

25 JULY 2022

SPOTLIGHT ON THAILAND

Published Reports

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- Thailand ICT - Negative sentiment on DTAC and TRUE merger
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- BANGKOK BANK (BBL TB) - Safe bank as always; Maintain BUY TP THB170.00
- SCB X (SCB TB) - Results in line; targets revised; Maintain BUY TP THB134.00
- TMBTHANACHART BANK (TTB TB) - 2Q22 earnings beat from lower ECL; Maintain BUY TP THB1.40
- KRUNGTHAI CARD (KTC TB) - Good fundamentals but tight valuation; Maintain HOLD TP THB60.00

Economics

- COVID-19 cases as of 24 Jul globally reaches 575,012,599 with new 579,441 cases and 676 new deaths.
- BoT says growth might exceed 3% in second quarter
- Tour operators jittery despite easing restrictions, Challenges anticipated include ongoing viral outbreaks and economic woes,
- City braces for sixth wave with big spike in infections picked, 'Tens of thousands' of new daily cases likely by August peak
- Govt on high monkeypox alert, Surveillance boost after WHO steps in

Corporate News

- Tech investors wary amid volatile market, Banks take a closer look at digital assets
- Steel sector keeping tabs on Myanmar, Order expected to be temporary measure
- Banking sector's profits gain on higher interest income
- CP, Telenor challenge NBTC's scope, Head honchos insist telecom regulator has no power to approve or reject their merger

Indices	Index as of 22-Jul-22	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,553	0.4	(6.3)	3,451
China SHCOMP	3,270	(0.1)	(10.2)	
Hong Kong HSI	20,609	0.2	(11.9)	
India SENSEX	56,072	0.7	(3.7)	(28,394)
Indonesia JCI	6,887	0.3	4.6	3,989
Korea KOSPI	2,393	(0.7)	(19.6)	(15,268)
MY FBMKLCI	1,466	1.1	(6.5)	
PH PCOMP	6,263	0.1	(12.1)	(865)
SG FSSTI	3,181	0.9	1.8	
Taiwan TWSE	14,949	0.1	(17.9)	(35,112)
VN VNINDEX	1,195	(0.3)	(20.3)	(83)
MSCI Emerging	990	(0.0)	(19.6)	
Nikkei 225	27,915	0.4	(3.0)	
FTSE 100	7,276	0.1	(1.5)	
CAC 40	6,217	0.3	(13.1)	
DAX	13,254	0.1	(16.6)	
Dow Jones	31,899	(0.4)	(12.2)	
Nasdaq	11,834	(1.9)	(24.4)	
S&P 500	3,962	(0.9)	(16.9)	
Brent	103.20	(0.6)	32.7	
Dubai	102.24	(1.6)	33.7	
WTI	94.70	(1.7)	25.9	
GOLD	1,727.64	0.5	(5.6)	

Trade data (THB m)	Buy (THB m)	Sell (THB m)	Net (THB m)	Share (%) (THB m)
Foreign	26,718	26,578	140	46
Retail	20,418	21,120	(703)	36
Prop Trade	5,506	5,588	(82)	10
Local Institution	5,085	4,440	645	8
Total Trade	57,726	57,726	0	100

Rates	Last close 7/22/2022	1M ago 6/22/2022	End last yr 12/31/2021	1yr ago 7/22/2021
THB/USD	36.63	35.38	33.21	32.89
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	2.63	2.89	1.89	1.61

Commodity (USD/bbl)	Last close 7/22/2022	1M ago 6/22/2022	End last yr 12/31/2021	1yr ago 7/22/2021
Brent	103.20	111.74	77.78	73.79
Dubai	102.24	106.23	76.48	71.02
WTI	94.70	106.19	75.21	71.91
Gold	1,728	1,838	1,829	1,807
Baltic Dry	2,146	2,331	2,217	3,199
(USD/ton)	22-Jul-22	15-Jul-22	25-Dec-20	23-Jul-21
Coal	425.35	440.00	84.45	153.19
% change	(3.3)	10.6	403.7	177.7

* 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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- Grain Deal Won't Translate Into Big Exports Immediately
- Foreign Purchases of U.S. Homes Fall to New Low
- BDMS unit adds 2nd Samui branch amid wellness boom
- Dusit to issue perpetual debentures
- Making dreams come true, The TAT is eager to capture devoted Asian fans of Thai BL series
- Cambodia attracts \$1.29bn investment from China in H1 of 2022
- Fed set for another big rate hike with economy on knife's edge
- Singapore hotel room rates at 6-year high, Conference and tourism business brisk with arrivals up 12-fold from a year ago

Published Reports

MINOR INTERNATIONAL (MINT TB) - European RevPAR above and beyond; Maintain BUY TP THB43.00

Expect NHH's 2Q22 core profit to recover to 70% of pre-Covid level

We expect NH Hotel (NHH SM)'s 2Q22 revenue to jump by 88% q-q to EUR440m thanks to the high tourism season in Europe. We estimate the OCC rate to improve to 69% (vs 40% in 1Q22) and ADR to improve to EUR126 (vs EUR90 in 1Q22). As a result, NHH's RevPAR should exceed the 2Q19 level by 6%. The EBITDA margin should improve to 33% in 2Q22 (vs 4% in 1Q22). This should lead to a turnaround at a EUR38m core profit in 2Q22 from the EUR80m loss in 1Q22. NHH should contribute a cTHB1.3b profit to MINT in 2Q22 (vs THB1.8b in 2Q19).

Thailand hotel and food business to improve in 2Q22

Thailand operations should recover in 1Q22. Thai hotels' RevPAR should recover to 57% of the pre-Covid level in 2Q22 (vs 31% of pre-Covid in 1Q22), with an OCC rate of c40% in 2Q22 (vs 31% in 1Q22). Meanwhile, we expect Thai restaurants to record 10-12% y-y SSSG in 2Q22 thanks to recovery of dine-in revenue. On a negative note, China restaurants could record more than double-digit negative SSSG y-y. As a result, we estimate MINT's core loss, excluding NHH, to narrow to THB0.3b in 2Q22 from the THB0.8b core loss in 1Q22. Overall, we estimate a core profit of THB1.1b in 2Q22, turning around from a THB3.6b core loss in 1Q22.

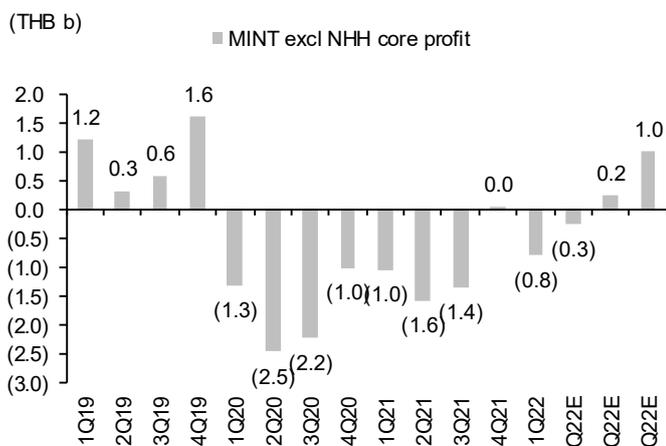
Rising ADR of European hotels to offset cost inflation

We expect MINT to have a limited impact from cost inflation given that the ADR of its European hotels has increased and exceeded the pre-Covid level by 10-15% in 2Q22. The impact from the weaker THB against the USD should also be marginal as MINT's revenue in USD terms only accounted for 4% of total revenue, and debt in USD terms was only 7% of total debt as of 1Q22. Most of its exposure was in EUR (43% of revenue and 60% of debt) which was relatively flat at THB37/EUR YTD.

Conservative downward revision of core profit

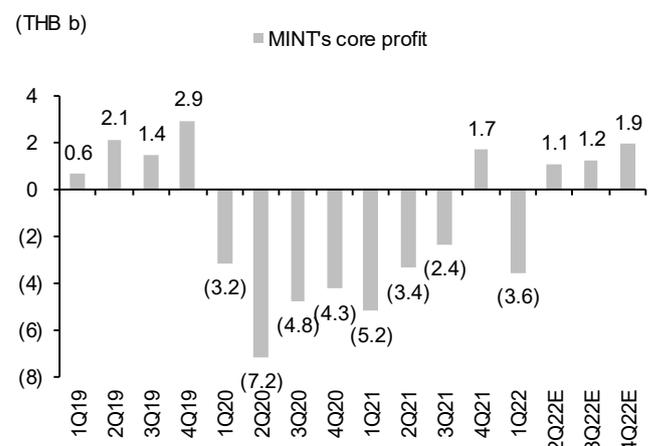
We cut our 2022E core profit by 63% mainly due to the weaker-than-expected 1Q22 results. We also conservatively revise down our 2023-24E core profit by 6-7% to reflect the rising costs on inflation, even if we see the potentially rising ADR as offsetting those costs. We derive a new 2023 DCF-based TP of THB43/shr (from THB45/shr). MINT trades at an attractive valuation of 30x 2023E P/E, lower than its 5-yr average of 33x.

