

Thailand Market Strategy

Valuation ถูกแบบนี้ไม่ได้มีบ่อย ๆ

- ปัจจัยสำคัญที่อาจกำหนดทิศทางของตลาดจะอยู่ที่การประกาศกำไร 4Q24 ของบริษัทจดทะเบียน ซึ่งเราคาดว่าจะโตโดดเด่นทั้ง q-q และ y-y
- เราแนะนำให้นักลงทุนจับตาดูการดำเนินนโยบายการค้าของทรัมป์ซึ่งอาจก่อให้เกิด Downsides และทำให้เศรษฐกิจโลกและตลาดทุนผันผวน
- อย่างไรก็ตามเรามองว่าระดับ Valuation ของ SET ที่ต่ำขนาดนี้ไม่ได้เกิดขึ้นบ่อยครั้ง เรามองปัจจัยดังกล่าวว่าเป็นโอกาสสำหรับการลงทุนระยะยาวโดยเลือกใช้กลยุทธ์มุ่งเน้นไปที่กลุ่ม Domestic Play

ปัจจัยสำคัญในเดือนนี้อยู่ที่ผลประกอบการ 4Q24 ของบริษัทจดทะเบียน

เราคาดว่ากำไรสุทธิ 4Q24 รวมของบริษัท 145 แห่งที่เราทำการศึกษาจะสูงขึ้น 24% q-q และ 28% y-y จากฐานที่ต่ำทั้งใน 3Q24 และ 4Q23 ตัวเลขที่โตดี q-q ได้แรงหนุนจากราคาพลังงานที่สูงขึ้น ปัจจัยด้านฤดูกาลในอุตสาหกรรมท่องเที่ยวและการบริโภคในภาคเอกชนที่เร่งตัวขึ้น ในขณะที่ตัวเลขที่โตดี y-y เกิดจากกลุ่มที่เกี่ยวข้องกับการท่องเที่ยวและเศรษฐกิจในประเทศ อาทิเช่น ธนาคาร การพาณิชย์ ICT อาหาร ขนส่งและท่องเที่ยว ถ้ากำไร 4Q24 ออกมาตามคาด กำไรปี 2024 จะโต 9% y-y ใกล้เคียงกับที่เราคาด

คาดเศรษฐกิจไทยฟื้นตัวใน 4Q24 ในขณะที่นโยบายการเงินน่าจะยังคงเดิม

ตลาดคาดว่าเศรษฐกิจไทยจะโตดีที่ 0.7% q-q และ 3.7% y-y ใน 4Q24 จากการเร่งเบิกจ่ายงบประมาณ ปัจจัยด้านฤดูกาลในอุตสาหกรรมท่องเที่ยวและการบริโภคในภาคเอกชนที่สูงขึ้นจากมาตรการกระตุ้นเศรษฐกิจ ส่วนภาพทั้งปีการเติบโตของ GDP น่าจะเร่งตัวขึ้นจาก 2.7% ในปี 2024 เป็น 2.9% ในปี 2025 ด้านนโยบายการเงินเราคาดว่า ธปท. จะคงอัตราดอกเบี้ยนโยบายไว้ที่ 2.25% เพื่อรักษาความคล่องตัวในด้านนโยบายท่ามกลางความไม่แน่นอนที่เพิ่มขึ้นและเพื่อประเมิผลกระทบทของมาตรการลดอัตราดอกเบี้ย อย่างไรก็ดีเราคิดว่ายังมีโอกาสที่อัตราดอกเบี้ยนโยบายจะลดลงอีก 25-50bps ในปี 2025 ทั้งนี้เราคิดว่า กนง. จะรอดูความเคลื่อนไหวของเฟดในครั้งต่อไปก่อนโดยน่าจะเกิดขึ้นในเดือน พ.ค. หรือ มิ.ย. 2025 ดังนั้นการปรับลดอัตราดอกเบี้ยจึงอาจเกิดขึ้นในเดือน เม.ย. 2025 เป็นอย่างเร็ว อย่างไรก็ตามเราคิดว่าน่าจะเกิดขึ้นในเดือน มิ.ย. 2025 มากที่สุด

