

30 SEPTEMBER 2021

Thailand Market Strategy

Tri-transition underscores investment strategy in 4Q21

4Q21 investment strategy underscored by three 'transition' themes

We believe that post-Covid investment strategy in 4Q21-2022 onward will be underlined by three key economic transitions, both globally and domestically. We see the three transitions as shifts toward growth, green energy, and normalcy, which should be supported by an economic recovery and progressions toward the digitalisation of platforms and ecosystems. These shifts will be game changers, in our view, that will necessitate all parties involved to not only adopt but also adapt themselves ahead of, or at least in tandem with, the fast pace of changes in technology, consumer behaviours, and supply chain management.

Economic rebound is now on track, led by higher CEI and LEI

Looking into 4Q21-2022, we expect Thailand's GDP to rebound meaningfully, driven by both internal factors (private consumption, investment and public consumption) and net exports. We expect industrial sectors to lead the net export growth, followed by the agricultural and service sectors, given the gradual recovery of tourism and internal flights. Based on the Bank of Thailand (BoT)'s two leading indicators, the Coincident Economic Index (CEI) and Leading Economic Index (LEI), we expect Thailand's GDP to recover in 4Q21-2022 to close to the pre-Covid level of 3-4% p.a. The key drivers should come from a higher import volume of capital goods, a higher Manufacturing Production Index, more gross value-added tax collected, higher domestic automobile sales, and an improving LEI in 1H21, led by higher export sales and a rising SET index. Hence, we think Thailand's economic activities should rebound in 4Q21 into 2022, led by a higher CEI and LEI.

Adaptability and readiness are key

We identify the 'transition' investment theme as revolving around three major shifts: 1) transition to growth via JVs to create the right synergy (SCB, JMT, and NCAP); 2) transition to normalcy to capture post-Covid era growth (CPALL, HMPRO, AOT, BA, and DMT); and 3) transition to green energy during the fossil-to-renewable period (PTTEP, TOP, BANPU, IVL, EA, and NEX), all being sound investment strategies during the transition from the pandemic to post-pandemic period, in our view.

Reaffirming 1,700 as our SET Index target by the end of this year

We retain our Overweight recommendation on the Thai equity market with our SET Index target of 1,700 by end-2021, driven by 1) improving corporate profit growth, led by the energy, petrochemical and utilities sectors; and 2) a Thai economic recovery on higher exports and domestic consumption post lockdown easing. For Oct-21, we expect the SET Index to remain rangebound between 1,600-1,670 with the transition investment theme. Our top picks are BANPU, EA, JMT, NCAP, CPALL, HMPRO, BA, AOT, SCB and DMT.



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Tri-transition investment strategy for the post-Covid era

We believe that post-Covid investment strategy in 4Q21-2022 onward will be underlined by three key economic transitions, both globally and domestically. We see the three transitions as shifts toward growth, green, and normalcy, which should be supported by an economic recovery and progressions toward the digitalisation of platforms and ecosystems. These shifts will be game changers, in our view, that will necessitate all parties involved to not only adopt but also adapt themselves ahead of, or at least in tandem with, the fast pace of changes in technology, consumer behaviours, and supply chain management.

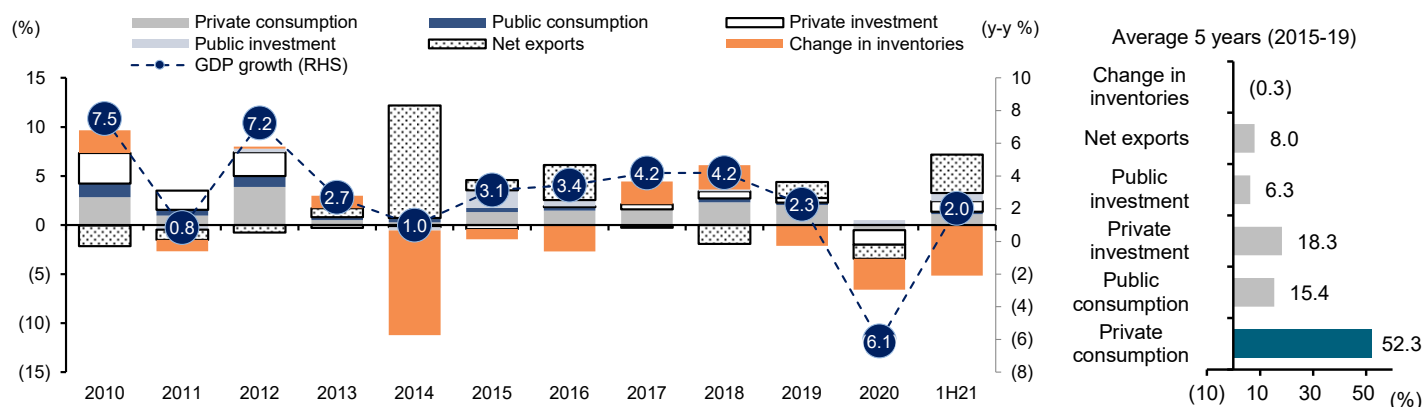
Exhibit 1: Our top picks for Oct 2021 with tactical views

Company	BBG	Rationale on resilience in business model and strong fundamentals
Banpu	BANPU TB	BANPU is a winner of the current coal price and gas price uptrend given its 0.8bscfd of gas production capacity in the US. Additionally, the higher Henry Hub gas price should directly benefit BANPU's shale gas unit.
Energy Absolute	EA TB	EA is a defensive play amid the Thai renewables sector for its strong net profit outlook from new S-curve growth projects which have started to materialise in 3Q21. We expect EA's share price to rerate ahead of the first net profit booking from its EV and battery ventures in 3Q21 and 4Q21.
CP All	CPALL TB	CPALL is a catch-up play in the commerce sector. The company is a key beneficiary of both domestic and international tourism recoveries. We think that long-term synergy creation between MAKRO and Lotus could indirectly pass through to CPALL. Its valuation could drop to 25x from its 5-year average currently, based on its potential earnings recovery to the pre-Covid level in 2022.
Home Product Center	HMPRO TB	We project HMPRO's earnings to exceed their pre-Covid level at THB6.7b in 2022. An earnings recovery should be visible from 4Q21 toward the end of 2022. Its current valuation is attractive, trading at c25% below its pre-Covid peak of THB18.6 and at 28x 2022E P/E, which is equivalent to -1.0SD of its 5-year mean of 33x.
Don Muang Tollway	DMT TB	DMT should be a key beneficiary of the lockdown easing since Sep-21 as 1) the resumption of out-of-home (OOH) activities typically increases the demand for expressway usage; and 2) the resumption of domestic air travel should increase ridership.
Airports of Thailand	AOT TB	AOT should be the first tourism stock whose earnings exceed the pre-Covid level, in our view, led by higher revenue from new concession contracts with King Power. As the minimum guarantee waiving will end in March 2022, concession revenue could accelerate from 2HFY22 onward, potentially jumping from THB17.5b in FY19 to THB27.0b in FY23, and supporting its post-Covid earnings turnaround.
Siam Commercial Bank	SCB TB	We think SCB has the best position in the banking sector to benefit from the region's digital age with its integrated digital platform, and the proactive long-term debt restructuring program offered to its clients could solve the prolonged asset quality problem. We believe SCB should deliver solid performance in the next two years. We also expect its dividend payout ratio to increase. Thus, shareholders would benefit from the expected ROE uplift.
JMT Network Services	JMT TB	We believe JMT can deliver outstanding net profits vs its peers, both in the long and short term, especially in 4Q21. We view JMT as a stock to hedge against the economic downturn, supported by its unsecured portfolio. It should also grow with the economic recovery via its secured portfolio.
Next Capital	NCAP TB	We expect NCAP to deliver outstanding net profit growth at a 38% three-year CAGR from 2020-23. With the support of its major shareholders and its new highly experienced management, NCAP should be able to successfully transform itself from a motorcycle hire purchase lender to a fully-equipped tech lender.
Bangkok Airways	BA TB	We like BA for its favourable risk/reward ratio, trading at 15-17x 2023E P/E, compared with other tourism stocks (hotel operators and AOT) at 25-35x. BA's multiple could rerate to 20-30x as it transforms from an airline to an airport operator. We estimate that after BA terminates the lease contract for Samui Airport with Samui Airport Property Fund, its airport-related EBIT contribution should jump to 48% in 2023, while its airline business EBIT should contribute only 12%.

Source: FSSIA estimates

For Thailand, an increasing number of companies have begun to adapt themselves to the changing economic and industry environment. As society adjusts to life with Covid-19, we can see three transitions currently ongoing to transform the traditional brick-and-mortar business model into online, technology platform, and ecosystem-based ventures.

A higher number of strategic partnerships have been formed to integrate businesses, build more competitive business structures, and create more adaptive and nimble business platforms. Companies like JMART and BTS have formed strategic partnerships and cross-holding structures to create new business JVs that will deploy each other's strengths to drive business growth. GULF acquired stakes in INTUCH to allow GULF to access ADVANC's big data and 5G technology platform. The acquisition has already yielded its first fruit in the form of 'AISC', a JV between AIS (ADVANC) and SCB to operate a new nano-finance company, leveraging ADVANC's 43m customer base and SCB's 12m client base.

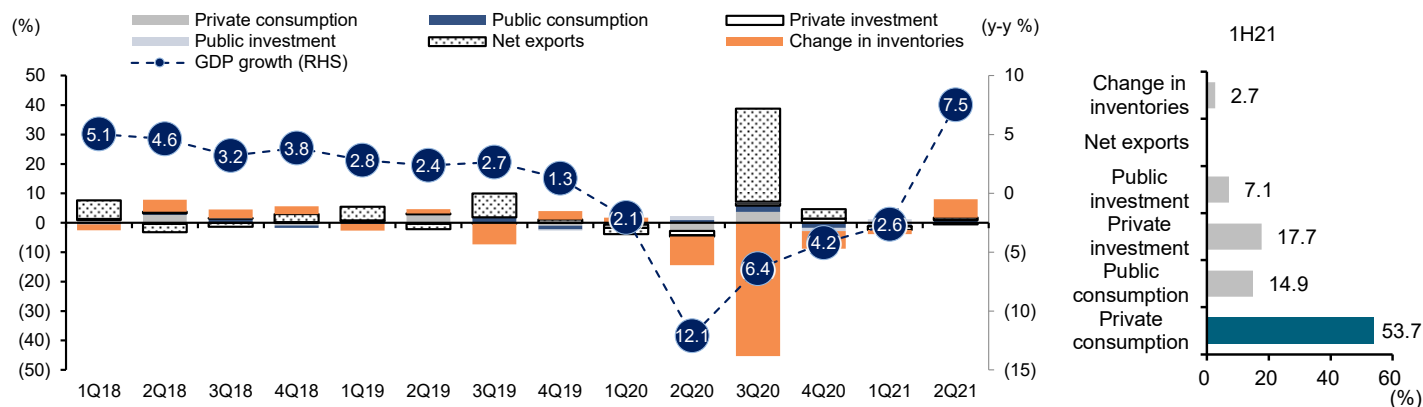
Exhibit 2: Annual GDP growth – contribution by expenditure and composition during 2015-19 before emergence of Covid-19

Sources: Office of National Economic and Social Development Council (NESDC); FSSIA's compilation

Return of private consumption and investment to drive GDP growth in 4Q21-

2022. During the pre-Covid period in 2015-19, Thailand's GDP had been mostly driven by domestic factors, including private and public consumption and private investment. However, since 1Q20 when the Covid-19 pandemic hit the country, all GDP growth engines have slowed down or even sharply declined, particularly for the private segment which is tightly linked to tourism and consumer consumption.

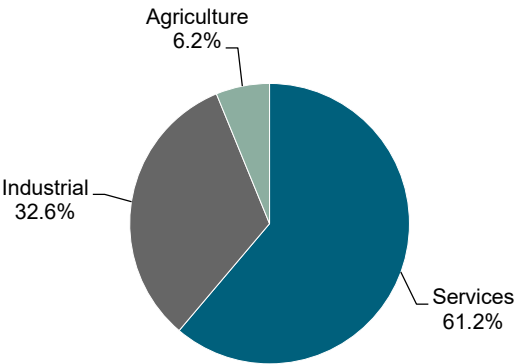
In 1H21, we started to see signs of recovery in private consumption and investment, as well as strong public investment, which boosted Thailand's GDP growth to 2.6% y-y in 1Q21 and 7.5% y-y in 2Q21. The solid private consumption was supported by the government's multiple subsidies and promotional schemes, such as 'Tiew Duay Gun' ('travel together' – subsidy for hotel room rates and shopping), 'We Win' (weekly subsidies of THB1,000 for two weeks), and 'Ying Chai Ying Dai' (e-vouchers as cashback for shopping for local food and necessities).

Exhibit 3: Quarterly GDP growth – contribution by expenditure and composition in 1H21

Sources: Office of National Economic and Social Development Council (NESDC); FSSIA's compilation

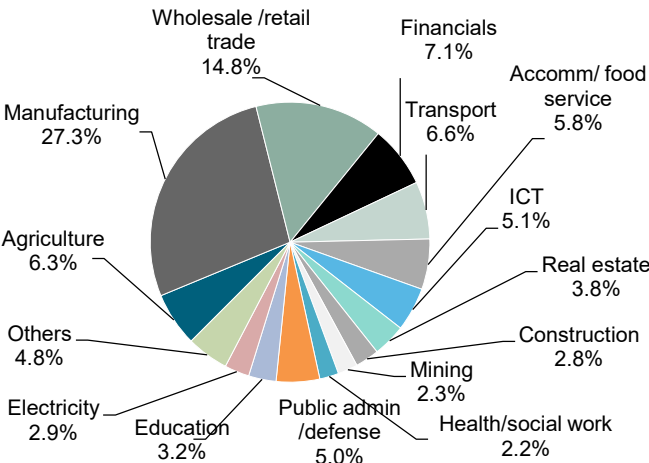
Looking into 4Q21-2022, we expect Thailand’s GDP to rebound meaningfully, driven by both internal factors (private consumption, investment and public consumption) and net exports. We expect industrial sectors to lead the net export growth, followed by the agricultural and service sectors, given the gradual recovery of tourism and internal flights.

Exhibit 4: GDP by industry, average 2015-19



Sources: NESDC; FSSIA's compilation

Exhibit 5: GDP by sector, average 2015-19

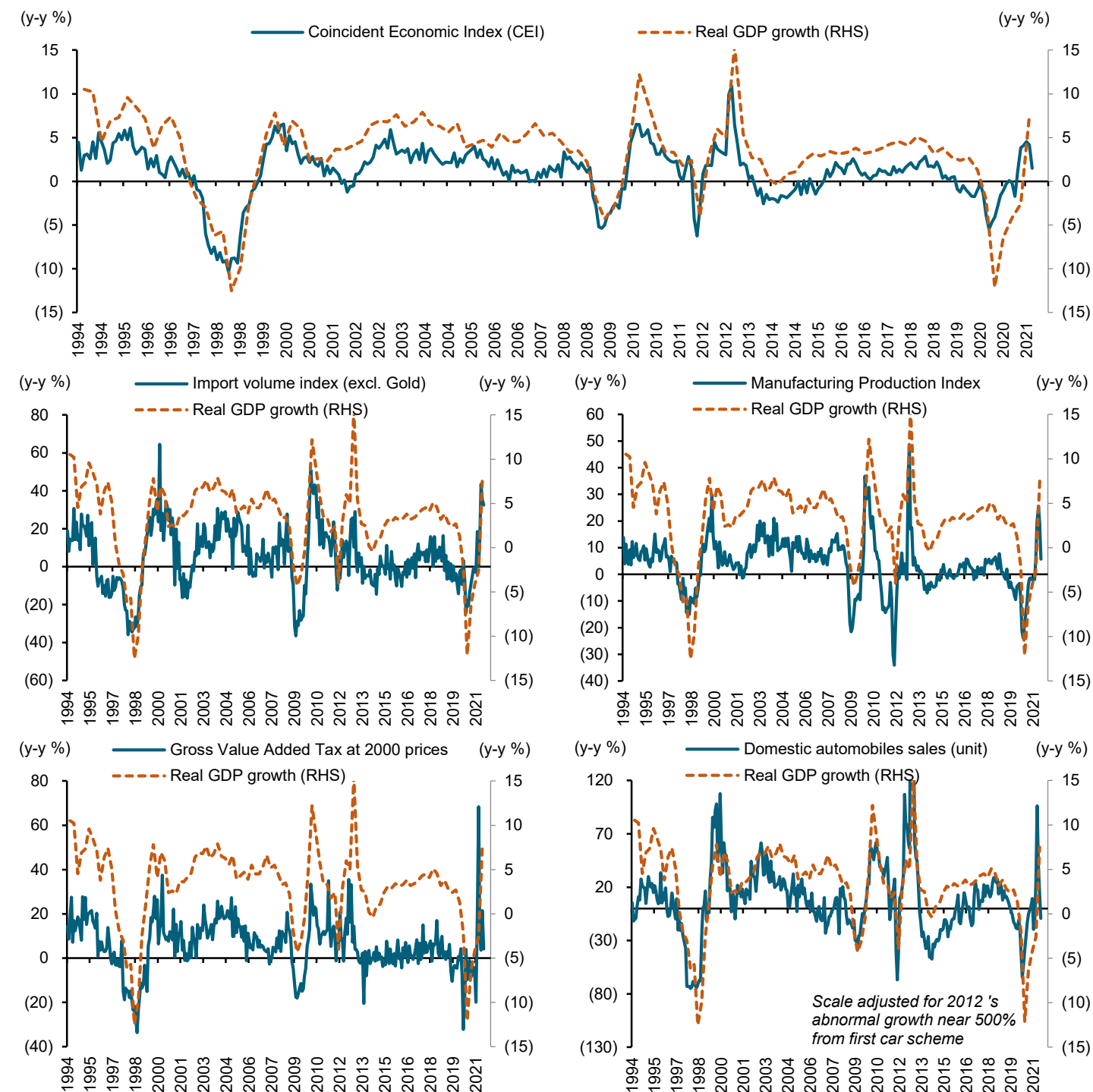


Sources: NESDC; FSSIA's compilation

Two leading indicators show signs of economic recovery in 4Q21-2022

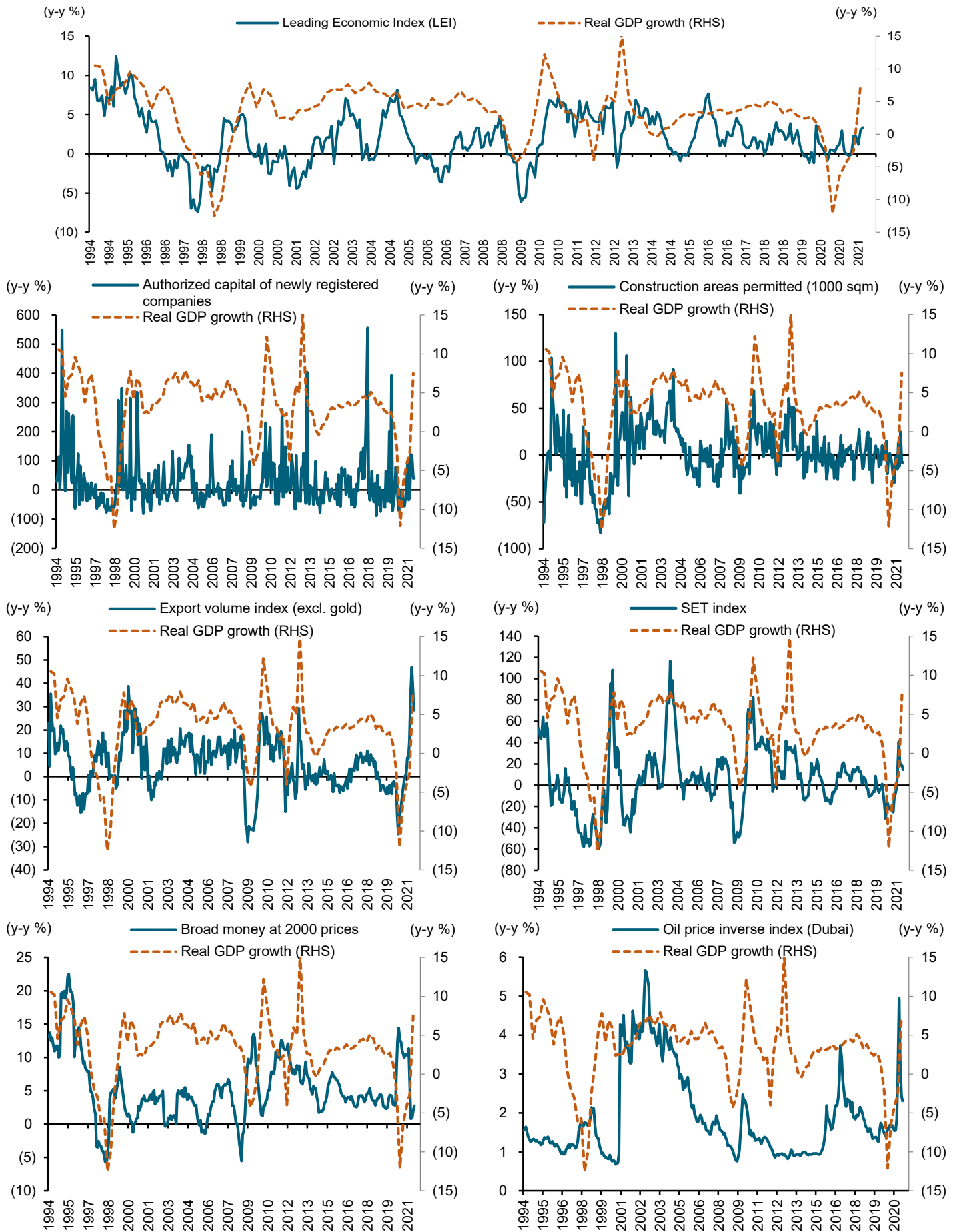
Based on the BoT's two leading indicators, the CEI and LEI, we expect Thailand's GDP to recover in 4Q21-2022 to close to the pre-Covid level of 3-4% p.a. The key drivers should come from a higher import volume of capital goods, a higher Manufacturing Production Index, more gross value-added tax collected, and higher domestic automobile sales. Similarly, the LEI improved in 1H21 but at a smaller degree than the CEI, led by higher export sales and the rising SET Index. Hence, we think Thailand's economic activities should rebound in 4Q21 into 2022, led by a higher CEI and LEI.

