26 SEPTEMBER 2025

EQUITIES RESEARCH

Thailand Market Strategy

ปัจจัยในประเทศมีโอกาสหนุน SET ฟื้นต่อ

- โฟกัสเศรษฐกิจอยู่ที่ผลกระทบจริงจากภาษีซึ่งอาจไม่รุนแรงมากอย่างที่เคยกังวล ขณะที่นโยบายการเงินยังอยู่ในทิศทางผ่อนคลาย
- เศรษฐกิจไทย 2H25 จะโตชะลออย่างมีนัยยะถ่วงจากส่งออก แต่ในประเทศมีแรงหนุนจากการเมืองที่มีเสถียรภาพและมาตรการกระตุ้น
- ปรับเพิ่ม SET Target ปี 2025 เป็น 1,330 จุด และลุ้นทะลุ 1,400 จุดปีหน้า ยังคงชอบ Domestic และ Consumption Play

นโยบายการเงินผ่อนคลายขึ้น แต่ยังจับตาผลกระทบเศรษฐกิจจริงจากภาษีการค้า

แนวโน้มการดำเนินนโยบายการเงินของ FED ผ่อนคลายมากขึ้นแต่ไม่ Dovish เท่าที่ตลาดคาด ขณะที่เศรษฐกิจดูแข็งแรงกว่าที่เคยกังวล ส่งผลให้ Dollar Index และ US Bond Yield ปรับตัวสูงขึ้น ซึ่งอาจจำกัดกระแสเงินทุนไหลเข้าเอเชียอยู่บ้าง ส่วนโมเมนตัมเศรษฐกิจไทยใน 2H25 จะชะลอตัวลงเหลือ 1–1.5% y-y จากผลกระทบของภาษีนำเข้าสหรัฐฯที่เพิ่มเป็น 19% ในเดือน ส.ค. เราคาดว่าการบริโภคในประเทศจะเป็นเครื่องยนต์ขับเคลื่อนจากมาตรการกระตุ้นเศรษฐกิจในช่วง 4Q25–1Q26อย่างไรก็ตาม การเติบโตทางเศรษฐกิจปี 2026 คาดว่าจะยังอยู่ในระดับไม่สูงที่ +1.7% y-y ขณะที่นโยบายการเงินของธปท.น่าจะยังอยู่ในท่าทีผ่อนคลาย และมีโอกาสปรับลดอัตราดอกเบี้ยลงต่อ โดยเราคาดว่าอัตราดอกเบี้ยนโยบายจะลดลงสู่ 1% ภายในปี 2026

การเมืองที่มีเสถียรภาพคาดยังหนุน SET ฟื้นตัวได้ใน 2 ไตรมาสข้างหน้า

เราคาดตลาดหุ้นไทยจะยังคงได้อานิสงส์เชิงบวกจากปัจจัยการเมืองในประเทศที่มีเสถียรภาพมากขึ้นไปถึง 1Q26 เป็นอย่างน้อย ขณะที่มาตรการกระตุ้นเศรษฐกิจระยะสั้น โดยเฉพาะโครงการคนละครึ่ง จะช่วยหนุนการบริโภครวมถึงแรงหนุนจากเม็ดเงินที่สะพัดในช่วงหาเสียงเลือกตั้ง เราคาดว่า SSSG ของกลุ่มค้าปลีก ร้านอาหาร รวมถึงยอดขายอาหารเครื่องดื่มจะเห็นการปรับตัวดีขึ้นในช่วงดำเนินโครงการตามเศรษฐกิจในประเทศที่ทยอยฟื้นตัว หากอ้างอิงวงเงินโครงการคนละครึ่งที่ไม่ต่ำกว่า 2.5 หมื่นล้านบาท คาดว่าจะช่วยหนุน GDP เพิ่มขึ้นราว 0.2–0.3%

ปรับเพิ่ม SET target ปี 2025 ขึ้นเป็น 1,330 จุด

เราปรับ SET Target ขึ้นจาก 1,290 เป็น 1,330 (อิง EPS ที่ Conservative น้อยลงเป็น 89 บาท และ Target PER ที่ 15 เท่า) อย่างไรก็ตาม Upside ยังไม่กว้างหลังจากดัชนีฟื้นตัวกว่า 20% ตั้งแต่ปลายเดือน มิ.ย. ทำให้ 2025PER ปรับขึ้นเป็น 14.5 เท่า ใกล้เคียงค่าเฉลี่ยก่อนโควิดและตลาดหุ้นภูมิภาค เรา SET index ยังมีโอกาส Rally ได้ต่อเนื่องใน 4Q25–1Q26 แต่อาจกลับมาเผชิญความไม่แน่นอนอีกครั้งใน 2Q26 จากผลการเลือกตั้งทั่วไป ซึ่งหากมีการเปลี่ยนขั้วรัฐบาล อาจมีความเสี่ยงกดดันจากนโยบายตลาดทุนที่เปลี่ยนแปลง เช่น การเก็บภาษี Capital Gain Tax หรือมาตรการทลายทุนผูกขาด

SET ไปได้ไกลสุดแค่ไหน? เน้นหุ้น Domestic และ Consumption Play

เรามองว่ากรณี Bullish SET index อาจถูก Rerate Valuation ขึ้นได้ หากประเมินว่า EY Gap จะปรับลงสู่ระดับราว 5% (ค่าเฉลี่ย +2SD) ในเชิง PER มีโอกาสปรับขึ้นสู่กรอบ 15.4-16 เท่า คิดเป็นกรอบเป้าหมาย SET ที่ 1,360–1,400 จุดในปี 2025 และ 1,430–1,480 จุดในปี 2026 (อิง EPS ที่ 89 และ 93 บาท) เรายังคาดว่าจะเห็นการเกิด Sector Rotation จากกลุ่ม Global-related Play ไปสู่กลุ่ม Domestic และ Consumption-related Play จากความคาดหวังนโยบายเชิงบวกจากครม.ใหม่ รวมถึงข้อเสนอ “Quick-Big Win” ของ FETCO โดยเฉพาะการเพิ่มสภาพคล่องให้ตลาดหุ้นเด่นที่เราเลือกคือ BA, BDMS, CENTEL, CPALL, ICHI, KTB, MTC และ SYNEX

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 กันยายน 2025

More positive outlook and monetary policy from the Fed

In the September meeting, the Federal Reserve (Fed) committee decided to cut the policy rate by 25 bps to 4-4.25%, the first reduction this year, in line with market expectations.

For the economic projections, there was an improvement from June. GDP growth was revised up by 0.1–0.2% to +1.6%/+1.8%/+1.9% in 2025–27, respectively. Meanwhile, the unemployment rate remains unchanged at 4.5% this year but was revised down by 0.1% in 2026–27 to 4.4% and 4.3%. As for the Dot Plot, the overall stance turned more dovish than the previous round, with members projecting three rate cuts in 2025 and one cut per year in 2026–27, bringing the rate to around 3–3.25%. However, this remains more cautious and tighter than market expectations (which anticipate 2-3 cuts in 2026). These developments pushed the Dollar Index up by around 2% to 98, while the US 10Y bond yield rose by c20 bps to 4.18%.

