conducted on stock investment trends during September–December 2006. The findings were that most analysts had lowered their SET Index projections to around 740, with a range of 687–800 points, SAA Secretary-General Mr. Sombat Naravuthichai said.

On the positive side, 68% of respondents considered that local interest rates had begun to stabilize, while 53% stated that the political situation was clearer with a fresh election planned and a new government to be formed soon. On the other hand, 95% were worried about political conflicts and the election being delayed.

Thirty-seven percent were confident inflation would decline but 47% thought fuel prices would remain high, while 37% were concerned about the economic slowdown.

The survey found that 79% gave little credibility to news reports of the alleged assassination attempt on Prime Minister Dr. Thaksin Shinawatra, and 42% thought postponing the election would have little effect on the

market while 37% said the impact would be moderate.

In regard to this year's economic growth, most analysts revised their growth rate estimates down to 4.2% from 4.3%. The earning per share (EPS) growth of listed companies was projected to be -0.7% year-on-year, in contrast to the earlier estimate of up 2.8%. The current account deficit was expected to reach USD 30 million.

They anticipated that the Thai baht would hover around 37.6 to the US dollar and the 14-day repurchase rate would stay at 5.1%.

According to most analysts, the most promising investment sectors were banks, property and energy. Banks and property would benefit from the downward trend in interest rates, declining fuel prices, and improved economic performance. Analysts thought that while the energy sector still had potential for growth in profits, as energy demand and crude prices remained at a relatively high level. ✍️



Mr. Sombat Naravuthichai
SAA Secretary-General

Date of estimate	Average		Highest		Lowest		No. of respondents / stock analysts (companies)	
	22/05/2006	04/09/2006	22/05/2006	04/09/2006	22/05/2006	04/09/2006	22/05/2006	04/09/2006
For 2006								
GDP growth	4.3	4.2	4.7	4.9	4	3.8	19	17
EPS growth	2.8	-0.7	7	5	-6.5	-13	19	19
Current account (in USD billion)	-2.6	-0.03	-6	-5	4.3	3.7	17	15
As of end-2006								
SET Index	800	740	860	800	720	687	18	18
FOREX: THB : USD	38.3	37.6	40	38.5	36.5	36.5	17	17
14-day repurchase rate	5.3	5.1	6	5.6	4.75	5	16	16

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Ekarat Engineering PCL (AKR) listed with The Stock Exchange of Thailand (SET) in the Resources, Energy and Utilities Sector, Industry Group, and commenced trading on August 7, using “AKR” as its trading symbol. The company is a manufacturer and distributor of distribution transformers and solar energy systems. Currently, AKR is the leading company in distribution transformers with an average market share of 21.63% during 2001–2004.

The leading distribution transformers and solar energy business

AKR was established in 1981 with registered capital of only THB 4 million (USD 106,382). It was the first company in Thailand’s transformer industry to receive a “TIS 384-2524” certificate from the Ministry of Industry’s Thai Industrial Standards Institute, assuring customers that they were purchasing a quality product and rendering AKR eligible to bid for government tenders.



The firm’s products include oil type distribution transformers and dry type cast resin under the brand name “Ekarat”. It also provides design, installation and maintenance services through its 10 service centers nationwide. In addition, Ekarat Engineering is engaged in the design and installation of solar energy systems and AKR’s subsidiary, Ekarat Solar Co., Ltd, manufactures solar modules.

AKR’s main customers are both public sector agencies, such as PEA (Provincial Electricity Authority) and MEA (Metropolitan Electricity Authority), and large, well-known private companies.

Promising future in renewable energy business

Ekarat diversified into solar energy last year, establishing a solar module production plant. A new solar cell plant, to serve both domestic and overseas markets, will be built in the Amata City Industrial Estate Zone in Rayong province, where the company has invested THB 1.4 billion (approx. USD 37 million). The plant will begin production in Q1/2007 at a capacity of 25 megawatts p.a. Half of the production will be for local consumption.

Ekarat Engineering PCL (AKR)



Mr. Chulchit Bunyaket
Chairman of the Board

“The energy business is expanding in response to the increasing demand for electricity. Furthermore, government policy promoting alternative energy has supported our decision to invest in the solar cell plant,” Ekarat Engineering PCL Chairman of the Board Mr. Chulchit Bunyaket said.

AKR’s financial summary (THB million)

	H1/2006	H1/2005	2005
Sales revenue	695	553	1,257
Net profits	48	68	175

AKR has THB 790.17 million (approx. USD 21 million) in paid-up capital, consisting of an existing 608.17 million shares, plus 182 million shares in capital increase, all with a par value of THB 1.00. On July 25 – 27, the company sold its capital increase shares during its initial public offering (IPO) to AKR’s, and its underwriters’, benefactors at THB 2.70 per share. Far East Securities Co., Ltd. acted as its financial advisor.

The firm will use THB 470 million (approx. USD 12 million.) from its fund-raising to invest in Ekarat Solar, while keeping some funds as working capital. The company’s policy is to pay 50% of net profits in dividends after corporate taxes and payments to reserves.

