

19 JULY 2022

SPOTLIGHT ON THAILAND

Published Reports

- INDORAMA VENTURES (IVL TB) - Distinct winner in a stormy market; Maintain BUY TP THB65.00
- RATCHTHANI LEASING (THANI TB) - Expect decent performance in 2Q22; Maintain BUY TP THB4.80

Results Comments

- Total Access Communication (DTAC TB, BUY, TP THB55.50) - 2Q22 results were weaker than expected

Economics

- COVID-19 cases as of 18 Jul globally reaches 568,111,043 with new 401,359 cases and 909 new deaths.
- PM 'unfazed' by censure, No-confidence vote kicks off later today
- Jabs 'saved half a million people'
- Global economy to hit Thai tourism, Inflation, rising rates pose risk to recovery
- Cabinet signs off on B3.22bn port deal, Joint venture pact between IEAT, TCT
- IEAT seeks Japanese bioindustrialists
- THAI engine deal 'unlawful', NACC says ex-chair, others took bribes
- Steel prices hike building costs, Price index up 5.6% in second quarter

Corporate News

- Insurer warning over long Covid costs
- Siam Piwat preparing to issue perpetual bonds
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- About Passion bullish on Subway expansion, Plans to spend B3bn over next 10 years
- Egco calls for calm after leak in Laos
- STA raises rubber production capacity
- Depa set to launch Connexion project
- Issues facing NT chief highlighted
- JP allies with small firms, startups using new model

Indices	Index as of 18-Jul-22	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,545	0.7	(6.8)	3,460
China SHCOMP	3,278	1.6	(9.9)	
Hong Kong HSI	20,846	2.7	(10.9)	
India SENSEX	54,521	1.4	(6.4)	(29,665)
Indonesia JCI	6,659	0.1	1.2	3,949
Korea KOSPI	2,375	1.9	(20.2)	(15,526)
MY FBMKLCI	1,430	0.8	(8.8)	
PH PCOMP	6,269	1.2	(12.0)	(857)
SG FSSTI	3,122	0.7	(0.1)	
Taiwan TWSE	14,720	1.2	(19.2)	(35,025)
VN VNINDEX	1,176	(0.2)	(21.5)	(115)
MSCI Emerging	980	1.9	(20.4)	
Nikkei 225	Closed	0.5	(7.0)	
FTSE 100	7,223	0.9	(2.2)	
CAC 40	6,092	0.9	(14.8)	
DAX	12,960	0.7	(18.4)	
Dow Jones	31,073	(0.7)	(14.5)	
Nasdaq	11,360	(0.8)	(27.4)	
S&P 500	3,831	(0.8)	(19.6)	
Brent	106.27	5.1	36.6	
Dubai	107.15	3.3	40.1	
WTI	102.60	(0.7)	35.5	
GOLD	1,709.22	(0.1)	(6.7)	
Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	26,346	25,131	1,215	52
Retail	14,414	15,260	(846)	30
Prop Trade	4,903	4,492	412	10
Local Institution	3,430	4,211	(781)	8
Total Trade	49,093	49,093	(0)	100
Rates	Last close 7/18/2022	1M ago 6/20/2022	End last yr 12/31/2021	1yr ago 7/19/2021
THB/USD	36.61	35.29	33.41	32.86
Inflation *	7.66	7.10	2.17	1.25
MLR **	5.31	5.31	5.31	5.31
1Y Fixed *	0.43	0.43	0.43	0.43
Govt bond 10Y	2.51	2.96	1.89	1.65
Commodity	Last close 7/18/2022	1M ago 6/17/2022	End last yr 12/31/2021	1yr ago 7/16/2021
(USD/bbl)				
Brent	106.27	113.12	77.78	73.59
Dubai	107.15	119.30	76.48	73.22
WTI	102.60	109.56	75.21	66.42
Gold	1,709	1,839	1,829	1,813
Baltic Dry	2,150	2,578	2,217	3,059
(USD/ton)				
Coal	440.00	402.18	84.45	147.86
% change	9.4	9.4	421.0	197.6

* chg y-y% last at end of most recent month end; *** Avg of 4 major banks;
Sources: Bloomberg, except coal from BANPU

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Published Reports

INDORAMA VENTURES (IVL TB) - Distinct winner in a stormy market; Maintain BUY TP THB65.00

Winner – not just a survivor – amid global market turmoil

In our view, three major emerging factors, from the de-balancing of incomes amid sustained strong global demand growth, to the de-globalisation trend that is increasing the import parity between Eastern and Western markets, and the de-carbonisation megatrend that will support the increased use of plastic packaging with better recyclability, will continue to underpin the high margins of integrated PET-PTA, surfactants, and MTBE globally. We believe the structural changes in the global industrial landscape for PET, IOD, and fibre value chains should bode well for IVL’s higher-for-longer margin uptrends into 2023-24.

IOD and PET-PTA growth should lead the charge in 2022-24

We believe that in 2022-24, IVL is poised to see sustainable and solid EBITDA growth reaching USD2.8b by 2024. In terms of product segments, we expect EBITDA growth from its combined PET to lead the charge, followed closely by EBITDA growth from the IOD group thanks to IVL’s acquisition of Oxiteno and the rising margins of surfactants and MTBE.

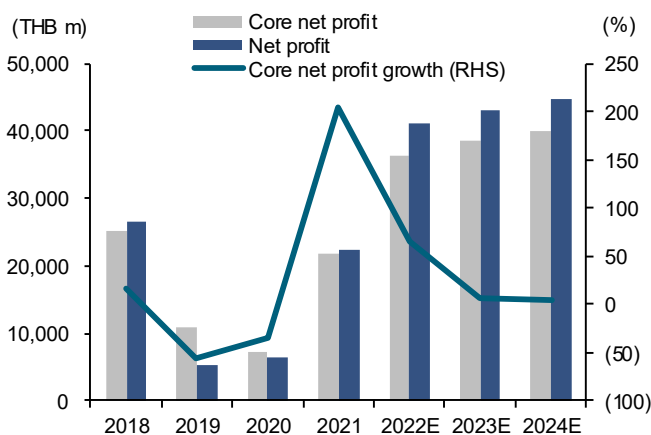
Further MTBE growth down the road

While the margin of MEG-shale gas has sharply plunged below the USD300/t breakeven level, the margin of MTBE has spiked to over USD1,000/t in Jun-22 thanks to the sharp rise in gasoline demand and margin. We think the MTBE margin should stay above USD500/t in 2022 and USD400/t in 2023, backed by the strong demand for gasoline octane boosters using MTBE. With a large MTBE capacity of 0.73mtpa, we estimate that every USD100/t increase in MTBE margin will result in a USD40-50m rise in EBITDA.

