

KTAM's new FIF to focus on energy

Krung Thai Asset Management (KTAM) today will open subscriptions for its new KTAM World Energy Fund, a foreign investment fund focused on energy stocks worldwide.

Initial subscriptions for the fund will run until June 30.

A minimum of 80% of assets will be invested in the BGF World Energy Fund, a fund managed by Blackrock with assets of around 91 billion baht as of April.

The BGF World Energy Fund invests in stocks of companies focused on the exploration, development, production and distribution of energy.

KTAM chief executive Somchai Boonnamsiri said the BGF fund was managed by Robin Batchelor, once cited as one of the top 20 fund managers in the world by Forbes magazine.

Mr Somchai said the fund was expected to rise in the future as the global economy improved and demand for energy increased.

Share prices for energy companies also might rise faster than energy commodities prices themselves if sentiment in the equities markets remains positive.

Pavin Rodloytok, retail banking director for Citi, a sales agent for the fund, said the recent increase in risk appetite had benefited equities markets worldwide.

Any weakness over the summer months should be viewed as buying opportunities, he said.

Investors should also consider that investment in global energy infrastructure was projected to average \$2 trillion per year through 2015, with over half spent in emerging economies.

"Emerging-market growth is likely to lead global energy consumption growth and create energy infrastructure bottlenecks. We see strong cash flow in almost energy majors and sovereign energy companies to accelerate investment in energy infrastructure," Mr Pavin said.

Jas Lim, head of liabilities and investment at Citi, said the bottom of the economic crisis had already passed, with a recovery set for 2010.

Production cuts by Opec members and ongoing stimulus spending by governments worldwide will help support economic recovery and medium- to long-term share valuations.

The BGF World Energy Fund aims to invest in 40 to 60 stocks at any time, with its portfolio now primarily focused on integrated oil and gas companies.

The fund has returned around 68% over the past five years against a benchmark return of 47%.

Source: Bangkok Post