Thailand Market Strategy

เลือกลงทุนท่ามกลางความเสี่ยงและความไม่แน่นอน

- ประเด็นสำคัญใน 2Q25 เริ่มต้นด้วยการประกาศเรียกเก็บภาษีนำเข้าต่างตอบแทนของสหรัฐฯ โดยเฉพาะใน ประเด็นที่ว่าการเรียกเก็บภาษีดังกล่าวจะกระทบสินค้าส่งออกสำคัญของไทยหรือไม่
- ในประเทศ ครม. และ ธปท. ออกมาตรการกระตุ้นเศรษฐกิจหลายประการเพื่อสนับสนุนการฟื้นตัวของ เศรษฐกิจและตลาดทุน
- เราคงเป้า SET ของเราที่ 1,390 และยังเลือกหุ้น Domestic play

จับตาการประกาศเก็บภาษีสินค้าตอบโต้ของสหรัฐฯ

ใน 2Q25 ปัจจัยสำคัญที่ต้องจับตาดูจะอยู่ที่การประกาศเรียกเก็บภาษีนำเข้าตอบโต้ โดยประเด็นหลักอยู่ที่ว่าภาษีที่ กำลังจะเรียกเก็บดังกล่าวจะกระทบสินค้าส่งออกสำคัญของไทยหรือไม่ เราคาดว่าการส่งออกของไทยไปยังสหรัฐฯที่ ลดลงทุก ๆ 1% อาจทำให้การเติบโตของเศรษฐกิจไทยลดลงประมาณ 0.1% ในแง่ของผลกระทบทางเศรษฐกิจเฟดได้ เริ่มปรับลดประมาณการตัวเลขการเติบโตทางเศรษฐกิจและเพิ่มประมาณการเงินเฟ้อ เราคงมุมมองเชิงระมัดระวังของ เราในขณะที่จับตาดูข้อมูลเศรษฐกิจสำคัญของสหรัฐฯ ที่จะออกใน 2Q25 อย่างใกล้ชิด เราเชื่อว่าตัวเลขที่อ่อนแอกว่า คาดจะทำให้ความกลัวเกี่ยวกับเศรษฐกิจถดถอยกลับมาใหม่และกดดันสินทรัพย์เสี่ยงโดยเฉพาะในสหรัฐฯ ซึ่ง Valuation ยังค่อนข้างแพง

ครม. และ ธปท. ออกหลายมาตรการกระตุ้นเศรษฐกิจใน 2Q25

ล่าสุดทั้ง ครม. และ ธปท. ต่างออกมาตรการกระตุ้นเศรษฐกิจหลายประการเพื่อสนับสนุนเศรษฐกิจและตลาดทุนไทยใน 2Q25 ประกอบด้วย 1) กองทุน Thai ESGX; 2) การลดอัตราดอกเบี้ยและผ่อนคลายเกณฑ์ LTV ของ ธปท.; 3) แผน ซื้อหนี้เสียของรัฐบาลและ 4) เงินดิจิทัล (ระยะที่ 3) เราคิดว่ามาตรการดังกล่าวจะช่วยบรรเทาแรงขายดัชนี SET อันเกิด จากการเติบโตทางเศรษฐกิจที่ตกต่ำและการขายคืนกองทุน LTF ได้บางส่วน นอกจากนี้มาตรการดังกล่าวยังน่าจะช่วย ส่งเสริมการฟื้นตัวทางเศรษฐกิจตั้งแต่กลาง 2Q25 ซึ่งเป็นช่วงต้นของ Low season ในอุตสาหกรรมการท่องเที่ยวเป็น ต้นไป

คาดการณ์กำไร 1Q25 ของกลุ่มธนาคาร

เราคาดว่าธนาคารไทย 7 แห่งจะรายงานกำไรสุทธิรวมอยู่ที่ 5.46 หมื่นลบ. (+6.5% q-q, -0.6% y-y) ใน 1Q25 ตัวเลข น่าจะโต q-q จากค่าใช้จ่ายในการดำเนินงานที่ลดลงแต่น่าจะลดลงเล็กน้อย y-y จากส่วนต่างดอกเบี้ยและรายได้ ดอกเบี้ยสุทธิที่ลดลง ทั้งนี้ BBL น่าจะมีผลประกอบการที่ดีที่สุดในขณะที่ผลประกอบการของ TISCO และ KKP น่าจะแย่ ที่สุด เราคาดว่าตัวเลขการเติบโตของสินเชื่อรวมจะติดลบ 0.6% q-q และ 1.2% y-y จากการจ่ายคืนสินเชื่อและการ อนุมัติสินเชื่อด้วยความระมัดระวังในกลุ่ม SME และรายย่อย เราคาดว่าคุณภาพสินทรัพย์รวมจะยังทรงตัวโดยคาด สัดส่วนหนี้ด้อยคุณภาพของกลุ่มฯ ที่ 3.59% ใน 1Q25 ซึ่งต่ำกว่า 3.61% ใน 4Q24 อยู่เล็กน้อย ถ้าผลประกอบการ ออกมาตามคาดจะคิดเป็น 24.6% ของประมาณการปี 2025 ของเราที่ 2.17 แสนลบ. (+4% y-y)

คงเป้า SET ยังเลือกหุ้น Domestic play

เราคงเป้า SET ไว้ที่ 1,390 จุด บนสมมติฐานกำไรต่อหุ้น 93 บาทและ 16x PER หลังจากดัชนีปรับตัวลดลงประมาณ 20% จากจุดสูงสุดในเดือน ต.ค. 2024 SET น่าจะสะท้อนประเด็นลบไปมากแล้วและให้ Valuation ที่น่าสนใจในระยะ ยาวหลังมีการซื้อขายที่ 12.5x 2025E PER และ 1.13x P/BV นับว่าต่ำกว่าค่าเฉลี่ยในอดีตอยู่มากพร้อม Earnings yield gap ที่สูงที่สุดในรอบ 10 ปีของช่วงที่ไม่มีวิกฤตที่ประมาณ 6% ดังนั้นเราจึงเชื่อว่าความเสี่ยงที่ดัชนีจะปรับตัว ลดลงแรงต่อเนื่องมีจำกัด เราคาดว่าหุ้น Domestic ที่คาดว่ากำไร 1Q25 จะออกมาดีจะปรับตัวได้ดีกว่า หุ้นเด่นของเรา ประกอบด้วย BA BBL BTG CPALL MTC NSL PR9 SEAFCO และ SHR

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 28 มีนาคม 2025

Focus in 2Q25 starts with US reciprocal tariffs

During February to March 2024, the US has planned and implemented several tariff measures targeting key trading partners. In response, many of these countries have initiated retaliatory tariffs, which we believe could start to affect the US economy from late 1Q25 onward, affecting both growth and inflation. In April 2025, we expect the market's key focus to shift toward the reciprocal tariff announcements from Trump's administration, in order to match the tariffs imposed by trading partners.

