

Thailand Market Strategy

Economic growth, 4Q22 earnings are key factors

- We believe the policy rates of key central banks are nearly at their peaks amid slower inflation in the US and EU. 1Q23 economic growth is the key factor to watch.
- Key factors: possible early dissolution of parliament in Feb-23, 4Q22 earnings.
- Our 2023 SET target remains at 1,750; top picks for Feb-23 are BA, BDMS, BEM, CENTEL, and NOBLE.

Economic growth concerns starting to outweigh inflation fears

Key central banks around the world are expected to continue raising their policy rates before reaching a peak within 1H23. We think markets expect the Federal Reserve (Fed) to hike its rate to 4.75%-5% in Mar-23 and the European Central Bank to increase its deposit rate to 3.25% by mid-2023. In our view, these factors are mostly priced in, based on the drop in bond yields and the strong equity rally since 4Q22. We expect markets to focus on economic growth data instead of inflation as many economic indicators have continued to show slow or negative growth in recent months. All eyes will be on economic growth data in 1Q23 to assess whether the US and the EU can avoid a recession. As a result, the upside for global equities should be limited in the short term.

Parliament's dissolution likely?

We think there is a strong chance that Thailand's parliament will be dissolved in Feb-23. Our view is based on the 14 collapsed sessions of the House of Representatives due to lack of quorum last year, and the recent announcements by many political parties of their policy platforms and candidates for prime minister. If parliament is dissolved, a general election would likely be held in Apr-23. In the last two elections, the Stock Exchange of Thailand (SET) index increased by an average of 2.2% in the three months prior, which implies that the SET index might rise from c1,670 in Jan-23 to c1,700.

4Q22 real-sector earnings in focus

After the disappointing 4Q22 BANK sector earnings results, we expect the 4Q22 aggregate net profit for 136 companies (both reported results and Bloomberg estimates) to rise 9% q-q but fall 14% y-y. Domestic and reopening sectors such as COMM, TOURISM, TRANS, and PROP are expected to post strong growth both q-q and y-y thanks to the economic and tourism recovery. ENERG is likely to grow q-q as the crude price rebounds and record FX gains due to THB appreciation. On the other side, the key sectors we expect to report poor results are FOOD, CONS, CONMAT, and PKG.

Investment theme for Feb-23 targets earnings plays

We maintain our SET target of 1,750 in 2023, based on a target PER of 15.7x and EPS of THB111. The key drivers this month, in our view, are 4Q22 earnings announcements and general election developments, as our investment theme focuses on domestic earnings plays. Our top picks for 2023 are BA, BDMS, BEM, CENTEL, and NOBLE.



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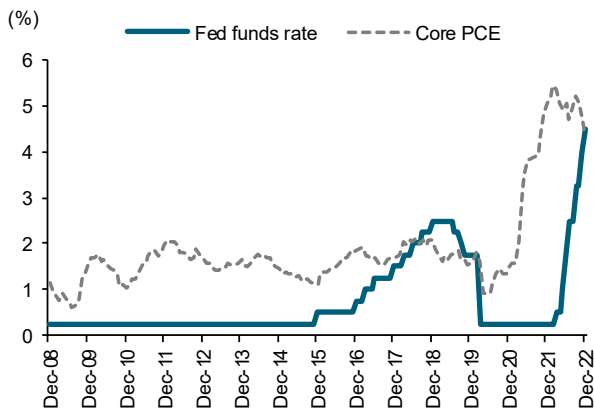
Market focus shifts to economic growth rather than inflation

The US Bureau of Statistics reported Dec-22 CPI at -0.1% m-m, +6.5% y-y, in line with market expectations of a drop from +0.1% m-m, +7.1% y-y in Nov-22. This shows that the pace of US inflation has gradually slowed for six consecutive months after reaching a peak in Jun-22. Core CPI was also lower at +5.7% y-y in Dec-22, down from +6% the previous month. Based on this trend as well as the FedWatch Tool and the FED's Dot Plot, we anticipate that US core CPI could drop to nearly 5% on a y-y basis in Mar-23 as the market anticipates a mere 0.25% Fed policy rate rise at the next two upcoming meetings in Feb-22 and Mar-22, resulting in a peak at 4.75%-5%. This scenario would be the first time since the Covid-19 pandemic that the core inflation rate matched the policy rate. Although the Fed funds rate is likely to stay high at this level at least until 4Q23, we expect the market to anticipate a near-term peak in interest rates ahead of possible rate cuts later this year or in early 2024.

A peak in interest rates implies positive sentiment for risky assets, which we think is reflected in the continued drop in US 10Y bond yields from 3.87% at the end of 2022 to c3.5% in Jan-23, and the rebound in global equities, with the MSCI world index +6% YTD and +17% from its lowest level in Oct-22.

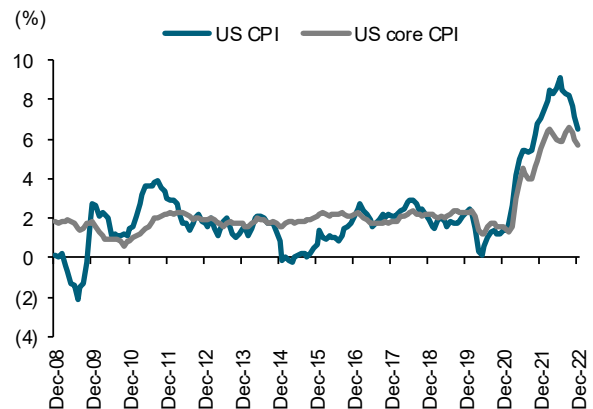
However, we think investors will shift their focus to growth fears rather than inflation in the next stage. In particular, Dec-22 US retail sales and industrial production both dropped by 1.1% m-m and 0.7% m-m, respectively, which was lower than expected and negative for two months in a row. We think this implies that the upside for global equities is likely to be limited after the strong mini rally early this year due to the market expecting the US economy to report a significantly slower or negative GDP growth rate in 2Q23 onward. This was reinforced by the latest US 4Q22 GDP report showing a rise of 2.9% q-q, which beat market estimates but was still down from 2.9% q-q in 3Q22.

