

Thailand Market Strategy

Thai politics isn't reality bites

- We believe Thailand's political environment will remain stable and that the coalition government can carry on until the end of its tenure in March 2023.
- Historically, general elections and government dissolutions in Thailand tend to lead the SET index higher.
- OVERWEIGHT on SET index as Thai corporates continue to post solid earnings.

Party on: Political stability and economic recovery should boost SET index

We believe that Thailand's political environment is stable, and that the coalition government should be able to function until the end of its tenure in Mar-23 despite ongoing pressure from the opposition parties calling on Prime Minister Prayut Chan-o-cha to dissolve the House of Representatives and announce a general election. Under our worst-case scenario, we think a Thai cabinet reshuffle may occur if the results of the no-confidence debate turn sour in May-22. With a stable political situation until 2023, we think low interest rates, projected strong exports, and a tourism rebound should bode well for the SET, and potentially drive it up even higher. In our view, even if the US Federal Reserve moves to hike its interest rate faster and more aggressively than expected, the SET should extend its winning run, so long as the companies listed on it continue to post solid earnings.

General election is unlikely in 2022, but the general debate could lead to reshuffle

We believe there are still no signs of a forthcoming general election or Thai cabinet dissolution, unless the opposition parties demand it. We believe that in 2022, Thailand's political environment will remain firmly in the hands of the incumbent coalition government until the end of its tenure in Mar-23, given that: 1) the coalition party relationship is rocky but not collapsing due to its stronghold in the House of Representatives; 2) recent polls show little public desire for the dissolution of the government; 3) the two organic laws related to the election system still need house approval; 4) in the middle of a pandemic, an election is the last thing most Thais want; and 5) even under higher pressure, PM Prayut still holds sufficient political capital to stay in power.

SET index rallies follow general elections and dissolutions, historically

In terms of the stock market, we think the upcoming general election should bode well for sentiment on the SET index, and likely overshadow any negative features on the investment landscape in the short term. Historically, general elections and government dissolutions in Thailand tend to lead the SET index higher and boost GDP growth.

Reiterate BUY on the SET index, backed by solid corporate earnings in 2022

We expect the SET index to rally to our target of 1,892 at end-2022, driven by: 1) rising domestic consumer spending post the Thai economic reopening and ongoing government stimulus packages; 2) solid corporate earnings and the healthy Thai financial sector; and 3) ample liquidity and a higher investor appetite for risk equity assets. We retain our quality growth investment theme backed by strong net profits from 2021, and add three further investment themes: transition, synergistic integration, and transformation.



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A Thai general election unlikely, despite differences

We believe that Thailand's political environment remains stable and that the coalition government should be able to function until the end of its tenure in Mar-23, even with the opposition parties demanding that PM Prayut Chan-o-cha dissolve the House of Representatives and call a general election, given that:

- **The coalition party relationship is rocky but is in no danger of collapsing due to its stronghold in the House.** In Jan-22, the governing coalition had 271 MPs, or 56% of the total seats, well above the 50% threshold required to rule the 500-member House. However, despite 21 MPs leaving the Palang Pracharath Party (PPRP) due to an internal conflict, we think some of those who left still support the PPRP. Also, the Ruam Thai Sang Chart Party is expected to draw some PPRP members who are still loyal to PM Prayut. In addition, according to Public Health Minister Anutin Charnvirakul, support for the PM stands at no fewer than 260 MPs, implying that PM Prayut should maintain the current number of cabinet seats from the supporting parties.

Exhibit 1: Cabinet Camp after 21 MPs split from PPRP

Government parties	No. of MPs
Palang Pracharath	97
Democrat	50
Bhumjaithai	59
Settakit Thai (Thammanat's new party)	16
Charthai Pattana	12
New Economics	5
Thai Local Power	5
Action Coalition for Thailand	5
Chart Pattana	4
Thai Forest Conservation	2
Small parties backing the govt	8
Prachachart (Anumat Susaro)	1
Move Forward (likely to support govt)	4
Pending to join another party	3
Total MPs	271

Source: FSSIA's compilation

Exhibit 2: Opposition Camp after 21 MPs split from PPRP

Opposition parties	No. of MPs
Phue Thai	131
Move Forward	47
Thai Liberal	10
Prachachart	6
Pheu Chart	6
Thai People Power	1
New Economics	1
Thai Civilized	1
Total MPs	203

