

18 NOVEMBER 2020

Thailand Diversified Financials

GSB ไม่น่าจะสามารถเปลี่ยนโฉมหน้าของอุตสาหกรรมได้ใน 1-2 ปีนี้

การลงทุนร่วมระหว่าง GSB และ Fast Money

ธนาคารออมสิน (GSB, not listed) ประกาศซื้อหุ้นไม่เกิน 49% ใน Fast Money (FM, not listed) ซึ่งเป็นบริษัทย่อยของ SAWAD เพื่อเข้าสู่ตลาดสินเชื่อทะเบียนรถ GSB มีเกณฑ์ในการดำเนินธุรกิจประกอบด้วย 1) รักษาอัตราดอกเบี้ยสูงสุดที่ 18% ต่อปีเทียบกับค่าเฉลี่ยในตลาดที่ประมาณ 24%; และ 2) ขนาดสินเชื่อต่อสัญญาต้องไม่ 200,000 บาท

รูปแบบการร่วมทุน

เราคาดว่า SAWAD จะถือหุ้น 51% ในกิจการร่วมทุน (JV) ดังกล่าว ส่วนที่เหลือ GSB จะเป็นผู้ลงทุน เราคาดว่า GSB จะปล่อยเงินกู้อัตราดอกเบี้ยต่ำให้กับ JV ในขณะที่สินเชื่อจะถูกปล่อยผ่านสาขาของ SAWAD (4,660) และสาขาของ GSB (ประมาณ 1,500) โดยใช้พนักงานและระบบอนุมัติสินเชื่อของ SAWAD เราเชื่อว่าตลาดแรกที่ JV จะเข้าดีจะเป็นตลาดสินเชื่อทะเบียนรถมอเตอร์ไซด์ ในขณะที่เราเชื่อว่า SAWAD จะยังประกอบธุรกิจสินเชื่อทะเบียนรถยนต์ภายใต้ Srisawad Finance Public Company (BFIT TB, not rated) และ Srisawad Power 2014 (SAWAD 2014, not listed) โดยคิดอัตราดอกเบี้ยเฉลี่ยเดิมที่ประมาณ 23-26% เราคาดว่า SAWAD จะใช้เกณฑ์พิจารณาความเสี่ยงของลูกค้า เพื่อพิจารณาว่าลูกค้าควรอยู่ที่บริษัทย่อยใด ยกตัวอย่างเช่น ลูกค้าที่มีแนวโน้มความเสี่ยงต่ำกว่าอาจได้สินเชื่อจาก JV ใหม่ของบริษัท ในขณะที่ลูกค้าที่มีแนวโน้มความเสี่ยงสูงกว่าอาจได้สินเชื่อจาก SAWAD 2014 โดย GSB จะจัดแหล่งข่าวเพื่อให้รายละเอียดเกี่ยวกับแผนธุรกิจของบริษัทในวันนี้

ผลกระทบจำกัดต่อ SAWAD และ MTC ใน 2 ปีข้างหน้า

การลงทุนร่วมกับ GSB จะทำให้ SAWAD สามารถขยายฐานลูกค้าของตนพร้อมกับป้องกันคู่แข่งรายอื่น อย่างไรก็ตาม อาจต้องใช้เวลา 1-2 ปีกว่าที่ JV จะมีส่วนแบ่งตลาดที่มีนัยสำคัญ ทำให้เราคาดว่าความร่วมมือนี้จะให้ Upside ต่อประมาณกำไรสุทธิของ SAWAD ในปี 2021-2022 เพียง 3-7% โดย 2-5% จะมาจาก JV ใหม่และ 1-2% จากการขายประกันภัยเพิ่มและค่าบริการสินเชื่อ นอกจากนี้เรายังคาดว่าผลกระทบทางลบต่อ MTC จะมีจำกัด เนื่องจากเราเห็นว่าอัตราดอกเบี้ยที่ต่ำที่สุดไม่ใช่ปัจจัยสำคัญที่ทำให้แข่งขันได้ในตลาดนี้