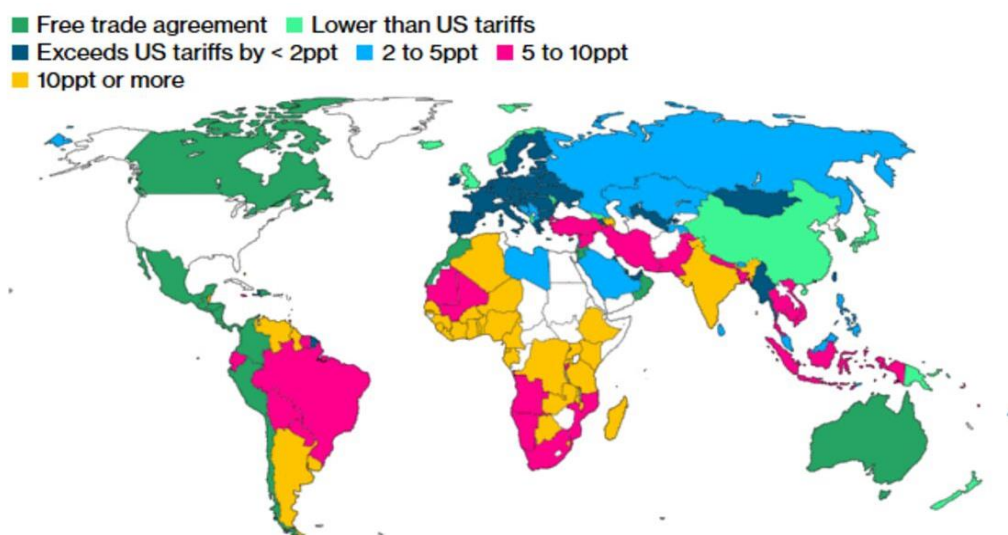**Exhibit 1: Update on the US tariffs imposed and retaliations**

Country	Tariffs imposed by the US	Retaliation
Canada and Mexico	25% tariff imposed on most goods imported from these two countries, and 10% tariffs on Canadian energy exports, effective on 4 March 2025.	Canada imposed 25% tariffs on c$30 billion worth of US imports including steel, aluminum, and consumer goods; announced plans for a second round on up to c$125 billion more.
China	The US imposed an additional 10% tariff on Chinese imports starting 4 February and increasing to 20% on 4 March 2025.	China imposed a 15% tariff on US coal and liquefied natural gas (LNG), and a 10% tariff on US crude oil and agricultural machinery. In addition, the country imposed up to 15% retaliatory tariffs covering US agricultural and food products.
EU	The US has signaled intentions to impose tariffs on EU goods, including a potential 200% tariff on European alcohol. These measures are anticipated to take effect soon.	EU preparing up to 100% reciprocal tariffs targeting US goods such as whiskey, motorcycles, and jeans, depending on final US measures.
World	the US has implemented a 25% tariff on all steel and aluminum imports, effective on 12 March 2025 universally. Recently, the US has announced a 25% tariff on auto imports, both fully assembled cars and key automobile parts, effective on 2 April 2025 universally.	

Source: FSSIA compilations

For Thailand, we recommend investors closely monitor the announcement to see if there are any tariffs on key export products or specific taxes targeting the country, as Thailand has a trade surplus of USD45.6b with the US, ranking the 11th largest. Key products exported to the US are electronic components, rubber products, auto parts, preserved fish, and pet foods, which could be at risk (details in the Appendix).

For the economic impact, we expect that every 1% decrease in Thai exports to the US, which is equivalent to USD550m, could result in a downside of c0.1% to Thai GDP growth, all else being equal.
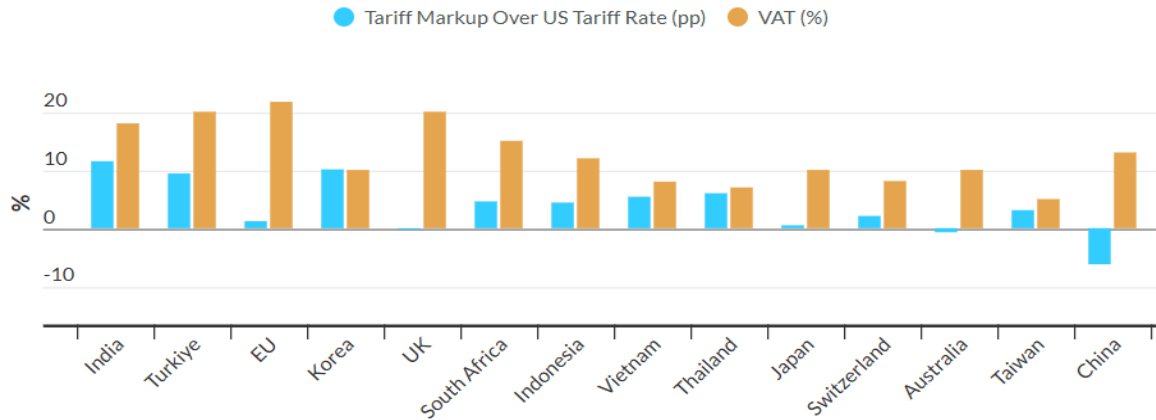
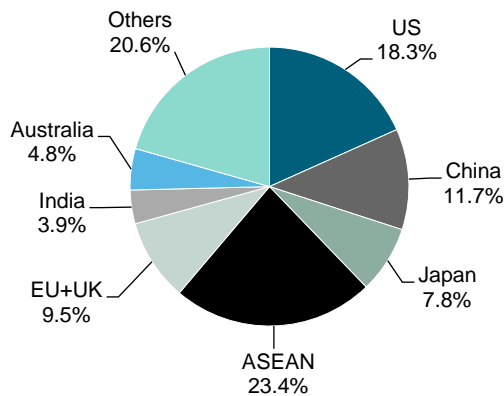**Exhibit 2: Economies' tariffs on US vs US tariffs on them**

Source: UNCTAD TRAINS, Office of the United States Trade Representative
Note: Uses simple average (effectively applied rates) from latest year available (2023 or earlier). Uses EU average for all EU countries. US-China accounts for all additional tariffs (Bloomberg Economics' estimates.). Mapped data show tariffs for distinct economies.