Maintain BUY; TP lowered to THB65

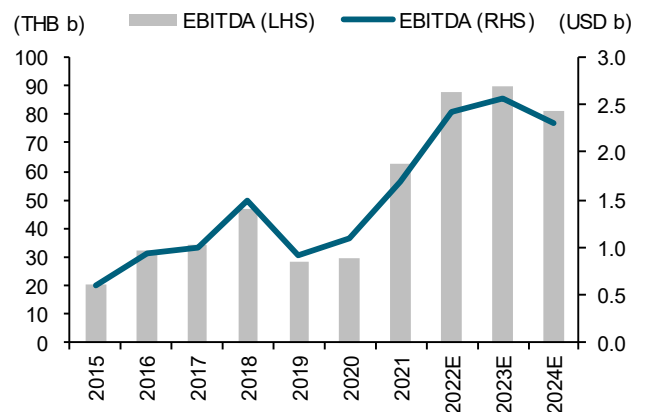
We lower our TP from THB70 to THB65 as we lower our valuation from 9.4x 2022E EV/EBITDA down to 6.0x 2023E EV/EBITDA, -1.25SD from its 12-year average, to reflect our more conservative view of the market outlook. However, this would be offset by our 43.7-54.4% higher EPS forecasts in 2022-24 based on IVL’s timely and superior growth strategy with high pricing power, cost control, and its position as a top regional play in the polyester chain and petrochemicals.

Exhibit 1: Annual core net profit, net profit, and core net profit growth



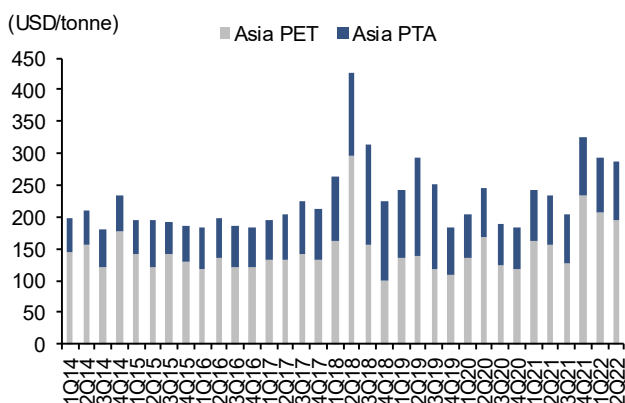
Sources: IVL; FSSIA estimates

Exhibit 2: EBITDA in THB and USD



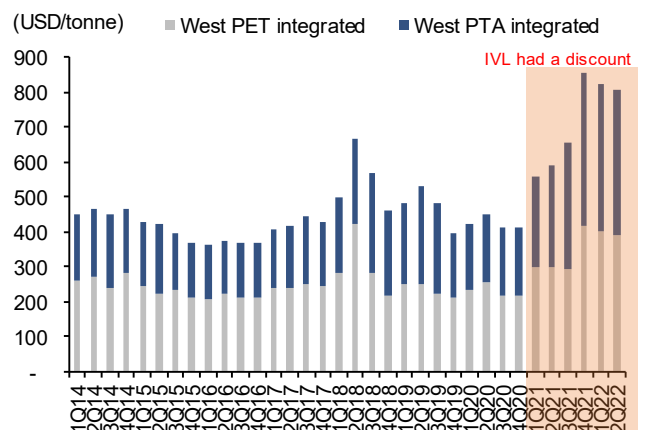
Sources: IVL; FSSIA estimates

Exhibit 3: Margins of integrated PET-PTA in Asia have remained high above USD250/t since 4Q21



Source: IVL

Exhibit 4: Margins of integrated PET-PTA in the West have spiked to record highs since 4Q21



Source: IVL

RATCHTHANI LEASING (THANI TB) - Expect decent performance in 2Q22; Maintain BUY TP THB4.80

Gradual resumption of growth mode leading to decent 2Q22 NP

We expect THANI to deliver a decent 2Q22 net profit of THB460m (+7% y-y, +1% q-q), driven by three factors. First, we expect a rise in its loan volume by 5% y-y and 2% q-q, with a new lending volume of THB6.6b (+10% y-y). Next, we think fee income should increase by 36% y-y and 4% q-q following a rise in its loan volume. Lastly, we believe THANI's credit cost might be lower by 23 bps y-y and 9 bps q-q to 92 bps, as we expect it to control its asset quality effectively. NPLs might be relatively stable q-q, with an expected NPL ratio of 2.99%. These positives should completely offset the higher OPEX as THANI is continuing to speed up its truck confiscation process to prevent its asset quality from declining.

Negligible impact from higher oil prices

Around 60% of THANI's truck clients are medium to large business operators. Normally, these segments can pass through their higher costs from the rising energy price to employers. We think THANI's clients will still have a limited impact from the rising energy price and high inflation environment. Thus, asset quality is not a major concern for us.

Rate hike impact might be partly offset by a higher loan yield

We expect THANI to have a moderate negative impact from future rate hikes. It has debentures due in 2022 and 2023 amounting to THB9.5b at an average cost of funds of 3.07%. Thus, we expect the cost of raising new debentures to be higher than the current rate. We also think THANI will gradually increase its long-term borrowing proportion to 65-70% from 56% currently. However, this negative might be partly offset by a minimal rise in its loan yields. According to THANI, it might minimally increase the rate charged to clients. THANI believes most players will follow suit due to their higher cost of funds. Thus, its customers should not flow to competitors. All in all, we believe THANI will be able to manage this risk.

Gradual net profit increase with cheap valuation

We reiterate our BUY call. Although we lower our net profit forecasts for 2022/23/24 by 3%/5%/5%, we roll forward our valuation to 2023 and maintain our TP of THB4.8. We think THANI will be able to manage the impact from the potential rate hikes and high inflation. Also, it is resuming its loan expansion mode. We believe its net profit should gradually increase y-y and h-h in 2H22 and by 11% in 2023. Additionally, THANI's valuation is undemanding at 10.5x 2023E P/E and 1.6x 2023E P/BV.

