

Thailand Market Strategy

ภาณินำเข้าและความเสี่ยงทางการเมือง vs Valuation ที่ถูก

- ภาณินำเข้าของทรัมป์น่าจะถ่วงการเติบโตของโลกในช่วง 2H25 แต่หากผลกระทบน้อยกว่าคาด อาจทำให้ FED ลดอัตราดอกเบี้ยเร็วขึ้นและช่วยหนุนสินทรัพย์เสี่ยง
- เศรษฐกิจไทยคาดว่าจะชะลอตัวในช่วง 2H25 และมีความเสี่ยงจากความไม่แน่นอนทางการเมือง ส่วนรูปท. คาดว่าจะลดอัตราดอกเบี้ยนโยบายลงอีกอย่างน้อย 25 bps
- เป้า SET ยังอยู่ที่ 1,180 เราเลือกหุ้นที่กำไรดีและมีความชัดเจนพร้อม Valuation ที่มีส่วนลดสูง

ภาณินำเข้าของทรัมป์ จะเริ่มส่งผลกระทบต่อเศรษฐกิจโลก

เราคาดว่าภาณินำเข้าของทรัมป์จะเริ่มส่งผลกระทบต่อเศรษฐกิจโลกมากขึ้นในช่วง 2H25 เมื่อภาณินำเข้าเริ่มมีผลบังคับใช้ ปัจจัยดังกล่าวอาจทำให้เฟดตัดสินใจขึ้นทามกลางแรงกดดันในด้านเงินเฟ้อที่พุ่งสูงขึ้น ปัจจุบันตลาดคาดว่าอัตราดอกเบี้ยจะลดลงอีกไม่ต่ำกว่า 2 ครั้งในช่วง 2H25 นอกจากนี้ราคาน้ำมันยังคงเป็นปัจจัยสำคัญที่ต้องจับตาดูค่าความตึงเครียดในตะวันออกกลางปะทุขึ้นอีกครั้ง อย่างไรก็ตามผลกระทบจริงของภาณินำเข้ามีน้อยกว่าคาด เฟดอาจลดดอกเบี้ยได้เร็วขึ้นซึ่งจะเป็นปัจจัยบวกต่อสินทรัพย์เสี่ยง

คาดเศรษฐกิจไทยจะโตช้าในช่วง 2H25 พร้อมความเสี่ยงทางการเมือง

แนวโน้มเศรษฐกิจไทยยังคงเปราะบางท่ามกลางความท้าทายทั้งภายในและภายนอกประเทศ เราคาดว่าเศรษฐกิจไทยจะโตช้าลงในช่วง 2H25 จากการส่งออกที่ชะลอตัวและความเสี่ยงทางการเมืองในประเทศยังคงอยู่ ความไม่แน่นอนเกี่ยวกับเสถียรภาพและความสามารถในการออกกฎหมายของรัฐบาลอาจบั่นทอนความมั่นใจและทำให้เศรษฐกิจมีความเสี่ยง ทั้งนี้เหตุการณ์สำคัญที่ต้องจับตาดูจะอยู่ที่การตัดสินใจของศาลรัฐธรรมนูญในตอนต้นเดือน ก.ค. ว่าจะรับคำร้องถอดถอนนายกรัฐมนตรีหรือไม่ การรับคำร้องและคำสั่งให้หยุดปฏิบัติหน้าที่อาจบั่นทอนบรรยากาศของตลาด ในขณะที่การถอดถอนน่าจะเป็นบวกต่อตลาด

เป้า SET ของเรายังอยู่ที่ 1,180 การฟื้นฟูความมั่นใจเป็นกุญแจสำคัญ

เราคงเป้า SET ปี 2025 ของเรายังอยู่ที่ 1,180 บนสมมติฐาน 2025E EPS ที่ 84 บาทและ PER multiple ที่ 14x เราเห็นว่า Upside น่าจะอยู่ที่ความสำเร็จของการเจรจาการค้าในขณะที่ Downside น่าจะมาจากความไม่แน่นอนทางการเมืองที่ยืดเยื้อ อย่างไรก็ตามเราคิดว่า Valuation ของ SET ในปัจจุบันน่าสนใจเป็นอย่างยิ่งและเป็นโอกาสสำหรับการลงทุนระยะยาวเนื่องจากดัชนีมีการซื้อขายโดยมี PER and P/BV multiple อยู่ในระดับ -2SD จากค่าเฉลี่ยในอดีต ปัจจัยบวกสำคัญอยู่ที่การพลิกฟื้นความมั่นใจของตลาด หากประเด็นต่างๆค่อย ๆ คลี่คลายเราคาดว่าดัชนีจะปรับขึ้นจากความกังวลที่หมดไปซึ่งอาจช่วยหนุนให้ Valuation ของตลาดปรับขึ้น

หุ้นเด่นของเราเน้นที่กำไรดีและมีความชัดเจนพร้อม Valuation ที่น่าสนใจ

จากการศึกษาเราพบว่ากลุ่มที่โดดเด่นทั้งในด้านการเติบโตของกำไรที่ดีและ Valuation ที่ต่ำคืออาหาร พาณิชย์ ธนาคาร ท่องเที่ยวและ Healthcare ซึ่งส่วนมากเป็นหุ้นในประเทศ ดังนั้นหุ้นเด่นของเราจึงประกอบด้วย BA CENTEL CPALL KBANK MTC NSL OSP PR9 และ STECON



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Focus on impact from US tariffs taking effect in July

The US reciprocal tariffs are set to start on 9 July 2025, after being delayed by 90 days to allow time for negotiations. Since May 2025, there have been some positive signs and attempts at easing trade tensions:

- The US-UK trade agreement, concluded in early May 2025, marked the first bilateral deal under the new tariff regime.
- The US and China agreed to temporarily lower their tariffs for 90 days starting 14 May 2025. The US reduced tariffs on Chinese goods from 145% to 30%, while China cut tariffs on US imports from 125% to 10%. In June 2025, both sides reached a framework agreement. However, the tariffs remain elevated, with the US expected to impose 55% tariffs on Chinese goods, while China would maintain a 10% tariff on US goods.
- The US-EU trade talks remain tense but ongoing, as the Trump administration has threatened 50% tariffs on EU imports starting from June 2025, before postponing the deadline to 9 July 2025.
- The US-Japan trade talks are ongoing, but their conclusion before the deadline remains unclear. The US describes Japan as "being tough," while Japan stated the discussions are "in a fog."

Recently, the US federal appeals court ruled that Trump can maintain his tariffs while the court reviews the legality of his policy. However, US officials indicated that the 90-day pause is highly likely to be extended for trading partners who are negotiating in good faith.

We expect to see a slow global economic growth rate in 2H25 due to the effect of the US reciprocal tariffs. Nonetheless, the easing stance of the US on its policies suggests that the negative effects may be less severe than previously feared. The World Bank has revised down its global growth forecast from +2.7% y-y to +2.3% y-y in 2025, but estimates the probability of a recession at below 10%. On a quarterly basis, most major economies are expected to show slowing GDP growth in 2Q25 through to the second half of the year.

Exhibit 1: GDP growth projections by country (y-y)

	2Q24	3Q24	4Q24	1Q25	2Q25E	3Q25E	4Q25E	2025E	2026E	Probability of recession
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
US*	3.0	3.1	2.4	(0.2)	1.4	0.8	1.2	1.4	1.6	40.0
Eurozone	0.5	1.0	1.2	1.5	1.1	0.7	0.6	1.0	1.1	30.0
UK	1.1	1.2	1.5	1.3	0.9	1.1	1.2	1.1	1.2	32.5
China	4.7	4.6	5.4	5.4	4.9	4.4	4.0	4.5	4.2	15.0
Japan*	3.8	0.9	2.2	(0.2)	0.1	0.3	0.6	0.8	0.7	35.0
South Korea	2.3	1.6	1.3	0.0	0.6	1.3	1.8	1.0	1.8	15.0
Taiwan	4.9	4.2	3.8	5.5	4.1	2.2	1.1	3.0	2.4	15.0
Thailand	2.3	3.0	3.3	3.1	2.4	1.4	1.4	2.0	2.0	30.0
Indonesia	5.1	5.0	5.0	4.9	4.8	4.7	4.7	4.8	4.9	10.0
Malaysia	5.9	5.4	4.9	4.4	4.2	3.8	4.4	4.2	4.3	5.0
Singapore	3.4	5.7	5.0	3.9	2.7	0.2	0.0	1.7	1.8	40.0
Philippines	6.5	5.2	5.3	5.4	5.5	5.6	5.5	5.5	5.8	15.0
India	6.5	5.6	6.4	7.4	6.5	6.5	6.1	6.3	6.3	0.0