Exhibit 1: US core PCE vs Fed funds rate



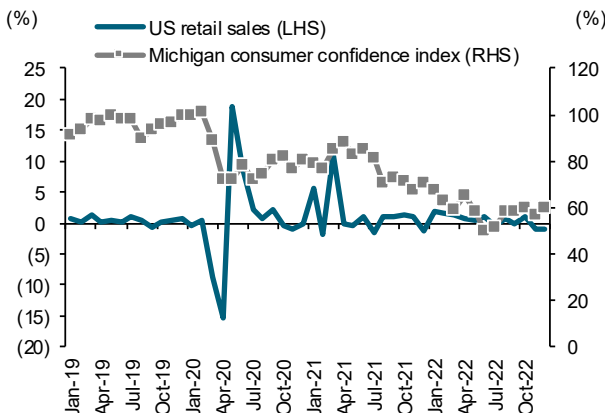
Sources: Bloomberg; FSSIA's compilation

Exhibit 2: US headline and core CPI



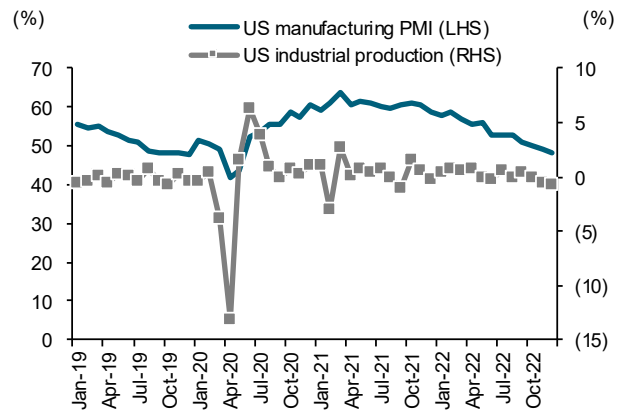
Sources: Bloomberg; FSSIA's compilation

Exhibit 3: US retail sales and industrial production



Sources: Bloomberg; FSSIA's compilation

Exhibit 4: US manufacturing and services PMI



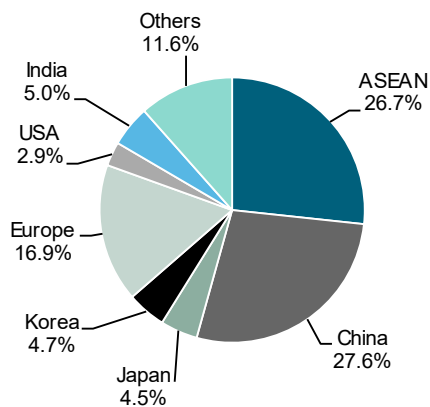
Sources: Bloomberg; FSSIA's compilation

China's reopening to benefit Thailand's economy, especially in 2Q23 onward

A key upside for the Thai economy comes from China's decision to lift its Covid-19 restrictions and open its borders with no quarantine on 8 Jan-23. We think this should benefit Thailand, and especially its tourism industry, as 27.6% of Thailand's international tourist arrivals in 2019 (c11 million visitors) were Chinese. We anticipate Chinese tourist arrivals to notably increase in 2Q23 as airlines increase international flights to China, based on figures from the International Air Transport Association's summer schedule from Apr to Sep-23. We estimate that for every million tourist arrivals, approximately THB50b in tourism revenue is generated, implying a 0.3% boost to Thailand's annual GDP.

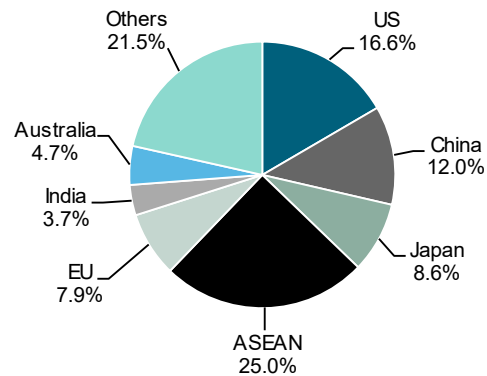
On the export side, China's economic acceleration in 2023 should increase the demand for commodities, raw materials, and products, which could boost Thailand's exports and partially offset decreased demand from a potential economic slowdown in the US and the EU. Note that Thailand's key export markets in 2022 were ASEAN, the US, China, and the EU, which contributed 25%, 16.6%, 12%, and 7.9%, respectively.

Exhibit 5: Tourist arrivals by country of origin (2019)



Sources: Ministry of Tourism and Sports; FSSIA's compilation

Exhibit 6: Thailand's exports by country (2022)



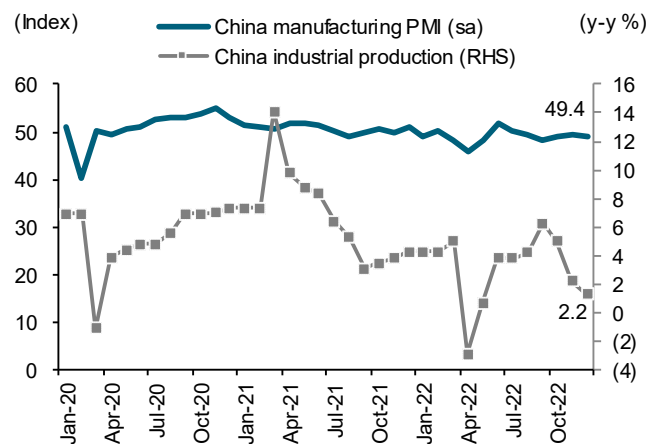
Sources: Ministry of Commerce; FSSIA's compilation

