

8 AUGUST 2022

# SPOTLIGHT ON THAILAND

## Published Reports

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- SERMSANG POWER CORP (SSP TB) - Efficient operations and solid growth; Maintain BUY TP THB20.00
- LPN DEVELOPMENT (LPN TB) - No excitement in 2Q22; HOLD TP THB4.60

## Results Comments

- Thaicom (THCOM TB, HOLD, TP THB9.20) - 2Q22 results were better than expected

## Economics

- COVID-19 cases as of 7 Aug globally reaches 589,302,319 with new 554,551 cases and 780 new deaths. There are 22,356,684 currently infected patients, with 43,724 (0.2%) cases in serious condition.
- Borrowers prepare to take a hit
- Green Line extension no longer free, Ride fares to start from 14 baht
- Taiwan tensions threaten supply of semiconductors

Indices	Index as of 4-Aug-22	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,599	0.3	(3.6)	3,659
China SHCOMP	3,189	0.8	(12.4)	
Hong Kong HSI	20,174	2.1	(13.8)	
India SENSEX	58,299	(0.1)	0.1	(26,330)
Indonesia JCI	7,057	0.2	7.2	3,835
Korea KOSPI	2,473	0.5	(16.9)	(13,774)
MY FBMKLCI	1,508	1.1	(3.8)	
PH PCOMP	6,483	0.8	(9.0)	(847)
SG FSSTI	3,270	0.5	4.7	
Taiwan TWSE	14,702	(0.5)	(19.3)	(36,038)
VN VNINDEX	1,254	0.4	(16.3)	88
MSCI Emerging	995	0.9	(19.3)	
Nikkei 225	27,932	0.7	(3.0)	
FTSE 100	7,448	0.0	0.9	
CAC 40	6,513	0.6	(8.9)	
DAX	13,663	0.6	(14.0)	
Dow Jones	32,727	(0.3)	(9.9)	
Nasdaq	12,721	0.4	(18.7)	
S&P 500	4,152	(0.1)	(12.9)	
Brent	94.12	(2.7)	21.0	
Dubai	98.15	(2.8)	28.3	
WTI	88.54	(0.7)	17.0	
GOLD	1,791.28	0.1	(2.0)	
Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	31,470	32,675	(1,205)	46
Retail	24,160	23,728	433	35
Prop Trade	6,810	5,615	1,194	9
Local Institution	6,647	7,070	(422)	10
Total Trade	69,088	69,088	(0)	100
Rates	Last close	1M ago	End last yr	1yr ago
	8/4/2022	7/5/2022	12/31/2021	8/5/2021
THB/USD	35.89	35.98	33.21	33.26
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	2.41	2.66	1.89	1.47
Commodity	Last close	1M ago	End last yr	1yr ago
(USD/bbl)	8/4/2022	7/4/2022	12/31/2021	8/4/2021
Brent	94.12	113.50	77.78	70.38
Dubai	98.15	114.96	76.48	70.73
WTI	88.54	99.50	75.21	69.09
Gold	1,791	1,765	1,829	1,804
Baltic Dry	1,731	2,098	2,217	3,376
(USD/ton)	29-Jul-22	22-Jul-22	25-Dec-20	30-Jul-21
Coal	435.52	425.35	84.45	152.37
% change	2.4	7.9	415.7	185.8

\* 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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## Corporate News

- Prep required for cybersecurity rules
- More Ukraine grain sets sail as new shelling hits nuclear plant
- BMA to levy land taxes in full
- Easy loans for all
- At Ford, Quality Is Now Problem 1
- Small firms to receive TCG loan guarantees
- Warner Bros. Discovery Weighs Free Ad-Supported Streaming Plan
- Termination of Employment in Thailand

## Published Reports

### Thailand Refinery - GRM, Gasoline in retreat as diesel set to rebound

#### Supply-side drivers could overshadow demand downside from the US recession

After spiking in June and July to record highs, the margins of refined oils have plunged markedly, resulting in sharp drops in market GRMs. However, we think three key factors could turn the GRM cycle bullish again. First, China has slashed export quotas for diesel and gasoline by more than 30% y-y and by 50% compared to 2020, which could further tighten the global demand-supply balance in 2022. Second, the risk of a drop in Russian oil supply in 4Q22-1Q23 remains high due to potential logistics problems. Third, the demand upsides for diesel as a heating fuel on seasonal demand and additional demand as a substitute for Russia's gas supply shortfall to the EU could boost the diesel-Dubai margin.

#### Risks for Russian oil and gas supplies could intensify in the coming winter

By 4Q22, we believe Russia could face a drop in oil sales by 0.5-1.0mbpd due to transportation problems as Russia now needs to transport its oil via smaller ships. In addition, the availability of oil supplies that may replace the production lost from Russia remains questionable, including Iran (US sanctions) & OPEC (unwilling to raise production with low spare capacity). Hence, we expect the oil price to spike again to USD120-130/bbl in 4Q22. The lower Russian oil supply combined with the Energy Information Administration (EIA)'s projected demand growth of 2mbpd in 2022-23 could offset the impact of 2.3mbpd in additional capacity from nine new refinery projects coming online by end-2023.

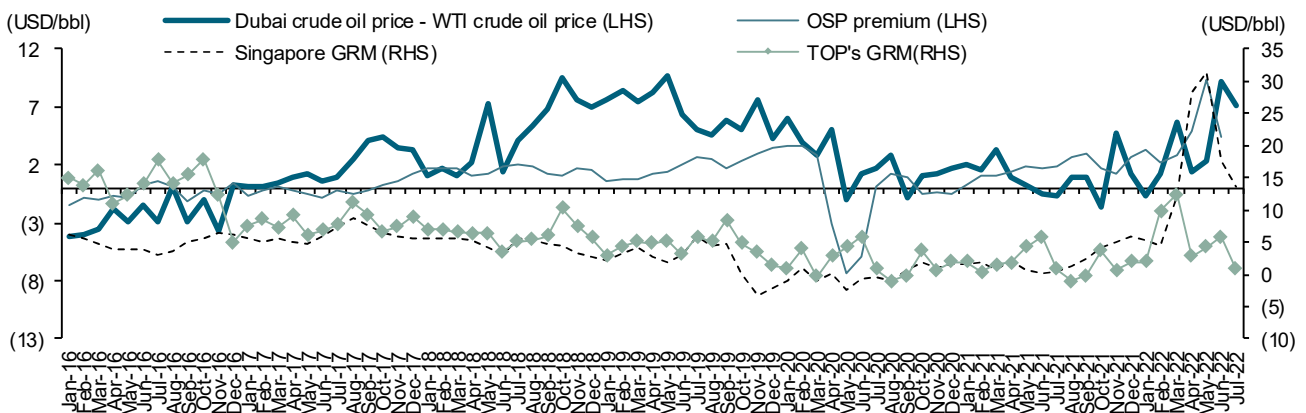
#### Diesel demand growth is a critical wildcard amid a bullish oil market in 4Q22

The EIA states that while demand for gasoline in the US has declined y-y since Apr-22 due to the rising retail gasoline price after jumping 7% y-y during 1Q22, the demand for diesel and jet (middle distillates) is projected to rise to account for 29.5% and 8.4% of total demand, respectively, up from 26.3% for diesel and 4.3% for jet in 2020. In addition, "substitute demand" for diesel as a heating fuel amid the gas supply shortfall in Europe this coming winter should further strengthen the already strong seasonal demand.

#### ESSO and SPRC are our top picks with solid GRMs and no hedging losses

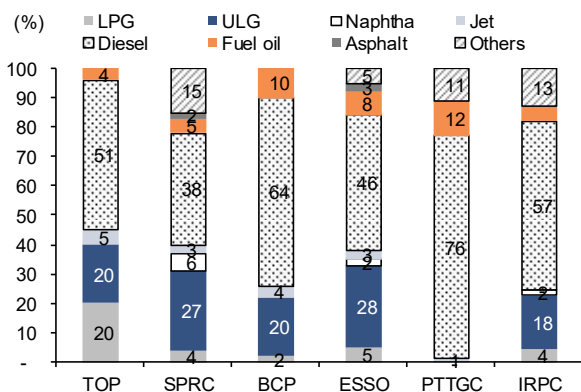
Of the six major refiners, we prefer ESSO and SPRC as our two top picks and remove BCP due to its hedging loss position. TOP, PTTGC, and IRPC remain less attractive due to their large hedging losses and weak earnings from petrochemical products which should remain oversupplied in 2022-23, based on TOP's forecast. We project the market GRMs of all Thai refiners to rise markedly to over USD17/bbl, ranging from USD17/bbl for IRPC, USD20/bbl for TOP and PTTGC, USD21/bbl for BCP, USD22/bbl for ESSO, and USD23/bbl for SPRC. Hedging losses will play a greater role in deciding the real winners, in our view.