Source: FSSIA's compilation

- **The two organic laws related to the election system must be approved by the House of Representatives.** The government intends to pass two organic laws related to the election system as its final constitutional amendment. If these laws are not approved by the House, a general election may be called within 2022.
- **Opinion polls suggest no advantage for the coalition under a government dissolution.** We think that PM Prayut will avoid dissolving the House as there would be little for him to gain. Instead, he is likely to seek more time strengthening his policy record and attempting to win the public's favour ahead of the next election, in our view.
- **In the middle of a pandemic, an election is the last thing most Thais want.** Given that the economic damage from the pandemic still lingers, the current conflict within the PPRP is unlikely to lead to a dissolution until the Covid situation improves and the economy shows a meaningful recovery. Politicians are fully aware that the internal conflicts within the governing coalition parties could affect their chances for returning to power.
- **Even under pressure, PM Prayuth still holds most of the political cards.** These include a constitution engineered to present a democratic veneer for his continued, unelected leadership, which is further supported by handpicked senators and compliant election commissioners. His opponents would need to revise this political system first – a truly Herculean task – before they have a realistic chance of ousting him or any replacement that he might nominate.

Exhibit 3: Thailand political event timeline

Expected date	Key political events
17 - 18 Feb-22	A general debate without a vote filed by the opposition under Section 152 of the charter will be held.
Feb-22	Proposed amendments to two organic laws essential for restoring the two-ballot election system should be ready for scrutiny.
1 Mar - May-22	The parliament is set to go into recess.
10 Mar-22	The Supreme Court's Criminal Division for Holders of Political Positions is set to examine evidence and witnesses in a trial of 3 ex-Bhumjai Thai MPs for allowing fellow lawmakers to use their voting cards in parliament.
Apr-22	The PPRP is set to hold its annual general meeting.
May-22	Ordinary parliamentary sessions resume.
May-22	Elections for Bangkok governor and Pattaya mayor.
31 May-22 - 2 Jun-22	The budget bill for the 2023 fiscal year is scheduled to be debated in the House of Representatives.
24 Aug-22	The last day as per the current constitution for Gen. Prayut to be the prime minister under the 2016 constitution. Article 158 forbids a person from serving as PM for more than 8 years, whether continuously or with breaks.
Nov-22	Asia-Pacific Economic Cooperation group's annual meeting (APEC 2022 Thailand).

Source: [Thaienquirer](#); FSSIA's compilation

Exhibit 4: SET index performance before and after a general election

Election Date	SET index	-1M (%)	-2M (%)	-3M (%)	+1M (%)	+2M (%)	+3M (%)
06-Feb-05	719.10	(3.0)	(10.2)	(12.5)	0.5	(4.9)	(4.3)
02-Apr-06	733.25	2.7	3.7	(2.7)	4.8	(1.5)	(6.7)
23-Dec-07	813.60	1.3	6.4	2.8	(8.9)	1.6	(0.8)
03-Jul-11	1,041.48	1.6	3.1	3.6	9.4	2.7	(16.5)
02-Feb-14	1,274.28	(3.9)	8.0	9.0	5.6	9.2	10.2
24-Mar-19	1,646.29	0.8	(1.8)	(3.3)	1.5	(2.0)	4.2