Exhibit 7: China's GDP growth



Sources: Bloomberg; FSSIA's compilation

Exhibit 8: China's manufacturing PMI and industrial production



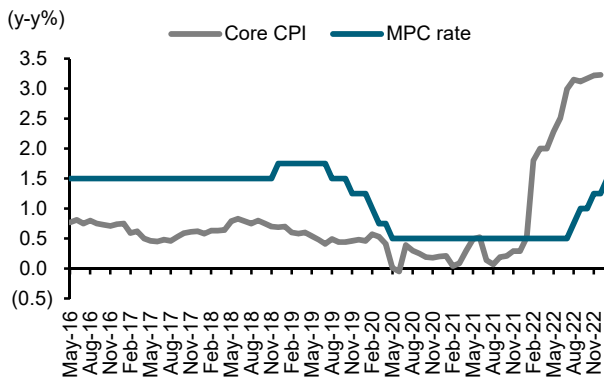
Sources: Bloomberg; FSSIA's compilation

Thai economy remains resilient after 0.25% rate hike in Jan-23

The Bank of Thailand (BoT)'s Monetary Policy Committee (MPC) raised its policy rate by another 0.25% to 1.50% in Jan-23, in line with our expectation and closer to the normal pre-pandemic level of 1.50%-1.75% in 2019. We continue to see the Thai economy accelerating in 2023 thanks to a demand recovery, especially in private sector spending and tourism. The BoT maintained its GDP growth projections of +3.3% and +3.7% in 2022-23, respectively, but recently revised up its international tourist arrival projection from 22m to 25.5m in 2023 compared to our projection of 34m. We maintain our prediction that the MPC will increase its policy rate to 2% after the next two meetings, which should result in BANK sector stocks continuing to outperform.

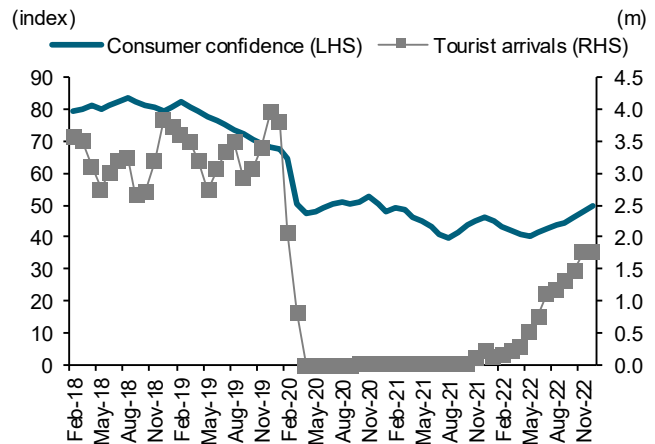
On the inflation side, Thailand's headline and core CPI in Dec-22 were up 5.89% y-y and 3.23% y-y, respectively, still above the BoT's target of 1%-3%. While we anticipate inflation to slow down this year, one key factor that might keep inflation high is the 20% electricity price hike for businesses from Jan to Apr-23 from THB4.72/unit to THB5.69/unit that may lead to higher pass-through costs for consumers. Also, the BoT mentioned in its latest statement that a demand recovery from the tourism sector could cause inflation to stay high for longer than expected.

Exhibit 9: Thailand's policy rate and core CPI as of Jan-23



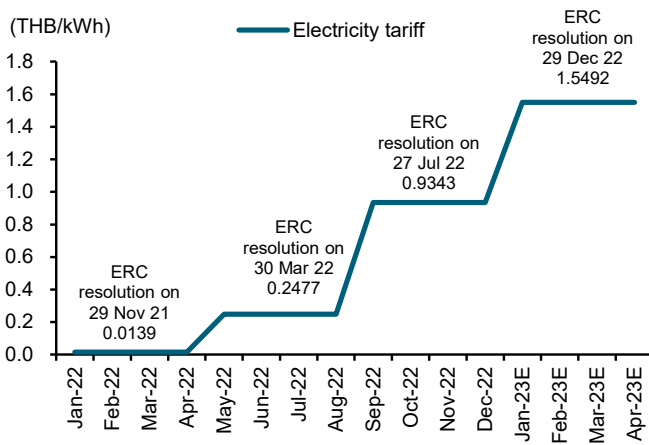
Sources: Bloomberg; FSSIA's compilation

Exhibit 10: Thai consumer confidence and monthly tourist arrivals



Sources: Bloomberg; FSSIA's compilation

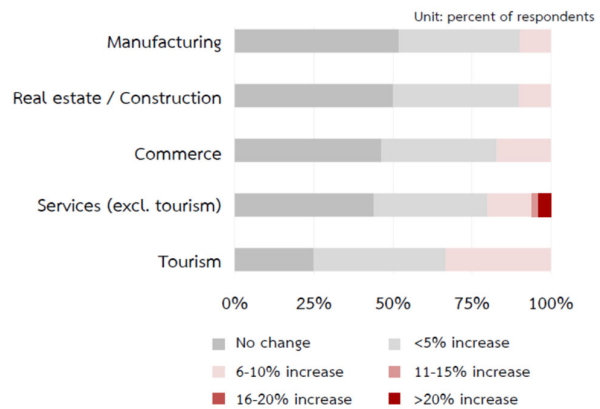
Exhibit 11: Electricity tariff hikes



Source: ERC

Exhibit 12: BoT warns potential increases in cost pass-through must be monitored going forward

Expected price increases due to rising costs in the next 3 months



Source: BoT

Exhibit 13: Thailand’s economic forecast

	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	25.5

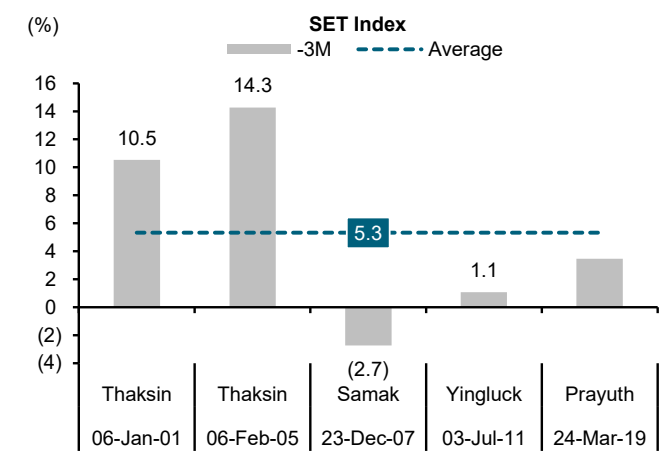
Sources: [Bank of Thailand as of 29 Nov-22](#); [Office of the National Economic and Social Development Council \(NESDC\) as of 21 Nov-22](#); Ministry of Commerce

Parliament to dissolve in Feb-23?