Exhibit 1: MINT's core profit excluding NHH core profit



Source: MINT; FSSIA estimate

Exhibit 2: MINT's core profit



Source: MINT; FSSIA estimate

Exhibit 3: Key assumption changes

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Hotel - OCC (%)	55	69	71	55	69	71	-	-	-
Hotel - RevPAR (THB)	2,610	3,414	3,622	2,610	3,258	3,491	-	4.8	3.8
Food - SSSG (%)	5	2	2	5	2	2	-	-	-
Food - TSSG (%)	17	6	6	8	6	6	9.0	-	-
Revenue (THB b)	111.6	131.8	136.8	106.6	126.0	132.2	4.7	4.6	3.5
EBITDA margin (%)	22.8	24.8	25.3	27.3	27.7	27.9	(4.4)	(2.9)	(2.6)
Core earnings (THB b)	1.1	6.3	7.4	2.9	6.8	7.8	(63.1)	(7.3)	(5.9)

Note: Change of items in percentage terms is represented in ppt change

Source: FSSIA estimates

Thailand ICT - Negative sentiment on DTAC and TRUE merger

Four subcommittees allegedly voted 3:1 against the DTAC and TRUE merger

According to Bangkokbiznews, after two months of studying the impact of the merger between Total Access Communication (DTAC TB, BUY, TP THB55.50) and True Corporation (TRUE TB, BUY, TP5.40) by four subcommittees, the result was submitted to the National Broadcasting and Telecommunications Commission (NBTC). Four subcommittees allegedly voted 3:1 against the merger. The three subcommittees that were said to have voted against the merger are those concerned with consumer protection and people's rights, technologies, and the economic impact. Only the subcommittee on legal affairs is said to have approved of the merger.

However, conflicting news was later released which disputed the story

After this news was published, the share prices of DTAC and TRUE fell significantly. However, the president of the subcommittee has denied this news, maintaining that the four subcommittees did not have a meeting or vote against the merger. Bangkokbiznews also removed the content regarding the vote from the story. Therefore, we can posit that the initial reporting may not have been accurate to one degree or another. For the next step, the NBTC will gather all of the results of the study on three measures next week from: 1) four subcommittees; 2) a focus group; and 3) working panels and advisory committees. We still expect the final decision from the NBTC to be announced on 11 Aug-22.

Maintain the possibility of the merger at 80%

If the subcommittees do have an opinion that disagrees with the merger, the final decision rests with the five members of the NBTC board. There is still the chance that the NBTC would use all three measurements and approve the merger. We maintain our expectation of an 80% possibility that the NBTC will approve the merger, if intense regulations can be implemented that can control the pricing of mobile services and protect consumer benefits.

Maintain NEUTRAL on ICT sector; ADVANC is our top pick

We expect that if the merger between DTAC and TRUE does not receive approval from the NBTC, the downside to their share prices would be THB39 and THB3.8, respectively. We maintain our NEUTRAL call on the ICT sector. Advanced Info Service (ADVANC TB, BUY, TP THB250) remains our top pick as the company would likely see a smaller impact if the merger of its competitors cannot proceed. If the merger is approved, we still like DTAC over TRUE as it has a higher upside for shareholders.

Exhibit 4: Mergerco swap ratio

	Swap ratio (1)	Current outstanding shares (2) (m)	No. of new share in Mergerco (1)x(2)=(3) (THB m)	% contribution in Mergerco (3)x(4)=(5) (%)	Current share price (THB)	Mergerco price (4)x(5)=(6) (THB)
TRUE	0.60018	33,368	20,027	58.0	4.62	7.70
DTAC	6.13444	2,368	14,525	42.0	44.75	7.29
		Total Mergerco shares (4)	34,552			Discount = 5.23%

Sources: DTAC; TRUE; FSSIA's compilation

Exhibit 5: DTAC and TRUE – upside and downside based on the amalgamation

	TP if unable to merger (THB)	Downside (%)	Current share price (THB)	Mergerco TP (THB)	Upside (%)	Tender offer price (THB)	Upside (%)
DTAC	39	(13)	44.75	55.35	24	47.76	7
TRUE	3.8	(16)	4.54	5.40	19	5.09	12

Sources: DTAC; TRUE; FSSIA estimates

Exhibit 6: Mergerco fair value to DTAC's and TRUE's TPs

	Swap ratio (1)	Current outstanding shares (2) (m)	No. of new shares in Mergerco (1)x(2)=(3) (THB m)	% contribution in Mergerco (3)x(4)=(5) (%)	Mergerco fair value (6) (THB)	Mergerco market cap (4)x(6)=(7) (THB m)	% market cap (5)x(7)=(8) (%)	TP (8)/(2)=(9) (THB)
TRUE	0.60018	33,368	20,027	58.0	9.00	311,784	180,715	5.42
DTAC	6.13444	2,368	14,525	42.0	9.00	311,784	131,069	55.35
		Total (4)	34,552					

Sources: DTAC; TRUE; FSSIA estimates

Thailand Banks - Expect robust 3Q22 NP on stronger NII and lower ECL

Lower ECL and higher NIM led to decent 2Q22 net profit

The banks under our coverage (BUC) delivered a 2Q22 aggregate net profit of THB43.5b (+22% y-y, -2% q-q) – slightly higher than our estimate by 2%. We read the sector's overall operating performance as slightly positive, with the BUC's performance being a mixed bag. We see three positives. First and most importantly, there was a moderate increase in the BUC's NIM by 9 bps to 2.82%. Second, loan volume increased by 5.5% y-y and 1.2% q-q, driven mainly by demand from the corporate and retail segments. Third, the loan repayment ability of clients increased following the lockdown easing along with the comprehensive debt restructuring (CDR) that was offered to clients. Thus, the BUC's NPLs were stable q-q. The BUC were able to smooth out their provisioning setups. There was one negative – a drop in non-NII from lower fee income and lower mark-to-market gains from investments due to the unfavourable capital market conditions. We think KTB posted the best 2Q22 performance.

Neutral view from post-results analyst meetings

The tone of the post-results analyst briefings was neutral. The BUC are confident with their asset quality and provision cushion. Banks are seeing a higher debt repayment ability for their clients from the gradual economic recovery. The high inflation environment has had a limited impact on the BUC, but they are monitoring the situation. For the revenue side, the BUC reaffirmed that loan volume should increase moderately, with a potential NIM expansion from future rate hikes. However, fee income might continue to be pressured.

3Q22 net profit should rise significantly y-y, but slightly drop q-q

We project the BUC's 3Q22 aggregate net profit to rise y-y as we forecast banks' provision stockpiling to decline y-y due to the excess provisions that were set aside in 2020-21. Plus, we believe that loan volumes will increase moderately. We also believe banks' NIMs have passed the bottom in 2Q22. We expect moderately wider NIMs from 3Q22 onward. But, the BUC's 3Q22 aggregate net profit might decline q-q due to higher OPEX. Due to the full resumption of business activity, we think the BUC will increase their marketing campaigns.

Maintain Overweight, with KTB and BBL our top picks

The concern over potential asset deterioration from high inflation will likely continue to provide negative sentiment for banks' share prices until the inflation rate in Thailand peaks, potentially in Aug-22. However, we believe banks' share prices have mostly priced the concerns in. SETBANK is trading at an undemanding valuation at 0.6x 2022E P/BV, despite the ROE recovery and benefits from the rate uptrend. We maintain OVERWEIGHT for long-term investment and retain KTB and BBL as top picks. We believe they should both benefit the most from future rate hikes and face the lowest risk from asset deterioration.

Exhibit 7: Thai banks under coverage, 2Q22 earnings summary

BBG	BBG	Norm profit				Pre-provision profit			Expected credit loss		
		(THB m)	(y-y%)	(q-q%)	(%22E)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	(q-q%)
Bangkok Bank	BBL TB	6,961	9.5	(2.2)	22.8	16,758	(4.4)	7.4	8,354	(14.8)	28.7
Kasikornbank	KBANK TB	10,794	21.4	(3.7)	25.7	25,420	(1.3)	0.9	9,852	(8.8)	5.5
Kiatnakin Bank	KKP TB	2,033	50.1	(1.1)	26.9	3,331	9.0	(8.7)	812	(41.0)	(23.8)
Krung Thai Bank	KTB TB	8,358	39.1	(4.8)	30.6	14,808	2.3	(3.2)	5,669	(30.0)	3.6
SCB X	SCB TB	10,051	14.0	0.1	25.7	22,764	7.9	5.6	10,250	2.2	17.1
Tisco Financial	TISCO TB	1,848	10.9	2.9	25.3	2,439	(7.4)	5.1	140	(74.8)	63.9
TMBThanachart Bank	TTB TB	3,438	35.7	7.6	27.4	8,634	1.5	(1.8)	4,382	(20.2)	(8.9)
Coverage		43,484	22.0	(1.6)	26.1	94,154	1.2	1.9	39,459	(14.5)	9.6