Principal AKR shareholders are Noichaiboon Group and management, Kamnerdngarm Group, and Mr. Chulchit Bunyaket, holding 17.89%, 12.78%, and 8.42% of the company’s paid-up capital respectively.

AKR provides transformers together with maintenance, modification and repair services. The company also produces and distributes solar cells and modules through Ekarat Solar Co., Ltd., an AKR subsidiary. For more information on AKR, please visit its corporate website at www.ekarat-transformer.com, SETTRADE.Com at www.settrade.com, or SET’s website at www.set.or.th.

D DSG International (Thailand) PCL (DSGT) is a leading company specialized in manufacturing and distribution of disposable baby diapers and adult incontinence products. The Company is listed on The Stock Exchange of Thailand (SET) on August 9, 2006 using the trading symbol “DSGT”, becoming the second new listing in the Personal Product & Pharmaceuticals Sector, Consumer Products Group this year.

Extensive network broadens DSGT’s business horizon

DSGT manufactures and distributes under several renowned brand names, including Fitti, Babylove, Dispo 123, and Certainty, and has five subsidiaries located in Thailand and overseas:

(as of September 8, 2006)

Subsidiaries	Locations	% of stakes held by DSGT
- Advance Medical Supply Co., Ltd.	Thailand	100%
- Disposable Soft Goods (Malaysia) SDN. BHD.	Malaysia	100%
- DSG (Malaysia) SDN.BHD.	Malaysia	100%
- PT DSG Surya Mas Indonesia	Indonesia	60%
- Disposable Soft Goods (S) Pte. Ltd.	Singapore	100%



DSGT and its subsidiaries can produce 607.80 million and 90.4 million pieces of disposable baby diapers and adult incontinence products, respectively per year. Domestically, DSGT is the market leader in adult incontinence products, and ranked second in the disposable baby diaper market. Furthermore, DSGT exports about 32% of its products to Malaysia, Indonesia, Singapore, Hong Kong, Japan, China, India, Bangladesh, and Pakistan.

Promising future for diaper market expansion

“The local disposable baby diapers and adult incontinence products industries have a bright and promising future, growing 10% and 15-20% y-o-y, respectively. Conservatively, the Company expects the domestic disposable baby diapers market to increase two-fold from THB 3.60 billion (approx. USD 95.65 million) to THB 10.70 billion (approx. USD 284.30 million), and the domestic adult incontinence products market to leap from THB 740 million (approx. USD 19.66 million) to THB 3.50 billion (approx. USD 93.00 million). Assuming the daily

DSG International (Thailand) PCL (DSGT)



Mr. Pairat Anuwongnukroh
General Manager

consumption rate and the country’s economic conditions remain unchanged, it will take another 10 to 11 years before the market saturation.

“Moreover, both disposable baby diapers and adult incontinence products consumption in South East Asia countries are relatively low compared to the United States and other developed countries. In the States, approximately five to six diapers are consumed daily. While in Thailand it is only two to three, and four to five in Malaysia — so there is obviously a lot of room for domestic and regional market expansion,” DSGT’s General Manager Mr. Pairat Anuwongnukroh said.

Consolidated financial summary (in THB million)

	H1/2006	H1/2005	2005
Sales revenue	1,254.23	1,092.52	2,246.76
Net profits	73.41	67.96	105.98

DSGT has THB 300 million (approx. USD 7.97 million) paid-up capital, consisting of existing 240 million shares, plus 60 million new shares in capital increase, all with a par value of THB 1.00. On July 24 – 26, 2006 during its initial public offering (IPO), the Company and its minority shareholders sold the new 60 million shares and 15.19 million shares, respectively to the public at THB 3.20 per share. Bualuang Securities PCL acted as the Company’s financial advisor.

DSGT uses the funds raised for debt repayment (debt incurred for the domestic production facility expansion in year 2004 and 2005) and to finance further overseas expansion. DSGT’s dividend policy is based on no less than 40% of net profit after legal reserve and other category of reserves.

DSGT’s principal shareholders are DSG International Ltd. and Mr. Praphan Anuwongnukroh and wife, holding 65.74% and 9.20% of the paid-up capital, respectively as of September 8, 2006.

For more information on DSG International (Thailand) PCL, please visit its corporate website at www.dsgt.co.th, SET’s website at www.set.or.th, or SETTRADE.Com’s website at www.settrade.com.

Rich Asia Steel PCL recently listed on The Stock Exchange of Thailand (SET), having raised THB 225 million (approx. USD 5.98 million) at its initial public offering (IPO), to purchase machinery to expand production in response to market demand, principally from the domestic construction industry.

RICH listed its securities in the Construction Materials Sector, Property & Construction Industry Group and commenced trading on August 31, 2006, with "RICH" as its securities' symbol.

The company has THB 500 million (approx. USD 13.29 million) in paid-up capital, made up of an existing 400 million shares and 100 million shares in capital increase, each with a par value of THB 1.00. During August 21 - 23, RICH sold its capital increase shares at the IPO at THB 2.25 per share. Seamico Securities PCL acted as the firm's financial advisor.



RICH maintains its leadership in construction sector as a one-stop service provider

The company trades, produces and distributes steel, as raw material and finished products. The company's lines include structural steel, hot rolled steel coil and sheets, billet, and other goods.