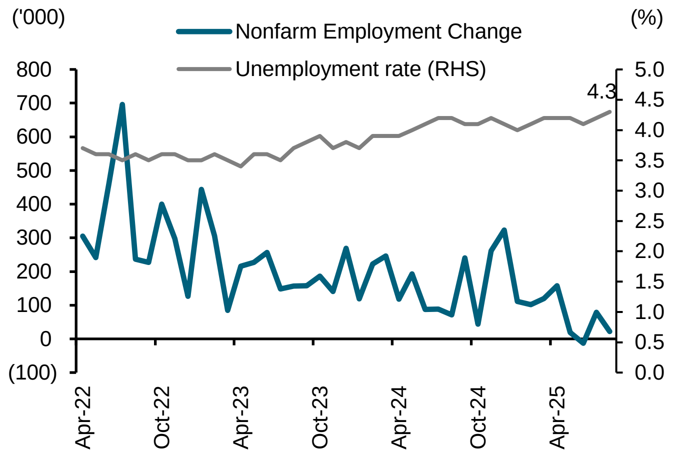
On the back of improving economic growth, together with a more dovish monetary policy outlook than previously expected, capital has shifted back into risk assets, particularly US equities, while slowing inflows into Asian markets, including Thailand where flows have turned negative. We expect the market to closely monitor the actual economic impact of US tariffs versus current expectations. Should the US economy be hit harder than anticipated, particularly in employment, the Fed may be forced to cut rates sooner, which could weaken both the Dollar Index and bond yields, and trigger capital outflows from US equities again.

Exhibit 1: FOMC latest economic projections, September 2025

	Median				
	2025 (%)	2026 (%)	2027 (%)	2028 (%)	Longer run (%)
Change in real GDP	**1.6**	**1.8**	**1.9**	**1.8**	**1.8**
vs June 2025 projection	1.4	1.6	1.8		1.8
Unemployment rate	**4.5**	**4.4**	**4.3**	**4.2**	**4.2**
vs June 2025 projection	4.5	4.5	4.4		4.2
PCE inflation	**3.0**	**2.6**	**2.1**	**2.0**	**2.0**
vs June 2025 projection	3.0	2.4	2.1		2.0
Core PCE inflation	**3.1**	**2.6**	**2.1**	**2.0**	
vs June 2025 projection	3.1	2.4	2.1		
Federal funds rate	**3.6**	**3.4**	**3.1**	**3.1**	**3.1**
vs June 2025 projection	3.9	3.6	3.4		3.0

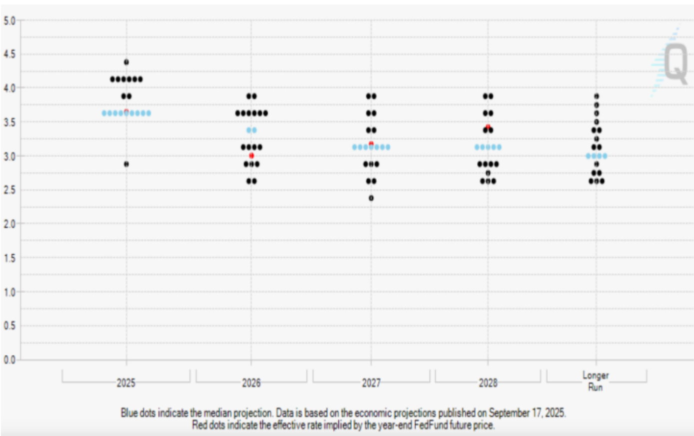
Source: Federal Open Market Committee (FOMC)

Exhibit 2: US non-farm employment change and unemployment rate



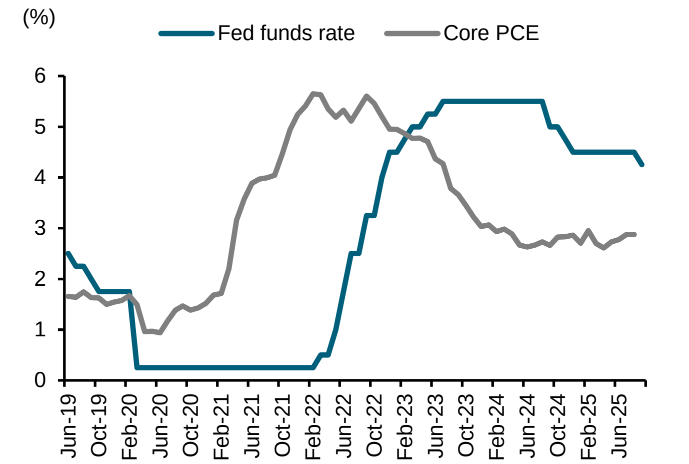
Source: Bloomberg

Exhibit 3: Sep-25 Fed's Dot Plot



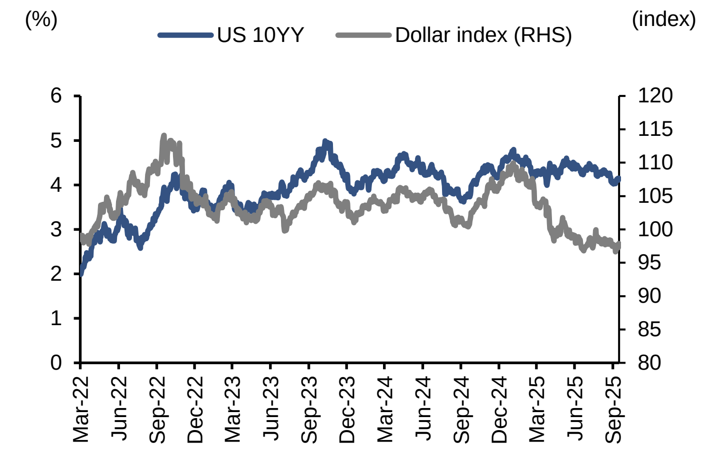
Source: Fed and CME Group

Exhibit 4: US core PCE and Fed funds rate



Source: Bloomberg

Exhibit 5: US 10Y bond yield vs dollar index



Source: Bloomberg

Eyes on actual economic impacts from US tariffs for 2H25 GDP

The Office of the National Economic and Social Development Council (NESDC) and the Bank of Thailand (BoT) currently project Thailand's GDP growth for 2025 in the range of 2–2.3% y-y. However, we remain cautious on growth in 2H25, which is expected to significantly slow. With 1H25 GDP growth at +3% y-y, this implies that Thailand's economy may expand by only 1–1.5% y-y in 2H25, as export momentum is likely to fade under the higher US trade tariff rate of 19% that came into effect in August 2025.

In August, Thailand's exports rose +5.8% y-y, below market expectations and slower than the +11% y-y growth in July, bringing 8M25 growth to +13% y-y. We believe exports could turn negative in the final four months of the year, following front-loading in the first seven months amid tariff uncertainty. The Trade Policy and Strategy Office (TPSO) recently estimated Thailand's export value in the last four months of the year at around USD24–24.5b per month, which would imply a contraction of roughly 5–7% y-y. However, we expect 2025 export growth to reach 6–7% y-y, above the NESDC and BoT forecasts of 4–5.5% y-y.