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Sources:Bloomberg, UNCTAD TRAINS, Office of the United States Trade Representative

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Exhibit 3: Tariff rate differentials with US and VAT rates

● Tariff Markup Over US Tariff Rate (pp) ● VAT (%)

Sources: Fitch Ratings, WTO, PIIE, national sources

Exhibit 4: Thailand's exports by country (2024)

Pie chart:
- US 18.3%
- China 11.7%
- Japan 7.8%
- ASEAN 23.4%
- EU+UK 9.5%
- India 3.9%
- Australia 4.8%
- Others 20.6%

Source: MoC

Exhibit 5: The US' largest trade deficits by country (2024)

Ranking	Country	Trade deficits in 2024 (USD b)
1	China	(295.4)
2	Mexico	(171.8)
3	Vietnam	(123.5)
4	Ireland	(86.7)
5	Germany	(84.8)
6	Taiwan	(73.9)
7	Japan	(68.5)
8	South Korea	(66.0)
9	Canada	(63.3)
10	India	(45.7)
11	Thailand	(45.6)
12	Italy	(44.0)

Source: United States Census Bureau

The Fed still sees two potential rate cuts despite economic slowdown and rising inflation

In its March 2025 meeting, the US Federal Reserve (Fed) maintained its interest rates at the current level of 4.25-4.50%, in line with street forecasts. However, the US central bank has started revising down its economic projections to reflect the risks stemming from Trump's tariff policies, by expecting US GDP to grow by 1.7-1.8% in 2025-26, lower than the previous estimate of 1.9-2.1%. Meanwhile, the Fed raised its 2025 US core PCE forecast by 0.3% to 2.8%, while maintaining the number at 2.2% and 2% in 2026-27E, respectively. Despite the revision, the market did not react negatively, as the impacts are expected to be short term or transitional. In addition, the latest dot plot shows that Federal Open Market Committee (FOMC) participants still anticipate two potential rate cuts this year, which are positive factors for capital markets.
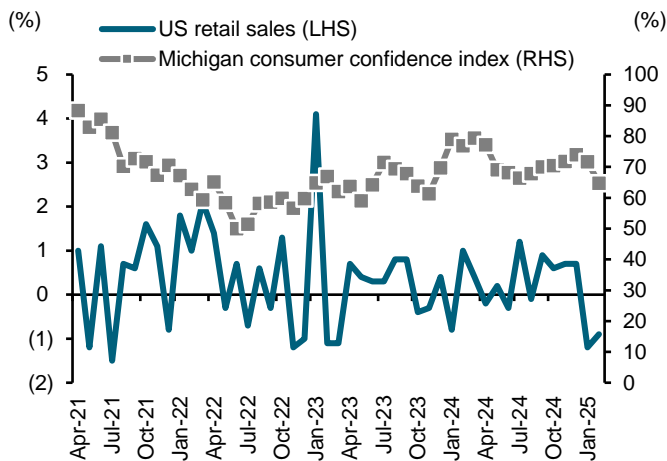
We think the overall US and global economic outlooks remain uncertain. Key economic data from March to May 2025, i.e., retail sales, consumer confidence, purchasing managers' index, and inflation rate, which are set to be released in 2Q25, will be crucial to monitor. If these numbers fall short of market forecasts, we believe recession fears could return and pressure risky assets, especially in the US, where valuations remain high compared to other regions.

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Exhibit 6: FOMC latest economic projections, March 2025

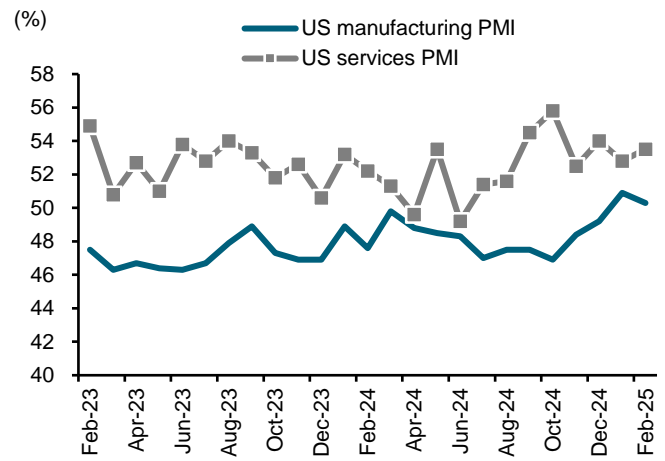|	Median			
	2025	**2026**	**2027**	**Longer run**
	(%)	**(%)**	**(%)**	**(%)**
Change in real GDP	**1.7**	**1.8**	**1.8**	**1.8**
vs December 2024 projection	2.1	2.0	1.9	1.8
Unemployment rate	**4.4**	**4.3**	**4.3**	**4.2**
vs December 2024 projection	4.3	4.3	4.3	4.2
PCE inflation	**2.7**	**2.2**	**2.0**	**2.0**
vs December 2024 projection	2.5	2.1	2.0	2.0
Core PCE inflation	**2.8**	**2.2**	**2.0**	
vs December 2024 projection	2.5	2.2	2.0	
Federal funds rate	**3.9**	**3.4**	**3.1**	**3.0**
vs December 2024 projection	3.9	3.4	3.1	3.0

Source: Federal Open Market Committee (FOMC)

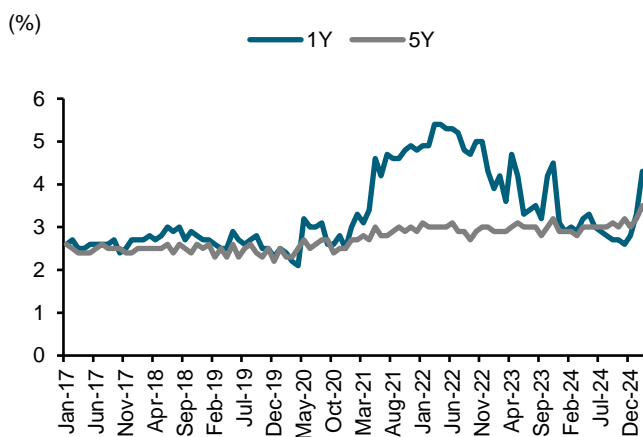**Exhibit 7: US retail sales and consumer confidence**

Source: Bloomberg

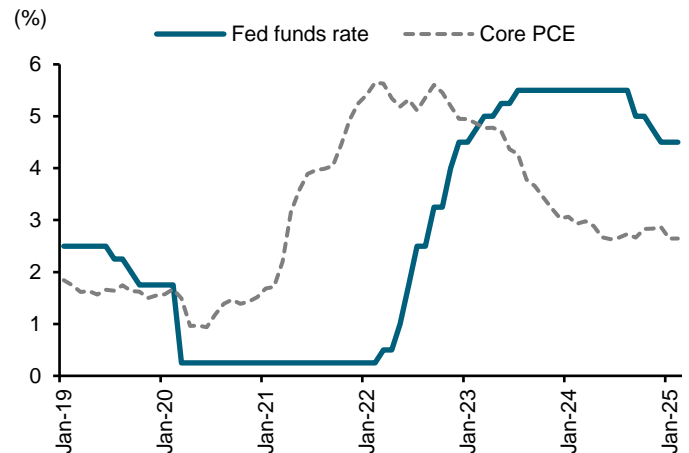**Exhibit 8: US manufacturing and services PMI**

Source: Bloomberg

Exhibit 9: Michigan 1Y and 5Y inflation expectations

Source: Bloomberg

Exhibit 10: Fed funds rate and US core PCE

Source: Bloomberg

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Many domestic stimulus measures to support economy and capital markets