Sources: Company data; FSSIA estimates

Exhibit 8: Thai banks under coverage, 1H22 earnings summary

BBG code	Norm profit			Pre-provision profit		Expected credit loss	
	(THB m)	(y-y%)	(% 22E)	(THB m)	(y-y%)	(THB m)	(y-y%)
BBL TB	14,079	6.0	46.1	32,361	(0.9)	14,843	(8.0)
KBANK TB	22,005	12.7	52.3	50,622	(1.2)	19,188	(1.4)
KKP TB	4,089	45.1	54.0	6,980	14.7	1,878	(28.1)
KTB TB	17,139	47.9	62.7	30,110	6.3	11,139	(31.0)
SCB TB	20,095	6.3	51.3	44,328	1.3	19,000	(5.2)
TISCO TB	3,644	6.2	49.8	4,760	(16.2)	225	(83.9)
TTB TB	6,633	24.8	52.8	17,428	(0.0)	9,190	(16.2)
Coverage	87,683	17.1	52.7	186,589	0.8	75,464	(13.0)

Sources: Company data; FSSIA's compilation

KRUNG THAI BANK (KTB TB) - Glittery outlook to continue; Maintain BUY TP THB18.20

2Q22 net profit came as a positive surprise

Once again, KTB reported an outperforming quarterly net profit, coming in at THB8,358m (+39% y-y, -5% q-q) in 2Q22 – higher than the BBG consensus estimate by 23% and our forecast by 17% thanks mainly to a lower expected credit loss (ECL) and quarterly staff cost than anticipated.

Solid asset quality and good OPEX control drove 2Q22 NP

In our view, KTB did a great job on both the cost and revenue sides. Its credit cost plummeted to only 86 bps. KTB was able to control its asset quality effectively as its portfolio is comprised of 28% corporates, 19% government entities, and c25% government officials. These segments have been the least impacted by the Covid pandemic and geopolitical uncertainty. The bank's non-performing loans (NPLs) slightly fell by 2% q-q, implying a stable q-q NPL ratio of 3.32%. Its OPEX increased minimally by 2% both y-y and q-q following staff cost savings from retirement. As for its revenue side, there was a strong NIM and fee income. Its NIM rose 9 bps q-q to 2.5% due to a drop in the low-yield government segment and a rise in the high-yield retail segment. Its fee income was stable y-y and q-q, which was better than other banks. Soft capital market related-fees were cushioned by a rise in bancassurance fees.

Solid outlook should continue in 3Q22

In 3Q22, we think KTB should deliver impressive y-y growth in its net profit, supported by 1) a lower ECL due to good asset quality control and a sufficient provision cushion; and 2) a higher loan volume. However, its 3Q22 net profit might fall q-q, pressured by a rise in its OPEX.

Maintain as our top pick with 2023 TP of THB18.2

Amid the economic uncertainty, we see KTB as a safe place to invest, based on its lower-than-peers' downside risk of asset deterioration thanks to its concentrated low-risk government and corporate portfolio. We think KTB should ride the economic upturn, both from the monetisation of its Pao Tang app and as one of the top beneficiaries of rising interest rates. We maintain KTB as one of our top picks and reiterate our 2023 GGM-based TP of THB18.2. Upside risks to our net profit forecasts and target price are declining ECL and OPEX.

Exhibit 9: KTB – 2Q22 results review

Year-end Dec 31	2Q21	1Q22	2Q22	--- Change ---		----- 1H22 -----			2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)	
Net interest income	20,916	21,086	21,818	4	3	42,904	5	50	86,150	3	
Non-interest income	7,934	8,599	7,646	(4)	(11)	16,245	(2)	49	32,942	2	
Operating income	28,851	29,685	29,464	2	(1)	59,149	3	50	119,092	3	
Operating expenses	12,235	12,244	12,517	2	2	24,761	(1)	47	53,244	1	
PPOP before tax	16,616	17,441	16,947	2	(3)	34,389	5	52	65,847	4	
Provision	8,097	5,470	5,669	(30)	4	11,139	(31)	42	26,815	(18)	
Income tax	1,657	2,317	1,996	21	(14)	4,313	36	55	7,806	31	
Minority interest	852	873	924			1,797		46	3,903	32	
Normalised profit	6,011	8,780	8,358	39	(5)	17,139	48	63	27,322	27	
Extraordinary items	0	0	0			0			0		
Net profit	6,011	8,780	8,358	39	(5)	17,139	48	63	27,322	27	Beat BBG consensus by 23%
EPS (THB)	0.43	0.63	0.60	39	(5)	1.23	48	63	1.95	27	
Asset quality ratio											
Gross NPLs (THB m)	105,737	106,549	104,434	(1)	(2)				115,354	8	
NPL ratios (%)	3.54	3.34	3.32						3.63		
LLR/NPLs (%)	155	166	168						162		
Credit cost (bp)	134	83	86						100		
Profitability ratio											
	(%)	(%)	(%)						(%)		
Cost to income ratio	42.4	41.2	42.5						44.7		
Average yield	3.21	2.99	3.13						3.05		
Cost of funds	0.75	0.67	0.71						0.70		
Net interest margin (NIM)	2.55	2.41	2.50						2.44		
Non-int inc/total income	27.5	29.0	25.9						27.7		
Liquidity ratio											
	(%)	(%)	(%)						(%)		
Loan to deposit ratio	99.7	98.0	101.2						99.9		
Loan growth											
	(%)	(%)	(%)						(%)		
y-y	8.8	12.7	6.0						4.0		
q-q	5.3	1.1	(0.9)								

*Including share of profits from associates

Source: KTB; FSSIA estimates

BANGKOK BANK (BBL TB) - Safe bank as always; Maintain BUY TP THB170.00

In-line 2Q22 results

BBL reported a 2Q22 net profit of THB6,961m (+10% y-y, -2% q-q), which was in line with the Bloomberg consensus forecast and our estimate. Its 1H22 net profit accounts for 46% of our 2022 net profit forecast.

Decent 2Q22 NP from an improvement in NIM and loan growth

BBL's performance was a mixed bag. There were two positives. First and most importantly, its NIM went up by 16 bps y-y and q-q to 2.18% due to a rise in the floating rate for its international loan portfolio following global rate hikes. We think its NIM should continue at a high level in the following quarters. Second, there was loan growth of 2.5% q-q from corporate and international demand. On the other hand, we see two negatives. First, its fee income went slightly down y-y and q-q from lower bancassurance, mutual fund, and brokerage fees due to the unfavourable capital market conditions. Second, despite good asset quality control leading to a mere 3% q-q rise in its NPLs, BBL conservatively set a high credit cost of 128 bps, up from 100 bps in 1Q22, to cushion macro uncertainty. Its coverage ratio, therefore, continued to increase to 233%.

Solid outlook in 2H22 and 2023

We expect stronger net profit growth momentum y-y and h-h in 2H22. We think BBL will set aside a lower provision y-y and h-h in 2H22 as it already has a sufficient provision cushion. BBL maintained its ECL target at cTHB26b in 2022, which would imply that its 2H22 ECL should be cTHB11b, down from THB15b in 1H22. Also, we think its NIM should be on the uptrend amid global rate hikes which should benefit its international loan portfolio. In 2023, its NIM should widen as we expect BBL to be one of the very first banks to benefit from future rate hikes in Thailand. Thus, we expect its 2023 net profit to rise 12% y-y.

Maintain as our top pick with a 2023 GGM-based TP of THB170

Among our covered banks, we think BBL should benefit the most from the interest rate uptrend. Also, amid the rise in the inflation rate, we have limited concerns about BBL's asset quality due to its portfolio with low concentration risk and a sufficient provision cushion. We, thus, reiterate BBL as one of our top picks and maintain our TP of THB170.