Exhibit 5: Key changes in assumptions

	-----2022E-----				-----2023E-----			-----2024E-----		
	2021 (THB m)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)	Old (THB m)	New (THB m)	Change (%)
Net interest income	2,517	2,616	2,539	(2.9)	2,854	2,695	(5.6)	3,130	2,966	(5.2)
Non-interest income	796	848	915	7.9	888	961	8.2	951	1,031	8.5
Operating income	3,313	3,464	3,454	(0.3)	3,742	3,656	(2.3)	4,081	3,998	(2.0)
Operating expenses	585	590	642	8.8	608	639	5.1	659	684	3.8
PPOP before tax	2,729	2,874	2,812	(2.2)	3,134	3,017	(3.7)	3,422	3,314	(3.2)
Expected credit loss (Reversal)	586	514	514	0.0	452	476	5.2	475	529	11.3
Tax expenses	434	454	442	(2.6)	516	489	(5.2)	575	536	(6.7)
Minority interest	0	0	-		0	-		0	-	
Normalised profit	1,709	1,906	1,856	(2.6)	2,165	2,052	(5.2)	2,373	2,249	(5.2)
Extraordinary items	-	0	-		0	-		0	-	
Net profit	1,709	1,906	1,856	(2.6)	2,165	2,052	(5.2)	2,373	2,249	(5.2)
EPS (THB)	0.30	0.34	0.33	(2.6)	0.4	0.36	(5.2)	0.4	0.40	(5.2)
Key statistics and ratios										
Asset quality ratio										
Gross NPLs (THB m)	1,863	2,087	1,770	(15.2)	2,191	1,912	(12.8)	2,410	2,103	(12.8)
Gross NPLs / Loans (%)	3.8	3.9	3.3		3.7	3.3		3.6	3.2	
Loan loss reserve/NPLs (%)	80	88	104		90	104		89	106	
Credit cost (bps)	120	100	100		80	85		75	85	
Profitability ratio (%)										
Cost to income ratio	17.6	17.0	18.6		16.2	17.5		16.1	17.1	
Average yield	6.95	6.90	6.75		6.95	6.85		7.00	6.95	
Cost of funds	2.49	2.45	2.45		2.55	2.75		2.70	2.90	
Net interest margin (NIM)	5.17	5.09	4.94		5.05	4.81		4.94	4.77	
Loan growth (%)										
y-y	3.0	8.0	8.0		12.0	10.0		12.0	12.0	

Sources: THANI; FSSIA estimates

Results Comments

Total Access Communication (DTAC TB, BUY, TP THB55.50) - 2Q22 results were weaker than expected

- DTAC reported its net profit in 2Q22 of THB1b. However, its core profit was only THB546m (-26% q-q, -52% y-y).
- The extra items include 1) filter fee of THB1b; 2) network maintenance cost of THB150m 3) impairment of its inventories from fire in May-22 of THB556m.
- The company's mobile revenue fell 2.5% both q-q and y-y to THB13.6b (+0.9% q-q, -1% y-y) due to the continuous decline in blended ARPU to THB230 (-0.4% q-q, -6.9% y-y), despite the improvement of total subscribers to 20.28m (+2.1% q-q, +5.3% y-y), reflecting a strong price competition.
- DTAC announced to pay an interim dividend of THB0.85 per share or 116% payout ratio.
- Management lowered its 2022 guidance from
 - 0-3% growth on its service revenue to 0-3% decline
 - EBITDA growth is maintained at 0-3%
 - Network CAPEX guidance fall from THB12-14b to THB11-13b

Exhibit 6: 2Q22 results review

	2Q21	1Q22	2Q22	----- Change -----		1H21	1H22	Chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Operating Revenue	19,984	20,131	19,960	(0.8)	(0.1)	40,501	40,091	(1.0)	81,388
Operating Expense	(11,919)	(12,947)	(11,895)	(8.1)	(0.2)	(24,959)	(24,842)	(0.5)	(51,383)
EBITDA	8,065	7,184	8,065	12.3	0.0	15,542	15,249	(1.9)	30,005
<i>EBITDA margin (%)</i>	<i>40</i>	<i>36</i>	<i>40</i>	<i>nm</i>	<i>nm</i>	<i>38</i>	<i>38</i>	<i>nm</i>	<i>37</i>
Depreciation & Amortization	(5,589)	(5,520)	(5,687)	3.0	1.8	(11,090)	(11,207)	1.1	(22,871)
EBIT	2,476	1,664	2,378	42.9	(4.0)	4,452	4,042	(9.2)	7,134
Finance expenses	(699)	(663)	(687)	3.6	(1.7)	(1,386)	(1,350)	(2.6)	(2,736)
Other income	(26)	(100)	(442)	342.0	1,570.8	(371)	(542)	46.2	(250)
Associates	95	(1)	5	n.a.	(94.7)	107	4	(96.3)	40
Pretax profit	1,846	900	1,254	39.3	(32.1)	2,803	2,154	(23.1)	4,188
Tax	(315)	(174)	(250)	n.a.	(20.6)	(450)	(424)	(5.8)	(637)
<i>Tax rate (%)</i>	<i>(17)</i>	<i>(19)</i>	<i>(20)</i>	<i>nm</i>	<i>nm</i>	<i>(16)</i>	<i>(20)</i>	<i>nm</i>	<i>(15)</i>
Net profit	1,531	726	1,004	38.3	(34.4)	2,353	1,730	(26.5)	3,551
Extra items	405	(12)	458	n.a.	13.1	174	446	156.8	0
Core net profit	1,126	738	546	(26.0)	(51.5)	2,179	1,284	(41.1)	3,551
EPS (THB)	0.65	0.31	0.42	38.3	(34.4)	0.99	0.73	(26.5)	1.50
Core EPS (THB)	0.48	0.31	0.23	(26.0)	(51.5)	0.92	0.54	(41.1)	1.50

Sources: DTAC; FSSIA estimates

Exhibit 7: Operating statistics

Operational summary	2Q21	1Q22	2Q22	(q-q%)	(y-y%)
Total subscribers (m)	19.25	19.87	20.28	2.1	5.3
Postpaid (m)	6.19	6.20	6.20	(0.0)	0.2
Prepaid (m)	13.06	13.67	14.08	3.0	7.8
Blended ARPU	247	231	230	(0.4)	(6.9)
Postpaid APRU	498	487	489	0.4	(1.8)
Prepaid APRU	128	114	114	0.0	(10.9)

Sources: DTAC; FSSIA estimates

Economic news

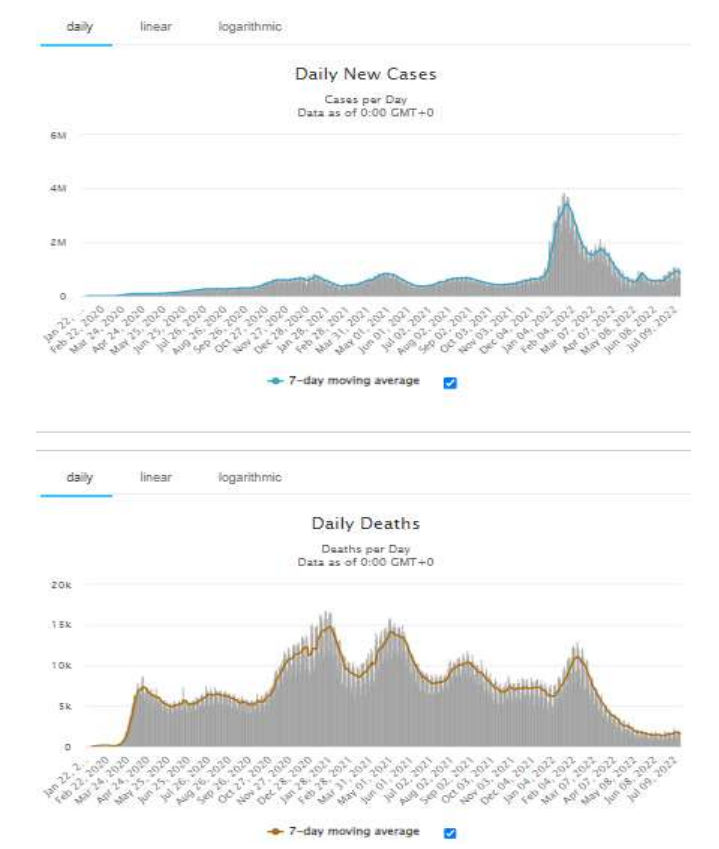
- COVID-19 cases as of 18 Jul globally reaches **568,111,043** with new 401,359 cases and 909 new deaths. There are 22,332,274 currently infected patients, with 39,160 (0.2%) cases in serious condition.