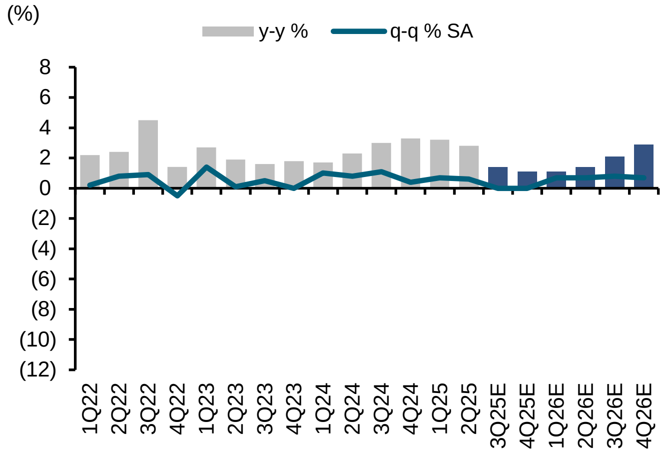
We expect markets to closely assess the real economic impact of higher US trade tariffs during 2H25–2026. In the near term, domestic drivers, particularly consumption, are likely to benefit from short-term stimulus measures in 4Q25–1Q26. That said, Thailand's GDP growth in 2026 is still expected to remain subdued at +1.7% y-y, though with stronger momentum in 2H26 compared with 1H26.

Exhibit 6: The NESDC and BoT economic projections

	2021	2022	2023	2024	------ NESDC ------	---------------- Bank of Thailand --------------	
					2025E	2025E	2026E
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)
Real GDP growth	1.5	2.6	2.0	2.5	**1.8-2.3**	**2.3**	**1.7**
Private consumption	0.6	6.2	6.9	4.4	**2.1**	**2.0**	**1.7**
Private investment	3.0	4.6	3.1	(1.6)	**1.0**	**1.7**	**0.9**
Public consumption	3.7	0.1	(4.7)	2.5	**1.2**	**1.2**	**0.5**
Public investment	3.4	(3.9)	(4.2)	4.8	**5.2**	**6.0**	**6.1**
Export value growth (USD b)	19.2	5.4	(1.5)	5.8	**5.5**	**4.0**	**(2.0)**
Headline inflation	1.2	6.1	1.2	0.4	**0-0.5**	**0.5**	**0.8**
Current account to GDP (%)	(2.0)	(3.5)	1.5	2.3	**2.1**	**-**	**-**
Number of tourist arrivals (m)	0.4	11.2	28.1	35.5	**33**	**35**	**38**

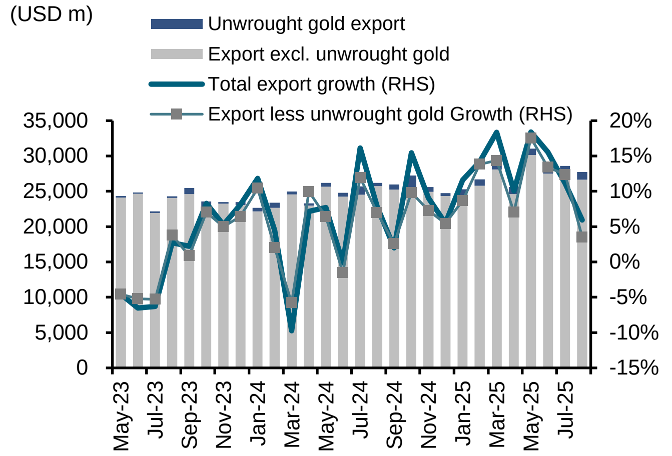
Sources: NESDC and BoT

Exhibit 7: TH quarterly GDP growth to slow in 2H25-1H26



Source: NESDC and Bloomberg

Exhibit 8: Thailand's exports growth to turn negative from Sep-25

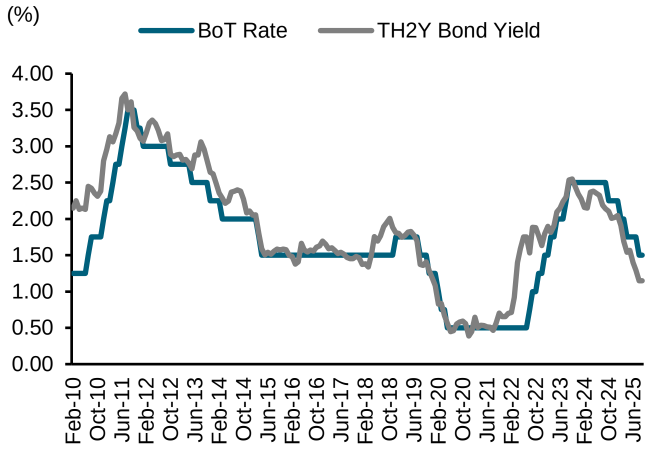


Source: MoC

Potential two more rate cuts from the BoT within 2026

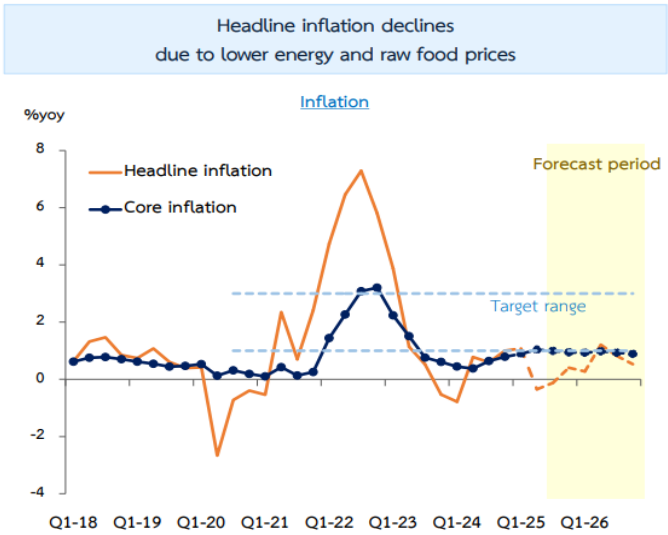
In terms of monetary policy, the BoT is expected to remain accommodative. The current policy rate stands at 1.5%, following one cut late last year and three more this year, totaling 100 bps. However, with Thailand's economy still recovering slowly, pressured by political and trade uncertainties, along with higher tariffs weighing on exports, while inflation remains below the lower bound of the 1% target, we believe the BoT still has room to ease further in order to support the recovery during this transition period. We anticipate the MPC could cut the policy rate once more this year and again in 2026, bringing it down to 1%. Currently, the TH2Y bond yield is at 1.15-1.20%, suggesting the market is pricing in another 25–50 bps of cuts over the next 12–24 months, consistent with our view.