Note: * = q-q SAAR

Sources: Bloomberg and FSSIA's compilation

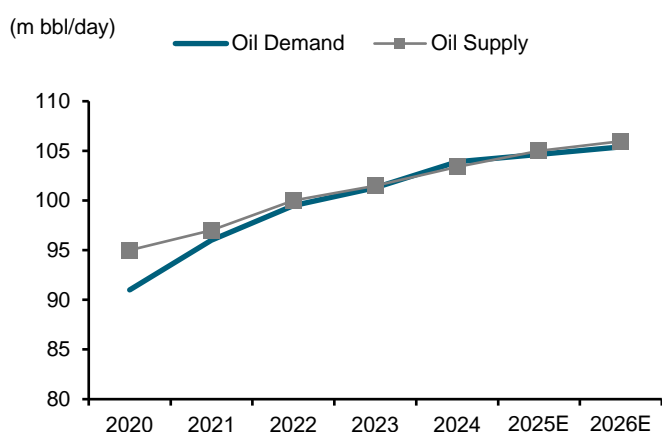
Geopolitical tensions to monitor after ceasefire agreement

According to the latest report from the International Energy Agency (IEA), global oil demand is expected to increase by 740k bbl/day in 2025 and 760k bbl/day in 2026. On the supply side, the IEA projects oil supply to rise by 1.6m bbl/day to 104.6m bbl/day in 2025, with a further rise of 970k bbl/day in 2026. This implies excess supply of c0.4-0.6m bbl/day, which should keep crude prices around USD70 per bbl or below under normal circumstances.

Geopolitical risks pose significant risk to oil prices. Iran currently exports 3.3m bbl/day, accounting for c3% of the global oil demand and ranking the eighth-largest oil producer in the world. Recently, tensions have intensified after the US military strikes on Iranian proxy targets. The street expects that the oil price has the potential to hit USD100 per bbl if Iran is able to block the Strait of Hormuz, as 20% of global oil consumption is transported through that corridor.

However, President Trump recently announced that Israel and Iran have reached a full ceasefire agreement, ending the conflict after 12 days. This has eased market concerns on supply-side tensions in the oil market, leading Brent crude prices to decline by over 10% from a peak of USD81 per bbl to cUSD70 per bbl. The easing oil prices are also reducing concerns about cost-push inflation. This represents a significantly positive development. Nonetheless, the situation still warrants close monitoring to see whether any new issues could reignite the conflict.

Exhibit 2: Global oil demand forecasts



Sources: IEA, EIA, OPEC and FSSIA compiles

Exhibit 3: Oil production by country

Ranking	Country	Yearly oil production (m bbl/day)
1	United States	13.5
2	Russia	9.8
3	Saudi Arabia	9.0
4	Canada	4.8
5	China	4.3
6	Iraq	3.7
7	Brazil	3.5
8	Iran	3.3
9	United Arab Emirates	2.9
10	Kuwait	2.4

Source: Tradingeconomics

Fed's rate cut to resume in 2H25 after a pause in the first half

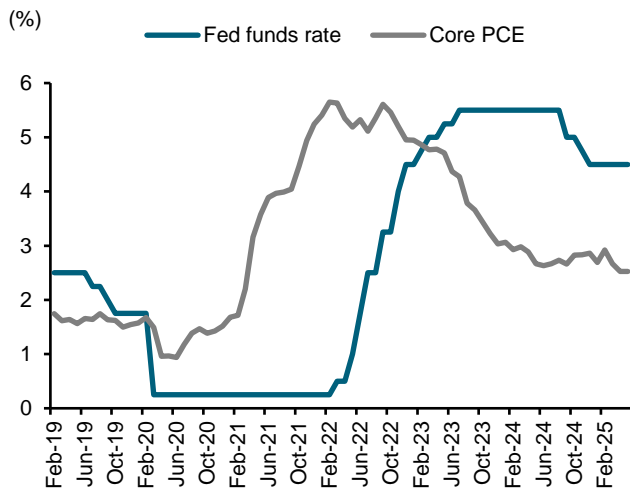
We expect the impact of the US reciprocal tariff policy will force the Federal Reserve (Fed)'s policy implementation, making it more challenging to balance growth momentum with price stability. In the latest Jun-25 meeting, the Fed held interest rates steady at 4.25–4.50%, in line with expectations. However, it revised down its US economic growth forecast by 20–30 bps from the March projections to 1.4% and 1.6% for 2025–26, respectively. Additionally, the Fed raised its inflation forecast, with core PCE expected to increase by about 20–30 bps to 3.1% in 2025 and 2.4% in 2026.

These developments make it more difficult for the Fed to cut interest rates, and any rate reductions are likely to be slower and more limited. Although the latest dot plot still reflects expectations from most Fed officials of two rate cuts this year, the outlook has become more cautious. For 2026–27, projections now point to just one rate cut per year.

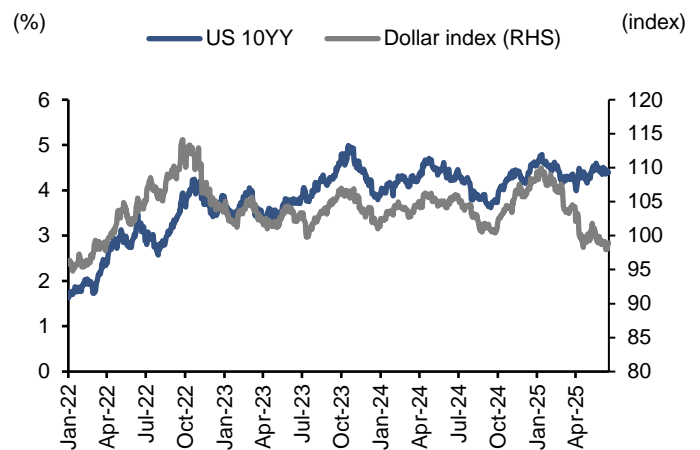
However, we recommend that investors focus on upcoming economic data, particularly after Trump's tariffs take effect in July 2025. If the economic impacts, particularly on inflation, are less severe than market fears, it could help ease investor concerns and revive expectations of a faster interest rate cut by the Fed going forward.

Exhibit 4: FOMC latest economic projections, June 2025

	Median			
	2025	2026	2027	Longer run
	(%)	(%)	(%)	(%)
Change in real GDP	1.4	1.6	1.8	1.8
vs March 2025 projection	1.7	1.8	1.8	1.8
Unemployment rate	4.5	4.5	4.4	4.2
vs March 2025 projection	4.4	4.3	4.3	4.2
PCE inflation	3.0	2.4	2.1	2.0
vs March 2025 projection	2.7	2.2	2.0	2.0
Core PCE inflation	3.1	2.4	2.1	
vs March 2025 projection	2.8	2.2	2.0	
Federal funds rate	3.9	3.6	3.4	3.0
vs March 2025 projection	3.9	3.4	3.1	3.0

Source: [Federal Open Market Committee \(FOMC\)](#)**Exhibit 5: US core PCE and Fed funds rate**

Source: Bloomberg

Exhibit 6: US 10Y bond yield vs dollar index

Source: Bloomberg

Slow momentum for the Thai economy in 2H25

We assess that the economic impact on Thailand will depend not only on the final tariff rate it receives (initially set at 36%), but also how it compares to regional peers. We believe that the minimum tariff rate the US will impose on all countries will be 10%. For Thailand, if the final tariff rate is reduced to 18–20%, it would represent a buffer of c35% relative to China's effective rate of 55%, offering a relative advantage. In addition to the comparison with China, if Thailand's tariff levels are not significantly higher than Vietnam, Indonesia, the Philippines, and Malaysia, the relative impact on Thailand could be mitigated.

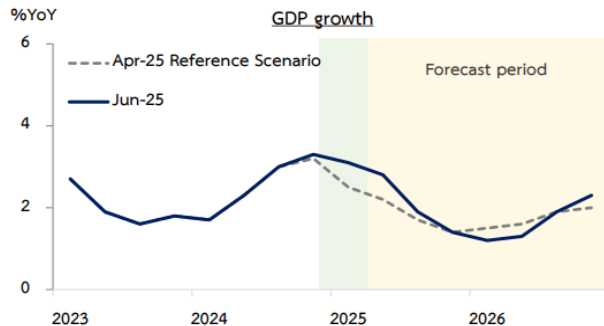
The Bank of Thailand (BoT) expects Thai GDP growth of 2.3% and 1.7% in 2025–26, under the assumption that Thailand is subject to an 18% US reciprocal tariff (half of the initially announced rate on 2 April 2025), China faces a 30% tariff, and other countries are charged a 10% rate. The projection is significantly higher than previous releases in April 2025, thanks to better-than-expected actual economic data in 1Q25 and economic indicators in 2Q25. Meanwhile, the NESDC forecasts 2025 GDP growth of 1.3–2.3% y-y.