คงมุมมองที่เป็นบวกต่อกลุ่มสินเชื่อทะเบียนรถ

เราคาดว่ากิจการร่วมค้าระหว่าง GSB และ FM อาจสร้างบรรยากาศที่เป็นบวกต่อราคาหุ้นของ SAWAD แต่ให้บรรยากาศเชิงลบต่อ MTC ในระยะสั้น อย่างไรก็ตาม เราไม่คาดว่าจะการเข้ามาในตลาดสินเชื่อทะเบียนรถของ GSB จะมีผลกระทบต่ออุตสาหกรรม อย่างไรก็ตามมีนัยสำคัญในช่วง 1-2 ปีแรก โดยคาดว่า MTC และ SAWAD จะยังสามารถเติบโตสินเชื่อและกำไรสุทธิต่อเนื่องได้ในอัตรา 20-30% ต่อปี ด้วยเหตุผลดังกล่าวเราจึงคงมุมมองที่เป็นบวกต่อกลุ่มสินเชื่อทะเบียนรถ และคงเลือก Muangthai Capital (MTC TB, BUY, TP THB70) เป็นหุ้นเด่นของเราจากคุณภาพสินทรัพย์ที่ดีและสำรองที่มากเกินไป นอกจากนี้เรายังคงคำแนะนำซื้อสำหรับ Srisawad Corp (SAWAD TB, BUY, TP THB68) จากการเติบโตที่คาดว่าจะอยู่ในระดับที่น่าพอใจและโอกาสที่จะได้ประโยชน์จากความร่วมมือกับ GSB



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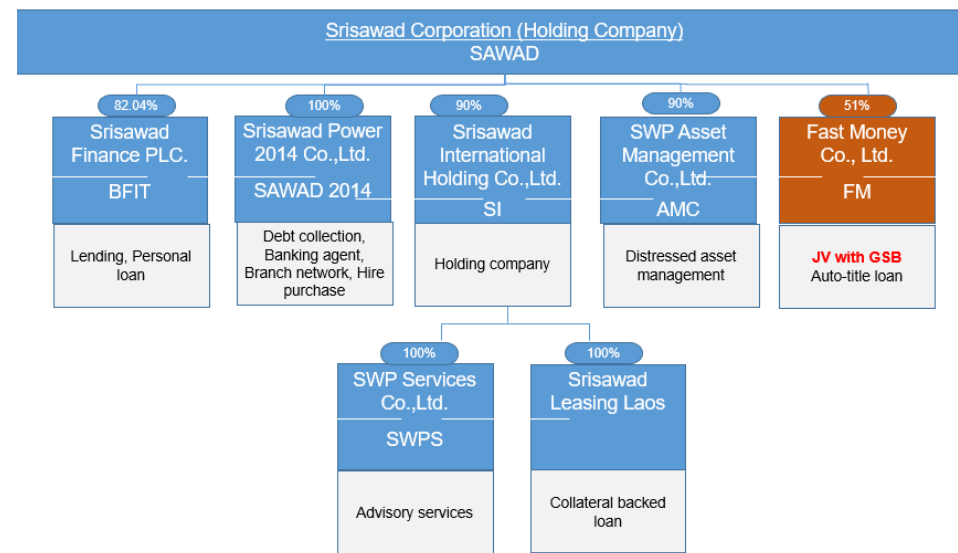
บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 18 พฤศจิกายน 2020

JV business model

The JV between GSB and FM might start to operate within 1Q21. We expect SAWAD to hold a 51% share of this JV, with the rest being held by GSB. We think GSB will provide the low interest rate source of funds for the JV, i.e. 2% p.a., while the loans would originate at SAWAD's branches (4,660 branches) and GSB's branches (c1,500 branches) via SAWAD's staff and credit approval systems.

Meanwhile, we believe that SAWAD will continue to operate its car title loan business under BFIT and SAWAD 2014. We expect that these two subsidiaries will continue charging the same average interest rates of c23-26%.

Exhibit 1: SAWAD's expected organisational structure after partnering with GSB



Source: FSSIA's expectation

We believe that SAWAD will apply its customer risk profile criteria in order to channel clients toward borrowing from a particular subsidiary. For example, clients with lower risk profiles might borrow money from the new JV company, while customers with higher risk profiles could borrow from SAWAD 2014.

Minimal impact to SAWAD and MTC for the first two years

We think SAWAD would benefit from partnering with GSB, as 1) this deal would allow SAWAD to expand its customer base into a new segment, such as GSB's depositors; 2) it could help SAWAD ward off its competitors and expand its business; and 3) expanding its credit portfolio would help minimise the downside regulatory risk from the interest rate ceiling limit.

However, we expect the total upside from this deal to our 2021-22 net profit forecast for SAWAD to be only 3-7%. Breakdown as follows:

1) We estimate that the new JV company will provide an upside of only 2-5% to our 2021-22 net profit forecast for SAWAD, based on the assumption that 1) the loan values in the first two years would be at THB5b and THB7.5b, respectively; and 2) the average interest rate charge would be 17.5%.

Note that for every THB1b increase in loan volume, ceteris paribus, the JV would provide a 0.5% upside to our net profit forecast.

2) We also expect a 1-2% potential upside from selling more insurance and loan-originated service fees. SAWAD's existing insurance brokerage business would also likely benefit from this deal, as we forecast that it could increase its insurance sales volume due to the increase in its customer base. Moreover, as the JV would use SAWAD's staff and credit approval systems to run its business, services fees might be charged.