Exhibit 9: BoT rate and TH2Y bond yield



Sources: ThaiBMA and Bloomberg

Exhibit 10: TH inflation remains below target range



Source: BoT

Stable domestic political situation at least until 1Q26

Although the impact of trade tariffs on economic growth still requires close monitoring, the domestic political outlook is expected to provide support for the market, with stability improving after parliament elected the 32nd Prime Minister on September 5. The new cabinet has taken the oath and is scheduled to announce its policies soon, before beginning operations in October. According to the agreement between the Bhumjaithai Party and the People's Party, this cabinet will serve for four months before dissolving parliament. The timeline can be summarized as follows:

- Cabinet in office during October 2025 – January 2026
- Dissolution of parliament in late January 2026
- General election within 45-60 days, in late March – early April 2026
- Election of the 33rd Prime Minister and formation of a new cabinet in April-May 2026

From this timeline, the current cabinet would remain in office for around seven months, providing political stability at least until late 1Q26. In addition, we believe the cabinet will continue to implement short-term stimulus measures, particularly to support consumption, during 4Q25–1Q26 in order to boost popularity ahead of the next election. Furthermore, election campaigns typically bring additional spending into the economy. Therefore, we see domestic consumption as a key driver supporting Thailand's overall economy over the next two quarters.

Key economic policies from the new cabinet mainly focus on consumption

We estimate that given the relatively short tenure of the current government, although infrastructure investment projects are expected to be gradually approved, the actual injection of funds into the economy is unlikely to materialize in the near term. As such, we believe the government's primary focus will be on short-term economic stimulus. Based on the policy statement and recent news developments, several key measures have been highlighted, including:

- The "Khon La Khrueng" (Half-Half co-payment) scheme
- Measures to reduce BTS/MRT fares
- Measures to lower electricity bills
- Measures to ease household debt burdens

The flagship policy expected to deliver the fastest and most meaningful boost to the economy is the Half-Half co-payment scheme, which is anticipated to launch within this year. While the scale of budget injection remains to be seen, the initial estimate is no less than THB25b. The scheme had previously been rolled out in five phases during 2020–22, as shown in the table below.

Exhibit 11: Historical periods of "Half-Half" co-payment scheme

Co-payment	Phase 1	Phase 2	---------- Phase 3 ---------- round 1	round 2	round 3	Phase 4	Phase 5
Timeline	23 Oct - Dec 20	Jan - Mar 21	Jul - Dec 21	Oct - Dec 21	Nov - Dec 21	Feb - Apr 22	Sep - Oct 22
Total day	70	90	184	92	61	89	61
Amount (THB)	3,000	3,500 / 500	1,500	1,500	1,500	1,200	800
Eligible (m ppl.)	10	5 / 10 = 15		28		26	24
Gov budget (THB m)	30,000	22,500		126,000		31,200	19,200

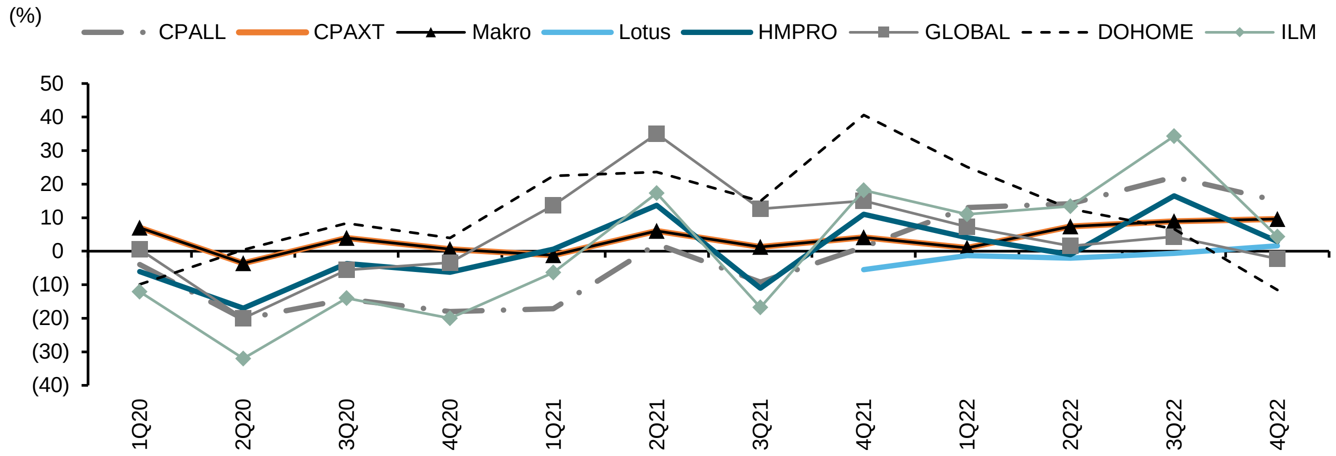
Source: FSSIA's compilation (by Mr. Kampon, FSSIA's commerce analyst)

From the Same Store Sales Growth (SSSG) data for the retail and beverage sectors during the six quarters in which the scheme was implemented — 4Q20–1Q21, 3Q21–1Q22, and 4Q22 — overall SSSG recovered and turned positive from the low base in 2020. This was particularly evident in 2022, when conditions normalized and the country gradually reopened. The rebound was also supported by rising commodity prices, both soft and hard, such as crude oil, steel, and meat, which provided an additional boost.

Although it is difficult to isolate precisely how much of the recovery came from the Half-Half co-payment scheme, we believe it was one of the key factors driving the improvement in consumption. Based on the multiplier effect, which we and the market preliminarily estimate at around 1.5–2x, and given the expected scheme size of at least THB25b, we estimate it could lift overall GDP growth by around 0.2–0.3%.

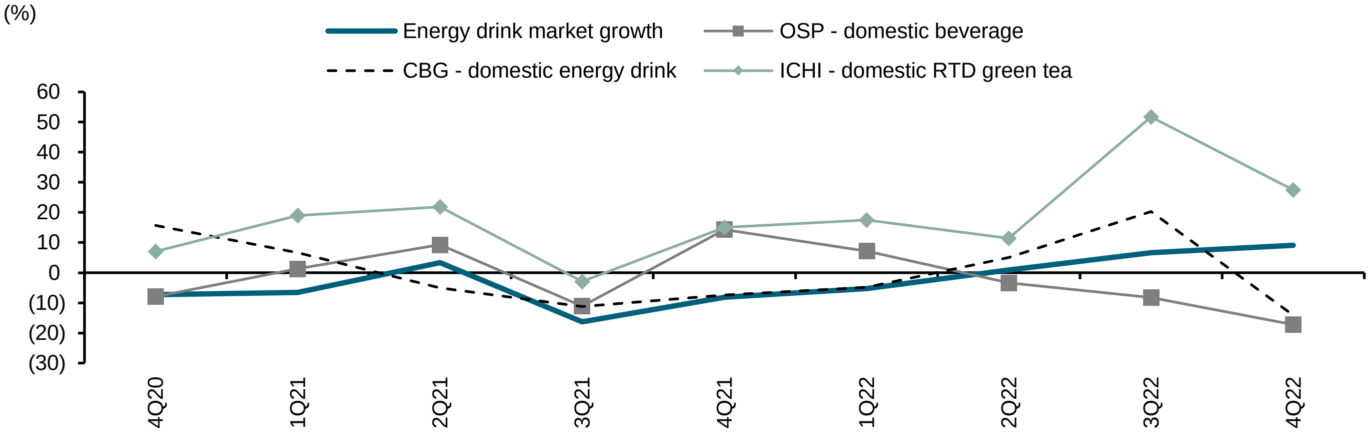
The sectors expected to benefit the most are wholesale retailers and food & beverage producers supplying to small retailers and traditional trade outlets. Key names include CPAXT, CPALL (a major shareholder in CPAXT), and BJC, as well as beverage producers like ICHI, which has historically benefited more than energy drink companies.