Due to lack of quorum, 14 sessions of the House of Representatives collapsed in 2022. As well, many parties have announced their campaign policy platforms and candidates for prime minister ahead of the upcoming general election – which is officially scheduled for 7 May-23. However, we think there is a good chance that parliamentary dissolution is likely to happen before the general parliamentary debate scheduled in mid Feb-23 due to its potential impact on the popularity of the current government. If this happens, the general election must be held within 45-60 days, which puts the election date in Apr-23, sooner than previously scheduled.

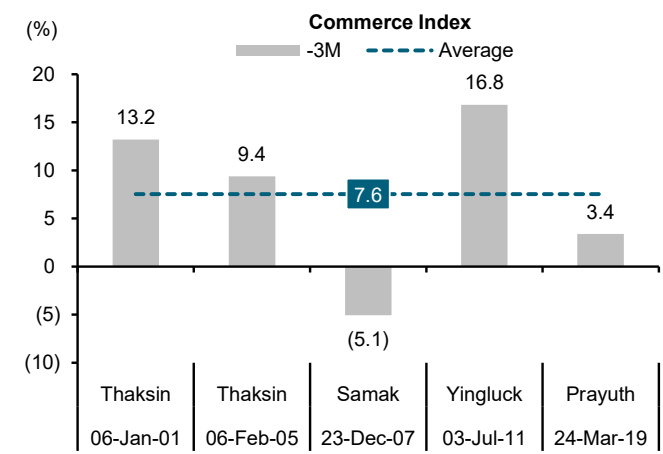
Our research paper [“Thailand Market Strategy - Global growth at risk, Thailand to outperform”, published on 2 Jan-23](#), noted that prior to the last two general elections in 2011 and 2019, the SET index went up by an average of 2.2%. This implies that the SET index might increase from c1,670 in Jan-23 to c1,700 by election time. However, we think the upside for the SET index could be more subdued this time following the strong 5% rally that began in Dec-22 after China announced its reopening plan.