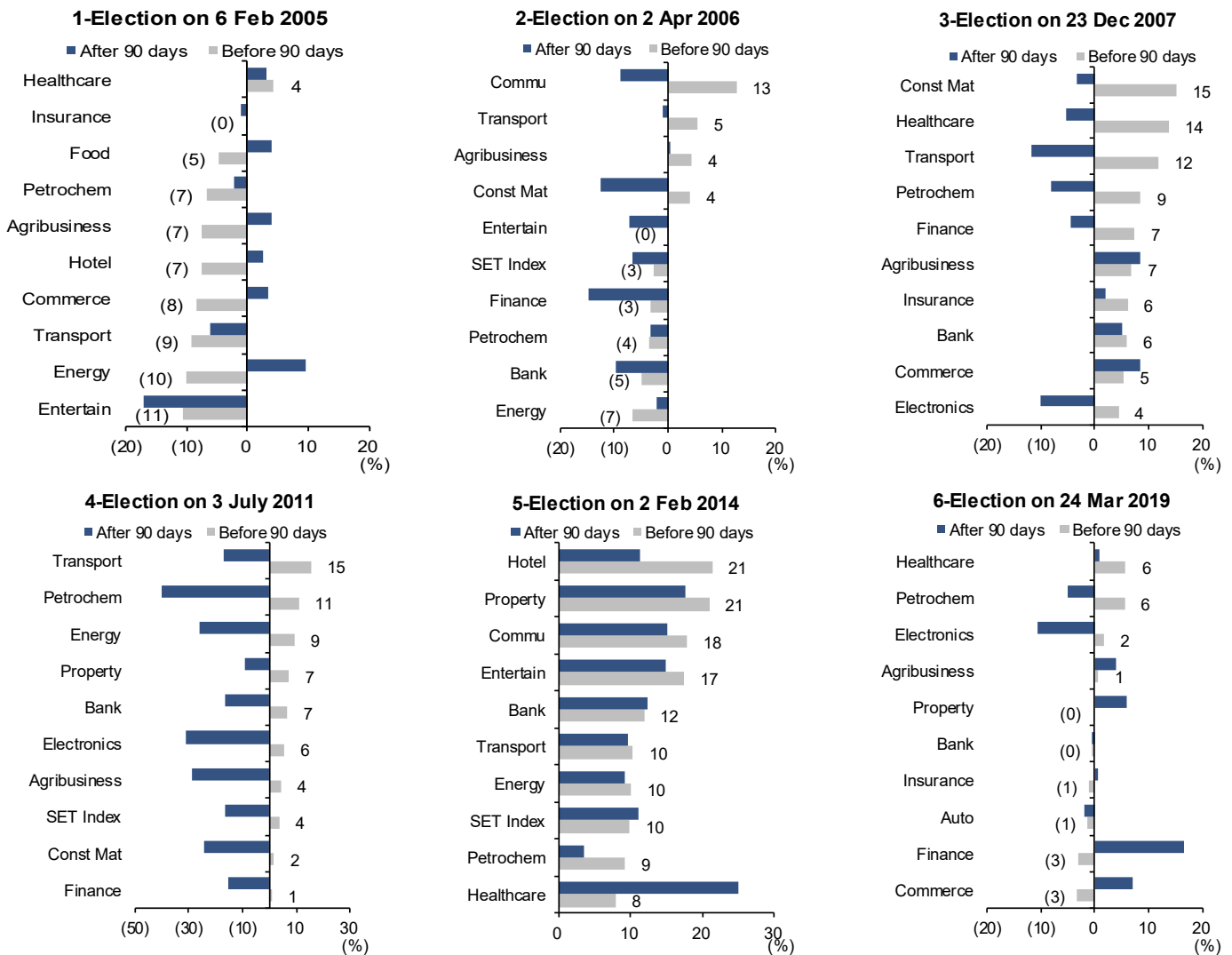
Sources: Bloomberg; FSSIA's compilation

Exhibit 5: SET index performance after dissolution of parliament

Dissolution date	SET index	-1M (%)	-2M (%)	-3M (%)	+1M (%)	+2M (%)	+3M (%)
30-Apr-92	760.97	8.1	2.9	0.3	(8.2)	(1.0)	(3.2)
19-May-95	1,323.74	(12.5)	(10.5)	(1.5)	4.5	4.2	1.3
27-Sep-96	1,047.95	5.5	4.7	19.0	(11.1)	(8.5)	(21.1)
09-Nov-00	293.59	(12.5)	1.2	7.8	(7.4)	1.6	11.6
24-Feb-06	741.80	2.8	(5.5)	(9.7)	(1.1)	3.8	(5.5)
10-May-11	1,085.56	(0.3)	(7.2)	(10.7)	(6.3)	(0.8)	(0.7)
09-Dec-13	1,367.42	2.8	6.2	1.9	(8.0)	(5.2)	(1.3)

