

# Thailand Market Strategy

## What does 2Q22 GDP at 2.5% imply for SET index?

- Thailand's 2Q22 GDP print at 2.5% y-y was below the market's expectation of 3.1% y-y, mainly due to weaker-than-expected public investment. Growth in exports slowed down while imports continued rising. Tourist arrivals hit 1.07m in Jul-22.
- We think the SET index has a more limited downside than the equity indexes in the US and the EU; maintain SET index target based on 16.1x 2022E P/E at 1,629.

### Rosy domestic consumption and tourism growth drove 2Q22 GDP to 2.5%

The Office of the National Economic and Social Development Council (NESDC) has pegged Thailand's 2Q22 GDP growth at 2.5% y-y, below the market's expectation of 3.1% y-y, mainly due to weaker-than-expected public investment, which plunged by 9% y-y. Key highlights included strong domestic consumption, led by 6.9% y-y growth in private consumption, which in turn was driven by solid consumption growth in the tourism sector (+44.9% y-y for hotels and restaurants), reflecting a faster and stronger tourism recovery. More strength was seen in domestic consumer spending, which included 3.1% y-y growth in trading (consumer spending), 5.3% from transportation (e-commerce), 4.4% y-y from agriculture (higher farm income), and 1.6% from the financial sector (rising loan growth). However, the key weaknesses in 2Q22 were found in the industrial and construction sectors, which saw growth drop to 0.5% y-y and 4.5% y-y, respectively, as a result of weaker exports mainly for the automobile industry and megaproject construction delays.

### Growth in exports slowed down while imports continued to rise

Thanks to higher energy prices, the value of imports grew by 22.4% y-y in 2Q22 vs export value growth of only 9.7% y-y, leading to a continued trade deficit in 2Q22 that began in 2021. While exports grew at 8.5% y-y in 2Q22 in terms of the THB currency, exports rose by 9.7% y-y in 2Q22 as the THB depreciated against the USD. In 2Q22, the current account deficit remained at 7% of GDP, mainly due to the widening trade deficit on the back of higher import value growth (+22.4% y-y) which exceeded export value growth (+9.7% y-y) due mainly to the higher values for imported oil and gas (LNG).

### Tourist arrivals hit 1.07m in Jul-22

Based on the Bank of Thailand (BoT)'s forecast, Thailand's GDP is projected to surpass the pre-Covid-19 average level by 3Q22, driven mainly by the striking improvement in tourism. Thailand's tourist arrivals jumped sharply from 0.13m in January before rising to 0.52m in May, 0.77m in June, and 1.07m in Jul-22. During 1-6 Aug-22, the number of tourist arrivals further increased to 0.23m, implying 38.3k tourists per day, up from 34.5k per day in July and 4,193 in January, or roughly 35% of the pre-Covid-19 level of 110k tourists per day.

### Limited downside for the SET index on the stronger economic growth outlook

We maintain our SET index target of 1,629, based on 16.1x 2022E P/E, -0.25SD. With core and headline inflation likely below 2-3% and 7-8% in 2022-23, respectively, and an improving current account balance mainly from rising revenue from tourism, and the projected THB exchange rate band of THB34-37/USD due to Thailand's high reserve-to-external debt ratio at 1x, we think the SET index has a more limited downside than the equity indexes in the US and the EU.



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## What does 2Q22 GDP of 2.5% imply for the SET index?

The BoT announced that Thailand's GDP growth in 2Q22 was at 2.5% y-y, below the market's expectation of 3.1% y-y, mainly due to weaker-than-expected public investment, which plunged by 9% y-y. Key points include:

**Strong domestic consumption.** Private consumption grew by 6.9% y-y in 2Q22, driven mainly by solid consumption growth by the tourism sector, led by the hotel and restaurant segments which rose by 44.9% y-y, reflecting a faster and stronger tourism recovery, followed by 3.1% y-y growth from trading (consumer spending), 5.3% from transportation (e-commerce), 4.4% y-y from agriculture (higher farm income), and 1.6% from the financial sector (rising loan growth).

However, the key culprits in 2Q22 were the industrial and construction sectors, which saw their growth drop to 0.5% y-y and 4.5% y-y, respectively, as a result of weaker exports mainly for the automobile industry and construction delays for a number of megaprojects.