Recently, both the government and the Bank of Thailand (BoT) released many stimulus measures to support the Thai economy and capital market in 2Q25, including:
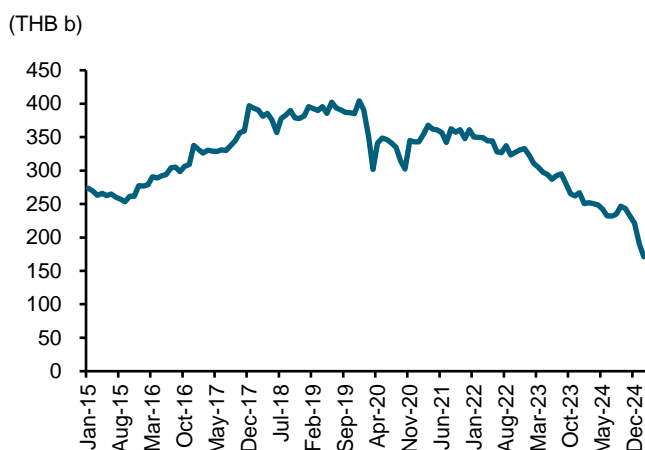
1) **The Thai ESG Extra (Thai ESGX)**

- Thai ESGX is required to invest at least 80% of NAV in eligible assets, similar to the Thai ESG fund, with a minimum of 65% allocated to SET or mai stocks.

- The new five-year holding tax deduction fund offers tax deductions of up to THB300,000. It also allows investors to switch from existing LTF holdings for an additional tax benefit of up to THB500,000 (THB300,000 in 2025 and THB50,000 annually thereafter). This should be positive for the Thai capital market. Although we do not expect this scheme to attract new new capital or retain all of the remaining LTF investment of cTHB170b, as investors must hold their investments as of 11 March 2025 to be eligible for switching to Thai ESGX during May to June 2025, we believe it would help partially ease LTF redemption pressure from March 2025-2Q25. This could reduce selling pressure from local institutions on the SET index.

Exhibit 11: Summary of Thai ESGX

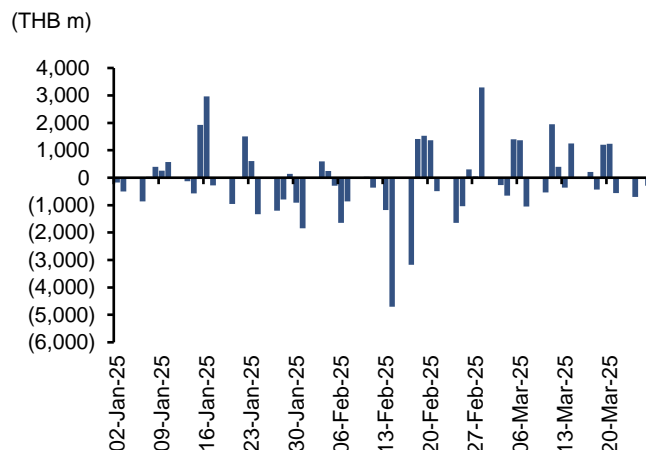| Conditons	Thai ESG (current fund)	Thai ESGX (newly established fund)
Tax benefits	Up to THB300,000/year, not exceeding 30% of taxable income	**Group 1: New investment** - Only for the 2025 tax year: Up to THB300,000, not exceeding 30% of taxable income **Group 2: Switching from existing LTF funds** - Year 1 (2025): Up to THB300,000 - Year 2-5 (2026-29): Additional THB50,000/year
Holding period	≥ 5 years (calendar days)	≥ 5 years (calendar days, counting from investment date) ≥ 5 years (calendar days, counting from the switching investment date)
Investment period	Open for investment continuously	Open only for a specific 2-month period (expected 1 May to 30 June 2025)
Additional conditions	-	Investors who opt for tax benefits from the Thai ESGX fund in the second group (LTF switching) must switch all LTF units held as of 11 March 2025 into Thai ESGX during the specified period

Source: SEC

Exhibit 12: LTF NAV

(THB b)

Sources: Bloomberg and FSSIA compilations

Exhibit 13: Local institutions' daily net positions

(THB m)

Source: SET

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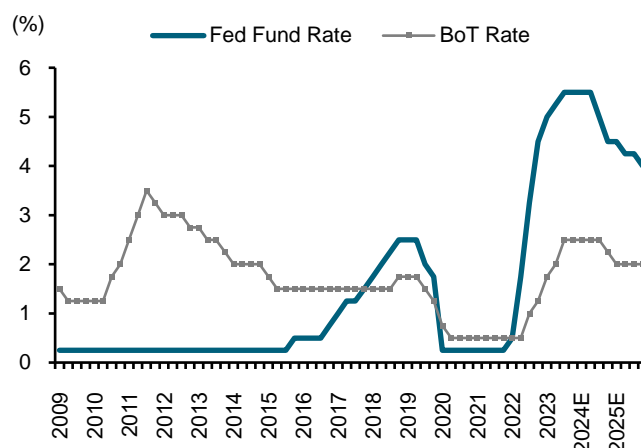
2) Easing policy and LTV regulations from the BoT

▪ In February 2025, the Monetary Policy Committee (MPC) cut the policy interest rate by 0.25%, from 2.25% to 2%, surprising the market and arriving earlier than we anticipated, due to slower-than-expected economic growth and rising risks from global trade policies on Thai exports. The rate cut aims to ease financial conditions and support economic stability while maintaining long-term financial resilience. We view this as positive and supportive for Thai economic growth in 2025, potentially enhancing capital markets, especially the SET index, after plunging by c20% from its high in mid-October last year. We think the chance for further rate cuts of another 25-50bps this year remains, in case Thai economic growth remains dull and below expectations, while the overall financial conditions are still tight.

▪ On 20 March 2025, the BoT announced a temporary relaxation of its loan-to-value (LTV) regulations for housing loan contracts from 1 May 2025 to 30 June 2026. The revised rules allow for loans of up to 100% of the collateral value for second homes and subsequent units priced below THB10m as well as for all properties over THB10m, up from an earlier cap of 70-90%. This aims to support the slowing real estate sector, which has shown no signs of recovery amid high unsold inventories. The measure should provide positive sentiment for the housing market. Condos should benefit more than low-rises since they have higher second-home demand. We believe this policy should support both developers' operating performance and enhance the overall economy, as the property sector has extensive supply chains.