"RICH is a leading local manufacturer of steel pipe with a total annual capacity of 125,000 tons. This is made up of 75,000 tons of steel pipe products and 50,000 tons of cold-formed C channel. Being a manufacturer, trader and distributor of all types and sizes of steel products, the company is a 'one-stop service provider', effectively meeting customer demand," Rich Asia Steel PCL Chief Executive Officer Ms. Angkarn Tantiviroon said.

Rich Asia Steel PCL (RICH)



Ms. Angkarn Tantiviroon
Chief Executive Officer

RICH's financial highlights (in THB million)

	H1/2006	H1/2005	2005
Sales revenue	2,275.29	2,442.82	4,904.96
Net profits	71.75	27.19	15.87

Expanding its business horizons to auto parts sector

"Currently, the firm holds about 40% of market share in steel for local construction. However, due to increasing competition, RICH is diversifying into the auto sector. The company now supplies made-to-order premium quality steel products for several Japanese auto parts players in Thailand. This expansion will not only boost the company's sales but also be very profitable, as the margin for the auto parts sector is relatively high, at 10% and more," Ms. Angkarn added.

After the IPO, the company plans to spend THB 80 million (approx. USD 2.13 million) on new machinery to increase its annual production capacity from 125,000 to 215,000 tons, while some funds will be retained to repay short-term loans.

RICH has a dividend payment policy of no less than 50% of its net profits after taxes and reserves.

After the IPO, the principal shareholders in RICH are Ms. Angkarn Tantiviroon's and Mr. Krit Deelokcharoen's groups, which hold 57.19% and 17.81%, respectively.

For more information on Rich Asia Steel PCL, please visit its corporate website at www.richasiasteel.com, SET's website at www.set.or.th, or SETTRADE.Com's website at www.settrade.com.

Thailand Futures Exchange accepts three new members

Thailand Futures Exchange PCL (TFEX) has accepted BT Securities, Kiattakin Securities, and Siam City Securities as new members, to start trading from September 4, 2006. These new members signal the continuing expansion of the Exchange's investor base.

TFEX approved 20 qualified members prior to market inauguration in April 2006. These three brokers bring to 23 the number of member companies now providing derivatives trading services. In addition, there are more firms preparing to join the Exchange.

Thai bourse launches online futures trading program

SETTRADE.Com Co., Ltd. (SETTRADE) has developed 'Settrade OneClick', an online futures trading program, in collaboration with Daishin Securities, a leader in Korea's online futures trading services. The new service, which was launched on August 28, will support futures trading in the Thai market with a highly efficient, modern, and user-friendly system.

Settrade OneClick has been designed for derivatives trading, where investors need to study market movements closely, with full information readily accessible.

"This development makes it unnecessary for Thai securities companies to develop their own systems, which will keep their costs down.

"SETTRADE chose to work with Daishin Securities because of their experience in internet trading. Its system's efficiency, speed and ease of use will make investment in futures much more convenient," SETTRADE Chief Executive Office Ms. Chanisa Chutipat said.

Daishin was pleased to contribute to the Thai capital market's development, by working with SETTRADE to establish the program. The collaboration has provided knowledge-transfer, and signals a good working relationship and future collaboration, Daishin Securities Chairlady Ms. Auh Ryung Lee said.

Since commencing internet trading in 1997, Korea now has the world's highest online trading turnover, making up approximately 50% of its total securities trading.

"Daishin Securities is Korea's No.1 broker in online trading. Our system can accommodate an annual average turnover of USD 250 billion efficiently. Consequently, we believe that Thai investors can trade through Settrade OneClick with confidence, as the program is based on our decade-long experience in Korea.

"This program will begin a new era in Thailand's online trading, and will be a prototype for other similar programs. Daishin is honored to contribute to the development of Thailand's futures market," the Daishin Securities Chairlady declared.

SETTRADE will cooperate with Thailand Futures Exchange PCL (TFEX), Thailand Securities Institute (TSI), and the securities firms with online futures trading services, to undertake an educational program, including seminars, workshops, and simulation games.



"Providing a trading alternative through the internet will make the investing process faster and more convenient. Investors with existing futures trading accounts can simply tell their brokers that they wish to



CLICK FOR FUTURES



trade online. We are confident that investors are now proficient enough to trade through the internet, and that they will receive fast and efficient service," TFEX President Ms. Kesara Manchusree added.