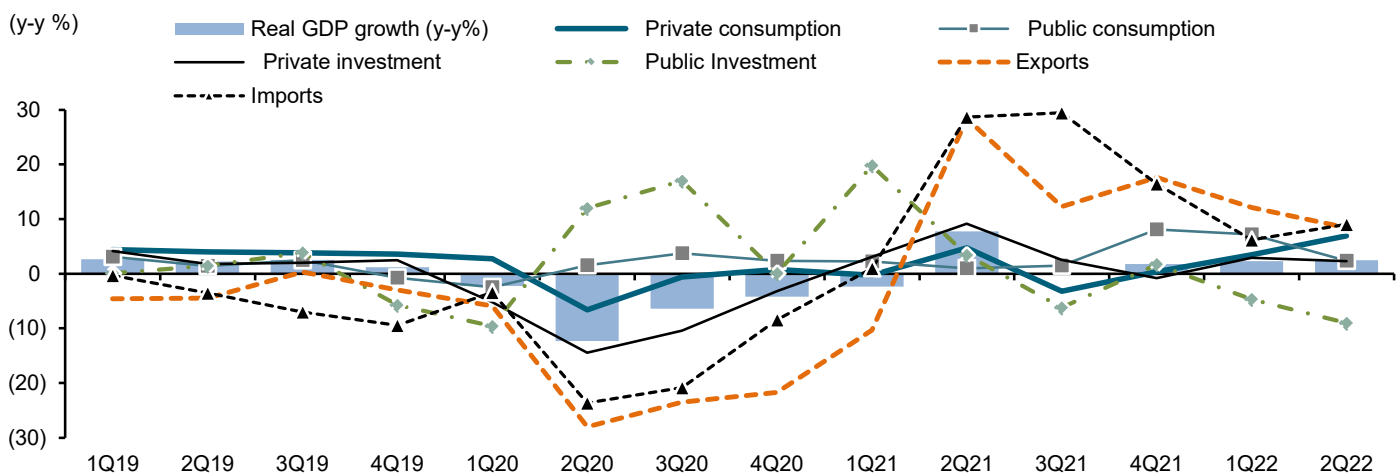
### Exhibit 1: NESDC's economic data and 2022 forecast

	Annual			Quarterly				NESDC 2022E
	2019	2020	2021	3Q21	4Q21	1Q21	2Q22	
<b>Real GDP</b>	<b>2.2</b>	<b>(6.2)</b>	<b>1.5</b>	<b>(0.2)</b>	<b>1.8</b>	<b>2.3</b>	<b>2.5</b>	<b>2.7-3.2</b>
Investment	2.0	(4.8)	3.4	(0.4)	(0.2)	0.8	(1.0)	2.8
- Private	2.6	(8.2)	3.3	2.6	(0.8)	2.9	2.3	3.1
- Public	0.1	5.1	3.8	(6.2)	1.7	(4.7)	(9.0)	2.0
Private consumption	4.0	(1.0)	0.3	(3.2)	0.4	3.5	6.9	4.4
Public consumption	1.6	1.4	3.2	1.5	8.1	7.2	2.4	(0.2)
Export of goods	(3.3)	(6.5)	19.2	15.7	22.3	14.5	9.7	7.9
Volume (2)	(3.7)	(5.8)	15.5	12.2	17.9	10.1	4.4	3.4
Import of goods	(5.6)	(13.8)	23.9	31.8	23.1	16.4	22.4	12.4
Volume (2)	(5.8)	(10.5)	17.9	27.8	14.2	4.6	7.5	3.4
Current A/C to GDP (%)	7.0	4.2	(2.2)	(4.4)	(1.1)	(1.7)	(7.0)	(1.6)
Inflation - headline (%)*	0.7	(0.8)	1.2	0.7	2.4	4.7	6.5	6.3-6.8

Source: Office of the National Economic and Social Development Council (NESDC)

**Growth in exports slowed down while imports continued to rise.** Thanks to higher energy prices, import values grew by 22.4% y-y in 2Q22 vs export value growth of only 9.7% y-y, leading to a continued trade deficit in 2Q22 that began in 2021. While exports grew by 8.5% y-y in 2Q22 in terms of the THB currency, exports rose by 9.7% y-y in 2Q22 as the THB depreciated against the USD.