For the rest of the year, we think better-than-expected exports could carry 2Q25 TH GDP growth. However, growth could deteriorate in 2H25, as strong export momentum fades and private consumption softens due to low rainy season. However, the upcoming stimulus packages should help to limit negative impacts, while q-q growth is likely to turn positive in 4Q25 as the country enters the high season for tourism and spending.

In terms of monetary policy, we expect the Monetary Policy Committee (MPC) to cut its rate by another 25 bps by year-end from 1.75% to 1.50% to tackle slow economic growth.

Exhibit 7: TH GDP growth to slow in 2H25

Thai economy was stronger-than-expected in the first quarter. However, looking ahead, the economy is expected to slow down

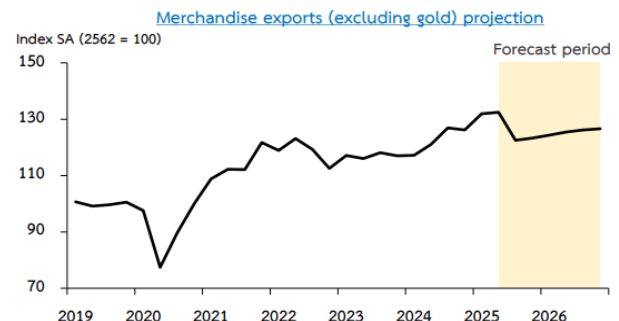


MPC Jun 25	2024	H1/25	H2/25	2025	2026
GDP (%YoY)	2.5	2.9	1.7	2.3	1.7
GDP (%QoQ)	0.8	0.6	0.1	0.3	0.6

Source: BoT

Exhibit 8: Merchandise exports to drop after being front-loaded in 1H25

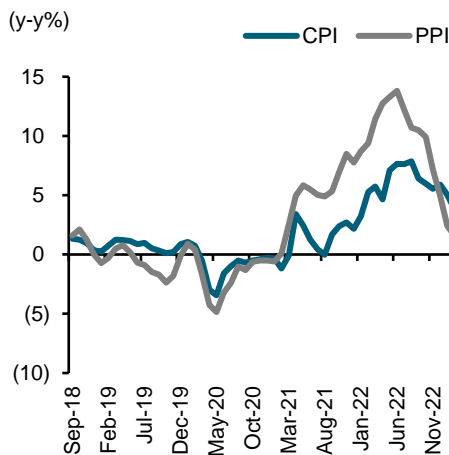
Merchandise exports are affected by U.S. tariffs, while electronics and machinery sectors continue to expand due to global demand.



Vx ex Gold	2024	H1/25	H2/25	2025 ^f	2026 ^f
%YoY	4.9	10.9	-2.9	3.8	-1.5
%QoQ sa	1.9	2.5	-3.4	-0.5	0.7

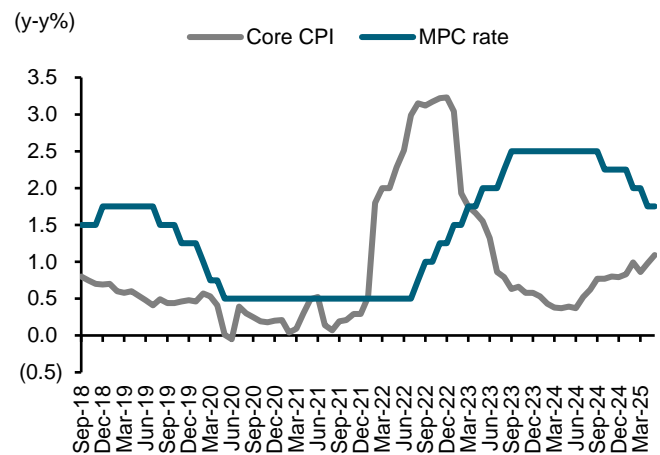
Source: BoT

Exhibit 9: TH CPI and PPI



Source: Bloomberg

Exhibit 10: TH core CPI and MPC rate



Source: Bloomberg

Exhibit 11: NESDC and BoT economic projections

	2021	2022	2023	2024	NESDC	Bank of Thailand
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	2025E	2025E
					(y-y%)	(y-y%)
Real GDP growth	1.5	2.6	2.0	2.5	1.3-2.3	2.3
Private consumption	0.6	6.2	6.9	4.4	2.4	2.0
Private investment	3.0	4.6	3.1	(1.6)	(0.7)	1.7
Public consumption	3.7	0.1	(4.7)	2.5	1.3	1.2
Public investment	3.4	(3.9)	(4.2)	4.8	5.5	6.0
Export value growth (USD b)	19.2	5.4	(1.5)	5.8	1.8	4.0
Headline inflation	1.2	6.1	1.2	0.4	0-1.0	0.5
Current account to GDP (%)	(2.0)	(3.5)	1.5	2.3	2.5	-
Number of tourist arrivals (m)	0.4	11.2	28.1	35.5	37	35

Sources: NESDC and BoT

Political uncertainty pressuring confidence and creating downside risks

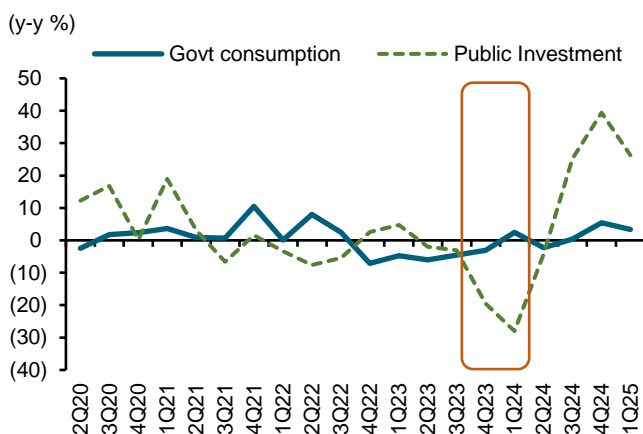
We assess that the recent political developments – particularly the leaked conversation between Thai Prime Minister Paetongtarn Shinawatra and Cambodian Senate President Mr. Hun Sen – have significantly undermined public and investor confidence. Although the prime minister has since issued a public apology and declared her intention to continue in office, the stability of the government has weakened, especially following the withdrawal of the Bhumjaithai Party from the coalition. This has reduced the government's support in the House to c260 seats, raising concerns over its ability to implement economic policies and pass key legislations.

Currently, the prime minister has not resigned and the coalition government remains intact and continues to function. We expect the government to stay in office at least until the 2026 fiscal budget is passed by September 2025 (and it may also push through the Entertainment Complex Act as well). The dissolution of parliament could be considered sometime in 4Q25. In the short term, this may somewhat reduce political uncertainty. However, the medium- to long-term outlook remains unclear, and investor confidence is expected to remain weak due to the government's fragile stability and the risk of sudden political changes.

However, if the situation shifts and the parliament is dissolved before the 2026 fiscal budget is approved, the legislation process would be delayed by 1–2 quarters. This would likely lead to a sharp slowdown in investment, especially in the public sector, similar to what occurred during 4Q23–1Q24. During such periods, public investment could contract by 20–28% y-y, based on historical data. We anticipate that this would pose a downside risk to Thailand's annual GDP by c0.7% from current forecasts of 2.3%.

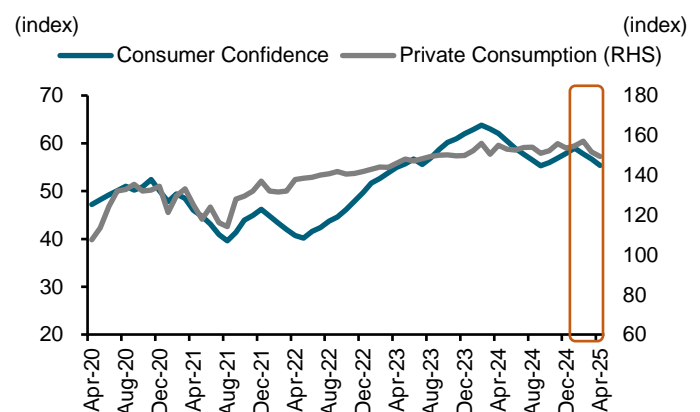
Another key factor to monitor is the Constitutional Court's upcoming decision in early July 2025, whether to accept the petition seeking the removal of the prime minister over the leaked audio clip controversy. If the court accepts the case and orders her to suspend duties pending a final ruling, we expect this to act as a negative overhang on market sentiment until a verdict is reached. However, if the petition is rejected, we believe the market will interpret it positively, potentially supporting a gradual recovery in the SET index.