Sources: Bloomberg; FSSIA's compilation

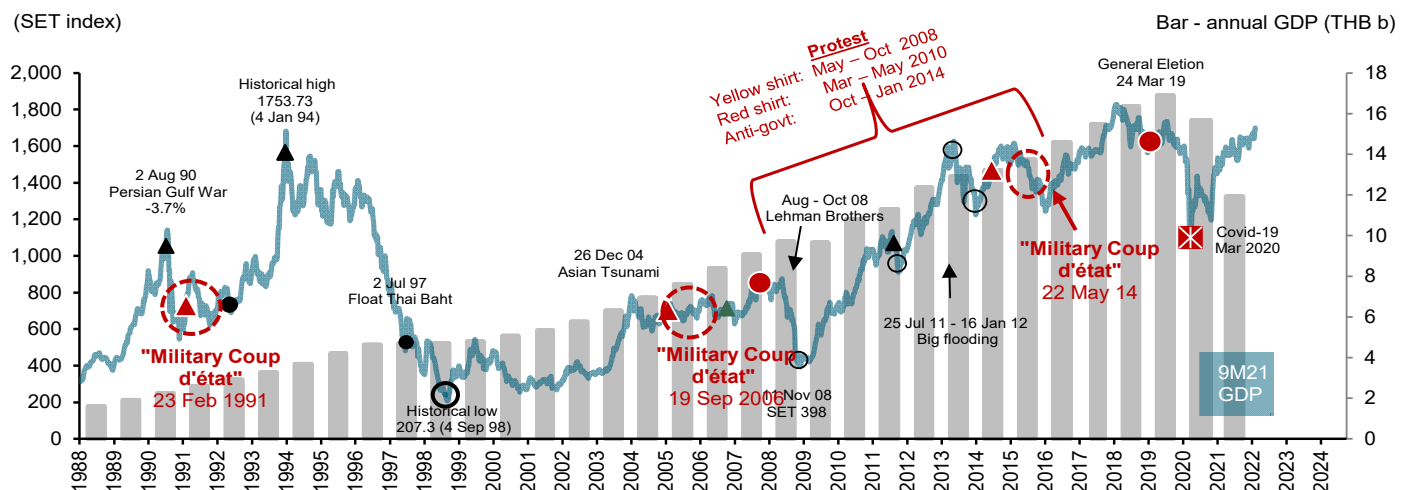
Exhibit 6: Sector performance before/after elections



Sources: Bloomberg; FSSIA's compilation

In terms of the stock market, we expect the upcoming general election sentiment to reflect positively on the SET index, and that position may overshadow the investment landscape for a while. However, historical data suggests that political disruptions in Thailand can lead to higher SET index volatility for a short period of time, but are less likely to impact GDP growth in the medium term.

Exhibit 7: SET index, key political events, and GDP



Sources: Bloomberg; FSSIA's compilation

Our preferred stocks

For the investment horizon of Feb-22, our top picks remain unchanged.

Exhibit 8: Our one-month tactical portfolio of select stock picks for February 2022

Company	% MTD* performance	Key rationale
Kasikornbank (TP THB 180.00)	15.7	We maintain our BUY call on KBANK, backed by: 1) we believe its net profit and ROE will increase continuously; and 2) we also think that it is ready to fully transform itself to unlock its value and increase shareholders' returns.
Indorama Ventures (TP THB 70.00)	7.4	Maintain BUY call on IVL. IVL's strategic plan to achieve its financial (USD2.8-3.0b EBITDA in 2024), ESG, and organisational (digitalisation and Olympus project) goals is achievable, in our view. With IVL's sound and timely growth strategies, we think the next growth chapter should see it become a "true" global player in the petrochemical industry, with a stronger and more sustainable net profit growth trajectory in 2022-24.
Somboon Advance Tech (TP THB 29.00)	(7.4)	Maintain BUY with solid outlook in 2022, buoyed by the continuous recovery in Thailand's car production, the improvement in its GPM, new orders of THB300m, and the new investment in the EV business could be strong key drivers for the company. SAT remains our top pick in the auto sector.
Energy Absolute (TP THB 122.00)	8.4	We think EA's next earnings catalysts will come from three drivers in 2022: 1) the government's stimulus package for electric vehicles (EVs) is likely to be submitted to the cabinet by the end of Jan-22; 2) EA's sales volumes of e-buses should rise substantially in 2Q22 onward after the signing of sales agreements with a number of customers in 1Q22; and 3) the projected material demand growth from the new Power Development Plan 2022 (PDP2022) by end-2022 should boost EA's earnings upside from its battery production venture, both as captive demand for e-buses and e-trucks, and energy storage for power plants.
Bangkok Chain Hospital (TP THB 28.50)	(1.6)	We believe both our revised 2022E core profit of THB2.2b and BBG consensus' THB2.0b have promising upsides from four drivers. First, international patient revenue hit a record high in 3Q21, jumping to cTHB500m from the pre-Covid average of THB233m per quarter, as a well-known doctor specialising in diabetic foot disease moved to work full time at WMC. Second, we assume SSO revenue will grow by 15% in 2022, though BCH is targeting registered member growth of 24% to 1.1m members. Third, although we assume non-Covid Thai patient revenue will only recover to the pre-Covid level, pent-up demand and a larger customer base should easily drive revenue to exceed the pre-Covid level.
Nex Point (TP THB 26.00)	9.0	One of Thailand's most ready players with a fully integrated battery manufacturing and marketing after-service value chain, NEX-EA is Thailand's only producer and provider of commercial fleet EVs. With a potential annual market size of 8k-10k buses and 100k trucks in Thailand as of 2021, we think NEX stands to benefit the most from timely capturing the strong demand growth of e-buses and e-trucks in 2022.

