Thailand Market Strategy

การเติบโตของโลกมีความเสี่ยง ไทยจะปรับตัวได้ดีกว่า

- เราคาดว่า 2023 จะเป็นอีกปีที่มีความท้าทายจากเศรษฐกิจโลกที่กำลังอ่อนตัว แต่คาดไทยจะปรับตัวได้ดีกว่า จากปัจจัยภายในที่แข็งแรง

- เราคาดว่ากระแสเงินทุนต่างชาติจะไหลเข้าต่อเนื่องในปี 2023 และบาทแข็งค่า

- SET Target ปี 2023 อยู่ที่ 1,750 โดยมีปัจจัยหนุนคือการบริโภคภายในประเทศและการเปิดประเทศ

การเติบโตของโลกมีความท้าทาย เศรษฐกิจไทยแข็งแรงกว่า

เราคาดว่าเศรษฐกิจโลกจะมีความท้าทายในปี 2023 โดยถูกผลกระทบจากเงินเฟ้อและอัตราดอกเบี้ยที่สูงกว่าเป้าหมาย ยุโรปและสหรัฐฯคาดว่าจะรายงานการเติบโตต่ำที่สุดหรือติดลบเมื่อเทียบกับภูมิภาคอื่น ปัจจัยลบดังกล่าวน่าจะส่งผล กระทบต่อเศรษฐกิจไทยโดยเฉพาะอย่างยิ่งในภาคส่งออก อย่างไรก็ดีการผ่อนคลายนโยบาย Zero COVID ของจีน น่าจะช่วยลดผลกระทบต่อความต้องการและหนุนอุตสาหกรรมการท่องเที่ยวของไทยเมื่อคนจีนได้รับอนุญาตให้เดินทาง ออกนอกประเทศ ประกอบเข้ากับการฟื้นตัวที่ดีของการบริโภคในประเทศซึ่งคาดชดเชยปัจจัยลบจากประเด็นลบระดับ โลกได้ ปัจจัยหนุนดังกล่าวคาดทำให้เศรษฐกิจในประเทศโตในอัตราที่เร่งในปี 2023 โดยธนาคารแห่งประเทศไทย (BoT) คาดการณ์ตัวเลขการเติบโตที่ 3.7% เทียบกับ 3.3% ในปี 2022

Upside จากกระแสเงินทุนต่างประเทศไหลเข้าและค่าเงินบาทที่อาจแข็งตัว

เราคาดว่ากระแสเงินทุนจะไหลเข้าไทยอย่างต่อเนื่องในปี 2023 จาก 2 ปัจจัยสำคัญ ได้แก่ Upside จากการฟื้นตัวของ การท่องเที่ยวโลกซึ่งปัจจัยดังกล่าวคาดว่าจะมีน้ำหนักมากกว่าสภาวะเศรษฐกิจถดถอยที่อาจเกิดขึ้นในสหรัฐฯและยุโรป รวมถึงสถานะถือครองหุ้นไทยของนักลงทุนต่างประเทศที่อยู่ในระดับต่ำ โดยทยอยปรับขึ้นจากจุดต่ำสุดในเดือน ต.ค. 20 ที่ 24.9% เทียบกับค่าเฉลี่ยที่ 29% ในช่วงปี 2015-19 ก่อน COVID-19 เราคาดว่านักลงทุนต่างชาติจะเพิ่มสถานะ ถือครองในหุ้นที่มีปัจจัยพื้นฐานดีเมื่อเทียบกับสถานะขายสุทธิสะสมที่ USD4.5พันล้านในช่วงปี 2020 ถึง 16 ธ.ค. 22

3 ประเด็นการลงทุนในกลุ่มหุ้นในประเทศ

จากบริษัทที่เราทำการศึกษา เราคาดว่ากำไรสุทธิปี 2023 จะโต 6.8% นำโดยปัจจัยในประเทศตามแนวโน้มเศรษฐกิจที่ ฟื้นตัว ในขณะที่หุ้นพลังงานน่าคาดมีกำไรหดตัวจากกำไรสต็อกที่หายไป เราประเมิน 3 ประเด็นการลงทุนสำคัญ สำหรับปี 2023 ประกอบด้วย 1) หุ้นที่เกี่ยวข้องกับการเติบโตของการบริโภคในประเทศ; 2) หุ้นที่เกี่ยวข้องกับการเปิด ประเทศและการท่องเที่ยว; และ 3) หุ้น Anti-commodity โดยมีเหตุผลจากแนวโน้มเศรษฐกิจมหภาคที่ได้กล่าวไว้ใน รายงานนี้ การกลับมาของนักท่องเที่ยวต่างชาติซึ่งเป็นปัจจัยหนุนหลักของเศรษฐกิจไทย และแนวโน้มราคาสินค้าโภค ภัณฑ์ที่ลดลงเมื่อเทียบกับในปี 2022

เป้าสำหรับ SET ในปี 2023 ของเราอยู่ที่ 1,750

เราให้ SET Target ปี 2023 ที่ 1,750 จุด อ้างอิง Target PER ที่ 15.7x (ค่าเฉลี่ย 10 ปีย้อนหลัง -0.25SD และ 2023E EPS ของหุ้นที่เราทำการศึกษาอยู่ที่ 111 บาท) โดยใน 1Q23 เราคาดว่า SET เคลื่อนไหวในกรอบ 1,600-1,720 จุด ปัจจัยหนุนสำคัญอยู่ที่อัตราดอกเบี้ยนโยบายของสหรัฐฯที่กำลังจะแตะจุดสูงสุด กำไรที่ดีของบริษัทจดทะเบียนใน 4Q22 การเปิดประเทศของจีน และการเริ่มหาเสียงเลือกตั้งในไทย เราคาดว่ากลุ่ม Domestic เช่น ค้าปลีก อาหาร ธนาคาร ขนส่งและท่องเที่ยวจะปรับตัวได้ดีกว่าตลาด Top Pick ของเราในปี 2023 ได้แก่ BA BDMS CPN ILINK JWD M SHR และ TACC

Veeravat Virochpoka
veeravat.v@fssia.com
+66 2646 9821

Songklod Wongchai
songklod.won@fssia.com
+66 2611 3553

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 3 มกราคม 2023

Inflation peaked, Fed funds rate to peak in 1Q23

US headline CPI peaked at 9.1% y-y in Jun-22, before dropping to 7.1% y-y in Nov-22. While core CPI hit its highest level at 6.6% y-y in Sep-22 before edging down to 6% y-y in Nov-22. Notably, there are positive signs as inflation numbers inched up only 0.1-0.2% m-m in Nov-22, marking a significant improvement. If this trend continues, we anticipate that inflation should post y-y growth of 2-3% in the next 12 months. Also, the Fed's latest economic projection expects core PCE to slow from 4.8% in 2022 to 3.5% in 2023, in line with our view. Even though the numbers are still higher than the Fed's long-term target of 2% due to the tight housing supply and labour market, we expect inflation to ease near the target in 2024-25. We think the market is likely to overlook the very high inflation era and shift its focus to economic growth instead.

The Fed started to increase its policy rate at a slower pace in Dec-22 by 0.50% to 4-4.50% after hiking it by 0.75% in each of the previous four meetings, in line with the slow inflation numbers. We expect the Fed committee to raise the interest rate by a total of 0.75% in the next two meetings in Feb-23 and Mar-23, which would push the Fed funds rate to a level of 5-5.25%, in line with the Fed's latest dot plot. We expect the US 2-year yield to have already passed its peak of 4.8% since early Nov-22, while the US 10-year yield, which is a gauge of the economic outlook, should come down from its current level of 3.5%, pressured by the uncertain economic outlook in 2023. That would cause the 10Y-2Y US bond yield to continue to invert by -0.7%, implying a high chance of a mild economic recession next year. As a result, we continue to see limited gains or even some downside to global equity in 2023.

Exhibit 1: FOMC latest economic projections, December 2022

|	--- Median ---					--- Central tendency ---				
	2022	**2023**	**2024**	**2025**	**Longer run**	**2022**	**2023**	**2024**	**2025**	**Longer run**
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Change in real GDP	**0.5**	**0.5**	**1.6**	**1.8**	**1.8**	**0.4-0.5**	**0.4-1.0**	**1.3-2.0**	**1.6-2.0**	**1.7-2.0**
vs September projection	0.2	1.2	1.7	1.8	1.8	0.1-0.3	0.5-1.5	1.4-2.0	1.6-2.0	1.7-2.0
Unemployment rate	**3.7**	**4.6**	**4.6**	**4.5**	**4.0**	**3.7**	**4.4-4.7**	**4.3-4.8**	**4.0-4.7**	**3.8-4.3**
vs September projection	3.8	4.4	4.4	4.3	4.0	3.8-3.9	4.1-4.5	4.0-4.6	4.0-4.5	3.8-4.3
PCE inflation	**5.6**	**3.1**	**2.5**	**2.1**	**2.0**	**5.6-5.8**	**2.9-3.5**	**2.3-2.7**	**2.0-2.2**	**2.0**
vs September projection	5.4	2.8	2.3	2.0	2.0	5.3-5.7	2.6-3.5	2.1-2.6	2.0-2.2	2.0
Core PCE inflation	**4.8**	**3.5**	**2.5**	**2.1**		**4.7-4.8**	**3.2-3.7**	**2.3-2.7**	**2.0-2.2**	
vs September projection	4.5	3.1	2.3	2.1		4.4-4.6	3.0-3.4	2.2-2.5	2.0-2.2	
Federal funds rate	**4.4**	**5.1**	**4.1**	**3.1**	**2.5**	**4.4**	**5.1-5.4**	**3.9-4.9**	**2.6-3.9**	**2.3-2.5**
vs September projection	4.4	4.6	3.9	2.9	2.5	4.1-4.4	4.4-4.9	3.4-4.4	2.4-3.4	2.3-2.5

Source: Federal Open Market Committee (FOMC)
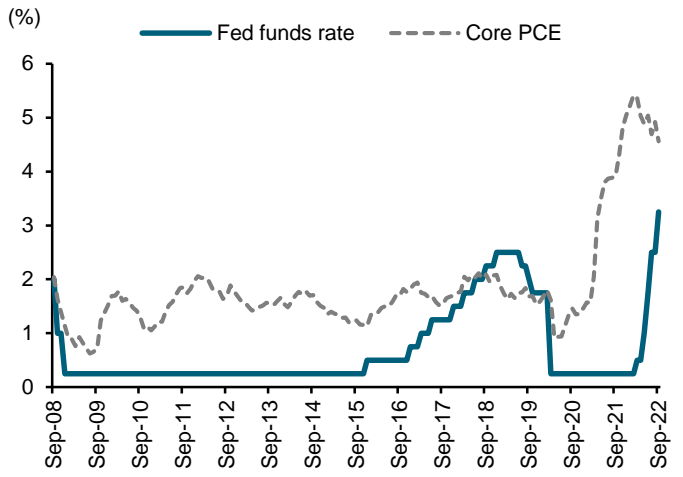
Exhibit 2: US GDP growth
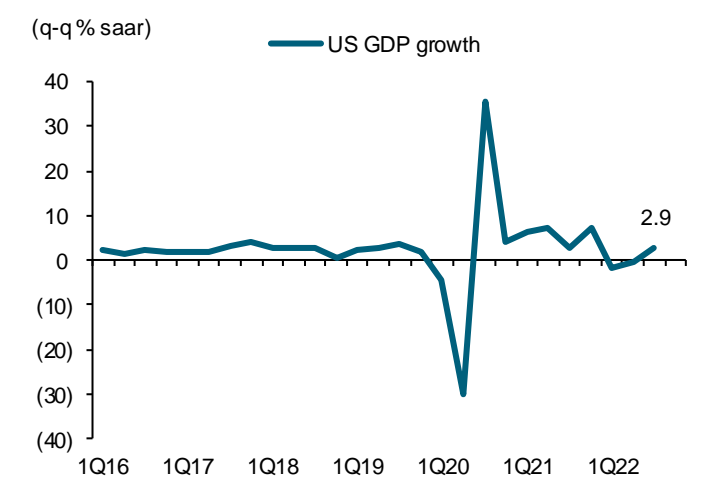
Sources: Bloomberg; FSSIA's compilation

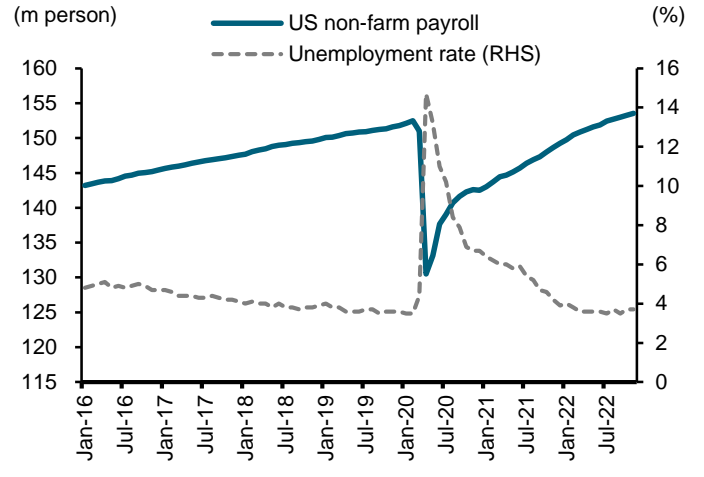**Exhibit 3: US headline and core CPI**
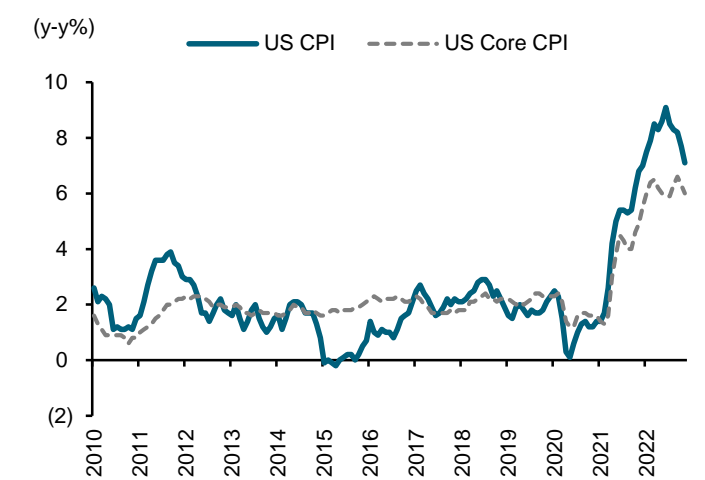
Sources: Bloomberg; FSSIA's compilation