Exhibit 12: Strong public segment, especially investment



Source: NESDC

Exhibit 13: Slow private consumption and negative investment



Source: NESDC

Exhibit 14: Changes in SET index before and after parliament dissolution

----- Before parliament dissolution -----						----- After parliament dissolution -----						
-3M	-2M	-1M	-2W	-1W	Prime Minister	Dissolution Date	+1D	+1W	+2W	+1M	+2M	+3M
1.5%	11.7%	14.2%	3.2%	-2.7%	Chuan Leekpai	19-May-95	-0.6%	5.0%	6.3%	4.5%	7.5%	1.3%
-16.0%	-4.5%	-5.2%	0.8%	0.2%	Banharn Silpa-archa	28-Sep-96	4.9%	-9.9%	-12.4%	-11.1%	-8.5%	-20.3%
-7.3%	-1.2%	14.2%	6.6%	4.7%	Chuan Leekpai	09-Nov-00	-0.1%	-1.2%	-3.2%	-6.8%	0.8%	11.6%
10.7%	5.8%	-2.7%	0.5%	0.3%	Thaksin Shinawatra	24-Feb-06	1.5%	1.6%	-1.8%	-1.1%	3.0%	-5.5%
11.9%	7.8%	0.3%	-1.0%	1.4%	Abhisit Vejjajiva	10-May-11	1.4%	-0.1%	-2.0%	-6.3%	-0.8%	-0.7%
-1.8%	-5.8%	-2.7%	1.1%	-0.5%	Yingluck Shinawatra	09-Dec-13	0.1%	-2.9%	-3.0%	-8.0%	-5.2%	-1.3%
-3.1%	-7.9%	-5.8%	-3.2%	-1.1%	Prayuth Chan-o-cha	20-Mar-23	1.4%	2.4%	2.9%	1.6%	-2.6%	0.1%
-0.6%	0.8%	1.8%	1.1%	0.3%	Average return		1.2%	-0.7%	-1.9%	-3.9%	-0.8%	-2.1%

Source: FSSIA summary

Our 2025 SET target remains at 1,180

We maintain our official 2025 SET target of 1,180, based on 2025E EPS of THB84 and a target PER multiple of 14x. This EPS assumption is very conservative compared to our base-case forecast of THB90, as we assign a 50% probability for both Scenario 1 and 2 for US tariffs on Thailand, reflecting downside risks from economic slowdown in 2H25.

For the upside, we are still waiting for results from Thai-US negotiations. Our assumption could be revised up if trade talks are successful and tariffs are reduced to around 10–20%. Our SET target would potentially rise to 1,230–1,280 from higher EPS and target PER of THB88 and 14.5x, respectively.

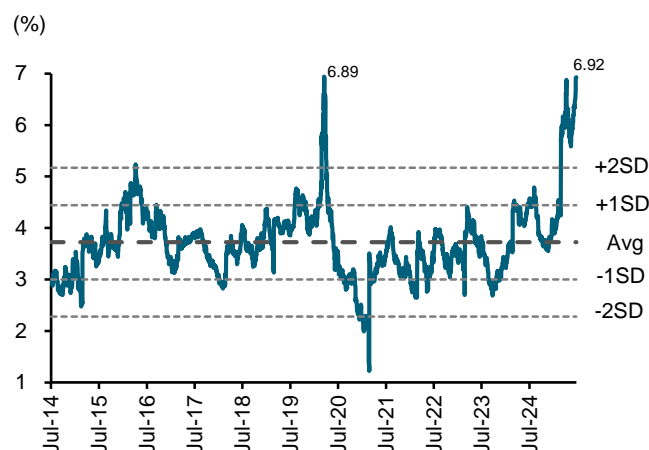
For the downside, we anticipate that prolonged domestic political uncertainty could exert significant pressure on corporates' earnings in 2H25, particularly in consumption- and investment-related segments, due to weaker consumer and investor confidence.

Exhibit 15: SET target sensitivity

----- Earnings per share -----				
	EPS	84	88	90
	P/E (x)	- Target index based on FSSIA estimates -		
SD+0.5	15.7	1,319	1,382	1,413
SD+0.25	15.3	1,285	1,347	1,377
pre-Covid average	14.9	1,252	1,311	1,341
SD-0.5	14.1	1,184	1,240	1,269
SD-1.0	13.3	1,116	1,170	1,196
SD-1.5	12.5	1,049	1,099	1,124
SD-2.0	11.7	981	1,028	1,051

Source: FSSIA estimates

Exhibit 16: SET earnings yield gap



Source: Bloomberg and FSSIA

Exhibit 17: Scenarios for US tariffs on Thailand

Scenarios	2025E GDP growth	2025E EPS	Target PER	SET target
Before tariffs	2.5%	THB93	15x	1,390
1. Maintain tariffs at 37%	Below 1.5%	THB80-84	14x	1,120-1,180
2. Lower tariffs to c20%	1.5-2.3%	THB84-88	14x	1,180-1,230
3. Lower tariffs to 10% or below	2.3% or above	THB88-90	14-14.5x	1,230-1,280

Source: FSSIA estimates

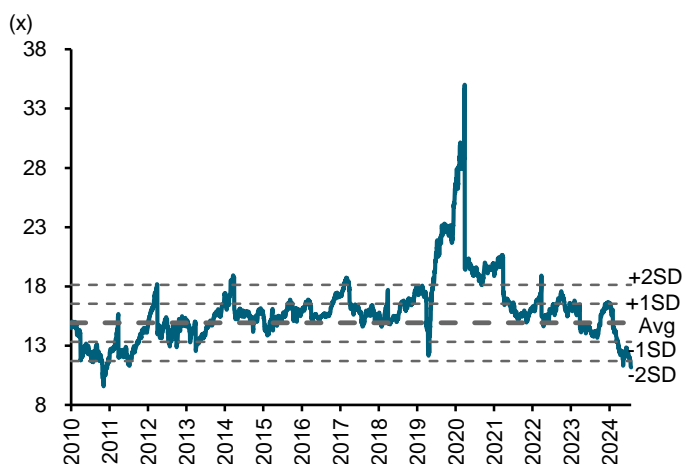
Valuation is attractive; confidence restoration is key

We believe that long-term structural constraints on Thailand's economic growth could limit upside risks to companies' earnings growth. Hence, we think the valuation of the index should be at a discount to the historical average. Our SET index target implies an earnings yield gap of 5.1%.

However, the SET index is currently trading at a 2025 PER of c12x and P/BV of c1.1x, which are below the historical averages by -2SD and implies an earnings yield gap of almost 7%, the same level as during the Covid-19 crisis. Compared to the region, the valuation of the Thai stock market, which previously traded at a premium to other markets such as Indonesia, Vietnam, the Philippines, South Korea, and Hong Kong, has declined to similar levels, with a 2025 PER of 10–12x. We think that this deep valuation is very attractive and offers an opportunity for long-term investment.

We expect a turnaround in market confidence could occur if key overhangs begin to ease, such as geopolitical conflicts, domestic political stability, and Thai-US trade deals. If these issues are gradually resolved in a positive way, we expect to see a rebound in investor confidence, which could support a re-rating in the market's valuation toward the historical norm.