Exhibit 1: Dubai-WTI crude premium, Singapore GRM and TOP's GRM



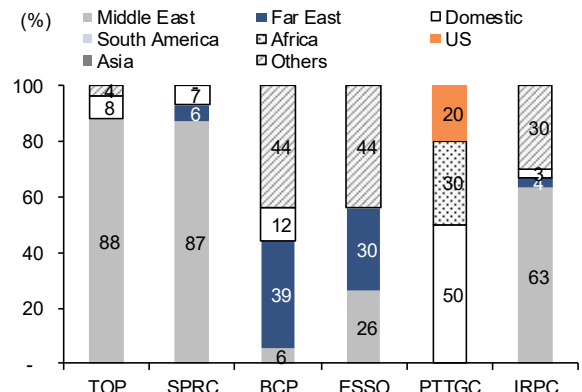
Source: Bloomberg

Exhibit 2: Product yield breakdown as of 1Q22



Source: Companies

Exhibit 3: Crude mix breakdown as of 1Q22



Source: Companies

## BANGCHAK CORP (BCP TB) - GRM and E&P growth ahead; BUY TP THB41.00

### More competitive play on lower crude premium and UCO

We think BCP remains one of the most attractive refinery companies in the Thai energy sector based on 1) its lower-than-peers' crude premium thanks to its high consumption of low-cost premium local crudes and a small amount of Middle East crudes; 2) low demand risk from the captive demand from its downstream oil stations; 3) higher selling prices on its 12% yield of unconverted oil (UCO), a unique type of fuel oil whose price is at a premium to the diesel price; and 4) a well-diversified business portfolio of refinery, oil stations, power, biofuels, and upstream oil & gas exploration and production (E&P).

### Solid GRM and E&P earnings expected in 2Q22

In 2Q22, we project BCP to post a strong net profit of THB5.2b, up 18% q-q and 192% y-y. Excluding inventory gains, we project BCP's 2Q22 core net profit to rise to THB4.7b, up 98% q-q and 632% y-y. Key drivers and expectations are 1) a high market GRM to USD21/bbl; 2) a rising utilisation rate to 105% (125kbpd); 3) a USD5/bbl crude premium, lower than its local peers' average of USD7-9/bbl; and 4) earnings growth from its E&P unit on the sharp rise in the oil and gas prices, particularly in Europe where BCP's E&P assets are operating in Norway.

### Revival of non-oil businesses

BCP is in the process of restructuring itself from a "me too" to a "top two" diversified energy company. Starting with a revamp of its convenience store unit via its JV with Central Retail Group (CRC TB, BUY, TP THB45) to revive its non-oil business, BCP is exploring a new business plan to leverage its "Intanin" coffee shops to gain more market share and higher EBITDA in 2022-24.

### Small growth within one puzzle

We maintain BUY and lift our SoTP-based TP to THB41, reflecting 1) our upward EPS forecast revision by 92% in 2022 due to a higher expected GRM, but lower EPS forecasts in 2023-24 by 40-51% to reflect our assumptions of higher crude premiums and higher crude prices; and 2) our valuation rollover to 2023. We think BCP stands as an attractive investment for the short-term uptrend in refinery and E&P and long-term growth in its oil station and power businesses.

### Exhibit 4: Key changes in assumptions

	----- Current -----			----- Previous -----			----- Change (%) -----		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	327,157	296,492	292,545	256,235	240,700	238,596	27.7	23.2	22.6
Gross profit	41,275	30,111	26,164	29,946	31,648	29,544	37.8	(4.9)	(11.4)
Operating profit	20,667	7,772	6,773	11,820	11,652	11,771	74.9	(33.3)	(42.5)
Core net profit	13,119	4,129	3,469	6,830	6,887	7,022	92.1	(40.0)	(50.6)
EPS (THB/shr)	9.5	3.0	2.5	5.0	5.0	5.1	92.1	(40.0)	(50.6)
<b>Key assumptions (USD/bbl)</b>									
Dubai oil price	120.0	110.0	110.0	100.0	90.0	90.0	20.0	22.2	22.2
Market GRM	25.91	17.83	15.08	15.52	15.6	13.84	66.9	14.0	9.0
Crude premium	4.00	3.00	3.00	2.00	2.0	2.00	100.0	50.0	50.0
Diesel-Dubai	40	25	20	24	22.0	20	66.7	13.6	-
Jet-Dubai	30	26	26	23	22	20	30.4	18.2	30.0
Gasoline-Dubai	25	20	20	20	18	16	25.0	11.1	25.0
LSFO-Dubai	8	8	8	8	8	8	-	-	-
HSFO-Dubai	(15)	(12)	(12)	(15)	(12)	(12)	-	-	-

Sources: FSSIA estimates

### Exhibit 5: SoTP valuation

BCP valuation	THB m	THB/shr	Comments
Refinery	53,560	39	At 4x FY23E EV/EBITDA
Oil station	32,810	24	At 14x FY23E P/E
Biodiesel	4,426	3	At 10x FY23E P/E
BCPG	25,091	18	SoTP target price after capital increase
Net debt	(59,634)	(43)	FY23E net debt
<b>Total value</b>	<b>56,253</b>	<b>41</b>	

Sources: BCP; FSSIA estimates

## STAR PETROLEUM REFINING (SPRC TB) - One of the best GRM plays; Maintain BUY TP THB14.60

### Pure refinery play is beautiful

As a leading refiner in the Thai energy sector, SPRC has proven its ability to survive and grow amid the highly volatile refinery industry margin cycles. Its low cost structure, highly flexible operational capability to respond to changes in refinery product yields and crude mix, and sound capital management should allow SPRC to fully capture the current industry GRM strength without compromising on hedging losses and other non-refinery losses.

### Expect a strong 2Q22 net profit of THB9.5b

In 2Q22, we project SRPC to post a strong net profit of THB9.5b, up 79% q-q and 1,124% y-y. Excluding inventory gains, SPRC's core net profit in 2Q22 should reach THB6.6b, up 206% q-q and 2.8x y-y. Key drivers are the sharp rise in the market GRM to USD23/bbl, driven mainly by the hefty gasoline-Dubai margin to over USD40/bbl in 2Q22; 2) lower-than-peers' crude premiums; and 3) a higher projected utilisation rate to 98% thank to the strong domestic demand and high product margins.

### Higher GRM peak in 4Q22 than 2Q22 is highly likely

With the rising diesel-Dubai margin that we project to exceed USD40/bbl in 4Q22 vs the current USD30/bbl as of 3 Aug-22, driven by both seasonal demand as a heating oil and as a substitute fuel for gas to produce power in Europe in this coming winter, we think SPRC's GRM could rise again to even surpass the recent peak level of USD23/bbl in 2Q22.

### EPS revisions and TP upgrade to THB14.6

We maintain BUY and raise our TP from THB14, previously based on 4.8x 2022E EV/EBITDA, to THB14.6, now based on 4.1x 2023E EV/EBITDA, to reflect our upward EPS forecast revisions by 0.5-110% to incorporate the impacts arising from our assumptions of higher oil prices, higher market GRMs on higher margins of gasoline, diesel and jet-Dubai, and rising crude premiums. We believe SPRC could be an attractive dividend play in the Thai equity market, given its strong earnings and cash flow generation in 2022, which should not only turn its negative retained earnings positive but also allow SPRC to have a high dividend payout for its 2022 operations, for which we estimate a 3.4% yield.