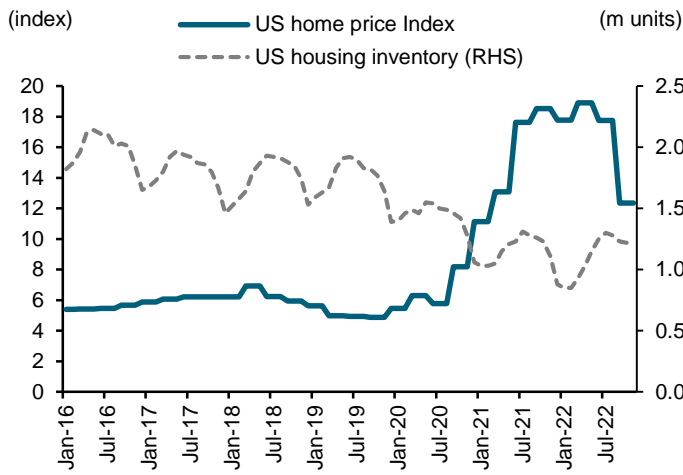**Exhibit 4: US core PCE vs Fed funds rate**

Sources: Bloomberg; FSSIA's compilation

Exhibit 5: US non-farm payroll and unemployment rate
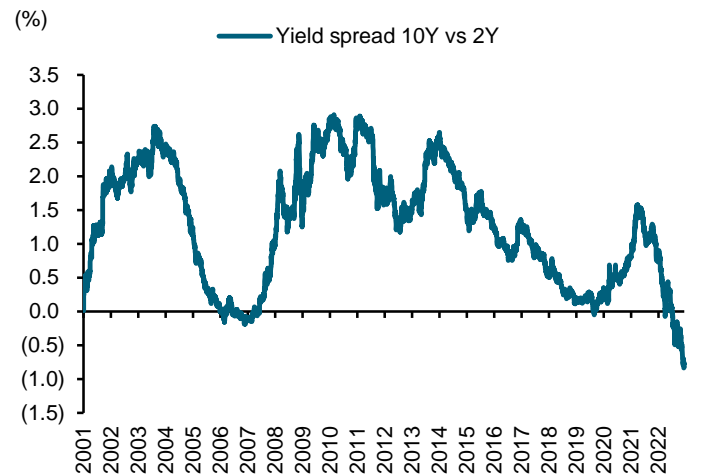

Sources: Bloomberg; FSSIA's compilation

Exhibit 6: US house price index and total housing inventory

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: US bond yield, difference between 10Y and 2Y

Sources: Bloomberg; FSSIA's compilation

Key concerns shift to growth and recession risk

In 2023, we expect the market to shift its focus to economic growth instead of inflation, as many key countries have started to report weaker economic data. To elaborate, manufacturing PMI in the Eurozone and US dropped below 50 to 47.1 and 47.7, respectively, in Nov-22, reflecting the slower economic activity. Furthermore, consumer confidence has been in a downward trend in recent months as high inflation numbers have started to impact consumer purchasing power, while the economic outlook is still uncertain. We project US GDP to post a significant slowdown or even negative y-y growth in 2Q23 onward. That might prompt the Fed to consider a rate cut by 0.25-0.50% in late 2023 or early 2024 to stimulate the economy once again.

Exhibit 8: IMF projections might have some downside

	2021	2022E	2023E
	(%)	(%)	(%)
World output	**6.0**	**3.2**	**2.7**
Advanced economies	**5.2**	**2.4**	**1.1**
United States	5.7	1.6	1.0
Euro area	5.2	3.1	0.5
Germany	2.6	1.5	(0.3)
France	6.8	2.5	0.7
Italy	6.7	3.2	(0.2)
Spain	5.1	4.3	1.2
Japan	1.7	1.7	1.6
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5
Other advanced economies	5.3	2.8	2.3

	2021	2022E	2023E
	(%)	(%)	(%)
World output	**6.0**	**3.2**	**2.7**
Emerging market and developing economies	**6.0**	**3.7**	**3.7**
Emerging and Developing Asia	7.2	4.4	4.9
China	8.1	3.2	4.4
India	8.7	6.8	6.1
ASEAN-5	3.4	5.3	4.9
Emerging and Developing Europe	6.8	0.0	0.6
Russia	4.7	(3.4)	(2.3)
Latin America and the Caribbean	6.9	3.5	1.7
Brazil	4.6	2.8	1.0
Mexico	4.8	2.1	1.2
Middle East and Central Asia	4.5	5.0	3.6
Saudi Arabia	3.2	7.6	3.7
Sub-Saharan Africa	4.7	3.6	3.7
Nigeria	3.6	3.2	3.0
South Africa	4.9	2.1	1.1
Memorandum			
Emerging market and middle-income economies	6.8	3.6	3.6
Low-income developing countries	4.1	4.8	4.9

Source: International Monetary Fund (IMF)

Exhibit 9: US manufacturing and retail sales
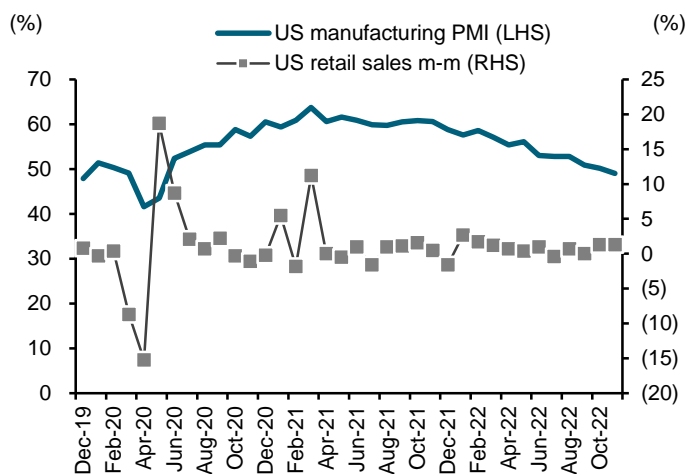
Exhibit 10: EU manufacturing and retail sales

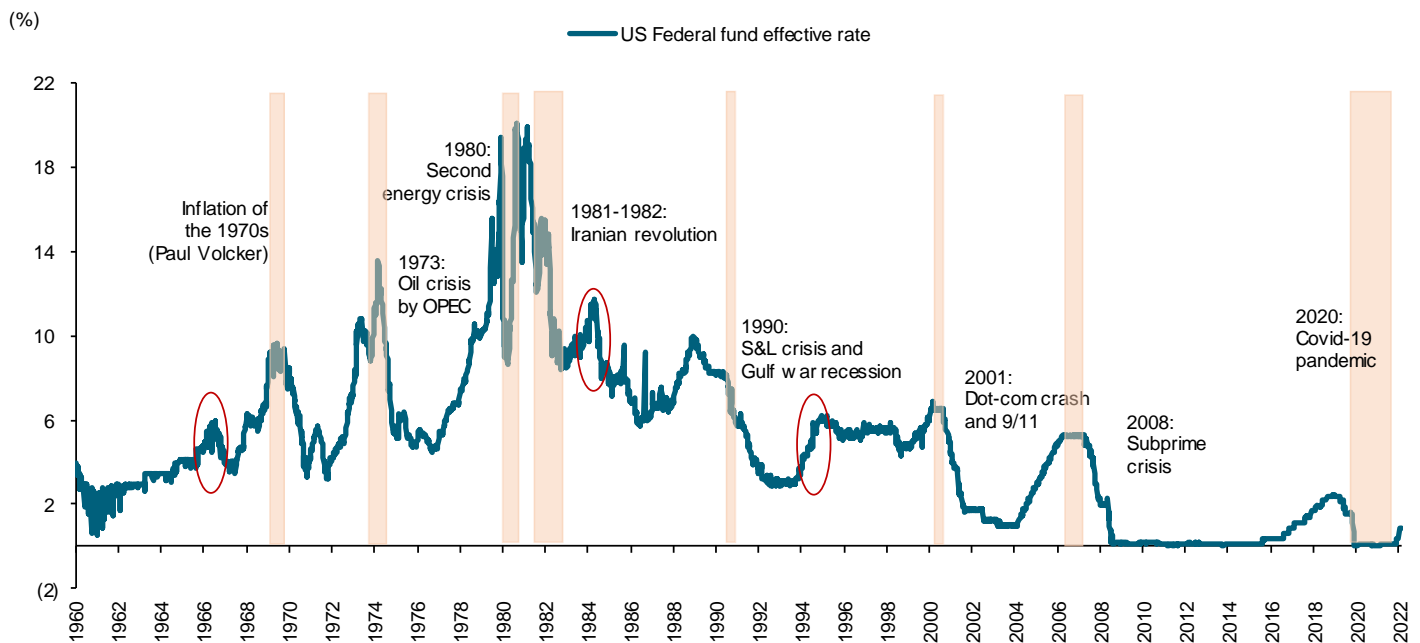Sources: Bloomberg; FSSIA's compilation
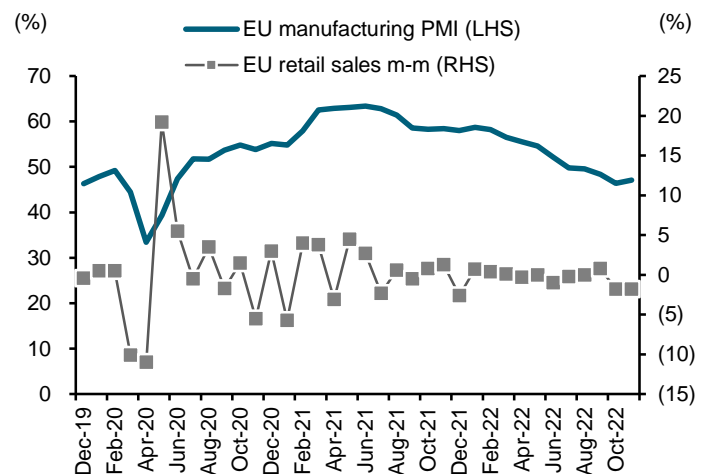
Sources: Bloomberg; FSSIA's compilation

We anticipate five potential downside risks in 2023, as shown in the table below. We think the highest risk would come from recessions in the US and EU from tighter monetary policies, which are likely to stand for the rest of the year.

From the Fed's previous 12 big tightening cycles since the 1950s, nine (75%) ended with a recession. The National Bureau of Economic Research (NBER), a non-profit academic group, has identified 12 recessions dating back to 1948, or one approximately every six years.

NBER's traditional definition of a recession is that it is a significant decline in economic activity that is spread across the economy and that lasts more than a few months. The committee's view is that while each of the three criteria – depth, diffusion, and duration – needs to be met individually to some degree. Extreme conditions revealed by one criterion may partially offset weaker indications from another.

Exhibit 11:   Interest rate peaks in the US have historically ended in recession

Note: Highlighted boxes in chart indicate recession period based on NBER's study
Sources: Bloomberg; FSSIA's compilation

Exhibit 12: Potential headwinds in 2023

| Potential headwinds	Magnitude of impact	Rationale
US and Europe recession fears, persistent inflation, monetary tightening	High	In the next 6-12 months, we believe the global economy, led by the US, is likely to enter a tumultuous downcycle, with the US economy likely to enter a recession on multiple negative quarterly GDP growth prints caused by the Fed's fast and furious policy rate hikes aimed at curbing inflation.
China economic slowdown	Low	China's economy is facing quite a lot of headwinds, including the dogged Zero-Covid policy and property and regulation risks. In particular, if China's borders remain closed, Thailand's tourism recovery will likely be prolonged. To us, however, The Politburo Standing Committee's decision to implement 20 measures easing Covid controls represents a clear relaxation of China's Zero-Covid policy.
De-globalisation/Global political risk; war in Ukraine tensions	Low	The de-globalisation trend is expected to exacerbate the global supply chain problems that began with the lockdowns in 2020-21 due to the Covid-19 pandemic. Inflationary pressures could increase as the East (Russia-China alliance) decouples from the West (US-EU alliance), further hindering global trade flows that have rewarded the most efficient producing nations and kept inflation low for decades.
Regional fund outflow to DM after Fed rate hike	Low	Due to the foreign fund outflow continuing from emerging markets (EM) in the last two years, we think that there is a small chance that there will be a larger fund outflow from EM to developed markets (DM).
Thailand's political uncertainty	Low	We believe that the government will aim to win seats at both the local and national levels to maintain the stability of the current cabinet ahead of the upcoming general election in 2023. Meanwhile, the incumbent government remains secure despite the internal fighting within Phalangpracharat (PPRP), as all coalition parties have thus far remained in unity. With 277 MPs under the coalition bloc (55.4% of the 500-member House of Representatives), the government should remain stable until the next election, in our view.

Source: FSSIA estimates

FINANSIA

China reopening to ease global fear, not enough to drive global growth

The Covid-19 situation in China worsened in Nov-22 after daily infections jumped from 2,000-3,000 cases in Oct-22 to its peak of 62,000 cases in early Dec-22. China state officials announced strict Zero-Covid measures by locking down some cities in order to stop widespread infections and provide vaccinations for the elderly population. All of these measures brought the number of Covid-19 cases down to below 1,000 cases per day in Dec-22. As a result, the Chinese government started to gradually ease some restrictions, such as reducing state quarantine days and ending Covid-19 testing requirements for public areas. Although there is a chance that the infection and death rates may rise again in the short term from the easing of the control measures, in the medium to long term, we expect the Covid-19 situation to subside over the time. This would be a very good sign for China to ease its Covid-19 control measures and start its reopening plan, which would enhance economic recovery in 2023 onward. The International Monetary Fund (IMF) currently expects China's GDP to grow by 3.2% in 2022 before accelerating to 4.4% next year. However, we think China's recovery would only tone down some fears over the global economic slowdown rather than driving global growth in 2023, as the growth rate is still way below its track record of 6-7% annually in the past decade.

However, Asian countries, including Thailand, should benefit from China's border opening plan in 2023, especially the services and tourism segments. To elaborate, 30% of Thailand's 2019 international tourist arrivals – equivalent to 12 million – were Chinese tourists. We anticipate that every 1 million tourist arrivals would generate approximately THB50b in tourism revenue, implying 0.3% of Thailand's annual GDP.