Exhibit 8: Top 25 countries by new cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	568,111,043	401,359	6,388,680	909
1 Japan	10,308,445	103,602	31,594	14
2 Australia	8,812,682	39,106	10,719	30
3 Brazil	33,339,815	38,697	675,551	143
4 Italy	20,177,910	31,204	170,037	112
5 USA	91,340,673	29,053	1,048,976	112
6 S. Korea	18,788,056	26,299	24,753	11
7 Taiwan	4,282,777	18,003	8,224	48
8 France	33,034,311	17,733	150,835	174
9 Mexico	6,448,477	8,861	326,504	13
10 Austria	4,618,283	8,449	18,934	3
11 New Zealand	1,508,728	7,974	1,784	21
12 Iran	7,284,165	5,687	141,513	14
13 Chile	4,141,778	4,626	59,126	40
14 Russia	18,494,844	4,548	381,916	35
15 Iraq	2,409,641	4,455	25,273	3
16 Denmark	3,044,171	4,312	6,563	12
17 Hong Kong	1,297,772	3,436	9,440	3
18 Indonesia	6,138,346	3,393	156,859	10
19 Serbia	2,059,982	3,291	16,173	4
20 Romania	2,967,222	3,288	65,815	2
21 Netherlands	8,287,266	3,238	22,432	2
22 Bulgaria	1,187,138	2,292	37,301	7
23 Philippines	3,735,383	2,285	60,641	
24 Lebanon	1,142,644	1,850	10,491	2
25 Thailand	4,560,843	1,814	31,016	17

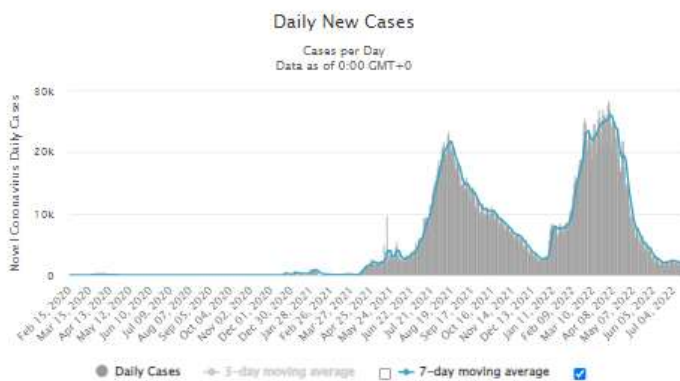
Source: worldometers.info

Exhibit 9: Global by new cases and deaths

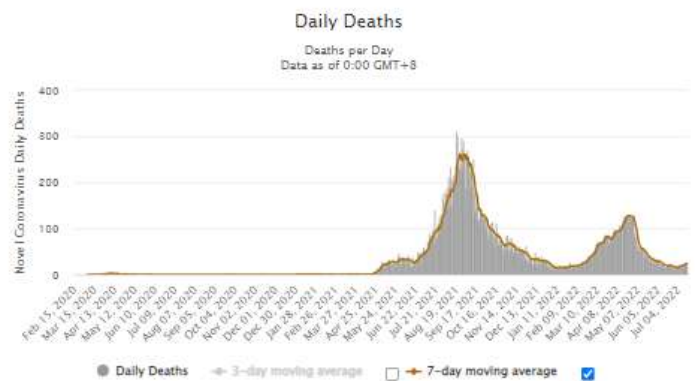


Source: worldometers.info

Daily New Cases in Thailand



Daily New Deaths in Thailand



- PM 'unfazed' by censure, No-confidence vote kicks off later today** BANGKOK POST: Prime Minister Prayut Chan-ocha on Monday appeared unfazed by the upcoming no-confidence debate, despite uncertainties over how small coalition parties would cast their votes. It is the fourth and last no-confidence against the government, as the administration will finish its term in March next year. Last week, the Setthakij Thai Party with 16 MPs under its wing pulled out of the coalition last week and vowed to vote against Gen Prayut and 10 other cabinet ministers targeted by the motion. Meanwhile, the so-called Group of 16, made up of MPs from micro-parties and several members of the Palang Pracharath Party (PPRP), were reportedly divided on whether or not they would support the prime minister.
- Jabs 'saved half a million people'** BANGKOK POST: A research team from Mahidol University has estimated that the government's Covid-19 vaccination campaign over the past two years prevented nearly 490,000 deaths. The team based their work on a mathematic modelling carried out by the MRC Centre for Global Infectious Disease Analysis in 185 countries from when the first vaccinations were administered in 2021 until July 3, 2022.