### Exhibit 6: Key changes in assumptions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	407,047	361,247	358,637	333,272	301,205	297,439	22.1	19.9	20.6
Gross profit	24,016	13,246	16,434	13,789	12,940	15,229	74.2	2.4	7.9
Operating profit	18,962	8,391	11,590	9,056	8,346	10,651	109.4	0.5	8.8
Core net profit	15,451	6,881	9,538	7,375	6,844	8,773	109.5	0.5	8.7
EPS (THB/shr)	3.56	1.59	2.20	1.70	1.58	2.02	109.5	0.5	8.7
<b>Key assumptions</b>									
Utilisation rate (%)	95.0	95.0	95.0	95.0	95.0	95.0	0.0	0.0	0.0
Market GRM (US\$/bbl)	11.1	6.6	7.2	6.2	6.4	6.7	79.1	2.5	8.4
Dubai crude price (US\$/bbl)	120.0	110.0	110.0	100.0	90.0	90.0	20.0	22.2	22.2
Gasoline-Dubai spread (USD/bbl)	25.0	20.0	20.0	20.0	18.0	16.0	25.0	11.1	25.0
Jet-Dubai spread (USD/bbl)	30.0	24.0	20.0	23.0	22.0	20.0	30.4	9.1	0.0
Diesel-Dubai spread (USD/bbl)	35.0	22.0	20.0	24.0	22.0	20.0	45.8	0.0	0.0
Fuel oil-Dubai spread (US\$/bbl)	(15.0)	(12.0)	(12.0)	(15.0)	(12.0)	(12.0)	0.0	0.0	0.0
Crude premium (US\$/bbl)	8.6	7.3	5.8	8.1	6.8	5.3	6.2	7.4	9.5

Source: FSSIA estimates

## IRPC PCL (IRPC TB) - Hedging loss to eclipse solid GRM; Upgrade to HOLD TP THB3.20

### Strong operating margins to be wiped out by large hedging loss

Although IRPC should enjoy a strong market gross refining margin (GRM) to boost its core net profit growth significantly in 2022 due to the sharp spike in product margins, we think IRPC's net profit growth will be mostly offset by non-operating items, including large hedging losses that would be offset by inventory gains. This, in our view, reflects IRPC's weak business model and continued high cost structure, plus the highly volatile product margins of refinery, petrochemicals, and lube, despite the higher sales volume proportion generated from specialty products.

### Margin trends remain challenging for chemical products

With over two-thirds of its EBITDA generated from chemical products in the olefins and aromatics segment, IRPC's earnings remain highly risky in 2022-23, given the continued oversupply in the olefins and aromatics chains, mainly from the new supply influx from China, the Middle East, and North America. Hence, we project IRPC's gross integrated margin (GIM) from its chemical unit to remain weak at USD3-4/bbl in 2022-23 vs the USD6-8/bbl level seen in 2019-21.

### Refinery margin strength offset by high hedging loss

In 2Q22, while we project IRPC's GRM to spike to USD17/bbl, the net impact on its refinery unit should be mostly diluted by a large hedging loss of USD13/bbl, which in turn would lead to an operating loss after netting the total cost of USD10/bbl. Only an inventory gain could turn IRPC's reported net profit into the black from the red, in our view, indicating IRPC's ineffective internal hedging management strategy.

### EPS revisions and TP lifted to THB3.2

We upgrade IRPC to HOLD from Reduce with a new TP of THB3.2, based on 5.0x 2023E EV/EBITDA. We revise up our EPS forecasts in 2022-24 by 4.4-56.1%, mainly due to the expectation of a rising GRM and large inventory gains to help offset large hedging losses. We increase our oil price assumptions by 20-22% to USD120/bbl in 2022 and USD110/bbl in 2023-24 as we expect the oil price to remain high above USD100/bbl on average, supported by the tight supply and rising demand. In the Thai petrochemical sector, we prefer IVL as our top pick for its strong and visible earnings growth in 2022-24.

### Exhibit 7: Key changes in assumptions and EPS revisions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	369,141	344,400	343,273	314,834	294,743	294,269	17.2	16.8	16.7
Gross profit	36,943	34,007	33,279	22,253	28,968	31,302	66.0	17.4	6.3
Operating profit	18,286	15,110	14,086	5,039	11,462	13,482	262.9	31.8	4.5
Core net profit	7,301	13,273	12,467	4,676	10,098	11,940	56.1	31.4	4.4
EPS (THB/shr)	0.4	0.6	0.6	0.2	0.5	0.6	56.1	31.4	4.4
<b>Key assumptions</b>									
Oil price (USD/bbl)	120	110	110	100	90	90	20.0	22.2	22.2
Olefin utilisation rate (%)	94	95	96	94	95	96	0.0	0.0	0.0
Refinery utilisation rate (%)	96	98	98	96	98	98	0.0	0.0	0.0
Market GRM (USD/bbl)	6.5	5.3	4.0	5.5	5.6	4.6	19.1	(5.6)	(13.7)
Market GIM (USD/BBL)	12.2	13.2	13.9	10.5	13.2	14.1	16.4	0.1	(1.6)
HDPE-naphtha (USD/t)	475	583	583	455	563	563	4.4	3.6	3.6
PP-naphtha (USD/t)	575	683	683	555	563	563	3.6	21.3	21.3

Sources: IRPC; FSSIA estimates



## ESSO THAILAND (ESSO TB) - Nimble tiger hunting further growth; Maintain BUY TP THB13.00

### ExxonMobil's strength = ESSO's strong growth

Along with SPRC, we think ESSO is Thailand's best refinery play to fully and timely leverage the currently strong industry GRM, thanks to its low cost structure, high operational flexibility in both production yield and crude mix – two critical factors for today's refiners' profitability – and its high-growth downstream oil station business. The strong support of its parent ExxonMobil should continue to enhance ESSO's refinery competitiveness, particularly in terms of crude procurement. Its well-diversified refinery-oil station portfolio should position ESSO well for balanced growth in Thailand's retail oil station business.

### Domestic market focus = more growth for refinery and oil stations

Unlike local peers, ESSO has more room to grow its production and sales volumes via both its refinery plant and oil station unit, given the implicit production mandate by its parent ExxonMobil to produce and sell only to the domestic, not export, market. ESSO's recent U-turn in its growth strategy to expand its number of oil stations since 2018 has further enhanced its growth platform as the rising captive demand for oil stations should directly result in higher refinery utilisation rates.

### Hefty GRM without hedging loss

In 2Q22, we project ESSO to post a solid net profit of THB8.6b, up 47% q-q and 1,052% y-y. Excluding inventory gains, we project 2Q22 core net profit to jump to THB7.1b, up 272% q-q and 4,729% y-y. The surging GRM at USD22/bbl, driven by the skyrocketing margin of gasoline-Dubai in 2Q22, and a large inventory gain, should help drive a record high GRM. For its oil station unit, we expect ESSO to see flat q-q sales volume growth but a much higher marketing margin to over THB2.5/litre, thanks to ESSO's high proportion of premium oil sales, which command up to a THB5-7/litre marketing margin vs only THB2.0/litre for commodity oil products.

### TP revised up to THB13; maintain BUY

We maintain BUY and raise our SoTP-based TP from THB12.9 to THB13 to reflect our upgraded EPS forecasts in 2022-24 by 10-261% due to a higher expected GRM and inventory gains, a rising utilisation rate to over 85%, and a higher marketing margin for oil stations.

### Exhibit 8: Key changes in assumptions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	280,532	259,946	261,606	225,628	221,483	223,143	24.3	17.4	17.2
Gross profit	36,953	18,833	19,123	16,501	17,045	17,334	123.9	10.5	10.3
Operating profit	26,070	8,494	8,671	7,228	7,828	8,005	260.7	8.5	8.3
Core net profit	20,866	6,968	7,121	5,782	6,289	6,456	260.9	10.8	10.3
Core EPS	6.03	2.01	2.06	1.67	1.82	1.87	260.9	10.8	10.3
<b>Key assumptions</b>									
Utilisation rate (%)	80	80	80	80.0	80	80	-	-	-
GRM (USD/bbl)	17.70	7.21	7.21	7.37	7.25	7.25	140.1	(0.6)	(0.6)
Dubai crude oil price (USD/bbl)	120.0	110.0	110.0	100.0	90.0	90.0	20.0	22.2	22.2
Gasoline-Dubai (USD/bbl)	25.0	18.0	16.0	20.0	18.0	16.0	25.0	-	-
Jet-Dubai (USD/bbl)	35.0	22.0	20.0	23.0	22.0	20.0	52.2	-	-
Diesel-Dubai (USD/bbl)	32.0	22.0	20.0	24.0	22.0	20.0	33.3	-	-
HSFO-Dubai (USD/bbl)	(15.0)	(12.0)	(12.0)	(15.0)	(12.0)	(12.0)	-	-	-
PX-naphtha margin (USD/tonne)	276	346	346	416	486	486	(33.7)	(28.8)	(28.8)

Source: FSSIA estimates

## SRINANAPORN MARKETING (SNNP TB) - Reaching a higher growth roadmap; Maintain BUY TP THB20.00

### Another solid quarter with 2Q22E net profit of THB120m

We project SNNP to post a solid 2Q22 net profit of THB120m, up 14% q-q and 56% y-y, the second highest quarterly net profit after its record high of THB121m in 4Q21. Operations should improve both in the domestic and overseas markets, with strong revenue and a higher sales volume due to demand recoveries and new product launches, including the new hemp drink and the mini-JELE jelly snack.