Exhibit 13: China's daily Covid-19 cases
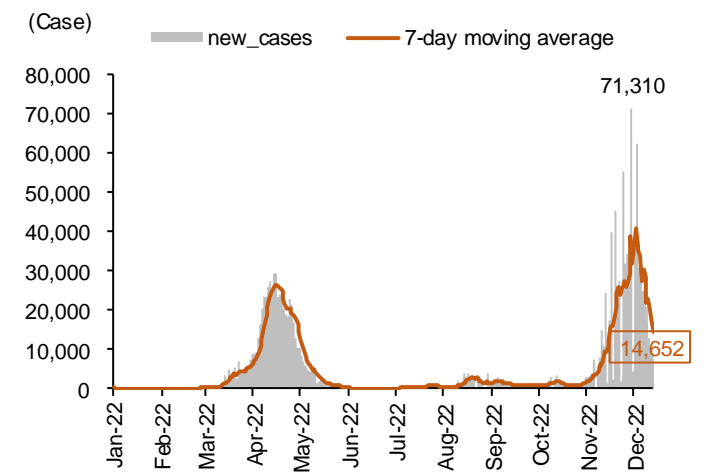
Source: Ourworldindata.org

Exhibit 14: China's Covid-19 vaccination rate
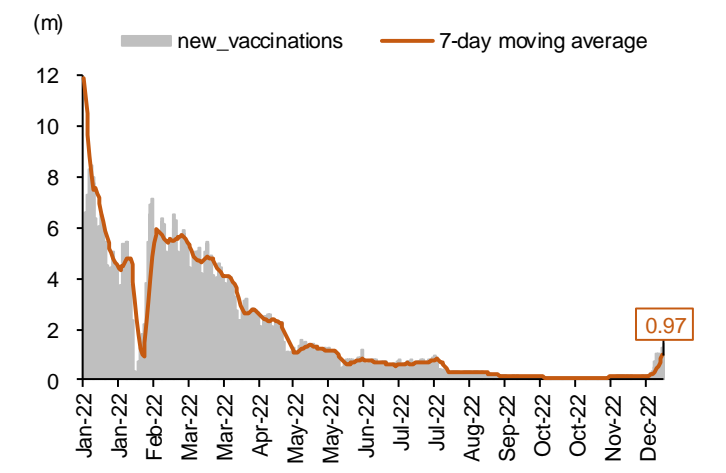
Source: Ourworldindata.org

Exhibit 15: China GDP growth

Sources: Bloomberg; FSSIA's compilation

Exhibit 16: China's manufacturing PMI and industrial production

Sources: Bloomberg; FSSIA's compilation

Oil price should decline but remain relatively high in 2023

We expect the oil price to stay at a low level compared to 2022. The International Energy Agency (IEA) in its report, *IEA (2022), Oil Market Report - December 2022, IEA, Paris, Licens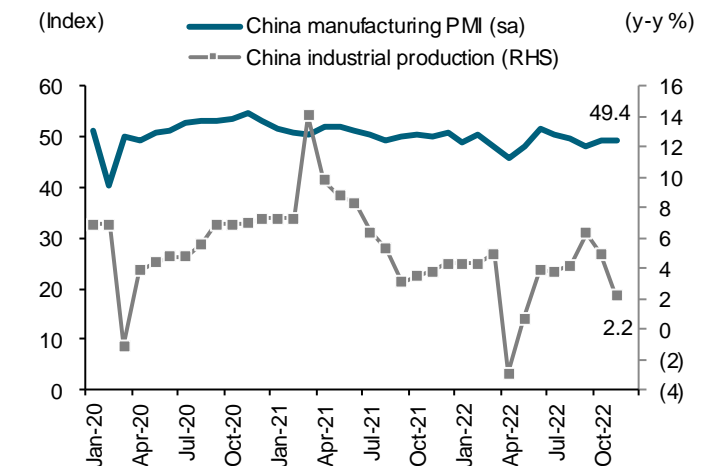e: CC BY 4.0,* predicts that oil demand will increase by 2.3 mb/d in 2022 and slow to 1.7 mb/d in 2023 to 101.6 mb/d due to the uncertain economic outlook. The IEA also expects the world oil supply to rise by 4.7 mb/d in 2022 and 770 kb/d in 2023, pushing the supply to 100.8 mb/d – a more balanced figure than in 2022 and in line with Bloomberg's estimation of 101 mb/d on average for both demand and supply in 2023. This would mainly be supported by OPEC's minimum USD90/bbl price target in 2023 and production cut of 2 mb/d since Nov-22, plus the end of the Strategic Petroleum Reserve releases to balance demand concerns. Finally, the EIA forecasts the 2023 Brent oil price at USD92.36 per barrel, down from USD101.48/bbl in 2022, but still relatively high as compared to 2015-19 levels.

However, there would be an upside for the oil price if Russia-Ukraine tensions and Russian oil sanctions get worse. Meanwhile, China's reopening plan should be another positive factor to drive oil demand in 2023.

Exhibit 17: Global oil demand and supply balance
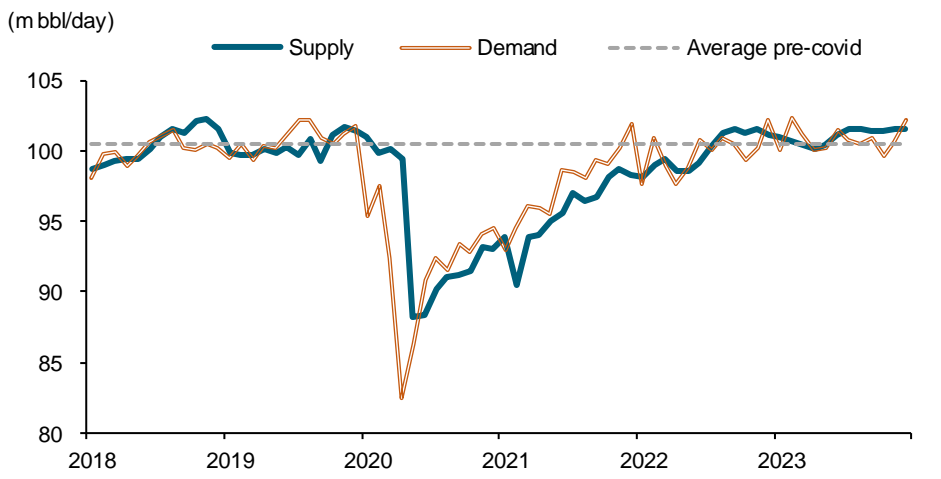
Note: 2023 data are Bloomberg's estimates
Sources: Bloomberg

Exhibit 18: Chinese crude imports down 4% y-y so far in 2022
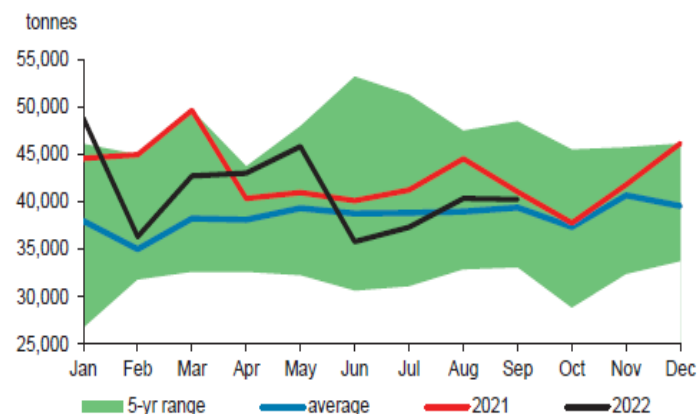
Sources: Bloomberg, BNP Paribas

Source: BNP Paribas, *Global Outlook 2023 - Steering into recession*

Exhibit 19: Russian crude exports were strong in 1H22 but have fallen off in 2H22
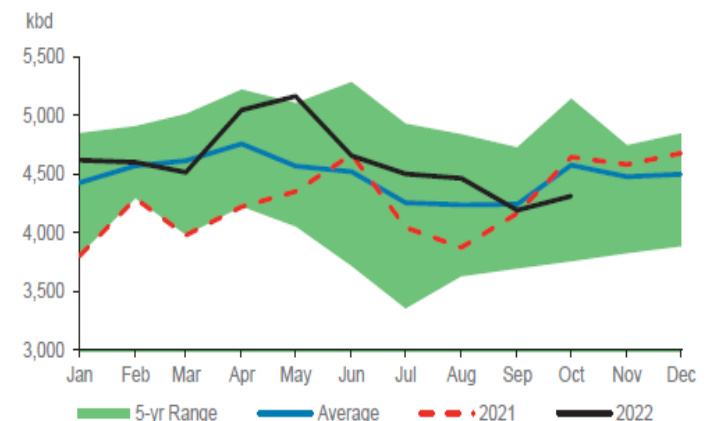
Sources: Kepler, BNP Paribas

Source: BNP Paribas, *Global Outlook 2023 - Steering into recession*

Thai economy remains stronger than those in other regions

We see the Thai economy remaining resilient and stronger than the economies in other regions, especially the US and EU. In particular, the BoT expects Thailand's GDP to grow 3.2% in 2022 and accelerate to 3.7% and 3.9% in 2023-24, respectively. Private consumption and investment would be key drivers rather than government consumption, which strongly supported the economy during the Covid-19 period through various fiscal policies over the past two years. In addition, the tourism industry should be another key engine to drive economic growth. We expect international tourist arrivals to jump to 34m in 2023, equivalent to 85% of the pre-Covid-19 level, up from our forecast of 10.2m for 2022. Our 2023 assumption is more bullish than BoT's number of 22m as we expect Chinese tourists to return to 60% of the 2019 level, with European tourists at 85% and tourists from India and the Americas recovering to 100-110% of the 2019 levels. This would generate tourism revenue of up to THB1.6tr, or approximately 80% of the tourism revenue in 2019, in line with the Tourism Authority of Thailand's expectation.

Thailand's headline inflation already peaked in Aug-22 at 7.9% and came down to 5.55% in Nov-22, mainly from falling energy and raw food prices. Although the numbers were still higher than the BoT's target of 1-3%, the BoT expects headline inflation to drop to 2.6% in 2023 from 6.3% in 2022. Core inflation has not reached its peak yet, inching up to 3.22% in Nov-22. However, the slope has been flattening over the past five months in the range of 3-3.22%. We expect core inflation to remain above 3% in Dec-22 to early 1Q23 before declining in 2Q23 onward from cooling global supply chain constraints and the high base effect. The BoT expects 2023 core inflation at 2.4%. As a result, we expect the BoT to hike its policy rate by 0.75% in 2023 to 2%, up from 1.25% in 2022.

Exhibit 20:   Thailand economic forecasts

	2018	2019	2020	2021	-------------- NESDC --------------		-------- Bank of Thailand -------	
					2022E	2023E	2022E	2023E
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)
Real GDP growth	4.2	2.3	(6.2)	1.5	3.2	3.0 – 4.0	3.2	3.7
Private consumption	4.6	4.0	(1.0)	0.3	5.4	3.0	6.1	2.4
Private investment	4.1	2.7	(8.2)	3.3	3.9	2.6	5.1	3.4
Public consumption	2.6	1.7	0.8	3.2	(0.2)	(0.1)	(0.2)	(1.4)
Public investment	2.8	0.1	5.7	3.8	(0.7)	2.4	(1.5)	1.8
Export value growth (USD b)	7.5	(3.3)	(6.6)	18.8	7.5	1.0	7.4	2.1
Headline inflation	1.1	0.7	(0.8)	1.2	6.3	2.5-3.5	6.3	3.0
Current account to GDP (%)	5.6	7.0	3.3	(2.2)	(3.6)	1.1	-	-
Number of tourist arrivals (m)	38.2	39.9	0.0	0.4	-	-	10.5	22.0

Sources: Bank of Thailand as of 29 Nov 22; Office of the National Economic and Social Development Council (NESDC) as of 21 Nov 22; Ministry of Commerce

Exhibit 21: Private consumption and consumer confidence
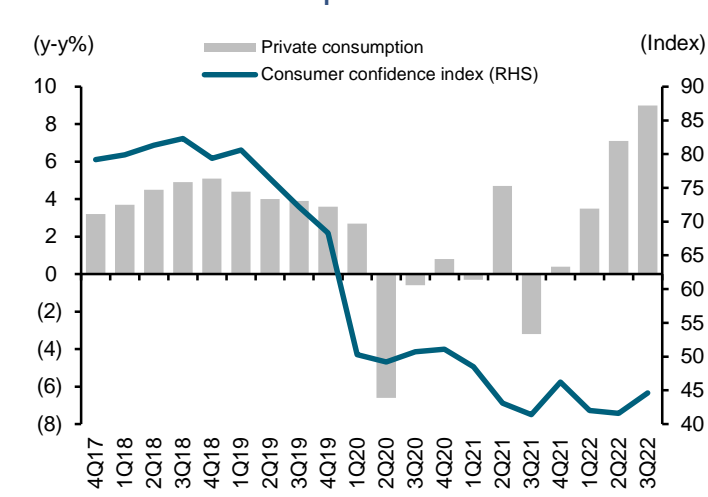
Sources: NESDC; University of the Thai Chamber of Commerce (UTCC)

Exhibit 22: Government consumption to drop

Sources: NESDC

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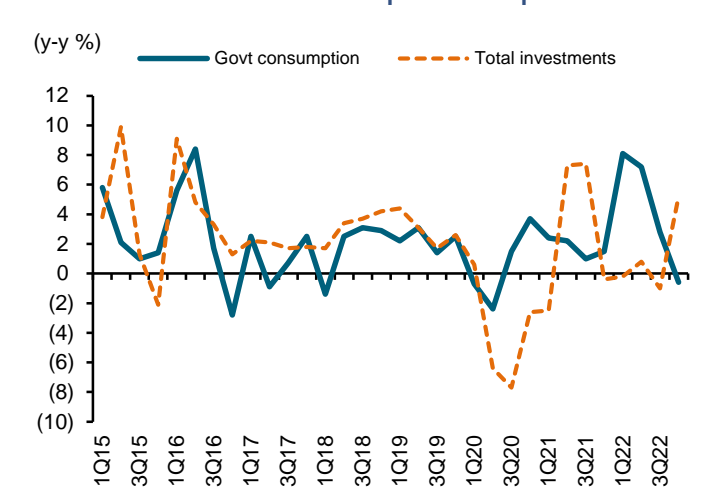
Exhibit 23: Export growth to slow from high base and global economic slowdown
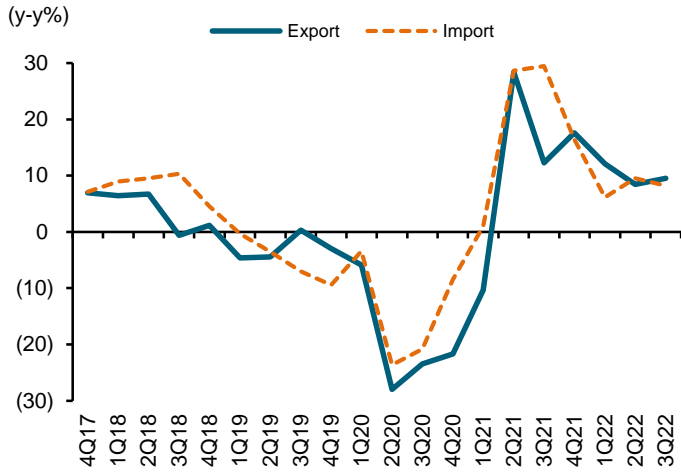
Source: NESDC