- **Global economy to hit Thai tourism, Inflation, rising rates pose risk to recovery** BANGKOK POST: The Tourism Authority of Thailand forecasts revenue of 1.2-2.38 trillion baht next year but this is likely to be challenged by global inflation and rising interest rates. TAT governor Yuthasak Supasorn said the recovery in Thai tourism would accelerate in 2023, with total revenue of 1.25 trillion baht in the worst-case scenario, 1.73 trillion baht in the base-case scenario, and 2.38 trillion baht in the best-case scenario. TAT expects Thailand to earn tourism revenue of 1.5 trillion baht this year. "We might be able to mark the end of this year with 10 million international tourists as we have already secured 2.7 million so far, while the current flow from all ports of entry tallies over 30,000 per day, or around 1 million per month. If this momentum is encouraged by high season in the final quarter, there should be 1.5 million tourists each month between October and December," said Mr Yuthasak.
- **Cabinet signs off on B3.22bn port deal, Joint venture pact between IEAT, TCT** BANGKOK POST: The cabinet has approved a public-private partnership deal worth 3.22 billion baht to manage the Map Ta Phut Industrial Port in Rayong province. According to Rachada Dhnadirek, a deputy government spokeswoman, the joint venture deal to run the Map Ta Phut Industrial Port will be handled by the Industrial Estate Authority of Thailand (IEAT) and Thai Connectivity Terminal (TCT). The concession with the current operator is scheduled to expire on Sept 16 this year. Under the new joint investment deal, the IEAT will allow TCT to operate and make use of Map Ta Phut Industrial Port's existing assets worth 963 million baht for 30 years, while TCT has pledged to invest 2.25 billion baht to upgrade the port and operate additional services related to containers, such as the installation of cranes to lift containers, container repairs, cleaning services, and the container yard development. In a related development, the cabinet on Monday granted the debt-ridden Bangkok Mass Transit Authority (BMTA) permission to seek a new 7.51-billion-baht loan in fiscal 2023 to boost liquidity and pay its fuel, repair, and maintenance costs, with the Finance Ministry acting as a loan guarantor.
- **IEAT seeks Japanese bioindustrialists** BANGKOK POST: The Industrial Estate Authority of Thailand (IEAT) is encouraging 30 Japan-based companies specialising in bioindustry to invest in Thailand. The government wants to promote foreign investments under bio-, circular and green (BCG) economic development as well as 12 targeted S-curve industries in the Eastern Economic Corridor (EEC), said Veeris Ammarapala, governor of the IEAT. BCG production encourages manufacturers to adopt techniques that can add value to products and have minimal or no impact on the environment while the S-curve industries include electric vehicles, smart electronics as well as affluent, medical and wellness tourism. "We have met Japanese companies and encouraged them to invest with us," said Mr Veeris.
- **THAI engine deal 'unlawful', NACC says ex-chair, others took bribes** BANGKOK POST: The National Anti-Corruption Commission (NACC) has found grounds supporting the allegation that former finance minister Thanong Bidaya broke the law in a deal to supply Rolls-Royce engines for Thai Airways International (THAI) three decades ago, according to Isranews. Citing a NACC source, the news agency said the commission voted 6 to 2 to back the claim against Mr Thanong who was serving as THAI chairman and the airline's adviser on long-term investments when the scandal erupted. The NACC also ruled a similar illegal act in the engine procurement was committed by Kaweeapan Ruengpaka, THAI's former vice president for finances. According to Isranews, the commission found both Mr Thanong and Mr Kaweeapan had breached Sections 8 and 11 of the State Employees Offences Act. Section 8 imposes hefty punishments against a state employee who engages in corruption in procurement projects. The offenders are liable for between five to 20 years in jail, a fine from 2,000 to 40,000 baht, or both.
- **Steel prices hike building costs, Price index up 5.6% in second quarter** BANGKOK POST: Soaring steel prices continued to push up the price index of home construction costs in the second quarter with a year-on-year rise of 5.6%, the highest level in 40 quarters. Vichai Viratkapan, acting director-general of REIC, said the price index of home construction costs in the second quarter this year was 131.2, up 5.6% from the same period last year and 1.1% from the first quarter. "The year-on-year increase of the index was driven by higher prices of all categories across the board, with structural engineering jobs the largest increase at 12.4%," he said. The second largest rise was electrical and communication system jobs at 5.4%, followed by architectural jobs at 2.3% and sanitary system jobs at 1.4%. In the design and system category, the cost of architectural jobs represented 63.7%, followed by the cost of structural engineering jobs at 29.7%, while the cost of electrical and communication system jobs was 3.7% and sanitary system jobs 2.9%.

Corporate news

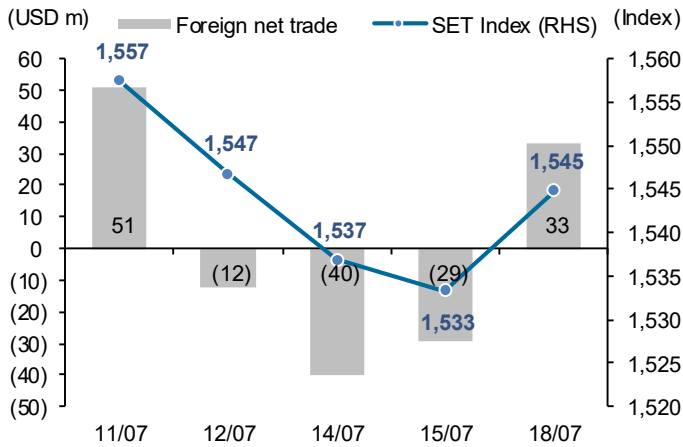
- **Insurer warning over long Covid costs** BANGKOK POST: SET-listed Bangkok Insurance (BKI) said long Covid may have an ongoing cost impact on the Thai insurance industry as it could increase the value of claims. Moreover, the rising number of claims may also discourage insurers from issuing health policies to people who have been infected with Covid-19. BKI's president and chief executive Apisit Anantanarat said long Covid may pose significant financial risks to Thai health insurers as it will increase the number of claims, especially from general health insurance policies that provide coverage for medical expenses. He said long Covid is the next great risk for the insurance business, following the impact of Covid-19 policies with a lump-sum payment.
- **Siam Piwat preparing to issue perpetual bonds** BANGKOK POST: Leading real estate and retail developer Siam Piwat is preparing to issue the first-ever perpetual bonds to attract institutional and high-net-worth investors in the first week of August. The bonds have an estimated interest rate of 5.25-5.50% per annum in the first five years and will be paid out quarterly. The minimum subscription amount is 1 million baht. Siam Commercial Bank, Thanachart Securities Plc, KGI Securities (Thailand) Plc, Asia Plus Securities Co and IV Global Securities Plc have been appointed as the underwriters of the debentures.