Exhibit 12: Commerce companies SSSG during "Half-Half" co-payment scheme



Sources: Company date and FSSIA's compilation

Exhibit 13: Energy drinks & RTD green tea revenue growth during co-payment scheme



Sources: Company date and FSSIA's compilation

Banks' 3Q25 earnings to decline from loan and NIM contraction

We expect the seven Thai banks under our coverage to report an aggregate net profit of THB53.4b in 3Q25, down 2.5% y-y and 5.2% q-q. The q-q decline should mainly reflect NIM contraction, a 0.5% q-q drop in loans, and weaker non-interest income, particularly lower expected investment gains. The slight y-y decline is also driven by NIM contraction, though partly offset by lower credit costs y-y.

Based on our 3Q25 forecasts, we expect all banks to post weaker q-q earnings, with the exception of KTB, which may recognize potential mark-to-market gains from its THAI shareholding (after trading resumes on the SET) through the P&L. On a y-y basis, we expect SCB and KKP to show improvement—SCB supported by lower credit costs, and KKP by a smaller loss from auto repossessions.

Among the seven banks under coverage, we forecast KTB to deliver the strongest 3Q25 performance, with net profit growth of 14% y-y, underpinned by a lower credit cost of 117bp (vs. 130bp last year) and potential mark-to-market gains from THAI's shares.

Exhibit 14: 3Q25 earnings forecasts for Thai banks under coverage

Net profit	3Q24	4Q24	1Q25	2Q25	3Q25E	------------- Change -------------		9M25E	of 2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(%)
BBL	12,476	10,404	12,618	11,840	10,695	(14.3)	(9.7)	35,153	80.2
KBANK	11,965	10,768	13,791	12,488	11,035	(7.8)	(11.6)	37,314	78.3
SCB	10,941	11,707	12,502	12,786	11,077	1.2	(13.4)	36,365	79.9
KTB	11,107	10,990	11,714	11,122	12,693	14.3	14.1	35,528	76.3
TTB	5,230	5,112	5,096	5,004	4,958	(5.2)	(0.9)	15,059	72.5
TISCO	1,713	1,706	1,643	1,644	1,589	(7.3)	(3.3)	4,876	75.6
KKP	1,305	1,406	1,062	1,409	1,312	0.6	(6.9)	3,784	75.8
SECTOR	**54,738**	**52,093**	**58,426**	**56,293**	**53,359**	**(2.5)**	**(5.2)**	**168,079**	**77.9**

Sources: Company data, FSSIA estimates

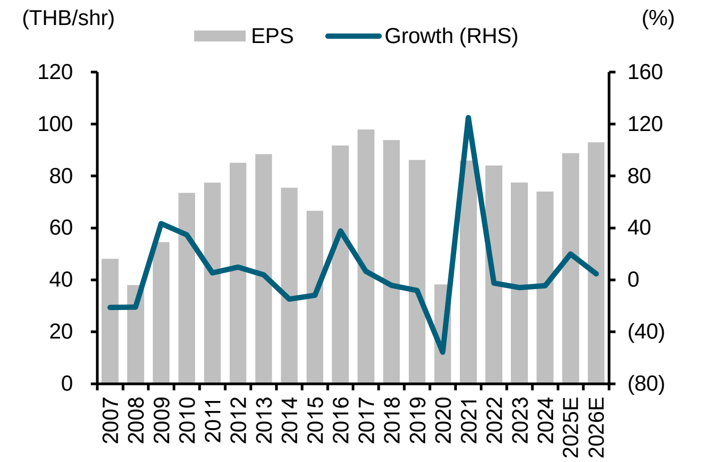
Slightly raise official 2025 SET target to 1,330

We have revised up our SET Index target from 1,290 to 1,330, based on EPS rising to THB89 and a target PER of around 15x. We also removed the 3% discount rate previously applied to EPS, making our forecast less conservative and better aligned with current earnings estimates. That said, the index still offers only about 3% upside, which remains limited after the strong rebound driven by expectations that the economic impact of tariffs will be less severe than initially feared, a more accommodative Fed policy outlook, and improved domestic political and economic stability. Since late June, the SET Index has rallied more than 20%, pushing the 2025 PER valuation from around 12x to roughly 14.5x, close to the pre-COVID average of 14.7x and in line with other Asian equity indices, which currently trade in the c13-15x range.

We estimate that for the SET Index to hit 1,400 or above, a rollover to 2026 would be required. This would be supported by EPS growth to THB93 (+5% y-y) while maintaining a 15x target PER.

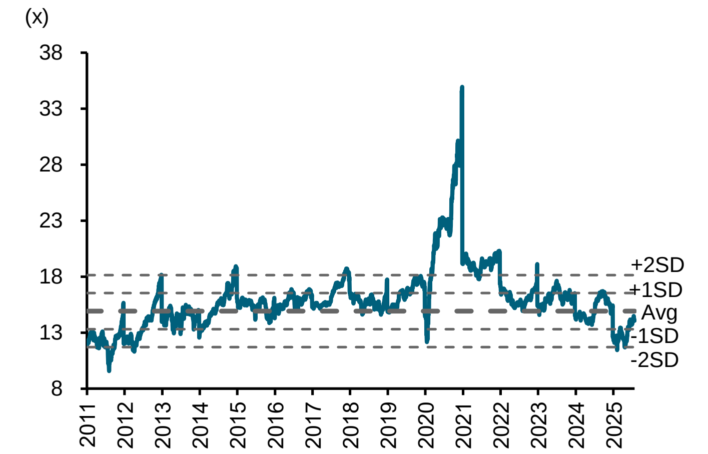
In our view, market sentiment for Thai equities should face no major political headwinds during 4Q25–1Q26. However, uncertainty is likely to return from 2Q26 onward, depending on the outcome of the general election—specifically, whether the winning party secures a clear majority and can form a new government quickly and smoothly. Furthermore, if power shifts to the Prachachon Party, investors will need to closely monitor its economic agenda, particularly capital market policies such as a potential capital gains tax or anti-monopoly initiatives, which could pressure and pose downside risks.