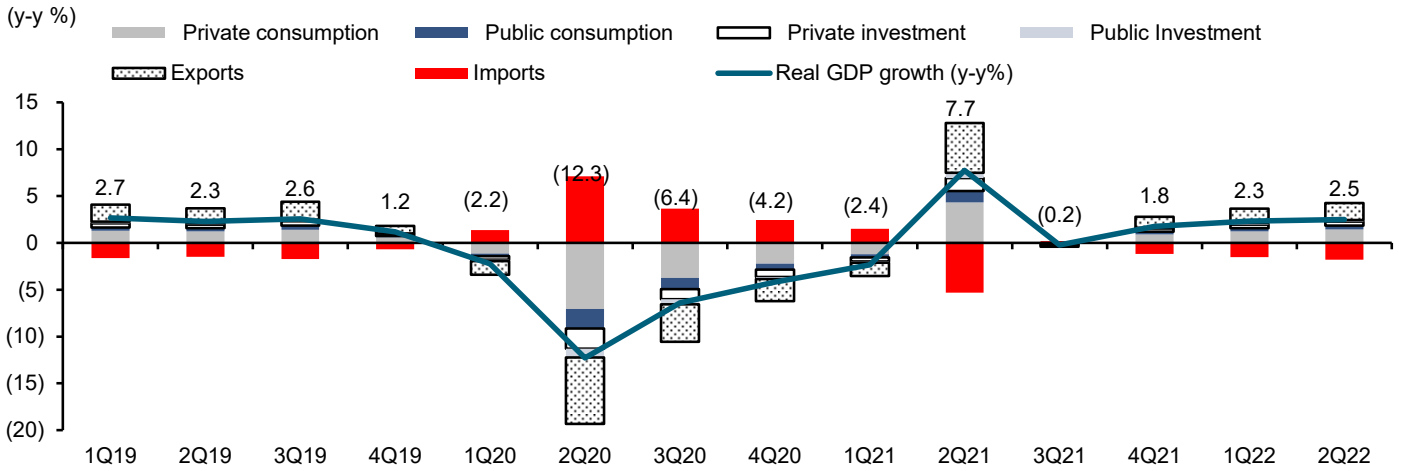
### Exhibit 2: Growth of GDP components by expenditure



Sources: NESDC; FSSIA's compilation

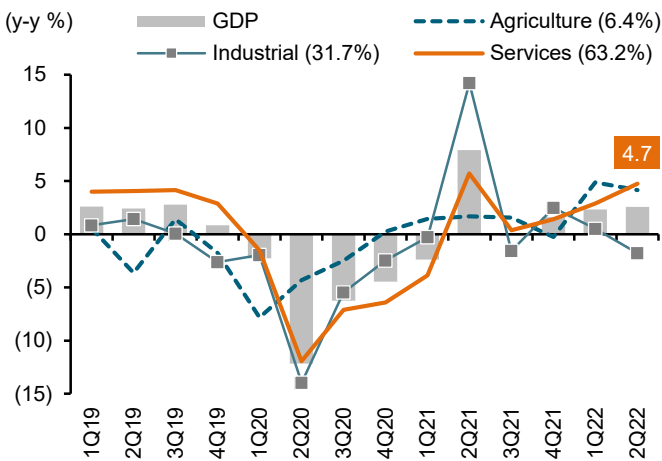
In 2Q22, the current account deficit amounted to 7% of GDP, mainly due to the widening trade deficit as higher growth in import values (+22.4% y-y) exceeded export value growth (+9.7% y-y) due mainly to the higher values of imported oil and gas (LNG).