Exhibit 6: Coincident Economic Index and components (seasonally adjusted)



Source: Bank of Thailand

Exhibit 7: Leading Economic Index and components (seasonally adjusted)



Source: -Bank of Thailand

Key transitional catalysts to drive the SET Index higher

During this period of transitions, we have identified the key catalysts that we think will accommodate the transitional growth phase for Thai corporates in 4Q21. We believe that investment strategy should shift toward industries and companies that are well positioned to grow their earnings in faster and more efficient ways than competitors via JVs and partnerships to gain market share and exploit new demand opportunities using their unique integrated business models.

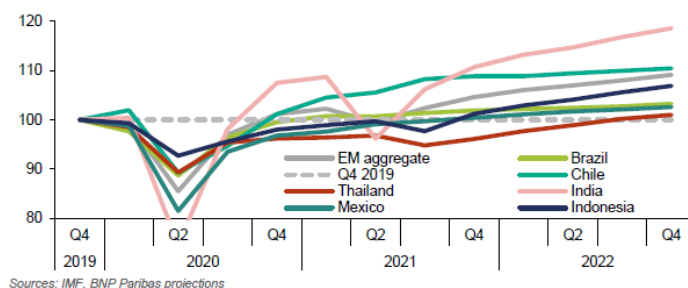
Thai economy likely to bottom out in 3Q21, according to BNP Paribas' forecasts, which project that Thailand's GDP should shrink by 2.0% y-y in 3Q21 and then rebound to grow by 1.3% y-y in 4Q21. Thailand has the slowest GDP growth outlook among all major emerging countries covered by BNP Paribas. For 2022, BNP Paribas forecasts Thailand's GDP growth at 3.4% y-y, up from 0.9% y-y in 2021.

Exhibit 8: BNP Paribas' GDP forecasts

	Annual growth (% y/y)			Quarterly growth (% q/q)							
	2021	2022	2023	2021				2022			
				Q1(1)	Q2(1)	Q3	Q4	Q1	Q2	Q3	Q4
EM Asia	5.2	8.3	5.3	1.2	-6.9	5.2	3.6	2.1	1.3	1.7	1.5
India (4)	7.0	11.2	6.2	1.2	-12.5	10.0	4.5	2.5	1.5	2.1	1.8
Indonesia	2.8	5.6	5.1	0.9	0.8	-2.0	3.5	1.7	1.2	1.5	1.3
Malaysia	4.1	5.6	4.9	2.7	-2.0	0.0	2.5	2.0	1.5	1.2	1.5
South Korea	3.9	3.0	2.5	1.7	0.8	0.4	1.0	0.8	0.8	0.7	0.5
Thailand	0.9	3.4	4.0	0.2	0.4	-2.0	1.3	1.6	1.2	1.3	0.8

Source: BNP Paribas - Global Outlook Q42021, published 7 Sep 2021

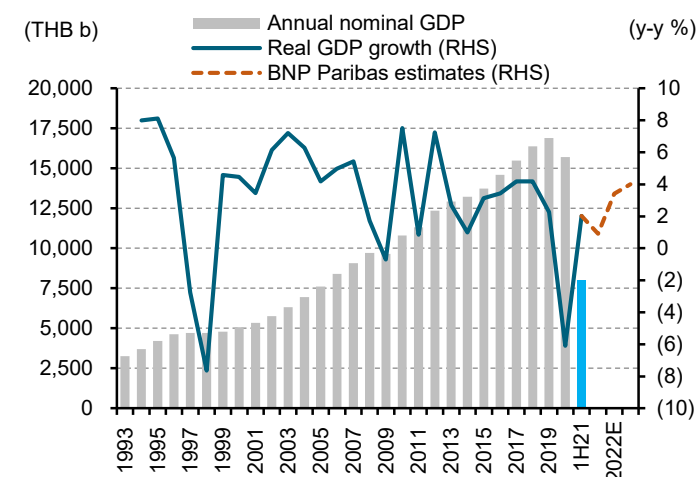
Exhibit 9: GDP forecasts – Thailand slowest to recover



Source: BNP Paribas - Global Outlook Q42021, published 7 Sep 2021

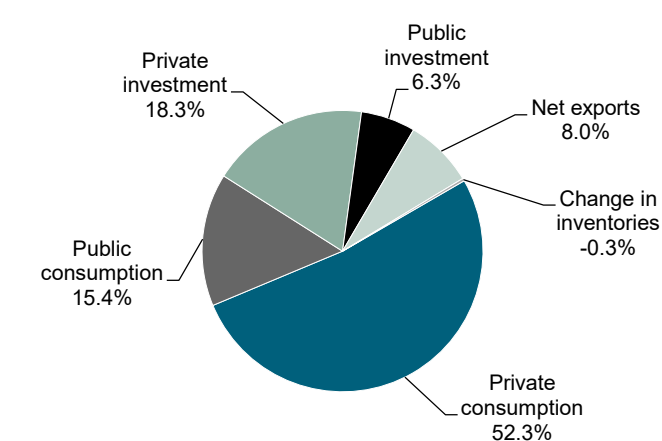
Meanwhile, we think Thailand's 2H21 GDP growth will surpass market expectations due to the low base effect, a domestic activity boost, and improvements in the vaccination rate. We expect private consumption and investment and public investment to remain strong in 2H21-2022. Net exports and public investment should rise markedly, based on the stronger export outlook on the global economic reopening and a higher government debt ceiling to accommodate larger public investments in the new fiscal budget year (4Q21-3Q22).

Exhibit 10: Annual GDP and real growth rate



Sources: NESDC; BNP Paribas estimates as of 7 Sep 2021; FSSIA's compilation

Exhibit 11: GDP by expenditure, average 2015-19

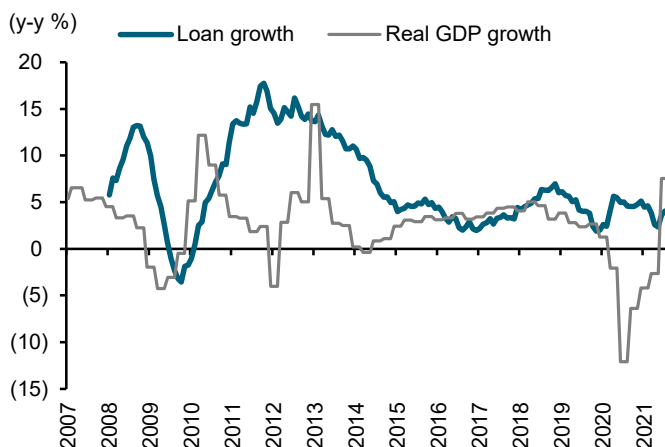


Sources: NESDC; FSSIA's compilation

Loan growth outlook is set to outpace GDP in 2022. Despite the sluggish GDP growth during the pandemic period, Thailand's loan growth has mostly outpaced the country's GDP growth, while the banking industry's non-performing loan (NPL) to total loan ratio has remained low at around 3.0-3.1%, reflecting high quality loan growth, while risk management remains under financial institutions' control, in our view.

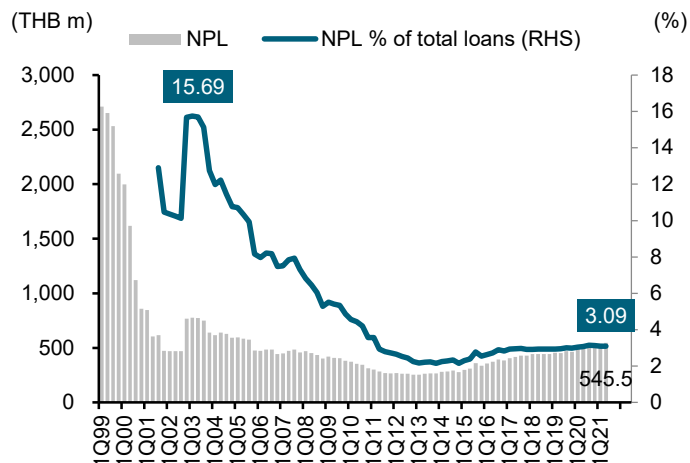
However, the bank loan volume expansion has mainly come from the working capital and term loans of the corporate segment to improve their financial liquidity, due to the impact of the partial lockdown. The overall loan portfolio in Jul-21 for Thai banks under our coverage rose 0.51% m-m, with KBANK seeing the largest increase at 2.16% due to an increase in all segments, both from new demand and the financial aid programs. TISCO still posted the steepest drop, at 2.44%, due to a decline in all segments, especially corporates from a big client's loan repayment, with the retail segment continuing to decline thanks to its conservative lending policy.

Exhibit 12: Loan growth vs GDP growth



Source: Bank of Thailand

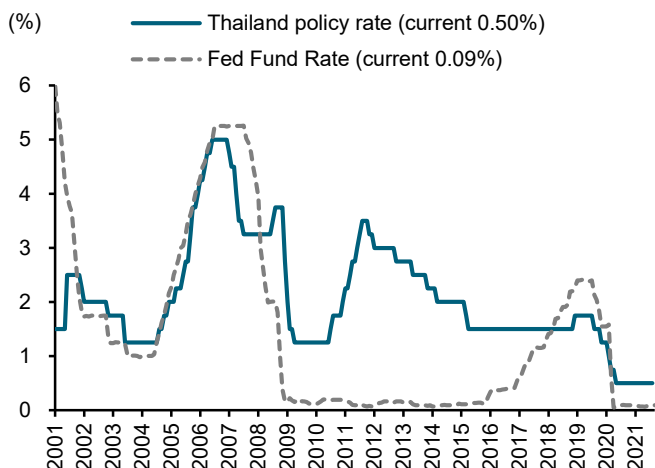
Exhibit 13: NPLs to loans



Source: Bank of Thailand

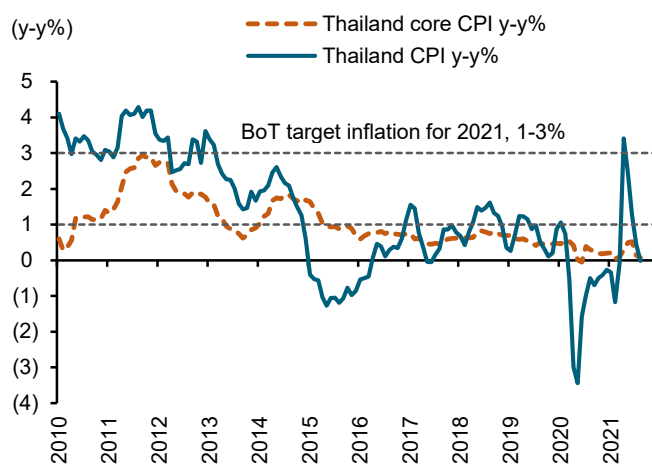
Monetary policy should remain accommodative in 4Q21-2022. We expect that the BoT will maintain its low policy interest rate at 0.5% in 4Q21, likely until at least mid-2022, based on 1) the low inflation rate below 1% despite the higher oil price; 2) the central bank's target to improve economic liquidity via higher loan growth; and 3) the measures to manage NPLs for the small and medium enterprises (SMEs) that have been hard hit by the Covid-19 pandemic.

Exhibit 14: Thai policy rate vs US Fed Fund rate



Source: Bloomberg

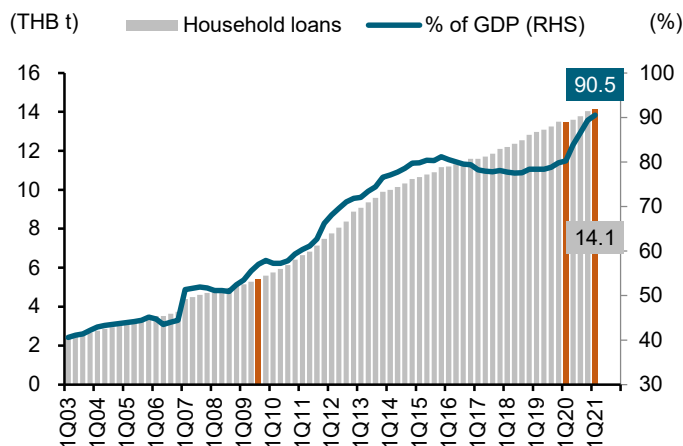
Exhibit 15: Thailand inflation



Sources: The University of The Thai Chamber of Commerce; Bloomberg

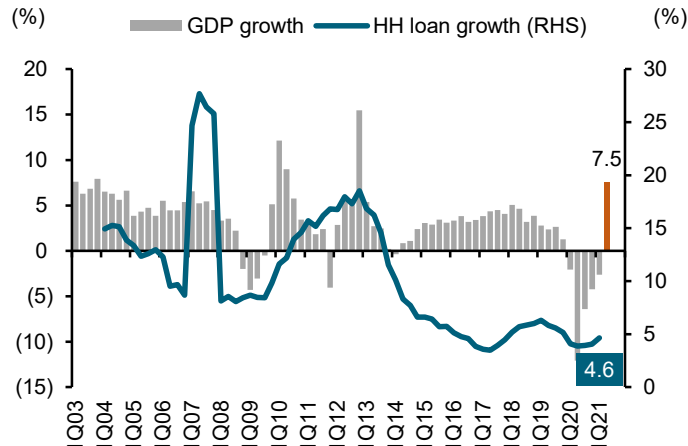
High household debt remains manageable. Although Thailand's household debt and household debt to GDP ratio hit an 18-year high at THB14.13t and 90.5%, respectively, in 1Q21, according to the BoT, we believe that household debt will decline after Thailand's GDP rebounds in 2022 onward.

Exhibit 16: Household debt as % of GDP



Source: Bank of Thailand

Exhibit 17: Household loans to GDP vs GDP growth

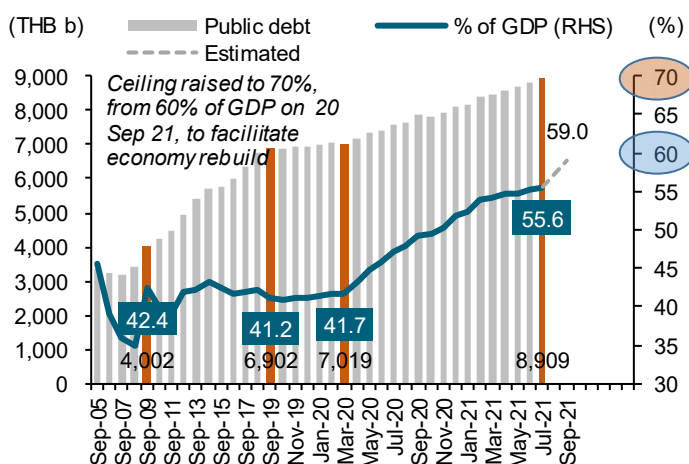


Source: Bank of Thailand

The risk to fiscal instability is low, in our view, as the new public debt ceiling remains manageable and most of the public debt is from domestic funding with local currency borrowing costs. The Thai government has increased the debt ceiling to 70% of GDP in Sep-21, up from the 60% threshold under fiscal law, to accommodate the government's existing plan to borrow THB500b to boost the economic recovery.

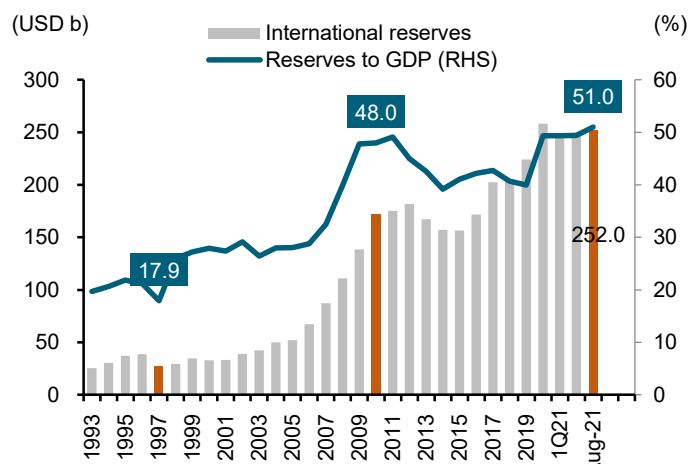
The public debt to GDP ratio should be higher than 60% in 2022 vs 55.6% in Jul-21, in our view. We believe the higher public debt ceiling should be perceived as an accommodative measure for the economic recovery rather than as a detrimental move that could put the country's credit rating at risk of a downgrade.

Exhibit 18: Public debt to GDP



Source: Public Debt Management Office (PDMO)

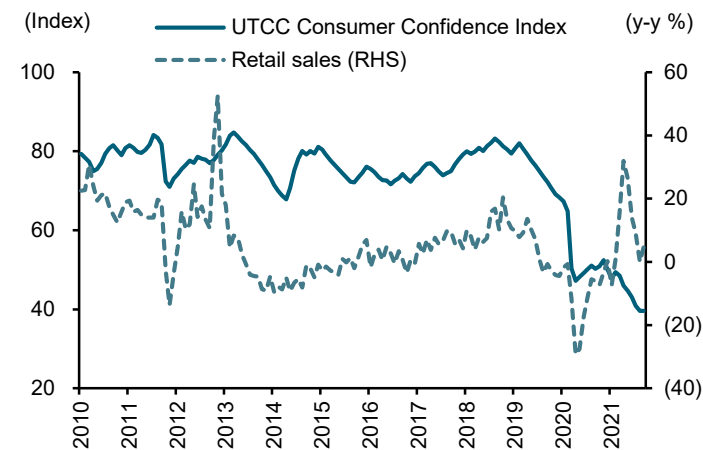
Exhibit 19: International reserves to GDP



Source: Bank of Thailand

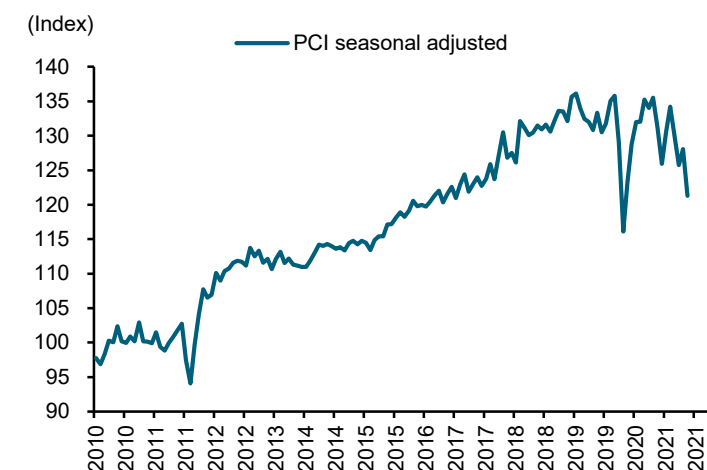
Consumer and Private Consumption indices vs retail sales. While both the Consumer Confidence Index (CCI) and Private Consumption Index (PCI) have been declining since the start of the Covid-19 pandemic in 1Q20, we think the recent recovery in the retail sales growth rate to the pre-Covid level reflects that consumer spending is now recovering meaningfully toward normalcy in 2022. Hence, we expect that both the CCI and PCI should gradually recuperate to their pre-Covid levels by mid-2022, when we think most economic activities, including tourism with the absence of a lockdown and travel restrictions, will return to normalcy.

Exhibit 20: Consumer Confidence Index



Source: Bloomberg

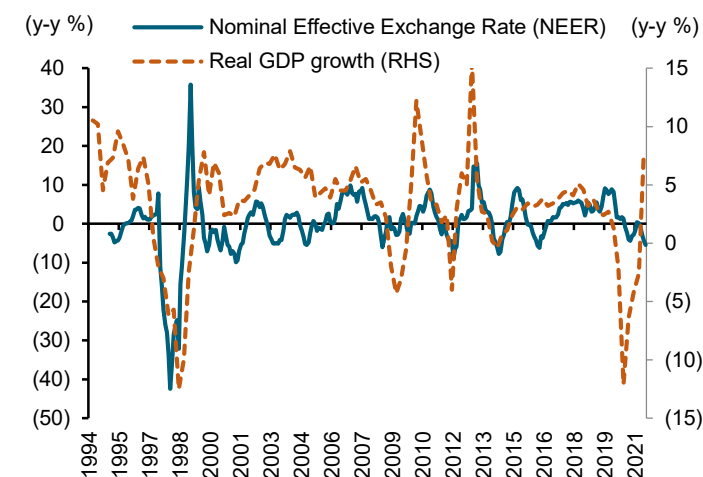
Exhibit 21: Private Consumption Index



Source: Bank of Thailand

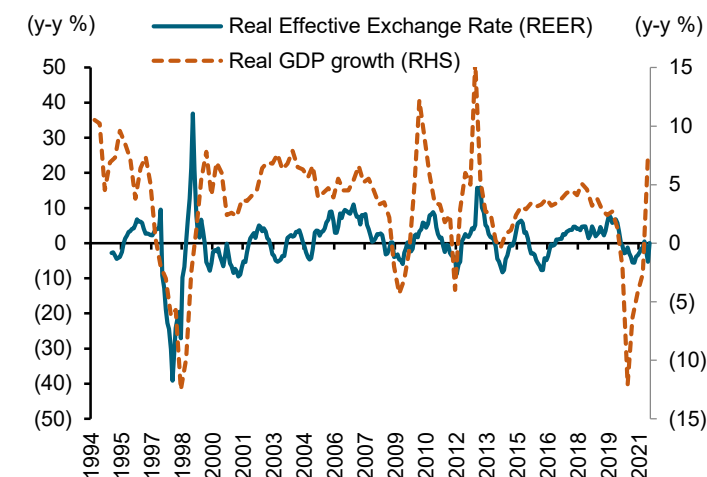
Impact of trade and current accounts on THB currency in 2022. In 1H21, fund flows tilted from inflow to outflow, leading to a weaker THB currency exchange rate. The THB against other currencies, measured in nominal effective exchange rate (NEER) and real effective exchange rate (REER), declined in 1H21, leading to the THB/USD currency exchange rate moving from THB30/USD in the beginning of 2021 to THB33.5/USD in Sep-21.

Exhibit 22: Nominal effective exchange rate



Source: Bank of Thailand

Exhibit 23: Real effective exchange rate

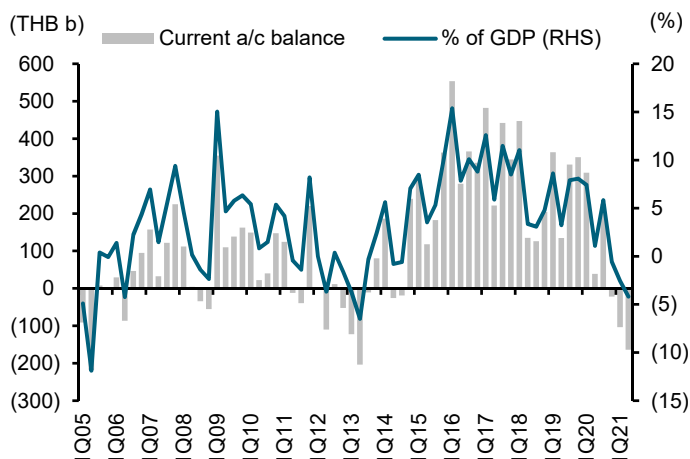


Source: Bank of Thailand

Current account turned negative in 1H21. The National Economic and Development Council (NEDC) estimates that Thailand's current account in 2021 will be in a shortfall of THB10.3b, or 2% of GDP – the first deficit year since 2013 – due to the higher import value that far outpaced the export value. This indicates that the Thai private sector has started to import capital goods for investment ahead of the expected economic recovery in 2022, in our view.