There are 10 brokerage firms initially using Settrade OneClick and related systems. They are (in alphabetical order):

1. ACL Securities Co., Ltd. (ACLS)
2. Ayudhya Derivatives Co., Ltd. (AYD)
3. Bualuang Securities PCL (BLS)
4. DBS Vickers Securities (Thailand) Co., Ltd. (DBSV)
5. Kim Eng Securities (Thailand) PCL (KEST)
6. KGI Securities (Thailand) PCL (KGI)
7. Phatra Securities PCL (PHATRA)
8. Trinity Polaris Futures Co., Ltd. (TIPOL)
9. Thanachart Securities PCL (TNS)
10. TISCO Securities Co., Ltd. (TSC)

5Cs – Salient Features of Settrade OneClick

- **Customization:** Screen can be customized to individual preference
 - Users can adjust the screen, color, and font size
 - Windows splitting or multi-window display is available
 - Preferred screen options can be saved for future use
 - Data can be transferred to Excel format
- **Click:** Trading is made easy in just one click
 - Buying, selling, or canceling can be done conveniently. Conditions can also be set on the buy/sell screen
- **Convenient:** Easy installation and programs updated automatically
- **Control Bar:** Monitors market movement and order status conveniently, with a small control bar shown on screen. No need to close the full screen display or interrupt other work
- **Comprehensive:** Fully loaded with essential information:
 - Real-time and historical series of SET50 Index and SET50 Index futures contracts
 - Immediate futures trading updates
 - News and information directly transmitted from TFEX
 - Technical graphs for price trend analysis

For more information on Settrade OneClick or the training sessions, please visit www.settrade.com/oneclick, call the SET Call Center on 66-2229-2222, or email info@settrade.com.

Thai bourse aims to become a main regional market

The Stock Exchange of Thailand (SET) has committed itself to a series of medium-term strategies covering the next three years. The Exchange intends to become one of the region's main markets, with an integrated approach offering a range of attractive products. SET plans to construct strategic alliances with local and international partners to attract investors.

The SET's medium-term strategic plan (2007–2009) is comprised of three strategic directions and eight agendas.

“Our goals covering integration, new quality products, strategic alliances and becoming a main regional market will lift the Thai market to an international standard. We have laid out three strategic directions, broken down into eight agendas. The plan's goals account for global changes and increased interconnection between capital markets. It is therefore crucial that we develop, and raise, the market's profile among investors,” SET President Ms. Patareeya Benjapolchai said.

The strategic plan focuses on three main directions:

1) Making the market even more integrated, using two strategic agendas. First, SET will focus on attracting investors by offering them a wider variety of products that meet their demands. Second, SET will make the market more attractive and convenient for investors by interconnecting the infrastructure of different products.

“Not only equities, but all product types, whether existing or new — such as exchange traded funds (ETF), capital-guaranteed products, securities borrowing & lending (SBL)-based instruments — will be given equal exposure. Later, existing products will be made more attractive and liquid, and their trading platforms integrated. Information systems will be interconnected to provide a one-stop information retrieval facility for investors. They will be able to trade Thai securities through a single account, where currently they have to open a different account for each type of securities,” the SET President continued.

2) Becoming a main regional market: this will be achieved through two strategic agendas dealing with improving accessibility and international standardization. Trading on the Thai market will be made easier for both retail and institutional investors, either local or foreign, and will include online trading and Direct Market Access (DMA).

Market standards, rules and regulations will be improved to create a transparent and fair environment for securities business operators. The emphasis will be on corporate governance and accounting standards, including the adoption of the International Financial



Ms. Patareeya Benjapolchai
SET President

Reporting Standards (IFRS), information disclosure, and rule enforcement. This will boost the valuation of Thai securities in line with international markets.

3) Building strategic alliances: here, four strategic agendas will be implemented, creating strategic partnerships in banking, overseas exchanges, public and supervisory agencies, and other relevant parties.

SET will work closely with commercial banks, to enable their customers to open securities trading accounts at bank branches, and eliminate any legal or other impediments.

To achieve these aims, SET will increase its collaboration with other markets, employing vehicles such as joint product issuance and multiple linkages (on product basis). These steps will be taken in a planned and orderly fashion.

Because Thai markets need support from government and supervisory agencies, SET will be lobbying actively for policies essential to the capital market's development, such as the National Compulsory Savings Scheme.

The Exchange will also continue to cooperate with the Federation of Thai Capital Market Organizations (FeTCO) and other organizations or universities. New strategic partners will include the Thai Chamber of Commerce (TCC) and provincial chambers.

“With support from the SET Board and other parties, management is confident that we will be able to accomplish our medium-term targets, and fulfill our ultimate goal of turning the Thai exchange into a high-profile, integrated market that foreigners will find increasingly attractive to invest in.

“SET management will now formulate action plans based on these strategies, which will receive appropriate budgetary support. These strategic directions will boost our capability building, and guide our efforts over the next three years,” Ms. Patareeya concluded. ✍️

Thai bourse assesses exchange-traded funds

Exchange-traded funds (ETFs) boost liquidity and business opportunities, while meeting investor demand, according to a recent study carried out by The Stock Exchange of Thailand (SET).

SET Note No. 7/2006, "Equity ETF in Thailand: Issues and Opportunities", noted that using equity ETFs is an effective alternative to direct equity investment for investors wishing to lower their exposure to risk. Furthermore, the addition of equity ETFs to the market will increase liquidity in equity and derivatives trading, and provide further business opportunities for securities and investment management firms, without any negative consequences.

Equity ETF's unique opportunities

Equity ETFs have distinct advantages over stocks and open-ended funds, as an ETF is an open-ended fund listed on the exchange and can be easily traded at any time during trading hours. Like stocks, it must be traded through brokers, has no maturity date, and its price movements are reported in real-time.