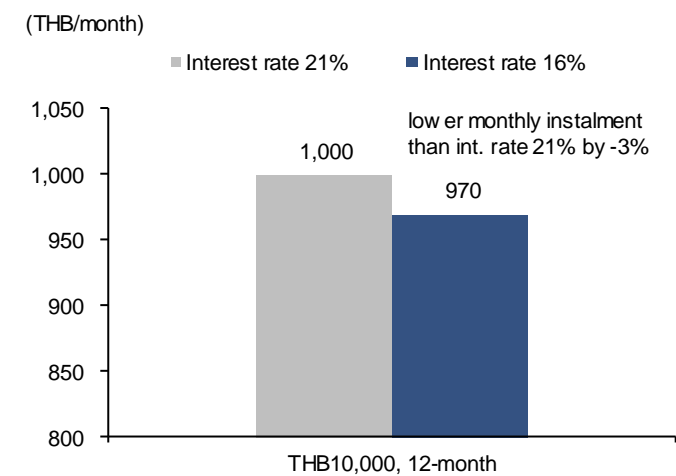
Exhibit 2: Expected total benefit to SAWAD from the JV deal

	2021E	2022E
Net profit - current estimate (THB m)	5,209	6,396
1) Contribution from JV (THB m)	97	291
% upside compared to current estimate	1.9	4.6
2) Insurance commission and loan originated fees (THB m)	60	150
% upside compared to current estimate	1.2	2.3
Total benefits from this deal (1+2) (THB m)	157	441
% upside compared to current estimate	3.0	6.9

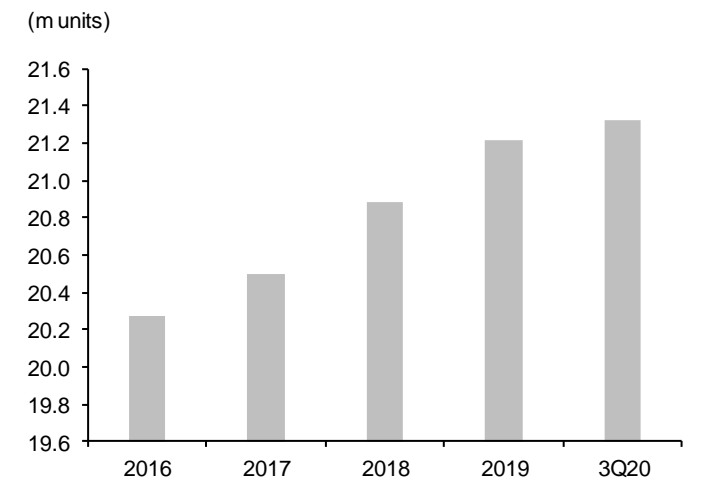
Source: FSSIA's estimates

In 2021-22, we also believe the negative impact on MTC's net profit would be minimal, as we believe the nature of the business is not price sensitive at this time. We have found that there would only be a minor difference between the monthly instalments for MTC's motorcycle title loans – with a current interest rate charge of 20-21% per year – vs GSB's, with a possible interest rate charge of 16-18%. For example, the monthly instalments for a 12-month loan of THB10,000 with an interest rate charge per year of 21% would be cTHB1,000 vs THB970 for a 16% interest rate charge. We believe MTC's clients would not feel a sufficient difference between these two monthly instalments.

Moreover, we believe there is plenty of room for every operator to grow their business, due to the relatively large size of the motorcycle title loan market. There are currently c21m registered motorcycles in Thailand vs the c2m motorcycles under MTC's loan portfolio.

Exhibit 3: Monthly instalment comparison between interest rate charges of 21% and 16%

Source: FSSIA's compilation

Exhibit 4: No. of registered motorcycles

Source: Department of Land Transport

Impact to MTC if pricing is essential

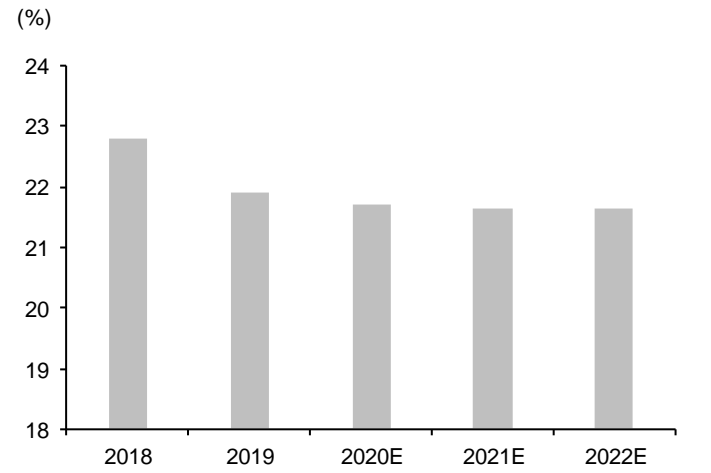
However, if customers start to pay more attention to pricing, and loan providers reduce their interest rate charges in response, MTC's 2021E net profit would decline by 10% for every 1ppt contraction of yield on loan, all else being equal. Note that MTC currently charges 19-21% p.a. interest rates.