Exhibit 15: SET EPS



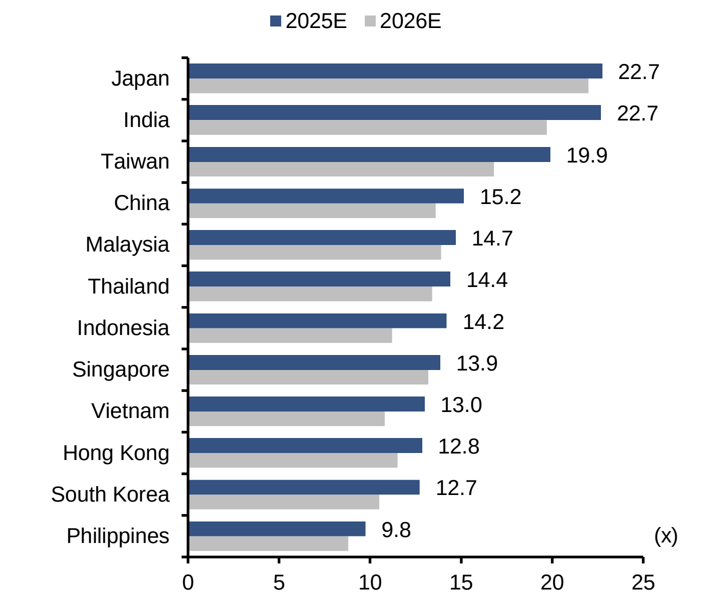
Sources: FSSIA Estimates and Bloomberg

Exhibit 16: SET historical forward PER



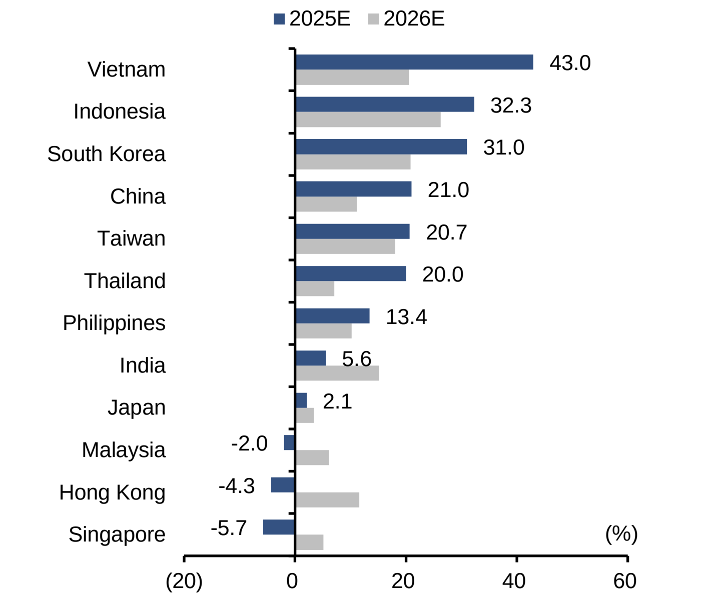
Sources: FSSIA Estimates and Bloomberg

Exhibit 17: Asian markets 2025-26 PER



Source: Bloomberg

Exhibit 18: Asian markets 2025-26 EPS growth



Source: Bloomberg

How far SET index valuation be re-rated?

The next question is whether Thai equity market valuations can be re-rated higher from current levels. Based on the current earnings yield (EY) gap of around 5.75%, significantly above +2SD from the historical average, it may appear that valuations are not expensive. However, today's unusually wide EY gap largely reflects the sharp drop in the TH10Y bond yield to just 1.35%, well below the historical norm of 2.5–3%. This highlights Thailand's weaker long-term growth potential due to structural challenges, which have reduced competitiveness and necessitated accommodative monetary policy. We therefore believe these factors should limit the market's ability to return to EY gap levels as low as the historical average.

However, if we assume that:

- Thailand's policy rate falls to 1%
- Long-term TH10Y yield stays in the 1.25–1.5% range
- Earnings yield gap narrows to around 5% (about -2SD from the historical average)

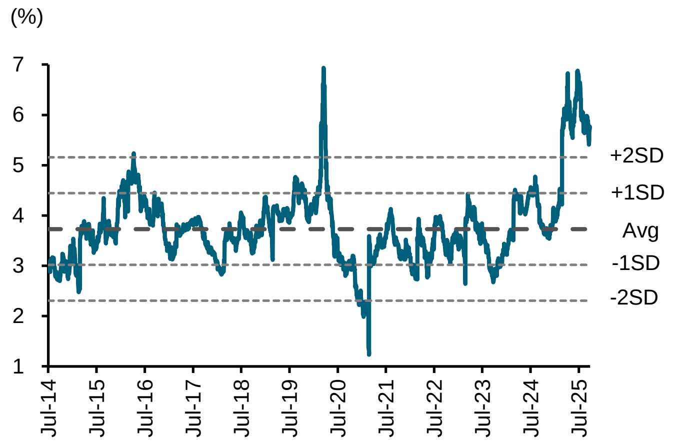
This would imply an equity earnings yield of around 6.25–6.5%, equivalent to a PER of roughly 15.4–16x. We see this as the upper bound in the event of a re-rating. Under this scenario, the SET Index target for 2025–26 (based on EPS of THB89 and THB93, respectively) could be raised into the ranges of 1,350–1,400 and 1,430–1,480, respectively, assuming no new negative factors emerge from domestic politics, or from international economic, trade, and political developments.

Exhibit 19: SET target sensitivity

		------------ Earnings per share -----------	
		2025E	2026E
	EPS	89	93
		- Target index based on FSSIA estimates -	
	P/E (x)	2025E	2026E
SD+0.5	15.7	1,395	1,461
SD+0.25	15.3	1,359	1,423
pre-Covid average	14.9	1,323	1,386
SD-0.5	14.1	1,252	1,311
SD-1.0	13.3	1,180	1,236
SD-1.5	12.5	1,109	1,161
SD-2.0	11.7	1,037	1,086