จับตาดูการบังคับใช้นโยบายการค้าของทรัมป์

กองทุนการเงินระหว่างประเทศ (IMF) ได้ปรับเพิ่มประมาณการตัวเลขการเติบโตของเศรษฐกิจสหรัฐ เป็น 2.7% ในปี 2025 ในขณะที่การเติบโตในเขตเศรษฐกิจที่ใช้เงินยูโรและเศรษฐกิจที่พัฒนาแล้วอื่น ๆ น่าจะยังไม่สดใสและเศรษฐกิจของตลาดเกิดใหม่น่าจะยังโตดี เมื่อไม่นานมานี้ตลาดได้ปรับตัวลงเล็กน้อยจากความกังวลเกี่ยวกับนโยบายการค้าของทรัมป์ อย่างไรก็ตามในสัปดาห์แรกของการดำรงตำแหน่งเป็นครั้งที่ 2 ของทรัมป์นั้นไม่ได้มีการดำเนินนโยบายอย่าง Aggressive อย่างที่ตลาดกังวล ในขณะที่ทรัมป์ต้องการให้เฟดลดอัตราดอกเบี้ยลงในทันที และธนาคารกลางอื่นๆควรจะต้องปรับลดตาม เราแนะนำให้ตลาดจะจับตาดูการบังคับใช้นโยบายการค้าของทรัมป์ต่อไปในอนาคตซึ่งน่าจะกระทบเศรษฐกิจและการค้าโลกโดยเฉพาะในช่วง 2Q25-2H25

Valuation ต่ำระดับนี้ไม่ได้เห็นบ่อยครั้ง

ประมาณการกำไรต่อหุ้นของ SET ในปี 2025 ที่ 98 บาทของเรามีแนวโน้มถูกปรับลดลงราว 2-3% และทำให้เรามีแนวโน้มปรับลดเป้า SET ในปัจจุบันที่ 1,600 เหลือราว 1,500 อย่างไรก็ตามเรายังมองว่า SET ในปัจจุบันเป็นระดับที่มีความน่าสนใจอย่างยิ่งสำหรับการสะสมเพื่อการลงทุนระยะยาวจาก Earnings yield gap ที่กว้างถึง 4.8% (เกิน 5% ถ้าไม่รวม DELTA) ซึ่งในอดีตจะเกิดขึ้นแค่ในช่วงที่มีเหตุการณ์ผิดปกติ ดังนั้นเราจึงคิดว่า Valuation ในระดับต่ำเช่นนี้ไม่ได้เกิดขึ้นบ่อยครั้ง เรายังเลือกใช้กลยุทธ์มุ่งเน้นไปที่กลุ่ม Domestic Play เพื่อกระจายความเสี่ยงจากความไม่แน่นอนในระดับโลกโดยจะเล็งไปที่หุ้นที่คาดว่ากำไร 4Q24-2025 จะโตในอัตราที่สูงขึ้นพร้อม Valuations ที่อยู่ในระดับที่น่าสนใจ หุ้นเด่นของเราในปี 2025 ประกอบด้วย BA BBL CHG CPALL MTC NSL RBF SEAFco SHR และ WHA



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Focus on upcoming 4Q24 real sectors' earnings after stronger-than-expected bank results

Seven Thai banks under our coverage reported an aggregate 4Q24 net profit of THB51.3b (-6% q-q, +20% y-y). This result was higher than our estimate by 13% and the Bloomberg consensus by 8%. None of the seven banks reported a negative surprise; all results were either in line or above estimates. Positive surprises were driven by lower-than-expected operating expenses and credit costs.

SCB and KKP delivered the largest positive surprises in 4Q24 from lower-than-expected operating expenses and credit costs (for SCB) and high mark-to-market gains (for KKP). Meanwhile, BBL and KTB reported a significant q-q reduction of NPLs in 4Q24. We believe this came from the ongoing THAI airways rehabilitation plan with a successful debt-to-equity conversion, which was upgraded to stage II loans.