Exhibit 24: International tourist arrivals to jump in 2023-24
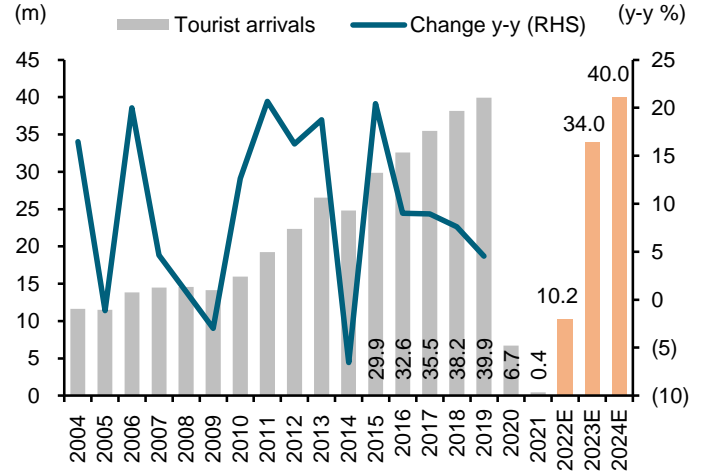
Sources: Bank of Thailand; FSSIA estimates

Exhibit 25: Key assumptions for tourist arrivals in 2023
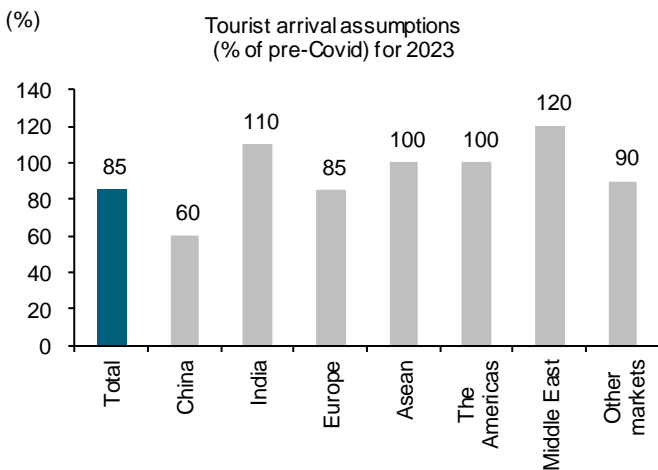
Source: FSSIA estimates

Exhibit 26: Spending per head compared to pre-Covid level
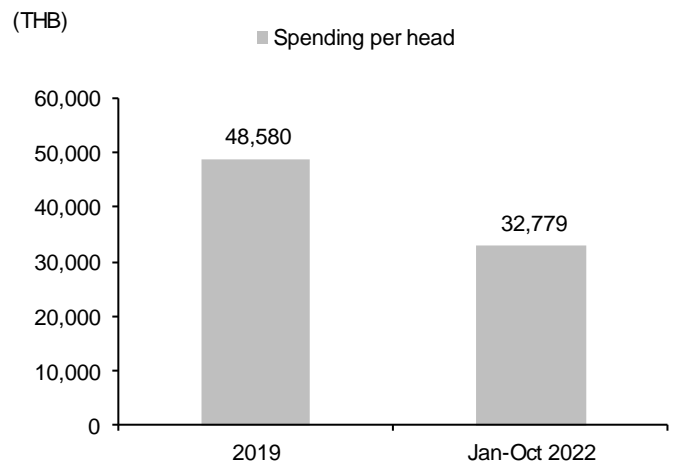
Sources: Tourism and Sports Division; Ministry of Tourism and Sports (MOTS)

Exhibit 27: Thailand's inflation has passed its peak
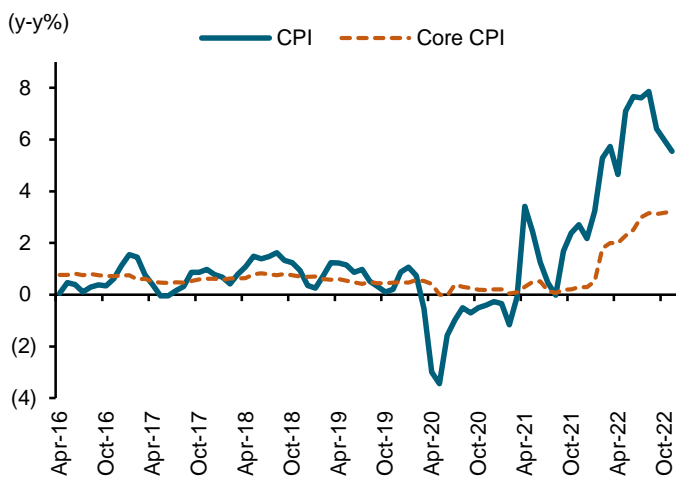
Source: Ministry of Commerce

Exhibit 28: Expect BoT to hike rate to 2% in 2023
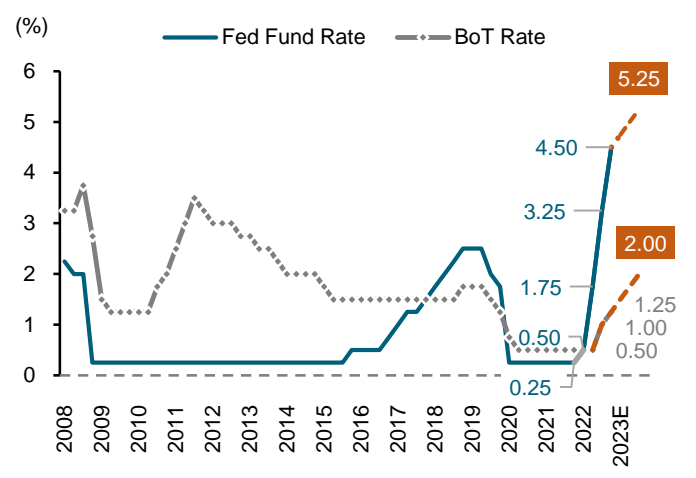
Sources: FOMC; BoT; FSSIA estimates

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General election to be another domestic driver in 1H23

Thailand's Election Commission has tentatively designated the 7th of May-23 as the date for the next general election after the four-year term of the current government ends. From our study based on data from the last five general elections, the SET index increased by an average of 5.3% during the three-month period before each election, with an 80% probability (i.e. four out of five times). Our study shows positive results from election periods because political parties are likely to spend their PR budgets during the campaign period. In the latest 2019 general election, the SET index went up by 3.5% during the period. The sectors that performed the best were commerce +3.4%, food +9.2%, media +9.4% and ICT +7.9%, all of which are domestic sectors. While the energy and petrochemical sectors at +5.1% and -5.2%, respectively, were more impacted by global commodity prices than internal factors. We expect the upcoming general election will have a positive impact, as indicated by the study, and be another driver to enhance domestic consumption. The National Thai Chamber of Commerce expects Thai parties' campaign spending to amount to THB70b-80b, which could benefit annual GDP growth by 0.4-0.6%.

Exhibit 29: SET index returns from last 5 general elections
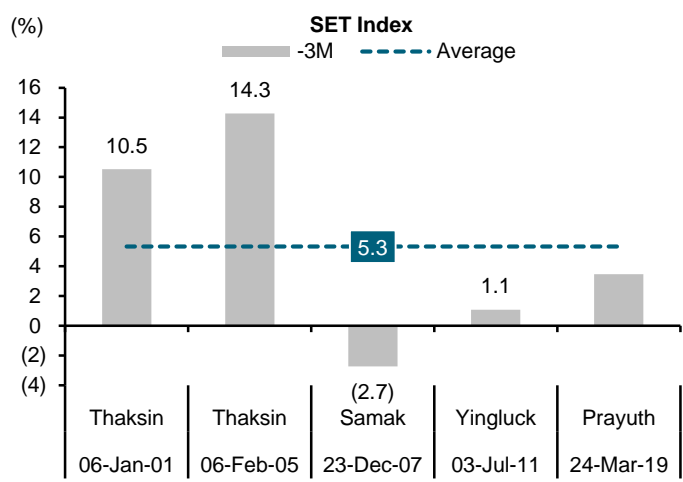
Sources: Bloomberg; FSSIA estimates

Exhibit 30: Commerce index returns from last 5 general elections
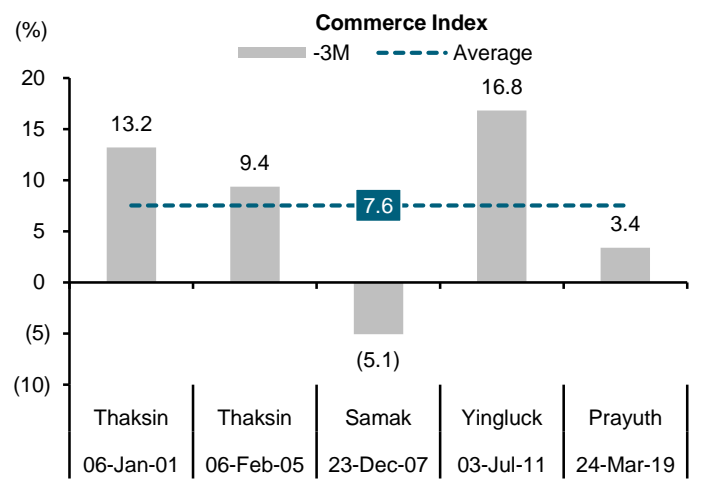
Sources: Bloomberg; FSSIA estimates

Exhibit 31: Food index returns from last 5 general elections
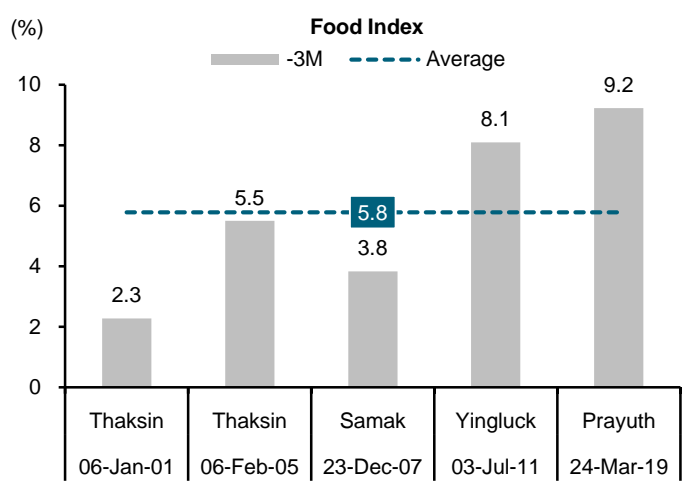
Sources: Bloomberg; FSSIA estimates

Exhibit 32: Media index returns from last 5 general elections
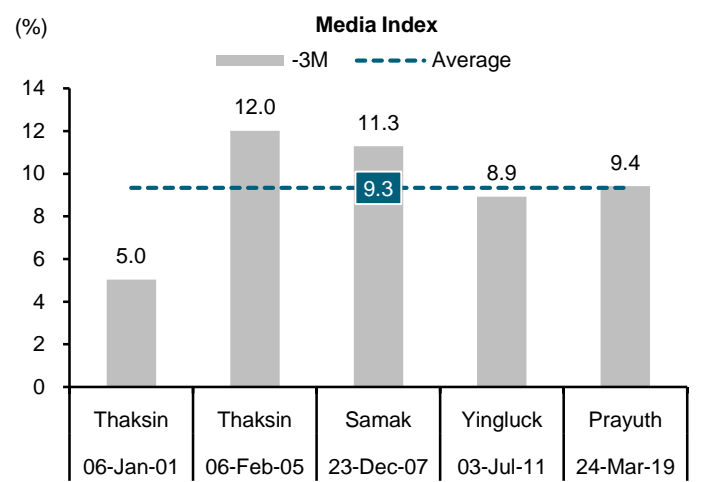
Sources: Bloomberg; FSSIA estimates

Exhibit 33:   ICT index returns from last 5 general elections
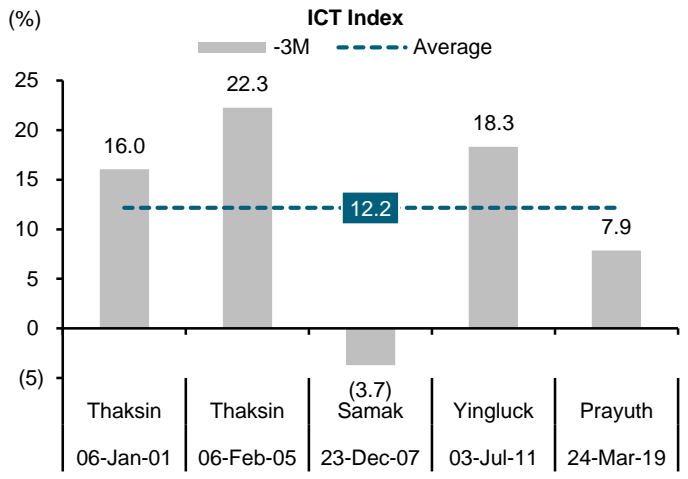
Sources: Bloomberg; FSSIA estimates

Exhibit 34:   Bank index returns from last 5 general elections
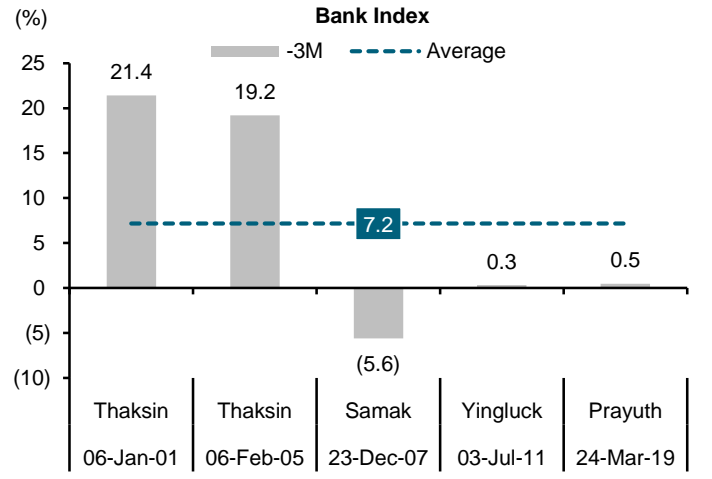
Sources: Bloomberg; FSSIA estimates