**Exhibit 3: Contribution to GDP growth by expenditure**



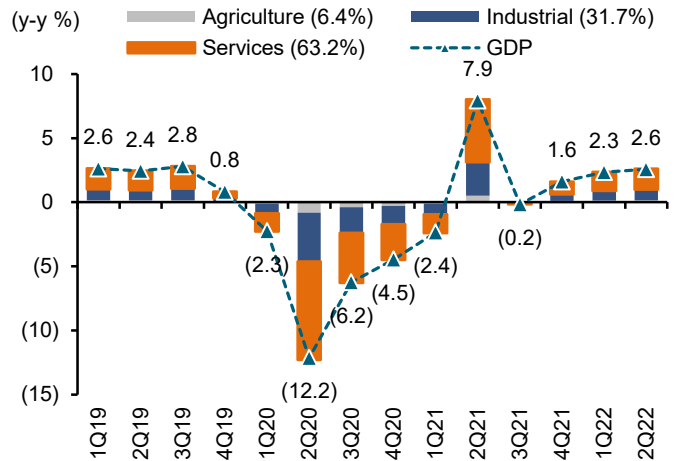
Sources: NESDC; FSSIA's compilation

**Exhibit 4: GDP growth by sector**



Data in brackets beside legend are weighting to GDP  
Sources: NESDC; FSSIA's compilation

**Exhibit 5: Contribution to GDP growth by sector**



Data in brackets beside legend are weighting to GDP  
Sources: NESDC; FSSIA's compilation

**Automobile and chemical exports plunged while refined oils and fresh and frozen food exports rose.** Thailand has continued to see a weaker net trade balance, with import value growth surpassing export value growth, thanks to the rising price of energy.

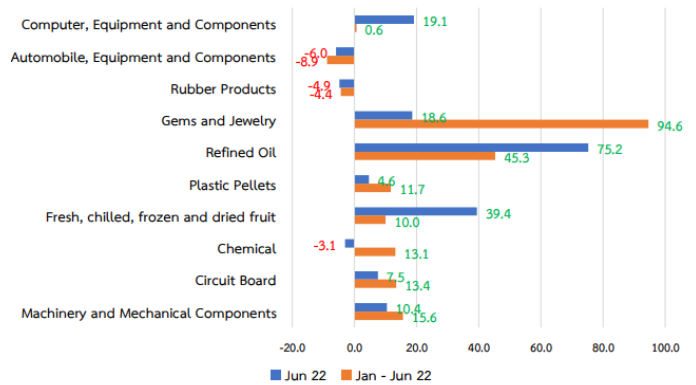
However, within the export segment, the country saw sharp drops in exports of automobiles (-6% y-y), rubber (-4.0% y-y), and chemicals (-3.1% y-y), which were offset by stronger exports of computers, equipment, and components (+19.1% y-y), refined oils (+75.2% y-y), and fresh, chilled, frozen and dried fruit (+39.4% y-y).

**Exhibit 6: Value of Thailand’s international trade in Jun-22**

	----- Jun-22 -----		----- 1H22 -----	
	Value	Change	Value	Change
	(USD b)	(y-y%)	(USD b)	(y-y%)
Trade	54.6	+18.0	304.6	+16.8
<b>Export</b>	<b>26.6</b>	<b>+11.9</b>	<b>149.2</b>	<b>+12.7</b>
<i>Of which exports of real sector</i>		+10.4		+9.0
Import	28.1	+24.5	155.4	+21.0
<b>Trade balance</b>	<b>(1.5)</b>		<b>(6.3)</b>	

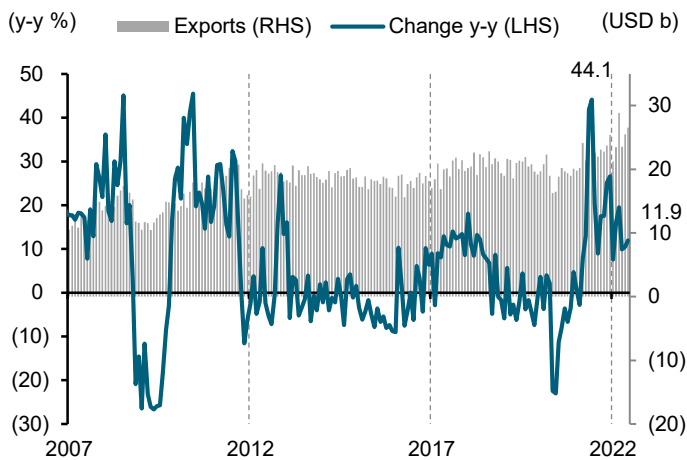
Sources: [Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce](#)