Exhibit 10: BBL – 2Q22 results review

Year-end Dec 31	2Q21 (THB m)	1Q22 (THB m)	2Q22 (THB m)	---- Change ----		----- 1H22 -----			2022E	Change	Comments
				(y-y%)	(q-q%)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)	
Net interest income	20,027	21,747	23,526	17	8	45,273	14	50	90,148	10	
Non-interest income*	13,796	9,363	10,666	(23)	14	20,030	(20)	44	45,669	(9)	
Operating income*	33,823	31,110	34,192	1	10	65,302	1	48	135,817	1	
Operating expenses	16,289	15,507	17,435	7	12	32,941	3	47	70,584	5	
PPOP before tax*	17,534	15,604	16,757	(4)	7	32,361	(1)	50	65,233	(3)	
Provision	9,810	6,490	8,354	(15)	29	14,843	(8)	56	26,401	(23)	
Income tax	1,263	1,875	1,319	4	(30)	3,195	6	41	7,766	25	
Minority interest	104	121	123	18	2	244	11	46	528	19	
Normalised profit	6,357	7,118	6,961	10	(2)	14,079	6	46	30,538	15	
Extraordinary items	0	0	0			0			0		
Net profit	6,357	7,118	6,961	10	(2)	14,079	6	46	30,538	15	In line with BBG consensus
EPS (THB)	3.33	3.73	3.65	10	(2)	7.38	6	46	16.00	15	
Asset quality ratio											
Gross NPLs (THB m)	111,035	102,342	105,046	(5)	3				112,224	11	
NPL ratios (%)	3.70	3.30	3.40						3.42		
LLR/NPLs (%)	190	229	233						210		
Credit cost (bps)	164	100	128						100		
Profitability ratio											
Cost to income ratio*	48.2	49.8	51.0						52.0		
Average yield (%)	2.8	2.8	3.0						2.9		
Cost of fund (%)	0.9	0.9	0.9						0.9		
Net interest margin (NIM)	2.02	2.02	2.18						2.08		
Non-int inc/total income	40.8	30.1	31.2						33.6		
Loan growth											
y-y	2.8	9.2	9.6						4.0		
q-q	2.2	(0.0)	2.5								Driven by corporate and international segments

*Including share of profits from associates

Source: BBL; FSSIA estimates

SCB X (SCB TB) - Results in line; targets revised; Maintain BUY TP THB134.00

Decent 2Q22 net profit as expected

SCB posted an in-line 2Q22 net profit of THB10,051m (+14% y-y, flat q-q). We see a mixed bag in its performance, with two positives. First, its NII continued to increase by 11% y-y and 5% q-q due to 1) a rise in its loan volume of 1.4% q-q; and 2) an increase of 12 bps y-y and q-q in its NIM from milder restructuring impacts. Second, its cost to income remained at a low level of 41%. These positives were able to offset a rise in its ECL and a drop in fee income. Although its NPLs went down by 4% q-q from the comprehensive long-term debt restructuring program, SCB set aside a THB2.5b special provision in this quarter, which led to an increase in its credit cost to 175 bps from 151 bps in 1Q22. As for its fee income, it declined y-y and q-q as wealth management-related fees slumped due to the unfavourable capital market conditions.

No significant changes in NP forecasts from new financial targets

SCB revised its 2022 financial targets, including 1) a NIM increase to 3.1-3.2% from 2.9-3.0%; 2) non-NII growth in the negative low teens, down from low single-digit growth; 3) cost to income in the mid-40s, up from the low to mid-40s; and 4) a credit cost increase not exceeding 145 bps from 140 bps. We see no material impact on our forecasts from SCB's new financial targets. Hence, we maintain our net profit projections while fine-tuning some assumptions to align with the bank's new financial targets.

Expect 2H22 net profit to rise y-y, but fall h-h

In 2H22, we expect SCB to set a lower ECL y-y after front-loading it in 1H22. Also, its NIM should be slightly wider due to the higher growth in high-yield loans. Thus, we expect SCB's 2H22 net profit to continuously rise y-y but potentially decrease h-h. We expect its OPEX to increase materially h-h from one-off, transformation-related expenses of cTHB2b-3b. Also, there should be a THB2b extra tax expense due to the tax on businesses transferred to SCB from SCB Bank.

Maintain BUY with a 2023 SoTP-based TP of THB134

In the short term, we think SCB is less attractive as the market shifts its focus to rate hikes and high inflation, rather than bank transformational changes. However, we still think that its successful transformation will allow it to benefit from the digital industry's high growth potential. Thus, we reiterate our BUY call, with a 2023 SoTP-based TP of THB134.

Exhibit 11: SCB – fine-tuning key 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	95,171	96,362	101,311	5.1	95,990	101,998	6.3	101,805	107,466	5.6
Non-interest income	55,171	53,622	48,822	(9.0)	56,726	52,680	(7.1)	60,214	55,928	(7.1)
Operating income*	150,342	149,984	150,133	0.1	152,716	154,678	1.3	162,019	163,394	0.8
Operating expenses	63,547	64,822	66,339	2.3	66,325	68,288	3.0	68,510	69,971	2.1
PPOP before tax*	86,795	85,162	83,794	(1.6)	86,391	86,390	(0.0)	93,509	93,423	(0.1)
Provision (Reversal)	42,024	36,214	34,578	(4.5)	34,610	34,610	-	35,562	35,562	-
Taxes expenses	9,376	10,034	10,335	3.0	10,356	10,356	(0.0)	11,589	11,572	(0.1)
Minority interest	(204)	(224)	(259)	nm.	(310)	(310)	nm.	(278)	(347)	nm.
Normalised profit	35,599	39,138	39,139	0.0	41,734	41,734	(0.0)	46,636	46,636	0.0
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit	35,599	39,138	39,139	0.0	41,734	41,734	(0.0)	46,636	46,636	0.0
EPS (THB)	10.48	11.51	11.51	0.0	12.28	12.28	(0.0)	13.72	13.72	0.0
Key statistic and ratio										
Asset quality ratio										
Gross NPLs (THB m)	109,114	110,205	110,205	-	115,715	115,715	-	122,658	122,658	-
Gross NPLs / Loans (%)	3.79	3.72	3.72	-	3.80	3.80	-	3.92	3.92	-
Loan loss reserve/NPLs	139	142	141	-	134	132	-	140	139	-
Credit cost (bps)	184	155	148	-	144	144	-	144	144	-
Profitability ratio										
Cost to income ratio*	42.3	43.2	44.2	-	43.4	44.1	-	42.3	42.8	-
Average yield (%)	3.53	3.51	3.68	-	3.68	3.87	-	3.84	4.03	-
Cost of fund (%)	0.63	0.62	0.63	-	0.91	0.91	-	1.00	1.02	-
Net interest margin (NIM)	3.00	2.98	3.14	-	2.91	3.10	-	3.01	3.17	-
Liquidity ratio										
Loan to deposit ratio	93.3	95.2	95.2	-	95.9	95.9	-	96.6	96.6	-
% growth										
Loan growth (y-y)	2.1	3.0	3.0	-	2.8	2.8	-	2.8	2.8	-

*Including share of profits from associates

Source: FSSIA estimates

TMBTHANACHART BANK (TTB TB) - 2Q22 earnings beat from lower ECL; Maintain BUY TP THB1.40

Soft top line cushioned by lower ECL

TTB reported a strong 2Q22 net profit of THB3,438m (+36% y-y, +8% q-q), which was 12% higher than the Bloomberg consensus estimate and our forecast thanks to a lower expected credit loss (ECL) due to lower NPLs at 2% q-q and a sufficient provision cushion. Its coverage ratio was relatively stable at 133%. As for its top line, we saw a slight improvement with operating income down 1% y-y but up 1% q-q, which in our view indicates softness. 2Q22 loan volume increased by 1.9% q-q, while its NIM fell to 2.81% due to parking excess liquidity in low-return investments. Fee income increased 9% y-y and 7% q-q from bancassurance fees. Regarding OPEX, it remains in a rising trend from digital investment and the expansion of TTB's retail business unit.

Neutral view from analyst meeting

We came away from TTB's post-results meeting with a neutral view. TTB plans to retain its 2022 financial targets, reiterating that OPEX would continue rising in 2H22 from digital investments. TTB stated that its NIM might be hurt in the short term as it has proactively locked in funding before the expected rate hikes. Currently, TTB parks its excess liquidity in short-term, low-yield investments. But if rates rise as it expects, the bank believes its NIM should be wider as 70% of its loans should be repriced within one year. TTB's credit cost was at 135 bps in 1H22 due to effective asset quality control, but the bank maintains a cautious view due to high household debts and high inflation. Hence, it plans to maintain its 2022 credit cost target of 140-160 bps.

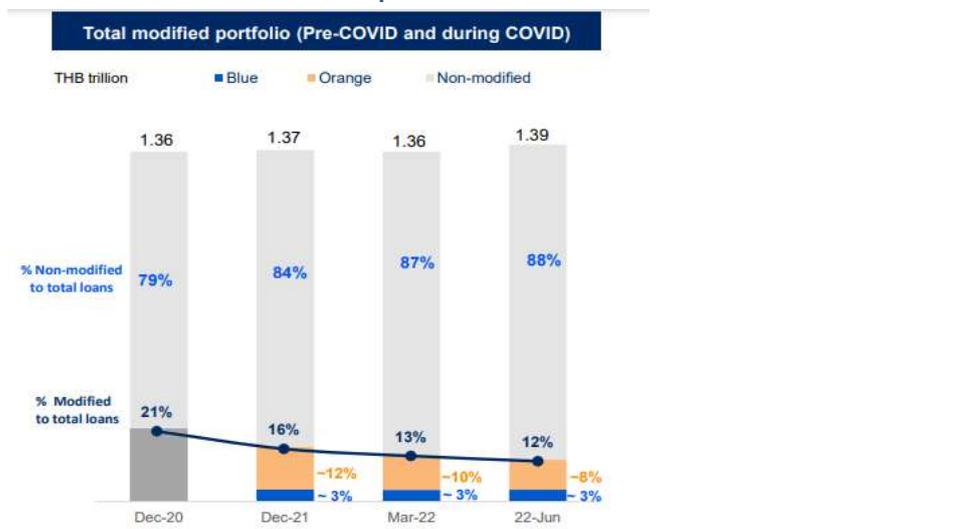
Expect 3Q22 earnings to improve y-y but decline q-q

We think TTB's net profit in 3Q22 should decline q-q (but still surge y-y from the low base) due to 1) an increase in its OPEX; and 2) an elevated provision as we expect that the debt repayment ability of TTB's clients could be reduced due to the highly inflationary environment and its high concentration in the SME and retail segments – 66% of its total portfolio.