Exhibit 35:   Energy index returns from last 5 general elections
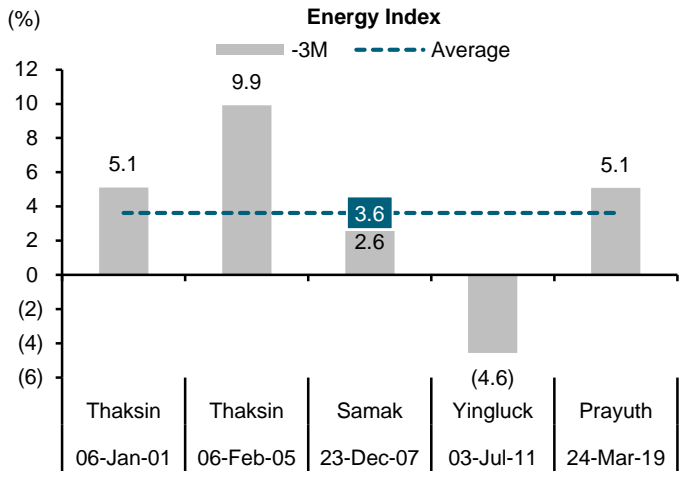
Sources: Bloomberg; FSSIA estimates

Exhibit 36:   Petro index returns from last 5 general elections
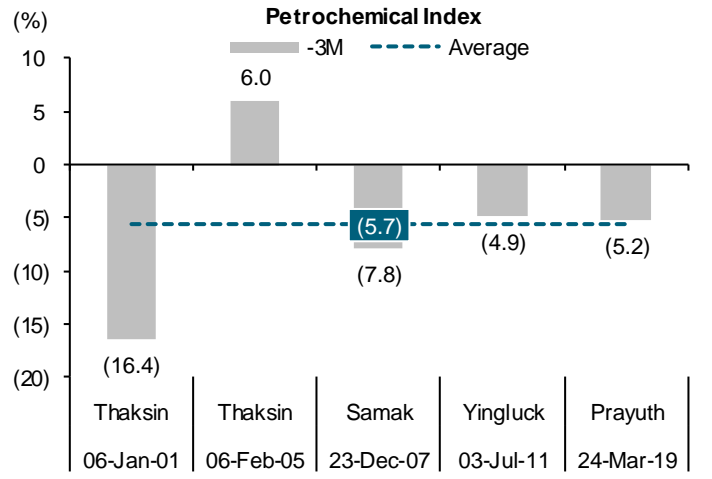
Sources: Bloomberg; FSSIA estimates

Foreign fund inflow likely to continue in 2023

Foreign fund flows in Asia should be mixed. ASEAN markets have different supportive factors: Indonesia and Malaysia benefit from commodity exports while Thailand's full reopening theme remains. We expect two key drivers to induce foreign fund inflows into the Thai equity market in 2023:

▪ **1) Upside from the recovery of global tourism** – We think strong tourism revenue will outweigh the potential recessions in the US and EU. Historically, during the Great Recession in 2009, foreign tourist arrivals into Thailand only dropped by 4%.

Exhibit 37: Accumulated foreign fund inflow vs weakening Thai baht in Thai equity market
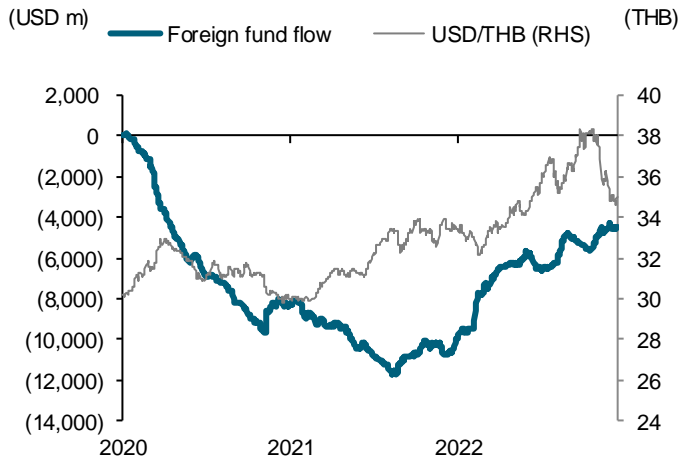
Source: Bloomberg, as of 16 Dec 2022

Exhibit 38: Foreign net buy in Thai equity market in 2022
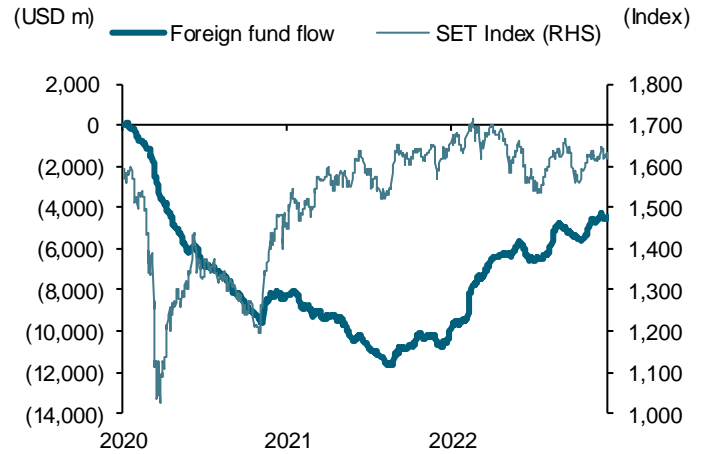
Source: Bloomberg, as of 16 Dec 2022

Exhibit 39: Regional fund flows, accumulated beginning of the year

Source: Bloomberg

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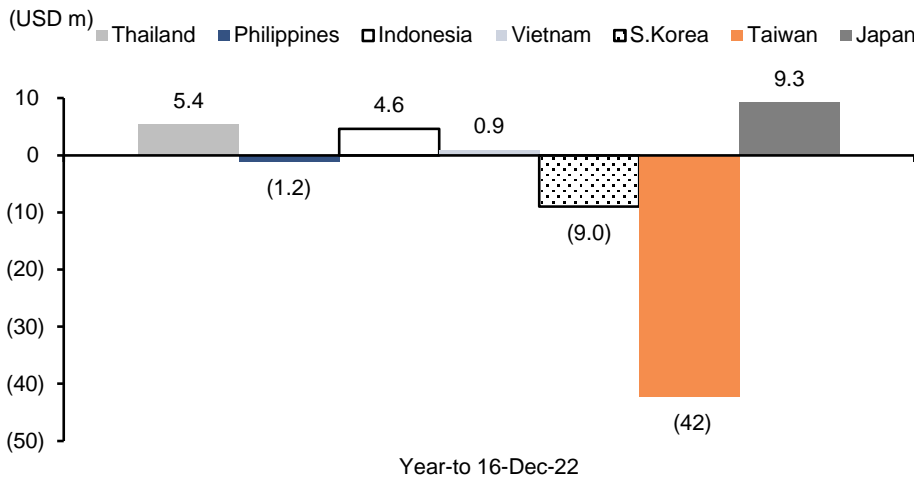
- **2) Upside from lower foreign ownership** – Foreign ownership in Thai stocks bottomed out in Oct-20 at 24.9% vs an average of 29% during 2015-19 and before Covid-19. We expect foreign investors to add positions in strong fundamental stocks against an accumulative net sell of USD4.5b from 2020 to 16-Dec-22.

Exhibit 40: SET index vs foreign ownership since 2008
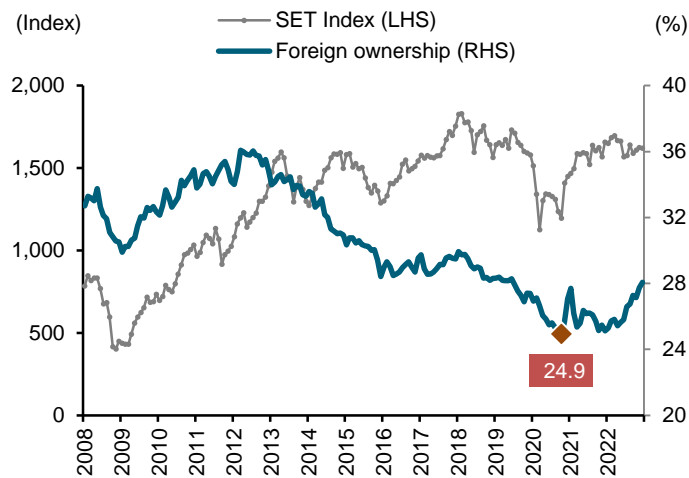
Sources: SET; FSSIA's compilation, as of 15 Dec 2022

Exhibit 41: SET index vs foreign ownership since January 2022
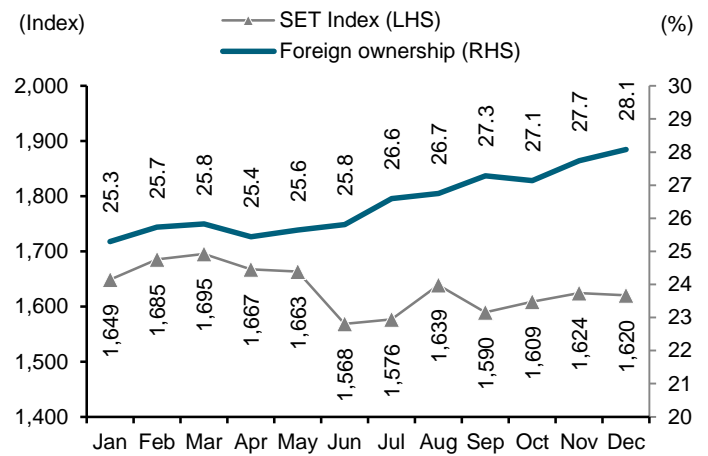
Sources: SET; FSSIA's compilation, as of 15 Dec 2022

Exhibit 42:   Regional fund flows, accumulated fund flows since January 2020
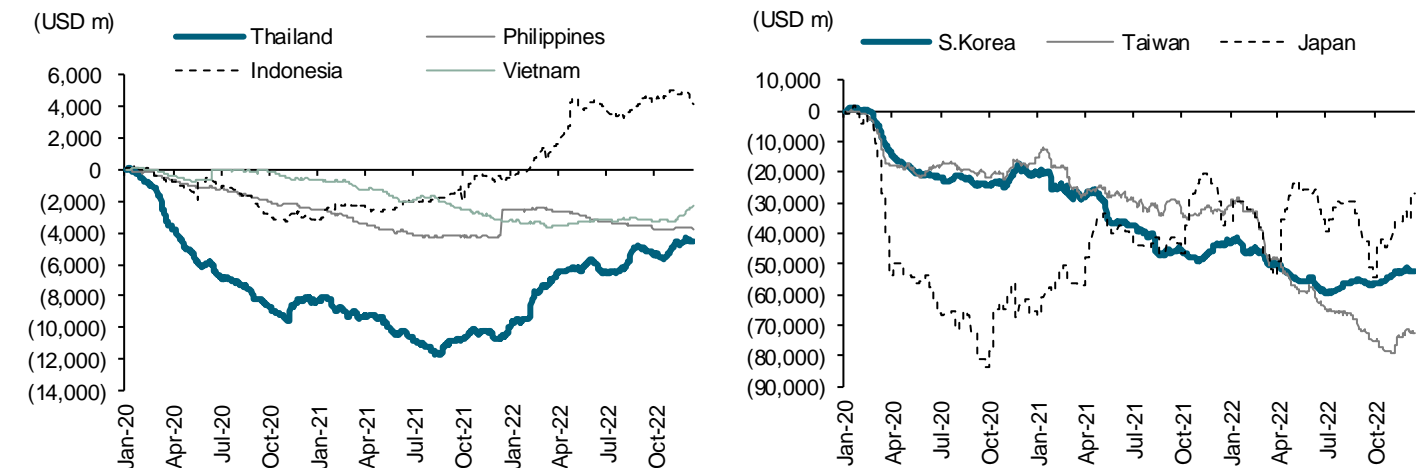
Source: Bloomberg, as of 16 Dec 2022

Thai baht to appreciate in 2023

Thailand is one of the world's top 10 countries in terms of tourism revenue as a percentage of GDP, with tourism revenue accounting for 12% of GDP during 2018-19 prior to the Covid-19 pandemic, and plunging to 2.7% of GDP in 2020 when the pandemic forced global lockdowns and halted international flights.

In 2023, we expect the THB to appreciate to the range of THB33-35/USD, supported by:

1) A potential increase in the Thai policy rate, as we expect the BoT to act to narrow the interest rate differential;

2) Strong tourism revenues which should turn the country's current account deficit into a surplus.