Exhibit 14: LTV easing measures

Unit price	Mortgage contract	LTV ratio (before easing)	LTV ratio (after easing)
>10 million bath	First	90%	100%
	Second	80%	100%
	Third onwards	70%	100%
<10 million bath	First	100% + 10% on top for furniture	Unchanged
	Second	90% if the first contract was paid for 2 or more years.	100%
	Third onwards	80% 70% if the first contract was paid for less than 2 years.	100%

Source: BoT and FSSIA's compilation

Exhibit 15: Fed funds rate vs BoT rate
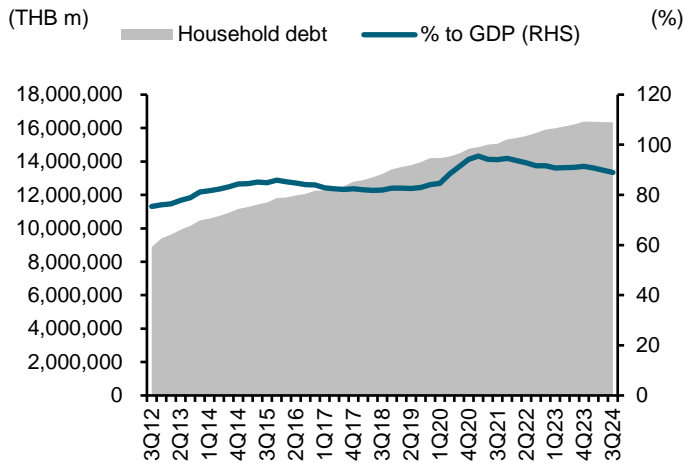

Sources: CME FedWatch Tool, FSSIA

3) Government buying bad debt scheme

▪ In March 2025, the Ministry of Finance (MoF) is considering a plan to address unsecured NPLs, targeting THB427b worth of unsecured NPLs. (37% of NPLs in the NCB database). The core condition for this program is to help unsecured NPLs with less than THB100,000 per ticket. The key reason is to assist distressed borrowers to repay more easily with no limitation from credit bureau records. In addition, removing bad debts from the commercial banking system would free up banks and incentivize providing new lending to creditworthy customers, which would support broader economic activity. The cabinet expects this program to start within this year.

▪ Based on the market practice of the acquisition price for unsecured NPLs at 5-10% of face value, we expect the total budget for this initiative to be up to THB43b. However, details of the funding source are still unclear, and pending further announcement. If this measure is successful and goes as planned, we think it could lower household debt to GDP by c2.5% from the current level of 89%, slightly closer to the government's target of 80%.

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For commercial banks, unsecured loans account for only 5% of their total loan portfolios. Therefore, this measure could help remove unsecured NPLs from banks' balance sheets, but we expect the overall positive impact on the banking sector to be minimal. Based on our sensitivity analysis, a 10bps decrease in credit cost (THB12b) would increase 2025E net profit for the sector by 5.5% and improve ROE by 50bps (from 2025E at 9.1%), all else being equal. Moreover, this should limit the downside risk to the 2025E SET EPS by c1%.

Exhibit 16: Thailand household debt to GDP

Source: BoT
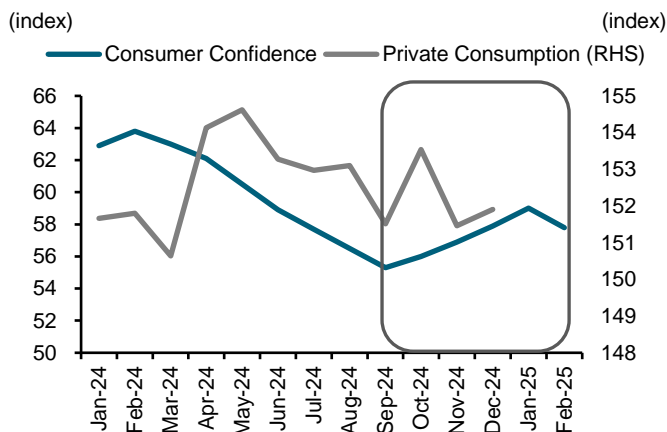
Exhibit 17: NPL data by product

As of Jan 2025	No. of accounts	Value (THB b)	y-y %
Housing loans	162,106	236.64	27.1
Auto hire-purchase	861,186	269.68	14.8
Credit cards	1,087,159	69.54	10.3
Personal loans	4,855,045	284.82	8.7
Loan for agriculture	263,796	36.08	(18.3)
Commercial loans	174,857	82.39	16.8
Cooperation loans	8,541	2.24	6.3
Nanofinance	287,678	10.90	30.0
Other HP, Leasing	1,243,458	63.90	2.3
Others	581,454	169.19	32.7
Total	**9,525,280**	**1,225.38**	**15.5**

Source: National Credit Bureau (NCB)
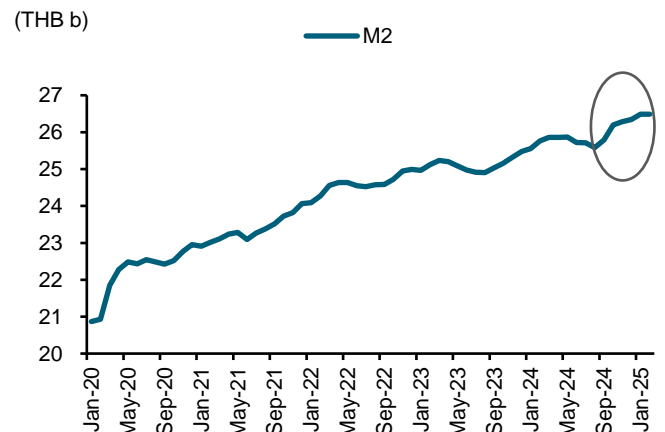
4) THB10,000 digital wallet (Phase 3)

- In March 2025, the Economic Stimulus Policy Committee (ESPC) approved the THB10,000 digital wallet Phase 3, targeting c2.7m people aged 16-20 years old, with an estimated budget of cTHB27b. The cabinet expects to inject the money within 2Q25. Although the budget is lower than Phase 1 and Phase 2 at THB145b and THB30b, respectively, the government believe this younger target group is highly familiar with mobile technology and digital platforms. Distributing the funds via the "Thang Rath" digital wallet aligns with their usage behavior, encouraging smoother adoption of digital financial tools. The program requires recipients to spend money within their registered provinces, to ensure that the funds circulate within local communities, and support small businesses and informal vendors.

- While we do not expect that this round of the THB10,000 stimulus package would significantly impact GDP growth, it should help support economic liquidity during the low season after the Songkran Festival.