For 2024, the aggregate net profit of banks under coverage finished at THB214.5b, up 10% y-y led by KBANK, KTB and TTB.

Exhibit 1: 4Q24 earnings results of Thai banks under coverage

	4Q23	3Q24	4Q24	----- Change -----		Beat/Missed	2023	2024	Change	Beat/Missed
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%)	(THB m)	(THB m)	(%)	(%)
BBL	8,863	12,476	10,404	(17)	17	14	41,636	45,211	9	8
KBANK	9,388	11,965	10,494	(12)	12	6	42,405	48,598	15	3
KKP	670	1,305	1,406	8	110	37	5,444	4,986	(8)	16
KTB	6,111	11,107	10,475	(6)	71	9	36,616	43,855	20	17
SCB	10,995	10,941	11,707	7	6	24	43,521	43,943	1	7
TISCO	1,780	1,713	1,706	(0)	(4)	2	7,301	6,901	(5)	(0)
TTB	4,867	5,230	5,112	(2)	5	13	18,463	21,032	14	(1)
Total	42,674	54,737	51,304	(6)	20	13	195,386	214,526	10	7

Sources: Company data; FSSIA estimates

Based on the 145 listed companies in our study for which we have preview numbers, we expect their aggregate 4Q24 net profit to jump by 24% q-q and 28% y-y, thanks to low bases in both 3Q24 and 4Q23. The strong q-q growth is from higher energy prices, the high season for the tourism industry, and accelerating private consumption. Meanwhile, the solid y-y growth is led by the domestic and tourism-related sectors, i.e. banking, commerce, ICT, food, transportation, and tourism. In addition, some companies had negative non-recurring items in 4Q23, i.e. TU, TRUE, SCC, IRPC, and MINT, which made 4Q23 a low base.

If 4Q24 earnings results are in line with expectations, 2024 net profit would grow by 9% y-y, with no significant downside on 2025 forecasts. This could ease the market's concerns after the recent index plunge and support a recovery in the near term.

Exhibit 2: 4Q24 earnings forecasts by sector

Sector	4Q24E	3Q24	4Q23	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(%)
Bank	48,954	56,358	44,107	(13)	11	201,987	207,350	3
Energy	43,376	22,640	46,854	92	(7)	229,221	205,071	-11
Commerce	19,114	13,667	17,478	40	9	55,609	63,098	13
Property	17,097	14,341	18,998	19	(10)	57,972	56,136	-3
Food	12,205	14,402	(14,637)	(15)	183	(7,276)	47,931	759
ICT	11,880	11,271	179	5	6,521	28,610	57,336	100
Healthcare	8,495	7,456	6,742	14	26	26,901	28,561	6
Transportation	8,486	9,023	4,448	(6)	91	19,651	36,089	84
Financial	7,961	7,607	7,638	5	4	31,043	31,408	1
Electronics	6,534	6,533	5,315	0	23	21,903	24,466	12
Tourism	5,409	(222)	1,538	2,540	252	7,073	10,840	53
Cons. Mat	1,157	1,963	85	(41)	1,263	32,401	16,097	-50
Construction	1,153	1,003	295	15	290	2,304	1,767	-23
Media	1,058	574	(2,534)	84	142	(1,342)	677	150
Auto	813	701	850	16	(4)	4,604	3,659	-21
Agri	435	542	410	(20)	6	1,377	2,026	47
Professional	247	218	211	13	17	654	887	36
Packaging	202	680	1,292	(70)	(84)	5,585	5,200	-7
Petro	(9,947)	(19,312)	5,081	48	(296)	999	(17,189)	-1820
Grand Total	184,629	149,446	144,350	24	28	719,274	781,411	9
Excl. Energy & Petro	151,200	146,118	92,415	3	64	489,055	593,529	21
Excl. Banking	135,675	93,087	100,243	46	35	517,287	574,061	11
Excl. Energy & Petro and Banking	102,246	89,760	48,308	14	112	287,067	386,179	35