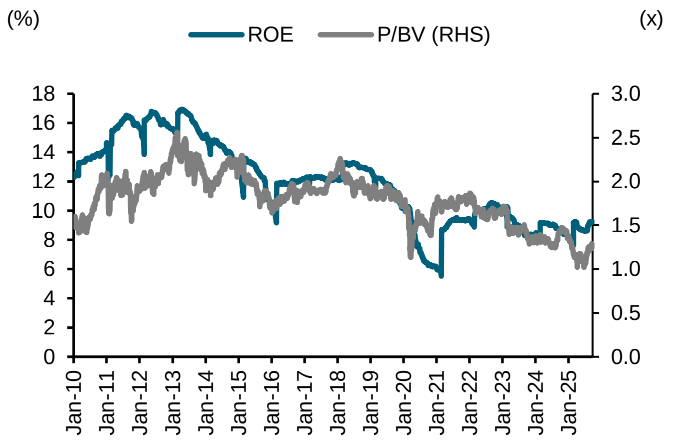
Source: FSSIA estimates

Exhibit 20: SET earnings yield gap



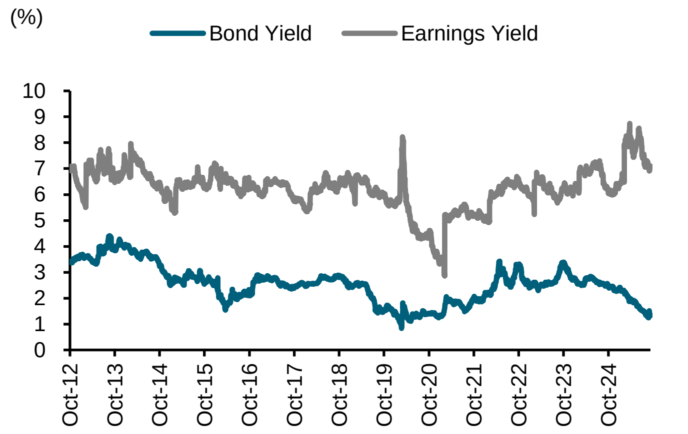
Source: Bloomberg and FSSIA

Exhibit 21: SET ROE vs P/BV



Sources: Bloomberg and FSSIA

Exhibit 22: TH10Y bond yield and earnings yield



Sources: Bloomberg, SETSMART and FSSIA

Continued to prefer domestic and consumption oriented sectors

Based on the domestic and external factors discussed above, we believe the slowdown in Thailand's economy and exports during 2H25–1H26, together with continued low energy prices, will limit the upside for global-related plays. This creates room for sector rotation into domestic and consumption-related plays, which we expect to continue in 4Q25, building on the momentum seen since September. The outlook is supported by stable domestic politics over the next two quarters, upcoming economic stimulus measures and election-related spending, as well as further potential monetary easing. Together, these factors should underpin a gradual recovery of the Thai equity market in the medium term. We continue to favor sectors such as retail, finance, food & beverage, tourism, healthcare, and REITs.

In addition, there is potential for further positive catalysts after the Federation of Thai Capital Market Organizations (FETCO) recently submitted its “Quick-Big Win” proposals to the government's economic team. Key recommendations that could support the equity market include:

- Enhancing confidence in government policy by establishing a joint taskforce between the public sector and capital markets to communicate a clear “Thailand Story” to both domestic and foreign investors, alongside preparations for a country roadshow, which could help attract incremental foreign inflows.
- Providing tax exemptions on dividends for long-term investments, making the Thai ESG Scheme permanent, and introducing stronger incentives for domestic institutional investors. These measures would improve liquidity and strengthen long-term domestic demand for Thai equities.

FSSIA's portfolio update

We add SYNEX (BUY, TP THB14.50) to our portfolio, driven by:

- We expect 3Q–4Q25 earnings to continue reaching new highs, supported by the launch of new IT products across both iOS and Android ecosystems, as well as fresh supply of Nintendo Switch 2.
- We forecast 2025–27 earnings to grow at an average CAGR of 11%, in line with the IT industry growth cycle. At present, the stock trades on 2025 PER of 14x, below the Commerce sector average of 15–20x.

We also add KTB (BUY, TP THB29) to replace KBANK (BUY, TP THB186) in our portfolio, based on:

- We expect KTB to deliver the strongest 3Q25 earnings among banks, supported by mark-to-market gains on its THAI investment, while maintaining the fastest loan growth in the sector and improving cost-to-income ratio.
- Looking into 4Q25–2026, we see KTB sustaining above-peer loan growth, underpinned by government lending for infrastructure investment. In addition, sentiment should benefit from the Khon La Khrueng co-payment scheme, which would drive higher engagement through the Pao Tang app.
- We see upside risk from a potential increase in dividend payout ratio, supported by KTB's strongest capital base in the sector, while ROE is expected to remain solid at around 10%.

As a result, our portfolio favourites are BA, BDMS, CENTEL, CPALL, ICHI, KTB, MTC, and SYNEX.

All of our Top Pick stocks have SET ESG Ratings, with 7 out of 8 rated A or above. This places them within the investable universe for domestic institutions, particularly Thai ESG funds, which we expect to be an additional supporting factor.

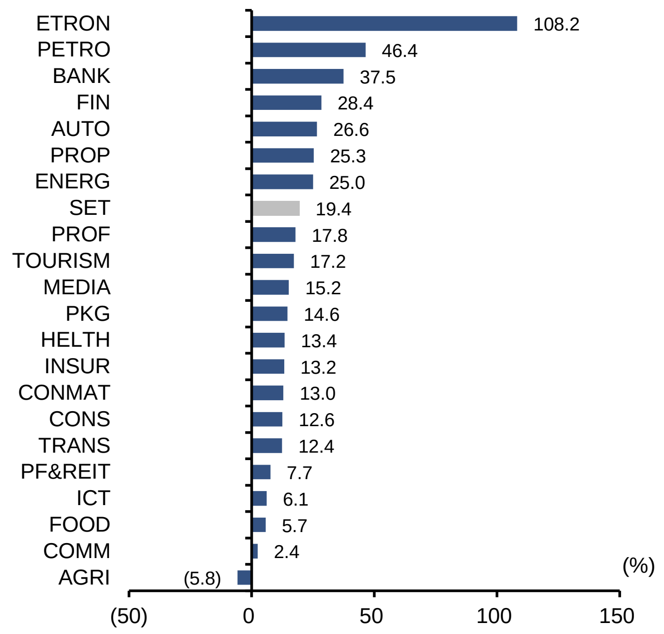
Exhibit 23: Summary of key valuations for FSSIA's top picks

		--- Share price ---		Up	-Net profit growth-		---------- P/E ----------			PBV	Div yld	ROE	SET	FSSIA
		Current	Target	side	25E	26E	25E	26E	27E	25E	25E	25E	ESG	ESG
		(THB)	(THB)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)		
Bangkok Airways	BA TB	13.30	28.00	111	2.5	6.6	7.1	6.7	6.1	1.6	9.8	23.8	BBB	-
Bangkok Dusit Medical Services	BDMS TB	20.60	31.00	50	1.8	7.4	20.1	18.7	17.2	3.1	3.6	15.9	A	★★★★
Central Plaza Hotel	CENTEL TB	32.50	49.00	51	6.7	15.3	21.9	19.0	17.3	2.0	2.3	9.4	AAA	★★★★
CP All	CPALL TB	47.75	65.00	36	12.4	8.7	15.1	13.9	13.0	3.3	3.3	21.2	AAA	★★★★
Ichitan Group	ICHI TB	12.90	14.00	9	(3.3)	7.2	12.9	12.0	11.5	3.0	9.6	22.9	A	★★★
Krung Thai Bank	KTB TB	25.00	29.00	16	6.2	(4.0)	7.5	7.8	7.9	0.7	6.5	10.2	AAA	★★★★
Muangthai Capital	MTC TB	41.75	56.00	34	20.7	17.1	12.5	10.7	9.7	2.0	1.2	17.6	AAA	★★★★
Synnex (Thailand)	SYNEX TB	12.30	14.50	18	14.0	11.6	16.0	14.3	13.4	2.2	4.1	14.2	AA	★★