Exhibit 18: Thailand private consumption and consumer confidence index

Source: Bloomberg

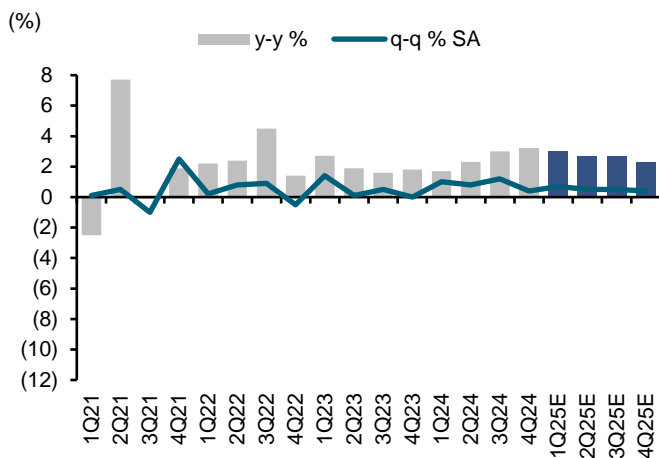**Exhibit 19: Thailand M2 money supply**

Source: BoT

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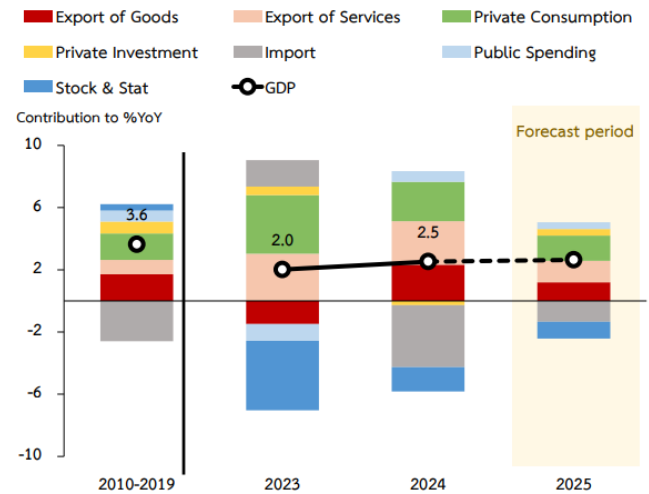## Thai economy remains subdued in 1Q25; but should see some acceleration

After disappointing 4Q24 GDP growth, we expect the Thai economy to remain subdued in 1Q25. However, we anticipate stronger momentum in terms of q-q growth, with the Bloomberg consensus projecting +0.7% q-q and +3% y-y. Private consumption should remain resilient, with moderate growth, while private investment may show a sign of recovery after three consecutive quarters of y-y contraction. On the public side, we anticipate the strong growth to continue, particularly in investment, supported by greater budget disbursement and a low base from the previous year. Meanwhile, Thailand's good exports value grew by 14% YTD, significantly exceeding the Ministry of Commerce's (MoC) 2025 target of 2-3%. Additionally, we expect the drag from less change in inventories to ease this quarter or even turn positive. For 2025, the BoT expects the Thai economy to grow by 2.6% y-y, slightly higher than 2024. However, we think the negative impact from global trade tariffs remains a key downside risk.

Exhibit 20: q-q acceleration expected for TH 1Q25 GDP

Source: NESDC and Bloomberg

Exhibit 21: GDP contribution on demand side

Source: NESDC and BoT

Exhibit 22: NESDC and BoT economic projections

	2019	2020	2021	2022	2023	2024	-------------- NESDC -------------- 2025E	------ Bank of Thailand ----- 2025E
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)
Real GDP growth	2.3	(6.4)	1.5	2.6	2.0	2.5	**2.3-3.3**	**2.6**
Private consumption	4.0	(0.8)	0.6	6.2	6.9	4.4	**3.3**	-
Private investment	2.7	(8.1)	3.0	4.6	3.1	(1.6)	**3.2**	-
Public consumption	1.7	1.4	3.7	0.1	(4.7)	2.5	**1.3**	-
Public investment	0.1	5.1	3.4	(3.9)	(4.2)	4.8	**4.7**	-
Export value growth (USD b)	(3.3)	(6.5)	19.2	5.4	(1.5)	5.8	**3.5**	-
Headline inflation	0.7	(0.8)	1.2	6.1	1.2	0.4	**0.5-1.5**	-
Current account to GDP (%)	7.0	4.2	(2.0)	(3.5)	1.5	2.3	**2.5**	-
Number of tourist arrivals (m)	39.9	0.0	0.4	11.2	28.1	35.5	**38**	-

Sources: NESDC and BoT

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Banks' 1Q25E earnings in focus

We expect the seven Thai banks under our coverage to post an aggregate net profit of THB54.6b in 1Q25, increasing by 6.5% q-q but slightly declining by 0.6% y-y. The q-q growth would be driven by lower operating expenses (OPEX), following seasonally high expenses in 4Q24. Meanwhile, the y-y decline is from lower net interest margins (NIM) and net interest income, impacted by the interest rate cuts in October 2024 and February 2025, though partly offset by lower credit costs.

We expect BBL to deliver a higher net profit both q-q and y-y, supported by loan expansion, an improved cost-to-income ratio, and reduced credit cost. In contrast, we anticipate TISCO and KKP to report lower net profits both q-q and y-y, due to higher credit costs and the absence of elevated investment gains seen in the previous year, respectively.

We also expect the seven banks to show negative loan growth of 0.6% q-q and 1.2% y-y, primarily due to repayments of corporate and government-related loans. At the same time, banks are likely to remain cautious with credit approvals for the SME and retail segments, given the uncertain sales recovery, subdued consumer purchasing power, and high household debt burdens. We project the aggregate NIM to decline by 7bps q-q to 3.44%, reflecting the recent policy rate cuts.

In terms of asset quality, we believe the overall picture remains stable. We forecast the sector's NPL ratio to be at 3.59% in 1Q25, slightly lower than 3.61% a year earlier, and below the three-year peak of 4.0%. Credit cost is expected at 138bps, down 8bps y-y due to improved asset quality. Specifically, we expect KBANK, BBL, and KTB to report significant y-y improvements in credit cost, following their aggressive NPL clean-ups in 2024. If the results are in line, it would represent 24.6% of our 2025 full-year aggregate earnings forecast of THB217b (+4% y-y).

Exhibit 23:   1Q25 earnings forecasts of Thai banks under coverage

	1Q25E	4Q24	*Change*	1Q24	*Change*	2025E	*Change*	% to 2025E
	(THB m)	(THB m)	*(q-q%)*	(THB m)	*(y-y%)*	(THB m)	*(y-y %)*	(THB m)
BBL	11,670	10,404	*12.2*	10,524	*10.9*	47,321	*5*	24.7
KBANK	12,874	10,494	*22.7*	13,486	*(4.5)*	51,580	*6*	25.0
SCB	11,476	11,707	*(2.0)*	11,281	*1.7*	46,165	*5*	24.9
KTB	10,511	10,475	*0.3*	11,078	*(5.1)*	43,983	*0*	23.9
TTB	5,335	5,112	*4.4*	5,334	*0.0*	21,871	*4*	24.4
TISCO	1,582	1,706	*(7.3)*	1,733	*(8.7)*	6,491	*(6)*	24.4
KKP	1,176	1,406	*(16.3)*	1,506	*(21.9)*	4,799	*(4)*	24.5
Coverage	**54,623**	**51,303**	**6.5**	**54,942**	**(0.6)**	**217,411**	**4**	**24.6**