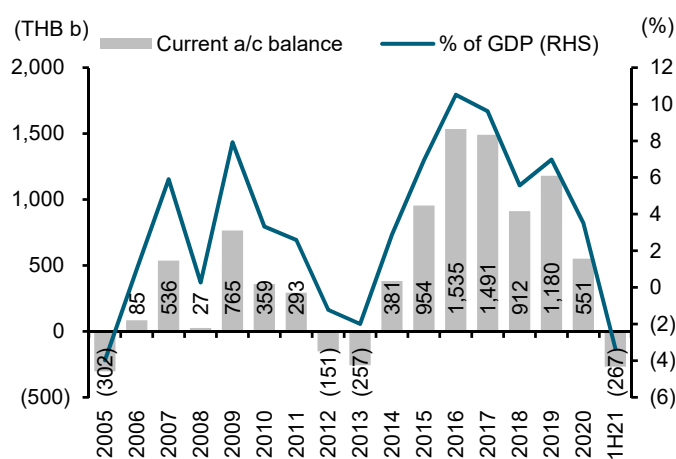
In addition, the government's budget deficit, which is projected to reach 10% of GDP for the 12-month period from Oct-21 to Sep-22, should result in a weaker THB, but we project that the THB/USD currency exchange rate should hover in the range of THB30-34/USD and average THB32-33/USD in 2021. Also, Thailand's international reserve to GDP remains high at 51%, or USD250b, which we think could support the current account deficit in 2H21 before the current account likely turns to surplus in 2022, in our view.

Exhibit 24: Thailand's quarterly current a/c balance to GDP



Source: Bank of Thailand

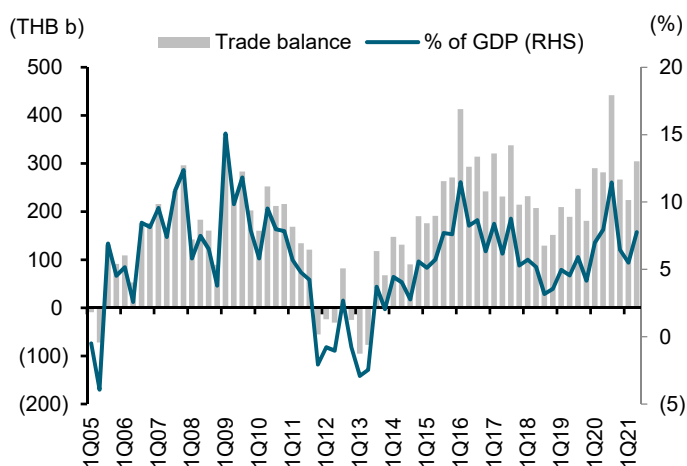
Exhibit 25: Thailand's yearly current a/c balance to GDP



Source: Bank of Thailand

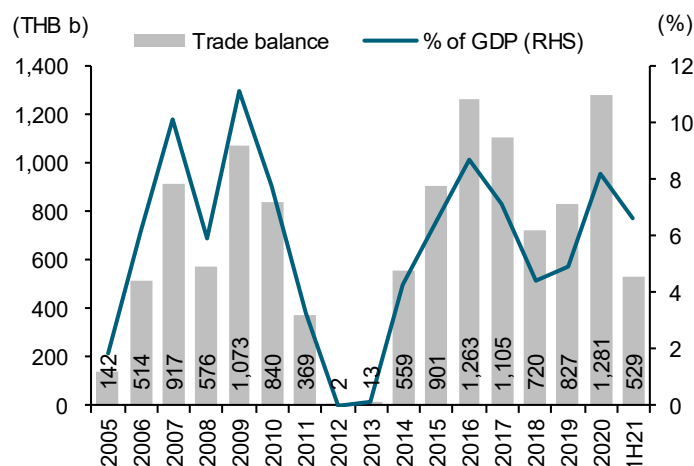
However, in 2022, we expect a combination of a gradual recovery in external demand and subdued domestic demand for imports to drive the current account surplus wider. We project the trade balance to rise to over THB1,000b in 2022, as export value exceeds import value.

Exhibit 26: Thailand's quarterly trade balance to GDP



Sources: Bank of Thailand; NESDC

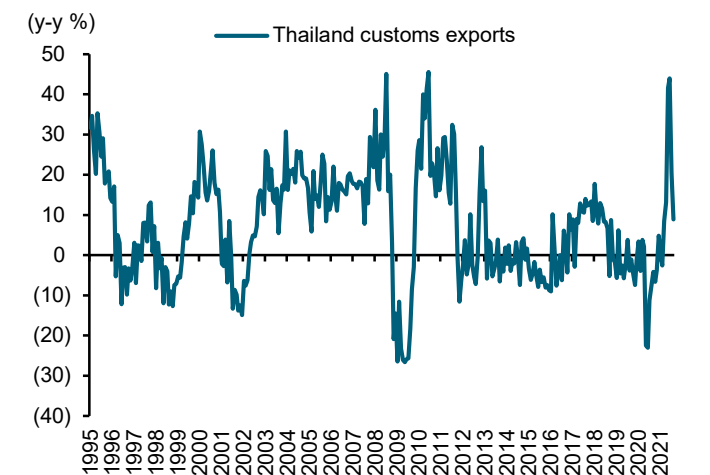
Exhibit 27: Thailand's yearly trade balance to GDP



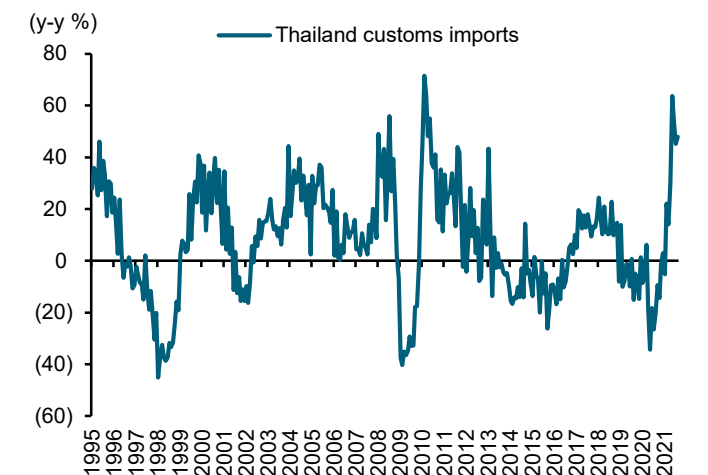
Sources: Bank of Thailand; NESDC

Net export growth should remain a key supporting driver for Thai GDP in 4Q21-

2022. Export growth economic recoveries in the Euro zone, US, Japan and across Asia, should drive up the demand for the country's goods exports, potentially stabilising the THB in the range of THB31-33/USD, based on our estimate.

Exhibit 28: Thailand exports

Source: Bank of Thailand

Exhibit 29: Thailand imports

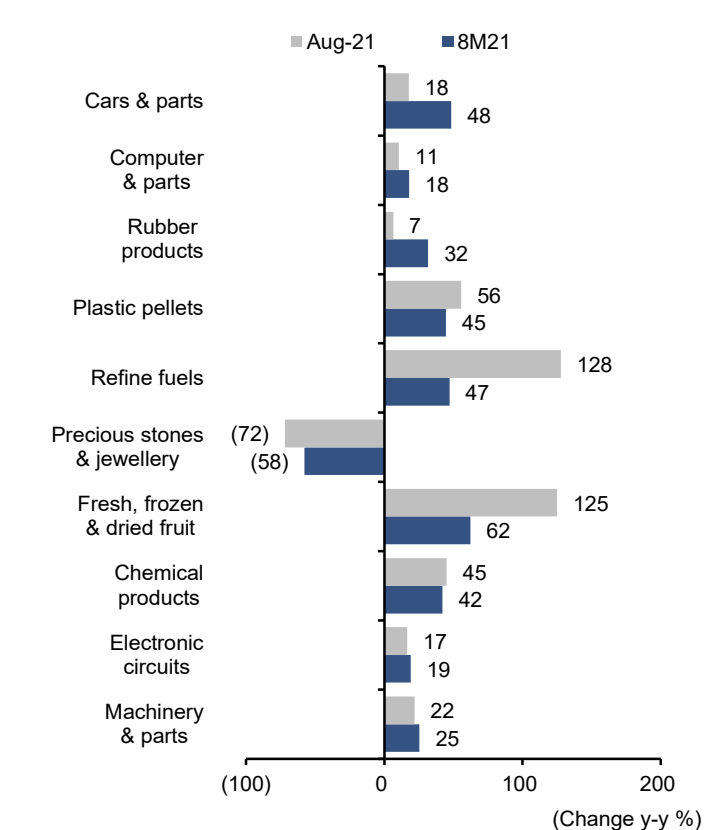
Source: Bank of Thailand

We believe Thailand's major export markets, which include the US, EU, China, ASEAN, and Japan, should see strong rebounds in their economic growth in 4Q21-2022 when economic reopenings, albeit gradually, should lead to higher consumption and goods imports which should directly result in stronger exports for Thailand. In particular, the exports of automobiles, computers and electronics components, rubber products, plastic pellets, chemicals, and fruit produce should be key drivers for Thailand's exports in the next 12 months, in our view.

Exhibit 30: Exports by country in Aug 2021 and 8M21

	--- Export value ---		--- Change ---		- Contribution -	
	Aug-21 (USD m)	8M21 (USD m)	Aug-21 (y-y%)	8M21 (y-y%)	Aug-21 (%)	8M21 (%)
Total exports	21,976	176,962	8.9	15.2	100.0	100.0
Primary market	15,561	124,865	18.2	18.7	70.8	70.6
US	3,441	26,884	16.2	20.6	15.7	15.2
China	3,409	25,169	32.3	27.9	15.5	14.2
Japan	1,909	16,560	10.0	13.5	8.7	9.4
ASEAN (9)	5,144	42,025	15.2	12.9	23.4	23.7
ASEAN (5)	3,206	23,498	26.9	10.8	14.6	13.3
CLMV	1,938	18,527	(0.0)	15.7	8.8	10.5
EU (27) x UK	1,657	14,226	16.1	24.6	7.5	8.0
Secondary market	6,244	50,636	18.4	23.6	28.4	28.6
South Asia	1,017	7,313	54.5	54.2	4.6	4.1
Australia (25)	952	8,638	(15.9)	16.7	4.3	4.9
Middle East (15)	666	5,713	31.9	17.6	3.0	3.2
Others	172	1,461	(90.1)	(80.2)	0.8	0.8
Top ten products						
Cars & parts	2,004	19,167	17.8	48.5	9.1	10.8
Computers & parts	1,707	14,000	10.5	18.0	7.8	7.9
Rubber products	1,164	9,962	6.5	31.7	5.3	5.6
Plastic pellets	1,027	7,337	55.7	44.7	4.7	4.1
Refined fuels	893	5,393	127.8	47.2	4.1	3.0
Precious stones	881	6,428	(71.9)	(57.7)	4.0	3.6
Fruits	825	4,834	125.0	62.4	3.8	2.7
Chemical products	815	6,219	45.1	42.2	3.7	3.5
Electronic circuits	649	5,428	16.5	19.0	3.0	3.1
Machinery & parts	645	5,192	21.8	25.5	2.9	2.9

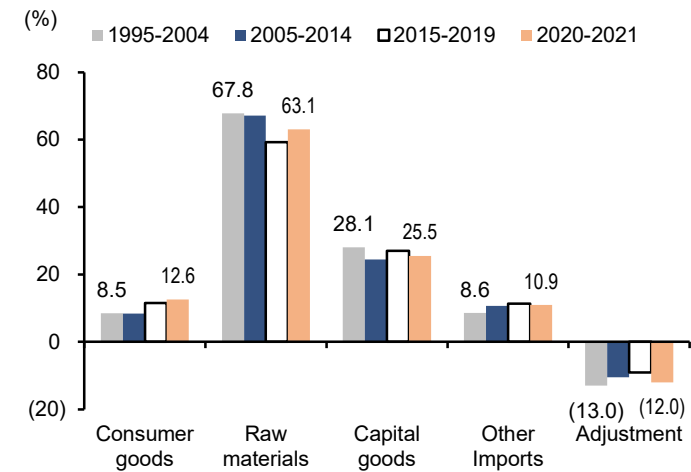
Source: Ministry of Commerce

Exhibit 31: Growth of top ten exports in Aug 2021 and 8M21

Source: Ministry of Commerce

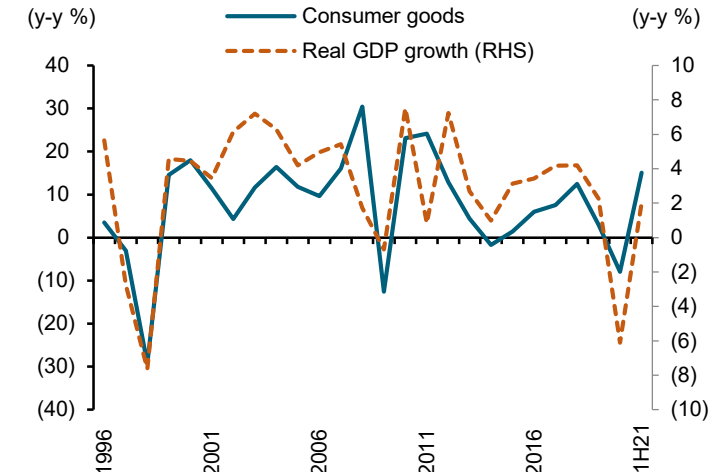
Higher imports in 2021 should be a boon for GDP growth in 2022. In 1H21, Thailand's import value outpaced the export value mostly due to the higher imports of raw materials and capital goods, which jumped markedly as a result of the higher production levels for automobiles, electronics and computer components, and crude oil – all being major raw materials and capital goods for exports in the future. Thus, we believe that the import value will start to match the export value by 1Q22 and will likely sustain the high export growth that we expect to see in 2022.

Exhibit 32: Imports by economic classification



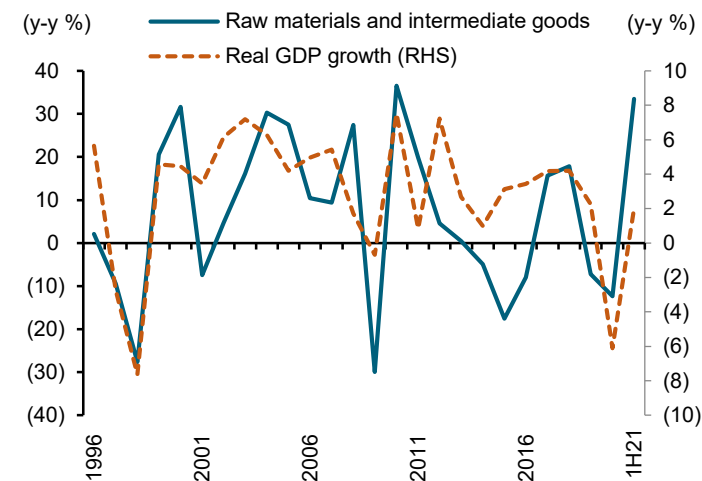
Sources: Bank of Thailand (data for 2021 is data from Jan-Jul); FSSIA's compilation

Exhibit 33: Imports of consumer goods



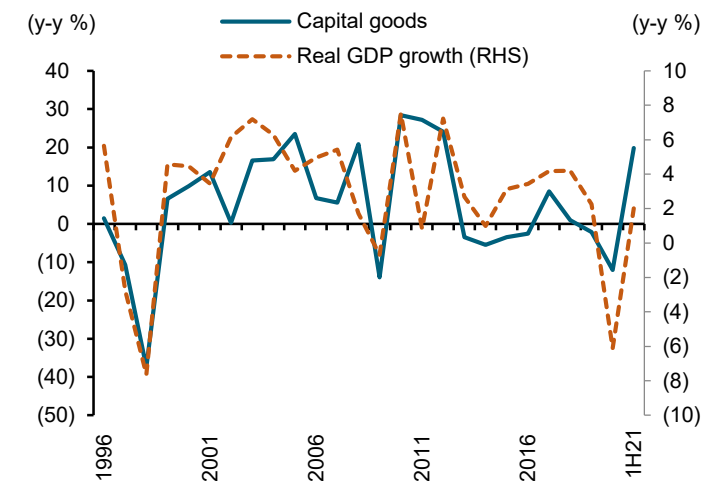
Sources: Bank of Thailand (latest import data from 7M21); FSSIA's compilation

Exhibit 34: Imports of raw materials



Sources: Bank of Thailand (latest import data from 7M21); FSSIA's compilation

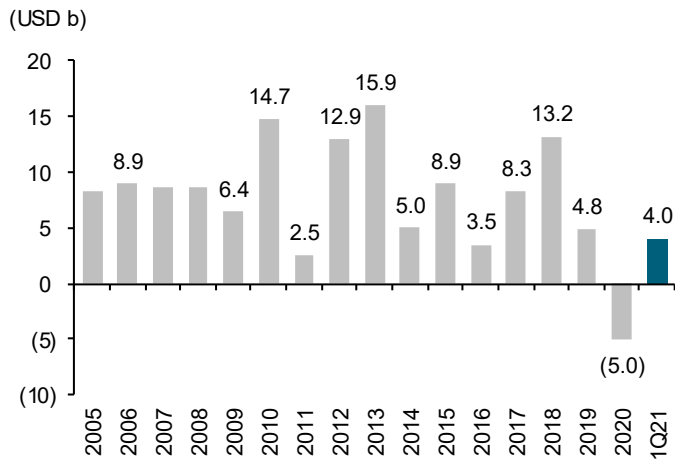
Exhibit 35: Imports of capital goods



Sources: Bank of Thailand (latest import data from 7M21); FSSIA's compilation

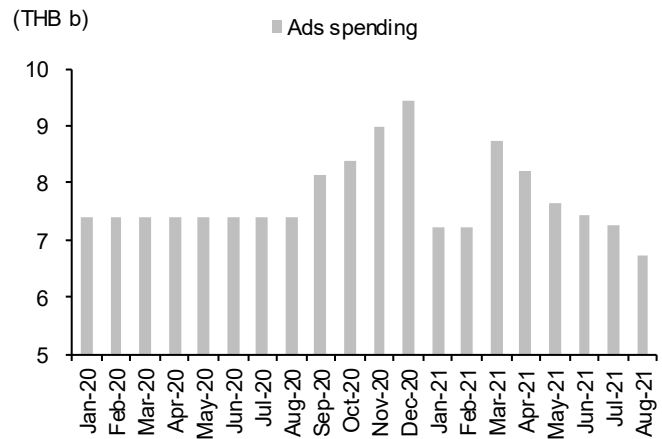
Thailand witnessed a surge in foreign investment in 1H21. In 1H21, Thailand's investment applications increased 14% y-y in terms of the number of projects and 158% y-y in combined value, led by an increase in foreign direct investment applications, sustained growth in target industries, including the electronics and medical sectors, as well as in power generation, according to Thailand's Board of Investment (BOI).

Exhibit 36: Thailand foreign direct investment



Source: Bank of Thailand

Exhibit 37: Advertising spending



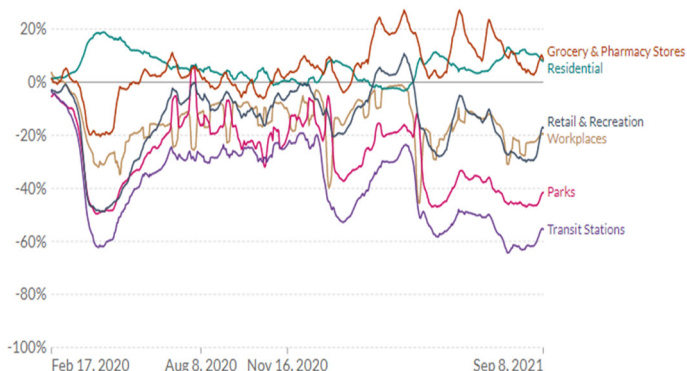
Source: Advertising Association of Thailand

Improving economic activities are key. Thailand's economy is likely to adapt well to living with Covid-19 in the long run, given the country's efficient healthcare system. Our assumption of reaching an 80% vaccine rollout for the total population by 1Q22 is because we think that the Thai government has responded slowly to the Covid-19 infection rate, focusing on the domestic mortality rate decline rather than aiming to reopen the country's tourism sector.

In addition, we think that the pandemic's impact on economic activities will likely subside in 4Q21 and into 2022, thanks to a higher vaccination rate and the country's effective healthcare system which has already led to falling death and new infection rates.

While we believe that the Thai people have adapted well to the Covid-19 pandemic, we think the impact of the structural shifts in economic activities and consumer behaviours in response to the pandemic will differ in magnitude, particularly across the differing income demographics.