Maintain our BUY call with a 2023 GGM-based TP of THB1.4

We have a less bullish view on TTB due to the expected net negative impacts from potential rate hikes, high inflation, and its slow revenue synergy benefits. But due to its undemanding valuation (0.5x 2023E P/BV and 6.3% 2023E ROE) and impressive net profit growth at 14% CAGR in 2022-24E, we maintain our BUY call.

Exhibit 12: Total modified loan portfolio



Source: TTB

Exhibit 13: 2022 financial targets

	2022E		1H22 Actual
	TTB	FSSIA	
Loan growth (y-y%)	2	2.0	1.6 YTD
NIM	2.97	2.97	2.87
Non-NII/total asset	0.8-0.9	0.88	0.79
Cost to income ratio	45-47	45.7	45
Reported NPL ratio	3.2	3.03	2.63
Credit cost (bps)	140-160	152	135

Sources: TTB; FSSIA estimates

KRUNGTHAI CARD (KTC TB) - Good fundamentals but tight valuation; Maintain HOLD TP THB60.00

Solid performance in 2Q22 as expected

KTC reported an in line 2Q22 net profit of THB1,894m (+13% y-y, +8% q-q). We see three improvements in 2Q22. First, its NII rose 5% y-y and 8% q-q following an improvement in its NIM to 14.0% from 13.1% in 1Q22 and a rise in loan growth of 5.4% q-q, driven mainly by credit card lending following the resumption of business activity. However, auto title loans were still below its target. Second, non-NII went up strongly by 11% y-y and 7% q-q due to an increase in bad debt recovery and a higher fee income following a recovery in credit card spending. Third, KTC has been able to control its asset quality effectively, with a minimal 2% q-q rise in its non-performing loans (NPLs) – implying an NPL ratio of 3.5%. Thus, its credit cost remained at a low level of 451 bps.

Slower auto title loans offset by stronger credit card spending

KTC targets new lending in its auto title loan portfolio in 2022 at THB11.5b. However, 2Q22 results fell short, with new lending of just THB525m. We think it will be difficult for KTC to ramp up its portfolio as auto title lending is very competitive. However, we see limited downside risks to our current forecasts as we think the slower growth in auto title loans should be offset by higher growth in credit card loans. We think its credit card spending should increase by 15% y-y in 2022 (1H22 increased by 17% y-y) vs its target of 10% y-y. We, hence, maintain our net profit forecasts.

Expect 3Q22 net profit to increase y-y, but decline q-q

We expect KTC's 3Q22 net profit to increase significantly y-y, driven by 1) a solid recovery in card spending from the resumption of business activity; and 2) a lower ECL as it has a sufficient provision cushion. However, we think its net profit in 3Q22 might fall slightly q-q due to a minimal increase in its ECL following macro uncertainty.

Maintain HOLD with a 2023 GGM-based TP of THB60

We think KTC should have a limited impact from potential rate hikes, as KTC normally issues long-term debentures (tenor 5-10 years). Hence, when the policy rate increases, it can tactically issue shorter duration debentures, e.g. 3-5 years, for certain periods. Also, we expect it to deliver stronger earnings momentum in the coming quarters. However, due to its demanding valuation at 4.0x 2023E P/BV, we maintain our HOLD call with a 2023 GGM-based TP of THB60.

Exhibit 14: KTC – 2Q22 results review

Year-end Dec 31	2Q21 (THB m)	1Q22 (THB m)	2Q22 (THB m)	----- Change -----		1H22 (THB m)	Change (y-y %)	% of 22E	2022E (THB m)	Change (y-y %)	Comments
				(y-y %)	(q-q %)						
Net interest income	3,071	2,979	3,218	5	8	6,197	2	48	13,022	7	
Non-interest income	1,979	2,045	2,187	11	7	4,231	7	52	8,164	4	Increase in bad debt recovery and fee income
Operating income*	5,050	5,023	5,405	7	8	10,428	3	49	21,186	6	
Operating expenses	1,775	1,798	1,986	12	10	3,784	6	51	7,480	2	
PPOP before tax*	3,274	3,225	3,419	4	6	6,644	2	48	13,706	8	
Expected credit loss	1,144	1,045	1,039	(9)	(1)	2,084	(11)	42	4,919	(3)	
Income tax	428	436	479	12	10	915	9	52	1,757	20	
Minority interest	23	(3)	7	(70)	(341)	4			77		
Normalised profit	1,680	1,747	1,894	13	8	3,641	10	52	6,952	11	
Extraordinary items	0	0	0			0			0		
Net profit	1,680	1,747	1,894	13	8	3,641	10	52	6,952	18	In line with BBG consensus
EPS (THB)	0.65	0.68	0.73	13	8	1.41	10	52	2.70	18	
Asset quality ratio	(%)	(%)	(%)						(%)		
NPLs (THB m)	3,879	3,205	3,270	(16)	2				3,549	7	
NPLs / Loans	4.36	3.58	3.46						3.56		
Loan loss reserve/NPLs	251	304	300						257		
Credit cost (bps)	522	460	451						513		
Profitability ratio	(%)	(%)	(%)						(%)		
Cost to income ratio	35.2	35.8	36.7						35.3		
Average yield	15.57	14.55	15.34						14.9		
Cost of fund	2.70	2.58	2.52						2.7		
Net interest margin (NIM)	14.02	13.12	13.99						13.6		
Non-int income/total income	39.2	40.7	40.5						38.5		
Loan growth	(%)	(%)	(%)						(%)		
Year-to-date	3.6	(2.6)	2.6								
y-y	7.2	3.8	6.2						8.4		
q-q	3.0	(2.6)	5.4								Driven by both credit cards and p-loans

*Including share of profits from associates

Sources: KTC; FSSIA estimates

Economic news

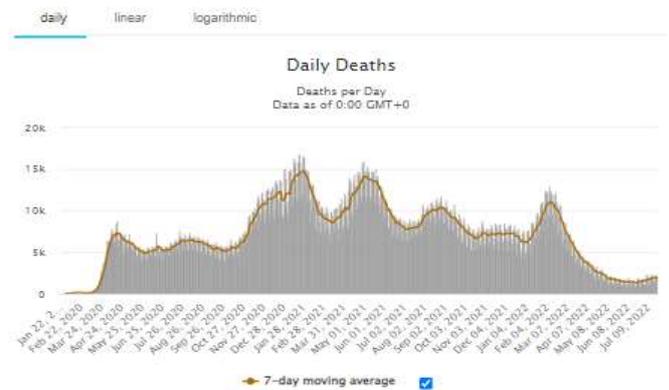
- COVID-19 cases as of 24 Jul globally reaches **575,012,599** with new 579,441 cases and 676 new deaths. There are 24,060,320 currently infected patients, with 40,985 (0.2%) cases in serious condition.

Exhibit 15: Top 25 countries by new cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	575,012,599	579,441	6,402,913	676
1 Japan	11,173,911	192,109	31,852	53
2 S. Korea	19,211,613	65,433	24,873	18
3 Italy	20,660,065	51,208	170,875	77
4 France	33,532,262	50,032	151,350	
5 Australia	9,103,321	38,046	11,172	38
6 Mexico	6,617,393	28,539	327,073	105
7 Taiwan	4,430,583	21,737	8,596	65
8 India	43,902,112	13,357	526,033	
9 USA	92,184,697	12,361	1,051,986	7
10 Brazil	33,591,356	9,823	676,979	
11 Iran	7,328,153	8,831	141,684	34
12 Chile	4,185,247	7,730	59,332	29
13 Russia	18,532,255	7,523	382,155	37
14 Austria	4,687,113	6,965	18,999	7
15 Singapore	1,659,156	6,175	1,476	4
16 New Zealand	1,563,510	5,849	1,925	14
17 Hong Kong	1,321,993	4,250	9,469	8
18 Romania	3,006,756	4,094	65,857	4
19 Indonesia	6,168,342	4,071	156,902	
20 Philippines	3,752,534	3,657	60,683	13
21 Bolivia	1,001,213	3,598	22,017	4
22 Serbia	2,083,861	3,472	16,215	9
23 Israel	4,551,146	2,878	11,291	58
24 Malaysia	4,651,651	2,720	35,914	3
25 Kazakhstan	1,331,493	2,649	13,665	
26 Thailand	4,575,853	2,390	31,160	30