- **Egat sags under subsidies** BANGKOK POST: State-run Electricity Generating Authority of Thailand (Egat) is worried about its heavy financial burden after spending billions of baht to subsidise electricity expenses for people since last year. Last year Egat was ordered by the Energy Regulatory Commission (ERC) to cap the fuel tariff, or Ft, on power bills from September 2021 to April this year, which cost Egat around 60 billion baht. Ft is mainly determined by fuel costs, which are increasing as the Russia-Ukraine war continues. It also agreed to spend 80 billion baht, or 0.24 baht per unit, to subsidise the Ft rate between May and August this year.
- **Bitkub and Circle team up for USDC** BANGKOK POST: Bitkub has joined hands with Circle, a peer-to-peer payment platform developer, to promote the digital stablecoin USDC in Thailand. A stablecoin is a type of cryptocurrency whose valuation follows another asset or currency. USDC is a stablecoin pegged to the US dollar. Jeremy Allaire, chief executive of Circle, met with Ruamporn Siratanapanta, deputy chief executive of business and strategy at Bitkub Online, and Sugrit Phutaviriya, chief executive of Bitkub Academy yesterday and solidified their partnership at an agreement signing ceremony. Mr Allaire said the company aims to promote wider public acceptance of USDC and is seeking partnerships with digital asset business operators in other countries to introduce and help promote the stablecoin to local communities.
- **SCGP offers to buy 100% stake in Peute Recycling** BANGKOK POST: SCG Packaging Plc (SCGP) is taking over Peute Recycling BV, the largest packaging material recycling company in the Netherlands, in a move to strengthen its recycling business. The company offered to buy a 100% stake in Peute for €78.1 million, around 2.87 billion baht, said Wichan Jitpukdee, chief executive of SCGP. "The acquisition is important to our long-term strategy which is aimed at strengthening all levels of packaging businesses, from raw material sourcing to upstream and downstream manufacturing," he said. SCGP expects this deal to increase the amount of paper and plastic materials for recycling by around 1 million tonnes a year, up from 4.4 million tonnes at present.
- **Prices drop amid competition** BANGKOK POST: Competition in the express delivery segment is expected to intensify later this year with some operators now employing a price cut strategy to attract customers as fuel prices are cooling down. SET-listed Kerry Express (Thailand) recently reduced the starting price for the delivery of items in a sealed bag "A" (measuring 32 centimetres by 23cm), weighing up to 500 grammes, from 19 baht to 15 baht. "In this difficult situation with high inflation and fuel prices, we would love to support the Thai people and enable more people to step in to use Kerry services," Alex Ng, chief executive of Kerry Express (Thailand), told the Bangkok Post. "We are committed to continuing our strong dedication to the market and will continue to give our competitors strong price pressure."
- **About Passion bullish on Subway expansion, Plans to spend B3bn over next 10 years** BANGKOK POST: About Passion Co, the master franchisee of "Subway" in Thailand, looks set to boost the number of Subway restaurants in the country to 1,000 branches over the next 10 years with combined spending of 3 billion baht. Petcharat Uthaisang, the company's chief executive, said Subway has managed to continue growing both in terms of sales and branch expansion over the last couple of years even though Thailand has had to confront the Covid-19 outbreaks that caused many businesses to stumble and grind to a halt. "Subway didn't get any impact from Covid-19 during 2020-2021 as our products are considered to respond well to the needs of customers who changed their behaviour to pay attention to healthcare trends more than ever and also follow popular trends from various [television] series from Korea," she said, adding that About Passion also expanded Subway's branches via petrol stations and the delivery channel which currently contributes 40% to Subway's sales.
- **Egco calls for calm after leak in Laos** BANGKOK POST: SET-listed Electricity Generating Plc (Egco) is playing down a water leakage at its Nam Theun 1 hydropower plant in Laos, saying it is "normal" when a dam starts to reserve water. The company responded after reports of the incident emerged on social media over the weekend, which generated concern among local residents. Egco president Thepparat Theppitak said his company and the Lao government are working to provide accurate information on the dam to alleviate concern among the public. Water was found to be leaking from the side walls' rocky crevices of this roller-compacted concrete dam, he said, insisting that this would not affect the dam's structure.
- **STA raises rubber production capacity**
BANGKOK POST: Leading sustainable rubber company Sri Trang Agro-Industry (STA) has lifted the total capacity of its plants in Bueng Kan and Trang, pushing up production of all rubber products to 3.1 million tonnes a year. The Bueng Kan plant's block rubber production capacity has been expanded to 87,600 tonnes a year, while the Trang plant's capacity has risen to 70,080 tonnes a year. Veerasith Sinchareonkul, STA chief executive and director, said the move reinforced the company's position as the world's largest provider of integrated natural rubber products. He added that the capacity expansion at these two plants has been made possible by the introduction of modern technologies and automatic machinery, which helps to speed up production, increase efficiency, and reduce production waste without the need for additional labour.
- **Depa set to launch Connexion project** BANGKOK POST: The Digital Economy Promotion Agency (Depa) is set to launch the Connexion project this month to level up people's skills in creating content via video sharing platforms such as TikTok and YouTube, as a new opportunity to generate income. Depa president and chief executive Nattapon Nimmanphatcharin said the project was given the nod by Digital Economy and Society Minister Chaiwit Thanakamanusorn as it can help online merchants, young people and ordinary people gain proper skills to produce content on the platforms as another revenue channel during this difficult time. The Depa is working with Tellscore, a local influencer marketing startup, to develop online courses for the development of such skills. These courses are to be provided free of charge. Some 10,000 participants are being targeted in the first batch of the Connexion project.
- **Issues facing NT chief highlighted** BANGKOK POST: Digital Economy and Society (DES) Minister Chaiwit Thanakamanusorn has outlined three critical agenda items the new president of National Telecom (NT) needs to pursue to move the state telecom enterprise forward amid difficult challenges this year. The NT board recently chose Col Sanphachai

Huvanandana, former president of CAT Telecom, as its first president. He will assume the leadership role at NT on Aug 1. Col Sanphachai was previously the board director of NT before resigning from the post late last year.

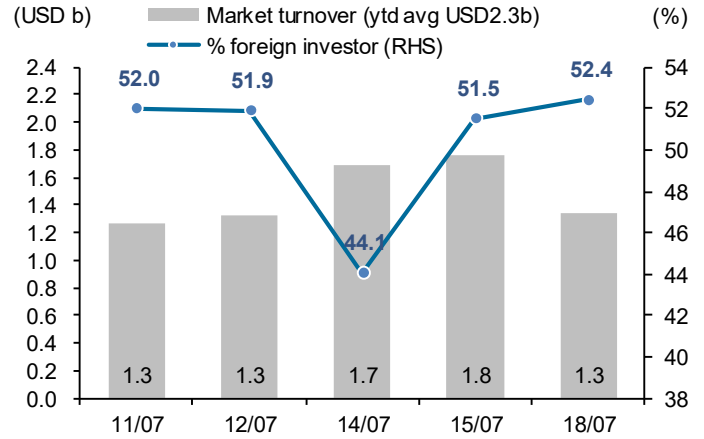
JP allies with small firms, startups using new model BANGKOK POST: MAI-listed JSP Pharmaceutical Manufacturing (Thailand) Plc (JP), a distributor of medicines and nutritional supplements, has initiated a new business model by partnering with startups and small companies to jointly seek revenue in the herb and food supplement segments. Pissanu Daengprasert, JP's executive vice-president for business development, said the new model stemmed from the Covid-19 pandemic which caused people to be more concerned about their health, which entrepreneurs see as a new opportunity to boost their revenue. JP expects the trend in food supplements to grow as consumers are increasingly conscious about healthy lifestyles. The new business model is aimed at doubling JP's revenue this year to nearly 1 billion baht, up from 429 million baht last year.