Exhibit 43: Annual trade balance, net services, and current account from 2005 to 10M22
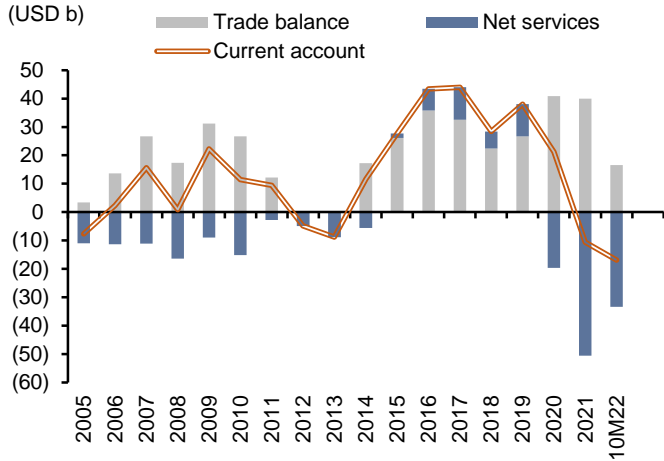
Source: Bank of Thailand

Exhibit 44: Monthly trade balance, net services, and current account from January 2020 to October 2022
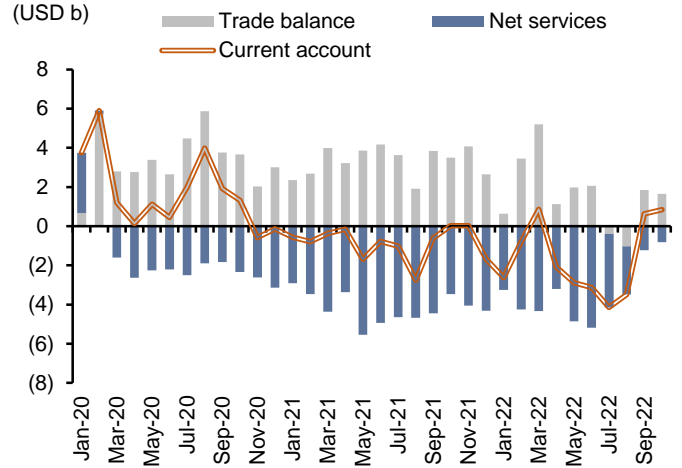
Source: Bank of Thailand

Exhibit 45: Tourist arrivals since 2008
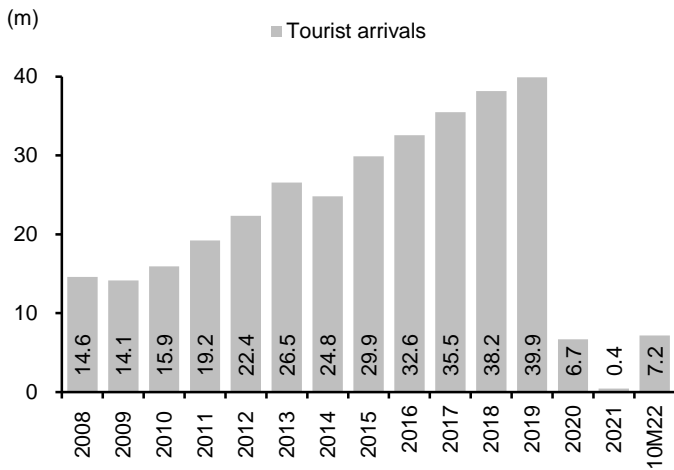
Source: Bank of Thailand

Exhibit 46: Tourist receipts as % of GDP
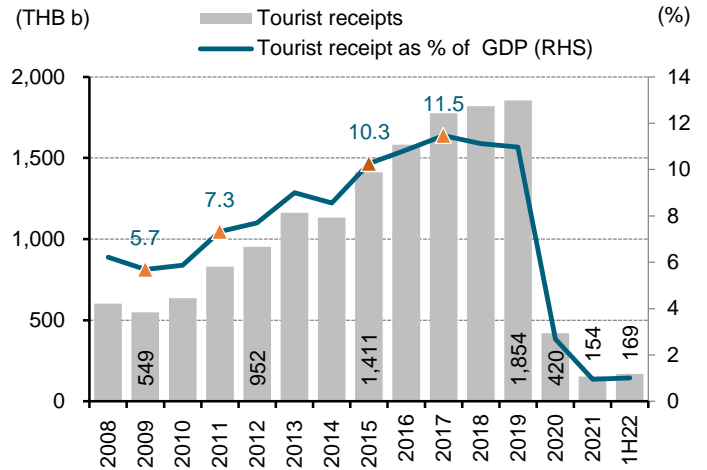
Source: Bank of Thailand

Exhibit 47: Relative performance of key currencies in Asia from end-2017 to 20 December 2022
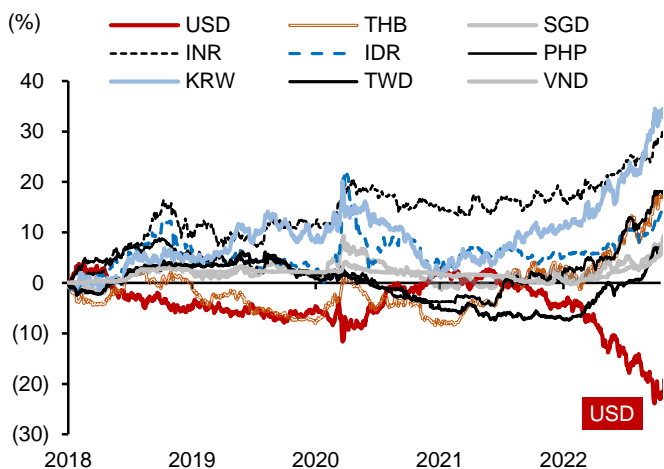
Sources: Bloomberg; FSSIA's compilation

Exhibit 48: Relative performance of key currencies in Asia from end-2021 to 20 December 2022

Sources: Bloomberg; FSSIA's compilation

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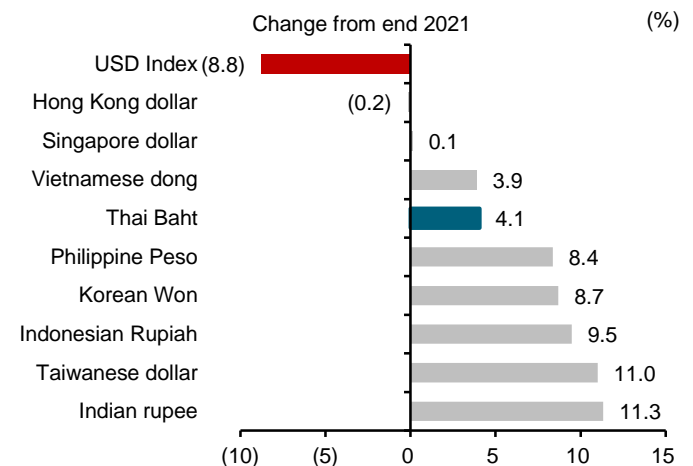
2023 earnings growth driven by domestic consumption and sector reopenings

We maintain our positive outlook on domestic sectors, especially consumption-related, in line with rising private spending. A decrease in the oil price which pressured global demand concerns should benefit purchasing power and consumer confidence in the short to medium term. Moreover, the return of international tourists should not only generate tourism revenue for the country but also boost consumption indirectly in some tourist areas, e.g. Bangkok, Pattaya, Hua Hin, Phuket, Chiang Mai, etc.

We expect the aggregate 2023 net profit of companies under our coverage to grow by 6.8% y-y, slower than the 19.8% y-y growth we project in 2022. In particular, domestic and reopening sectors should post healthy profit growth, i.e. tourism, contractors, commerce, utilities, food, and banks. Meanwhile, we expect global plays such as energy to report negative growth due to a decrease in the oil price. Petrochemicals still face poor demand and a narrow spread. Furthermore, export sectors should face headwinds from global economic risk and rapid THB appreciation.

Exhibit 49: SET index – EPS forecasts
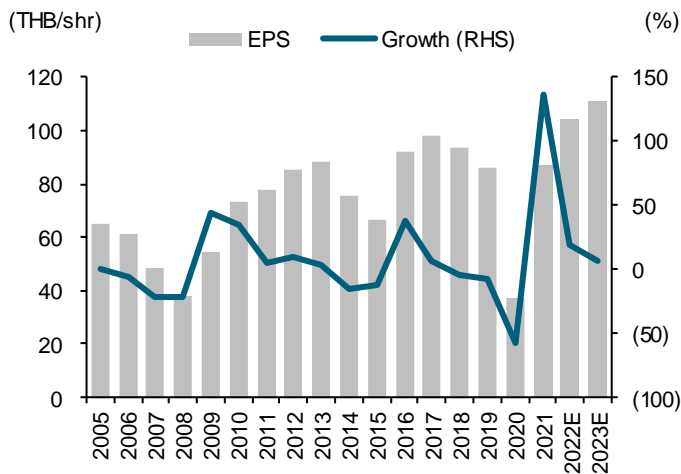
Sources: Bloomberg; FSSIA estimates

Exhibit 50: Earnings growth by sector

Sources: Bloomberg; FSSIA estimates

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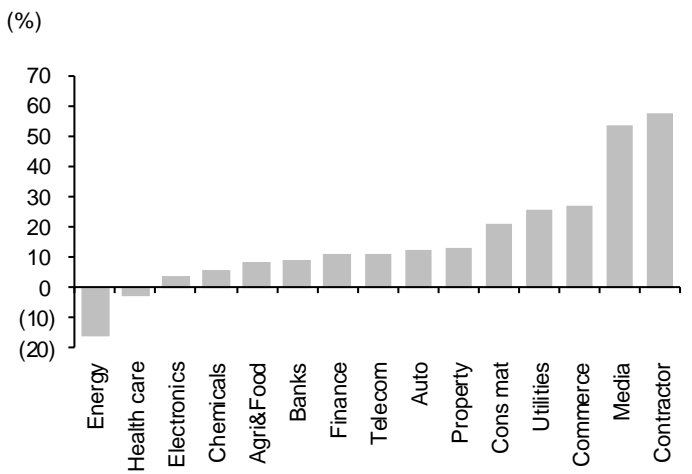
Our 2023 SET target is 1,750

Our 2023 SET target is 1,750, based on 15.7x 2023E P/E. We expect 2023 EPS to be at THB111, up from the THB104 EPS we estimate in 2022. Our target P/E of 15.7x is at a 10-year historical trading average of -0.25SD. We think our target is reasonable as it is backed by strong domestic sectors and a tight global monetary policy environment.

For 1Q23, we anticipate the SET to move within a range of 1,600-1,720. Key drivers should be a peak in the Fed funds rate, healthy 4Q22 corporate earnings, China's reopening, and the start of the general election campaign in Thailand.

Exhibit 51: SET historical PER

SET Index P/E (x)
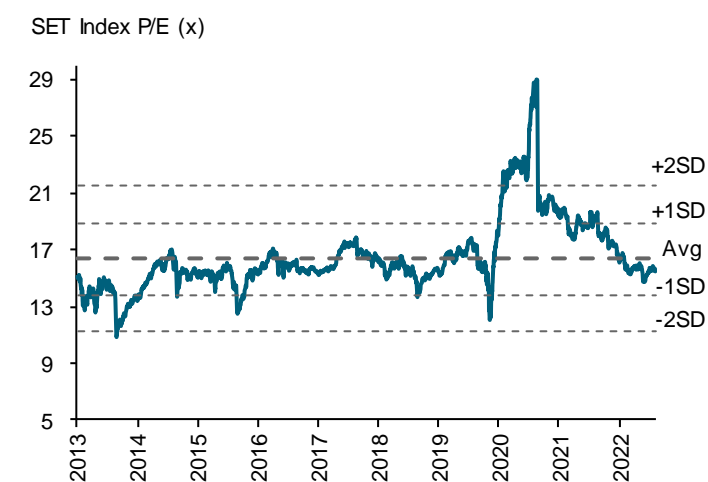
Sources: Bloomberg; FSSIA's compilation

Exhibit 52: SET historical P/BV

SET Index P/BV (x)
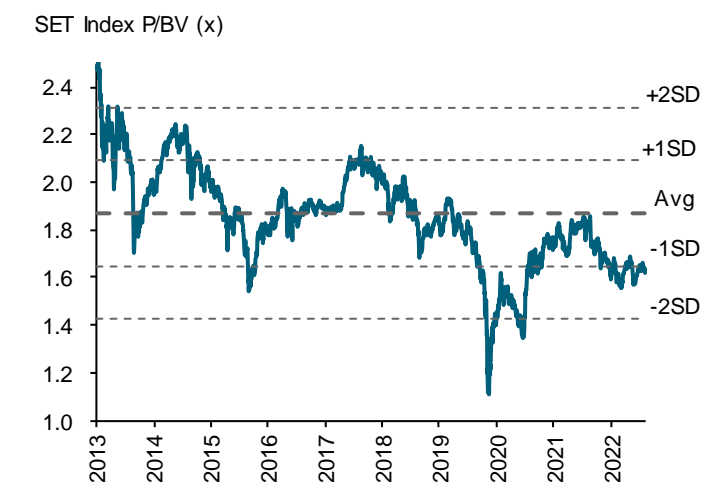
Sources: Bloomberg; FSSIA's compilation

Exhibit 53: SET target sensitivity

		------------------------------- Earnings per share -------------------------------		
		2022E	**2023E**	**2024E**
	EPS	104.2	111.3	129.5
		-------------------Target index based on FSSIA estimates -------------------		
	P/E (x)	**2022E**	**2023E**	**2024E**
SD+1.0	18.9	1,972	2,106	2,451
SD+0.5	17.6	1,839	1,964	2,285
SD+0.25	17	1,773	1,893	2,203
10-year average	16.4	1,706	1,822	2,120
SD-0.25	15.7	1,640	**1,750**	2,038
SD-0.5	15.1	1,573	1,680	1,955
SD-1.0	13.8	1,440	1,538	1,790

Source: FSSIA estimates

Three key investment themes and our top picks

Taking into account all of the factors mentioned above, we prefer domestic sectors over global ones. Key investment themes in 2023 are as follows:

▪ **Rise in domestic consumption** – Although a domestic consumption recovery is underway, we do not expect a strong rebound across the board in the short term. Medium to high-income segments should see healthy growth, as the pandemic did not have a huge impact on their purchasing power. On the other hand, the low-income segment might face some challenges in the beginning of the year and could take some time to recover. As a result, we anticipate stocks that target medium to high-income customers and those that do business related to necessary goods and services should see strong earnings momentum in 2023.

▪ **Reopening and tourism related** – We expect a sharp rise in the number of international tourists returning to Thailand in 2023 – more than 50% of the pre-Covid-19 level. That magnitude of increase should benefit reopening and tourism-related sectors such as hotels, airlines, and airports to post strong revenue growth momentum and especially support a turnaround in their bottom lines. Meanwhile, companies in the commerce and property sectors would also benefit from additional international demand.

▪ **Anti-commodity plays** – We anticipate that both hard and soft commodities prices could remain at a lower level compared to 2022 due to global economic concerns. This should ease pressure on the cost side, while THB appreciation would be another positive factor in terms of cheaper raw materials imported. The power sector should benefit from lower gas prices, and has catalysts in the form of the new fuel tariff rate hike and the 5,200MW renewable energy auction in early 2023.

Based on our investment themes, our top picks for 2023 are **BA, BDMS, CPN, ILINK, JWD, M, SHR, and TACC**.