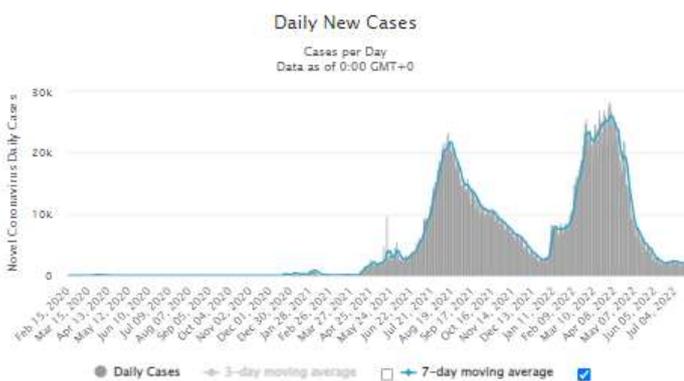
Source: worldometers.info

Exhibit 16: Global by new cases and deaths

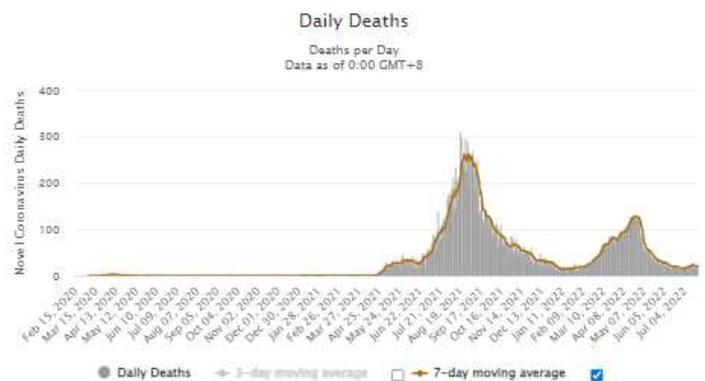


Source: worldometers.info

Daily New Cases in Thailand



Daily New Deaths in Thailand



- BoT says growth might exceed 3% in second quarter** BANGKOK POST: The Bank of Thailand believes Thai economic growth might increase past 3% in the second quarter, mainly thanks to a rebound in domestic consumption under the central bank's commitment to maintain flexible inflation targeting. Economic indicators signal the recovery is intact, supported by private consumption, said the central bank. The private consumption index in the first quarter this year expanded 2.9% year-on-year. The central bank forecasts the figure could surge to 9.9% year-on-year in the second quarter of 2022, said Bank of Thailand governor Sethaput Suthiwartnarueput.
- Tour operators jittery despite easing restrictions, Challenges anticipated include ongoing viral outbreaks and economic woes,** BANGKOK POST: Outbound travel has shown early signs of a rebound as restrictions ease across the globe, yet tour operators expect many challenges from ongoing viral outbreaks and economic woes. Charoen Wangananont, president of the Thai Travel Agents Association (TTAA), said outbound tourism was just about to restart when it was disrupted by a spike of infections from the new subvariants in popular markets like Japan and Korea. The new

wave might slow down full reopening in those countries, especially Japan. Outbound travel to Europe also faced hurdles from time-consuming visa process which took months.

- **City braces for sixth wave with big spike in infections picked, 'Tens of thousands' of new daily cases likely by August peak** BANGKOK POST: Bangkok is bracing for a sixth wave of Covid-19, as Covid cases in the capital bounce back to over 10,000 new cases per day, threatening the city's public health system. As Thailand gradually recovers from lockdown measures, the spread of the newly emerged BA.5 Omicron subvariant has yet again put Bangkok back on high alert for another Covid-19 outbreak.
- **Govt on high monkeypox alert, Surveillance boost after WHO steps in** BANGKOK POST: Thailand is considering raising further its health alert for monkeypox by listing it as a so-called "serious communicable disease", after the viral disease was classified as a new public health emergency worthy of international concern. World Health Organisation (WHO) on Saturday declared monkeypox as "A Public Health Emergency of International Concern" and urged member countries to find effective methods that do not stigmatise target groups.

Corporate news

- **Tech investors wary amid volatile market, Banks take a closer look at digital assets** BANGKOK POST: While digital assets are still on the radar of local banks seeking long-term growth opportunities, they plan to be more cautious when investing in them amid a volatile market, say banking chiefs. Prudent investment is a key factor for controlling risks amid high market volatility, according to the banks. SCB 10X, a corporate venture capital (CVC) arm of SCB X Group, has invested in digital assets including cryptocurrency tokens via SCB Securities, with total exposure below US\$1 million as of June this year. The investment proportion is relatively low when compared with the overall business investment of SCB X, said Manop Sangiambut, chief financial officer of Siam Commercial Bank (SCB), a subsidiary of SCB X.

Gen 3: Key business updates - 1H22



SCB chief financial officer Mr Manop talks about SCB X group's digital asset investment during the group's online press briefing on its financial performance during the first half of 2022.

- **Steel sector keeping tabs on Myanmar, Order expected to be temporary measure** BANGKOK POST: Thai steel manufacturers have fresh concerns over the impact of the suspension of foreign loan payments in Myanmar on steel exports to Myanmar. Myanmar's central bank instructed companies and individual borrowers to suspend paying principal and interest to foreign lenders in a move to slow the country's decreasing foreign exchange reserves. Authorities ordered companies with up to 35% foreign ownership to convert foreign exchange into the kyat -- Myanmar's national currency -- state media reported earlier last week, extending a rule aimed at relieving pressure on the unit by including more businesses. Exports of steel and other products from Thailand to Myanmar are paid for in US dollars while payments for border trade are usually made in baht, said Pravit Horungruang, a committee member of the EAF Long Product Steel Producers Association.
- **Grain Deal Won't Translate Into Big Exports Immediately** BANGKOK POST: The deal between Moscow and Kyiv to allow for the export of Ukrainian grain is helping push global prices lower, but it won't translate into a slug of new exports soon. Wheat prices fell Friday, as the deal raised hopes that a restart to Ukrainian grain exports would ease a brewing global food-supply crisis. Wheat futures traded in Chicago were down more than 4% at \$7.72 a bushel. Having surged to a record high of \$12.94 a bushel following Moscow's invasion of Ukraine, prices have tumbled back to preinvasion levels in recent weeks, as concerns about the global economy have grown and the deal has looked increasingly likely. Other factors have softened prices, including the prospect of bumper crops in other big producers, such as Russia. The deal promises to free up ports in and around Odessa and Mykolaiv, which are still held by Kyiv and are Ukraine's main conduits for grain exports.
- **Foreign Purchases of U.S. Homes Fall to New Low** BANGKOK POST: Foreign purchases of U.S. homes slid for a fifth straight year as the pandemic continued to limit international travel and the dollar strengthened. Foreigners bought 98,600 U.S. homes in the year ended in March, down 7.9% from the prior year, according to a report released last week by the National Association of Realtors. That is the lowest level on record since NAR began collecting the data in 2009. But the dollar volume of residential real estate purchased by international buyers rose 8.5% to \$59 billion, reflecting a large increase in U.S. home prices, NAR said.
- **Banking sector's profits gain on higher interest income** BANGKOK POST: The local banking sector recorded improved net profit for the first half year-on-year, attributed to higher interest income. The positive results are expected to continue in the second half this year, supported by anticipated loan growth thanks to the economic recovery trend. The 10

SET-listed commercial banks announced combined net profit for the first half of 2022 at 106 billion baht, up 8.07% year-on-year, supported by their rising interest income, despite a decline in non-interest income.

- CP, Telenor challenge NBTC's scope, Head honchos insist telecom regulator has no power to approve or reject their merger** BANGKOK POST: The bosses of the parent firms of True Corporation and Total Access Communication (DTAC) have insisted the telecom regulator has no power to approve or reject their merger, but can only impose measures to govern it. A lawsuit could be filed at the Central Administrative Court if the National Broadcasting and Telecommunications Commission (NBTC) resolves to reject the deal, though the two companies said they do not want it to come to that. The issue was raised at a joint press conference yesterday held by Suphachai Chearavanont, chief executive of conglomerate Charoen Pokphand (CP) group, the parent of True, and Sigve Brekke, president and chief executive of Norway's telecom giant Telenor, the parent of DTAC. Mr Suphachai, who is also chairman of the board of True, said True and DTAC are urging the NBTC to start drafting measures to govern the deal as the two merging parties submitted the notification of their amalgamation to the regulator on Jan 25. An NBTC rule requires telecom operators seeking to merge to report to it at least 90 days before executing the merger.

Mr Suphachai said the deal was supposed to see all the elements involving the merger wrapped up by May, but that did not happen. He accepted the deferral was caused by the reshuffle of the NBTC board.



The real competition happens when strong players compete.

SUPHACHAI CHEARAVANONT
CHIEF EXECUTIVE, CHAROEN
POKPHAND



This merger will be the first time Telenor invests in a country where it does not have full control of management.