Exhibit 10: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 11: Foreign participation



Source: Bloomberg

Exhibit 12: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			23%	9%	9%	10%	6%	6%	4%	8%	3%
Current	1,544.81	0.7	1.5	1.0	0.3	(0.1)	(0.2)	1.1	0.3	0.5	1.2
-5D	1,557.87	(0.8)	0.4	(2.0)	(0.2)	(1.9)	(1.5)	(0.9)	(1.3)	(1.4)	(3.3)
-1M	1,559.39	(0.9)	0.9	(6.1)	(2.5)	(1.9)	(1.5)	(0.5)	2.6	0.8	(4.1)
-3M	1,675.62	(7.8)	(2.5)	(11.2)	(19.7)	(13.9)	0.1	(7.7)	0.4	1.2	(5.9)
-6M	1,658.24	(6.8)	(4.3)	(17.5)	(9.9)	(5.8)	(3.2)	(3.4)	(6.7)	6.0	(14.6)
-1Y	1,556.01	(0.7)	4.6	4.0	21.0	(6.7)	(8.6)	4.6	(14.2)	4.2	(7.6)
WTD	1,533.37	0.7	1.5	1.0	0.3	(0.1)	(0.2)	1.1	0.3	0.5	1.2
MTD	1,568.33	(1.5)	0.5	(5.2)	0.2	(1.0)	(2.3)	(1.6)	(1.5)	(1.8)	(4.5)
QTD	1,568.33	(1.5)	0.5	(5.2)	0.2	(1.0)	(2.3)	(1.6)	(1.5)	(1.8)	(4.5)
End of 2021	1,657.62	(6.8)	(2.5)	(15.7)	(9.8)	(7.7)	(2.9)	(3.9)	(6.8)	5.4	(10.9)

Source: Bloomberg

Exhibit 13: Trade by investor types

	SET Index		Exchange rate (USD:THB)	SET Index		Equity trading / Net position				Bond Net foreign (USD m)
	Index	Change (y-y%)		Average daily turnover (THB m)	Average daily turnover (USD m)	Foreign (USD m)	Retail (USD m)	PropTrade (USD m)	Local Inst (USD m)	
2018	1,563.88	(10.8)	32.32	56,370	1,744	(8,913)	3,571	(478)	5,799	8,855
2019	1,579.84	1.0	31.06	52,468	1,689	(1,496)	(662)	477	1,681	(502)
2020	1,449.35	(8.3)	31.29	67,335	2,152	(8,287)	6,873	459	953	(1,005)
2021	1,657.62	14.4	32.00	88,443	2,764	(1,632)	3,630	435	(2,330)	6,550
2022YTD	1,544.81	(6.8)	33.93	78,497	2,314	3,460	(468)	23	(3,014)	3,285
1Q21	1,587.21	41.0	30.26	93,653	3,095	(987)	1,622	129	(764)	128
2Q21	1,587.79	18.6	31.36	94,016	2,998	(1,482)	1,973	85	(574)	2,442
3Q21	1,605.68	29.8	32.92	86,406	2,625	(8)	(178)	189	97	632
4Q21	1,657.62	14.4	33.38	79,917	2,394	845	213	32	(1,089)	3,348
1Q22	1,695.24	6.8	33.04	89,343	2,704	3,369	(902)	32	(2,495)	2,613
2Q22	1,568.33	(1.2)	34.40	70,765	2,057	72	126	10	(212)	663
3Q22	1,544.81	(3.8)	36.14	58,539	1,620	18	308	(19)	(307)	10
Jan-22	1,648.81	12.4	33.22	87,540	2,635	432	221	104	(756)	2,434
Feb-22	1,685.18	12.6	32.65	91,300	2,796	1,931	(863)	142	(1,208)	2,201
Mar-22	1,695.24	6.8	33.26	89,189	2,682	1,006	(260)	(215)	(531)	(2,023)
Apr-22	1,667.44	5.3	33.83	71,959	2,127	321	109	(40)	(391)	227
May-22	1,663.41	4.4	34.39	73,281	2,131	592	(771)	50	128	876
Jun-22	1,568.33	(1.2)	34.97	67,056	1,917	(841)	789	1	50	(440)
Jul-22	1,544.81	1.5	36.14	58,539	1,620	18	308	(19)	(307)	10
2022YTD	1,544.81	(6.8)	33.93	78,497	2,314	3,460	(468)	23	(3,014)	3,285
11/07/2022	1,557.87		36.02	54,581	1,515	47	(9)	6	(45)	118
12/07/2022	1,557.40		36.18	46,061	1,273	51	(12)	(5)	(34)	38
14/07/2022	1,546.80		36.31	47,877	1,319	(12)	49	(0)	(37)	(35)
15/07/2022	1,536.82		36.52	61,695	1,690	(40)	115	1	(76)	(3)
18/07/2022	1,533.37		36.61	64,710	1,768	(29)	71	20	(62)	(48)

Source: Bloomberg

Exhibit 14: Upcoming events

Date Time	Event		Survey	Actual	Prior
07/17/2022 07:25	Car Sales	Jun	--	--	64735
07/21/2022 23:30	Customs Exports YoY	Jun	10.10%	--	10.50%
07/21/2022 23:30	Customs Imports YoY	Jun	19.00%	--	24.20%
07/21/2022 23:30	Customs Trade Balance	Jun	-\$1208m	--	-\$1870m
07/22/2022 03:30	Forward Contracts	15-Jul	--	--	\$28.6b
07/22/2022 03:30	Foreign Reserves	15-Jul	--	--	\$218.6b
07/25/2022 07:29	Mfg Production Index ISIC NSA YoY	Jun	--	--	-2.11%
07/25/2022 07:29	Capacity Utilization ISIC	Jun	--	--	62.42
07/29/2022 03:00	BoP Current Account Balance	Jun	--	--	-\$3716m
07/29/2022 03:30	Exports YoY	Jun	--	--	11.30%
07/29/2022 03:30	Exports	Jun	--	--	\$25598m
07/29/2022 03:30	Imports YoY	Jun	--	--	23.30%
07/29/2022 03:30	Imports	Jun	--	--	\$23612m
07/29/2022 03:30	Trade Balance	Jun	--	--	\$1985m
07/29/2022 03:30	BoP Overall Balance	Jun	--	--	-\$2105m
07/31/2022 20:30	S&P Global Thailand PMI Mfg	Jul	--	--	50.7
08/01/2022 03:30	Business Sentiment Index	Jul	--	--	50.5
08/04/2022 23:30	CPI YoY	Jul	--	--	7.66%
08/04/2022 23:30	CPI NSA MoM	Jul	--	--	0.90%
08/04/2022 23:30	CPI Core YoY	Jul	--	--	2.51%
08/08/2022 08:10	Consumer Confidence Economic	Jul	--	--	35.7
08/08/2022 08:10	Consumer Confidence	Jul	--	--	41.6
08/10/2022 03:00	BoT Benchmark Interest Rate	10-Aug	--	--	0.50%
08/14/2022 22:30	GDP SA QoQ	2Q	--	--	1.10%
08/14/2022 22:30	GDP YoY	2Q	--	--	2.20%