*Performance as of 15 Feb 2022

Source: FSSIA estimates

Exhibit 9: Summary of key valuations of FSSIA's top picks for Feb 2022, change of upside from 31 Jan 22 to 15 Feb 22

Company	BBG Code	---Share price---		--- Up side ---		----- Recur profit -----			Profit growth		P/E	DivYld	ROE	P/BV
		Current	Target	15-Feb	31-Jan	20A	21E	22E	21E	22E				
		(THB)	(THB)	(%)	(%)	(THB m)	(THB m)	(THB m)	(%)	(%)	(x)	(%)	(%)	(x)
Kasikornbank	KBANK TB	170.50	180.00	6	20	29,487	38,053	41,542	29.0	9.2	9.7	2.6	8.4	0.8
Indorama Ventures	IVL TB	51.25	70.00	37	47	6,430	27,231	30,114	323.5	10.6	9.6	5.2	18.4	1.7
Somboon Advance Technology	SAT TB	21.40	29.00	36	26	385	964	1,117	150.1	15.9	8.1	8.7	14.0	1.1
Energy Absolute	EA TB	95.50	122.00	28	37	5,155	6,483	10,953	25.8	68.9	32.5	0.3	28.7	8.2
Bangkok Chain Hospital	BCH TB	18.20	28.50	57	52	1,229	5,784	2,166	370.5	(62.6)	21.0	6.8	18.6	4.1
Nex Point	NEX TB	19.20	26.00	35	46	(214)	(115)	1,254	46.3	1,192.6	25.6	1.6	37.0	8.2