Exhibit 14: SET index returns during the last five general elections



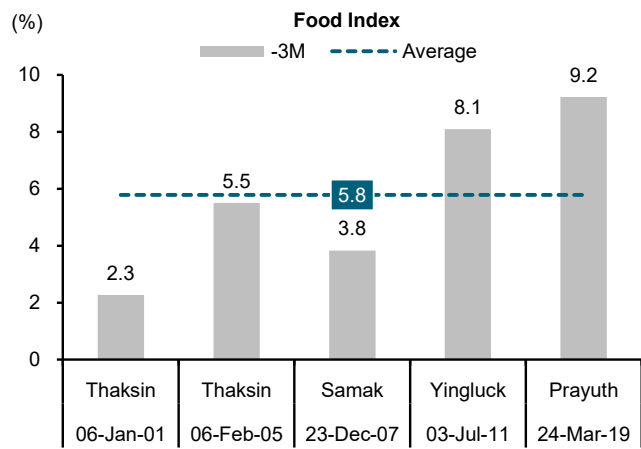
Sources: Bloomberg; FSSIA estimates

Exhibit 15: Commerce index returns during the last five general elections



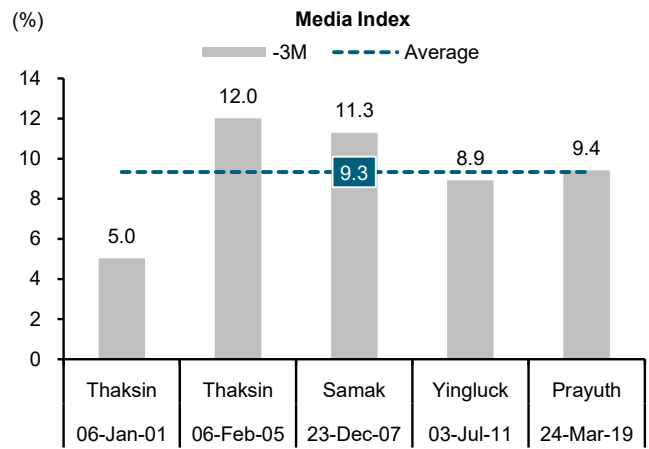
Sources: Bloomberg; FSSIA estimates

Exhibit 16: Food index returns during the last five elections



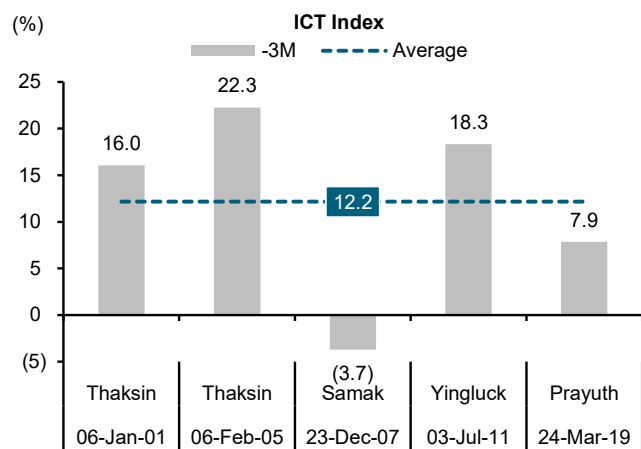
Sources: Bloomberg; FSSIA estimates

Exhibit 17: Media index returns during the last five general elections



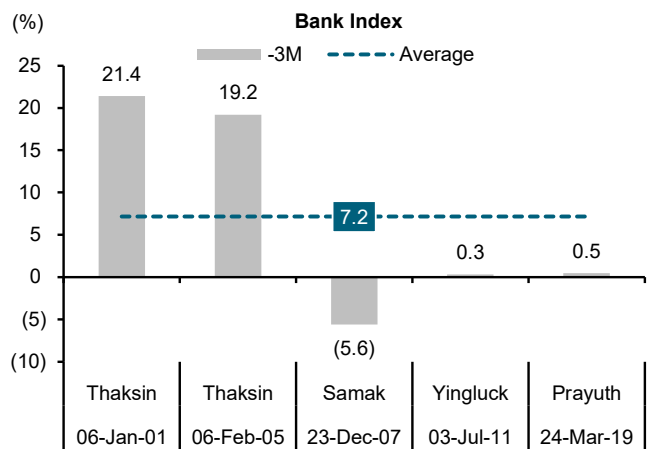
Sources: Bloomberg; FSSIA estimates

Exhibit 18: ICT index returns during the last five general elections



Sources: Bloomberg; FSSIA estimates

Exhibit 19: Bank index returns during the last five general elections



Sources: Bloomberg; FSSIA estimates

4Q22 corporate earnings in focus

In their 4Q22 earnings results, seven Thai banks (BBL, KBANK, KKP, KTB, SCB, TISCO, and TTB) reported an aggregate net profit of THB150b (-29% q-q, -7% y-y), missing market expectations by 23%. Negative factors were different for each bank. To elaborate, KBANK booked a huge expected credit loss, more than double q-q, while SCB reported higher-than-expected operating expenses. BBL saw losses on financial instruments measured at fair value to profit and loss, and KKP set aside additional provisions for its capital market business. However, all Thai banks showed impressive interest income growth – their main benefit from the BoT’s policy rate hikes in 2H22.

Based on 136 listed companies (both reported results and Bloomberg estimates), we expect 4Q22 aggregate net profit to rise 9% q-q but fall 14% y-y. Domestic and reopening sectors such as COMM, TOURISM, TRANS, and PROP are likely to post strong growth both q-q and y-y thanks to the recoveries in consumption and tourism. ENERG is likely to recover q-q as the crude price rebounds and companies record FX gains after the THB’s appreciation in 4Q22. Meanwhile, the key sectors we expect to have poor earnings growth are FOOD, CONS, CONMAT, PKG, and the export sector, due the low season, higher energy costs, and weak demand from China’s zero-Covid policy in 2022.

Excluding BANK sector earnings, we expect 4Q22 earnings to be up 27% q-q but down 17% y-y. If we exclude ENER and PETRO, the SET's 4Q22 earnings should be up 1% q-q but down 16% y-y. More details are in the table below.

Exhibit 20: 4Q22 earnings results summary of seven banks

	4Q21	1Q22	2Q22	3Q22	4Q22	----- Change -----		2021	2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
BBL	6,318	7,118	6,961	7,657	7,570	(1)	20	26,507	29,306	11
KBANK	9,901	11,211	10,794	10,574	3,191	(70)	(68)	38,053	35,769	(6)
KKP	2,023	2,055	2,033	2,083	1,430	(31)	(29)	6,318	7,602	20
KTB	4,944	8,780	8,358	8,450	8,109	(4)	64	21,588	33,698	56
SCB	7,879	10,193	10,051	10,309	7,143	(31)	(9)	35,599	37,546	5
TISCO	1,791	1,795	1,848	1,771	1,804	2	1	6,781	7,222	6
TTB	2,799	3,195	3,438	3,715	3,847	4	37%	10,474	14,195	36
Total	35,655	44,348	43,484	44,559	33,094	(26)	(7)	145,320	165,338	14

Sources: Company data; FSSIA's compilation

Exhibit 21: 4Q22 earnings forecasts by sector

Sector	4Q22E	3Q22	4Q21	Dif q-q	Dif y-y	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Energy & Utilities	48,638	30,318	54,997	18,320	(6,359)	60.4	(11.6)
Petrochem & Chemical	2,508	(5,247)	8,639	7,755	(6,132)	147.8	(71.0)
Transport & Logistic	3,887	(872)	(623)	4,759	4,510	545.6	724.0
Information & Comm Tech	9,422	6,649	10,035	2,774	(612)	41.7	(6.1)
Property Development	14,435	12,498	13,685	1,937	750	15.5	5.5
Commerce	13,106	11,394	24,191	1,712	(11,085)	15.0	(45.8)
Tourism & Leisure	492	(43)	(505)	535	997	1,235.2	197.4
Health Care Services	5,474	5,066	8,030	408	(2,556)	8.1	(31.8)
Finance & Securities	7,593	7,564	6,934	29	659	0.4	9.5
Professional Service	128	99	27	28	101	28.2	379.5
Personal Prod & Pharma	30	11	105	19	(75)	163.6	(71.3)
Fashion	106	100	98	5	8	5.2	7.7
Media & Publishing	239	272	176	(33)	63	(12.2)	35.9
Ind Material & Machine	870	956	908	(86)	(38)	(9.0)	(4.2)
Electronic Component	5,624	5,780	3,314	(156)	2,310	(2.7)	69.7
Steel	(86)	79	586	(165)	(672)	(208.9)	(114.7)
Agribusiness	428	683	54	(255)	374	(37.4)	689.7
Automotive	1,079	1,347	705	(268)	374	(19.9)	53.1
Construction Services	391	849	509	(458)	(118)	(54.0)	(23.3)
Packaging	449	1,837	2,116	(1,388)	(1,666)	(75.5)	(78.8)
Construct	1,014	4,560	10,943	(3,546)	(9,930)	(77.8)	(90.7)
Food & Beverage	11,796	16,626	9,747	(4,830)	2,048	(29.1)	21.0
Banking	41,053	53,815	42,403	(12,762)	(1,350)	(23.7)	(3.2)
Grand Total	168,674	154,342	197,074	14,331	(28,400)	9	(14)
Excl. Energy & Petrochemical	117,528	129,272	133,438	(11,743)	(15,909)	(9)	(12)
Excl. Banking	127,620	100,527	154,670	27,094	(27,050)	27	(17)
Excl. Energy & Petrochemical and Banking	76,475	75,456	91,034	1,019	(14,560)	1	(16)