Exhibit 54: FSSIA 2023 sector outlooks

Sector	Recommendation	Rationale
Energy & E&P	Neutral	The main risk for the sector is a global recession and China's Covid policy. Though China's reopening after the pandemic will doubtlessly drive oil demand, weak consumption during the exit wave is expected. Supply is likely to remain constrained due to OPEC+ output limits, the disruptions from the Russia-Ukraine war, and the low production investments worldwide. 2023 should be another year for oil price volatility amid bleak demand and constrained supply. We project oil prices to average between USD90-92/bbl in 2023, down from a projected USD100/bbl in 2022.
Utilities	Overweight	We expect strong demand after the return of tourism and the full economic reopening. For small power producers, we expect the high gas cost pressure on margins to continue, but it should be offset by the higher electricity price and subside q-q, as we expect the gas price to decline q-q due to the price cap policy of the EU and the higher LNG supply from the US. Upsides should come from new capacity growth from Vietnam's PDP8 and the upcoming tenders for 5.2GW of renewable energy projects in Thailand.
Petrochemical	Neutral	We expect the petrochemical industry to remain soft, though improve, in 2023 as demand slows, especially in the US and Europe. Although Chinese demand is expected to rise gradually, it would still be far below the pre-Covid level. Demand from end-users in the packaging, automotive, and construction industries has begun to recover from the pandemic, but due to China's policy changes, increasing supply creates challenges for the sector.
Banking	Overweight	Banks have benefitted from Thailand policy rate hikes and the increase in corporate loan yields in 2022. Higher bond yields should lead to higher demand for commercial bank loans. Banks' NIMs are expected to continue to widen. A rise in earning asset yields should outweigh the increase in funding costs. While high inflation hurts debt repayment ability, we believe this was alleviated by the long-term debt restructuring programs that banks offered to their clients which helped prevent asset deterioration. Credit cost should keep declining as banks have already set aside special provisions to provide a cushion from uncertainties in the previous quarters. SETBANK is trading at an undemanding 0.7x 2023E P/BV, despite the ROE recovery and the benefits from the rate uptrend.
Retail finance	Underweight	The sky is not as bright as before. It may take 1-2 quarters for the diversified financial sector to adjust their businesses to the new regulations on car and motorcycle hire purchases effective Jan-23. Given the rate caps for new cars/used cars/motorcycles at 10%/15%/23%, motorcycle hire-purchase operators would see the largest negative impact as the 23% rate cap is far below the current market rate of 30-35%. For the asset management company sector, there have been several negative factors including a low NPL supply, the delay (or probably cancellation) of JV AMCs between banks and AMCs, and slow cash collection from sticky inflation.
Food & Beverage	Overweight	Food: We prefer domestic to export names on the back of a stronger baht next year. Among domestic plays, we prefer restaurants to meats. Key growth drivers for restaurants are the tourism recovery and declining of raw material costs, which should offset higher utility costs. Beverage: We turn our interest to the energy drink sector due to the upcoming election and its share price underperformance in 2022. We like SAPPE and TACC which have visible earnings growth outlooks. They also trade at attractive valuations at 15x-17x 2023E P/E.
Electronics	Neutral	The outlook is cloudy with a chance of recession in the US and Europe. For the product segment, mobile and computer sales are expected to slow down in 2023. Global electric car sales have continued to grow strongly after recovering from the IC shortage. In addition, electronics companies would suffer a negative impact from the baht's appreciation.

Property	Neutral	We expect developers to continue to focus on low-rise projects, but the growth of the low-rise market should be lower thanks to the high demand base in 2021-22, while the number of new condominiums coming to market should increase from the low supply in 2021-22 and from a demand recovery for foreign buyers. However, they will also have to keep an eye on several challenges, including 1) uncertainty over economic growth; 2) rising interest rates; 3) the impact of inflation; and 4) the end of eased loan-to-value limits. We expect core earnings in 2023 to modestly increase by 9% y-y. NOBLE is our top pick as a turnaround play. Also, LH is attractive for its solid growth outlook.
Contractor	Neutral	Our forecast calls for the contractor sector's aggregate core earnings in 2023 to grow by 65% y-y due to the large backlog regarding the MRT Southern Purple Line and the double-track railway project, on which main construction is expected to begin in earnest in 1H23. Construction progress should go smoothly due to an improvement in the labour shortage and falling construction material prices. The general election should be held in May-23. Therefore, we anticipate the upcoming bidding for mega projects, including motorways, expressways, and the Red Line extension to occur in 2H23 at the earliest. The outlook for private sector investments should also gradually improve with the progress on infrastructure projects and the economic recovery. CK remains our top pick as we believe its backlog would hit a record high at THB250b in 1H23 from the signing of the Orange Line and Luang Prabang hydropower plant projects.
Healthcare	Overweight	We expect strong pent-up demand from international patients to continue in 2023 with the potential for China to reopen the country. Thai hospitals should capture medical Chinese tourists, especially for IVF treatments. Although Covid-related revenue has slowed down, we expect non-Covid Thai patient revenue to continue to grow, driven by higher health insurance revenue. In addition, we expect the Social Security Office (SSO) to increase its payment rate. This should benefit hospitals under the SSO scheme.
Retail	Overweight	We like the retailing sector given the positive SSSG trend and earnings recovery from seasonality. There are catalysts lining up, such as the reopening theme and the high season of the tourism sector, plus a series of economic stimulus packages to boost consumer spending during the New Year period. Tourism and private consumption are set to be key economic drivers going forward, and should help alleviate the impact of the global slowdown expected in 2023. The sector currently trades at an undemanding valuation of 28x 2023E P/E, lower than its 5-year average of 32x.
Land transport	Overweight	The recovery of mass transit ridership should continue in 2023. Ridership has currently reached 80% of the 2019 level (pre-Covid). We expect it to continue to grow and almost reach 90% ridership compared to the pre-Covid level in 2Q23. Moreover, the Pink and Yellow Lines, the two new mass transit lines, are expected to be fully operational in 3Q23. These two lines will provide Thai people with more public transportation options and should drive awareness of using mass transit as a viable option in the future.
Shipping	Underweight	Although many ports have currently returned to pre-pandemic productivity levels, the global economic slowdown and rising inflation in many parts of the world will limit demand for container trade in 2023, resulting in more free capacity and falling freight rates. The Shanghai Containerized Freight Index (SCFI) has currently fallen by 78% from its peak in Jan-22. The cargo freight rates from China bound to the US West Coast dropped 90% y-y as global trade has fallen fast. The delivery of new container ships commencing late 2023 threatens the capacity imbalance and should pressure freight rates further. The slower bulker speeds in order to reduce fuel consumption and meet International Maritime Organization emissions requirements should not significantly affect capacity, as ships have already been running at slow steaming. With weak demand but more vessels and containers, the return of a price war and market consolidation are likely in 2023.
ICT	Neutral	We have Neutral view on the ICT sector for next year. However, we have a positive view for 1Q23 given that 1Q is typically a great quarter for mobile network operators (MNOs). In eight out of the past 10 years (excluding the Covid year in 2020), the share prices of MNOs have seen positive returns. This is due to the dividend season, when MNOs pay the final dividend in March. Moreover, with the merger between DTAC and TRUE likely being completed during 1Q23, we believe this would be a good catalyst for MNOs to post solid movements on their share prices.
Media	Neutral	The sluggish 4Q22 performance due to weak advertising expenditure (adex), despite the high season, will likely continue into 1Q23, the low season. Therefore, we believe there should be no significant improvement in media companies' performance during 1Q23. This would directly impact TV media, which accounts for the biggest proportion of adex, given that TV adex usually grows in line with the industry's trend. Therefore, we prefer a selective buy strategy for the sector. Out-of-home (OOH) companies such as PLANB and MAJOR should continue to benefit from having more attention as a result of the recovery of OOH activity.
Auto	Neutral	The auto sector is showing substantial signs of improvement. Car production numbers, domestic sales, and exports should continue to grow from this year to 1.86m units (+3.4% y-y) in 2023. The solid momentum in 4Q22 should be the key support for 1Q23, the high season. This would be the key driver for the auto sector as revenue should continue to grow next year. However, we only have a Neutral view on the sector as the valuations of some companies are reaching the tipping point with a P/E of 9x, the mean P/E of the auto sector. Meanwhile, they are facing individual issues such as the steel price and electricity costs. Therefore, we prefer those companies that are less impacted by these issues.
Tourism	Overweight	We expect tourist arrivals to jump from 10m-11m in 2022 to 34m in 2023, with the key assumption that China should reopen its borders in 1H23. Without Chinese tourists, we still expect tourist arrivals of around 22m-26m. The RevPAR of hotel stocks should convert to pre-Covid levels, driven mainly by ADR, which started to exceed the pre-Covid level in 4Q22. This would imply earnings turnarounds for hotel stocks. We also expect AOT to turn profitable, led by the recovery of international passengers and the end of assistance measures for operators. For the aviation sector, we expect airlines to increase ticket fares to offset higher fuel expenses. The competition should lessen, which could lead to a potential turnaround.

Source: FSSIA estimates

Exhibit 55: FSSIA stock picks for 2023

Company	BBG code	Key rationale
Bangkok Airways	BA TB, BUY, TP THB15.60	Passenger volume has recovered to 60-70% in 4Q22 and should continue to recover to 80% in 2023, while ticket fares have already exceeded the pre-Covid level. We expect core profit to turn positive in 2023, driven by Samui Airport operations and a higher dividend from BDMS, plus steady share income from the cargo business.
Bangkok Dusit Medical Services	BDMS TB, BUY, TP THB33.00	We expect the strong pent-up demand from international tourists to continue in 2023. Overall, revenue from both Thai and international patients should exceed the pre-Covid level in 2023. This should lead to an EBITDA margin expansion and strong core profit growth of 10-15% in 2023, with the scope of an upside from the recovery of Chinese patients pending the border reopening.
Central Pattana	CPN TB, BUY, TP THB82.00	CPN is a major reopening play which should enjoy the return to normality after Covid-19. The company continues to expand its strong core businesses under the theme of retail-led mixed-use developments nationwide, comprising shopping centres, residential buildings, office buildings, and hotels. CPN has a five-year plan to invest in 180 projects in more than 30 provinces across the country by 2026. Marche Thonglor will open in early 2023. Central Nakhon Sawan and Central Nakhon Pathom are scheduled to open in 1Q-2Q24. CPN also aims to become the country's first real estate developer to achieve net zero by 2050.
Interlink Communication	ILINK TB, BUY, TP THB11.50	ILINK is entering a new growth phase in 2023 after winning a long-awaited submarine cable system to Koh Tao valued as large as THB1.8b, since Nov-21. Besides EPC projects, revenues from the distribution business, which is importing and distributing cabling products, networking equipment, and racks, looks bright, supported by infrastructure technology changes and the need to improve and develop clients' systems. Solar cables are one of the top sellers of the company, thanks to the increase in the electricity tariff.
JWD Infologistics	JWD TB, BUY, TP THB26.00	2023 should be a remarkable year for SJWD after the crucial merger between the two leading logistics and supply chain service providers, SCG Logistics Management (SCGL) and JWD Infologistics (JWD). The amalgamation of the strengths of the two companies which have no significant duplicate businesses should lead to the largest integrated logistics and supply chain service provider in eight countries in the ASEAN region, covering customers' needs in all industries. The merged company can reduce redundant costs, improve efficiency, increase investment opportunities, and strengthen capital structure.
MK Restaurants Group	M TB, BUY, TP THB66.00	In the short term, we expect 4Q22 net profit to grow q-q and y-y due to the festive season, which should drive an increase in traffic. We anticipate 2022 profit to jump by 11x y-y due to last year's low base. Also, it should surge by 47% y-y in 2023, close to its pre-Covid level due to business being reopened for a full year. In addition, the margin should be healthy since this year's price hikes should offset the increased cost entirely.
S Hotels & Resorts	SHR TB, BUY, TP THB5.00	SHR recently turned around in 3Q22, and we expect strong earnings growth in 2023, especially for Thai hotels (account for 20-30% of total revenue). Occupancy should improve by 5-10% and ADR should increase by 5-10% in 2023. We expect the entirety of SHR's portfolio to turn profitable in 2023. SHR is trading at a cheap valuation at below its book value of THB4.4/shr, while peers are trading at 2.0-3.0x P/BV.
TAC Consumer	TACC TB, BUY, TP THB10.00	We expect 4Q22 net profit to be flat q-q due to the expensive raw material prices. The 1Q23 outlook should be brighter after the high raw material prices subside. Management targets 2023 revenue growth at 10-15% due to 1) revenue from 7-Eleven, in line with the reopening and its store expansions; 2) non-7-Eleven revenue from the beverage and character businesses; and 3) M&A plans. We forecast 2022-23 profit growth of 9% y-y and 14% y-y, respectively. TACC currently trades at 14x 2023E P/E, the lowest in the beverage sector.

Source: FSSIA estimates

Exhibit 56: Summary of key valuations of FSSIA's top picks for 2023

Company	BBG code	--- Share price ---		Up side	-------- Recurring profit --------			---- EPS growth ----		----- P/E -----		DivYld	ROE	PBV
		Current	Target		21A	22E	23E	22E	23E	22E	23E	23E	23E	23E
		(THB)	(THB)	(%)	(THB m)	(THB m)	(THB m)	(y-y%)	(y-y%)	(x)	(x)	(%)	(%)	(x)
Bangkok Airways	BA TB	13.40	15.60	16	(3,899)	(2,414)	869	38.1	136.0	(11.7)	32.4	1.9	7.9	2.5
Bangkok Dusit Medical Services	BDMS TB	29.00	33.00	14	7,736	11,346	12,893	46.7	13.6	40.6	35.7	1.5	14.2	4.9
Central Pattana	CPN TB	71.00	82.00	15	3,380	10,800	12,904	219.5	19.5	29.5	24.7	1.5	15.4	3.6
Interlink Communication*	ILINK TB	6.95	11.50	65	359	364	469	1.2	29.0	10.4	8.1	5.8	9.8	1.0
JWD Infologistics*	JWD TB	20.80	26.00	25	454	599	691	31.9	15.3	35.3	30.6	17.6	16.0	94.5
MK Restaurants Group*	M TB	58.75	66.00	12	131	1,656	2,430	1,164.1	46.8	32.6	22.3	2.8	13.0	4.3
S Hotels & Resorts	SHR TB	4.08	5.00	23	(1,229)	(162)	438	86.8	370.3	(90.5)	33.5	1.2	2.8	0.9
TAC Consumer*	TACC TB	6.40	10.00	56	207	234	267	13.1	14.0	16.4	14.5	5.5	30.6	5.1

Share prices as of 30 Dec 2022
Source: FSSIA estimates; *FSS estimates

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Appendix

Exhibit 57: Change of indices before and after general election

SET Index	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
(7.1)	(3.5)	(2.2)	10.5	1.3	8.8	Thaksin Shinawatra	06-Jan-01	3.2	9.2	1.3	(4.7)	3.6	4.9	9.8
18.8	15.0	8.6	14.3	9.3	4.6	Thaksin Shinawatra	06-Feb-05	0.9	1.6	(6.1)	(5.0)	(6.0)	(9.1)	(5.4)
5.4	(5.7)	2.8	(2.7)	(5.4)	(1.3)	Samak Sundaravej	23-Dec-07	2.8	(9.0)	3.1	(0.8)	3.0	7.6	(5.5)
4.6	11.2	9.5	1.1	1.5	3.1	Yingluck Shinawatra	03-Jul-11	4.7	3.1	(3.8)	(21.5)	(12.2)	(5.6)	(5.0)
(5.9)	1.4	1.5	3.5	1.6	(0.8)	Prayuth Chan-o-cha	24-Mar-19	(1.2)	1.6	(2.0)	4.2	4.8	0.0	(1.0)
3.2	3.7	4.0	5.3	1.7	2.9	Average		2.1	1.3	(1.5)	(5.6)	(1.4)	(0.4)	(1.4)