Rather like an index fund, an equity ETF invests in a basket of stocks. Therefore, it automatically provides retail investors with diversification, protecting them from the price fluctuations of any particular equity. Moreover, their investment is always managed by professionals, since at least one market maker is required to be responsible for maintaining the fund's liquidity. This results in relatively low risk exposure. Therefore, this index-based product, underpinned by derivatives and equity market indices, is likely to appeal to the less-experienced investor.

Compared to open-ended funds, an ETF is similar to an index fund where investors can increase or decrease investment units in real-time. However, unit prices are not discounted like other listed investment units, because an equity ETF has a market maker(s) and opportunities for arbitrage.

In addition, as a passive investment, ETF has low operating and transaction costs and management fees, resulting in lesser annual expense ratios than many other registered investment products.

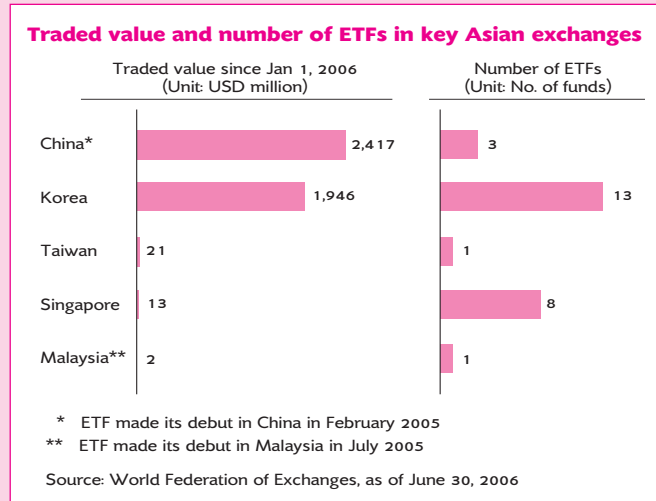
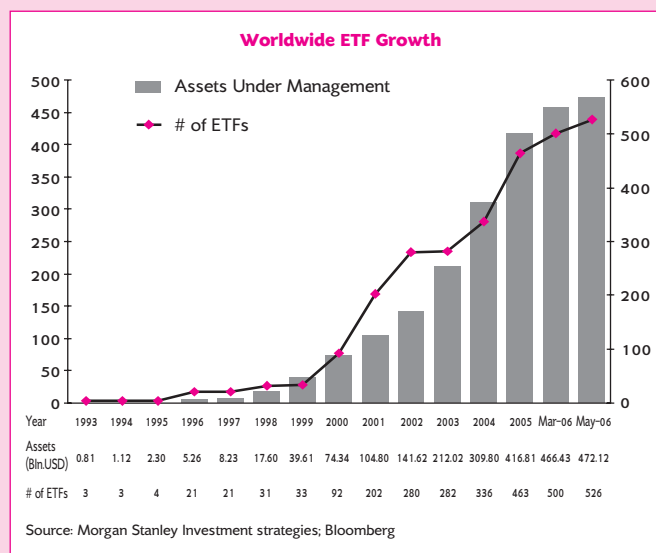
Challenges for equity ETF's success in the Thai market

To introduce equity ETFs to the Thai market successfully, several things need to be carried out. Thai investment culture generally favors picking stocks rather than investing in mutual funds. In other words, most investors tend to choose and invest in particular stocks. Those investors who decide to invest in mutual funds tend to choose funds with an active management policy, rather than index funds. Currently, Thai index funds make up only 2% of the total equity fund market, or about THB 7.0 billion (approx. USD 184.21 million). Therefore, investment through ETFs needs to be heavily promoted amongst investors.

Another challenge for equity ETF's popularity in Thailand is the small number of market makers in the market at present. In addition, the trading channel is still limited to securities firms, with no access for fee-based advisory firms.

According to the SET Note, successful equity ETF requires sufficient demand, a liquid underlying index which supports market making activities, and a necessary mechanism facilitating market-making and arbitrage transactions. Thus, to facilitate equity ETF introduction, the Thai market needs to undertake market consultation, demand stimulation, investment cultural change, and modification of its rules and regulations to facilitate intermediaries.

ETFs are well-accepted globally, with total assets internationally of over THB 18 trillion (approx. USD 473.68 billion) and a compound annual growth rate of 70% or, in other words, almost doubling every year since 1993. Other Asian exchanges such as Korea, Singapore, Malaysia, and even China, have already introduced ETFs.



For additional information on SET Note research, as well as developments in Thai and foreign capital markets, please visit the SET website at www.set.or.th/setresearch.

Investment by Thai public firms rose 4% y-o-y

Investment by Thai listed companies increased by 4% y-o-y in Q2/2006, according to The Stock Exchange of Thailand (SET). Total funds raised were worth THB 41.8 billion (approx. USD 1.1 billion), up 77%, while financial risk was kept low. Overall efficiency was still favorable.

The corporate update issue of SET Note, the Exchange's research report, analyzed Thai listed companies' activities in three key areas: investment, overall efficiency, and fund-raising through the capital market, SET Senior Vice President Dr. Sethaput Suthiwart-Narueput, Ph.D, said.