Exhibit 38: Thailand – mobility trend

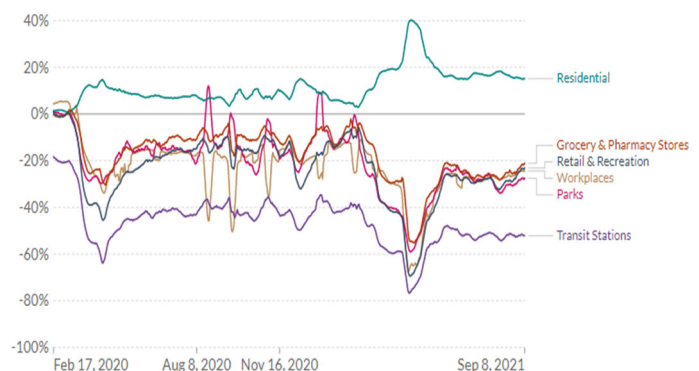


Source: Google COVID-19 Community Mobility Trends – Last updated 13 September 2021, 15:54 (London time)
Note: It's not recommended to compare levels across countries; local differences in categories could be misleading.
OurWorldInData.org/coronavirus • CC BY

► Feb 17, 2020 ◯ Sep 8, 2021

Source: [Google COVID-19 Community Mobility Reports](#)

Exhibit 39: Cambodia – mobility trend



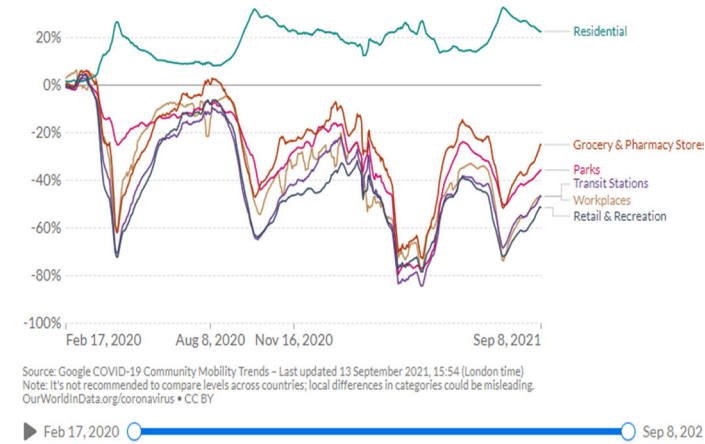
Source: Google COVID-19 Community Mobility Trends – Last updated 13 September 2021, 15:54 (London time)
Note: It's not recommended to compare levels across countries; local differences in categories could be misleading.
OurWorldInData.org/coronavirus • CC BY

► Feb 17, 2020 ◯ Sep 8, 2021

Source: [Google COVID-19 Community Mobility Reports](#)

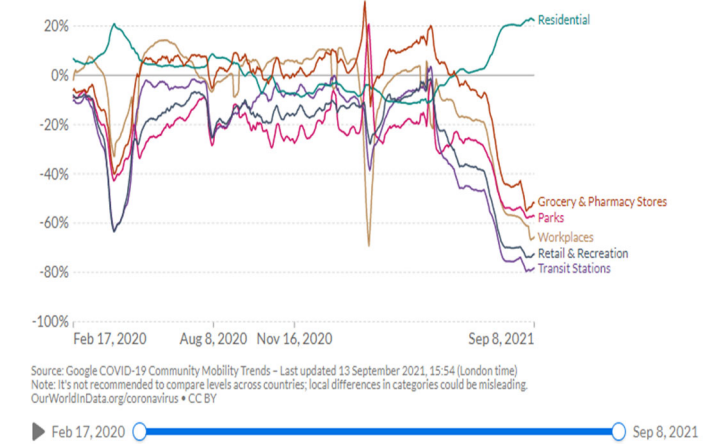
According to Google's 'COVID-19 Community Mobility Reports,' the Covid-19 situation in Thailand and CLMV, including the US and UK, has already passed the bottom, reflected in the higher economic activities measured in the mobility trend. We think that in 4Q21 onward, when the Thai and other countries' governments begin to gradually reopen economic activities and transportation, global and Thai GDP growth should rebound piecemeal to reach the pre-Covid level by end-2022, in our view.

Exhibit 40: Myanmar – mobility trend



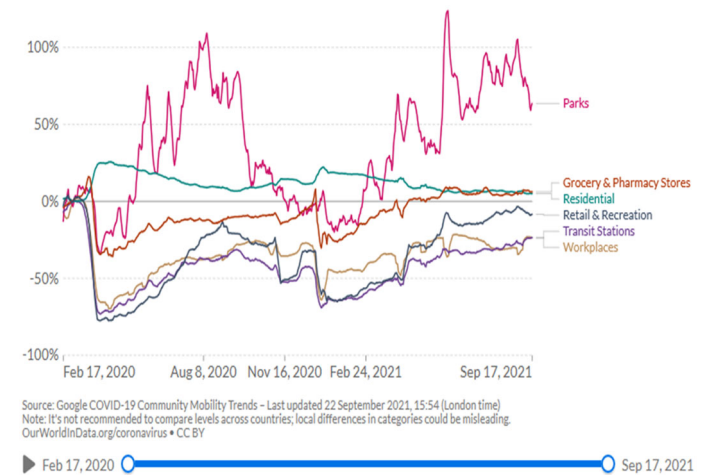
Source: [Google COVID-19 Community Mobility Reports](#)

Exhibit 41: Vietnam – mobility trend



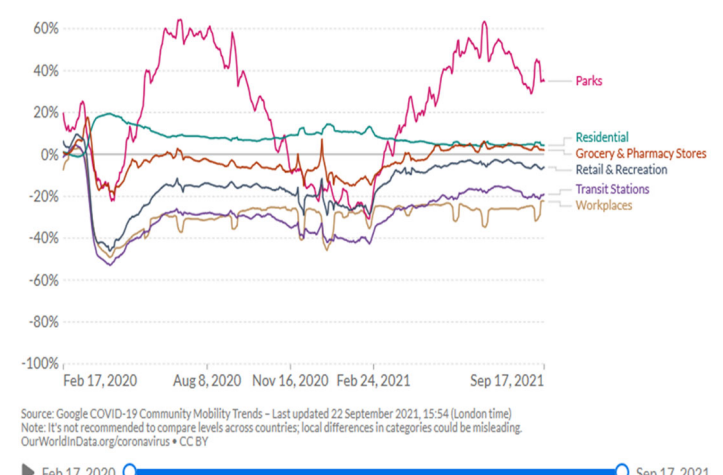
Source: [Google COVID-19 Community Mobility Reports](#)

Exhibit 42: United Kingdom – mobility trend



Source: [Google COVID-19 Community Mobility Reports](#)

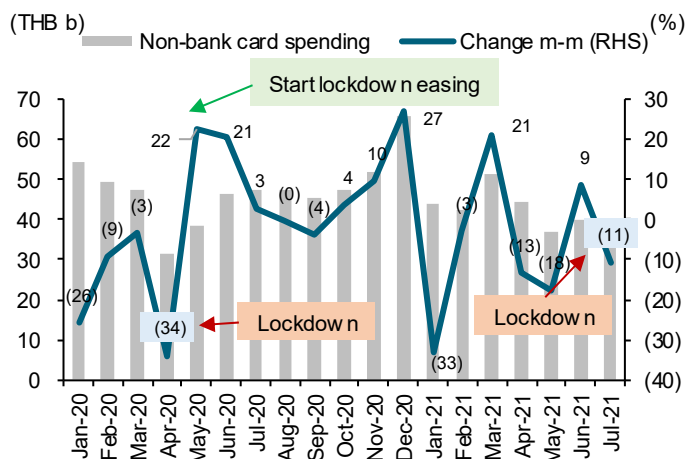
Exhibit 43: United States – mobility trend



Source: [Google COVID-19 Community Mobility Reports](#)

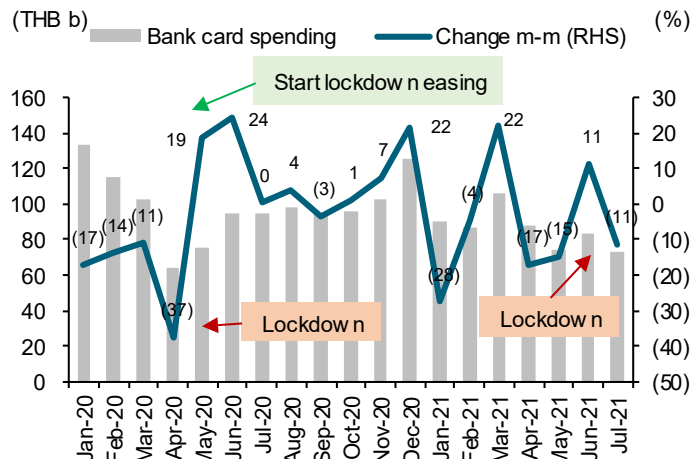
Consumer (financial) spending should gradually return to normalcy in 4Q21 onward. Thailand's financial activities have been in the doldrums since 1Q20 when Covid-19 hit the country, but we expect the consumer spending for credit and debit cards to rise markedly in 4Q21 onward.

Exhibit 44: Non-bank card spending



Source: Bank of Thailand

Exhibit 45: Commercial bank card spending



Source: Bank of Thailand

Three investment themes for the transition period

For the tactical (3-6 month) view for our tri-transition investment theme, we have an Overweight recommendation on the Thai equities market. In the short term, we think that negative sentiment could linger on due to the market's concerns over the pace of the economic recovery and the potential impact of the US Fed's and global central banks' tapering that could gradually dry up financial liquidity. However, we think that the stronger and more visible growth outlook for Thailand's economy and its corporate earnings growth from the ongoing 'transitions' should be key catalysts for a higher SET Index.

We identify the transition investment theme as revolving around three major shifts: 1) transition to growth; 2) transition to normalcy; and 3) transition to green energy, all being sound investment strategies during the transition from the pandemic to post-pandemic period, in our view. In addition, we believe that the Thai economy has bottomed out and that Thailand's financial system is stable with a high potential for more stimulus measures to be implemented to support the economic recovery.

Theme #1: Transition to growth

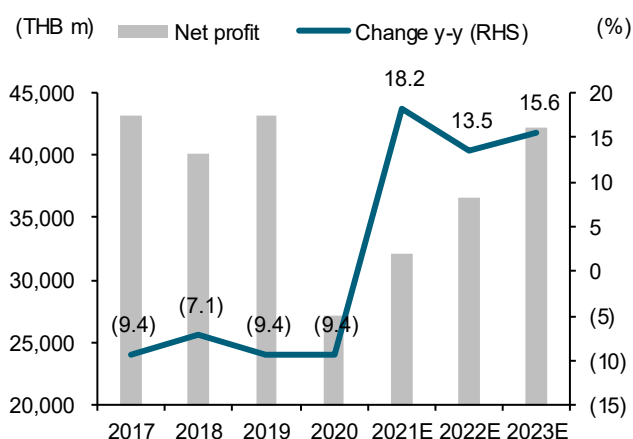
We define the 'transition to growth' as the emerging technologies blurring the traditional borders between geography, technology, and consumers' propensity for more online convenience and made-to-order products and services. As a result, companies and industries are scrambling to find the best strategies to not only ensure the survival of the fittest but also to capture the growth opportunities in the fast-changing and dynamic industry environment.

A number of Thai listed companies have already announced their strategies to form JVs and partnerships in order to assemble the right mix of ecosystem players to remain competitive and enable business transformation to continue apace. The challenge lies in identifying the right strategic partners to tap into external talent networks and innovative resources in an ecosystem with unique, complementary skills. Among the companies under FSSIA's coverage in this theme, our top picks are SCB, JMT and NCAP.

Siam Commercial Bank (SCB TB, BUY, TP THB158): From linear to exponential growth via digital platform

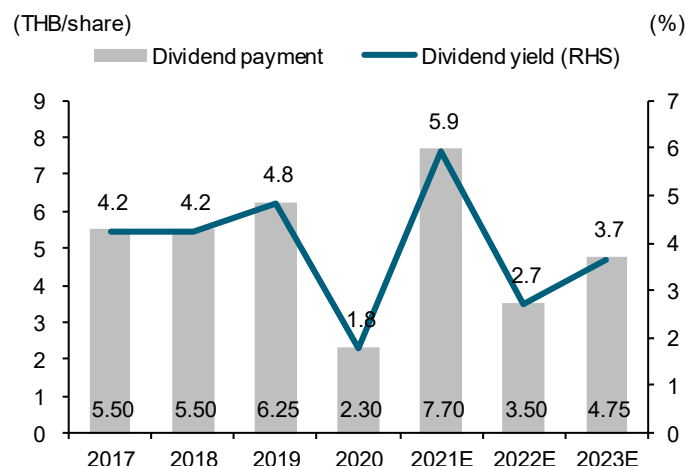
We retain SCB as our banking top pick, with our SOTP-based TP of THB158. We think that SCB has the best position in the banking sector to benefit from the region's digital age with its integrated digital platform. Moreover, we are convinced that the proactive long-term debt restructuring program it offers to its clients should solve the prolonged asset quality problem. We believe SCB should deliver solid performance in the next two years. We also expect its dividend payout ratio to increase. Thus, shareholders would benefit from the expected ROE uplift.

Exhibit 46: SCB – net profit growth



Source: FSSIA estimates

Exhibit 47: SCB – dividend yield

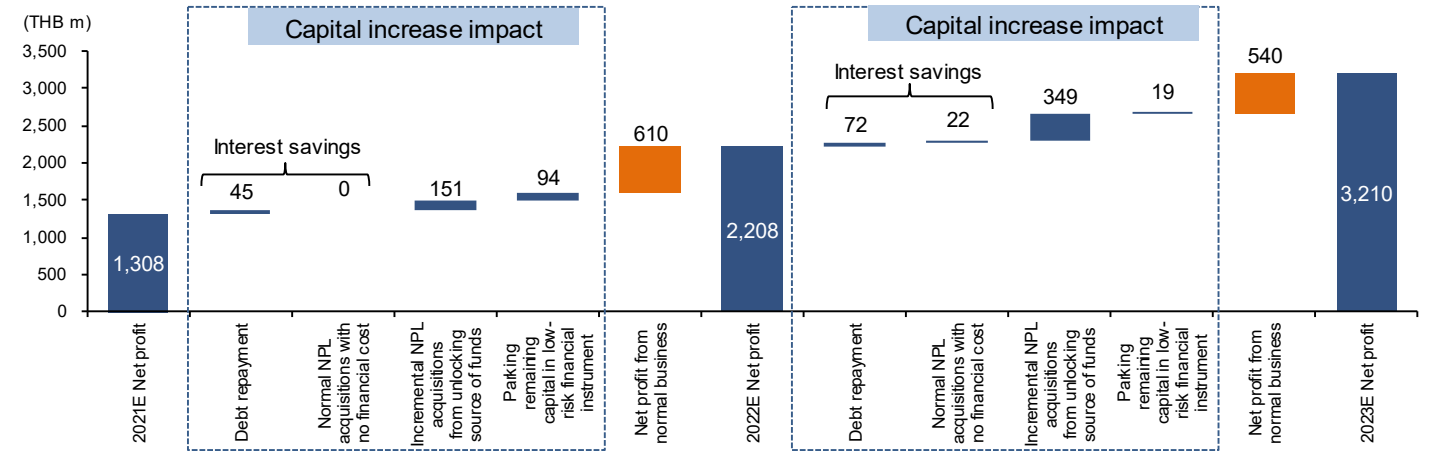


Source: FSSIA estimates

JMT Network Services (JMT TB, BUY, TP THB57.00): A stock to hedge against the economic downturn

We reiterate JMT as our asset management top pick, as we believe the company will deliver outstanding net profit vs its peers in both the short term, especially in 4Q21, and the long term. We view JMT as a stock to hedge against the economic downturn, supported by its unsecured portfolio. It should also grow with the economic recovery via its secured portfolio.

Exhibit 48: JMT – net profit forecasts

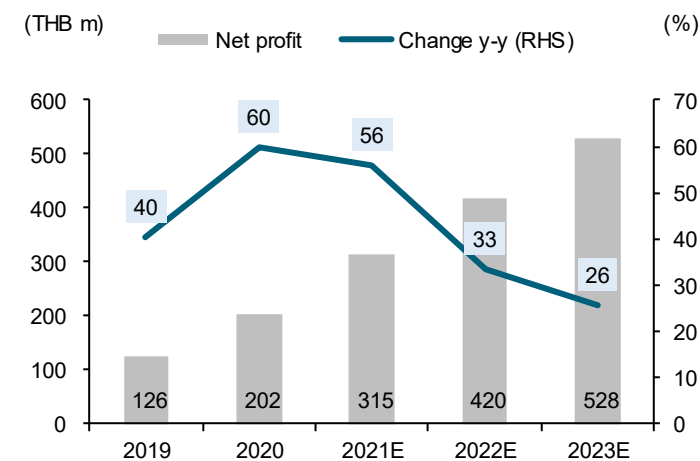


Source: FSSIA estimates

Next Capital (NCAP TB, BUY, TP THB16.80): Fully equipped tech lending

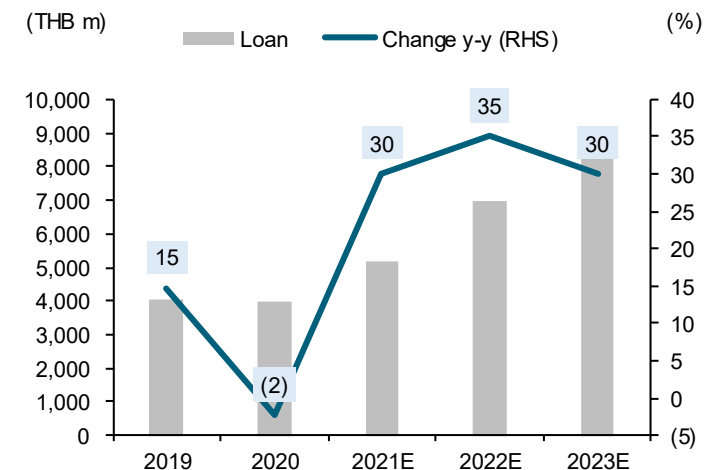
We reiterate our BUY call on NCAP as we expect it to deliver outstanding net profit growth at a 38% three-year CAGR from 2020-23. With the support of its major shareholders and its new highly experienced management, NCAP should be able to successfully transform itself from a motorcycle hire purchase lender to a fully-equipped tech lender.

Exhibit 49: NCAP should deliver solid net profit growth



Sources: Company data; FSSIA estimates

Exhibit 50: NCAP – total loan growth



Sources: Company data; FSSIA estimates

Theme #2: Transition to normalcy

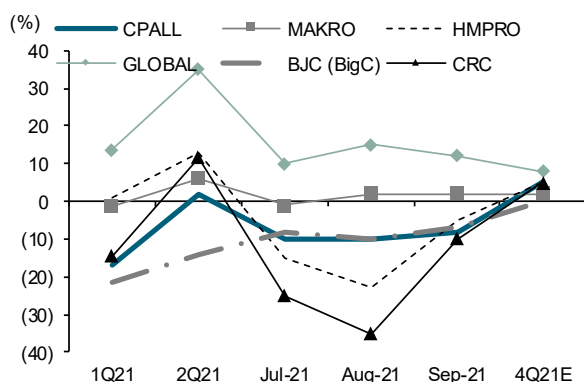
While Covid-19 infections are likely to persist over the next few years, we think that the Thai economy should be able to adapt itself to live with Covid-19, and we expect economic growth to return to normalcy by end-2022. Under this circumstance, we have identified three domestic sectors as our top sector picks, with CPALL and HMPRO as our stock picks in the commerce sector, AOT and BA in the tourism sector, and DMT in the transportation sector.

The commerce sector has been hard hit by the surging Covid infections since Jun-21. The Thai government had implemented a number of full lockdown measures in dark-red zones from 23 Jul to 31 Aug-21. We expect consumer sentiment to improve beginning in Sep-21, commensurate with the lockdown easing. As a result, we think the average same-store-sales-growth (SSSG) rate of Thai retailers should have hit the bottom in Aug-21, with a gradual recovery occurring in Sep-21 from an average SSSG of -7.0% in 3Q21 and -8.9% in 2Q21. We expect 4Q21 SSSG to turn positive in the low to mid-single digits on the back of pent-up demand, school reopenings, and domestic travel.

Our top picks in the sector are CPALL and HMPRO. We prefer CPALL as it is 1) a catch-up play in the commerce sector; 2) should be a key beneficiary of both domestic and international tourism recoveries; 3) should have no short-term dilution effect from the Lotus deal; and 4) the long-term synergy creation between MAKRO and Lotus should indirectly pass through to CPALL. Its current share price is trading at 33x 2022E P/E, or at its 5-year average, but could potentially drop to only 25x if its earnings recover to their pre-Covid level by 2022.

We also like HMPRO as we project its earnings to exceed their pre-Covid level at THB6.7b by 2022. An earnings recovery should start in 4Q21 and continue into 2022. HMPRO is now attractive, trading at c25% below its pre-Covid peak of THB18.6 and its current share price is trading at 27x 2022E P/E, or at -1.0SD of its 5-year mean of 33x.

Exhibit 51: SSSG of most retailers bottomed out in Aug 2021



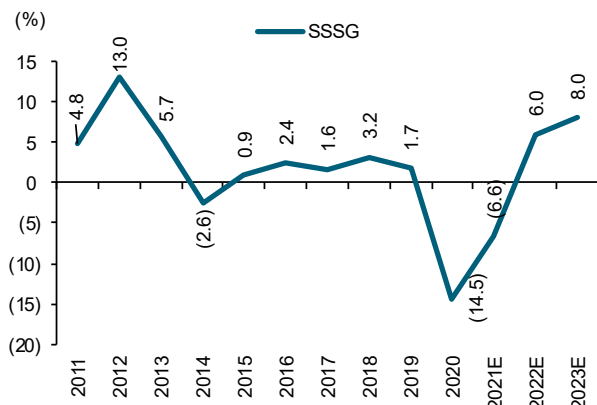
Source: FSSIA estimates

Exhibit 52: HMPRO – SSSG



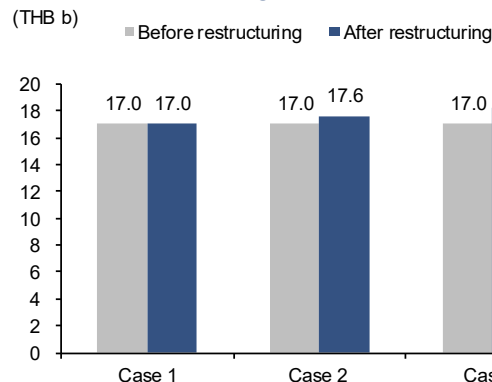
Source: FSSIA estimates

Exhibit 53: CPALL – SSSG trend



Source: FSSIA estimates

Exhibit 54: CPALL – earnings accretion after the restructuring



Note: Case1 assumes Lotus' net profit at THB4.6b, Case2 assumes Lotus's net profit at THB5.7b, and Case3 assumes Lotus' net profit at THB6.9b; Source: FSSIA estimates

Tourism: the recovery lies ahead

Despite the slow recovery of Thai tourism due to the surging Covid infections over Jun-Aug, we expect a recovery to start in 4Q21. Airlines have been allowed to resume domestic flights from 1 Sep following the easing of restrictions in high-risk provinces. We expect domestic tourism to gradually ramp up to 60-80% of the pre-Covid level in 4Q21-1Q22, driven by the pent-up demand from Thai travellers and the stimulus packages from the government to boost domestic tourism. In addition, the Thai government plans to reopen five additional provinces for the second phase of the country's reopening plan, including Bangkok, Chiang Mai, Chon Buri, Phetchaburi, and Prachuap Khiri Khan in Nov after the first phase reopened Phuket, Samui and Krabi. Thailand plans to reopen up to 43 provinces by Jan-22.