Exhibit 5: MTC: sensitivity analysis of a change in its yield on loans

		----- 2021E -----		
Yield on loans (%)	±1ppt	20.65	21.65	22.65
% change in net profit		(10.0)	-	10.0

Source: FSSIA's estimates

Exhibit 6: MTC’s average yield on loans



Source: FSSIA's estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGC	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIUK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range		Number of Logo					Description			
90-100							Excellent			
80-89							Very Good			
70-79							Good			
60-69							Satisfactory			
50-59							Pass			
Less than 50		No logo given					-			

Disclaimer:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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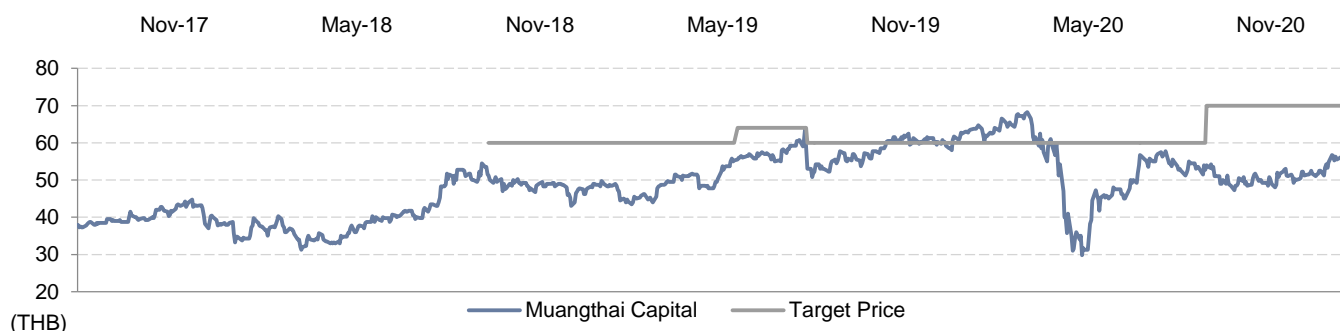
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History of change in investment rating and/or target price

Muangthai Capital (MTC TB)



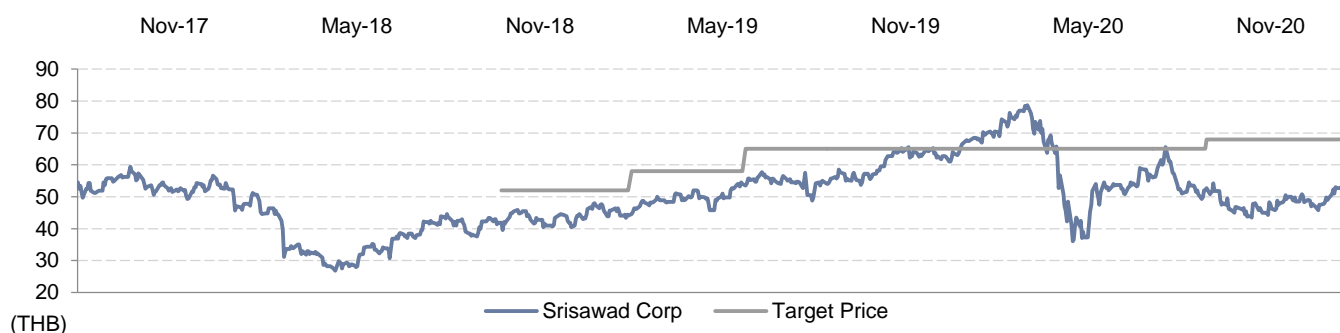
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2018	BUY	60.00	09-Aug-2019	HOLD	60.00	16-Jul-2020	BUY	70.00
10-Jun-2019	BUY	64.00	02-Apr-2020	HOLD	60.00			

Yuvanart Suwanumphai Started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Srisawad Corp (SAWAD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Nov-2018	BUY	52.00	17-Jun-2019	BUY	65.00	02-Apr-2020	HOLD	65.00
11-Mar-2019	BUY	58.00	20-Nov-2019	HOLD	65.00	16-Jul-2020	BUY	68.00

Yuvanart Suwanumphai Started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Muangthai Capital	MTC TB	THB 55.25	BUY	Downside risks to our GGM-based TP include the expansion into auto-title loans by the Government Savings Bank; further weakening asset quality could potentially hit both loan yield and credit cost.
Srisawad Corp	SAWAD TB	THB 55.00	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 17-Nov-2020 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.