*Performance as of 15 Feb 2022

Source: FSSIA estimates

Exhibit 10: Our top picks for 2022 with tactical views

Stocks	BBG	%YTD* performance	Key rationale on business model resilience and strong fundamentals
Airports of Thailand	AOT	7.4	We think AOT has hit the bottom and is now in a recovery mode. Domestic passenger volumes were at 59% of pre-Covid-19 levels in Dec-21. Meanwhile, we expect international passengers to gradually recover after Thailand's border reopens again in Feb-22. Despite waiving the minimum guarantee (MG) until Mar-23, and changing its calculation scheme to a sharing per head basis for concession contracts, we forecast AOT to collect an MG amount equivalent to the amount that King Power proposed by 2025, under our baseline case. AOT has a healthy balance sheet with an IBD/E ratio of only 0.1x and cash on hand of THB8.5b as of 4QFY21, implying that it can pass this crisis.
Minor International	MINT	13.9	We expect MINT to turn profitable in 2022 led by European hotels as most European countries' policies are leaning toward "Living with Covid". We expect RevPAR to reach the pre-Covid level by 2Q-3Q22. Thai hotels should recover after resuming the Test & Go scheme in Feb. Meanwhile, we expect food business to remain strong, led by the recovery of dine-in sales. MINT is trading at an attractive valuation of 26x 2023E P/E, lower than its 5-year average of 31x.
Home Product Center	HMPRO	2.8	We believe HMPRO is on the way to recovery in 2022. Management has a more aggressive expansion plan for 2022 with 5-6 new stores from 114 currently with a new long-term target of 150 stores. Even though Covid cases are expected to surge in 1Q22 from the Omicron variant, we expect to see fewer restrictions compared to 2020-21, suggesting that the downside risk to its share price could be limited to THB13.5. Overall, we expect 2022-23 earnings to grow by 22%/15% in 2022/23.
Amata Corp	AMATA	7.6	AMATA will be a prime winner on the return of FDI after travel restrictions are eased. We expect AMATA's earnings to grow 44% y-y to THB1.5b in 2022 driven by solid land presales and transfers at 1,200 rai and 1,010 rai, respectively. Its current share price is trading at 16.8x, slightly above its 5-year mean at 16.2x, justified with the new upcycle investment wave to Thailand and Vietnam.
Bangkok Airways	BA	7.7	BA has consolidated Samui Airport and recognised passenger service charges and landing fees since 3Q21. We expect its airport business to turn around by 2H22. Samui Airport would turn profitable when the passenger volume recovers to c30% of pre-Covid. BA is trading at an attractive 12x 2023E P/E and could re-rate to 25-35x P/E – the valuation ranges of the airport business. BA's share price has fallen from its peak of THB12.9/shr over the past five months, pressured by the Omicron variant and the resale of its 40m treasury stocks. The resale program should complete soon, leading its share price to gradually bounce back to the previous peak, driven by the resumption of Test & Go in Feb.
JMT Network Services	JMT	(8.4)	We reiterate JMT as one of our top picks among diversified financial companies, with our GGM-based TP of THB70. We think there is more room for its share price to re-rate, supported by its high 2022E net profit growth of 69% y-y (EPS of 30% y-y); 2) low earnings volatility – it is easy to predict its earnings pattern; and 3) efficient NPL management. 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.
B.Grimm Power	BGRIM	(16.0)	We expect BGRIM to post strong 2022-23E net profit growth, driven by 1) five new SPPs under SPP replacement power purchase agreements with over 0.7MW capacity; 2) lower gas costs by up to USD1/mmbtu from the imported LNG of 0.65mt; and 3) multiple new growth projects from its organic and inorganic growth strategies.
Indorama Ventures	IVL	17.9	We expect IVL's net profit to rise in 4Q21-2022 on stronger product margins and higher utilisation rates for the IOD, PET-PTA, and fibre groups, with q-q improving MTBE and MEG margins. Key potential drivers are: 1) a stronger PET-PTA margin due to China's lower export volumes and solid demand; 2) a polyester fibre margin recovery for the automotive and lifestyle segments; and 3) the start-up of its ethane cracker in Nov-21 after the lightning strike in 2H20.
BTS Group Holdings	BTS	0.0	After the announcement of the partnership with JMART by sending VGI and U City to invest in JMART for a total of 24% of outstanding shares, BTS, as a holding company, should be able to expand its ecosystem to other businesses such as retailer services through J Mobile and SINGER and cryptocurrency and the blockchain via J Ventures. This partnership could create various opportunities between the two groups. This is a win-win situation that could create strong synergies in its ecosystem.
Siam Commercial Bank	SCB	6.7	We like SCB's strategy to break out of the traditional way of doing business. We see four potential benefits from this transformation: 1) flexibility and independence; 2) less supervision from the BoT; 3) unlocking subsidiaries' values; and 4) gaining more benefits from leveraging after listing SCBX's subsidiaries. This should enhance its value in terms of long-term growth, its dividend payout ratio, and ROE.
Kasikornbank	KBANK	21.8	We believe that KBANK's business is almost running parallel with SCB's. First, KBANK is one of the leading banks in terms of digital platforms and technologies. Accordingly, we believe that it is one of the best positioned banks to benefit from the country's digital age. Second, KBANK's retail lending market share is always ranked among the top three spots. Retail lending in Thailand has a high growth potential, with the most attractive risk-reward vs other segments, in our view. As a result, investors typically give premium valuations to retail lending-oriented stocks.
Gulf Energy	GULF	14.2	We expect GULF's 4Q21 core net profit to rise to over THB2b, driven by 1) earnings from BKR2 and GSRC; 2) higher earnings from SPPs and IPPs on high demand after the reopening; and 3) the share of profits from INTUCH. Following the COD of its first Gulf SRC IPP unit, GULF commenced the COD of its second unit on 30 Sep-21, bringing Gulf SRC's total operating capacity to 1.32GW. In 2022-24, GULF will still have six IPP units with capacities of 662.5MW each to COD, which would turn GULF into Thailand's largest power producer by 2024 with a total capacity of 5.3GW. This should allow GULF to import a sizable amount of LNG for its power plants via its 70%-owned LNG terminal in Maptaphut phase 3.
Energy Absolute	EA	0.8	We think EA's net profit growth will accelerate starting in 4Q21 to boost its 2022E net profit growth by 19% y-y and 2023E by 14% y-y, driven by the start-ups of its multiple S-curve growth projects, which include the expected deliveries of 200-300 e-buses in 4Q21 and the 1GWh battery phase 1 plant in Dec-21; the delivery of 2,000-3,000 EVs in 2022; and the ongoing construction of its EV charging stations.