Exhibit 18: SET historical forward PER



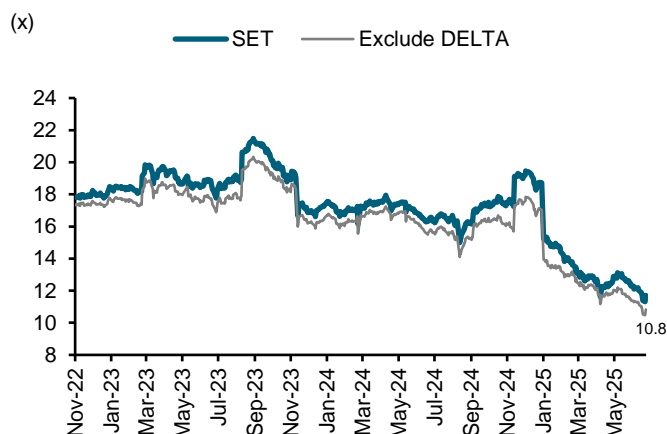
Sources: Bloomberg and FSSIA

Exhibit 19: SET historical forward P/BV



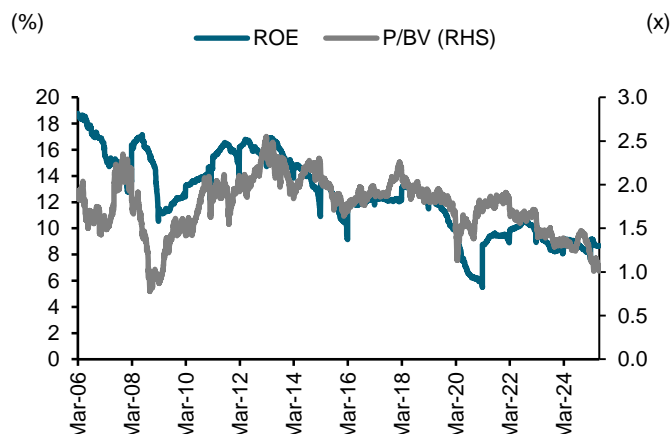
Sources: Bloomberg and FSSIA

Exhibit 20: SET PER excluding DELTA

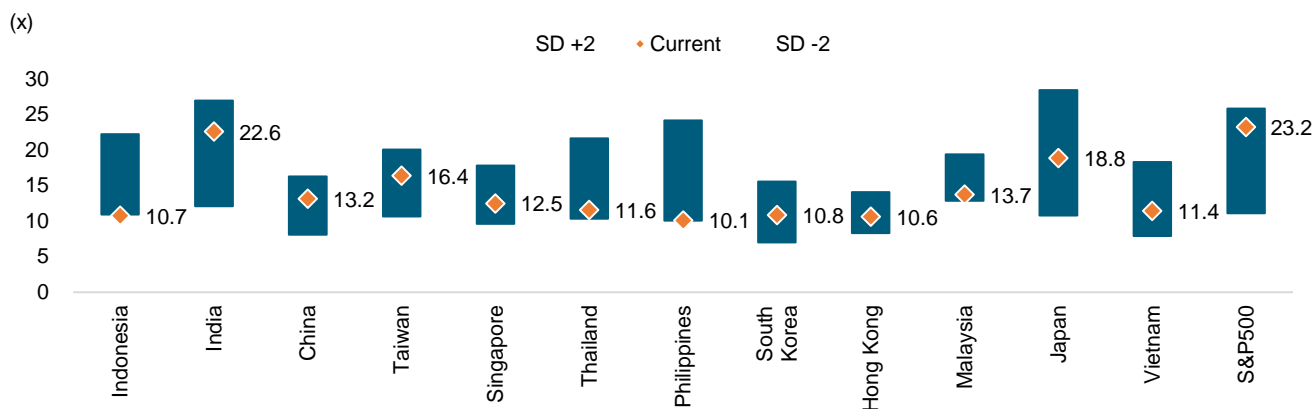


Sources: Bloomberg and FSSIA

Exhibit 21: SET ROE vs historical forward P/BV

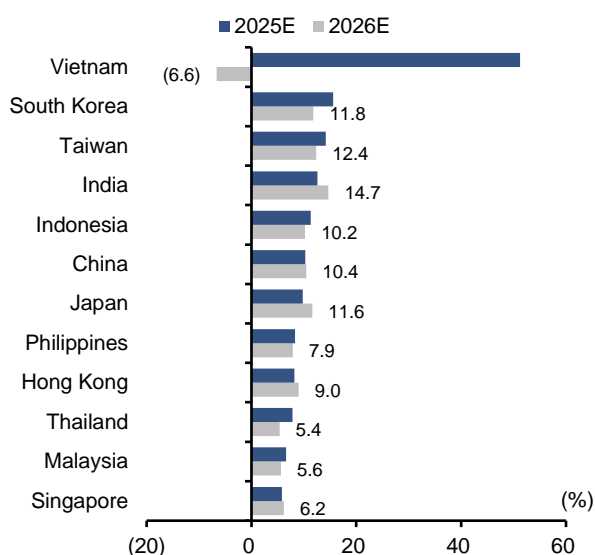


Sources: Bloomberg

Exhibit 22: Asian markets' PER comparison

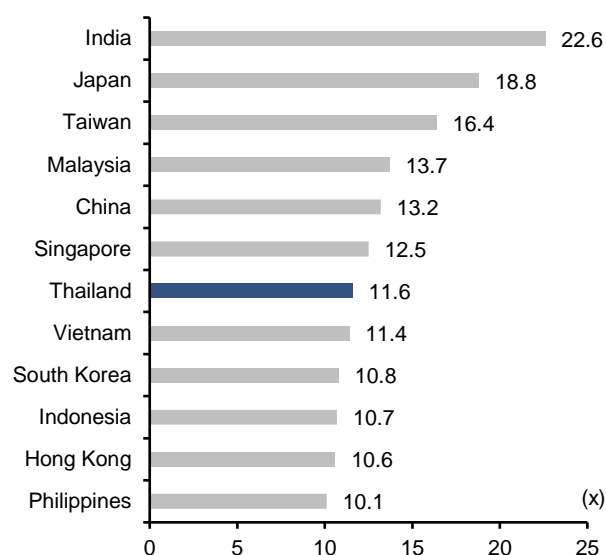
Data as of 23 June 2025

Sources: Bloomberg and FSSIA

Exhibit 23: Asian markets' EPS growth

Data as of 23 June 2025

Source: Bloomberg

Exhibit 24: Asian markets' PER

Data as of 23 June 2025

Source: Bloomberg

Which sectors would survive a K-shaped recovery?

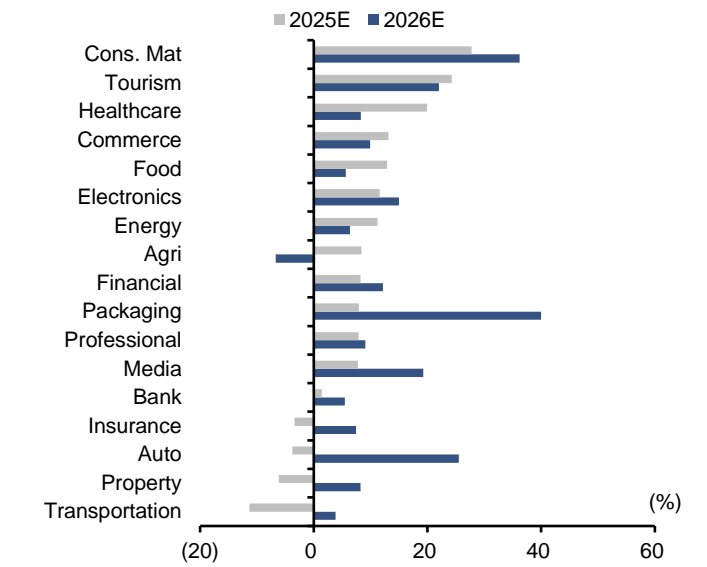
For sector analysis, we have compared the current 2025E earnings for each sector with the pre-Covid levels in 2019. The results show that most sectors have already recovered and are delivering stronger performance than in the pre-pandemic period. Sectors that have shown the strongest earnings recovery or growth include electronics, packaging, agriculture, ICT, banking, healthcare, commerce, and food. Meanwhile, sectors where earnings are relatively the same as 2019 levels are automotive, tourism, finance, and property. On the other hand, sectors where earnings remain below 2019 levels are construction materials, transportation, petrochemicals, contractors, and media.

For 2025, we anticipate corporates' aggregate earnings to grow by 20% y-y, thanks to the low base effect from 2024. Sectors that are likely to show strong growth are ICT, construction services, tourism, healthcare, commerce, food, electronics, and energy.

In term of sector valuations, many sectors are trading at deep discounts, i.e. -2SD of their historical average or below. When combined with our earnings analysis, we find that the sectors that stand out for both strong earnings growth and attractive valuations are food, commerce, banking, tourism, and healthcare, which are mostly domestic-oriented plays.

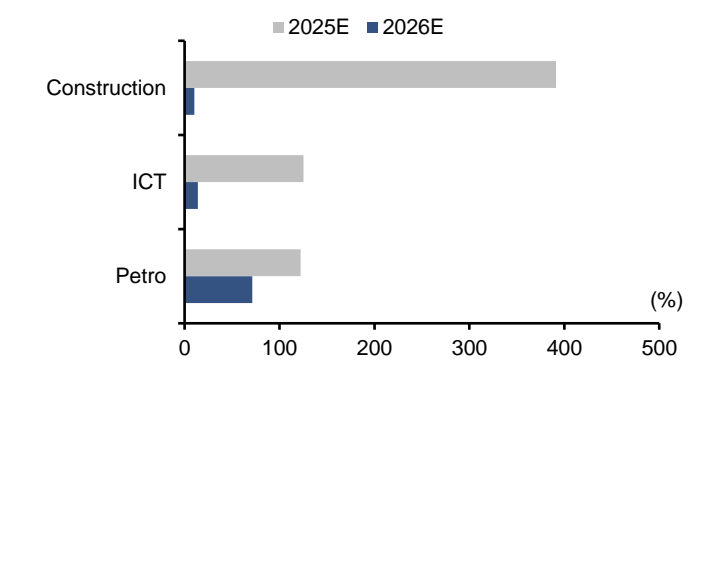
If key overhangs begin to ease, we expect these sectors to lead the market recovery and have a strong chance of outperforming the broader index.