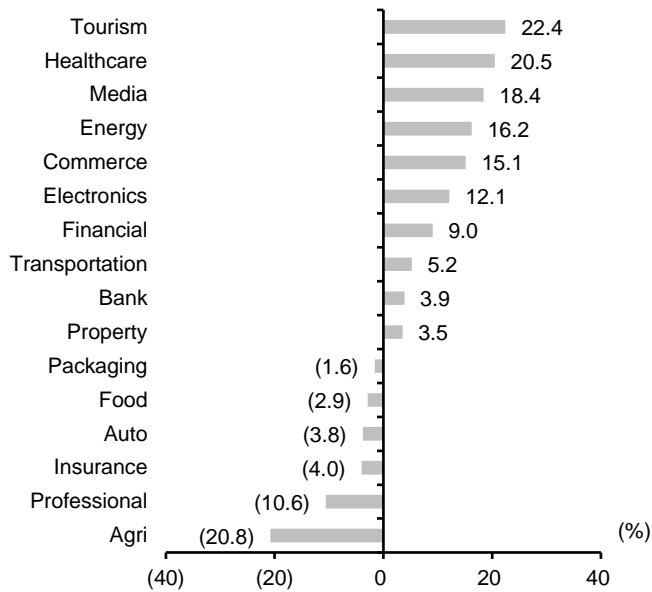Sources :Company data; FSSIA estimates

Maintain SET target of 1,390

We continue to see slight downward revisions in earnings, reflected in the Bloomberg consensus, which suggests further downside risk to our current 2025E EPS of THB95. However, we maintain our SET target of 1,390, as it is based on a more conservative EPS assumption of THB93, with a target PER multiple of 16x.

Following a sharp decline of c20% from its October 2024 high, the SET index now offers a very attractive valuation for long-term investment. The index is currently trading at a 2025 PER of 12.5x and P/BV of 1.13x, below its historical average by at least SD -1.5. This translates to an earnings yield gap of almost 6%, the highest during a non-crisis period in over a decade.

On the downside, if we apply a PER multiple to 11.7x, SD -2 from the historical average, or a P/BV multiple of 1x, the support level for the SET index would be c1,100 and c1,040, respectively. We think the Thai stock market has already priced in most of the negative issues and concerns, with a deep discount on the valuation. Hence, we think that the risk of a further sharp decline is more limited, and expect a potential relief rebound from its recent low of c1,160, with key resistances at c1,210 and 1,250-1,270.

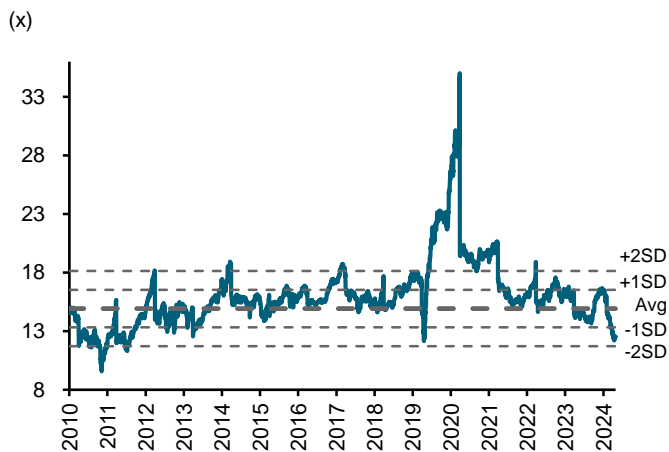**FINANSIA**

Exhibit 24: 2025E earnings growth by sector

Sector	%
Tourism	22.4
Healthcare	20.5
Media	18.4
Energy	16.2
Commerce	15.1
Electronics	12.1
Financial	9.0
Transportation	5.2
Bank	3.9
Property	3.5
Packaging	(1.6)
Food	(2.9)
Auto	(3.8)
Insurance	(4.0)
Professional	(10.6)
Agri	(20.8)

Sources :FSSIA and Bloomberg

Exhibit 25: 2025E earnings growth by sector

Sector	%
Construction	322.5
Petro	129.5
ICT	79.6
Cons. Mat	47.6

Sources :FSSIA and Bloomberg

Exhibit 26: SET target sensitivity

		------------- Earnings per share ------------	
		2025E	2026E
	EPS	93.0	100.0
		- Target index based on FSSIA estimates -	
	P/E (x)	2025E	2026E
SD+0.5	15.7	1,461	1,571
SD+0.25	15.3	1,423	1,530
pre-Covid average	14.9	1,386	1,490
SD-0.5	14.1	1,311	1,410
SD-1.0	13.3	1,236	1,329
SD-1.5	12.5	1,161	1,249
SD-2.0	11.7	1,086	1,168

Source :FSSIA estimates

Exhibit 27: SET earnings yield gap

Source :FSSIA estimates

Exhibit 28: SET historical forward PER

Sources: Bloomberg and FSSIA

Exhibit 29: SET historical forward P/BV

Sources: Bloomberg and FSSIA

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Continue to prefer domestic plays to benefit from stimulus measures and evade global uncertainties

Given the current uncertain global economic outlook, we continue to favor our domestic-focused strategy to mitigate global risks and uncertainties. Our preferred sectors include food, commerce, banking, finance, and construction materials. We believe that stocks with strong projected 1Q25 earnings, which are set to be previewed and released by mid-May 2025, and attractive valuations, i.e., below book value or pre-Covid levels, are likely to outperform the market.

As a result, our portfolio favorites remain **BA, BBL, BTG, CPALL, MTC, NSL, PR9, SEAFCO, and SHR**.

Exhibit 30: Summary of key valuations for FSSIA's top picks

| | | --- Share price --- | | Up side | Recurring net profit | | -Net profit growth- | | ---------- P/E ---------- | | | PBV | Div yld | ROE |
| | | Current | Target | | 25E | 26E | 25E | 26E | 25E | 26E | 27E | 25E | 25E | 25E |
		(THB)	(THB)	(%)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Airways	BA TB	18.90	30.00	59	4,075	4,303	9.7	5.6	9.7	9.2	n/a	2.0	6.2	21.1
Bangkok Bank	BBL TB	150.00	194.00	29	47,321	50,298	4.7	6.3	6.1	5.7	5.4	0.5	5.9	8.3
Betagro	BTG TB	21.50	24.00	12	2,658	2,885	11.8	8.5	16.2	14.9	13.8	1.5	2.6	9.6
CP All	CPALL TB	50.00	83.00	66	27,820	31,529	9.9	13.3	16.1	14.2	13.4	3.4	3.1	20.8
Muangthai Capital	MTC TB	39.75	56.00	41	7,083	8,297	20.7	17.1	11.9	10.2	9.2	1.9	1.3	17.6
NSL Foods	NSL TB	29.00	43.00	48	600	680	10.8	13.4	14.5	12.8	11.9	4.0	4.1	29.6
Praram 9 Hospital	PR9 TB	20.50	30.00	46	816	905	14.5	10.9	19.8	17.8	16.1	2.7	2.5	14.3
Seafco	SEAFCO TB	1.99	3.00	51	148	171	nm	15.7	11.0	9.5	9.2	1.0	3.6	9.5
S Hotels and Resorts	SHR TB	2.00	3.80	90	379	518	122.2	36.7	19.0	13.9	n/a	0.4	2.1	2.3