Our top picks in the aviation sector are AOT and BA. We like AOT as we believe it would be the first tourism stock whose earnings exceed the pre-Covid level, led by higher revenue from new concession contracts with King Power. AOT has waived the minimum guarantee for concession contracts until Mar-22. Thus, its concession revenue should accelerate from 2HFY22 onward. We estimate concession revenue to jump from THB17.5b in FY19 to THB27.0b in FY23. This would support its turnaround and post-Covid earnings growth.

We also like BA due to its favourable risk/reward ratio. It trades at 15-17x 2023E P/E, compared with other tourism stocks (hotel operators and AOT) at 25-35x. We think BA's multiple has the potential to rerate to 20-30x as it transforms from an airline to an airport operator. We estimate that after BA terminates the lease contract for Samui Airport with Samui Airport Property Fund, its airport-related EBIT contribution should jump to 48% in 2023, while its airline business EBIT should contribute only 12%. In addition, we forecast its non-airline business to contribute up to THB1.6b in profit to BA in 2023.

Lockdown easing to benefit DMT

Although the number of daily new Covid cases in Thailand remains high at over 11k per day based on a 7-day moving average as of 29 Sep-21, we believe that out-of-home (OOH) activity should start to resume gradually. According to the data from the Ministry of Public Health on 21 Sep-21, 42% of Bangkok residents have been fully vaccinated, while 97.5% have gotten their first shot. Therefore, we believe this will boost consumer confidence and encourage OOH activity, even though the number of Covid cases remains high.

We believe the recovery momentum will continue in line with the restrictions that the government expects to relax in the future, possibly in the beginning of Oct-21, as well as with the vaccination rollout that should continue to increase. Although the number of Covid cases remains high, the transition to normalcy for the Thai people, especially Bangkok residents, should help consumers to learn to live with Covid-19 in the future.

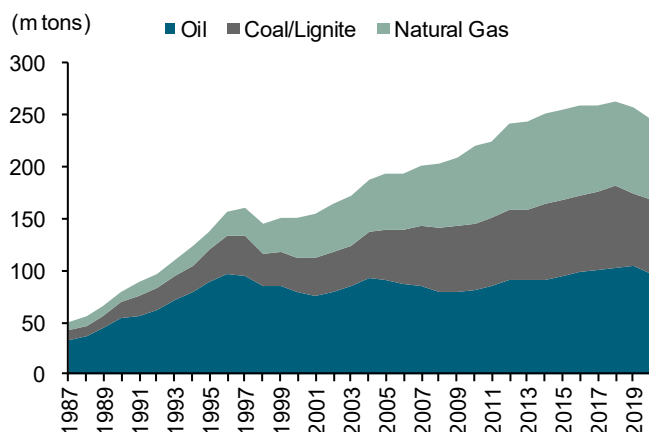
We like DMT as our top pick in the land transportation sector. DMT's ridership should gain two benefits from the restriction easing starting in Sep-21, including 1) the resumption of OOH activities, which should increase the demand for expressway usage; and 2) the return of airline services. Domestic air travel has resumed in Covid-19 dark-red zones in Sep-21.

Moreover, DMT is the most underperforming stock among expressway operators. We believe that this is because DMT is not covered by Bloomberg consensus; FSSIA is the only research house covering DMT. This can imply that the market has less information on DMT as it is a relatively newly listed company and has had poor performance on its share price after its IPO due to the Covid-19 impact.

Theme #3: Transition to green energy

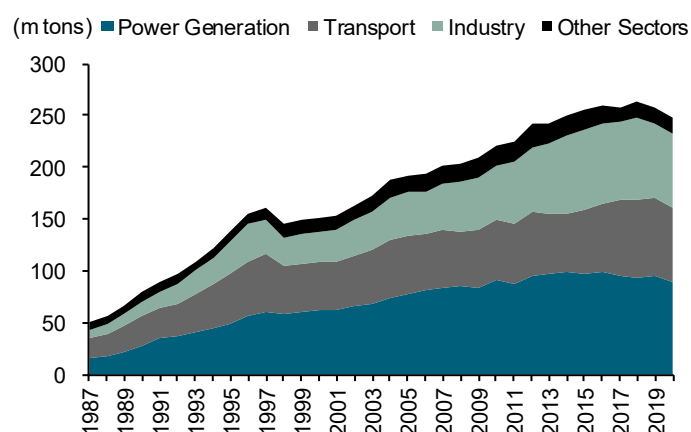
Since 2020, the Thai government has faced many challenges that have made CO₂ reduction efforts less efficient, including 1) the demand downside from the impact of the Covid-19 pandemic; 2) the faster and stronger-than-expected demand for electricity for new sources, such as electric vehicles (EVs), the Eastern Economic Corridor campaign, and independent power supply (IPS) or power plants with private power purchase agreements; and 3) the megatrend of increasing renewable energy to reduce carbon emissions and capitalise on the highly competitive cost of renewable energy, including solar and wind farms and the use of energy storage systems.

Exhibit 55: CO₂ emissions by energy type



Source: Energy Policy and Planning Office (EPPO)

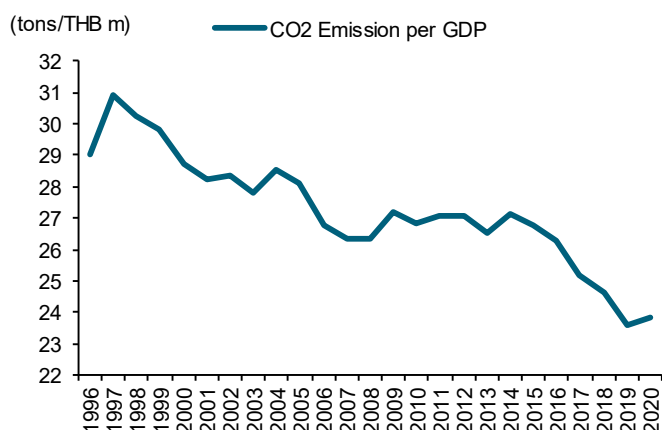
Exhibit 56: CO₂ emissions by segment



Source: EPPO

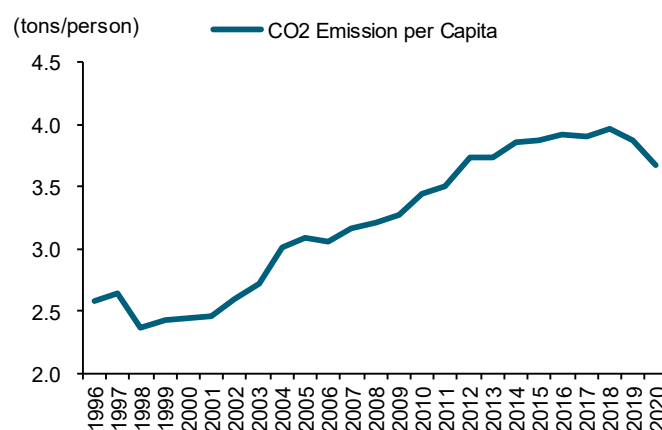
Decarbonisation goal. During Thailand's transition from a fossil-based to a green, renewable-focused energy country, the Thai government has clearly targeted a reduction in carbon emissions via 1) lower coal-fired power capacity; 2) higher renewable capacity; 3) shifting from internal combustion engine-based vehicles to EVs; and 4) importing higher gas volumes in the form of LNG as a transition fuel.

Exhibit 57: CO₂ emissions per GDP



Source: EPPO

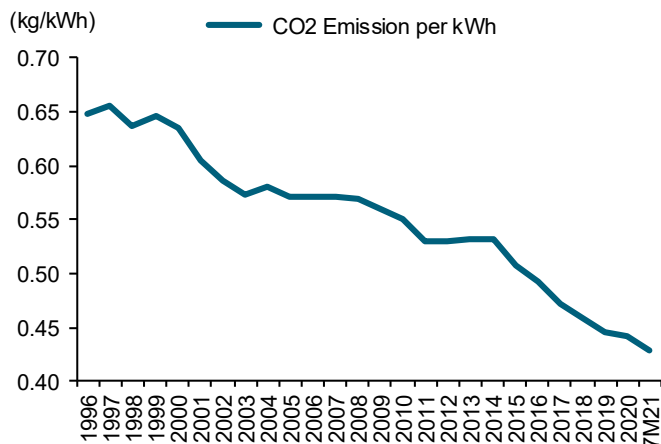
Exhibit 58: CO₂ emissions per capita



Source: EPPO

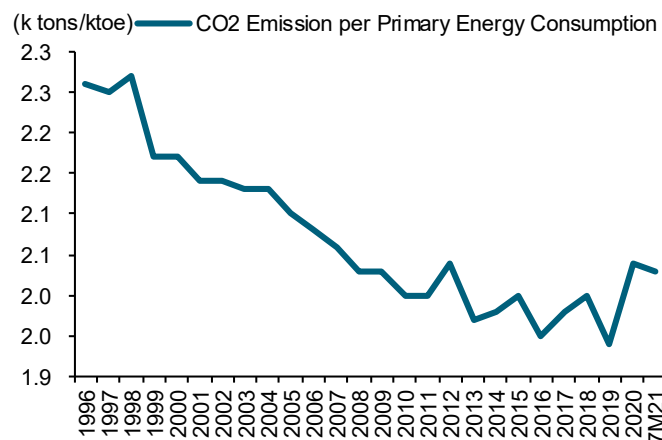
The success of past government plans for carbon reduction. In the past 25 years, since 1996, the Thai government has successfully reduced CO2 emissions per unit, reflected in the lower CO2 emissions per GDP, per capita, per kWh of electricity, and per primary energy consumption.

Exhibit 59: CO2 emissions per kWh



Source: EPPO

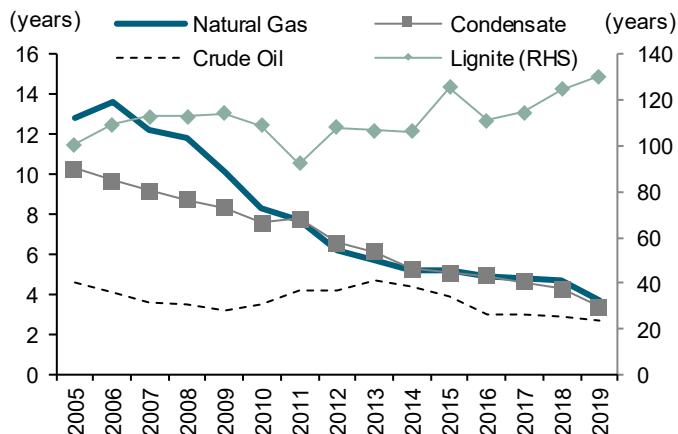
Exhibit 60: CO2 emissions per primary energy consumption



Source: EPPO

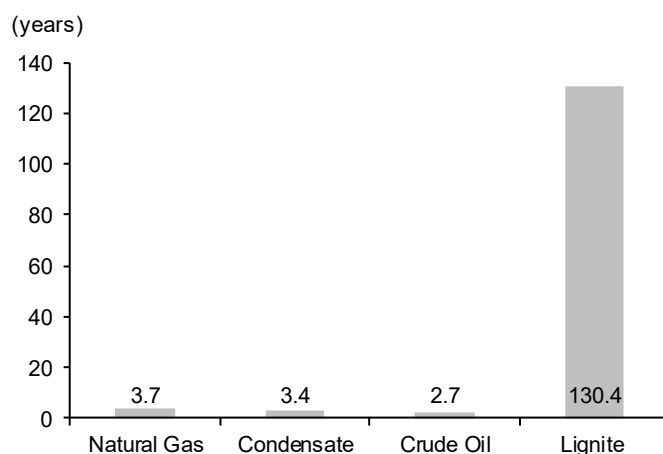
However, given that Thailand is scarce in natural resources like gas, coal, and oil, the country needs to import oil, gas, and coal for its power generation and transportation needs. In the past 15 years, Thailand has seen its reserve-to-production ratio significantly decline by 3x, and as of 2019 the country has only 4-5 years of proved reserves of gas, oil, lignite, and condensate.

Exhibit 61: Reserve-to-production ratio



Source: EPPO

Exhibit 62: Reserve-to-production ratio as of 2019



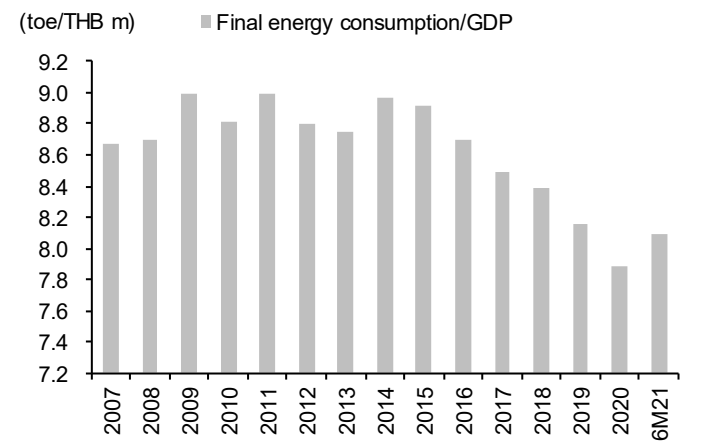
Source: EPPO

Amid the higher import value for energy, which has accounted for 8-15% of GDP in the past 10 years, Thailand has somewhat successfully reduced the final energy consumption to GDP with a lower self-sufficiency ratio of 52%, down from 60% in 2009-14, as the country has had to rely more on imports of energy and electricity.

As a result, we think that during the transition period from a fossil-based to a green-based country, Thailand will still have to rely significantly on fossil energy, including oil, gas, and coal. Meanwhile, the transition to green energy for the automotive industry is moving at a faster rate than other industries, thanks to the government's heavy promotional and subsidy policies in the past 12 months.

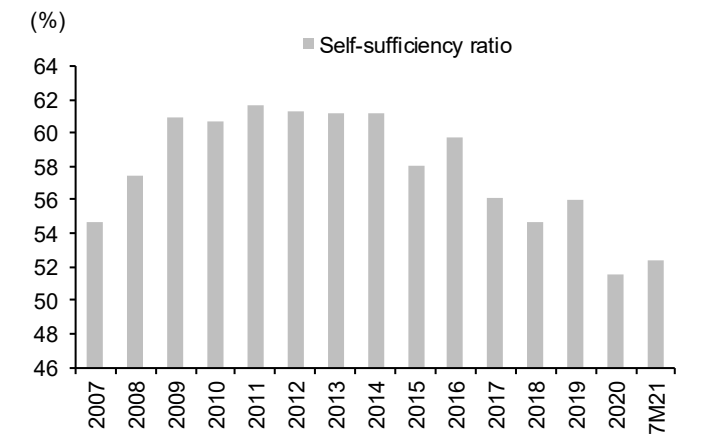
Significantly, Thailand has achieved its target to gradually reduce the capacity proportion of coal-fired power plants, which has declined from 18% in 2015 to 16% in 1H21, thanks in part to higher renewable and gas-fired power plant capacities. The higher power supply contribution from renewables and imports has doubled from 7% in 2015 to 14% in 1H21, mainly from the commercial operation date commencement of the 1.2GW Xaiyaburi hydropower plant since Oct-19.

Exhibit 63: Energy intensity



Source: EPPO

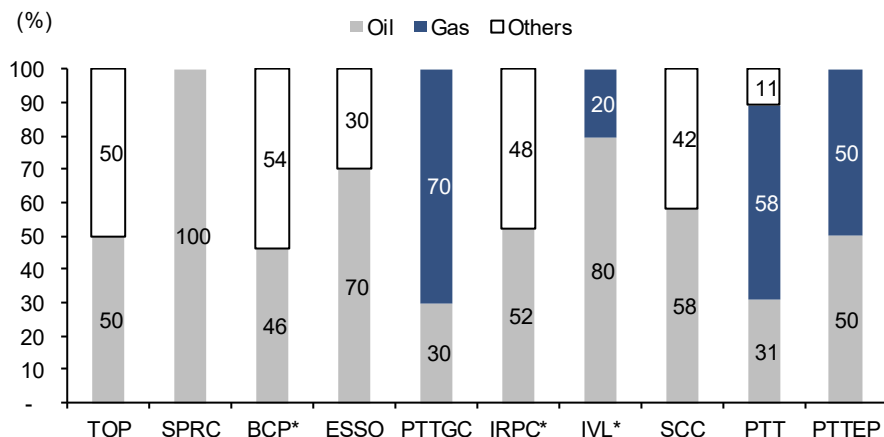
Exhibit 64: Self-sufficiency ratio



Source: EPPO

Oil sector top picks are PTTEP and TOP. We prefer companies with high earnings exposures to the oil and gas prices, both directly and indirectly. PTTEP and TOP are our top oil plays, given their high earnings exposures to the oil & gas prices (PTTEP as a producer of oil & gas) and as potential winners of the expected rebound in the demand for refined oil after the global reopening (TOP).

Exhibit 65: Net profit breakdown by oil, gas, and others



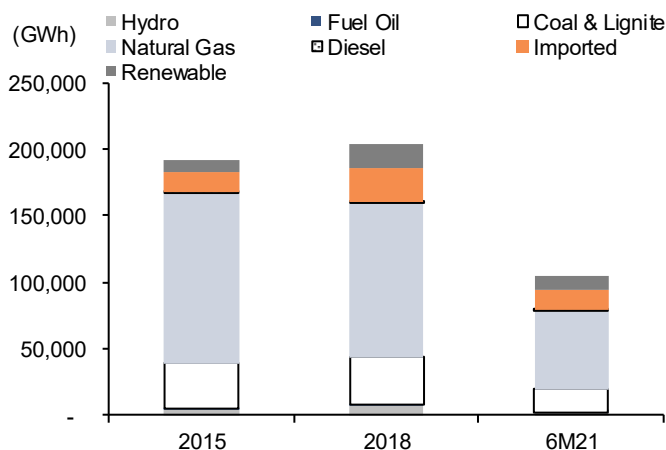
*EBITDA breakdown for BCP, IRPC, and IVL

Sources: Company data; FSSIA estimates

BANPU and IVL are top picks for gas price plays. Our top picks are BANPU and IVL as the winners of the current gas price uptrend. BANPU has 0.8bscfd of gas production capacity in the US and IVL has a large exposure to shale gas as a key feedstock for its 4mtpa integrated oxide and derivatives (IOD) product group in the US. Additionally, the higher Henry Hub (HH) gas price should directly benefit BANPU's shale gas unit, while the high HH price should indirectly widen the margin of IVL's PET and PTA sold in North America. As one of three major producers of PET and PTA, IVL has high bargaining power to raise the contract and spot selling prices of its PET, PTA and IOD products produced from gas-based ethylene.

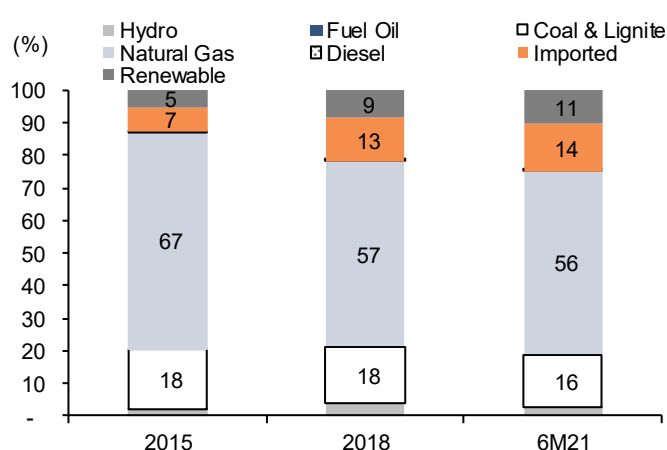
Power industry is the key mover in the transition to green energy. From the past three power development plans (PDPs), which include PDP 2015, PDP 2018, and PDP Revision 1 (PDPR1), Thailand has successfully raised its power generating capacity from renewables from 5% of total capacity in 2015 under PDP 2015 to 9% in 2018 under PDP 2018 and 11% in 1H21 under PDPR1. This has effectively reduced carbon emissions by 5-8%, according to the Energy Policy and Planning Office (EPPO).

Exhibit 66: Thailand's electricity capacity breakdown by energy type



Source: EPPO

Exhibit 67: Thailand's electricity capacity breakdown by energy type – PDP 2015, PDP 2018, and PDP 2018 Revision 1



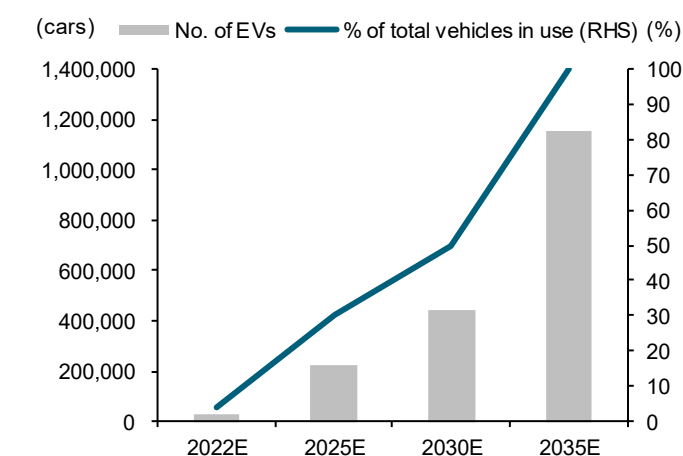
Source: EPPO

EA and NEX are two top picks for EV growth plays. EA and NEX stand out as the only two major players to harness Thailand's upcoming demand growth for EVs, thanks to their ready-to-deliver EV manufacturing plant (Absolute Assembly) and NEX's extensive distribution and marketing network for e-buses and e-trucks.

Following the announcement by Thailand's National Electric Vehicle Policy Committee (NEVPC) for the new zero-emission vehicle targets for the vehicles used and produced during 2021-35, we believe that Thailand's EV industry is now positioned to see accelerated demand growth in the next 15 years.

In our view, the gradual target increases – from 4% in 2022 to 100% in 2035 for new EVs registered, and from 2% in 2022 to 50% in 2035 for total vehicles produced – will provide two key frameworks for the EV industry participants to ride the global and domestic demand growth for EVs, transforming Thailand's internal combustion engine industry into a full EV industry by 2035.

