



SE Asia Stocks- Manila and Jakarta Hit Record Highs

By [Shihar Aneez](#)

COLOMBO, July 20 (Reuters) - Southeast Asian stock markets gained on Wednesday as hopes that a U.S. debt default would be averted brought buyers back, driving Indonesia and the Philippines to record highs. Appetite for risky assets overall was up after comments by President Barack Obama that progress was being made towards a debt reduction deal. Thailand saw \$153.5 million in foreign inflows that helped push its index up 0.4 percent, with energy shares leading the way.

The Philippines hit a record high and ended 0.5 percent higher at 4,507.04, with \$2.8 million in foreign inflows. Mining and bank shares were strong. "We continue to be optimistic that positive economic fundamentals and favourable corporate earnings towards the end of the year will further boost market confidence," Hans B. Sicat, the head of the Manila bourse, said in a statement commenting on the index passing 4,500 for the first time. Ron Rodrigo, head of research at Manila-based DBP-Daiwa, also said a strong domestic economy coupled with the earnings outlook drove the index up in high volume. "We expect a correction at the 4,530 level and the market to take a breather, but by end of this year it will rise to around 4,800," Rodrigo said. Analysts expect up to 15 percent year-on-year growth in June quarter earnings for Philippine companies.

Property shares pushed Jakarta to a record high close, with the day's volume almost double the 30-day average, led by property developers Bumi Serpong Damai and Lippo Karawaci. "Property shares are driven by strong domestic market fundamentals, the strong rupiah and low interest rates," said John Teja, director at Jakarta-based Ciptadana Securities. "Housing demand remains strong and local property values are still cheap compared to elsewhere in the region."

In Bangkok, a 1.8 percent gain in Thailand's top energy firm, PTT pushed the index to its highest close since April 25. The energy firm's chief executive said on Wednesday the group planned investment of \$100 billion over the next 10 years, by the end of which annual group revenue was expected to have reached 6 trillion baht (\$200 billion). Analysts said foreign buying and a surge in the oil price helped energy shares. "Overall the market was bullish along with regional bourses after seeing some relief on the EU debt crisis and U.S. debt ceiling matter," said Teerada Charnyingyong, senior strategist at broker Phillip Securities in Bangkok.

Singapore rose 1 percent to a two-week high on strong earnings hopes, while Malaysia gained 0.5 percent, snapping a two-day fall. At 1030 GMT, both the MSCI index of Asia excluding Japan and the MSCI index of Southeast Asia stocks were up by more than 0.8 percent.