SIGVE BREKKE
PRESIDENT AND CHIEF EXECUTIVE,
TELENOR



■ Pressure by over-the-top (OTT) platforms and new digital services, replacing SMS, MMS and international roaming

■ Financial burden from high licence fees, increasing inflation and interest rates, and weaker baht

■ Regulations, such as the imposition of a ceiling for telecom service charges and unfair tax collection from OTTs

BENEFITS OF NEW MERGED FIRM



NETWORK

- More than 49,800 base stations
- Fast network with complete frequency coverage



CUSTOMER EXPERIENCE

- Complete 5G experience
- New technologies
- More privileges



AFTER-SALES SERVICES

- More than 5,200 call centre staff
- Technical experts
- True and DTAC shops and e-services

Source: CP-Telenor news conference

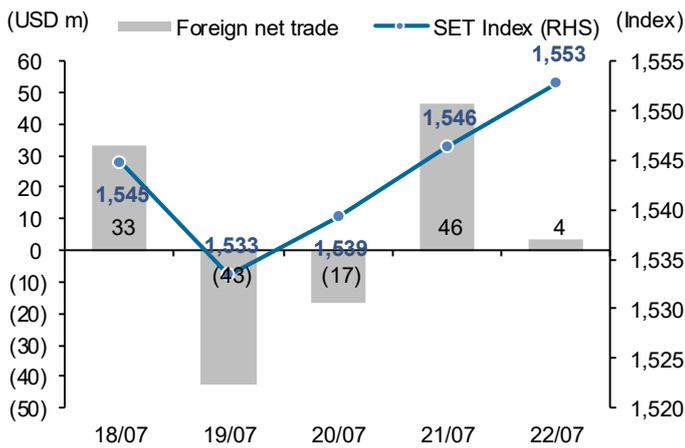
BANGKOK POST GRAPHICS

- BDMS unit adds 2nd Samui branch amid wellness boom** BANGKOK POST: BDMS Wellness Clinic, a subsidiary of Bangkok Dusit Medical Services Plc, has launched a second branch at its Celes Samui resort to capitalise on the growth of wellness tourism, which is expanding by more than 20% per year. Dr Tanupol Virunhagarun, chief executive of BDMS Wellness Clinic and BDMS Wellness Resort, said wellness tourism had gained more interest from tourists around the world, particularly since the Covid-19 pandemic. "The pandemic raised an alarm over health consciousness. Many people are afraid of death, so they became more interested in preventive medicines," he said. According to the Global Wellness Institute (GWI), global wellness tourism is expected to grow by 20.9% this year, reaching a market value of US\$1 trillion by 2024.
- Dusit to issue perpetual debentures** BANGKOK POST: Dusit Thailand Plc is offering perpetual debentures for financial institutions and high-net-worth individuals between Aug 1-10 at 100,000 baht per debenture. The hybrid perpetual debenture is a subordinated perpetual debenture. The coupon rate will be calculated as 8% for the first five years, then years six to 10 will be the five-year Thai government bond yield plus 5.9% per year. The rate for years 11-30 is the five-year government bond plus 6.2% per year. Years 31-50 the rate is the five-year government bond plus 6.8% per year. For years 51 and beyond, the rate is the five-year government bond plus 8%. The interest rates are adjusted every five years based on the five-year Thai government bond yield.
- Making dreams come true, The TAT is eager to capture devoted Asian fans of Thai BL series** BANGKOK POST: Last month Thailand saw a marriage equality bill pass its first reading in parliament, which was regarded as a historic move

that could make marriage law applicable to couples across all genders, not only opposite sexes. Despite an open attitude towards the LGBTQI+ community among locals, previous governmental interaction on this issue has often exhibited half-hearted enthusiasm in terms of respect to gender equality. In fact, a cabinet meeting in March this year rejected the marriage equality bill.

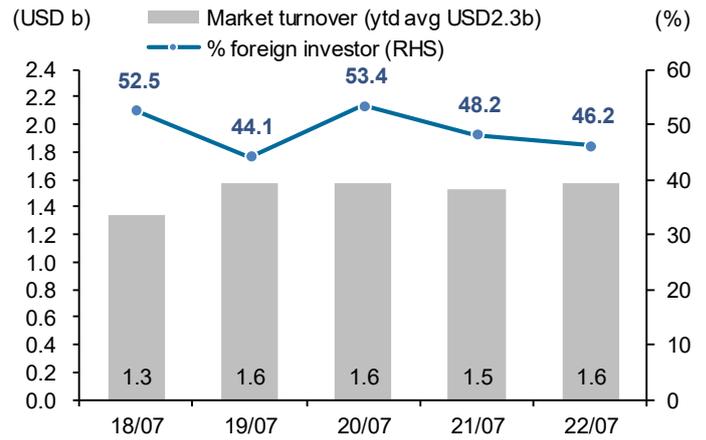
- **Cambodia attracts \$1.29bn investment from China in H1 of 2022** BANGKOK POST: PHNOM PENH: Cambodia attracted fixed-asset investment of US\$1.29 billion from China in the first half of 2022, according to a report from the Council for the Development of Cambodia on Saturday. China remained the top foreign investor in the Southeast Asian country, accounting for 43% of the total investment of \$2.99 billion the kingdom approved during the January-June period this year, the report said. Other foreign investments in the kingdom for the first half of this year were from Thailand, Samoa, British Virgin Islands, South Korea, Singapore, Cayman Islands, Malaysia, Japan and Australia, it added.
- **Fed set for another big rate hike with economy on knife's edge** BANGKOK POST: WASHINGTON: US central bankers face an increasingly difficult balancing act as they struggle to douse scorching inflation while still keeping the economy growing, though they have made it clear they are willing to risk a recession. But with war still raging in Ukraine, and Covid-19 causing ongoing issues in Asia, avoiding an economic downturn will require luck and depend on many factors outside the Federal Reserve's control. As families struggle to make ends meet amid surging prices for gas, food and housing, and a rising number of Americans take on second jobs to pay the bills, Fed officials have made it clear that fighting inflation is their top priority even if that means inflicting pain. The Fed holds its two-day policy meeting next week, where it is expected to hike the benchmark borrowing rate on Wednesday by another three-quarters of a percentage point in its aggressive campaign to cool demand and ease price pressures.
- **Singapore hotel room rates at 6-year high, Conference and tourism business brisk with arrivals up 12-fold from a year ago** BANGKOK POST: SINGAPORE: Hotel room rates in Singapore surged last month to the highest in almost six years as tourism makes a dramatic recovery in the city-state after the government eased coronavirus measures. The average daily rate in June was S\$238.32 (US\$171 or 6,290 baht), the highest since September 2016, according to data from the Singapore Tourism Board (STB). That represents a 63% increase from a year earlier, when quarantine rules were still in place. Singapore in April became one of the first major regional economies to announce that it would end all testing for incoming vaccinated travellers as the government pursued efforts to live with Covid-19. A revival of conferences and major events has also attracted visitors, and STB data showed a nearly 12-fold increase in arrivals in the first half of 2022 compared with the same period a year ago.

Exhibit 17: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 18: Foreign participation



Source: Bloomberg

Exhibit 19: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			22%	9%	9%	10%	6%	6%	4%	8%	3%
Current	1,552.73	0.4	0.5	1.1	(1.0)	0.5	0.1	1.0	0.6	0.6	1.0
-5D	1,533.37	1.3	1.0	2.4	(0.5)	0.7	(2.0)	2.2	0.5	0.8	3.0
-1M	1,568.76	(1.0)	0.8	(3.4)	(3.7)	(0.3)	(4.4)	(0.2)	(2.0)	(0.7)	(3.0)
-3M	1,675.33	(7.3)	(2.6)	(7.5)	(22.4)	(12.2)	(3.2)	(6.7)	0.3	0.1	(4.4)
-6M	1,639.09	(5.3)	(3.9)	(15.9)	(10.4)	(4.7)	(3.9)	(2.4)	(4.8)	7.4	(11.7)
-1Y	1,545.10	0.5	6.8	8.1	18.1	(4.9)	(9.4)	9.5	(12.2)	7.3	(3.3)
WTD	1,552.73	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MTD	1,568.33	(1.0)	0.1	(3.8)	(0.6)	(0.3)	(4.0)	(0.6)	(1.3)	(1.5)	(2.7)
QTD	1,568.33	(1.0)	0.1	(3.8)	(0.6)	(0.3)	(4.0)	(0.6)	(1.3)	(1.5)	(2.7)
End of 2021	1,657.62	(6.3)	(2.9)	(14.5)	(10.5)	(7.0)	(4.6)	(2.9)	(6.6)	5.7	(9.3)