**Exhibit 7: Top 10 export products, Jun-22**



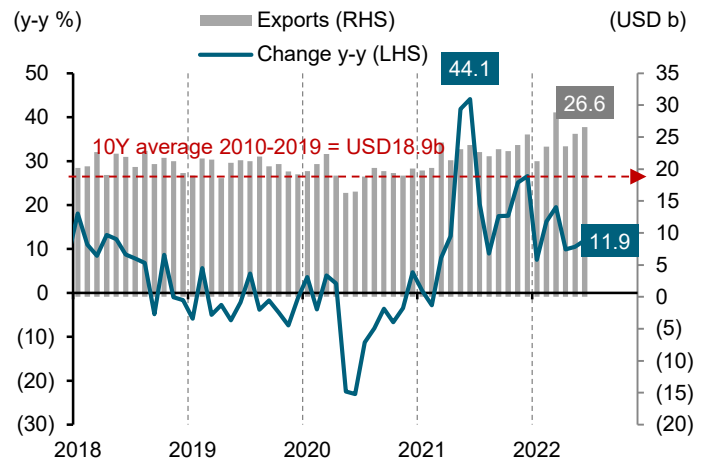
Sources: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

**Exhibit 8: Thailand’s monthly exports since 2007**



Sources: Ministry of Commerce; Bloomberg;

**Exhibit 9: Thailand’s monthly exports vs the 10-year average before the Covid-19 pandemic (USD18.9b)**

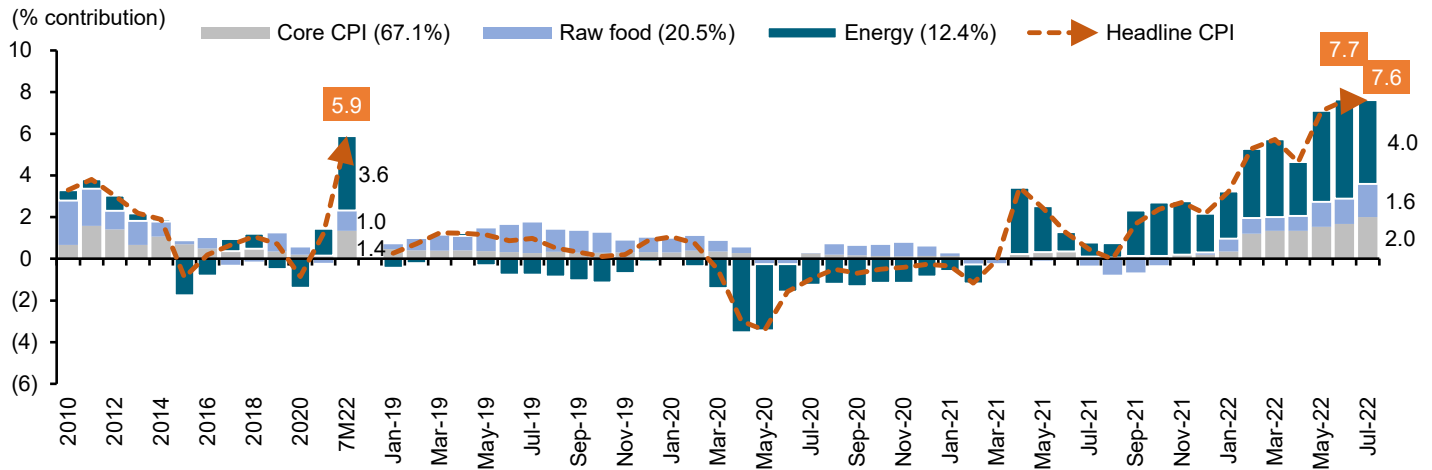


Sources: Ministry of Commerce; Bloomberg;