Exhibit 25: 2025-26E earnings growth by sector



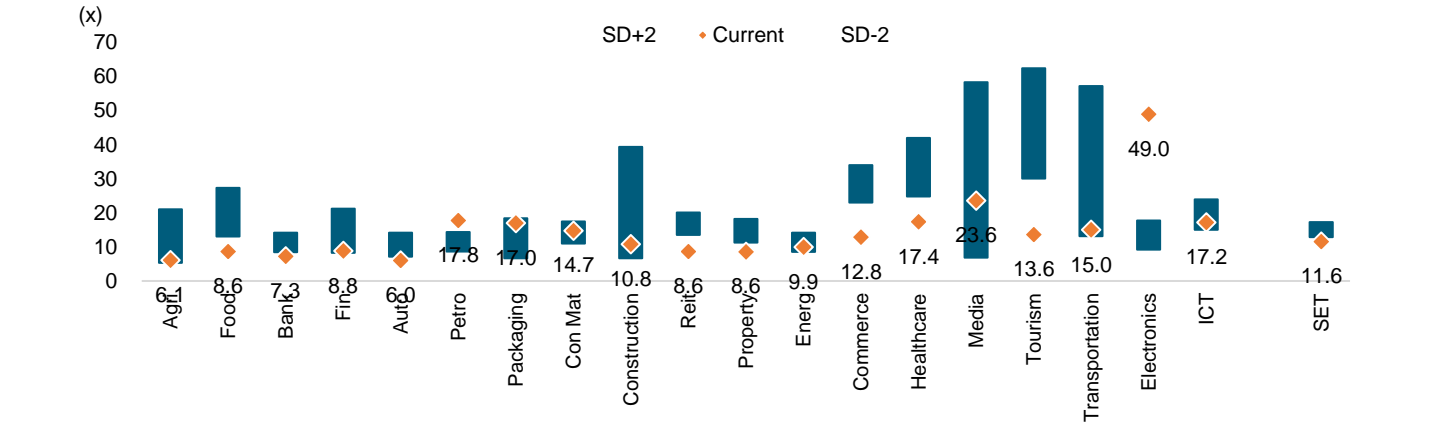
Sources: FSSIA and Bloomberg

Exhibit 26: 2025-26E earnings growth by sector



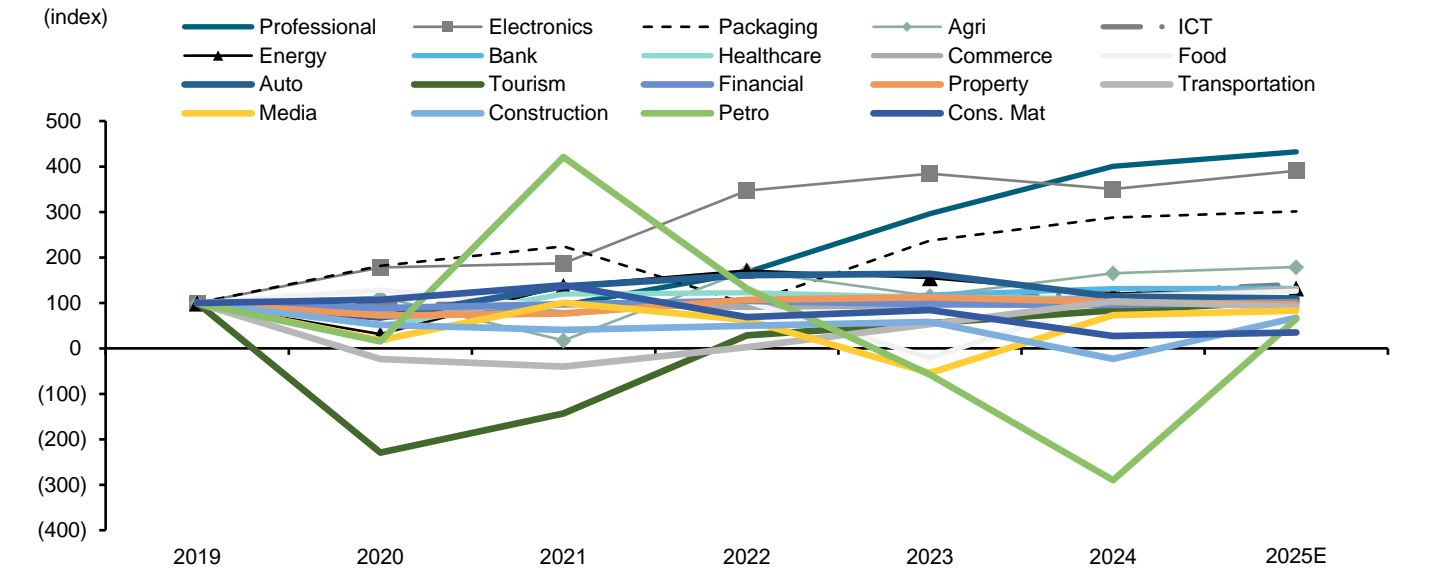
Sources: FSSIA and Bloomberg

Exhibit 27: Sector valuation comparison



Data as of 23 June 2025
Sources: Bloomberg and FSSIA

Exhibit 28: Sector earnings compared to pre-Covid level (2019 index = 100)



Sources: FSSIA

Our top picks

We continue to stick with a bottom-up strategy, focusing on companies with strong earnings momentum, high earning visibility, and specific catalysts. As mentioned, if the current overhangs – i.e. geopolitical conflicts, domestic political stability, and Thai-US trade deals – are gradually resolved in a positive way, we think it should be positive for domestic-oriented plays, in line with strong sector earnings growth and deep valuations.

FSSIA's portfolio update

We add CENTEL (BUY, TP THB49) to our portfolio, due to:

- We expect that CENTEL's 2Q25 core profit is likely to be at the lowest point and should turn to grow in 2H25. Thai hotel operations should recover in 3Q25 as tourist arrivals are expected to bottom out. Meanwhile, the food business remains resilient, supported by strong growth from JVs, especially Katsu Midori.
- We see some downside risks to our current forecast of c10%. However, a sharp plunge in its share price of almost 30% YTD offers a more attractive valuation with a 17x PER, lower than the historical average of 25-30x.

As a result, our portfolio favorites are **BA, CENTEL, CPALL, KBANK, MTC, NSL, OSP, PR9, and STECON**.

Exhibit 29: 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	25E	26E	25E	26E	25E	26E	27E	25E	25E	25E
		(THB)	(THB)	(%)	(THB m)	(THB m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Airways	BA TB	12.10	28.00	131	3,935	4,196	2.5	6.6	6.5	6.1	5.6	1.5	10.8	23.8
Central Plaza Hotel	CENTEL TB	24.60	49.00	99	2,007	2,315	6.7	15.3	16.5	14.3	13.1	1.5	3.0	9.4
CP All	CPALL TB	44.50	83.00	87	27,820	31,529	9.9	13.3	14.4	12.7	11.9	3.1	3.5	20.8
Kasikornbank	KBANK TB	155.50	186.00	20	51,580	55,449	6.1	7.5	7.1	6.6	6.3	0.6	6.3	8.9
Muangthai Capital	MTC TB	37.00	56.00	51	7,083	8,297	20.7	17.1	11.1	9.5	8.6	1.8	1.4	17.6
NSL Foods	NSL TB	29.50	45.00	53	663	732	22.5	10.4	13.4	12.1	11.0	4.1	4.3	32.6
Osotspa	OSP TB	14.60	24.00	64	3,022	3,125	(0.5)	3.4	14.5	14.0	13.5	2.7	6.2	19.2
Praram 9 Hospital	PR9 TB	24.00	30.00	25	816	905	14.5	10.8	23.1	20.9	18.8	3.2	2.2	14.3
Stecon Group	STECON TB	6.20	9.50	53	934	1,023	nm	9.5	10.1	9.2	9.0	0.5	4.8	5.3