Source: Bloomberg

Earnings plays are the investment theme for Feb-23

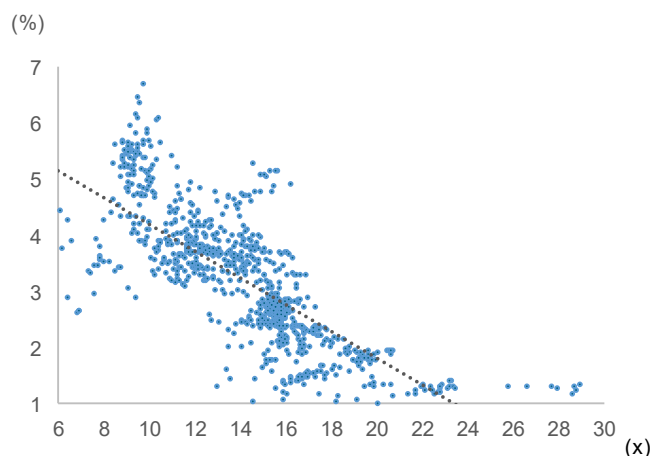
We maintain our 2023 SET target of 1,750 (based on EPS of 111 and a target PER of 15.7x, within -0.25SD of the 10-year average). The current SET index level implies only c4% upside after the strong c5% rally from the Dec-22 low. We expect to see some retreat in the short term due to sector rotation away from laggards. Furthermore, as Feb-23 is 4Q22 earnings announcement season, we expect stocks reporting strong 4Q22 net profits and bright outlooks in 1H23 to outperform. As a result, our top picks for Feb-23 are BA, BDMS, BEM, CENTEL, and NOBLE.

Exhibit 22: SET target sensitivity

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

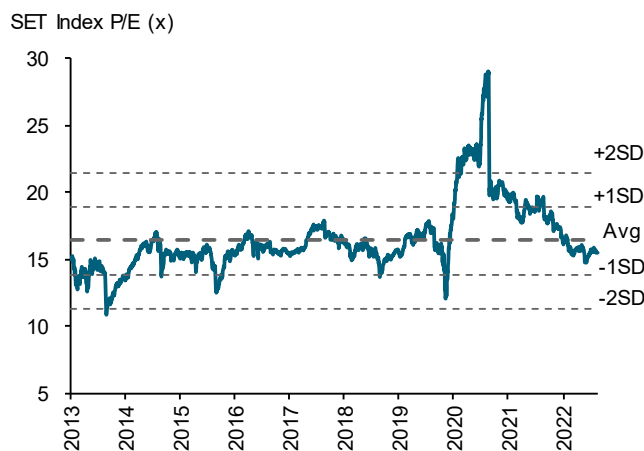
Source: FSSIA estimates

Exhibit 23: SET PER vs 10Y government bond yields



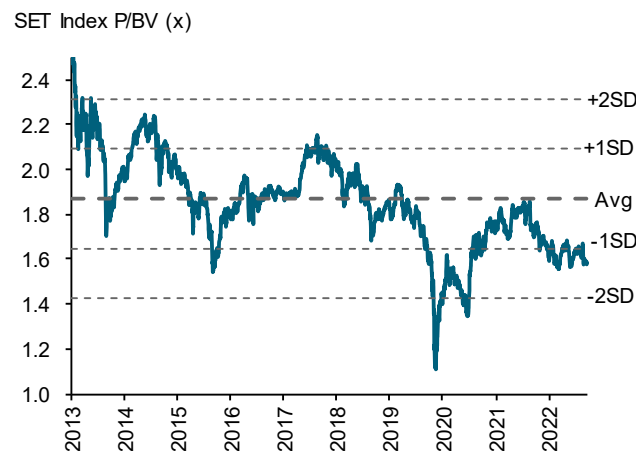
Source: Bloomberg

Exhibit 24: SET historical PER



Source: Bloomberg

Exhibit 25: SET historical P/BV



Source: Bloomberg

Exhibit 26: FSSIA stock picks for Feb-23

Company	BBG code	Key rationale
Bangkok Airways	BA TB, BUY, TP THB18.00	We think BA is the best tourism-related play in the SET as it trades at 19.5x 2024E P/E, lower than AAV (32x) and the hotel sector average (33x). Upside includes the return of Chinese tourists who account for c10% of revenue and gains from Samui Airport improvements (flight capacity expansion and terminal renovation). Despite the 4Q low season for Samui, BA's earnings have reached the breakeven point earlier than expected. The earnings momentum over the next three quarters is promising with China's reopening and the upcoming Samui high season (1Q23 and 3Q23), coupled with dividend income from BDMS in 2Q23.
Bangkok Dusit Medical Services	BDMS TB, BUY, TP THB34.50	BDMS is trading at 35x 2023E P/E, relatively in line with its five-year average of 34x. In our view, the key catalyst is the potential to capture more Chinese medical tourism. We forecast revenue to grow by 23% in 2022 (vs 22% according to management's guidance) and a further 6% in 2023 (vs management's projected 6%-8% growth over 2023-2025).
Bangkok Expressway & Metro	BEM TB, BUY, TP THB11.50	BEM is our top pick as we think the company will continue to enjoy a solid recovery in ridership, which could drive its earnings up 64% in 2023. Key catalysts, in our view, are 1) the potential for the Orange Line to be awarded to BEM within 1Q23; 2) the recovery momentum in both expressway traffic and mass transit ridership going forward that should remain solid; and 3) BEM's 4Q22 earnings which are expected to surge by 57% y-y to THB643m thanks to the solid recovery in both traffic and ridership.
Central Plaza Hotel	CENDEL TB, BUY, TP THB58	CENDEL should benefit from China's reopening given that Chinese guests accounted for 12% and 15% of room night bookings for Thai and Maldives hotels in 2019, respectively. We expect a 2023 core profit of THB2.1b, exceeding pre-Covid by 23%. We think organic RevPAR should recover to 90% of the pre-Covid level (vs management's guidance of 70%-80%), with inorganic growth including Centara Reserve Samui, Dubai Hotel and Osaka Hotel (opening in Jul-23) further driving revenue. CENDEL is trading at 33x/27x 2023E/2024E P/E (vs its five-year average of 31x). Share price catalyst is pent-up demand from inbound Chinese tourists.
Noble Development	NOBLE TB, BUY, TP THB6.40	NOBLE is attractive as one of the few property developers with a stellar 2023 profit outlook and normalized earnings that should jump 142% y-y, well above the property sector's overall core profit average that we expect to rise by a mere 9% y-y. NOBLE's share price is trading at 7.2x 2023E P/E, lower than its peers' average of 8.4x, with an expected annual dividend yield of 8.4% in 2023. We expect 4Q22 to be the best quarter of 2022 in terms of core net profit. We anticipate a robust core profit of THB400m-THB500m, up from THB139m in 3Q22, and a THB23m loss in 4Q21. We expect the earnings improvement momentum to continue in 2023, with core profit soaring to THB1.1b (+142% y-y), supported by sales from two newly built condo projects and presales from more newly launched low-rise projects.