"In Q2/2006, Thai public companies invested THB 84 billion (approx. USD 2.2 billion), an increase of 4% y-o-y, indicating a slow-down in investment in the consumer products, property & construction, services, and technology industry groups. Their investment decreased by 33.8% y-o-y. However, the resources industry group invested heavily, and this group accounted for 48% of total net investment.

"In Q2/2006 Thai listed firms recorded a THB 88.7 billion net cash flow surplus from operating activities, while they had a THB 184 billion deficit net cash flow from investing and financing activities. The companies had to use their accumulated cash from the previous quarter to meet the dividend payout of THB 88 billion," Dr. Sethaput added.

Concerning efficiency, the returns on equity (ROE) and returns on capital employed (ROCE) of firms (excluding

those in the Financials and Non-Performing groups) were still favorable, although slightly decreased y-o-y. This quarter, their ROE and ROCE stood at 19.8% and 18.9%, decreases of 2.4% and 0.3% respectively. While costs increased by 21.2%, sales grew at 18.6%, leading to a narrower net profit margin.

Thai public companies generally had low financial risk. Their debt-to-equity ratio and interest coverage ratio were recorded at 1.2 and 7.8 respectively.

Listed firms raised a total of THB 41.8 billion (approx. USD 1.1 billion), or a 77% increase y-o-y, mostly through initial public offerings (IPOs) of THB 27.8 billion (approx. USD 0.73 billion). The 81% increase in IPO's y-o-y was due to the listing of Rayong Refinery PCL (RRC). Aside from IPOs in the primary market, THB 76 billion was raised through PP (private placement), and THB 48 billion from exercising warrants, Dr. Sethaput noted. 



Dr. Sethaput Suthiwart-Narueput Ph.D
SET Senior Vice President


Investment options yield higher returns than bank deposits

A recently-released study has found that investing 20% of savings in solid, low-risk stocks yields more than three times the return that could be expected from bank deposits. The Stock Exchange of Thailand (SET)'s Research and Information Division unveiled its research into returns derived from having some savings invested in other securities, e.g. stocks, bonds and debentures, while maintaining the major proportion in fixed-interest accounts.

The study, "Choosing better investment options for more returns" (SET Note No. 6/2006), confirmed that Thais tend to maintain a relatively high level of bank-based savings, at 19% of their liquid capital, compared with Americans, at only 1%, reflecting the US view that, although a low-risk investment, savings account returns are too low for retirement. Over the past 30 years, bank savings offered a compound annual growth rate of only 7% p.a., while stocks provided up to 12% p.a.

Using a fixed-interest account of THB 1 million as a case study, the author assumed that THB 20,000 had been

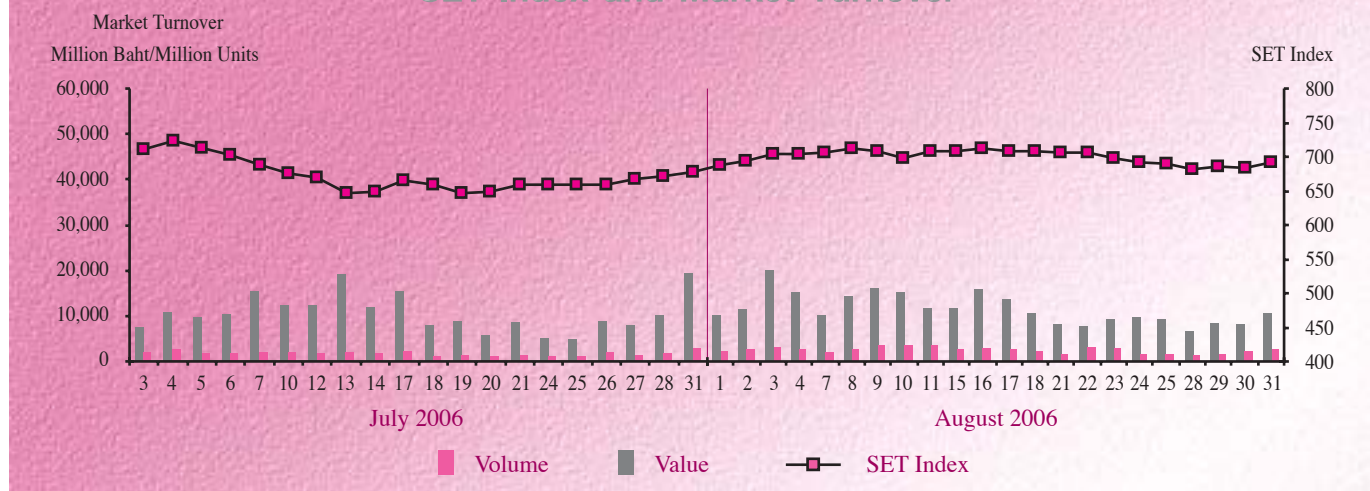
invested in five big-cap stocks every month for one year, from the beginning to end of 2004, totaling THB 240,000. Then, if a person held those stocks until the end of the Q2/2006, the total return on this portfolio, at fairly low risk, would have been almost 12%, or around three times the interest earned from the bank deposit alone. Moreover, his/her monthly returns on this portfolio never dropped below 3%.