Source: Bloomberg

Exhibit 15: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Jaymart (JMART)	Piya Pong-Acha	Common Shares	7/15/2022	12,000	44.75	Buy	0.54
Selic Corp (SELIC)	Palawi Bunnag	Common Shares	7/14/2022	55,400	3.72	Sell	0.21
Super Energy (SUPER)	Jormsup Lochaya	Common Shares	7/15/2022	14,057,700	0.70	Buy	9.84
T.A.C. CONSUMER (TACC)	Chatchawe Vatanasuk	Common Shares	7/8/2022	250,000	6.45	Sell	1.61
Thai Sugar Terminal (TSTE)	Prapas Chutimaworapan	Common Shares	7/14/2022	2,000	7.00	Buy	0.01
Thonburi Healthcare (THG)	Boon Vanasin	Common Shares	7/14/2022	200,000	61.79	Buy	12.36
Thonburi Healthcare (THG)	Boon Vanasin	Common Shares	7/15/2022	100,000	62.19	Buy	6.22
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	6/20/2022	8,907,721	4.50	Buy	40.08
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	6/22/2022	4,453,860	-	Receive	n/a
BTS Group Holdings (BTS)	Kavin Kanjanapas	Common Shares	7/11/2022	281,700	8.55	Buy	2.41
Right Tunnelling (RT)	Boonthep Nanengrungsunk	Common Shares	7/15/2022	5,000	1.40	Buy	0.01
Veranda Resort (VRANDA)	Verawat Ongvasith	Common Shares	7/15/2022	65,000	6.10	Buy	0.40
Veranda Resort (VRANDA)	Verawat Ongvasith	Common Shares	7/15/2022	30,000	6.15	Buy	0.18
Veranda Resort (VRANDA)	Verawat Ongvasith	Common Shares	7/15/2022	45,000	6.20	Buy	0.28
Interlink Communication (ILINK)	Chalida Anuntarporn	Common Shares	7/12/2022	1,300,000	7.08	Buy	9.20
Interlink Communication (ILINK)	Chalida Anuntarporn	Common Shares	7/14/2022	350,000	7.06	Buy	2.47
Interlink Communication (ILINK)	Chalida Anuntarporn	Common Shares	7/15/2022	1,150,000	7.05	Buy	8.11
Asian Property Development (AP)	Songpon Busparoeek	Common Shares	7/15/2022	11,000	9.05	Buy	0.10

Source: SEC

Exhibit 16: Upcoming XM

Symbol	X-Date	Meeting Date	Type of Meeting	Agenda	Venue
TQM	21/07/2022	18/08/2022	EGM	To consider and approve the appointment of one new director	Through Electronic Meeting (E-EGM)
CIG	22/07/2022	18/08/2022	EGM	To Consider and Approve on partial business transfer of C.I. Group Public Company Limited to a subsidiary (CIG Blusolutions Company Limited),	at The master Meeting Room of C.I. Group PCL. 1/1 M.7 Bangkoowad Road, Bangkoowad, A. Muang Pathumthani, Pathumthani 12000, Thailand.
JAS	22/07/2022	23/09/2022	EGM	Acquisition and disposition of assets	Through Electronic Meeting (E-EGM)
ACC	26/07/2022	25/08/2022	EGM	To consider and approve the clearing of accumulated losses of the Company, To consider and approve the ratification of the compromise agreement and to withdraw the lawsuit, Black No. 269/2020, Red Case No. 2041/2020, Phra Khanong Criminal Court	Through Electronic Meeting (E-EGM)
TGH	03/08/2022	26/08/2022	EGM	The change of the Company's seal, acknowledge the progress and approve the approach of non-life insurance business of the Company's group business	Through Electronic Meeting (E-EGM)
STARK	09/09/2022	12/10/2022	EGM	Acquisition and disposition of assets	Through Electronic Meeting (E-EGM)

Source: SET

Exhibit 17: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
MACO	04/08/2022	25/05/2022	Warrants	-	Baht	4 : 1	-	2029493030
BR	18/08/2022	05/07/2022	Warrants	-	Baht	2 : 1	-	456723279
JP	23/08/2022	28/06/2022	Warrants	-	Baht	2 : 1	-	227500000
MBAX	24/08/2022	29/06/2022	Warrants	-	Baht	3 : 1	-	63965047
SABUY	01/09/2022	24/06/2022	Warrants	-	Baht	5 : 2	-	616428376

Source: SET

Exhibit 18: Upcoming XD

Symbol	X-Date	Announce Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Par
VGI	26/07/2022	25/05/2022	0.02	Baht	01/10/2021 - 31/03/2022	NP	19/08/2022	0.1
EPG	01/08/2022	30/05/2022	0.19	Baht	01/04/2021 - 31/03/2022	NP	19/08/2022	1
BTS	03/08/2022	30/05/2022	0.16	Baht	01/04/2021 - 31/03/2022	Both	23/08/2022	4
KYE	03/08/2022	16/06/2022	8.55	Baht	01/04/2021 - 31/03/2022	NP	22/08/2022	10
TMW	03/08/2022	07/06/2022	0.9	Baht	01/04/2021 - 31/03/2022	NP	22/08/2022	5
BLAND	03/08/2022	30/05/2022	0.03	Baht	-	RE	22/08/2022	1
PTL	05/08/2022	23/05/2022	0.34	Baht	01/04/2021 - 31/03/2022	NP	25/08/2022	1

Source: SET

Exhibit 19: New securities

Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
AOT41C2211A	19/07/2022	AOT	JPM	Call	SET	9/11/2022	83.5
BGRIM19P2212A	19/07/2022	BGRIM	YUANTA	Put	SET	9/12/2022	30
BLA19P2212A	19/07/2022	BLA	YUANTA	Put	SET	9/12/2022	27.25
COM716C2211C	19/07/2022	COM7	TNS	Call	SET	7/12/2022	37.5
COM724C2212A	19/07/2022	COM7	FSS	Call	SET	9/12/2022	38.5
DJI41C2212A	19/07/2022	DJI	JPM	Call	SET	22/12/2022	35,400.00
EA24C2212A	19/07/2022	EA	FSS	Call	SET	9/12/2022	112.5
GUNKUL19P2211A	19/07/2022	GUNKUL	YUANTA	Put	SET	8/11/2022	3.76
HANA16C2211A	19/07/2022	HANA	TNS	Call	SET	7/12/2022	55
HANA19P2212A	19/07/2022	HANA	YUANTA	Put	SET	9/12/2022	28.26
KBANK13C2212A	19/07/2022	KBANK	KGI	Call	SET	15/12/2022	183
KBANK16C2211A	19/07/2022	KBANK	TNS	Call	SET	7/12/2022	200
KBANK19C2211B	19/07/2022	KBANK	YUANTA	Call	SET	8/11/2022	189.31
KCE16C2211A	19/07/2022	KCE	TNS	Call	SET	7/12/2022	79.5
KEX19P2212A	19/07/2022	KEX	YUANTA	Put	SET	9/12/2022	16.63
SPRC19P2212A	19/07/2022	SPRC	YUANTA	Put	SET	9/12/2022	7.66
SPX41C2212A	19/07/2022	SPX	JPM	Call	SET	22/12/2022	4,350.00
TIPH13C2212A	19/07/2022	TIPH	KGI	Call	SET	9/12/2022	75

Source: SET