Source: FSSIA estimates

Exhibit 27: Summary of key valuations for FSSIA's top picks for Feb-23

Company	BBG code	--- Share price ---		Up side (%)	----- Recurring profit -----			- EPS growth -		----- P/E -----			DivYld (%)	ROE (%)	PBV (x)
		Current (THB)	Target (THB)		21A (THB m)	22E (THB m)	23E (THB m)	22E (y-y%)	23E (y-y%)	22E (x)	23E (x)	24E (x)			
Bangkok Airways	BA TB	14.60	18.00	23	(3,899)	(1,813)	918	(53.5)	(150.6)	(16.9)	33.4	19.5	1.8	7.8	2.5
Bangkok Dusit Medical Services	BDMS TB	30.00	34.50	15	7,736	12,471	13,462	61.2	8.0	38.2	35.4	31.2	1.6	14.6	5.0
Bangkok Expressway and Metro	BEM TB	9.80	11.50	17	1,010	2,546	4,172	152.1	63.9	58.8	35.9	28.8	1.4	10.4	3.6
Central Plaza Hotel	CENDEL TB	52.00	58.00	12	(1,778)	225	2,138	(112.7)	849.9	311.9	32.8	26.8	1.2	11.1	3.4
Noble Development	NOBLE TB	5.65	6.40	13	672	446	1,080	(33.5)	142.0	17.3	7.2	6.8	8.4	17.8	1.2

Share prices as of 30 Jan 2023

Source: FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	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	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	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	WIJK
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
AMANA	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

Veeravat Virochpoka FSS International Investment Advisory Securities Co., Ltd

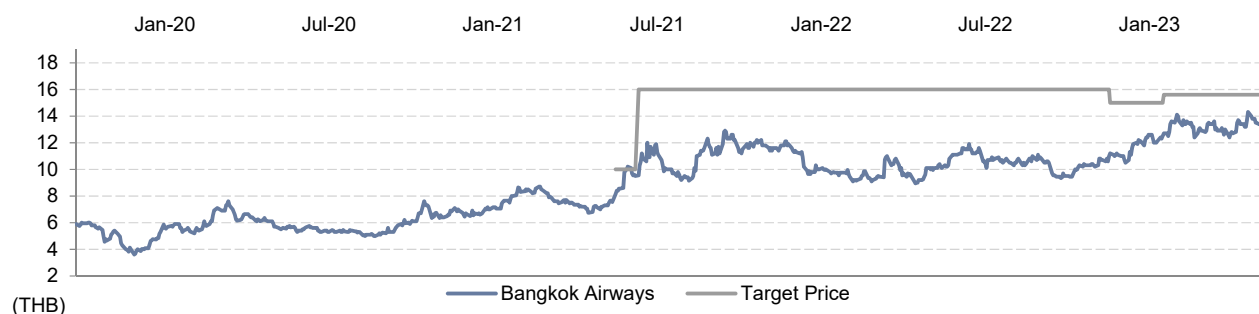
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Bangkok Airways (BA TB)



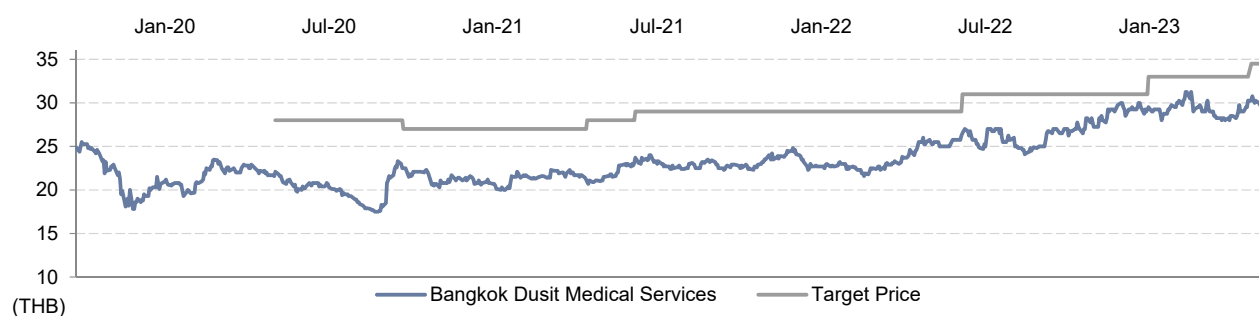
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Jun-2021	BUY	10.00	01-Sep-2022	BUY	15.00	25-Jan-2023	BUY	18.00
25-Jun-2021	BUY	16.00	20-Oct-2022	BUY	15.60			