The study also raised several other cases, illustrating that savers have a wide range of investment options adaptable to individual circumstances. For example, if they are not interested in stocks, they can always use government or private bonds, which offer different levels of returns and risks. The allocation and the weight given to each type of investment depend on an investor's ability to absorb risk. Thus, if they are risk-averse, but seek returns higher than the bank provides, they can keep most of their money with the banks, and invest the remainder in other instruments. 

Change in Name of Listed Companies

Date	Before Changing	Symbol	After Changing	Symbol
2/8/2006	Siam Panich Leasing Public Company Limited	SPL	Siam Commercial Leasing Public Company Limited	SCBL

SET Index and Market Turnover



The Stock Price Indices in August 2006

Index	High (Date)	Low (Date)	Close	
			August 2006	Compared with July 2006 (%)
SET	712.07 (16)	682.07 (28)	690.90	↓ 0.09%
SET50	500.75 (16)	476.03 (28)	482.43	↓ 0.04%
SET100*	1,086.66 (16)	1,035.65 (28)	1,049.15	↓ 0.05%
mai	161.97 (9)	158.35 (28)	158.72	↓ 0.30%

* The SET100 Index was launched on May 3, 2005.

Stock Market Turnover in August 2006

	Volume (Million Shares)				Value (Million Baht)				
	August 2006		Compared with July 2006 (%)		August 2006		Compared with July 2006 (%)		
	SET	mai	SET	mai	SET	mai	SET	mai	
Total	51,781.85	285.12	↑ 8.55%	↑ 24.86%	Total	250,660.04	851.40	↑ 1.22%	↑ 93.03%
Daily Average	2,353.72	12.96	↓ 1.32%	↑ 13.49%	Daily Average	11,393.64	38.70	↓ 7.98%	↑ 75.51%

Statistics of Listed Debentures in August 2006

Issues	Total Outstanding Value (Million Baht)	Total Turnover	
		Volume (Units)	Value (Million Baht)
581	2,984,568.92	18,300	18.00

Transactions by Type of Investors*

Unit : Million Baht

Type of Investors	July 2006				August 2006			
	Buy	%	Sell	%	Buy	%	Sell	%
Foreigners (corporate & individual)	75,149.43	30.29	65,473.93	26.39	80,640.74	32.06	71,252.04	28.33
Local Institutions**	26,667.13	10.75	35,895.71	14.47	28,507.55	11.34	32,568.32	12.95
Local Investors	146,263.65	58.96	146,710.57	59.14	142,363.16	56.60	147,691.09	58.72
Total	248,080.21	100.00	248,080.21	100.00	251,511.45	100.00	251,511.45	100.00

* Including securities companies, mutual funds, banks, finance firms, insurance companies, juridical entities and provident funds

** Including transactions of mai

Top Ten Securities with Highest Market Value in August 2006

Rank	Securities		Market Value	
			Million Baht	% of Total
1	PTT	PTT	660,149	13.51
2	PTT Exploration and Production	PTTEP	351,547	7.19
3	Advanced Info Service	ADVANC	264,253	5.41
4	The Siam Cement	SCC	261,600	5.35
5	Bangkok Bank	BBL	200,428	4.10
6	Kasikornbank	KBANK	148,871	3.05
7	Thai Petrochemical Industry	TPI	141,375	2.89
8	Krung Thai Bank	KTB	127,449	2.61
9	Thai Oil	TOP	124,441	2.55
10	The Siam Commercial Bank	SCB	109,761	2.25
Total			2,389,874	48.91

Top Ten Most Actively Traded Securities (Main Board) in August 2006

Rank	Securities		Number of Securities	Turnover Value	
				Million Baht	% of Total
1	PTT	PTT	71,352,746	17,341.26	7.34
2	The International Engineering	IEC	4,410,892,801	12,221.70	5.17
3	Rayong Refinery	RRC	585,032,617	12,095.03	5.12
4	PTT Exploration and Production	PTTEP	101,722,665	11,811.45	5.00
5	Thai Petrochemical Industry	TPI	1,121,715,836	8,249.74	3.49
6	The Siam Commercial Bank	SCB	130,241,653	7,672.11	3.25
7	Thai Oil	TOP	113,307,805	7,275.11	3.08
8	Bangkok Bank	BBL	65,362,416	6,920.28	2.93
9	The Siam Cement	SCC	26,408,624	5,681.85	2.41
10	Thoresen Thai Agencies	TTA	195,413,593	4,620.18	1.96
Total			6,821,450,756	93,888.71	39.75

* Excluding transactions on Foreign Board and mai

Top Ten Most Actively Traded Securities (Foreign Board) in August 2006

Rank	Securities		Number of Securities	Turnover Value	
				Million Baht	% of Total
1	Bangkok Bank	BBL-F	52,503,709	5,864.26	40.58
2	Kasikornbank	KBANK-F	46,476,321	3,011.96	20.84
3	The Siam Cement	SCC-F	8,911,000	2,026.75	14.02
4	Land and Houses	LH-F	164,853,900	1,250.65	8.65
5	Advanced Info Service	ADVANC-F	10,573,650	962.94	6.66
6	Bank of Ayudhya	BAY-F	34,201,200	587.40	4.06
7	Banpu	BANPU-F	1,094,600	157.41	1.09
8	Siam City Bank	SCIB-F	6,081,800	110.10	0.76
9	Thai Union Frozen Products	TUF-F	4,286,000	105.14	0.73
10	Kiatnakin Bank	KK-F	3,395,700	94.99	0.66
Total			332,377,880	14,171.60	98.06