Banks	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
1.9	5.1	11.1	21.4	11.1	19.8	Thaksin Shinawatra	06-Jan-01	7.5	13.3	0.1	(6.4)	9.8	(2.9)	(1.7)
23.0	18.7	19.2	19.2	7.4	2.2	Thaksin Shinawatra	06-Feb-05	1.4	(1.1)	(9.1)	(6.3)	(5.3)	(10.8)	(7.1)
(3.2)	(13.5)	(2.8)	(5.6)	(3.8)	(1.7)	Samak Sundaravej	23-Dec-07	1.9	(10.6)	5.8	5.2	8.9	10.0	(8.0)
7.7	15.2	9.9	0.3	3.9	7.2	Yingluck Shinawatra	03-Jul-11	7.0	(0.9)	(7.3)	(25.8)	(15.8)	(12.9)	(12.9)
(6.3)	(2.2)	(0.7)	0.5	0.0	(1.0)	Prayuth Chan-o-cha	24-Mar-19	(1.2)	(1.2)	(3.4)	(0.7)	(1.7)	(11.8)	(11.8)
4.6	4.7	7.4	7.2	3.7	5.3	Average		3.3	(0.1)	(2.8)	(6.8)	(0.8)	(5.7)	(8.3)

Energy	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
3.3	(0.8)	(8.9)	5.1	(7.0)	(0.1)	Thaksin Shinawatra	06-Jan-01	0.4	0.1	3.6	0.8	4.6	21.5	27.4
21.7	17.5	4.0	9.9	10.4	5.0	Thaksin Shinawatra	06-Feb-05	0.4	11.2	4.7	8.8	8.3	11.8	19.8
24.5	8.3	16.9	2.6	(5.8)	(2.3)	Samak Sundaravej	23-Dec-07	4.8	(12.1)	0.1	(6.7)	0.7	8.3	(6.2)
3.2	4.8	4.6	(4.6)	(1.1)	1.1	Yingluck Shinawatra	03-Jul-11	4.2	(1.0)	(9.4)	(28.5)	(18.4)	(11.4)	(9.2)
(8.4)	1.7	1.8	5.1	1.1	(0.6)	Prayuth Chan-o-cha	24-Mar-19	(1.6)	3.3	(3.7)	4.8	5.1	(2.2)	2.4
8.8	6.3	3.7	3.6	(0.5)	0.6	Average		1.6	0.3	(0.9)	(4.2)	0.1	5.6	6.8

Petro	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
(25.6)	(22.3)	(17.7)	(16.4)	(11.8)	(2.8)	Thaksin Shinawatra	06-Jan-01	2.7	1.4	0.5	(5.3)	(7.9)	(4.2)	4.4
17.7	13.8	(1.4)	6.0	2.1	2.8	Thaksin Shinawatra	06-Feb-05	0.0	8.4	(4.1)	(1.2)	(9.9)	(15.1)	(19.2)
21.1	(0.6)	7.3	(7.8)	(6.5)	2.6	Samak Sundaravej	23-Dec-07	2.7	(14.8)	(4.0)	(8.2)	(1.7)	1.7	(6.6)
(5.0)	10.5	9.9	(4.9)	(3.5)	7.0	Yingluck Shinawatra	03-Jul-11	5.4	(1.1)	(19.7)	(43.7)	(25.4)	(23.3)	(27.4)
(14.7)	(6.3)	(8.8)	(5.2)	1.6	(1.6)	Prayuth Chan-o-cha	24-Mar-19	(2.2)	(1.5)	(10.9)	(5.0)	(13.2)	(24.5)	(24.9)
(1.3)	(1.0)	(2.1)	(5.7)	(3.6)	1.6	Average		1.7	(1.5)	(7.6)	(12.7)	(11.6)	(13.1)	(14.7)

Media	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
(14.2)	(9.2)	(12.3)	5.0	(7.5)	2.2	Thaksin Shinawatra	06-Jan-01	1.2	7.0	0.8	(4.1)	(3.0)	(5.3)	7.9
8.9	4.9	4.6	12.0	11.5	8.2	Thaksin Shinawatra	06-Feb-05	1.6	(5.9)	(13.3)	(17.9)	(21.1)	(25.1)	(22.1)
4.9	3.4	11.6	11.3	9.9	3.6	Samak Sundaravej	23-Dec-07	2.9	(0.9)	10.0	10.0	11.2	14.1	2.4
12.0	17.5	8.1	8.9	2.2	2.4	Yingluck Shinawatra	03-Jul-11	5.4	8.6	4.7	(13.8)	(8.6)	(2.4)	5.5
(8.3)	4.0	7.6	9.4	4.4	2.9	Prayuth Chan-o-cha	24-Mar-19	(0.3)	11.9	5.2	11.2	21.1	16.2	11.3
0.7	4.1	3.9	9.3	4.1	3.9	Average		2.2	4.1	1.5	(2.9)	(0.1)	(0.5)	1.0

Commerce	---------------- Before election ----------------					Prime Minister	Election Date	---------------------------- After election ----------------------------						
-6M	-5M	-4M	-3M	-2M	-1M	Prime Minister	Election Date	+1D	+1M	+2M	+3M	+4M	+5M	+6M
1.2	5.1	(6.1)	13.2	2.3	3.3	Thaksin Shinawatra	06-Jan-01	0.7	(1.8)	1.1	2.8	1.2	1.3	4.4
1.2	4.3	4.7	9.4	7.3	3.5	Thaksin Shinawatra	06-Feb-05	0.4	5.9	5.4	3.1	6.5	4.9	5.5
(1.9)	(9.6)	(2.8)	(5.1)	(4.2)	(1.8)	Samak Sundaravej	23-Dec-07	1.8	0.8	6.8	8.5	9.1	12.1	7.6
14.6	23.9	21.7	16.8	10.0	4.3	Yingluck Shinawatra	03-Jul-11	4.6	14.0	16.7	(2.3)	3.4	18.2	22.7
(1.7)	7.2	4.5	3.4	(0.9)	(2.8)	Prayuth Chan-o-cha	24-Mar-19	(1.9)	1.6	(0.3)	6.9	9.0	8.4	2.6
2.7	6.2	4.4	7.6	2.9	1.3	Average		1.1	4.1	5.9	3.8	5.8	9.0	8.6

Sources: Bloomberg; FSSIA's compilation

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Exhibit 58: Change of indices before and after general election *(cont.)*

Property	------------------ Before election -----------------					Prime Minister	Election Date	------------------------------- After election -------------------------------						
-6M	-5M	-4M	-3M	-2M	-1M			+1D	+1M	+2M	+3M	+4M	+5M	+6M
(8.5)	(4.0)	(0.4)	8.6	8.1	6.0	Thaksin Shinawatra	06-Jan-01	2.3	27.1	11.4	10.9	14.1	16.7	37.9
23.5	17.0	12.9	22.2	13.4	7.2	Thaksin Shinawatra	06-Feb-05	2.0	(7.2)	(15.2)	(19.3)	(18.8)	(26.5)	(24.4)
0.0	(11.2)	(1.2)	(1.4)	(1.9)	1.1	Samak Sundaravej	23-Dec-07	2.7	(8.3)	7.4	9.1	10.9	9.5	(8.8)
3.5	12.1	6.9	(1.0)	(1.8)	2.8	Yingluck Shinawatra	03-Jul-11	6.2	5.7	4.2	(17.4)	(14.2)	(4.2)	(3.1)
(14.6)	(6.4)	(3.0)	0.4	(1.5)	(3.7)	Prayuth Chan-o-cha	24-Mar-19	(0.8)	3.2	0.6	5.8	6.6	0.2	(5.1)
0.8	1.5	3.1	5.8	3.3	2.7	Average		2.5	4.1	1.7	(2.2)	(0.3)	(0.9)	(0.7)

ConMat	------------------ Before election -----------------					Prime Minister	Election Date	------------------------------- After election -------------------------------						
-6M	-5M	-4M	-3M	-2M	-1M			+1D	+1M	+2M	+3M	+4M	+5M	+6M
(19.7)	(7.6)	(2.7)	15.8	2.9	7.1	Thaksin Shinawatra	06-Jan-01	1.8	1.8	(2.8)	(8.6)	2.4	17.5	25.1
14.9	14.1	7.7	15.5	10.9	0.9	Thaksin Shinawatra	06-Feb-05	1.5	0.2	(8.8)	(10.6)	(12.5)	(19.2)	(19.9)
(11.1)	(19.2)	(10.3)	(13.1)	(13.2)	(2.6)	Samak Sundaravej	23-Dec-07	0.6	(6.0)	(0.5)	(3.4)	(5.0)	(3.4)	(10.3)
2.1	13.5	13.6	2.4	(0.1)	2.9	Yingluck Shinawatra	03-Jul-11	4.1	1.4	(9.1)	(28.6)	(10.2)	(6.2)	(7.2)
(0.1)	10.2	4.6	9.3	4.4	(1.0)	Prayuth Chan-o-cha	24-Mar-19	(0.6)	(4.2)	(3.8)	(0.3)	(1.6)	(8.6)	(9.5)
(2.8)	2.2	2.6	6.0	1.0	1.5	Average		1.5	(1.4)	(5.0)	(10.3)	(5.4)	(4.0)	(4.4)

ICT	------------------ Before election -----------------					Prime Minister	Election Date	------------------------------- After election -------------------------------						
-6M	-5M	-4M	-3M	-2M	-1M			+1D	+1M	+2M	+3M	+4M	+5M	+6M
(12.1)	(3.1)	(2.6)	16.0	1.4	15.2	Thaksin Shinawatra	06-Jan-01	3.9	14.6	(1.8)	(7.1)	(3.3)	(1.3)	0.6
34.6	26.5	16.5	22.3	14.0	8.4	Thaksin Shinawatra	06-Feb-05	2.1	(4.6)	(16.6)	(14.7)	(18.5)	(20.0)	(14.3)
(8.0)	(18.6)	(11.5)	(3.7)	(4.5)	(0.7)	Samak Sundaravej	23-Dec-07	1.2	(0.5)	16.6	11.3	7.1	15.7	7.6
22.9	31.9	29.4	18.3	11.2	6.8	Yingluck Shinawatra	03-Jul-11	6.4	10.2	5.2	4.3	10.6	20.2	17.5
(4.7)	(0.1)	4.0	7.9	6.6	1.5	Prayuth Chan-o-cha	24-Mar-19	(1.6)	3.1	0.3	8.2	16.0	20.4	12.2
6.5	7.3	7.1	12.2	5.8	6.2	Average		2.4	4.6	0.7	0.4	2.4	7.0	4.7

Food	------------------ Before election -----------------					Prime Minister	Election Date	------------------------------- After election -------------------------------						
-6M	-5M	-4M	-3M	-2M	-1M			+1D	+1M	+2M	+3M	+4M	+5M	+6M
0.2	(2.2)	0.2	2.3	0.5	2.4	Thaksin Shinawatra	06-Jan-01	0.4	5.2	5.2	4.4	10.0	22.3	34.7
6.6	3.4	4.2	5.5	8.6	6.3	Thaksin Shinawatra	06-Feb-05	0.8	3.8	1.8	4.9	2.2	1.8	6.5
12.5	9.3	10.3	3.8	(2.7)	0.8	Samak Sundaravej	23-Dec-07	2.6	(4.2)	0.5	(0.2)	3.7	8.0	(1.3)
9.9	20.0	16.6	8.1	2.1	1.8	Yingluck Shinawatra	03-Jul-11	1.3	10.1	4.5	(13.3)	(3.8)	5.2	6.7
(2.5)	6.4	5.1	9.2	3.5	0.8	Prayuth Chan-o-cha	24-Mar-19	(1.1)	(0.1)	1.9	6.5	10.5	9.9	4.3
5.4	7.4	7.3	5.8	2.4	2.4	Average		0.8	3.0	2.8	0.5	4.5	9.5	10.2

Auto	------------------ Before election -----------------					Prime Minister	Election Date	------------------------------- After election -------------------------------						
-6M	-5M	-4M	-3M	-2M	-1M			+1D	+1M	+2M	+3M	+4M	+5M	+6M
(19.1)	(19.6)	(6.4)	(4.9)	(2.5)	1.5	Thaksin Shinawatra	06-Jan-01	0.7	(6.9)	1.9	7.8	11.1	32.7	38.8
3.4	6.9	7.2	16.6	14.2	11.6	Thaksin Shinawatra	06-Feb-05	0.1	0.0	(9.9)	(12.3)	(17.1)	(20.7)	(20.9)
1.7	(1.1)	3.4	0.6	2.0	(0.4)	Samak Sundaravej	23-Dec-07	1.0	(4.0)	3.2	1.8	2.0	7.4	(2.0)
(13.3)	(1.9)	0.0	1.7	6.3	0.5	Yingluck Shinawatra	03-Jul-11	1.2	7.8	4.7	(13.1)	(14.9)	(8.2)	(4.7)
(12.2)	(6.0)	(1.8)	1.3	(0.4)	(4.3)	Prayuth Chan-o-cha	24-Mar-19	(0.6)	1.8	(3.6)	(2.0)	(4.1)	(9.3)	(12.3)
(7.9)	(4.3)	0.5	3.1	3.9	1.8	Average		0.5	(0.2)	(0.7)	(3.6)	(4.6)	0.4	(0.2)

Sources: Bloomberg; FSSIA's compilation

FINANSIA

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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	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	MITSIB	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	WIIK
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	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

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
AMANAH	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 th e 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

Veeravat Virochpoka FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 13.40	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.
Bangkok Dusit Medical Services	BDMS TB	THB 29.00	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 price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Central Pattana	CPN TB	THB 71.00	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.
S Hotels and Resorts	SHR TB	THB 4.08	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.
CH. Karnchang	CK TB	THB 24.30	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.
Total Access Communication	DTAC TB	THB 46.75	BUY	The key downside risks to our DCF-based TP are if the amalgamation between DTAC and TRUE is unable to proceed, if there is stronger-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 4.84	BUY	The key downside risks to our DCF-based TP are if the 5G subscription gains and ARPU are worse than our expectation, if the company can reduce its costs worse than we expect, and if there is a slower-than-expected adoption of 5G use cases.
Plan B Media	PLANB TB	THB 7.60	BUY	The key downside risks to our P/E multiple-based TP are 1) a slower-than-expected adex recovery; 2) further waves of Covid-19; and 3) the future billboard tax.
Major Cineplex Group	MAJOR TB	THB 18.20	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, and the new wave of Covid.
Airports of Thailand	AOT TB	THB 75.00	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.

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 30-Dec-2022 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.