*Performance as of 15 Feb 2022

Source: FSSIA estimates

Exhibit 11: Summary of key valuations of FSSIA's top picks for 2022

Company	BBG Code	---Share price ---		--- Upside ---		----- Recur profit -----			Profit growth		P/E	DivYld	ROE	P/BV
		Current	Target	15-Feb	31-Jan	20A	21E	22E	21E	22E	22E	22E	22E	22E
		(THB)	(THB)	(%)	(%)	(THB m)	(THB m)	(THB m)	(%)	(%)	(x)	(%)	(%)	(x)
Airports of Thailand	AOT TB	64.50	79.00	22	24	3,236	(15,319)	(4,411)	nm	nm	(208.9)	0.0	(4.0)	8.5
Minor International	MINT TB	32.25	42.00	30	38	(19,388)	(12,276)	2,402	nm	nm	69.8	0.5	4.3	2.9
Home Product Center	HMPRO TB	14.90	18.30	23	30	5,155	5,255	6,402	1.9	21.8	30.6	2.5	27.2	8.1
Amata Corp	AMATA TB	22.30	27.50	23	29	1,119	1,054	1,520	0.0	0.0	16.9	2.4	9.1	1.5
Bangkok Airways	BA TB	10.40	16.00	54	72	(4,316)	(3,634)	61	nm	nm	355.8	0.2	0.4	1.4
JMT Network Services	JMT TB	63.50	70.00	10	9	1,047	1,379	2,335	31.8	69.3	39.5	1.5	14.5	3.9
B.Grimm Power	BGRIM TB	33.50	46.00	37	63	2,617	2,229	4,021	(14.8)	80.4	21.7	2.4	13.3	2.8
Indorama Ventures	IVL TB	51.25	70.00	37	47	6,430	27,231	30,114	323.5	10.6	9.6	5.2	18.4	1.7
BTS Group Holdings	BTS TB	9.35	11.00	18	20	3,606	1,909	2,887	(47.1)	51.3	42.6	1.6	4.7	2.0
Siam Commercial Bank	SCB TB	134.50	160.00	19	27	27,218	35,599	36,313	30.8	2.0	12.6	3.7	8.0	1.0
Kasikornbank	KBANK TB	170.50	180.00	6	20	29,487	38,053	41,542	29.0	9.2	9.7	2.6	8.4	0.8
Gulf Energy	GULF TB	51.50	60.00	17	22	4,478	7,440	13,491	66.1	81.3	44.8	1.4	18.5	7.8
Energy Absolute	EA TB	95.50	122.00	28	37	5,155	6,483	10,953	25.8	68.9	32.5	0.3	28.7	8.2

*Performance as of 15 Feb 2022

Source: 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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	SCC	SCG	SCN	SDC
SEAFCO	SEAOIL	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	TRC	TSC	TSR	TSTE	TSTH
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	TIPIP	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	WIJK	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)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Kasikornbank	KBANK TB	THB 170.50	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.
Indorama Ventures	IVL TB	THB 51.25	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.
Somboon Advance Technology	SAT TB	THB 21.40	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.
Energy Absolute	EA TB	THB 95.50	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.
Bangkok Chain Hospital	BCH TB	THB 18.20	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.
Nex Point	NEX TB	THB 19.20	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.
Airports of Thailand	AOT TB	THB 64.50	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.
Minor International	MINT TB	THB 32.25	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.
Home Product Center	HMPRO TB	THB 14.90	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.
Amata Corp	AMATA TB	THB 22.30	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 Airways	BA TB	THB 10.40	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.
JMT Network Services	JMT TB	THB 63.50	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.
B.Grimm Power	BGRIM TB	THB 33.50	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.
BTS Group Holdings	BTS TB	THB 9.35	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.
Siam Commercial Bank	SCB TB	THB 134.50	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.
Gulf Energy Development	GULF TB	THB 51.50	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.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 15-Feb-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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