* Excluding transactions of mai

Top Ten Outstanding Non-Voting Depository Receipts (NVDRs) in August 2006

Rank	Securities	Number of NVDRs	% of Paid-up Capital	
1	Raimon Land	RAIMON-W	431,526,297	55.74
2	Golden Land Property Development	GOLD	211,653,472	33.59
3	Jasmine International	JAS-W	26,318,220	29.32
4	Tisco Finance	TISCO	156,418,131	28.90
5	Raimon Land	RAIMON	569,248,288	27.00
6	Supalai	SPALI-W3	38,421,173	26.42
7	L.P.N. Development	LPN	361,506,693	24.50
8	Univentures	UV	127,896,949	24.11
9	Land and Houses	LH	2,015,256,076	23.88
10	Pranda Jewelry	PRANDA	73,446,300	23.69

Market data of TFEX*

Transaction Summary	April 2006	May 2006	June 2006	July 2006	August 2006	April - June 2006
Total Volume (Contracts)	161	4,565	8,996	17,515	23,470	54,707
Daily Average Volume (Contracts)	161	228.25	449.80	875.75	1,066.82	659.12
Total Value (Million Baht)	86.47	2,368.56	4,134.05	8,185.89	11,386.11	26,161.08
Daily Average Value (Million Baht)	86.47	118.43	206.70	409.29	517.55	315.19
Month-end Open Interest (Contracts)	102	1,109	1,907	2,843	3,634	3,634

Market Summary: SET50 Index Futures					
Symbol	Contract Month	Open	High	Low	Settle
S50U06	Sep-06	475.5	500.9	469.5	476.7
S50Z06	Dec-06	477.0	502.0	471.8	478.0
S50H07	Mar-07	477.0	477.0	477.0	477.0
S50M07	Jun-07	490.0	490.0	490.0	490.0

* TFEX started its trading on April 28, 2006.

Thai bourse and Mahidol University establish Market Research Center



On September 4, SET signed a memorandum of understanding (MOU) with the College of Management, Mahidol University (CMMU), to establish the Market

Microstructure Research Center.

The center will conduct in-depth research into structural and trading mechanisms in the securities market to develop Thai capital market policy.

The research team will include researchers from both SET and Mahidol University whose findings will be published in journals, selected newspapers, and at academic conferences. This research is expected to contribute significantly to market regulations and dealing with fluctuating economic conditions. ✍

Thai bourse provides information about equity ETF

SET Senior Vice President Sethaput Suthiwart-Narueput, Ph.D., presented SET Note No. 7/2006, "Equity ETF in Thailand: Issues and Opportunities", at a press briefing on August 31. The presentation provided participants with insights into equity ETF and its benefits to the Thai capital market. ✍



Thai bourse briefs press on NVDRs



Managing Director of Thai NVDR Co., Ltd. Mrs. Kongkeaw Piamduaytham provided a well-attended press briefing on investment in non-voting depository receipts (NVDRs) at the SET Building on September 6. ✍

Thai Investors' Day provides tips for portfolio management in Q4/2006



The latest Thai Investors' Day provided investors with opportunities to learn more about managing a varied portfolio in Q4/2006. The event was held at The Stock Exchange of Thailand (SET), on September 2 - 3, with the theme: "Managing a portfolio of stocks, bonds, and investment units in Q4".

Visitors received up-to-date investment information and free expert advice about alternative investment instruments tailored to their individual needs. The event featured booths and exhibitions from 22 organizations, including investment management, securities and listed companies, together with SET and its subsidiaries.

The highlights included free seminars on topics such as "Managing portfolios with stocks, bonds, and investment units for Q4", "What to invest in, in Q4/2006", "Learn more from three bond experts", and "Keeping abreast of the flow of funds". In addition, there were exclusive sessions for members of the Thai Investors Association (TIA).

To participate in seminars on next month's Thai Investors' Day, please contact TIA on 66-2237-1992-3 or visit www.thaiinvestors.com, or contact the SET Call Center on 66-2229-2222. ✍

Thai bourse and Bangkok administration promote household savings



The Stock Exchange of Thailand (SET), in collaboration with Bangkok Metropolitan Administration (BMA), continues to support greater understanding of personal finance, and efficient saving practices for families of Bangkok residents.

On August 4 - 6, SET organized a free performance of "The Magic Piggy Bank" to promote financial knowledge and skills among students from over 400 BMA schools and the general public. The play was sponsored by SET, Family Know-How Co., Ltd., Muang Thai Life Assurance Co., Ltd., Siam Inter Multimedia PCL, and Toys' R Us.

At the event, SET's Thailand Securities Institute (TSI) donated e-Learning media worth THB 2 million to be used at BMA's Centers for the Promotion of Household Savings. ✍