Source: Bloomberg

Exhibit 20: 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	1,552.73	(6.3)	34.01	77,863	2,290	3,451	(482)	20	(2,986)	3,231
1Q21	1,587.21	41.0	30.27	93,653	3,094	(987)	1,622	129	(765)	128
2Q21	1,587.79	18.6	31.35	94,016	2,999	(1,482)	1,973	85	(575)	2,442
3Q21	1,605.68	29.8	32.94	86,406	2,623	(8)	(179)	190	98	632
4Q21	1,657.62	14.4	33.37	79,917	2,395	845	212	33	(1,089)	3,348
1Q22	1,695.24	6.8	33.03	89,343	2,705	3,369	(904)	32	(2,495)	2,613
2Q22	1,568.33	(1.2)	34.38	70,765	2,058	72	128	11	(211)	663
3Q22	1,552.73	(3.3)	36.29	58,193	1,604	9	294	(23)	(280)	(44)
Jan-22	1,648.81	12.4	33.22	87,540	2,635	432	220	104	(757)	2,434
Feb-22	1,685.18	12.6	32.63	91,300	2,798	1,931	(864)	142	(1,207)	2,201
Mar-22	1,695.24	6.8	33.25	89,189	2,682	1,006	(260)	(214)	(532)	(2,023)
Apr-22	1,667.44	5.3	33.80	71,959	2,129	321	109	(40)	(390)	227
May-22	1,663.41	4.4	34.41	73,281	2,130	592	(771)	50	128	876
Jun-22	1,568.33	(1.2)	34.94	67,056	1,919	(841)	790	1	50	(440)
Jul-22	1,552.73	2.0	36.29	58,193	1,604	9	294	(23)	(280)	(44)
2022YTD	1,552.73	(6.3)	34.01	77,863	2,290	3,451	(482)	20	(2,986)	3,231
18/07/2022	1,544.81		36.66	49,093	1,339	33	(23)	11	(21)	(13)
19/07/2022	1,533.43		36.62	57,675	1,575	(43)	85	13	(55)	(36)
20/07/2022	1,539.32		36.70	57,500	1,567	(17)	(43)	1	58	(2)
21/07/2022	1,546.31		36.75	56,073	1,526	46	(37)	(16)	6	(6)
22/07/2022	1,552.73		36.63	57,726	1,576	4	(19)	(2)	18	(10)

Source: Bloomberg

Exhibit 21: Upcoming events

Date Time	Event		Survey	Actual	Prior
07/22/2022 14:30	Forward Contracts	15-Jul	--	\$28.9b	\$28.6b
07/22/2022 14:30	Foreign Reserves	15-Jul	--	\$215.8b	\$218.6b
07/22/2022 07:25	Car Sales	Jun	--	--	64735
07/25/2022 07:27	Customs Exports YoY	Jun	10.05%	--	10.50%
07/25/2022 07:27	Customs Imports YoY	Jun	19.80%	--	24.20%
07/25/2022 07:27	Customs Trade Balance	Jun	-\$1316m	--	-\$1870m
07/27/2022 11:00	Capacity Utilization ISIC	Jun	--	--	62.42
07/27/2022 11:00	Mfg Production Index ISIC NSA YoY	Jun	0.85%	--	-2.11%
07/27/2022 14:00	BoP Current Account Balance	Jun	-\$1750m	--	-\$3716m
07/27/2022 14:30	Exports	Jun	--	--	\$25598m
07/27/2022 14:30	Exports YoY	Jun	--	--	11.30%
07/27/2022 14:30	Imports	Jun	--	--	\$23612m
07/27/2022 14:30	Imports YoY	Jun	--	--	23.30%
07/27/2022 14:30	Trade Balance	Jun	--	--	\$1985m
07/27/2022 14:30	BoP Overall Balance	Jun	--	--	-\$2105m
07/27/2022 14:30	Forward Contracts	22-Jul	--	--	\$28.9b
07/27/2022 14:30	Foreign Reserves	22-Jul	--	--	\$215.8b
08/01/2022 07:30	S&P Global Thailand PMI Mfg	Jul	--	--	50.7
08/01/2022 14:30	Business Sentiment Index	Jul	--	--	50.5
08/05/2022 10:30	CPI YoY	Jul	--	--	7.66%
08/05/2022 10:30	CPI NSA MoM	Jul	--	--	0.90%
08/05/2022 10:30	CPI Core YoY	Jul	--	--	2.51%
08/09/2022 08:10	Consumer Confidence Economic	Jul	--	--	35.7
08/09/2022 08:10	Consumer Confidence	Jul	--	--	41.6
08/10/2022 14:00	BoT Benchmark Interest Rate	10-Aug	--	--	0.50%
08/15/2022 09:30	GDP SA QoQ	2Q	--	--	1.10%
08/15/2022 09:30	GDP YoY	2Q	--	--	2.20%

Source: Bloomberg

Exhibit 22: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
C Panel (CPANEL)	Wivit Jeerawathanachoke	Warrant	6/30/2022	10,600	3.15	Sell	0.03
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	7/18/2022	61,400	0.93	Sell	0.06
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	7/19/2022	320,000	0.80	Sell	0.26
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	7/19/2022	334,800	0.81	Sell	0.27
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	7/19/2022	18,300	0.87	Sell	0.02
Next Capital (NCAP)	Sutida Mongkolsuthree	Warrant	7/20/2022	270,000	0.77	Sell	0.21
BTS Group Holdings (BTS)	Keeree Kanjanapas	Warrant	7/21/2022	20,000,000	0.03	Sell	0.60
Sahamit Machinery (SMIT)	Prangthip Siwarak	Common Shares	7/22/2022	60,000	4.46	Buy	0.27

Source: SEC

Exhibit 23: Upcoming XM

Symbol	X-Date	Meeting Date	Type of Meeting	Agenda	Venue
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	Meeting via electronic media (E-EGM) broadcasted live at the Company's Head Office meeting room, 16th Floor, Mitrtown Office Tower, No. 944 Rama IV Road, Wang Mai Subdistrict, Pathum Wan District, Bangkok 10330
TNL	27/07/2022	23/08/2022	EGM	Capital increase, The issuance of convertible securities	Montien Riverside Hotel, Bangkok,
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	Via electronic devices only by broadcasting live at the meeting room at the head office of the Company No. 518/5 Maneeya Center Building, 16th Floor, Ploenchit Road, Lumpini Sub-District, Pathumwan District, Bangkok

Source: SET

Exhibit 24: 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 25: 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
LPF	27/07/2022	19/07/2022	0.2042	Baht	01/03/2022 - 31/05/2022	Both	16/08/2022	10.1948
DTAC	27/07/2022	15/07/2022	0.85	Baht	01/01/2022 - 30/06/2022	NP	15/08/2022	2
EPG	01/08/2022	30/05/2022	0.19	Baht	01/04/2021 - 31/03/2022	NP	-	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 26: New securities

Common Shares	Trade Date	Market	Industry	Sector	Subscription on Date	IPO Price (Baht)	Listed Shares (Shares)
TLI	25/07/2022	SET	Financials	Insurance	29/06/2022 - 14/07/2022	16	11,450,000,000
Warrants	Trade Date	Underlying	Market	Maturity Date	Initial Price (Baht)	Exercise Price (Baht)	
SA-W1	25/07/2022	SA	SET	10/07/2025	-	23	
Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
BAM01C2212X	25/07/2022	BAM	BLS	Call	SET	05/01/2023	21.9
BANPU01P2212X	25/07/2022	BANPU	BLS	Put	SET	05/01/2023	9.05
BEC19C2212A	25/07/2022	BEC	YUANTA	Call	SET	09/12/2022	16
BH19C2212A	25/07/2022	BH	YUANTA	Call	SET	09/12/2022	237.96
CK19C2212A	25/07/2022	CK	YUANTA	Call	SET	09/12/2022	26.84
CPALL16C2211A	25/07/2022	CPALL	TNS	Call	SET	07/12/2022	75.5
DTAC19C2212A	25/07/2022	DTAC	YUANTA	Call	SET	09/12/2022	63.32
EA16C2211A	25/07/2022	EA	TNS	Call	SET	07/12/2022	108
IVL16C2211A	25/07/2022	IVL	TNS	Call	SET	07/12/2022	59
JMART16C2211A	25/07/2022	JMART	TNS	Call	SET	07/12/2022	64.75
JMT01P2211X	25/07/2022	JMT	BLS	Put	SET	03/12/2022	46.75
JMT16C2211A	25/07/2022	JMT	TNS	Call	SET	07/12/2022	97.25
KBANK01C2212X	25/07/2022	KBANK	BLS	Call	SET	05/01/2023	189.5
KCE01P2212A	25/07/2022	KCE	BLS	Put	SET	05/01/2023	34.25
KTC01C2212A	25/07/2022	KTC	BLS	Call	SET	05/01/2023	74.25
SAWAD01C2212A	25/07/2022	SAWAD	BLS	Call	SET	05/01/2023	67
SAWAD01P2212A	25/07/2022	SAWAD	BLS	Put	SET	05/01/2023	35.25
SET5001C2210Y	25/07/2022	SET50	BLS	Call	SET	03/11/2022	1,000.00
SET5001P2210Y	25/07/2022	SET50	BLS	Put	SET	03/11/2022	875
SET5016C2209B	25/07/2022	SET50	TNS	Call	SET	05/10/2022	1,025.00
TIDLOR01C2212X	25/07/2022	TIDLOR	BLS	Call	SET	05/01/2023	34.5
VGI01C2301A	25/07/2022	VGI	BLS	Call	SET	03/02/2023	5.65
VGI01P2212X	25/07/2022	VGI	BLS	Put	SET	05/01/2023	3.06
WHA13C2212A	25/07/2022	WHA	KGI	Call	SET	09/12/2022	3.9

Source: SET