Share prices as of 26 June 2025

Source: FSSIA estimates

Exhibit 30: FSSIA's top picks

Company	BBG code	Key rationale	FSSIA ESG rating
Bangkok Airways	BA TB, BUY, TP THB28.0	We believe the sharp share price decline of c50% YTD is not in line with its solid fundamentals. Even if overall tourism momentum has softened, Samui routes continue to show strong growth and are entering the high season again in 3Q25. The easing of geopolitical tensions has also led to lower oil prices, which is positive for fuel cost. Currently, the stock is trading at a low PER of just 7x and offers an attractive dividend yield of 8–10%.	-
Central Plaza Hotel	CENTEL TB, BUY, TP THB49.0	We expect that CENTEL's 2Q25 core profit is likely to be the lowest point, and should turn to grow in 2H25. Thai hotel operations should recover in 3Q25 as tourist arrivals are expected to bottom out. Meanwhile, the food business remains resilient, supported by strong growth from JVs, especially Katsu Midori. We see a potential downside risks to our current forecast of c10%. However, a sharp plunge of almost 30% YTD in share price still offers a more attractive valuation with a 17x PER, lower than the historical average of 25-30x.	★★★★
CP All	CPALL TB, BUY, TP THB83.0	Although core profit in 1Q25 made up 27% of our 2025 forecast, we maintain our estimates, as 2Q – which is typically the high season for beverages with strong margins – may underperform this year due to milder weather, and 3Q is traditionally a low season. CPALL has shown greater resilience to the economic downturn compared with its peers, supported by a strong financial position (cash cycle at -28 days). The stock trades below -2SD, with a 2025E P/E of only 15x.	★★★★
Kasikornbank	KBANK TB, BUY, TP THB186.0	We expect KBANK to post net profit growth in 2025 supported by a lower credit cost, after the active balance sheet cleanup strategy. In addition, we are positive on KBANK's dividend payout ratio at 46%, which is higher than the 26-36% ratios in 2022-23, respectively. This reflects more efficient capital management with a greater benefit to shareholders in terms of higher dividends as well as ROE generation at c9%.	★★★★★
Muangthai Capital	MTC TB, BUY, TP THB56.0	We expect MTC to post strong net profit growth on the back of continued loan growth with room to lower funding costs, operating costs, and credit costs, plus benign asset quality. Furthermore, the BoT's rate cuts would be positive catalysts and benefit cost-of-funds.	★★★★
NSL Foods	NSL TB, BUY, TP THB45.0	The core sandwich product segment has seen a limited impact from weak domestic consumption, supported by the continuous launch of new products, which have received positive feedback. We anticipate a 1H25 net profit of THB346m, +34% y-y, accounting for 52% of our full-year forecast. Meanwhile, we assume 2H25 earnings momentum to remain strong h-h and y-y. Therefore, we maintain our 2025E net profit growth at 23% y-y, reaching a new record high.	-
Osotspa	OSP TB, BUY, TP THB24	We expect 2Q25 core profit to be flat q-q at no less than THB970m (+5% y-y). This is better than our previous expectation that profit had peaked in 1Q25. Assuming in-line 2Q25 results, OSP's 1H25 core profit would account for 60-65% of our full-year estimate, implying upside risks to our current forecasts.	★★★★
Praram 9 Hospital	PR9 TB, BUY, TP THB30	Overall performance remains positive, with the 2QTD revenue trend still strong. We expect that 2Q25 earnings growth could be higher than peers. The key driver continues to be foreign patients, particularly from the Middle East, where growth has been robust. Meanwhile, the Thai patient volume has seen modest growth. Overall, we expect PR9 to be one of the top-performing hospitals in terms of earnings growth in 2025 (+15% y-y) within the sector.	★★★
Stecon Group	STECON TB, BUY, TP THB9.50	The company has a strong backlog of THB125b and remains confident in achieving its new project target of THB50b in 2025, with THB18b already secured year-to-date. It also has solid potential to win additional bids in 2H25. As a result, we expect the company to stage a turnaround in 2025, returning to profit with estimated net earnings of THB934m. This would be supported by a better-than-expected gross profit margin and the absence of loss-sharing from the Pink and Yellow Line projects starting from 2Q25.	-

Source: FSSIA estimates

Exhibit 31: 2Q25 and 2H25 sector outlooks

Sector	Weight	2Q25 and 2H25 sector outlooks	2Q25 earnings outlook		2025 earnings outlook	
			q-q	y-y	h-h	y-y
Agribusiness	Underweight	Agricultural commodity prices overall have continued to decline since the beginning of 2Q25, due to concerns over weakening demand following the US import tariff hike, while the supply of several key crops has increased, such as sugarcane, soybeans, wheat, and cassava. Crude oil prices have risen due to the Israel-Iran war, leading to a rise in palm oil prices, while rubber prices have continued to decline, as customers delay orders amid concerns about US tariffs.	-	-	-	-
Food & Beverage	Neutral	While food and beverages are considered essential goods, overall weak consumption and higher-than-average rainfall, along with cooler-than-usual weather this year, have negatively impacted the beverage segment since 1Q25. In 2H25, the industry will enter the low season for beverages, and 4Q is also the low season for exports, though it is the high season for restaurants and domestic consumption. In the short term, meat producers' 2Q25E profits should reach new highs. However, domestic meat prices have clearly started to decline in June. We expect 2Q25 earnings may mark the peak for the year. As for exporters, US tariff issues still need to be monitored. We have downgraded to Neutral from overweight for this sector.	+	+	-	+
Banking	Neutral	We expect Thai banks to post an aggregate net profit of THB52.9b in 2Q25, down 1.1% y-y and 9.4% q-q. We think the q-q decrease for all Thai banks should mainly come from NIM contraction q-q as well as lower non-interest income, especially lower expected gains from investments. Meanwhile, the slight decrease y-y would mainly be due to NIM contraction and a decrease in loans, but should partially be offset by improved credit cost. Going forward, with the recent domestic political uncertainty and geopolitical risk from US trade tariffs, we expect a more challenging outlook for Thai banks in 2H25 on the back of higher concern over asset quality, loan growth momentum and higher credit cost to tackle such uncertainties. Meanwhile, NIM could contract further for 2H25, but the magnitude of contraction should be lower than in 1H25, we believe. We expect a dividend yield of 7% for 2025. We remain selective on Thai banks with a Neutral stance.	-	0	-	-
Finance & Securities	Neutral	We foresee a continued q-q net profit recovery for truck HP lenders in 2Q25 from better cost control, fueled by the pent-up demand of Thai exports seen in April and May. For 2H25, as the 90-day pause on the US reciprocal tariff expires, renewed uncertainty in global trade could put pressure on the Thai economy, dampen logistics activity, and ultimately weigh on borrowers' debt-servicing capacity. For auto-title lenders, we expect a gradual increase in net profit for both 2Q25 and 2H25, supported by lower funding costs, loan growth momentum from upcountry households and stable asset quality. Nonetheless, political uncertainty is the major downside risk, in our view, on the back of inconsistent budget disbursements to overall liquidity.	+	-	+	+
Automotive	Underweight	Automobile production in the first two months of 2Q25 reached 243,000 units, up 5.5% y-y, driven by a recovery in BEV and PHEV production in May. Domestic car sales also improved, rising 3% y-y, supported by more affordable EV prices and lower raw material costs, particularly in chemicals, compared to last year. As a result, 2Q25 earnings are expected to improve y-y but decline q-q due to seasonality. However, the outlook for 2H25 remains challenging, especially for exports, which hinge on the outcome of ongoing import tariff negotiations with the US.	-	+	-	-
Petrochemical & Chemicals	Neutral	In 2Q25, the global petrochemical market remained weak due to sluggish demand and the addition of new capacity, resulting in oversupply. However, product-to-feedstock spreads improved from their bottom levels, supported by lower feedstock costs. For example: The HDPE-Naphtha spread rose 19% q-q and 9% y-y to an average of USD380/tonne. The PET spread increased 14% q-q to an average of USD132/tonne. As a result, PTTGC's 2Q25 earnings are expected to improve q-q, excluding extra items. IVL is also likely to report higher earnings q-q, driven by the improved PET spread and the absence of plant shutdowns in 2Q25, unlike in 1Q25. Meanwhile, IRPC's 2Q25 earnings are expected to improve q-q, but the company is still likely to post a net loss. Looking ahead to 2H25, we expect petrochemical product spreads to remain under pressure, as oversupply persists and global demand may be negatively affected by the implementation of reciprocal tariffs across key markets.	+	+	0	0
Packaging	Overweight	Consumer goods consumption in the Asian region continued to recover gradually during April-May. Although the second quarter is typically a low season for manufacturers, the decline in oil prices is expected to support earnings. We anticipate that SCGP's 2Q25 profit will likely remain flat q-q, which is a positive sign given the seasonal weakness. However, earnings are expected to be lower y-y, especially for SCGP, which will recognize higher losses from Fajar following the increase in its shareholding since September 2024. Looking ahead, the outlook for 2H25 appears brighter than 1H25. While there is some risk from US tariffs, we believe this is manageable, as manufacturers are likely to find alternative markets. Additionally, the decline in oil prices should provide further support to margins.	0	-	+	+
Construction Materials	Neutral	We expect an unexciting 2Q25 sector performance due to seasonality. Although there was a decline on the cost side, reflecting a lower Brent crude oil spot price compared to 1Q25 and 2Q24, demand from the residential sector remains weak, pressured by the impact of the earthquake and a slowdown in the property market. However, SCC's and SCCC's earnings might post a q-q recovery in 2Q25, supported by cement price increases. Earnings momentum in the sector is expected to continue into the low season for building material sales in 3Q25 before a q-q recovery in 4Q25. Demand will depend on the pace of the economic and residential demand recovery as well as government investment. On the cost side, uncertainty surrounding the Israel-Iran conflict may affect oil prices.	-	-	0	0
Construction Services	Overweight	We expect all companies to post both q-q and y-y core profit growth in 2Q25, except for STECON, which is likely to see a q-q decline due to the absence of dividends earned from GULF as in 1Q25. CK's earnings should be supported by dividend income and the share of profits from its associates, while the construction of new projects should drive profit growth for SEAFCO and PYLON. Meanwhile, their strong current backlog including sizable projects like the MRT Orange Line, the South Purple Line, and the double-track railway projects should further support 2H25 performance. Several government projects may progress in 2H25 and open for bidding in 2026, such as motorways, double-tracks, high-speed trains, and airport expansions. However, a key risk to monitor could stem from domestic political uncertainty, which might increase the risk of delays in the government's investment plans, project bids, and the 2026 budget.	+	+	+	+

Sources: Bloomberg; FSSIA analysis and estimates

Exhibit 31: 2Q25 and 2H25 sector outlooks (cont.)