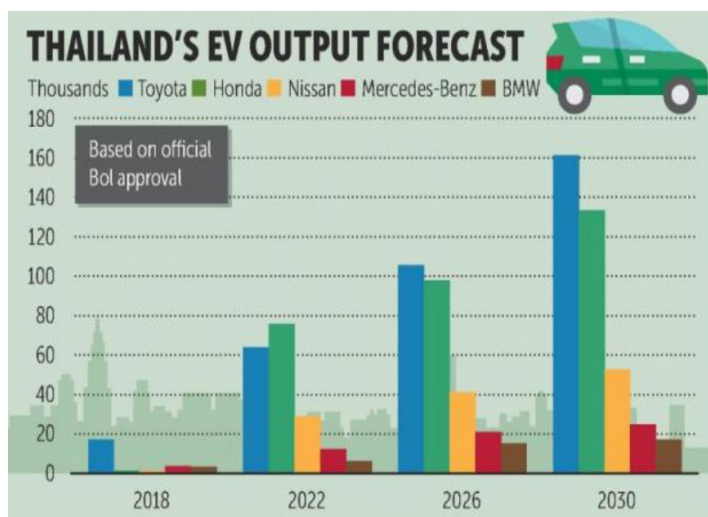
Exhibit 68: EV usage target



Source: NEVPC

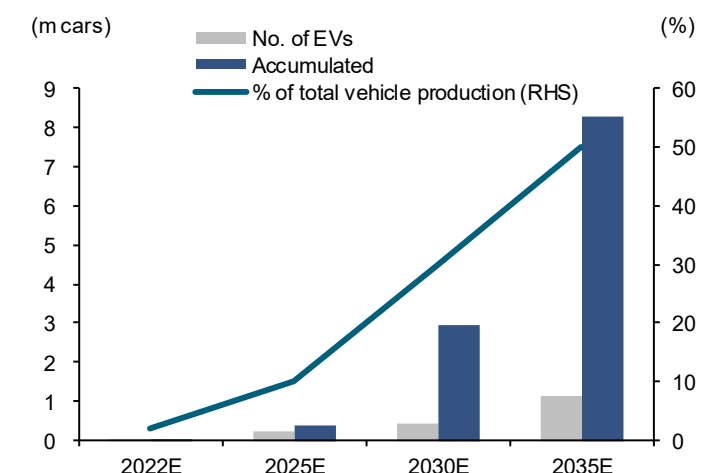
Under the two EV targets, the NEVPC also announced usage target breakdowns for each vehicle type, including 1) a passenger car and pickup truck target of 0.4m in 2025, rising to 6.4m in 2035 (36% of current usage in 2020); 2) a motorcycle target of 0.62m in 2025 and 8.8m in 2035 (44%); and 3) a bus and truck target of 0.03m in 2025 rising to 0.4m in 2035 (31%). Hence, the most aggressive EV target is for motorcycles (44% in 2035), followed by EV passenger cars and pickup trucks (36%) and e-buses and e-trucks (31%).

Exhibit 70: Thailand's battery EV production targets by major manufacturers



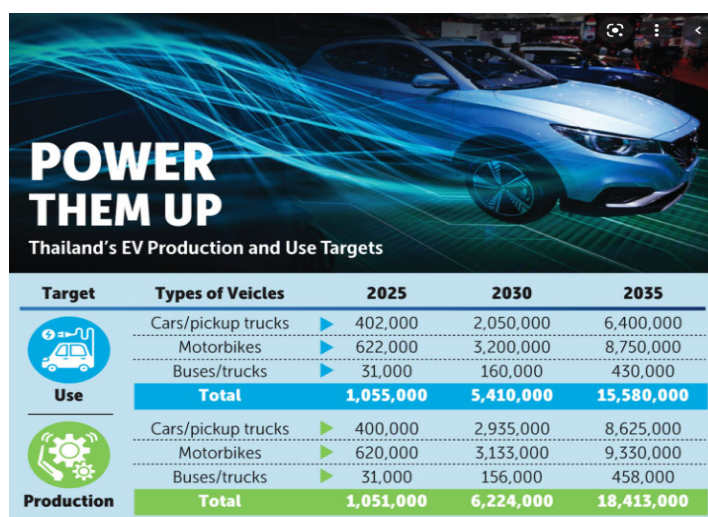
Source: Industry Ministry

Exhibit 69: EV production target



Source: NEVPC

Exhibit 71: Thailand's EV use and production targets



Source: Industry Ministry

Earnings growth and attractive valuations underline our top picks

We retain our Overweight recommendation on the Thai equity market with our SET Index target of 1,700 by end-2021, driven by:

1) Improving corporate profit growth on the SET, led by the energy, petrochemical and utilities sectors. We project that the net profit growth of the key sectors under our tri-transition investment theme will be strong, including energy, power, commerce, tourism, finance, and transportation.

2) A Thai economic recovery, driven by higher export volumes and domestic consumption after the relaxation of the country's lockdown. We believe that the declining new infection rate and death cases should allow Thailand to gradually return to normalcy by end-2022.

For Oct-21, we expect the SET Index to remain rangebound between 1,600-1,670 with the transition investment theme. Among our top picks in our favoured sectors, BANPU and EA are our picks for the 'transition to green energy', JMT, NCAP, and SCB are our picks for the 'transition to growth', and CPALL, HMPRO, BA, AOT, and DMT are our picks for the 'transition to normalcy'.

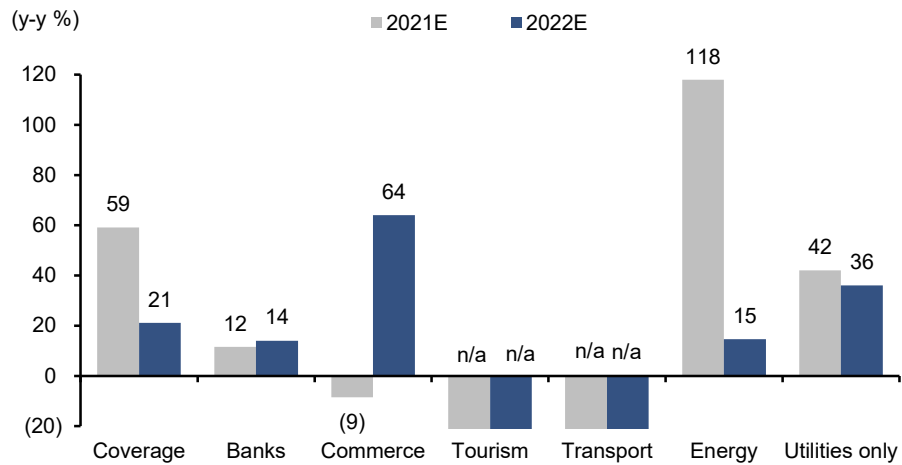
Exhibit 72: Valuation summary of our top picks as of 29 September 2021

Company	BBG code	---Share price---		Up side (%)	-----Recur profit-----			Rec profit grth		-----P/E-----		DivYld (%)	ROE (%)	P/BV (x)
		Current (THB)	Target (THB)		20 (THBm)	21E (THBm)	22E (THBm)	21E (%)	22E (%)	21E (x)	22E (x)			
Banpu	BANPU TB	12.70	14.60	15	(3,288)	8,905	8,002	nm	(10)	7.8	11.4	6.1	12.7	0.9
Energy Absolute	EA TB	62.25	76.00	22	5,155	8,192	9,742	59	19	28.3	23.8	0.4	26.1	6.7
CP All	CPALL TB	62.75	76.00	21	15,876	10,406	17,014	(34)	64	54.2	33.1	0.7	10.4	6.8
Home Product Center	HMPRO TB	13.60	18.50	36	5,155	5,863	6,745	14	15	30.5	26.5	2.5	26.3	7.8
Don Muang Tollway	DMT TB	12.80	17.00	33	791	385	979	(51)	154	39.2	15.4	5.7	4.5	1.6
Airports of Thailand	AOT TB	62.00	80.00	29	3,236	(15,116)	3,570	nm	nm	nm	nm	0.8	(11.8)	7.8
Siam Commercial Bank	SCB TB	124.50	158.00	27	27,218	32,171	36,527	18	14	13	12	6.2	7.6	1.0
JMT Network Services	JMT TB	45.25	57.00	26	1,047	1,308	2,208	25	69	38.4	29.7	1.6	18.7	6.1
Next Capital	NCAP TB	11.00	16.80	53	202	315	420	56	33	31.5	23.6	0.5	17.4	5.1
Bangkok Airways	BA TB	11.40	16.00	40	(4,316)	(3,636)	61	nm	nm	(6.6)	389.9	0.0	(20.5)	1.5

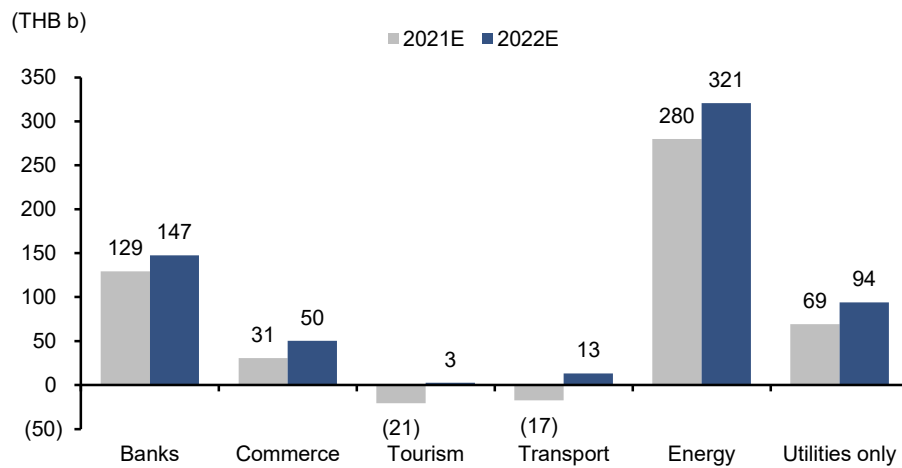
Sources: Bloomberg; FSSIA estimates

Earnings growth forecasts for our sector picks. Based on the 2022 earnings growth forecasts by FSSIA, we project the earnings growth of the commerce sector to be the highest at 64% y-y in 2022, followed by utilities (+36%), energy (+15%), and banks (14%) vs the average 21% y-y earnings growth in 2022 for the companies under FSSIA's coverage (122 stocks covering 79% of the SET's market cap).

While the earnings growth for the tourism and transportation sectors, the two sectors that were hardest hit by the Covid-19 pandemic, are projected to improve only marginally in 2022, their earnings should turn around from net losses to become profitable. Hence, we think that both the tourism and transportation sectors should be even more attractive investment choices as turnaround and growth sectors. Within the tourism and transportation sectors, we prefer AOT, BA, and DMT as key beneficiaries of the country's reopening and the return of tourism to Thailand.

Exhibit 73: Earnings growth of FSSIA's top sector picks

Source: FSSIA estimates

Exhibit 74: Net profit of FSSIA's top sector picks

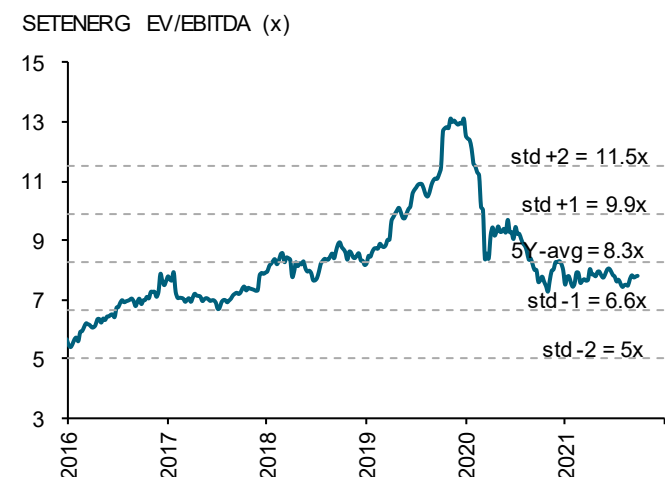
Source: FSSIA estimates

Attractive valuations. Valuation-wise, we believe our top sectors – energy, utilities, banks, commerce, tourism, and transportation – are attractive for their stronger net profit growth outlooks in 4Q21-2022 and the valuation discounts compared with their historical averages.

Among our preferred sectors, we think banks and energy are the two most attractive sectors, as they are trading at deep discounts to their 5-year average valuations, while the commerce and finance sectors are trading at or +1 std over their 5-year average levels due to their highly resilient earnings and more sustainable business models vs the cyclical energy and bank sectors, in our view.

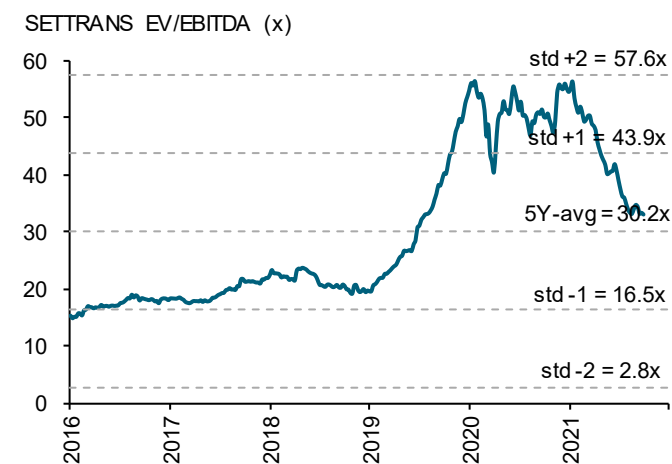
Lastly, for the tourism and transportation sectors, while their valuations are trading at 1 std above their 5-year averages, we think this is due to the depressed earnings levels caused by the prolonged lockdowns. However, as we expect the lockdown easing and the economic reopening to occur in Oct-21, we think that the earnings recovery for the tourism and transportation sectors should result in a sharp drop in their forward valuation multiples (EV/EBITDA for transportation and forward P/BV for tourism). This should lead to much more attractive valuations for their earnings growth performance in 2022.

Exhibit 75: Energy rolling one-year forward EV/EBITDA band



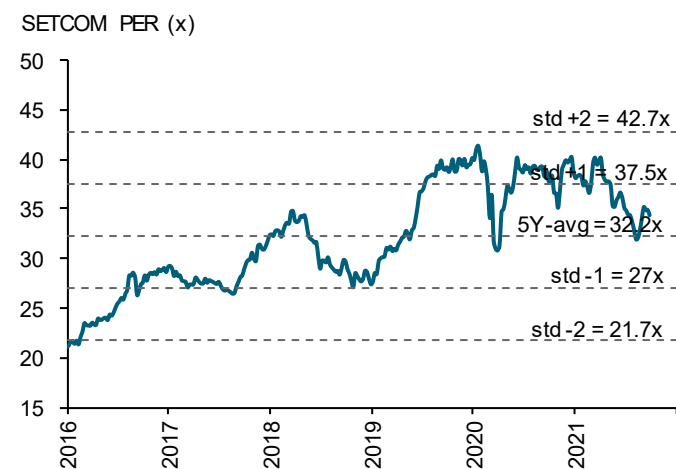
Source: Bloomberg consensus

Exhibit 76: Transportation rolling one-year forward EV/EBITDA band



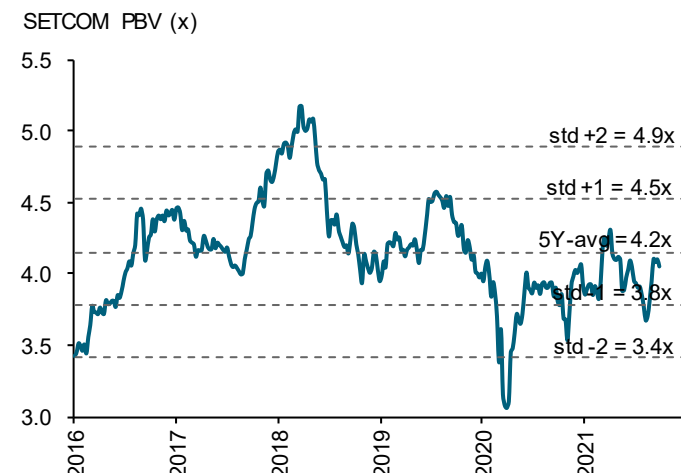
Source: Bloomberg consensus

Exhibit 77: Commerce rolling one-year forward P/E band

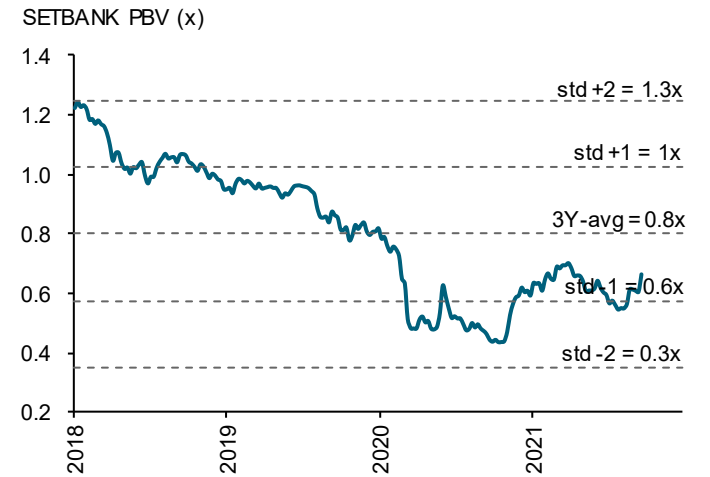


Source: Bloomberg consensus

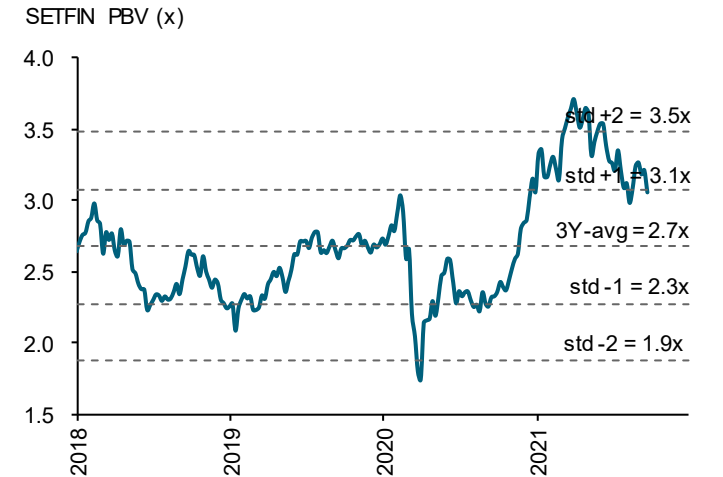
Exhibit 78: Commerce rolling one-year forward P/BV band



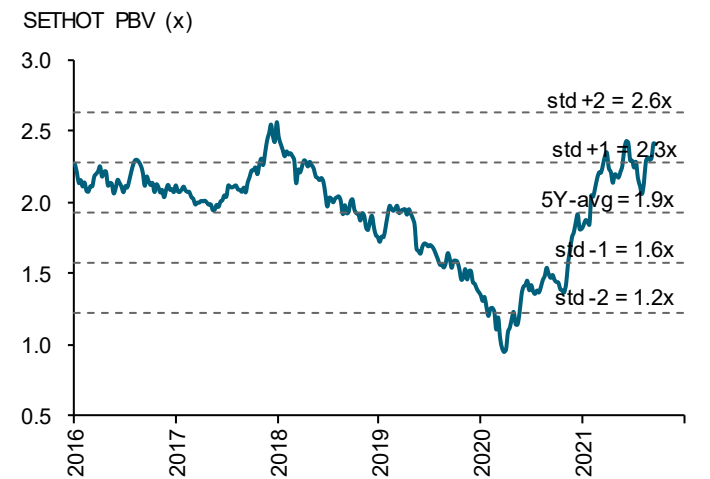
Source: Bloomberg consensus

Exhibit 79: Banks rolling one-year forward P/BV band

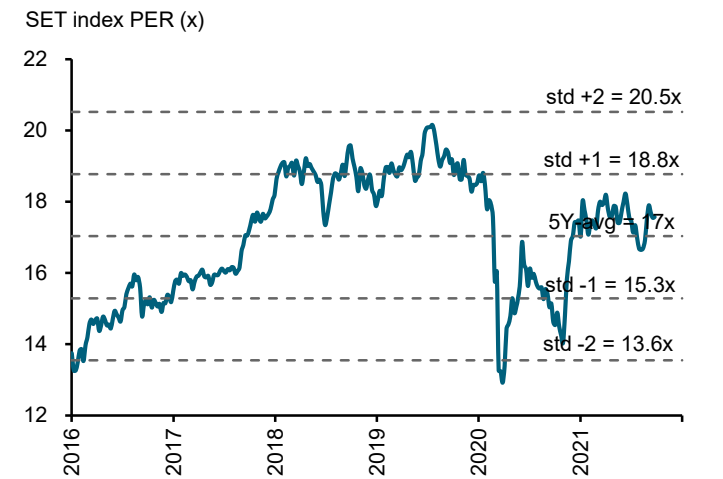
Source: Bloomberg consensus

Exhibit 80: Finance rolling one-year forward P/BV band

Source: Bloomberg consensus

Exhibit 81: Tourism rolling one-year forward P/BV band

Source: Bloomberg consensus

Exhibit 82: SET Index rolling one-year forward P/E band

Source: Bloomberg consensus

Appendix – FSSIA's 122 companies under coverage

Exhibit 83: FSSIA's 122 companies under coverage – summary of key valuations as of 29 Sep 2021 (1/4)