### Expect record high revenue in 2Q22

We project SNNP's 2Q22 revenue to reach a record high at THB1.2b, up 8% q-q and 15% y-y. Key drivers are the strong sales volumes of new products and a solid export sales volume to Vietnam thanks to the improving availability of containers after the severe shortage in 1Q22. In 3Q22 onward, we expect SNNP to see stronger revenues from both the domestic and overseas markets, particularly in Vietnam where SNNP is scheduled to commence the operation of its new production plant with estimated annual revenue of THB0.7b.

### Softer 2Q22E margin mostly on one-time expenses

We expect SNNP's gross margin to decline slightly q-q to 26.3% in 2Q22, down from 27% in 1Q22, as a result of the labor shortage during the Songkran period which led to higher overtime expenses, and the initial expense related to the ramp-up of the production capacity for the hemp drink. SNNP expanded from 1,500 containers per annum (cpa) to 7,000cpa to serve the much stronger-than-expected demand in Thailand. We project the SG&A to sales ratio to rise to 10.7% in 2Q22, up from 9.9% in 1Q22 due to the higher fuel cost, but we expect the ratio to soften to 10% in 2H22 as SNNP is now streamlining its logistics costs.

### Ready to grow

We maintain BUY and our TP of THB20, based on 37x 2022E P/E. We think SNNP is well positioned to capture the strong revenue growth from its new products and the rising utilisation rate at its new production plant in Vietnam, which we estimate to rise to 50% by end-2022 vs the 30% breakeven level. Vietnam and Cambodia are SNNP's two major overseas markets, with revenue contributions of c10% for Vietnam and c7% for Cambodia. We project overseas revenue growth of 10-20% y-y in 2022.

### Exhibit 9: 2Q22 results preview

	2Q21	1Q22	----- 2Q22E -----		
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Revenue	1,073	1,144	1,234	7.9	15.0
Operating costs	1,068	1,133	1,158	2.2	8.4
EBITDA	6	11	-	(100.0)	(100.0)
EBITDA margin (%)	794.9	822.7	889.0	nm	nm
Deprn & amort.	278	321	345	7.5	23.9
EBIT	-	-	-	-	-
Interest expense	158	179	190	6.4	20.5
Interest & invt inc	121	142	155	8.9	28.3
Other income	162	181	196	8.5	21.3
Associates' contrib	-	-	-	-	-
Exceptionals	(17)	(0)	(1)	nm	(94.1)
Pretax profit	104	142	154	8.4	48.4
Tax	(21)	(29)	(30)	3.2	41.1
Tax rate (%)	(8.7)	(8.1)	(4.0)	nm	nm
Minority interests	(3)	(0)	-	-	-
Non-recurring	-	-	-	nm	nm
<b>Net profit</b>	<b>77</b>	<b>105</b>	<b>120</b>	<b>13.9</b>	<b>56.3</b>
<b>Core net profit</b>	<b>77</b>	<b>105</b>	<b>120</b>	<b>13.9</b>	<b>56.3</b>
EPS (THB)	0.08	0.11	0.13	13.9	50.3
Core EPS (THB)	0.08	0.11	0.13	13.9	50.3
<b>Key Ratios</b>					
<b>Sales margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>		
EBIT margin	25.56	27.40	23.23		
Recurring net margin	11.26	12.44	12.56		
SG&A / Sales	7.69	9.88	10.71		
Effective tax rate	14.69	15.62	15.40		
Inventory days	(20.49)	(20.45)	(19.48)		
<b>Operating statistics</b>					
<b>Domestic sales</b>	<b>848.62</b>	<b>898.94</b>	<b>(THB m)</b>		
<b>Overseas sales</b>	<b>438.54</b>	<b>234.73</b>	<b>937.84</b>		
CLMV	161.00		296.16		
Others	58.00				
<b>Distribution for third party (Domestic)</b>					
% Domestic sales	65.93	79.29	76.00		
% Overseas sales	34.07	20.71	24.00		

Sources: SNNP; FSSIA estimates



## SERMSANG POWER CORP (SSP TB) - Efficient operations and solid growth; Maintain BUY TP THB20.00

### A solid 2Q22 net profit of THB0.6b, up 107% q-q and 153% y-y

We expect SSP to continue to record a strong core net profit of THB298m in 2Q22, up 0.8% q-q and 27% y-y. Including a THB350m gain from the divestment of its solar farm in Japan, 2Q22 reported net profit should hit THB0.6b, up 107% q-q and 153% y-y. The key driver is the improving operations of its solar farms to offset the seasonally lower operations of its wind farms. The higher fuel tariff (Ft) by THB0.23/kWh will also help to boost the net profit from SSP's 40MW solar farm in Thailand.

### Expect a series of strong quarterly net profits in 2H22-2024

SSP has continued to deliver strong quarterly net profits since 2Q21, posting above THB200m per quarter except for in 4Q21, which was diluted by extraordinary expenses and the lower-than-expected performance of its wind farms. Looking ahead, we expect SSP to deliver quarterly net profits of THB200m-250m, backed by the higher Ft for solar farms and additional net profits from its acquired biomass power plant assets and wind farms in Vietnam.

### Key beneficiary of Vietnam's PDP 8

SSP is one of the few companies in Thailand for which we expect to see significant capacity growth from the soon-to-announce Power Development Plan 8 (PDP 8) by Vietnam, which has been delayed by over one year due to the impact of the Covid-19 pandemic. We expect SSP to secure up to a 48MW capacity for the wind farm Tra Vinh phase 2, adding to its existing 48MW wind farm Tra Vinh phase 1.

### One of the most undervalued power growth plays in Thailand

We believe SSP is one of the most undervalued and overlooked plays by the market, given its strong and highly secured net profit growth outlook from its existing as well as newly acquired assets, its high ROE of 18%, and its attractive valuation, trading at only 8.7x 2022E P/E and 7.6x 2023E P/E against its high-quality growth trajectory. In addition, SSP, even as a small-cap power company, has a high possibility to secure a large capacity growth from Vietnam's PDP 8, which includes up to 100MW of wind farms, to bolster its operating wind farm Tra Vinh phase 1. We also expect SSP to pay a high dividend yield at 5.3% thanks to its strong operating cash flow to support the high dividend payout.

### Exhibit 10: 2Q22 results preview

	2Q21	1Q22	----- 2Q22E -----		2021	2022E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>557</b>	<b>856</b>	<b>803</b>	<b>(6.2)</b>	<b>44.3</b>	<b>2,603</b>	<b>3,198</b>	<b>22.9</b>
Operating costs	(80)	(173)	(159)	(8.2)	99.2	(585)	(752)	28.7
<b>EBITDA</b>	<b>477</b>	<b>683</b>	<b>644</b>	<b>(5.7)</b>	<b>35.1</b>	<b>2,018</b>	<b>2,446</b>	<b>21.2</b>
EBITDA margin (%)	85.7	79.8	80.2	nm	nm	77.5	76.5	nm
Depn & amort.	(152)	(239)	(234)	(2.1)	54.3	(751)	(448)	(40.3)
EBIT	325	444	410	(7.7)	26.1	1,267	1,998	57.6
Interest expense	(67)	(124)	(120)	(3.0)	78.8	(356)	(697)	95.6
Interest & invt inc	1	2	3	38.3	358.0	3	-	nm
Other income	1	3	2	(34.7)	120.5	(16)	(18)	10.0
Associates' contrib	-	3	2	(38.3)	nm	-	-	nm
Exceptionals	10	-	350	nm	3,348.3	67	-	nm
<b>Pretax profit</b>	<b>270</b>	<b>329</b>	<b>647</b>	<b>96.7</b>	<b>139.9</b>	<b>965</b>	<b>1,284</b>	<b>33.1</b>
Tax	(17)	(5)	(15)	198.0	(10.1)	(65)	(42)	(36.4)
Tax rate (%)	6.2	1.5	2.3	nm	nm	6.8	3.2	nm
Minority interests	(13)	(29)	(23)	(21.0)	82.0	(40)	(86)	112.7
<b>Net profit</b>	<b>240</b>	<b>295</b>	<b>609</b>	<b>106.6</b>	<b>153.4</b>	<b>859</b>	<b>1,156</b>	<b>34.6</b>
Non-recurring	5	(1)	311	nm	5,810.3	(12)	-	nm
<b>Core net profit</b>	<b>235</b>	<b>296</b>	<b>298</b>	<b>0.8</b>	<b>26.8</b>	<b>871</b>	<b>1,156</b>	<b>32.8</b>
EPS (THB)	0.26	0.32	0.66	106.6	153.4	0.80	1.08	34.6
Core EPS (THB)	0.25	0.32	0.32	0.8	26.8	0.81	1.08	32.8

Sources: SSP; FSSIA estimates

## LPN DEVELOPMENT (LPN TB) - No excitement in 2Q22; HOLD TP THB4.60

### Weak 2Q22 earnings missed consensus estimate

LPN reported a weak 2Q22 net profit of THB147m, down 23% q-q but up 22% y-y – 5% below Bloomberg's consensus forecast and 9% below our estimate. Revenue dropped q-q to THB2b, down 10% q-q but up 46% y-y. The key culprit for the q-q weaker performance was the lower revenue recognised from residential condominium projects, but the y-y improvement was driven by significant growth in the sales volume (presales) of residential condominiums to THB1.84b, up 11% q-q and 48% y-y, while low-rise single house revenue grew 32% q-q to 740m, but slid 11% y-y. The gross margin dipped to 25.8%, down from 26.2% in 1Q22 and 31.7% in 2Q21, due to the lower gross margins across three business segments: residential sales (22%), rental & service (31.5%), and service and management (42.3%).