Share prices as of 27 Mar 2025
Source: FSSIA estimates

Exhibit 31: FSSIA stock favorites for 2025

Company	BBG code	Key rationale	FSSIA ESG rating
Bangkok Airways	BA TB, BUY, TP THB30.0	BA's 1Q25 earnings momentum is expected to reach a new high, driven by strong and outperforming passenger growth in Samui. Unlike competitors, BA has not been significantly impacted by the absence of Chinese tourists. Our 2025 earnings forecast of THB4.1b (+6% y-y) may have upside potential. The pullback in share price makes the valuation more attractive, currently trading at 9.3x PER and offering an estimated dividend yield of over 6% per year.	-
Bangkok Bank	BBL TB, BUY, TP THB194	We foresee positive catalysts for BBL including room for loan expansion, resilient NIM, strong asset quality and lower credit cost. BBL should be one of the greatest beneficiaries of the rising investment cycle. The bank targets overall loan growth of 3-4% in 2025, the highest among Thai banks. BBL is now trading at 0.5x 2025E P/BV vs the ROE projection of around 8.3%. We see BBL's valuation as undemanding.	★★★★
Betagro	BTG TB, BUY, TP THB24	1Q25 earnings are expected to continue growing q-q and turn around from a loss in 1Q24, supported by higher meat prices, particularly swine and chicken, while raw material costs remain stable. We forecast 2025 normalized earnings at THB2.7b (+12% y-y), with meaningful upside potential of at least 20%. Including this upside, the stock is currently trading at an implied PER of just c13x.	-
CP All	CPALL TB, BUY, TP THB83.0	1Q25 earnings momentum is expected to continue growing y-y, supported by QTD same-store sales growth (SSSG) of approximately 1-3% for both 7-Eleven and CPAXT. The company maintains its full-year SSSG target of around +3%, in line with economic and inflation growth. We forecast 2025 earnings at THB28b (+10% y-y), with further support from CPAXT's synergy value, which should become more evident in 2H25.	★★★★
Muangthai Capital	MTC TB, BUY, TP THB56.0	We think MTC's 1Q25 earnings will remain strong and outperform the sector. Growth is supported by continued loan expansion, while asset quality remains well-managed. We forecast 2025 normalized earnings at THB7.1b (+21% y-y), with additional upside potential if the BoT lowers the policy rate from the current 2%. The stock has declined over 10% MTD, approaching a key support level, which could lead to a short-term rebound.	★★★★
NSL Foods	NSL TB, BUY, TP THB43.0	1Q25 earnings are expected to be strong, with a positive catalyst from the newly launched sandwich collaboration with "Nua Tair," which has received very positive feedback. The company targets 2025 revenue growth of 16-17% y-y, driven by both existing and new products, as well as an expanding customer base. Our 2025 revenue forecast assumes 14% y-y growth, with net profit projected at THB600m. We see some upside risk to our projections.	-
Praram 9 Hospital	PR9 TB, BUY, TP THB30	We believe the current share price weakness and concern over the higher SG&A level in 4Q24 presents a buying opportunity, as we expect the strong y-y earnings growth momentum to continue in 1Q25, driven by strong international patient revenue.	★★★
Seafco	SEAFCO TB, BUY, TP THB3.00	We expect a strong turnaround in 2025. The construction industry is expected to recover in 2025, driven by increased government infrastructure projects. The company's backlog is very strong at THB2.6b. We expect a strong turn around in 2025 net profit of THB148m, driven by high-margin revenue from the Orange Line project, with peak contributions in 2Q-3Q25. SEAFCO is trading at a 2025E P/BV of 0.9x, below the five-year average of 2x.	-
S Hotels and Resorts	SHR TB, BUY, TP THB3.80	We believe 1Q25 normalized earnings have the potential to reach a new high, supported by lower interest expenses and depreciation. The hotel business remains strong with positive RevPar growth. Additionally, there is a positive accounting catalyst related to the SO/Maldives JV. SHR has already booked its share of losses to the point that its equity value is now zero. As a result, no further losses will be recognized going forward. We expect this should lead to the market revising earnings from current forecasts, which still assume a THB100-150 m share of loss for 2025.	★★

Source : FSSIA estimates

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Appendix

Exhibit 32: Thailand's top export products to the US

Product	Value 2024 (USD m)	Growth 2024 (%)	Share 2024 (%)
Automatic data processing machines and parts thereof	10,568	48.2	19.2
Teleprinters, telephone sets and parts thereof	4,657	22.3	8.5
Rubber products	4,504	6.0	8.2
Semi-conductor devices, transistors and diodes	2,484	(24.9)	4.5
Electrical transformers and parts thereof	2,096	8.8	3.8
Machinery and parts thereof	2,036	20.9	3.7
Precious stones and jewelry	1,974	16.1	3.6
Motor cars, parts and accessories	1,893	25.9	3.5
Other electrical equipment and parts thereof	1,777	1.8	3.2
Air conditioning machine and parts thereof	1,283	8.6	2.3
Iron and steel and their products	1,205	(19.3)	2.2
Plastic products	1,072	32.8	2.0
Boards, panels of electric control	913	21.9	1.7
Prepared or preserved fish, crustaceans, mollusks in airtight containers	911	6.3	1.7
Other industrial products	900	16.3	1.6
Others	16,684	8.1	30.4
Summary	**54,956**	**13.7**	**100.0**

Source: MoC

Exhibit 33: Thailand's top import products from the US

Product	Value 2024 (USD m)	Growth 2024 (%)	Share 2024 (%)
Crude oil	3,689	(1.0)	18.9
Machinery and parts	2,171	26.1	11.1
Chemicals	1,304	9.9	6.7
Natural gas	1,158	41.9	5.9
Aircrafts, gliders, instruments and parts	949	(0.8)	4.9
Electrical machinery and parts	939	5.2	4.8
Electronic integrated circuits	929	(11.9)	4.8
Scientific, medical, testing appliances and instruments	758	1.9	3.9
Parts and accessories of vehicles	738	(11.1)	3.8
Vegetables and vegetable products	701	(14.7)	3.6
Pulp, waste and scrap of paper	548	(3.1)	2.8
Other metal ores, metal waste scrap, and products	518	48.9	2.7
Medicinal and pharmaceutical products	468	(3.3)	2.4
Computers, parts and accessories	443	59.1	2.3
Others	3,820	(16.4)	19.6
Summary	**19,529**	**1.2**	**100.0**

Source: MoC

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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%). (*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.*)	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. (*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.*)	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 Sustainalytics	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. *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.*	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><td>NEGL</td><td>Low</td><td>Medium</td><td>High</td><td>Severe</td></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>
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.

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

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. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)		
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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 18.90	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 150.00	BUY	Downside risks are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Betagro	BTG TB	THB 21.50	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.
CP All	CPALL TB	THB 50.00	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 39.75	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 29.00	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.
Praram 9 Hospital	PR9 TB	THB 20.50	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Seafco	SEAFCO TB	THB 1.99	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 2.00	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

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 27-Mar-2025 unless otherwise stated.

FINANSIA

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.