Source: Bloomberg, FSSIA estimates, and SETSMART

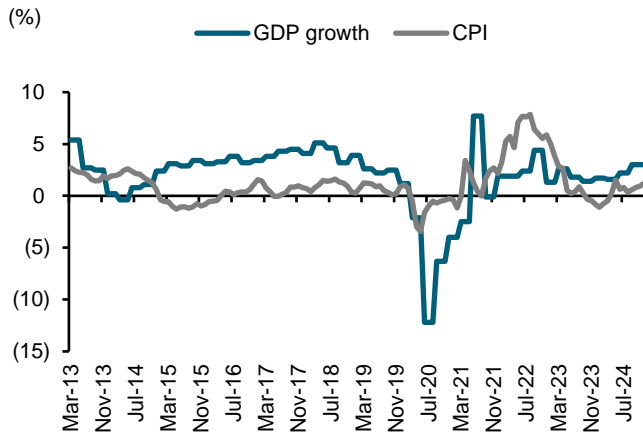
Strong 4Q24 TH GDP growth and unchanged policy rate expected in Feb-25

In mid-February 2024, the Office of the National Economic and Social Development Council (NESDC) is set to announce 4Q24 TH GDP, which is expected to have a resilient growth of 0.7% q-q and 3.7% y-y, supported by accelerated budget disbursement, the tourism high season, and higher private consumption from stimulus measures. For the full year, the Bank of Thailand (BoT) projects 2.7% GDP growth, accelerating to 2.9% in 2025.

In terms of inflation, the Thai CPI has gradually moved higher and returned to the BoT's target range of 1-3% in December 2024, reaching 1.23%, while core CPI stood at 0.8%. We think the Monetary Policy Committee (MPC) will hold its interest rate in the February meeting, as they view that the current rate is still consistent with the economic trajectory, with inflation moving toward the target range, which is safeguarding long-term macro-financial stability. We continue to see that the BoT wants to preserve policy space amid increasing uncertainties, especially from global trade policies. Moreover, the committee may need to evaluate the impacts of the "Khun Soo, Rao Chuay" program in helping to alleviate the debt burden for vulnerable groups in a targeted manner.

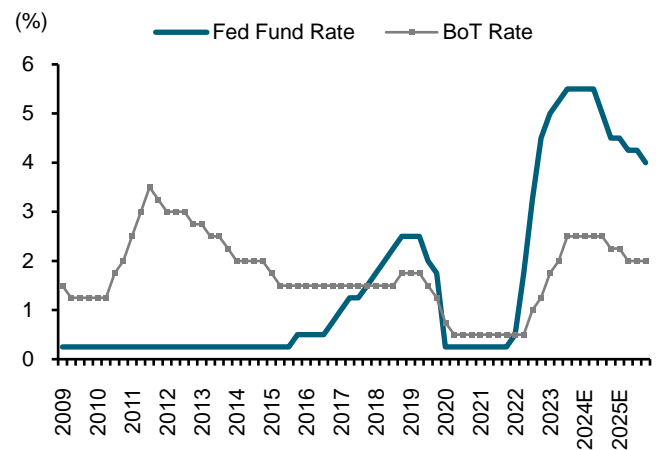
However, we think the door is still open for a further rate cut of 25-50bps in 2025. We expect the MPC may wait for the US Federal Reserve (Fed)'s next cut first, likely in May or June 2025. Thus, the soonest a rate cut might occur would be in April 2025, but June 2025 is most likely, in our view.

Exhibit 3: TH GDP growth and CPI



Source: BoT

Exhibit 4: Fed funds rate vs BoT rate



Sources: CME FedWatch Tool, FSSIA

Continue to monitor Trump's policy implementation and impact on global economy

Following Donald Trump's return to the presidency on 20 January 2024, the street has continued to monitor his policy implementation. Recently, Trump said that he has considered imposing a 25% tariff on imports from Canada and Mexico and 10% on Chinese goods as soon as February 2024. However, the US president later stated that he would rather not have to put tariffs on China.