	BBG	Rec	---Share price---		Up (down)	Market	-----Recur profit-----			Recur profit growth		-----P/E-----		DivYld	ROE	PBV
	Code		Current	Target	side	Cap	2020	21E	22E	21E	22E	21E	22E	21E	21E	21E
			(THB)	(THB)	(%)	(USD m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)
SET Index			1,617	1,700	5	546,988						19.4	16.5			
Coverage						399,077	457,060	727,325	880,710	59.1	21.1	18.4	15.7	2.8	10.0	1.8
Banks						40,307	115,872	129,236	147,356	11.5	14.0	10.9	9.5	4.3	7.2	0.8
Bangkok Bank	BBL	BUY	120.00	146.00	22	6,763	21,181	24,245	27,445	14.5	13.2	9.4	8.3	3.3	5.4	0.5
Kasikornbank	KBANK	BUY	137.50	150.00	9	9,619	29,487	31,325	34,198	6.2	9.2	10.4	9.5	2.0	6.9	0.7
Kiatnakin Bank	KKP	BUY	55.50	65.00	17	1,388	5,123	5,695	6,412	11.2	12.6	8.3	7.3	4.5	11.9	0.9
Krung Thai Bank	KTB	HOLD	11.20	12.70	13	4,622	16,687	19,186	21,898	15.0	14.1	8.2	7.1	4.3	5.5	0.4
Siam Commercial Bank	SCB	BUY	124.50	158.00	27	12,482	27,218	32,171	36,527	18.2	13.5	13.2	11.6	6.2	7.6	1.0
Tisco Financial	TISCO	BUY	92.50	122.00	32	2,187	6,063	6,613	7,519	9.1	13.7	11.2	9.9	7.1	16.4	1.8
TMBThanachart Bank	TTB	BUY	1.14	1.40	23	3,248	10,112	10,002	13,358	(1.1)	33.6	11.0	8.2	3.6	4.8	0.5
Diversified financials						21,069	31,219	35,907	43,933	15.0	22.4	22.8	18.6	2.1	19.4	3.8
Unsecured-loan lender						5,557	9,022	11,172	12,847	23.8	15.0	18.6	16.1	2.2	26.2	4.5
Aeon Thana Sinsap (TH)	AEONTS	BUY	183.00	274.00	50	1,351	3,690	4,461	5,100	20.9	14.3	10.3	9.0	2.9	24.0	2.3
Krungthai Card	KTC	HOLD	55.25	73.00	32	4,206	5,332	6,710	7,747	25.8	15.4	21.2	18.4	1.9	26.9	5.2
Auto-title lender						9,072	12,700	13,959	17,093	9.9	22.5	22.2	18.2	1.3	20.8	4.1
Muangthai Capital	MTC	BUY	58.25	67.00	15	3,646	5,214	5,374	6,637	3.1	23.5	23.0	18.6	0.7	23.4	4.9
Srisawad Corp	SAWAD	BUY	63.25	86.00	36	2,564	4,508	4,827	5,723	7.1	18.6	17.8	15.0	2.9	20.7	3.5
Saksiam Leasing	SAK	BUY	8.35	12.20	46	517	562	610	854	8.6	40.0	28.7	20.5	1.0	12.9	3.5
Ngern Tid Lor	TIDLOR	BUY	34.25	47.00	37	2,345	2,416	3,147	3,878	30.3	23.2	24.5	20.5	0.6	18.7	3.5
Truck lender						1,490	2,439	2,691	3,501	10.4	30.1	22.8	20.5	2.4	14.1	2.7
Micro Leasing	MICRO	BUY	7.55	10.70	42	208	135	204	272	50.8	33.5	34.7	26.0	0.9	10.8	3.6
Singer Thailand	SINGER	BUY	40.75	51.00	25	599	443	685	1,142	54.5	66.7	30.0	29.3	1.3	13.0	3.3
Ratchthani Leasing	THANI	BUY	4.08	5.20	27	682	1,860	1,802	2,087	(3.1)	15.8	12.8	11.1	3.9	16.0	2.0
Asset management						3,597	3,043	3,648	5,475	19.9	50.1	34.4	25.7	2.1	11.3	3.6
Bangkok Commercial AM	BAM	BUY	18.50	19.40	5	1,765	1,841	2,089	2,879	13.5	37.8	28.6	20.8	3.0	4.8	1.3
Chayo Group	CHAYO	BUY	12.10	18.80	55	341	155	251	388	61.8	54.7	47.2	33.8	0.0	12.8	4.2
JMT Network Services	JMT	BUY	45.25	57.00	26	1,491	1,047	1,308	2,208	25.0	68.7	38.4	29.7	1.6	18.7	6.1
Other						1,060	3,814	4,122	4,599	8.1	11.6	8.7	7.8	8.8	6.4	0.5
Thanachart Capital	TCAP	HOLD	34.25	35.00	2	1,060	3,814	4,122	4,599	8.1	11.6	8.7	7.8	8.8	6.4	0.5
Hire purchase motorcycle						292	202	315	420	55.9	33.4	31.5	23.6	0.5	17.4	5.1
Next Capital	NCAP	BUY	11.00	16.80	53	292	202	315	420	55.9	33.4	31.5	23.6	0.5	17.4	5.1
Information Services						222	114	157	226	37.1	44.2	45.2	33.3	1.1	23.1	5.5
Ditto (THAILAND)	DITTO	BUY	17.10	21.00	23	222	114	157	226	37.1	44.2	45.2	33.3	1.1	23.1	5.5
Commerce						41,886	33,510	30,655	50,305	(8.5)	64.1	(14.1)	35.6	1.4	13.6	6.4
Berli Jucker	BJC	HOLD	33.25	39.00	17	3,934	3,914	5,556	6,590	42.0	18.6	24.0	20.2	3.8	4.9	1.2
CP All	CPALL	BUY	62.75	76.00	21	16,643	15,876	10,406	17,014	(34.5)	63.5	54.2	33.1	0.7	10.4	6.8
Central Retail Corp	CRC	BUY	34.00	40.00	18	6,054	46	(591)	3,766	nm	nm	(347.3)	54.5	0.0	(1.1)	3.9
Siam Global House	GLOBAL	BUY	21.00	27.00	29	2,853	1,956	2,887	3,214	47.6	11.3	32.0	28.8	1.2	16.2	5.0
Home Product Center	HMPRO	BUY	13.60	18.50	36	5,281	5,155	5,863	6,745	13.7	15.0	30.5	26.5	2.5	26.3	7.8
Siam Makro	MAKRO	HOLD	50.25	52.00	3	7,121	6,563	6,533	12,977	(0.5)	98.6	36.9	43.3	1.9	28.1	10.0
Food & Beverage						14,059	32,525	30,376	32,901	(6.6)	8.3	21.6	18.8	3.5	19.1	4.8
Foods						7,353	25,652	23,236	24,662	(9.4)	6.1	11.9	10.6	4.7	12.5	1.5
Charoen Pokphand Foods	CPF	BUY	25.75	34.00	32	6,396	24,537	21,563	22,513	(12.1)	4.4	10.3	9.8	5.0	10.9	1.2
Asian Sea Corporation	ASIAN	BUY	17.70	24.10	36	425	715	1,004	1,089	40.5	8.4	14.3	13.2	3.5	25.9	3.4
Agripure Holdings	APURE	BUY	8.10	12.00	48	222	305	376	558	23.2	48.4	20.0	13.5	2.1	19.7	3.8
Srinanaporn Marketing	SNNP	BUY	10.90	15.00	38	309	94	292	502	211.6	71.7	35.8	20.8	2.4	20.7	4.0
Beverage						6,706	6,874	7,140	8,239	3.9	15.4	32.2	27.7	2.2	26.4	8.3
Carabao Group	CBG	BUY	123.50	173.00	40	3,646	3,525	3,500	4,225	(0.7)	20.7	35.3	29.2	1.2	32.8	10.9
Osotspa PCL	OSP	BUY	34.50	42.00	22	3,060	3,349	3,641	4,014	8.7	10.3	28.5	25.8	3.3	18.8	5.3

Sources: Bloomberg; FSSIA estimates

Exhibit 84: FSSIA's 122 companies under coverage – summary of key valuations as of 29 Sep 2021 (2/4)

	BBG	Rec	---Share price---		Up (down)	Market	-----Recur profit-----			Recur profit growth		-----P/E-----		DivYld	ROE	PBV
	Code (TB)		Current (THB)	Target (THB)	side (%)	Cap (USD m)	2020 (THB m)	21E (THB m)	22E (THB m)	21E (%)	22E (%)	21E (x)	22E (x)	21E (%)	21E (%)	21E (x)
SET Index			1,617	1,700	5	546,988						19.4	16.5			
Coverage						399,077	457,060	727,325	880,710	59.1	21.1	18.4	15.7	2.8	10.0	1.8
Property						13,583	26,268	27,794	33,424	5.8	20.3	33.9	20.1	3.5	9.4	2.4
Property Devel						6,488	20,647	23,453	25,409	13.6	8.3	10.1	9.2	6.6	12.9	1.3
AP (Thailand)	AP	BUY	8.15	10.50	29	757	4,227	4,230	4,389	0.1	3.8	6.1	5.8	5.8	13.8	0.8
Land and Houses	LH	BUY	8.00	10.10	26	2,822	6,557	7,433	8,373	13.4	12.6	12.9	11.4	6.5	14.9	1.9
LPN Development	LPN	HOLD	4.88	4.70	(4)	210	716	752	805	5.0	7.1	9.6	8.9	5.2	6.3	0.6
Pruksa Holding	PSH	HOLD	13.10	12.00	(8)	846	2,771	2,913	3,172	5.1	8.9	9.8	9.0	7.7	6.8	0.7
Quality Houses	QH	HOLD	2.20	2.50	14	696	2,125	2,536	2,718	19.3	7.2	9.3	8.7	6.5	9.4	0.9
Supalai	SPALI	BUY	20.10	26.00	29	1,156	4,251	5,589	5,951	31.5	6.5	7.0	6.6	6.9	15.3	1.1
Retail Property						7,095	5,621	4,341	8,016	(22.8)	84.7	55.6	30.1	0.6	6.2	3.4
Central Pattana	CPN	BUY	53.75	60.00	12	7,095	5,621	4,341	8,016	(22.8)	84.7	55.6	30.1	0.6	6.2	3.4
Industrial Estate						1,412	2,524	2,763	3,335	9.5	20.7	17.3	14.3	3.5	9.8	1.7
WHA Corp	WHA	BUY	3.20	4.40	38	1,412	2,524	2,763	3,335	9.5	20.7	17.3	14.3	3.5	9.8	1.7
Healthcare						19,690	10,603	16,002	18,872	50.9	17.9	58.4	37.4	2.5	12.2	4.8
Bangkok Chain Hosp	BCH	BUY	21.60	28.50	32	1,590	1,229	3,515	1,743	185.9	(50.4)	15.3	30.9	1.1	42.1	5.5
Bangkok Dusit Med	BDMS	BUY	22.50	29.00	29	10,557	6,045	6,910	10,094	14.3	46.1	51.7	35.4	3.1	8.1	4.3
Bumrungrad Hospital	BH	BUY	143.00	155.00	8	3,355	1,199	955	2,360	(20.4)	147.0	119.1	48.2	2.1	5.4	6.7
Chularat Hospital	CHG	BUY	3.70	4.70	27	1,202	877	1,720	1,264	96.2	(26.5)	23.7	32.2	2.5	37.3	7.8
Praram 9 Hospital	PR9	BUY	10.40	14.00	35	241	202	198	359	(2.1)	81.5	41.3	22.8	1.5	4.7	1.9
Ramkhamhaeng Hosp	RAM	BUY	150.00	225.00	50	1,063	632	1,704	1,750	169.6	2.7	21	20.6	2.8	13.6	2.9
Thonburi Healthcare	THG	HOLD	32.75	27.50	(16)	816	(31)	288	416	nm	44.7	97	66.8	0.7	3.6	3.5
Vibhavadi Med Center	VIBHA	BUY	2.16	2.80	30	866	450	712	886	58.2	24.4	45.3	36.4	1.5	8.6	3.5
Tourism						11,293	(26,351)	(20,642)	2,547	nm	nm	(30.9)	238.8	0.0	(14.0)	2.5
Asset World Corp	AWC	BUY	4.48	5.60	25	4,233	(1,881)	(2,449)	293	nm	nm	(58.5)	489.9	0.0	(3.3)	1.9
Central Plaza Hotel	CENTEL	BUY	34.25	40.00	17	1,365	(1,550)	(2,050)	336	nm	nm	(22.6)	137.7	0.0	(14.9)	2.6
The Erawan Group	ERW	BUY	3.08	3.50	14	412	(1,623)	(2,004)	(207)	nm	nm	(7.0)	(67.3)	0.0	(40.8)	2.3
S Hotels & Resorts	SHR	BUY	3.50	4.20	20	371	(1,908)	(1,310)	70	nm	nm	(9.6)	179.7	0.0	(8.5)	0.8
Minor International	MINT	BUY	32.00	38.00	19	4,912	(19,388)	(12,828)	2,055	nm	nm	(12.9)	80.7	0.0	(21.2)	3.1
Automotive						473	531	1,958	2,455	268.5	25.4	8.2	6.7	6.4	12.9	1.0
AAPICO Hitech	AH	BUY	21.20	30.80	45	222	146	994	1,337	581.4	34.5	7.6	5.6	4.6	12.7	0.9
Somboon Adv Tech	SAT	BUY	20.00	29.00	45	251	385	964	1,117	150.1	15.9	8.8	7.6	8.0	13.0	1.1
Transportation						37,502	2,015	(17,233)	13,220	nm	nm	(23.9)	190.0	1.1	(7.4)	6.4
Asia Aviation	AAV	BUY	2.82	3.20	13	404	(4,997)	(4,503)	(471)	nm	nm	(3.0)	(29.1)	0.0	(39.2)	1.6
Don Muang Tollway	DMT	BUY	12.80	17.00	33	446	791	385	979	(51.3)	154.0	39.2	15.4	5.7	4.5	1.6
Bangkok Airways	BA	BUY	11.40	16.00	40	693	(4,316)	(3,636)	61	nm	nm	(6.6)	389.9	0.0	(20.5)	1.5
Thai Airways*	THAI	HOLD	n/a	3.40	-	-	-	-	-	-	-	-	-	-	-	-
Airports of Thailand	AOT	BUY	62.00	80.00	29	26,150	3,236	(15,116)	3,570	nm	nm	(58.6)	248.1	0.8	(11.8)	7.8
Bangkok Expressway	BEM	BUY	8.85	8.70	(2)	3,994	2,048	1,844	3,987	(9.9)	116.2	73.3	33.9	0.7	4.8	3.5
Kerry Express (TH)	KEX	HOLD	38.75	42.00	8	1,991	1,405	1,494	1,787	6.3	19.6	45.1	37.7	0.7	13.1	5.7
Nam Yong Terminal	NYT	BUY	4.12	5.50	33	151	243	389	419	59.9	7.6	13.1	12.2	6.9	11.9	1.6
BTS Group Holdings	BTS	BUY	9.45	11.00	16	3,673	3,606	1,909	2,887	(47.1)	51.3	65.1	43.1	2.9	3.3	2.1
ICT						33,931	38,569	37,555	44,966	(2.6)	19.7	5.8	33.2	2.7	23.0	6.2
Advanced Info Serv	ADVANC	BUY	194.50	200.00	3	17,078	27,186	25,617	27,352	(5.8)	6.8	22.6	21.1	3.4	32.7	7.1
Total Access Comm.	DTAC	BUY	41.25	40.00	(3)	2,884	5,451	4,002	4,045	(26.6)	1.1	24.4	24.1	2.5	17.2	4.4
True Corporation	TRUE	HOLD	4.00	3.30	(18)	3,938	(2,961)	(1,293)	1,303	nm	nm	(103.1)	102.4	0.0	(1.6)	1.6
Jasmine Int'l	JAS	HOLD	2.94	2.70	(8)	746	(3,033)	(2,014)	(769)	nm	nm	(12.5)	(32.8)	0.0	(69.3)	13.3
Intouch Holdings	INTUCH	HOLD	81.75	65.00	(20)	7,740	11,160	10,124	11,120	(9.3)	9.8	25.9	23.6	3.0	25.8	6.5
Thaicom	THCOM	REDUCE	10.10	7.10	(30)	327	(135)	(41)	37	nm	nm	(267.1)	300.9	0.0	(0.4)	1.0
Jay Mart	JMART	BUY	40.00	48.00	20	1,219	900	1,161	1,878	29.0	61.9	36.2	30.1	2.1	24.7	7.4

*THAI TB, HOLD, TP THB3.4; note that the trading of THAI has been suspended since 16 Aug-21 while the company is implementing a rehabilitation plan

Sources: Bloomberg; FSSIA estimates

Exhibit 85: FSSIA's 122 companies under coverage – summary of key valuations as of 29 Sep 2021 (3/4)

	BBG code	Rec	---Share price---		Up (down) side (%)	Market Cap (USD m)	-----Recur profit-----			Recur profit growth		-----P/E-----		DivYld (%)	ROE (%)	PBV (x)
			Current (THB)	Target (THB)			2020 (THB m)	21E (THB m)	22E (THB m)	21E (%)	22E (%)	21E (x)	22E (x)			
SET Index			1,617	1,700	5	546,988						19.4	16.5			
Coverage						399,077	457,060	727,325	880,710	59.1	21.1	18.4	15.7	2.8	10.0	1.8
Media						4,450	1,455	1,152	3,474	(20.8)	201.7	252.4	116.2	0.9	4.3	4.0
BEC World	BEC	BUY	13.70	15.00	9	809	(233)	641	859	nm	34.1	42.8	31.9	0.0	11.2	4.5
Major Cineplex Group	MAJOR	BUY	21.50	23.00	7	568	(460)	(405)	733	nm	nm	(47.5)	26.2	4.0	(5.4)	2.3
Plan B Media	PLANB	BUY	6.15	6.30	2	705	140	26	573	(81.1)	nm	901.3	41.6	0.0	0.5	4.5
RS	RS	BUY	17.70	22.00	24	500	528	376	697	(28.8)	85.2	45.8	24.7	0.7	17.6	7.6
VGI	VGI	HOLD	6.15	5.80	(6)	1,564	1,286	185	194	(85.6)	4.8	286.2	273.1	0.6	4.3	3.2
Workpoint Entertainment	WORK	BUY	23.30	26.00	12	304	194	329	418	69.6	27.4	31.3	24.6	2.2	4.3	2.2
Construction services						1,638	1,237	1,819	2,733	47.1	50.2	43.2	21.6	1.1	4.6	1.3
CH. Karnchang	CK	BUY	20.50	23.00	12	1,003	337	583	1,377	73.1	136.1	59.5	25.2	1.0	2.2	1.3
Sino-Thai E&C	STEC	HOLD	14.10	12.80	(9)	635	900	1,236	1,356	37.3	9.7	17.4	15.9	1.3	8.3	1.4
Building materials						16,044	37,842	63,353	67,087	67.4	5.9	9.4	8.6	4.0	17.0	1.5
Siam Cement	SCC	BUY	402.00	520.00	29	14,243	34,144	59,925	62,539	75.5	4.4	8.1	7.7	4.1	17.6	1.3
Eastern Polymer Group	EPG	BUY	11.30	15.50	37	934	1,003	1,219	1,525	21.5	25.1	26.0	20.7	2.1	11.3	2.9
Tipco Asphalt	TASCO	BUY	18.60	22.50	21	867	2,696	2,209	3,023	(18.0)	36.8	13.2	9.6	4.8	14.8	1.9
Energy & Utilities						112,480	128,418	279,835	320,695	117.9	14.6	22.3	16.8	3.0	13.0	2.6
Oil & Gas						67,836	79,741	210,707	226,620	164.2	7.6	11.9	12.2	3.4	13.0	1.5
PTT	PTT	BUY	39.25	60.00	53	33,100	51,468	121,052	129,533	135.2	7.0	9.3	8.7	2.5	13.0	1.2
PTT Explor & Prod	PTTEP	BUY	119.00	158.00	33	13,948	23,685	44,667	46,059	88.6	3.1	10.6	10.3	5.7	12.3	1.3
PTT Oil and Retail Bus	OR	BUY	28.00	36.00	29	9,920	9,963	9,365	11,515	(6.0)	23.0	35.9	29.2	1.4	13.9	3.5
Bangkok Aviation Fuel Serv	BAFS	BUY	30.00	40.00	33	565	(464)	(107)	1,103	nm	nm	nm	17.3	0.0	(2.1)	3.9
Thai Oil	TOP	BUY	52.75	67.00	27	3,177	(3,301)	12,698	11,766	nm	(7.3)	8.5	9.1	5.3	10.6	0.9
Star Petroleum Refining	SPRC	BUY	9.90	11.00	11	1,267	2,068	4,852	5,878	134.6	21.2	8.8	7.3	8.1	17.5	1.5
Bangchak Corp	BCP	BUY	27.50	38.00	38	1,102	(3,718)	2,634	5,731	nm	117.6	14.4	6.6	3.5	5.6	0.8
PTG Energy	PTG	BUY	16.40	20.80	27	809	1,857	1,897	2,008	2.1	5.9	14.4	13.6	0.9	22.5	3.0
Esso Thailand	ESSO	BUY	8.30	14.30	72	848	1,212	4,351	4,549	259.0	4.6	6.6	6.3	1.2	26.3	1.5
Susco	SUSCO	BUY	3.22	3.50	9	95	218	299	342	37.2	14.6	11.9	10.3	0.0	8.2	0.9
Scan Inter	SCN	BUY	2.34	3.10	32	83	42	97	132	128.5	36.7	29.1	21.3	1.7	3.7	1.1
Banpu	BANPU	BUY	12.70	14.60	15	2,922	(3,288)	8,905	8,002	nm	(10.1)	7.8	11.4	6.1	12.7	0.9
Utilities						44,644	48,677	69,129	94,075	42.0	36.1	38.0	23.9	2.4	13.0	4.3
Utilities - IPP						31,703	33,418	47,438	67,359	42.0	42.0	44.2	26.2	2.4	10.1	4.2
B.Grimm Power	BGRIM	BUY	41.25	56.00	36	3,175	2,617	2,882	3,966	10.1	37.6	37.3	27.1	2.4	10.2	3.7
Gulf Energy Development	GULF	BUY	41.00	47.00	15	14,203	4,478	6,590	12,632	47.2	91.7	73.0	38.1	1.0	10.0	7.1
Global Power Synergy	GPSC	BUY	76.25	100.00	31	6,348	7,113	8,350	9,918	17.4	18.8	25.8	21.7	2.5	8.0	2.1
Banpu Power	BPP	BUY	17.50	23.00	31	1,575	3,783	5,413	6,114	43.1	13.0	9.9	8.7	4.6	12.7	1.2
CK Power	CKP	BUY	5.35	6.60	23	1,284	416	2,267	3,182	444.4	40.3	19.2	13.7	3.7	9.1	1.7
Electricity Generating	EGCO	BUY	175.00	245.00	40	2,720	8,215	13,061	17,076	59.0	30.7	7.1	5.4	4.1	12.3	0.8
Ratch Group	RATCH	BUY	45.00	60.00	33	1,926	5,982	7,655	13,150	28.0	71.8	8.5	7.6	7.0	12.2	1.0
WHA Utilities & Power	WHAUP	HOLD	4.18	4.50	8	472	813	1,220	1,321	50.1	8.3	13.1	12.1	7.2	9.9	1.3

Sources: Bloomberg; FSSIA estimates

Exhibit 86: FSSIA's 122 companies under coverage – summary of key valuations as of 29 Sep 2021 (4/4)