### Challenging outlook ahead

In 2Q22, real estate sales were at THB1.5b, down 14% q-q but up 57% y-y, dragged down by 22% q-q weaker sales from the high-rise condominium segment that was partly offset by a 4% q-q rise in revenue from the low-rise segment. LPN's presales rose from THB2.2b in 1Q22 to THB2.6b in 2Q22, driven by the increase in the high-rise sector (+11% q-q, +48% y-y). In 2022, LPN maintains its gross sales volume target at THB13b and aims to launch 16 new projects worth THB11b, comprising 5 residential condominium projects worth THB7b, 10 single house projects worth THB3.3b, and one premium single house project worth THB700m.

### Cost control remained a key risk

Given the rising prices of steel and other construction materials, LPN faced a higher SG&A to sales ratio, which rose from 13.8% in 1Q22 to 14.8% in 2Q22. The weaker gross margin and higher SG&A to sales ratio resulted in a lower net profit margin at 7.4% in 2Q22, down from 8.7% in 1Q22 and 8.9% in 2Q21. We expect the SG&A to sales ratio to remain high in 2H22 and expect the net profit margin to stay below 8%.

### Maintain HOLD; cost pressure remains key

We think LPN will continue to see a challenging earnings outlook in 2H22-2023, given the interest rate uptrend, high material cost, and demand slowdown.

### Exhibit 11: LPN - 2Q22/1H22 operations summary

Year to Dec 31	2Q21	1Q22	2Q22	Change		2Q22	1H22			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%22E	(THB m)	(y-y%)	%22E	(THB m)	(y-y%)
<b>Sales</b>	<b>1,361</b>	<b>2,205</b>	<b>1,986</b>	<b>(10)</b>	<b>46</b>	<b>25</b>	<b>4,191</b>	<b>51</b>	<b>52</b>	<b>8,072</b>	<b>45</b>
Gross profit	431	577	513	(11)	19	22	1,090	24	46	2,383	48
Operating costs	(235)	(305)	(294)	(4)	25	22	(599)	24	46	(1,316)	24
<b>Operating profit</b>	<b>196</b>	<b>272</b>	<b>220</b>	<b>(19)</b>	<b>12</b>	<b>21</b>	<b>491</b>	<b>24</b>	<b>46</b>	<b>1,067</b>	<b>94</b>
Operating EBITDA	223	298	246	(17)	10	21	544	22	46	1,178	79
Other income	8	10	6	(42)	(33)	18	15	27	49	31	9
Other expense	0	0	0	n/a	n/a	n/a	0	-	-	0	-
Interest expense	(54)	(37)	(41)	10	(24)	20	(78)	(21)	39	(199)	5
<b>Profit before tax</b>	<b>151</b>	<b>244</b>	<b>184</b>	<b>(24)</b>	<b>22</b>	<b>21</b>	<b>429</b>	<b>39</b>	<b>48</b>	<b>898</b>	<b>130</b>
Tax	(29)	(52)	(37)	(29)	27	19	(88)	44	46	(191)	130
Associates	(1)	(1)	(0)	n/a	n/a	3	(1)	(46)	27	(5)	0
Minority interests	(0)	(0)	(0)	n/a	(48)	17	(0)	(37)	44	(0)	45
Non-recurring items	0	0	0	n/a	n/a	n/a	0	-	-	0	-
<b>Reported net profit</b>	<b>121</b>	<b>191</b>	<b>147</b>	<b>(23)</b>	<b>22</b>	<b>21</b>	<b>339</b>	<b>39</b>	<b>48</b>	<b>703</b>	<b>132</b>
<b>Recurring net profit</b>	<b>121</b>	<b>191</b>	<b>147</b>	<b>(23)</b>	<b>22</b>	<b>21</b>	<b>339</b>	<b>39</b>	<b>48</b>	<b>703</b>	<b>132</b>
EPS (THB)	0.08	0.13	0.10	(23)	22	20.98	0.23	39	48	0.48	132
Recurring EPS (THB)	0.08	0.13	0.10	(23)	22	20.98	0.23	39	48	0.48	132
BV/share (THB)	7.78	7.80	7.90	1	2		15.71			7.87	2
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>		<b>(%)</b>	<b>(ppt)</b>		<b>(%)</b>	<b>(ppt)</b>
<b>Gross margin</b>	<b>31.7</b>	<b>26.2</b>	<b>25.8</b>	<b>(0)</b>	<b>(6)</b>		<b>26.0</b>	<b>(6)</b>		<b>29.5</b>	<b>(3)</b>
GM of residential sales	25.8	22.0	22.0	(0)	(4)						
GM of rental & service	37.3	35.5	31.5	(4)	(6)						
GM of service & management	48.8	47.0	42.3	(5)	(7)						
<b>Operating margin</b>	<b>14.4</b>	<b>12.3</b>	<b>11.1</b>	<b>(1)</b>	<b>(3)</b>		<b>11.7</b>			<b>13.2</b>	<b>(1)</b>
EBITDA margin	16.4	13.5	12.4	(1)	(4)		13.0			14.6	(1)
Recurring net margin	8.9	8.7	7.4	(1)	(1)		8.1			8.7	(1)
<b>SG&amp;A / Sales</b>	<b>17.3</b>	<b>13.8</b>	<b>14.8</b>	<b>1</b>	<b>(2)</b>		<b>14.3</b>			<b>16.3</b>	<b>(2)</b>
Effective tax rate	19.1	21.2	19.9	(1)	1		20.6			21.2	0
<b>Key operating statistics</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>		<b>(THB m)</b>	<b>(y-y%)</b>			
<b>Presales</b>	<b>2,070</b>	<b>2,220</b>	<b>2,580</b>	<b>16</b>	<b>25</b>		<b>4,800</b>	<b>15</b>			
High-rise	1,240	1,660	1,840	11	48		3,500	28			
Low-rise	830	560	740	32	(11)		1,300	(9)			
% High-rise	60	75	71				73				
% Low-rise	40	25	29				27				
<b>Sales of real estate</b>	<b>977</b>	<b>1,785</b>	<b>1,539</b>	<b>(14)</b>	<b>57</b>		<b>3,324</b>	<b>63</b>			
High-rise	532	1,230	960	(22)	80		2,189	81			
Low-rise	445	555	580	4	30		1,135	37			
% High-rise	54	69	62				66				
% Low-rise	46	31	38				34				
<b>Backlog</b>	<b>2,700</b>	<b>2,450</b>	<b>2,480</b>	<b>1</b>	<b>(8)</b>						

Sources: LPN; FSSIA estimates

## Results Comments

### Thaicom (THCOM TB, HOLD, TP THB9.20) - 2Q22 results were better than expected

- THCOM's core profit in 2Q22 was at THB64m, better than the consensus expectation of THB38m thanks to the better-than-expected revenue and cost minimization
- The company's revenue increased by 7% q-q to THB737m thanks to the revenue from occasional services. However, its own satellite TC7 and TC8 have a lower utilisation rate of 52% vs 54% in 1Q22 due to the lower utilisation rate of domestic broadcast customers.
- The company's operating profit in 2Q22 has improved to THB171m (+23% q-q) thanks to the growth in its revenue and cost management;
- The company has recognized an exchange gain of THB229m thanks to the depreciation of THB vs USD. They also have the reversal gain from impairment of THB16m. As a result, the company has an extra gain in this quarter of THB245m, making the company's reported net profit hit THB309m.
- The loss from Lao Telecommunications (LTC) remains high at THB104m vs THB74m in 1Q22 due to the appreciation of the US dollar against the Lao kip, resulting in a loss from the mark-to-market of its accrued dividend and US dollar loan.