Since then, the street has eased on some concerns over his trade policies, as the first two weeks of Trump's second term have been quieter than expected. Speaking at the World Economic Forum in Davos, Trump advocated that the Fed should lower the interest rate immediately and other central banks should follow. As a result, this has been reflected in lower US 2Y and 10Y bond yields by c20bps to c4.2% and c4.55%, respectively. Meanwhile, dollar index dropped from its peak of 110 to 107.7 currently, implying slight appreciation of Asian currencies.

In terms of the global economy, the IMF revised up the US' economic growth to 2.7% in 2025 due to strong domestic demand, while growth in the Eurozone and other advanced economies is to remain subdued, reflecting ongoing geopolitical tensions and trade uncertainties. Emerging markets (EMs) such as India and China are projected to grow solidly by 6.5% and 4.6%, respectively, even though trade policy uncertainties and weaker demand in China pose risks. Inflation is anticipated to decline globally, with advanced economies nearing their targets sooner than EMs.

Exhibit 5: Trump's key economic policies and impacts

Policies	Impact
Reevaluate trade agreements and consider imposing tariffs on Canada, Mexico, and China imports.	Could disrupt global trade flows and supply chains, particularly in sectors like electronics, automotive, and agriculture. Higher tariffs may increase production costs for multinational companies and lead to retaliatory measures from trading partners, which could lead to stickier inflation.
Aim to increase domestic energy production, including oil and gas. Withdraw from Paris climate agreement.	Increased US oil and gas production could lower global energy prices and reduce energy dependence on politically unstable regions. These may ease inflationary pressures and allow the Fed to maintain or reduce its policy rate.
Reduce taxes for corporations and individuals to stimulate economic growth. Maintain low regulatory barriers for businesses.	Lower corporate taxes in the US could encourage economic growth and potentially drive demand-pull inflation. Moreover, it would reflect a higher budget deficit and bond yields from a greater treasury supply to the market.
Strengthen border security, curb illegal immigration and tighten visa policies.	Reduced immigration could lead to labor shortages in key industries like agriculture, construction, and services, driving up wages and contributing to cost-push inflation, which would likely pressure the Fed from easing monetary policies.

Source: FSSIA's summary

Exhibit 6: IMF world economic outlook projections

	2024E	2025E	2026E		2024E	2025E	2026E
	(%)	(%)	(%)		(%)	(%)	(%)
World output	3.2	3.3	3.3	World output	3.2	3.3	3.3
Advanced economies	1.7	1.9	1.8	Emerging market and developing economies	4.2	4.2	4.3
United States	2.8	2.7	2.1	Emerging and developing Asia	5.2	5.1	5.1
Euro area	0.8	1.0	1.4	China	4.8	4.6	4.5
Germany	(0.2)	0.3	1.1	India	6.5	6.5	6.5
France	1.1	0.8	1.1	ASEAN-5	4.5	4.6	4.5
Italy	0.6	0.7	0.9	Emerging and developing Europe	3.2	2.2	2.4
Spain	3.1	2.3	1.8	Russia	3.8	1.4	1.2
Japan	(0.2)	1.1	0.8	Latin America and the Caribbean	2.4	2.5	2.7
United Kingdom	0.9	1.6	1.5	Brazil	3.7	2.2	2.2
Canada	1.3	2.0	2.0	Mexico	1.8	1.4	2.0
Other advanced economies	2.0	2.1	2.3	Middle East and Central Asia	2.4	3.6	3.9
				Saudi Arabia	1.4	3.3	4.1
				Sub-Saharan Africa	3.8	4.2	4.2
				Nigeria	3.1	3.2	3.0
				South Africa	0.8	1.5	1.6
				Memorandum			
				Emerging market and middle-income economies	4.2	4.2	4.2
				Low-income developing countries	4.1	4.6	5.4