	BBG	Rec	---Share price ---		Up (down)	Market	----- Recur profit -----			Recur profit growth		----- P/E -----		DivYld	ROE	PBV
	code		Current	Target	side	Cap	2020	21E	22E	21E	22E	21E	22E	21E	21E	21E
			(THB)	(THB)		(USD m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)
SET Index			1,617	1,700	5	546,988						19.4	16.5			
Coverage						399,077	457,060	727,325	880,710	59.1	21.1	18.4	15.7	2.8	10.0	1.8
Utilities - renewable						12,940	15,259	21,690	26,717	42.1	23.2	23.0	18.3	2.2	20.3	4.5
BCPG	BCPG	BUY	13.70	17.00	24	1,097	1,912	2,580	2,562	34.9	(0.7)	15.2	15.6	5.1	10.8	1.6
Clover Power	CV	BUY	3.44	5.50	60	130	94	144	174	53.6	20.3	24.8	25.4	1.3	10.7	2.1
Energy Absolute	EA	BUY	62.25	76.00	22	6,855	5,155	8,192	9,742	58.9	18.9	28.3	23.8	0.4	26.1	6.7
Nex Point	NEX	BUY	8.45	13.40	59	418	(214)	439	1,473	nm	235.4	32.2	9.6	1.8	13.8	4.2
Gunkul Engineering	GUNKUL	BUY	4.80	5.40	13	1,259	1,189	2,595	3,102	118.3	19.5	16.4	13.7	3.8	20.2	3.2
Power Solution Tech	PSTC	BUY	2.44	3.70	52	171	15	111	351	645.2	215.3	52.1	16.5	0.4	1.9	1.0
Demco	DEMCO	BUY	5.75	5.90	3	124	55	181	213	227.3	17.8	23.2	19.7	1.7	3.8	0.9
Sernsang Power Corp	SSP	BUY	12.40	20.00	61	371	697	999	1,255	43.3	25.6	13.8	11.0	3.2	18.7	2.1
TPC Power Holding	TPCH	BUY	10.90	14.00	28	129	251	225	483	(10.2)	114.5	19.4	9.0	4.1	7.5	1.4
Absolute Clean Energy	ACE	BUY	3.84	4.80	25	1,154	1,358	1,248	2,467	(8.1)	97.6	15.7	7.9	2.1	9.7	1.4
Earth Tech Environment	ETC	HOLD	2.66	2.10	(21)	176	240	318	329	32.3	3.7	18.8	18.1	2.1	12.6	2.3
TPI Polene Power	TPIPP	BUY	4.26	5.70	34	1,057	4,506	4,657	4,566	3.4	(1.9)	7.7	7.8	9.4	15.7	1.2
Petrochemical						18,580	(233)	66,665	64,126	nm	(3.8)	9.8	10.2	5.6	13.5	1.2
Indorama Ventures	IVL	BUY	44.00	62.00	41	7,294	6,430	22,909	26,019	256.3	13.6	10.9	9.6	4.7	16.5	1.7
IRPC PCL	IRPC	BUY	4.18	5.00	20	2,522	(6,152)	10,907	12,323	nm	13.0	7.8	6.9	6.4	14.0	1.1
PTT Global Chemical	PTTGC	BUY	63.25	75.00	19	8,420	(969)	32,431	25,227	nm	(22.2)	8.8	11.3	6.4	11.2	1.0
Global Green Chem	GGC	BUY	11.40	13.50	18	345	458	418	557	(8.8)	33.3	26.5	19.9	3.5	4.2	1.1
Pharma products						2,663	14,302	29,875	16,028	108.9	(46.3)	3.0	5.6	19.0	68.2	1.6
Sri Trang Gloves (TH)	STGT	HOLD	31.50	39.00	24	2,663	14,302	29,875	16,028	108.9	(46.3)	3.0	5.6	19.0	68.2	1.6
Packaging						7,795	6,638	10,099	13,027	52.1	29.0	26.1	20.3	1.2	11.0	2.8
SCG Packaging	SCGP	BUY	61.50	82.00	33	7,795	6,638	10,099	13,027	52.1	29.0	26.1	20.3	1.2	11.0	2.8

Sources: Bloomberg; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TPIPP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIIK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

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Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Bank	BBL TB	THB 120.00	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the COVID-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kasikornbank	KBANK TB	THB 137.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Kiatnakin Bank	KKP TB	THB 55.50	BUY	Downside risks to our GGM-based target price include weakening asset quality and lower fee income.
Krung Thai Bank	KTB TB	THB 11.20	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs. The upside risk is the better-than-expected ability to control cost of funds.
Siam Commercial Bank	SCB TB	THB 124.50	BUY	Downside risks to our SOTP-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on its NIM.
Tisco Financial	TISCO TB	THB 92.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and a second wave of the COVID-19 pandemic affecting loan growth and asset quality; 2) the impact of new regulations from the Bank of Thailand on debt-servicing programs; and 3) the slow expansion of its high-yield auto cash portfolio.
TMBThanachart Bank	TTB TB	THB 1.14	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness and further waves of the Covid-19 pandemic affecting loan growth and asset quality; and 2) the impact of further interest rate cuts on NIM and potential new regulations from the Bank of Thailand on debt-servicing programs.
Aeon Thana Sinsap (Thailand)	AEONTS TB	THB 183.00	BUY	Downside risks to our GGM-derived TP include 1) intense competition that could push marketing expenses higher; 2) regulatory actions to curb industry growth; and 3) deteriorating asset quality.
Krungthai Card	KTC TB	THB 55.25	HOLD	Upside risks to our GGM-derived TP include 1) stronger-than-expected KTBL growth; and 2) a better-than-expected bad debt recovery. Downside risks are 1) regulatory actions to curb industry growth; and 2) deteriorating asset quality.
Muangthai Capital	MTC TB	THB 58.25	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 63.25	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.
Saksiam Leasing	SAK TB	THB 8.35	BUY	Downside risks to our GGM-derived TP include 1) competition from existing and new players; 2) regulatory changes by the BoT; and 3) a slower-than-expected reduction in its cost of funds due to a shift toward more long-term loans.
Ngern Tid Lor	TIDLOR TB	THB 34.25	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank; 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Micro Leasing	MICRO TB	THB 7.55	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) a slower-than-expected reduction in the cost of funds due to a shift toward more long-term loans.
Singer Thailand	SINGER TB	THB 40.75	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Ratchthani Leasing	THANI TB	THB 4.08	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for logistics activities and private investment; 2) deteriorating asset quality; and 3) changes in financial regulations from the Bank of Thailand.

Bangkok Commercial Asset Mngt.	BAM TB	THB 18.50	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; 2) lower-than-expected bad debt acquisition; and 3) the prolonged slowdown of the property market.
Chayo Group	CHAYO TB	THB 12.10	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.
JMT Network Services	JMT TB	THB 45.25	BUY	Downside risks to our GGM-based TP include 1) lower cash collection from its fully amortised portfolio; and 2) the lower-than-expected acquisition of new bad debt.
Thanachart Capital	TCAP TB	THB 34.25	HOLD	Upside risks to our GGM-based target price are M&A completions and long-term synergy gained, leading to a higher contribution to its earnings. Downside risks are impacts from a prolonged weak macro outlook on loan growth and asset quality which could lead to higher provisions for both TMB and THANI.
Next Capital	NCAP TB	THB 11.00	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown, especially for food delivery and logistics activities; 2) deteriorating asset quality; and 3) tighter competition from new players.
Ditto (THAILAND)	DITTO TB	THB 17.10	BUY	Downside risks to our PEG-based TP include 1) technological changes that will affect competitiveness; and 2) income and gross margin inconsistency due to the nature of the project service business.
Berli Jucker	BJC TB	THB 33.25	HOLD	Key downside risks to our DCF-based TP could come from 1) competition with Tesco Lotus which could impact its sales and gross margin; and 2) a lower-than-expected utilisation rate and profit margin from its packaging unit after losing major customers in Thailand. The key upside risk is from easing competition in the hypermarket segment.
CP All	CPALL TB	THB 62.75	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) the slow recovery of tourist numbers.
Central Retail Corp	CRC TB	THB 34.00	BUY	The key downside risks to our DCF-based TP include 1) new waves of Covid-19; and 2) lower-than-expected sales from the high-margin fashion business.
Siam Global House	GLOBAL TB	THB 21.00	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces.
Home Product Center	HMPRO TB	THB 13.60	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.
Siam Makro	MAKRO TB	THB 50.25	HOLD	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operational losses from its overseas business. The key upside risks include: 1) the faster-than-expected recovery of Lotus' performance; and 2) a more aggressive expansion plan.
Charoen Pokphand Foods	CPF TB	THB 25.75	BUY	The key downside risks to our SoTP-based target price are the volatile pork prices in both Thailand and Vietnam which could hurt revenues and the company's gross margin.
Asian Sea Corporation	ASIAN TB	THB 17.70	BUY	Downside risks to our P/E based TP would be 1) a stronger-than-expected THB against USD; and 2) the high volatility of raw material prices, such as tuna and squid prices, which could hurt the company's GPM.
Agripure Holdings	APURE TB	THB 8.10	BUY	Downside risks to our P/E based TP would be 1) order cancellations from big customers like Walmart; 2) a stronger-than-expected THB against USD; and 3) the high volatility of raw material prices, such as the corn price, which could hurt the company's GPM.
Srinanaporn Marketing	SNNP TB	THB 10.90	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected demand growth and market penetration overseas, especially in Cambodia and Vietnam; 2) a lower-than-expected profit margin due to high raw material and transportation costs; and 3) higher-than-expected SG&A expenses from overseas operations.
Carabao Group	CBG TB	THB 123.50	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.
Osotspa PCL	OSP TB	THB 34.50	BUY	The key downside risks to our DCF-based TP are 1) a decline in energy drink market share in Myanmar due to strong competition; 2) a slow recovery in the economy; and 3) lower-than-expected SG&A savings from the Fit Fast Firm program.
AP (Thailand)	AP TB	THB 8.15	BUY	Downside risks to our P/E based TP are declining profitability from rising cost pressure in tandem with weakening pricing power and increased competition, such that it hurts take-up rates. This is especially true for condominium projects which typically have more units than low-rise projects.
Land and Houses	LH TB	THB 8.00	BUY	Key risks to our SoTP-based TP are slower responses to new launches and new project postponements. Key risks on the macro front include 1) a slower market expansion than we assume; 2) intensifying competition, which could undermine profitability; and 3) rising cost pressure.
LPN Development	LPN TB	THB 4.88	HOLD	Upside risks to our TP are revivals in new launches and better-than-expected take-up rates of new launches. Downside risks to our call are lower profitability from inventory clearance and delays in new launches.
Pruksa Holding	PSH TB	THB 13.10	HOLD	Key downside risks to our TP are a weaker-than-expected take-up rate for new launches, declining utilisation at factories and softening profitability. Key upside risks are a better-than-expected take up rate for new launches, profitability expansions and faster-than-expected asset turnover.
Quality Houses	QH TB	THB 2.20	HOLD	Key downside risks to our call are delays in new launches, poor demand for new launches, rising competition, residential supply and a lower-than-expected gross profit margin. Key upside risks are a better-than-expected take-up rate of new launches, profitability expansions and faster-than-expected asset turnovers.
Supalai	SPALI TB	THB 20.10	BUY	Downside risks to our P/E derived TP are cost overruns, delays or poor reception of new launches, presale cancellations, homebuyers' inability to obtain mortgage financing, weak take-up rates and reduced pricing power from rising competition.

Central Pattana	CPN TB	THB 53.75	BUY	Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.
WHA Corp	WHA TB	THB 3.20	BUY	Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilization rate from the utilities business in Vietnam.
Bangkok Chain Hospital	BCH TB	THB 21.60	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Bangkok Dusit Medical Services	BDMS TB	THB 22.50	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 143.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Chularat Hospital	CHG TB	THB 3.70	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 10.40	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Ramkhamhaeng Hospital	RAM TB	THB 150.00	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.
Thonburi Healthcare Group	THG TB	THB 32.75	HOLD	Downside risks to our DCF-based target price include 1) weak patient volume following the economic slowdown; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected expenses from new hospitals. Upside risk is big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.16	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Asset World Corp	AWC TB	THB 4.48	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CENTEL TB	THB 34.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 3.08	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 3.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 32.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
AAPICO Hitech	AH TB	THB 21.20	BUY	Key downside risks to our P/E-derived TP include lower-than-expected car production volumes and lower car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.
Somboon Advance Technology	SAT TB	THB 20.00	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, and worse global demand for pickup trucks.
Asia Aviation	AAV TB	THB 2.82	BUY	Downside risks to our P/BV multiple target price include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Don Muang Tollway	DMT TB	THB 12.80	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected tollway traffic, and 2) dispute risks.
Bangkok Airways	BA TB	THB 11.40	BUY	Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Thai Airways	THAI TB	THB 3.32	HOLD	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers. The upside risk is the availability of a COVID-19 vaccine.
Airports of Thailand	AOT TB	THB 62.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in the recovery of international passengers; 2) delays in the Suvarnabhumi Airport expansions (satellite terminal and northern expansion); and 3) the termination of the duty-free concession contracts from King Power.

Bangkok Expressway and Metro	BEM TB	THB 8.85	BUY	The key downside risks to our SoTP-based TP are 1) traffic and ridership recovering more slowly than our expectation; and 2) the company being unable to win the new mass transit project bids.
Kerry Express (Thailand)	KEX TB	THB 38.75	HOLD	The key upside and downside risks to our DCF-based TP are 1) if the competition is higher or lower than our expectation; 2) if Covid-19 continues to spread further; and 3) if M&A deals can boost the company's earnings above or below our expectation.
Nam Yong Terminal	NYT TB	THB 4.12	BUY	The key downside risks to our P/E multiple TP includes 1) weaker-than-expected Thai car exports; and 2) inability to secure an A5 contract extension.
BTS Group Holdings	BTS TB	THB 9.45	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.
Advanced Info Service	ADVANC TB	THB 194.50	BUY	The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.
Total Access Communication	DTAC TB	THB 41.25	HOLD	The key downside and upside risks to our DCF-based TP are if the 5G subscription losses are worse than our expectation, the cost of the 3500MHz band is higher than our expectation, if there is stronger or weaker-than-expected competition in the mobile market, and if there is a faster or slower-than-expected adoption of 5G use cases.
True Corporation	TRUE TB	THB 4.00	HOLD	The key upside and downside risks to our DCF-based TP are if the 5G subscription gains and ARPU are better or worse than our expectation, if the company can reduce its costs better or worse than we expect, and if there is a faster or slower-than-expected adoption of 5G use cases.
Jasmine International	JAS TB	THB 2.94	HOLD	The key upside and downside risks to our SOTP-based TP include better or worse-than-expected growth in FBB and ARPU and better or worse-than-expected cost reduction.
Intouch Holdings	INTUCH TB	THB 81.75	HOLD	The key downside risks to our NAV-discounted TP are if the sluggish performance from the satellite business continues and if there is a slower-than-expected 5G adoption rate. The key upside risk is if INTUCH synergizes with GULF faster than expected.
Thaicom	THCOM TB	THB 10.10	REDUCE	The key upside risks to our P/BV-based TP are 1) if the company is able to secure a new right of use concession for the satellite orbital slots and can generate significant revenue from it; 2) if it can form a partnership with NT or LEO satellite operators; and 3) if its operating costs after the expiration of Thaicom 4 and 6 are lower than expected.
Jay Mart	JMART TB	THB 40.00	BUY	Downside risks to our SOTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
BEC World	BEC TB	THB 13.70	BUY	The key downside risks to our P/E based TP are a lower-than-expected adex recovery and the company's worse-than-expected cost reduction.
Major Cineplex Group	MAJOR TB	THB 21.50	BUY	The key downside risks to our DCF-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, and a delay in the Covid-19 vaccine rollout.
Plan B Media	PLANB TB	THB 6.15	BUY	The key downside risks to our P/E multiple based TP are a slower-than-expected adex recovery and further waves of Covid-19.
RS	RS TB	THB 17.70	BUY	The key downside risk to our SoTP-based TP is if the company is unable to maintain the growth momentum from its commerce business if revenues from TV, radio, and music continue to decline.
VGI Pcl.	VGI TB	THB 6.15	HOLD	The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.
Workpoint Entertainment	WORK TB	THB 23.30	BUY	The key downside risks to our P/E-based TP are weaker-than-expected TV adex, digital advertising becoming more popular, and competitiveness in TV ratings.
CH. Karnchang	CK TB	THB 20.50	BUY	Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic.
Sino-Thai E&C	STEC TB	THB 14.10	HOLD	Downside risks to our P/BV multiple valuation-based TP are 1) prolonged political uncertainty; and 2) delays in projects and the construction margin contracting more than expected. The upside risk is if STEC can win the Orange Line bid.
Siam Cement	SCC TB	THB 402.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.
Eastern Polymer Group	EPG TB	THB 11.30	BUY	Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand
Tipco Asphalt	TASCO TB	THB 18.60	BUY	Downside risks to our EV/EBITDA multiple based TP include 1) a lower asphalt margin due to a oversupply in Asia on the back of faster recovery of utilisation rate for global refiners; and 2) a lower-than-expected supply of alternative crudes and asphalt.
PTT PCL	PTT TB	THB 39.25	BUY	Risks to our SoTP-based valuation are the oil price and potential earnings downside from government intervention.
PTT Explor & Prod	PTTEP TB	THB 119.00	BUY	Risks our TP, which is based on EV/EBITDA, are a sharp decline in oil price and a potential earnings downside from government intervention.
PTT Oil and Retail Business	OR TB	THB 28.00	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
Bangkok Aviation Fuel Services	BAFS TB	THB 30.00	BUY	Downside risks to our SoTP-based target price include a slower than expected vaccination rate, leading to slower demand in tourism activities, plus uncertainty in the fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.

Thai Oil	TOP TB	THB 52.75	BUY	Downside risks to our EV/EBITDA-based TP are a sharp rise in oil price and weak demand for refined oil products.
Star Petroleum Refining	SPRC TB	THB 9.90	BUY	TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.
Bangchak Corp	BCP TB	THB 27.50	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) higher crude premiums; and 3) unplanned shutdowns of the company's refinery plants.
PTG Energy	PTG TB	THB 16.40	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
Esso Thailand	ESSO TB	THB 8.30	BUY	The downside risks to our SoTP-based TP on ESSO include 1) lower-than-expected demand for petroleum products, 2) a higher crude premium, and 3) unplanned shutdowns of its refinery and petrochemical plants.
Susco	SUSCO TB	THB 3.22	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet fuel demand.
Scan Inter	SCN TB	THB 2.34	BUY	The downside risks to our SOTP-based TP include 1) a sharp decline in oil prices; and 2) weaker demand for NGV and delays in new NGV projects.
Banpu	BANPU TB	THB 12.70	BUY	We see downside risks to our SoTP-based TP from lower coal prices, higher diesel costs and any unplanned shutdowns of its power plants. We see upside risks from higher coal prices, higher gas prices and lower costs.
B.Grimm Power	BGRIM TB	THB 41.25	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) unplanned shutdowns of its SPPs.
Gulf Energy Development	GULF TB	THB 41.00	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.
Global Power Synergy	GPSC TB	THB 76.25	BUY	The downside risks to our SoTP-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) lower-than-expected demand from industrial users.
Banpu Power	BPP TB	THB 17.50	BUY	Downside risks to our SOTP valuation are the start-up delays of its new projects and government intervention in the electricity tariff.
CK Power	CKP TB	THB 5.35	BUY	The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.
Electricity Generating	EGCO TB	THB 175.00	BUY	Downside risks to our SoTP-based TP include 1) lower-than expected demand for electricity in Thailand; 2) delays in project commencement or commercial operation dates (COD); and 3) government intervention in electricity tariff subsidies.
Ratch Group	RATCH TB	THB 45.00	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price; and 3) delays in starting new projects.
WHA Utilities & Power	WHAUP TB	THB 4.18	HOLD	Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; and 2) lower crude prices. Upside risks are the higher than expected sales volumes of water and electricity for industrial users.
BCPG	BCPG TB	THB 13.70	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand, the Philippines and Indonesia; and 2) government intervention by way of electricity tariff subsidies.
Clover Power	CV TB	THB 3.44	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) higher costs of biomass feedstock.
Energy Absolute	EA TB	THB 62.25	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.
Nex Point	NEX TB	THB 8.45	BUY	Downside risks to our SOTP-based TP include: 1) a lower-than-expected bus sales volume; 2) delays in bus deliveries; and 3) risk from regulatory changes.
Gunkul Engineering	GUNKUL TB	THB 4.80	BUY	The downside risks to our SoTP-based TP on GUNKUL include 1) lower-than-expected demand for electricity in Thailand, 2) declining EPC backlogs, and 3) lower-than-expected utilisation rates for solar and wind farms.
Power Solution Technologies	PSTC TB	THB 2.44	BUY	The downside risks to our SoTP-based TP on PSTC include 1) lower-than-expected demand for electricity in Thailand and delays of power plant project start-ups.
Demco	DEMCO TB	THB 5.75	BUY	Downside risk includes delays in bidding for power transmission projects.
Sermasang Power Corp	SSP TB	THB 12.40	BUY	The downside risks to our SoTP-based TP for SSP include 1) a lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) project start-up delays.
TPC Power Holding	TPCH TB	THB 10.90	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) higher costs of biomass feedstock.
Absolute Clean Energy	ACE TB	THB 3.84	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) higher costs of biomass feedstock.
Earth Tech Environment	ETC TB	THB 2.66	HOLD	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price; and 3) lower-than-expected industrial waste volumes. Upside risks are the faster and larger-than-expected new capacity won by ETC in 2021.
TPI Polene Power	TIPIP TB	THB 4.26	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price, and 3) unplanned shutdown of the company's power plants.
Indorama Ventures	IVL TB	THB 44.00	BUY	The key downside risks to our EV/EBITDA-based TP are weaker-than-expected margins for PX-PTA and PET-PTA, lower demand for polyester, and delays in IVL's projects.

IRPC PCL	IRPC TB	THB 4.18	BUY	Key risks to our positive view and EV/EBITDA-based target price are weaker-than-expected oil product demand growth and lower-than-expected PP-naphtha and SM-benzene margins.
PTT Global Chemical	PTTGC TB	THB 63.25	BUY	The key downside risks to our EV/EBITDA-based TP are the weaker-than-expected HDPE price and HDPE-naphtha margin.
Global Green Chemicals	GGC TB	THB 11.40	BUY	Downside risks to our EV/EBITDA-based target price include: 1) a sharp decline in crude palm oil price; 2) a change in government policy for biodiesel from the current B7; and 3) a narrower fatty alcohol margin due to the new supply in the US.
Sri Trang Gloves (Thailand)	STGT TB	THB 31.50	HOLD	The downside risks to our P/E-based TP for STGT include 1) a lower-than-expected demand for rubber gloves; 2) higher prices of concentrated natural and synthetic latex and crude; and 3) exchange rate volatility. The upside risk to our call include 1) higher average selling price for rubber gloves and 2) lower prices of concentrated natural and synthetic latex and crude
SCG Packaging	SCGP TB	THB 61.50	BUY	Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs.

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

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All share prices are as at market close on 29-Sep-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.