Teerapol Udomvej, CFA started covering this stock from 04-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Dusit Medical Services (BDMS TB)



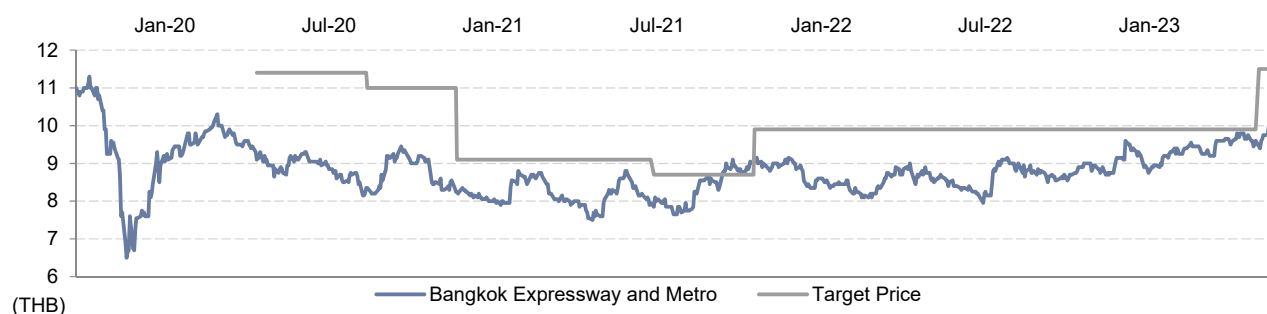
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jul-2020	BUY	28.00	24-Jun-2021	BUY	29.00	08-Jan-2023	BUY	34.50
24-Nov-2020	BUY	27.00	19-Apr-2022	BUY	31.00			
11-May-2021	BUY	28.00	06-Oct-2022	BUY	33.00			

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Expressway and Metro (BEM TB)



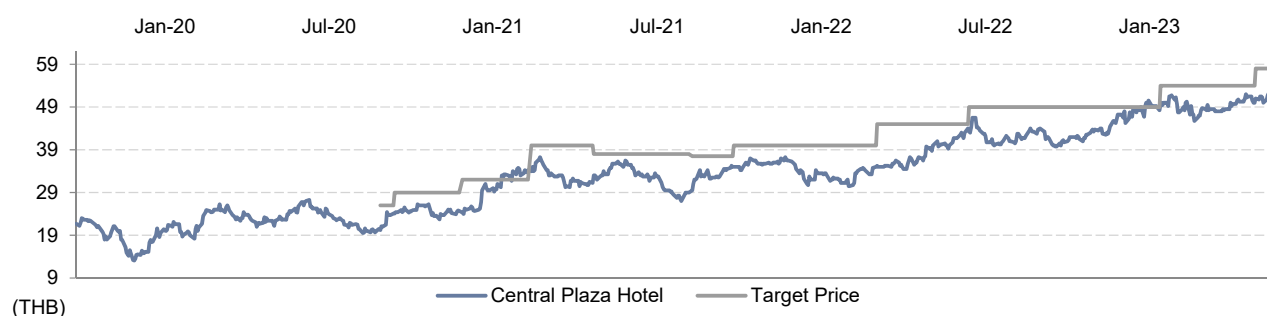
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Jul-2020	BUY	11.40	25-Feb-2021	BUY	9.10	13-Jan-2023	BUY	11.50
22-Oct-2020	BUY	11.00	09-Jul-2021	BUY	8.70			
12-Jan-2021	HOLD	9.10	11-Oct-2021	BUY	9.90			

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Central Plaza Hotel (CENTEL TB)



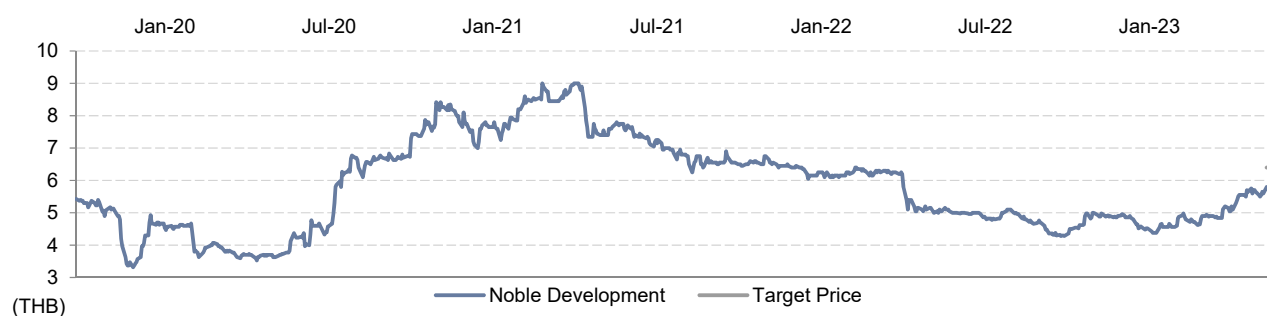
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	BUY	26.00	17-May-2021	BUY	38.00	25-Apr-2022	BUY	49.00
16-Nov-2020	BUY	29.00	13-Aug-2021	BUY	37.50	17-Oct-2022	BUY	54.00
15-Jan-2021	BUY	32.00	22-Sep-2021	BUY	40.00	12-Jan-2023	BUY	58.00
19-Mar-2021	BUY	40.00	31-Jan-2022	BUY	45.00			

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Noble Development (NOBLE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Jan-2023	BUY	6.40	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 20-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 14.60	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 30.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bangkok Expressway and Metro	BEM TB	THB 9.80	BUY	The key downside risks to our SoTP-based TP are 1) traffic and ridership recovering more slowly than our expectations; and 2) the company not winning the new mass transit project bids.
Central Plaza Hotel	CENTEL TB	THB 52.00	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.
Noble Development	NOBLE TB	THB 5.65	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; 4) delays in construction work and transfers; and 5) fierce competition.

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-Jan-2023 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.