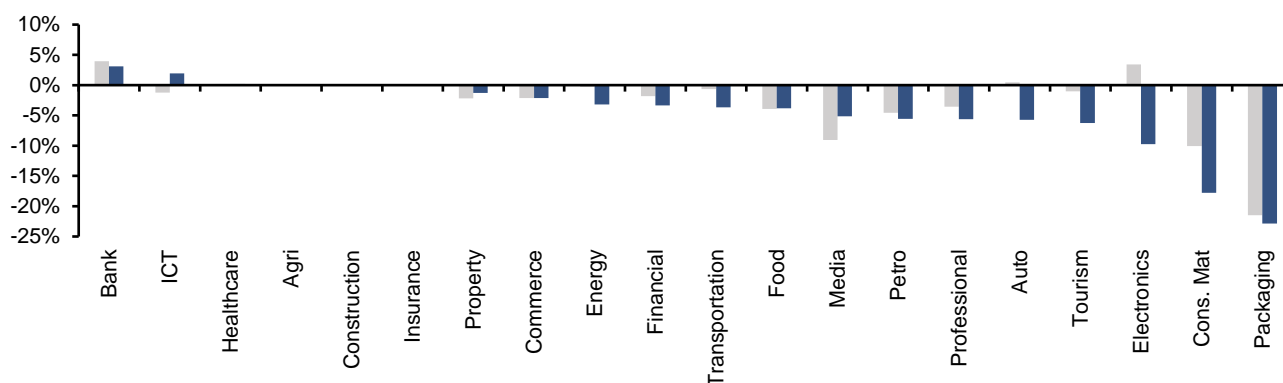
Source: [International Monetary Fund \(IMF\)](https://www.imf.org/)

Some downside on our 2025E SET EPS and target

During the 4Q24 earnings preview period in January 2024, we have seen downward revisions of 2024-25 earnings forecasts for some companies under our coverage. Our current forecasts imply a c2-3% downside to the current 2025 SET EPS forecast of THB98. However, US trade policies still pose a downside risk, as they could affect the Thai export engines and weaken business investment and consumer spending. We think the market has still not fully priced-in these factors due to the unpredictable nature of Trump's policies and impacts.

As a result, we are likely to trim our 2025 SET target from 1,600 currently to c1,500, based on the same target PER of c16x. This level implies an earnings yield gap of 3.9-4%. Compared to October 2024, when the SET index rallied to c1,500, the 2024E EPS was at cTHB91.50 and the TH 10Y bond yield was 2.4%, implying an earnings yield gap of c3.7%. Thus, we believe our target valuation is not too bullish in the current market conditions and remains appropriate.

Exhibit 7: Earnings revisions by sector from end of Nov-24 to Jan-25



Sources: Bloomberg and FSSIA estimates

Valuation this cheap is rarely seen

We maintain our view that the current SET index level is very attractive for long-term investment, as the index is currently trading at a 2025 PER of c14x, below SD-1 of its ten-year historical average. Comparing with the TH10Y bond yield, the current valuation implies a wide earnings yield gap of c4.8%, higher than SD+1 of its ten-year historical average.

Excluding DELTA, which is trading at a 2025 PER of c60x, the 2025 PER would be lower than 13x, significantly cheaper at SD-1.5 from the historical average, with an even wider earnings yield gap of c5.4%, above SD+2 from the average.

In the worst-case scenario, if we project the SET EPS at cTHB90, 5% lower than the current level with growth of only 4.6% y-y, the current index implies a 2025 PER of 15x and an earnings yield gap of c4.3%, close to SD+1 from the average and still not expensive.

Based on historical data, the earnings yield gap has hit more than c5% only during economic slowdowns or crises (i.e. 2008, 2010, 2016, and 2020) or abnormal events such as in the 2011 Thai flood. Hence, we think this cheap valuation level is rarely seen. We expect limited downside risk for the SET index and believe accumulating at the index level of c1,330 or below is a good opportunity for long-term investment.

We continue to prefer our domestic-focused strategy to mitigate global risks and uncertainties. Stocks with stronger 4Q24-2025E earnings growth and attractive valuations, i.e. below book value or pre-Covid levels, are likely to outperform the market.