Sector	Weight	2Q25 and 2H25 sector outlooks	2Q25 earnings outlook		2025 earnings outlook	
			q-q	y-y	h-h	y-y
Property Development	Underweight	The sector outlook is likely to be lackluster in 2Q25, reflecting expectations of q-q and y-y declines in 2Q25 presales. Although new project launches are set to increase from 1Q25, overall performance should be pressured by the earthquake's negative impact on condos and sluggish demand in the property market amid an economic slowdown, weak customer confidence, reduced purchasing power, and domestic political uncertainty. GPM is also expected to drop y-y, pressured by price promotions and intense competition. In 2H25, we anticipate a h-h profit recovery from the low base, additional completions of new condos, and more planned new launches, but it should remain down y-y.	0	-	+	0
Energy	Neutral	We expect the 2Q25 earnings of upstream companies (PTT and PTTEP) to decline both q-q and y-y, primarily due to lower average crude oil prices. Although oil prices rallied briefly in June 2025 following an attack on Iran's nuclear facilities by Israel and the US, the conflict lasted only 12 days before a truce was reached. Additionally, while their sales volumes may have increased slightly, the impact is likely to be minimal. In contrast, the refinery sector is expected to post stronger 2Q25 earnings q-q and y-y, supported by a significant increase in gross refining margins (GRM) and foreign exchange (FX) gains from Thai baht appreciation. Looking ahead to 2H25, we expect crude oil prices to remain stable or trend lower, within a range of USD 60–65/bbl, as global oil demand may be negatively affected by the implementation of reciprocal tariffs. At the same time, global oil supply is expected to increase due to continued production growth from OPEC+.	+	-	0	-
Utilities	Neutral	We expect the earnings of IPPs (GULF, RATCH, EGCO, and CKP) to increase, primarily driven by new additional capacity and foreign exchange (FX) gains from Thai baht appreciation, although some operators experienced maintenance shutdowns during the quarter. For GULF, we anticipate a significant jump in 2Q25 net profit, reflecting the consolidation impact from the GULF–INTUCH amalgamation, which began during the quarter. Meanwhile, SPPs (GPSC, BGRIM, and WHAUP) are expected to report stable earnings, as their gross margins remain low both q-q and y-y, due to a decline in the 2025 Ft rate and a slight increase in fuel costs. Looking ahead to 2H25, we expect SPP earnings to remain stable, supported by relatively steady Ft rates and fuel costs. However, some power plants may undergo planned annual shutdowns in 4Q25. As for IPPs, we expect their earnings to continue growing, driven by new capacity additions reaching commercial operation.	+	+	0	0
Commerce	Neutral	Although we see a slowdown in sector same-store-sales (SSS) growth momentum for 2Q25, we expect positive y-y earnings growth, driven by new store sales and margin improvement., mainly from CPALL. For 2H25, we continue to favor consumer staple (CPALL and CPAXT) and IT-related retailer names (COM7 and SYNEX) following more resilient SSS momentum. We foresee key pressures on spending from the lack of consumer confidence, pressured by both political and global uncertainties. However, the upcoming government investment and tourist resumption are expected to limit the sector downside on the SSS trend. Also, we foresee a more attractive sector valuation trading at 12–14x 2025E P/E, and expect good accumulation opportunities.	-	+	0	+
Health Care Services	Overweight	Early rains in May as well as rising Covid-19 and flu cases could limit the impact of the low season for hospitals in 2Q25. Some hospitals (BCH and PR9) may still benefit from the improving international patient revenue from a low base last year. Those with smaller SSO high-cost care payments in 2Q24 (BCH) may deliver bottomline net profit growth y-y in 2Q25. BCH and PR9's earnings may outperform this quarter. Revenue intensity, better flows of international patients in tandem with an expected rebound in foreign visitors, the 3Q peak season for healthcare services, and the SSO's guaranteed high-cost care payments could drive the sector's latter-half earnings growth h-h and y-y.	-	+	+	+
Tourism & Leisure	Overweight	Hotel operators' earnings may decline q-q in the low tourism season. Their average daily rate (ADR) growth strategy, hotel re-branding, and re-opening of the renovated properties may support the sector's bottomline to stay flatish y-y. MINT's 2Q25 earnings may outperform its peers expanding both q-q and y-y, thanks to the peak period for tourism in Europe. In 2H25, we expect international tourist arrivals to Thailand should rebound to 18m (1H25: 17m). Hoteliers' diversification into non-China source markets and some of the government's tourism stimulus measures may help improve their average room occupancy rates, while the higher ADR would remain intact and drive RevPar growth throughout the second half. The sector's undemanding valuation looks attractive, as the sector's earnings may improve h-h and y-y.	-	0	+	+
Transportation	Neutral	The aviation sector may deliver core profit drops q-q in the low travel season and y-y on sluggish international tourist arrivals to Thailand, mainly from short-haul source markets. We expect a decline in international passengers by 20% q-q and 3% y-y, while domestic passengers may fall by 20% q-q but grow by 6% y-y at AOT airports in April–June 2025. Lower jet fuel prices y-y may limit the impact of the revenue slowdown among airlines in 2Q25. Airlines may focus on profitable international and domestic routes in 2H25. Seasonality may improve air carriers' and airport operators' earnings in July–December 2025 to stay close to the first half.	-	-	0	-
Shipping	Underweight	Freight rates in 2Q25 were highly volatile, driven initially by the US decision to delay tariff hikes by 90 days, which led to a surge in shipping demand. Subsequently, tensions involving Israel, Iran, and the US caused oil tanker rates to spike sharply, only to decline rapidly following a ceasefire agreement. We expect 2Q25 earnings to improve q-q, supported by the rise in freight rates that began in late 1Q25. However, profits are likely to decline y-y, and we anticipate further pressure in 2H25 due to global trade risks stemming from the US's reciprocal tariffs and an oversupply in the shipping fleet.	-	+	-	-
Electronic Components	Overweight	Although the global economic outlook remains gloomy and trade war concerns persist, stock prices in the electronics components sector have dropped significantly (excluding DELTA, whose valuation remains high due to ongoing AI themes supporting the stock). KCE and HANA are currently trading at 2025E P/E ratios of just 14x and 12x, respectively. Earnings momentum for the remainder of the year is expected to gradually recover, as the sector likely passed its low point in 1Q25. In addition, this sector is considered a global play, and export value for printed circuit boards returned to growth both m-m and y-y in May 2025. Furthermore, there have been signs of insider buying by executives of both companies since April, after share prices dropped significantly.	+	-	+	+
Information & Communication	Overweight	We remain positive on the sector following a more favorable cost outlook from fewer bidding competitors on the spectrum auction. Although there might be on-going competition in Mobile and FBB markets after ADVANC-JAS have secured exclusive broadcasting rights for the English Premier League, we still foresee healthier competition compared with the past. We like the sector in terms of the defensive plays amid macroeconomic uncertainties. The sector should also benefit from the new S-curve of Thailand's digital economy projects such as cloud services, data centers, and the AI era.	0	+	+	+

Sources: Bloomberg; FSSIA analysis and 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 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. <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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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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 12.10	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.
Central Plaza Hotel	CENTEL TB	THB 24.60	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 more intense competition in the F&B business, which may result in price competition; and 3) a slower-than-expected recovery of international tourist numbers.
CP All	CPALL TB	THB 44.50	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a lower-than-expected y-y gross profit margin improvement.
Kasikornbank	KBANK TB	THB 155.50	BUY	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand.
Muangthai Capital	MTC TB	THB 37.00	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 29.50	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.
Osotspa	OSP TB	THB 14.60	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery, 2) higher-than-expected competition, 3) high volatility in energy costs, and 4) changing regulations in Thailand and Myanmar.
Praram 9 Hospital	PR9 TB	THB 24.00	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.
Stecon Group	STECON TB	THB 6.20	BUY	Downside risks to our TP include 1) volatility of the gross margin, 2) a delay and additional repair expenses on the Bueng Nong Bon drainage tunnel project, 3) a delay in the commencement of its construction of U-Tapao Airport, 4) a delay in new auctions, and 5) a higher-than-expected loss sharing from associates.

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 26-Jun-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.