#### Exhibit 12: 2Q22 results review

	2Q21	1Q22	2Q22	Change		1H21	1H22	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Revenue</b>	<b>796</b>	<b>691</b>	<b>737</b>	<b>6.6</b>	<b>(7.4)</b>	<b>1,584</b>	<b>1,427</b>	<b>(9.9)</b>	<b>2,350</b>
Operating costs	(650)	(349)	(377)	8.0	(41.9)	(1,299)	(727)	(44.1)	(1,363)
<b>Gross profit</b>	<b>146</b>	<b>341</b>	<b>359</b>	<b>5.2</b>	<b>146.8</b>	<b>284</b>	<b>700</b>	<b>146.4</b>	<b>987</b>
SG&A expenses	(222)	(201)	(188)	(6.7)	(15.2)	(427)	(389)	(8.8)	(883)
<b>EBIT</b>	<b>(76)</b>	<b>140</b>	<b>171</b>	<b>22.5</b>	<b>n/a</b>	<b>(142)</b>	<b>311</b>	<b>(318.5)</b>	<b>104</b>
Depn & amort.	339	143	152	5.9	(55.2)	677	295	(56.4)	454
<b>EBITDA</b>	<b>263</b>	<b>283</b>	<b>323</b>	<b>14.1</b>	<b>22.9</b>	<b>535</b>	<b>607</b>	<b>13.5</b>	<b>558</b>
<i>EBITDA margin (%)</i>	33	41	44	<i>nm</i>	<i>nm</i>	34	43	<i>nm</i>	24
Interest expense	(40)	(28)	(28)	1.7	(28.7)	(80)	(56)	(30.1)	(114)
Other income	41	34	41	20.9	(0.7)	128	75	(41.7)	223
Extra items	59	40	245	517.4	314.1	210	285	35.5	-
Associates	(4)	(74)	(104)	41.4	2,336.4	(20)	(178)	<i>n/a</i>	23
<b>Pretax profit</b>	<b>(20)</b>	<b>112</b>	<b>325</b>	<b>n/a</b>	<b>(1,746.7)</b>	<b>95</b>	<b>436</b>	<b>357.7</b>	<b>237</b>
Tax	(22)	(61)	(15)	(74.6)	(28.2)	(26)	(77)	193.5	(47)
<i>Tax rate (%)</i>	109	(55)	(5)	<i>nm</i>	<i>nm</i>	(27)	(18)	<i>nm</i>	(20)
<b>Net profit</b>	<b>(41)</b>	<b>51</b>	<b>309</b>	<b>511.2</b>	<b>n/a</b>	<b>69</b>	<b>360</b>	<b>419.5</b>	<b>190</b>
<b>Core net profit</b>	<b>(101)</b>	<b>11</b>	<b>64</b>	<b>488.3</b>	<b>n/a</b>	<b>(141)</b>	<b>75</b>	<b>n/a</b>	<b>190</b>
EPS (THB)	(0.04)	0.05	0.28	511.2	<i>n/a</i>	0.06	0.33	419.5	0.17
Core EPS (THB)	(0.09)	0.01	0.06	488.3	<i>n/a</i>	(0.13)	0.07	<i>n/a</i>	0.17

Sources: THCOM; FSSIA estimates

## Economic news

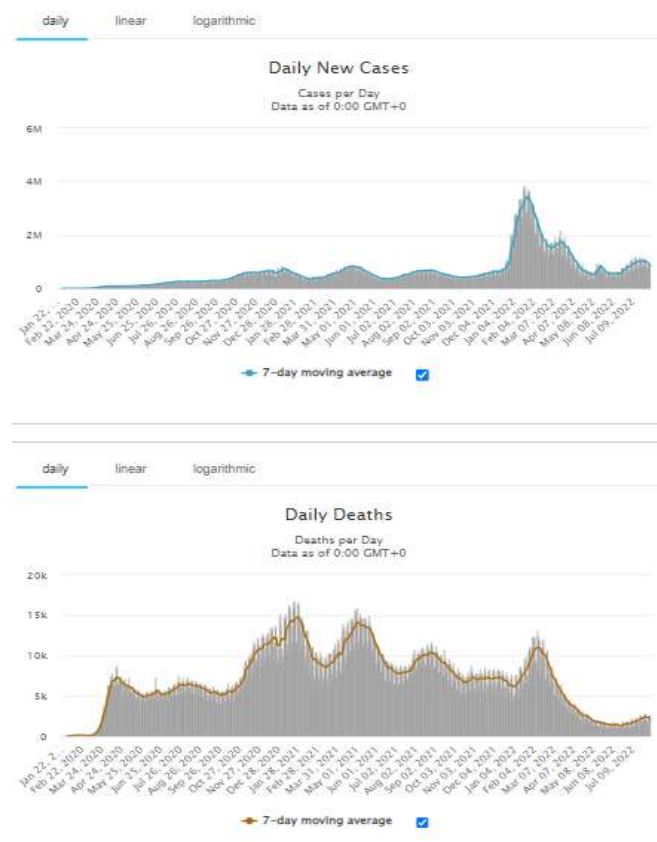
- COVID-19 cases as of 7 Aug globally reaches **589,302,319** with new 554,551 cases and 780 new deaths. There are 22,356,684 currently infected patients, with 43,724 (0.2%) cases in serious condition.

Exhibit 13: Top 25 countries by new cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	589,302,319	554,551	6,436,397	780
1 Japan	14,049,978	214,879	33,509	161
2 S. Korea	20,489,128	105,507	25,263	27
3 Italy	21,313,427	26,656	173,136	74
4 Australia	9,638,079	22,616	12,321	32
5 Taiwan	4,738,861	22,044	9,229	42
6 France	34,074,568	21,528	152,537	
7 Russia	18,712,699	20,303	382,741	44
8 Mexico	6,854,180	14,448	328,306	85
9 India	44,160,106	14,374	526,689	
10 USA	93,908,666	11,062	1,058,738	12
11 Chile	4,306,955	9,811	59,800	27
12 Brazil	34,018,371	7,198	680,051	39
13 Iran	7,440,422	5,477	142,461	63
14 Singapore	1,759,575	4,798	1,539	3
15 Austria	4,787,491	4,751	19,199	5
16 Philippines	3,803,955	4,621	60,807	18
17 Indonesia	6,244,978	4,279	157,095	13
18 Hong Kong	1,385,242	4,274	9,540	4
19 Serbia	2,164,435	4,182	16,356	9
20 Romania	3,115,992	3,518	66,179	8
21 New Zealand	1,656,229	3,518	2,380	18
22 Malaysia	4,708,552	2,728	36,026	6
23 Bolivia	1,062,772	2,288	22,091	2
24 Thailand	4,605,609	2,250	31,599	35
25 Kazakhstan	1,366,832	1,988	13,668	

Source: worldometers.info

Exhibit 14: Global by new cases and deaths



Source: worldometers.info

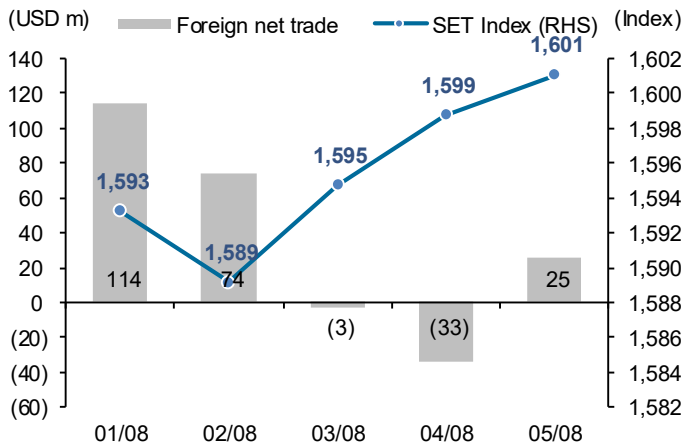
- BMA to levy land taxes in full** BANGKOK POST The Bangkok Metropolitan Administration (BMA) is planning to fully collect land and building taxes on land used for agricultural purposes after landlords and property owners allegedly exploited tax cuts to avoid higher taxes, a source said. Under current regulations, land plots used for agricultural purposes are subject to a land tax of 0.01-0.1%, depending on their value. The full rate is 0.15%, which has a tax liability of 1,500 baht per 1 million baht. However, the full rate is being planned on land used for agricultural purposes in three zones -- commercial (red), industrial (purple) and warehouse (lilac) -- under the city planning law, the source said.
- Green Line extension no longer free, Ride fares to start from 14 baht** BANGKOK POST: The Bangkok Metropolitan Administration plans to start charging fares on the extension sections of the BTS Green Line in mid-September. The maximum fare will be capped at 59 baht per ride. The Mo Chit-Khu Khot and Bearing-Samut Prakan sections have been offered free to passengers for almost two years. Deputy Bangkok governor Wisanu Subsompon said the fare for riding the Green Line train on any of these two sections alone will start from 14 baht while the maximum fare within the same extension will be 44 baht per ride. The fare is the same rate that currently applies to the Green Line's previous extension known as the first extension, he said. The Green Line comprises the Silom and Sukhumvit Lines. The first extension included Wong Wian Yai to Bang Wa stations on the Silom Line and On Nut to Bearing on the Sukhumvit Line. Just as on the Green Line's first extension, whenever passengers enter any of the two new sections of the second extension, they will be charged 14 baht. The fare will increase two baht per station, he said.
- Taiwan tensions threaten supply of semiconductors** BANGKOK POST: The growing tensions between China and Taiwan have left the Thai automotive industry facing fresh concerns as manufacturers fear China may ban the export of raw materials for chipmaking to Taiwan, aggravating the prolonged global shortage of semiconductors, says the Federation of Thai Industries (FTI). Higher car prices, including those of electric vehicles (EVs), are expected if the chip scarcity continues, according to the FTI's automotive club. China started military exercises in the seas near Taiwan, following the recent visit of US House Speaker Nancy Pelosi to what Beijing regards as a breakaway province. Chinese authorities also banned the import of some fruits and fish products from Taiwan, according to media reports. If the China-Taiwan relationship escalates and Beijing decides not to export silica sand, which is needed for chipmaking, to Taiwan, the semiconductor shortage will worsen, said Surapong Paisitpatanapong, vice-chairman and spokesman for the FTI's automotive club.