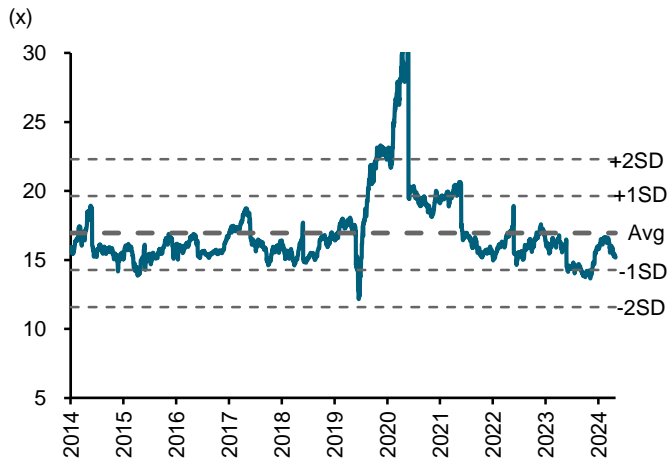
FSSIA's portfolio update

We recommend taking profit on KTB (BUY, TP THB23.50) and replacing it with BBL (BUY, TP THB184), thanks to:

- Even though KTB still has strong fundamentals after reporting the highest loan growth and a large reduction in the NPL ratio in 4Q24, we think the share price has already factored in most of the good news. We added KTB to our portfolio in late November 2024. Since then, the stock has had a strong rally of c17%, and the upside is now limited compared to our TP.
- We maintain our positive view that BBL should benefit the most from the new investment cycle, driven by domestic corporates and the international segment. With major improvements in asset quality in 4Q24, we expect that credit costs should decrease and support net profit growth. The current valuation is still attractive, in our view, with only 0.55x P/BV and a c5% dividend yield.

As a result, our portfolio favorites are: **BA, BBL, CHG, CPALL, MTC, NSL, RBF, SEAFCO, SHR, and WHA.**