Share prices as of 25 Sep 2025

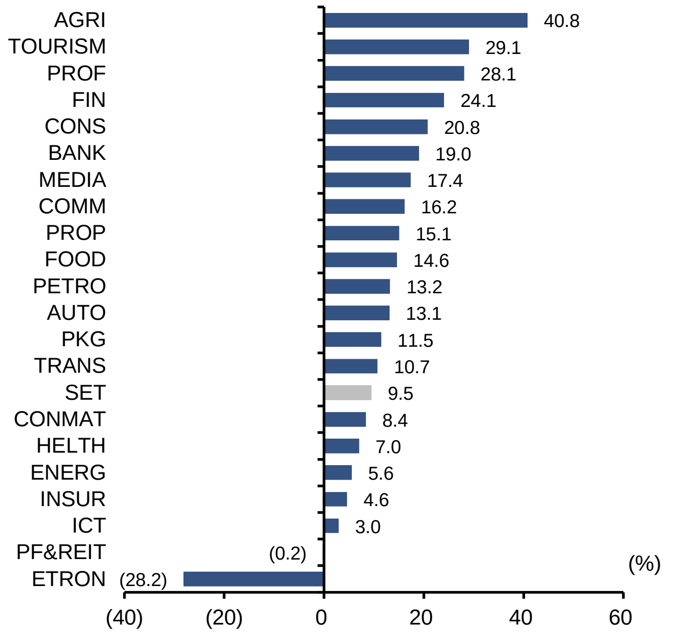
Source: FSSIA estimates

Exhibit 24: Sector returns during Half-Half scheme phase 1



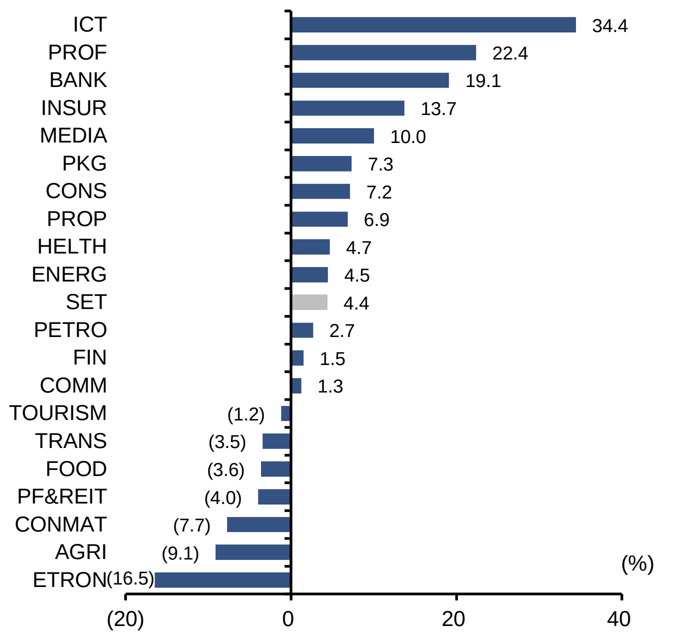
Source: SETSMART

Exhibit 25: Sector returns during Half-Half scheme phase 2



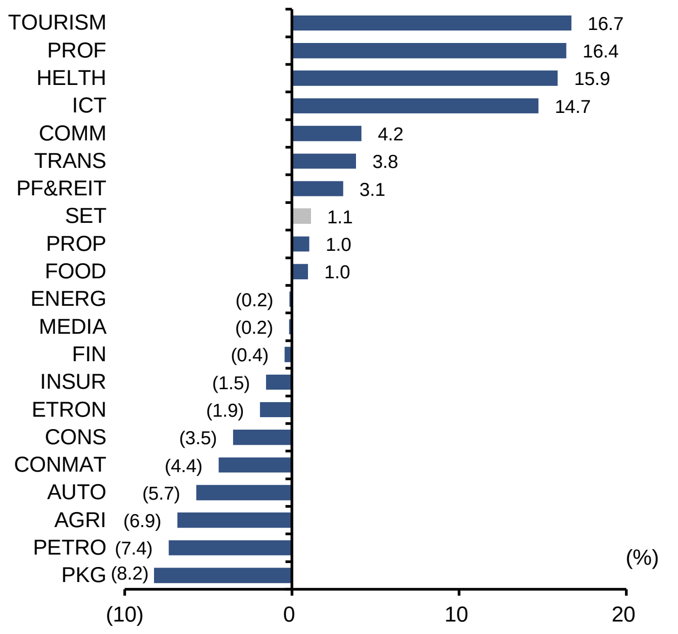
Source: SETSMART

Exhibit 26: Sector returns during Half-Half scheme phase 3



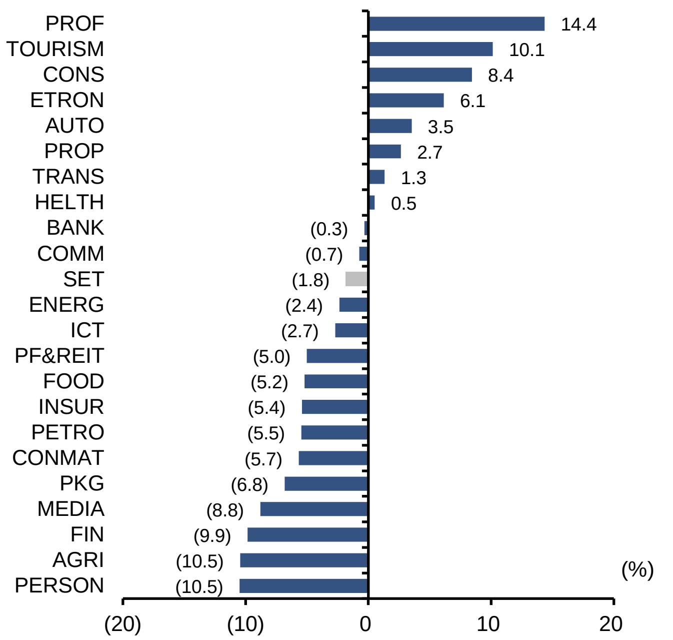
Source: SETSMART

Exhibit 27: Sector returns during Half-Half scheme phase 4



Source: SETSMART

Exhibit 28: Sector returns during Half-Half scheme phase 5



Source: SETSMART

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. **NEGL** 0-10 · **Low** 10-20 · **Medium** 20-30 · **High** 30-40 · **Severe** 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Veeravat Virochpoka FSS International Investment Advisory Securities Co., Ltd

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

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 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 13.30	BUY	Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Bangkok Dusit Medical Services	BDMS TB	THB 20.60	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Central Plaza Hotel	CENTEL TB	THB 32.50	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 47.75	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.
Ichitan Group	ICHI TB	THB 12.90	BUY	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery, 2) high or low volatility in packaging costs, and 3) increased or decreased competition and government policy changes such as excise taxes for sugary drinks.
Krung Thai Bank	KTB TB	THB 25.00	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 41.75	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.
Synnex (Thailand)	SYNEX TB	THB 12.30	BUY	Downside risks to our P/E-based TP valuation method include 1) a slower-than-expected PC recovery, 2) a slower-than-expected smartphone replacement cycle, and 3) currency fluctuations.

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 25-Sep-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.