### Inflation subsided on lower energy prices

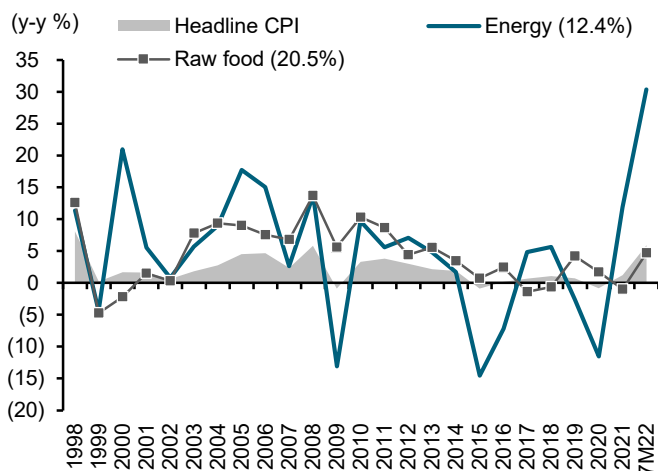
Thanks to the softening price of energy, Thailand's inflation rate declined marginally from 7.7% in June to 7.6% in Jul-22, with core inflation rising slightly to 2.0% in Jul-22. We think energy prices are the only major source of inflationary pressure in Thailand, not food, thanks to the country's large exports of fresh, frozen, and dried food and fruits.

**Exhibit 10: Thailand's inflation rate at the end of Jul-22 declined to 7.6%, down from 7.7% in the prior month**



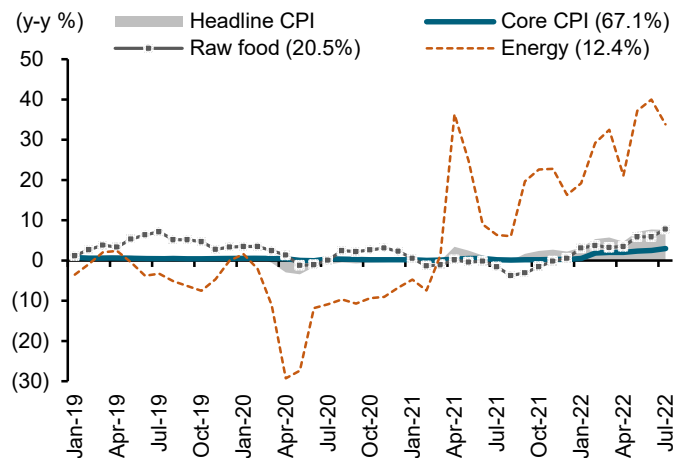
Data in brackets of legend indicate weighting of each component to headline CPI  
Sources: Ministry of Commerce; FSSIA's compilation

**Exhibit 11: Annual inflation from 1998 to 7M22**



Data in brackets of legend indicate weighting of each component to headline CPI  
Sources: Ministry of Commerce; FSSIA's compilation

**Exhibit 12: Monthly inflation from Jan-19**



Data in brackets of legend indicates weighting of each component to headline CPI  
Sources: Ministry of Commerce; FSSIA's compilation

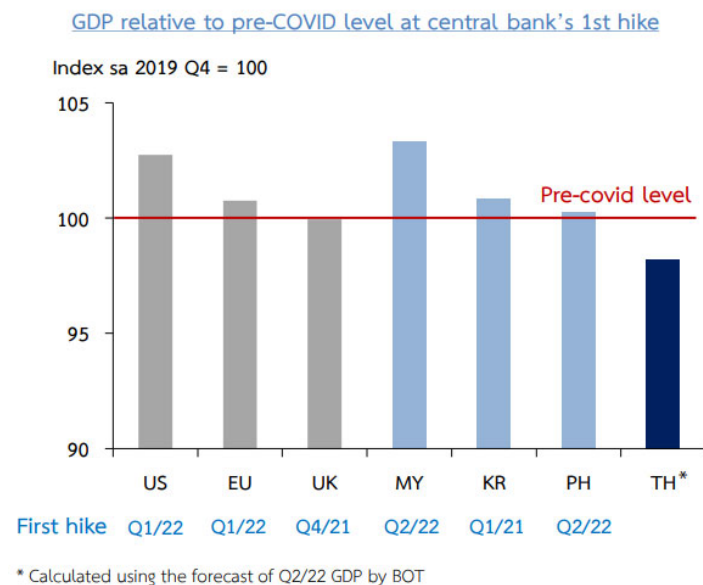
**GDP to surpass pre-Covid-19 level by 3Q22?** Based on the BoT's forecast, Thailand's GDP is projected to surpass the pre-Covid-19 average level by 3Q22, driven mainly by the striking improvement in tourism. Thailand's tourist arrival numbers have jumped sharply from 0.13m in January, rising to 0.52m in May, 0.77m in June, and 1.07m in Jul-22.