Exhibit 8: SET historical forward PER



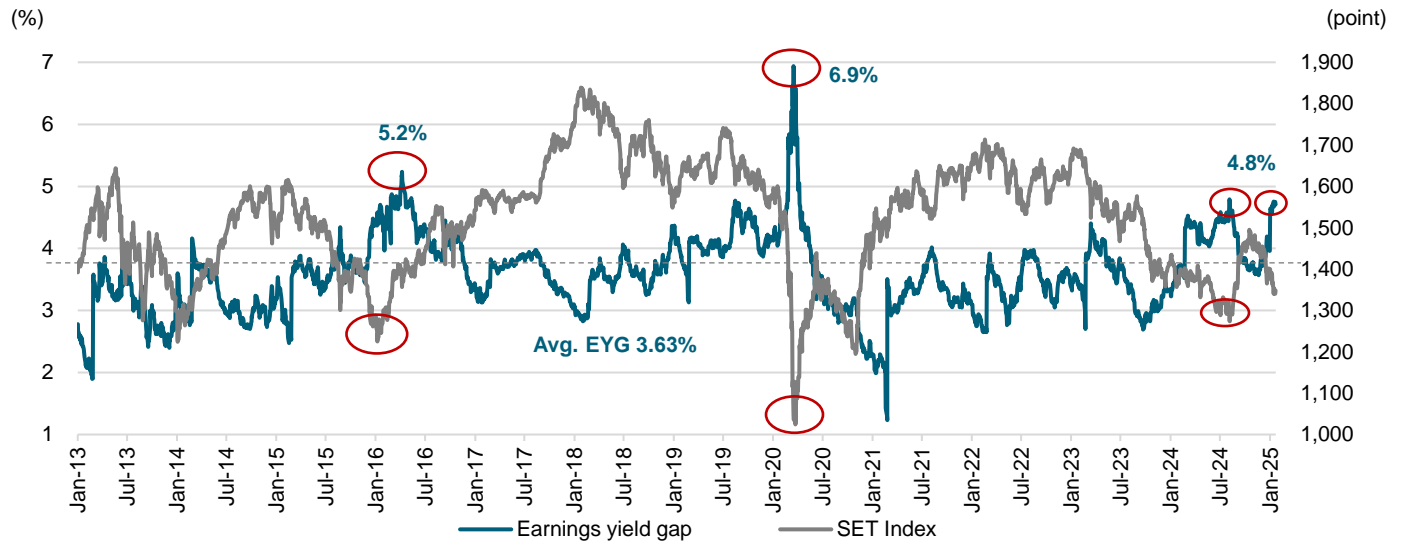
Sources: Bloomberg and FSSIA

Exhibit 9: SET historical forward P/BV



Sources: Bloomberg and FSSIA

Exhibit 10: Earnings yield gap vs SET index



Sources: Bloomberg and FSSIA

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

		--- Share price ---		Up	Recurring net profit		-Net profit growth-		----- P/E -----			PBV	Div yld	ROE
		Current	Target	side	24E	25E	24E	25E	24E	25E	26E	25E	24E	24E
		(THB)	(THB)	(%)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Airways	BA TB	19.50	30.00	54	3,487	3,820	111.0	9.5	11.7	10.7	10.1	2.3	6.0	19.8
Bangkok Bank	BBL TB	156.00	184.00	18	42,037	43,779	1.0	4.1	7.1	6.8	6.4	0.5	4.6	7.7
Chularat Hospital	CHG TB	2.22	3.40	53	1,029	1,262	(1.7)	22.7	23.7	19.4	17.4	3.1	2.5	13.4
CP All	CPALL TB	56.50	83.00	47	24,904	27,818	37.3	11.7	20.4	18.2	16.1	4.5	2.5	21.2
Muangthai Capital	MTC TB	44.75	60.00	34	5,975	7,723	21.8	29.3	15.9	12.3	10.5	2.5	0.9	17.2
NSL Foods	NSL TB	27.25	43.00	58	539	595	61.7	10.2	15.2	13.7	12.1	4.5	3.7	32.1
R&B Food Supply	RBF TB	5.75	6.70	17	494	611	(25.8)	23.7	23.3	18.8	16.5	2.3	2.4	10.1
Seafood	SEAFSCO TB	2.16	3.00	39	39	152	(74.1)	290.2	45.0	11.5	10.0	1.1	1.0	2.4
S Hotels and Resorts	SHR TB	2.02	3.80	88	170	379	113.5	122.2	42.6	19.2	14.0	0.4	0.9	1.1
WHA Corporation	WHA TB	4.88	6.40	31	4,842	5,333	9.4	10.1	15.1	13.7	12.8	2.1	4.0	14.3

Share prices as of 29 Jan 2025

Source: FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainabilitys	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: 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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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 19.50	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 Bank	BBL TB	THB 156.00	BUY	Upside risks to our GGM-based TP are 1) accelerated loan growth owing to economic recovery and 2) a positive development of asset quality, which should bode well for its credit costs; downside risks are 1) prolonged economic sluggishness affecting loan growth and asset quality and 2) an impact of new regulations from the Bank of Thailand.
Chularat Hospital	CHG TB	THB 2.22	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
CP All	CPALL TB	THB 56.50	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
Muangthai Capital	MTC TB	THB 44.75	BUY	Downside risks to our GGM-based TP include 1) a further weakening of asset quality that could potentially hit both loan yield and credit cost; and 2) changes in financial regulations by the Bank of Thailand and the Office of Consumer Protection Board.
NSL Foods	NSL TB	THB 27.25	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.
R&B Food Supply	RBF TB	THB 5.75	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material costs; 3) a stronger THB than expected; and 4) a slower-than-expected India expansion.
Seafco	SEAFco TB	THB 2.16	BUY	Downside risks to our P/BV-based TP include 1) fewer than expected new contract signing; 2) auction delays; 3) a failure to win contracts from the Orange Line project; 4) political uncertainties; 5) construction delays and cost overrun; 6) higher building material costs, labor shortages, and a minimum wage hike; and 7) fierce competition.
S Hotels and Resorts	SHR TB	THB 2.02	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.
WHA Corporation	WHA TB	THB 4.88	BUY	Downside risks to our TP include 1) the local political uncertainties; 2) the delay in budget approval; 3) the inability to sell assets into its trusts as planned; and 4) intense competition from abroad.

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.

All share prices are as at market close on 29-Jan-2025 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.