## Corporate news

- **Borrowers prepare to take a hit** BANGKOK POST : Some business sectors are concerned about the effect of the Bank of Thailand's anticipated interest rate hike on companies and the public, while related private and state organisations have vowed to do their best to mitigate the impact. The central bank's Monetary Policy Committee (MPC) is scheduled to hold its next policy meeting on Aug 10, when economists expect the rate to be increased from the current record low of 0.50%, which has remained unchanged since May 2020. A rate hike will be aimed at taming persistently high inflation. The Federation of Thai SMEs is worried about a higher policy rate and is calling for authorities to prepare measures to help small and medium-sized enterprises (SMEs) deal with the impact. A rate increase will increase financial costs, reduce financial liquidity, and cause SMEs to lose competitiveness in the market, said Sangchai Theerakulwanich, president of the federation.
- **Prep required for cybersecurity rules** BANGKOK POST The National Cyber Security Agency (NCSA) is urging organisations associated with critical information infrastructure (CII) to accelerate efforts to comply with two upcoming regulations regarding minimal requirements for their cyberdefence practices and responsibility for their sectoral computer emergency response teams (CERTs). The regulation on guidelines and standard practices for CII-linked organisations' cyberdefence is set to be enforced on Sept 6, while the legislation which defines the duty and responsibility of sectoral CERTs is set to come into effect on Aug 23. "These are two regulations under the Cybersecurity Act that will come into effect over the next two months, and they will raise the bar of Thailand's cybersecurity," Paiboon Amonpinyokeat, a member of the National Cyber Security Committee, told the Bangkok Post. Gp Capt Amorn Chomchoey, deputy secretary-general of the NCSA, said there are some 60 CII-linked organisations in the country.
- **Easy loans for all** BANGKOK POST Major banks have continued to tap the underbanked, aiming to promote financial inclusion and further expand their customer base. The banks have leveraged partnerships and digital technology to provide financial services to underbanked groups. Last month Kasikornbank (KBank) announced a 100-billion-baht strategic programme aimed at boosting access to banking services among the unbanked and underbanked population as well as very small businesses. The programme includes accelerated investments in technology, technology-related acquisitions, commercial partnerships, organisational development, as well as adopting other technology-driven methods to boost access to banking services among a broader range of the public.
- **Small firms to receive TCG loan guarantees** BANGKOK POST: Thai Credit Guarantee Corporation (TCG) will provide its loan guarantee service through its bank partners' e-wallets as part of a strategy to help around 3 million small merchants access loans from financial institutions, said president Sittikorn Direksoonthorn. He said that these small merchants, such as street vendors, have extreme difficulty in accessing such loans. In the past it had been difficult bringing some groups of people into financial institutions' loan systems. But over the past three years, digital technology has made it easier to help people access credit, Mr Sittikorn said. According to TCG's survey of loan demand in Chiang Mai, the small merchants in the province have applied for smaller loans, on average around 30,000-50,000 baht per person, a significant reduction from an average of 120,000 baht per person in its previous survey.
- **Warner Bros. Discovery Weighs Free Ad-Supported Streaming Plan** BANGKOK POST: Warner Bros. Discovery Inc. is exploring launching a free, ad-supported streaming service, its chief executive said, the latest effort by a streaming giant to reach a broader audience as the competition for users intensifies. The new company, the result of Discovery's merger with AT&T Inc.'s WarnerMedia earlier this year, will first focus on a previously announced plan to combine its two main streaming services, HBO Max and Discovery+, executives said during a call with investors. The combined subscription platform will be rolled out starting in the U.S. next summer, said JB Perrette, the company's CEO of global streaming. Once that service has been launched, the company sees potential for a free, ad-supported offering, chief executive David Zaslav said. discharge of the employee's duty, such employee may be dismissed by the employer without notice or compensation.

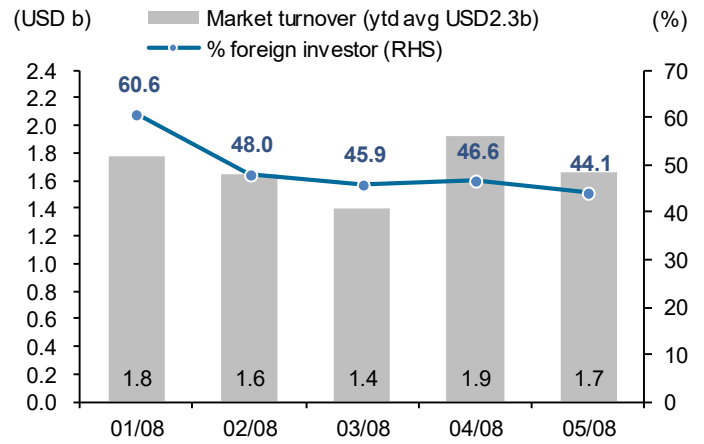


Exhibit 15: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 16: Foreign participation



Source: Bloomberg

Exhibit 17: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
<b>% of SET Index</b>			22%	9%	9%	10%	6%	6%	4%	8%	3%
Current	1,601.09	0.1	(0.2)	1.5	0.3	0.2	(0.0)	0.1	0.4	0.5	(0.7)
-5D	1,576.41	1.6	0.4	1.0	2.4	0.7	0.7	1.8	(0.5)	2.2	0.1
-1M	1,557.87	2.8	1.4	3.1	1.0	0.6	(1.8)	3.6	(1.0)	1.1	(3.5)
-3M	1,629.58	(1.7)	(1.2)	(2.1)	(17.4)	(7.6)	0.6	(0.9)	(0.7)	4.3	(5.4)
-6M	1,684.23	(4.9)	(4.5)	(15.5)	(9.9)	(6.6)	(3.0)	(3.9)	(6.8)	6.5	(15.8)
-1Y	1,521.72	5.2	9.1	14.2	21.0	1.1	(6.9)	17.0	(11.8)	13.2	(5.7)
WTD	1,601.09	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MTD	1,576.41	1.6	0.4	1.0	2.4	0.7	0.7	1.8	(0.5)	2.2	0.1
QTD	1,568.33	2.1	1.5	(0.3)	1.4	1.5	(2.6)	2.8	(1.1)	0.8	(4.7)
End of 2021	1,657.62	(3.4)	(1.5)	(11.3)	(8.7)	(5.3)	(3.2)	0.4	(6.5)	8.2	(11.1)

Source: Bloomberg

Exhibit 18: 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)	
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
<b>2022YTD</b>	<b>1,601.09</b>	<b>(3.4)</b>	<b>34.14</b>	<b>76,972</b>	<b>2,255</b>	<b>3,684</b>	<b>(673)</b>	<b>71</b>	<b>(3,081)</b>	<b>3,350</b>
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	1,601.09	(0.3)	36.18	61,186	1,691	242	103	28	(374)	75
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	1,576.41	3.6	36.37	58,263	1,602	128	156	(12)	(271)	(96)
Aug-22	1,601.09	(2.3)	36.00	64,109	1,781	114	(53)	41	(103)	171
<b>2022YTD</b>	<b>1,601.09</b>	<b>(3.4)</b>	<b>34.14</b>	<b>76,972</b>	<b>2,255</b>	<b>3,684</b>	<b>(673)</b>	<b>71</b>	<b>(3,081)</b>	<b>3,350</b>
8/1/2022	1,593.24		36.01	82,257	2,284	51	(62)	(5)	16	144
8/2/2022	1,589.16		36.13	59,464	1,646	74	(10)	5	(69)	13
8/3/2022	1,594.73		36.28	50,898	1,403	(3)	16	11	(24)	28
8/4/2022	1,598.75		36.03	69,088	1,918	(33)	12	33	(12)	(13)
8/5/2022	1,601.09		35.57	58,838	1,654	25	(8)	(3)	(14)	