During 1-6 Aug-22, the number of tourist arrivals further increased to 0.23m, implying 38.3k tourists per day, up from 34.5k per day in July and 4,193 per day in January, and now amount to roughly 35% of the pre-Covid-19 level of 110k tourists per day. We believe the 9.5m monthly tourist arrivals number targeted by the Tourism Authority of Thailand is likely to be surpassed by Nov-22, as we project the number of tourist arrivals per day to hit 50k by Oct-22.

Thailand's real GDP value in 1H22 was slightly below the pre-Covid level in 1H19 by 2.7%. With the rising GDP growth momentum of 2.4% in 1Q22 and 2.5% in 2Q22, we see more upside for Thailand's GDP to rise further in 2H22 into 2023 and remain on track to reach our GDP growth projection of 3% (vs the BoT's forecast of 3.3%) in 2022 and 4.3% (vs the BoT's forecast of 4.2%) in 2023.

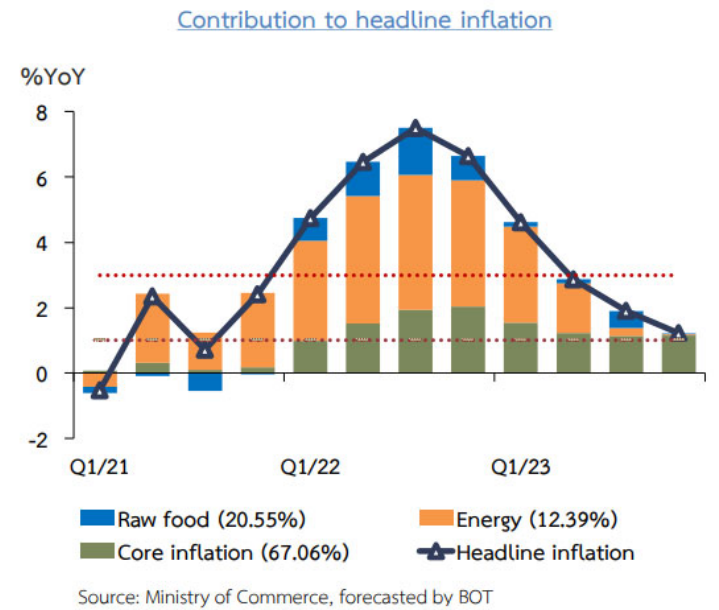
With core and headline inflation expected to remain under 2-3% and 7-8% in 2022-23, thanks to the relatively low food inflation, the improving current account balance mainly from rising service revenue from tourism, and the projected THB exchange rate band of THB34-37/USD due to Thailand's high reserve-to-external debt ratio at 1x and the improving GDP outlook in 2023, we think the SET index has a more limited downside than the equity indexes in the US and the EU.

**Exhibit 13: GDP relative to the pre-Covid-19 level at time of central bank's first rate hike**



Note: BOT's forecast before announcement of 2Q22 GDP  
 Source: Bank of Thailand; [Monetary Policy Committee 10 Aug 2022](#);

**Exhibit 14: BoT projects inflation to decline by the end of this year, mainly due to subsiding supply-side pressures**



Source: Bank of Thailand; [Monetary Policy Committee 10 Aug 2022](#);

## Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

## Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Suwat Sinsadok, CFA, FRM, ERP 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
Indorama Ventures	IVL TB	THB 43.25	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.
Banpu	BANPU TB	THB 13.40	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.
Srinanaporn Marketing	SNNP TB	THB 15.80	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.
Asian Sea Corporation	ASIAN TB	THB 16.60	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 its GPM.
Bangkok Dusit Medical Services	BDMS TB	THB 27.75	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.
Kasikornbank	KBANK TB	THB 151.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Minor International	MINT TB	THB 34.00	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.
Central Pattana	CPN TB	THB 65.75	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.
Major Cineplex Group	MAJOR TB	THB 19.20	BUY	The key downside risks to our SoTP-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, a delay in the Covid-19 vaccine rollout, and the new wave of Covid.

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-Aug-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.