Source: Bloomberg



## Exhibit 19: Upcoming events

Date Time	Event		Survey	Actual	Prior	Revised
08/05/2022 09:30	CPI Core YoY	Jul	2.63%	2.99%	2.51%	--
08/05/2022 09:30	CPI NSA MoM	Jul	0.00%	-0.16%	0.90%	--
08/05/2022 09:30	CPI YoY	Jul	8.00%	7.61%	7.66%	--
08/05/2022 14:30	Forward Contracts	29-Jul	--	\$28.5b	\$28.6b	--
08/05/2022 14:30	Foreign Reserves	29-Jul	--	\$220.0b	\$218.0b	--
08/09/2022 10:30	Consumer Confidence Economic	Jul	--	--	35.7	--
08/09/2022 10:30	Consumer Confidence	Jul	--	--	41.6	--
08/10/2022 14:00	BoT Benchmark Interest Rate	10-Aug	0.75%	--	0.50%	--
08/11/2022 14:30	Forward Contracts	5-Aug	--	--	\$28.5b	--
08/11/2022 14:30	Foreign Reserves	5-Aug	--	--	\$220.0b	--
08/15/2022 09:30	GDP SA QoQ	2Q	0.80%	--	1.10%	--
08/15/2022 09:30	GDP YoY	2Q	2.40%	--	2.20%	--
08/18/2022 08/24	Car Sales	Jul	--	--	67952	--
08/23/2022 11:30	Bloomberg Aug. Thailand Economic Survey					
08/24/2022 10:30	Customs Exports YoY	Jul	--	--	11.90%	--
08/24/2022 10:30	Customs Imports YoY	Jul	--	--	24.50%	--
08/24/2022 10:30	Customs Trade Balance	Jul	--	--	-\$1529m	--
08/26/2022 08/30	Mfg Production Index ISIC NSA YoY	Jul	--	--	-0.08%	--
08/26/2022 08/30	Capacity Utilization ISIC	Jul	--	--	62.41	--
08/31/2022 14:00	BoP Current Account Balance	Jul	--	--	-\$1873m	--
08/31/2022 14:30	Exports YoY	Jul	--	--	11.10%	--
08/31/2022 14:30	Exports	Jul	--	--	\$26234m	--
08/31/2022 14:30	Imports YoY	Jul	--	--	24.30%	--
08/31/2022 14:30	Imports	Jul	--	--	\$24175m	--
08/31/2022 14:30	Trade Balance	Jul	--	--	\$2059m	--
08/31/2022 14:30	BoP Overall Balance	Jul	--	--	-\$3308m	--
09/01/2022 07:30	S&P Global Thailand PMI Mfg	Aug	--	--	52.4	--
09/01/2022 14:30	Business Sentiment Index	Aug	--	--	49.4	--
09/05/2022 10:30	CPI YoY	Aug	--	--	7.61%	--
09/05/2022 10:30	CPI NSA MoM	Aug	--	--	-0.16%	--
09/05/2022 10:30	CPI Core YoY	Aug	--	--	2.99%	--
09/08/2022 09/12	Consumer Confidence Economic	Aug	--	--	--	--
09/08/2022 09/12	Consumer Confidence	Aug	--	--	--	--

Source: Bloomberg

## Exhibit 20: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Kiatnakin Phatra Bank (KKP)	Banyong Pongpanich	Common Shares	4/8/2022	80,900	65.00	Buy	5.26
Project Planning Service (PPS)	Phongthon Tharachai	Common Shares	2/8/2022	550,000	0.58	Sell	0.32

Source: SEC

## Exhibit 21: Upcoming XM

Symbol	X-Date	Meeting Date	Type of Meeting	Agenda	Venue
GLOCON	8/8/2022	9/8/2022	EGM	Paid up capital reduction	E-EGM
BAY	8/9/2022	9/1/2022	EGM	Acquisition and disposition of assets, Changing the director(s)	E-EGM
STHAI	8/11/2022	9/9/2022	EGM	To Consider and approve the amendment of the Memorandum of Association Clause 3. (Objectives) by increasing the Company's objectives to operate and sell steam	E-EGM
JASIF	8/18/2022	9/23/2022	EGM	To consider and approve the waiver and/or amendment to certain provisions of the Benefits Seeking Agreements, termination the relevant Benefits Seeking Agreements	E-EGM
WAVE	8/18/2022	9/13/2022	EGM	Capital increase	E-EGM
STARK	8/29/2022	9/23/2022	EGM	Capital increase, Acquisition and disposition of assets	E-EGM

Source: SET

## Exhibit 22: Upcoming XR

Symbol	X-Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Allotted Shares (Shares)
BR	8/18/2022	Warrants	-	Baht	2 : 1	456,723,279
JP	8/23/2022	Warrants	-	Baht	2 : 1	227,500,000
MBAX	8/24/2022	Warrants	-	Baht	3 : 1	63,965,047
SABUY	9/1/2022	Warrants	-	Baht	5 : 2	616,428,376

Source: SET

## Exhibit 23: Upcoming XD

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Par
SCGP	8/8/2022	0.25	Baht	01/01/2022 - 30/06/2022	NP	8/24/2022	1
BMSCITH	8/8/2022	0.3	Baht	-	RE	8/24/2022	10
SCC	8/10/2022	6	Baht	01/01/2022 - 30/06/2022	NP	8/26/2022	1
RAM	8/10/2022	0.25	Baht	-	RE	8/26/2022	0.1
1DIV	8/11/2022	0.2	Baht	-	RE	8/30/2022	10.5049
INETREIT	8/15/2022	0.228	Baht	01/04/2022 - 30/06/2022	NP	8/29/2022	10
PTTEP	8/15/2022	4.25	Baht	01/01/2022 - 30/06/2022	Both	8/26/2022	1
CPNCG	8/16/2022	0.235	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10.3
DIF	8/16/2022	0.26	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
FTREIT	8/16/2022	0.175	Baht	01/04/2022 - 30/06/2022	NP	9/1/2022	9.5363
POPF	8/16/2022	0.2544	Baht	01/04/2022 - 30/06/2022	Both	9/5/2022	10
PPF	8/16/2022	0.17	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
SIRIP	8/16/2022	0.05	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
TFM	8/16/2022	0.05	Baht	01/01/2022 - 30/06/2022	NP	8/31/2022	2
CPNREIT	8/17/2022	0.28	Baht	01/04/2022 - 30/06/2022	NP	9/2/2022	12.0402
TPRIME	8/17/2022	0.113	Baht	01/04/2022 - 30/06/2022	NP	9/6/2022	8.7305
LPN	8/17/2022	0.1	Baht	01/01/2022 - 30/06/2022	NP	9/1/2022	1
BOL	8/18/2022	0.13	Baht	01/01/2022 - 30/06/2022	NP	9/2/2022	0.1
INSET	8/18/2022	0.04	Baht	01/01/2022 - 30/06/2022	NP	9/1/2022	0.5
RCL	8/18/2022	1.75	Baht	01/01/2022 - 30/06/2022	Both	9/2/2022	1

Source: SET

## Exhibit 24: New securities

Warrants	Trade Date	Underlying	Market	Maturity Date	Initial Price (Baht)	Exercise Price (Baht)	
LEO-W1	8/8/2022	LEO	mai	26/07/2024	-	22	
Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
AEONTS42C2302G	8/8/2022	AEONTS	MST	Call	SET	3/3/2023	248.16
AOT16C2212A	8/8/2022	AOT	TNS	Call	SET	6/1/2023	101.5
AOT42C2301G	8/8/2022	AOT	MST	Call	SET	3/2/2023	100.46
CHG42C2301G	8/8/2022	CHG	MST	Call	SET	3/2/2023	5.36
COM719P2212A	8/8/2022	COM7	YUANTA	Put	SET	9/12/2022	22.76
FORTH13C2212A	8/8/2022	FORTH	KGI	Call	SET	9/12/2022	70
GEELY41C2212A	8/8/2022	GEELY	JPM	Call	SET	5/1/2023	21.5
GEELY41P2212A	8/8/2022	GEELY	JPM	Put	SET	5/1/2023	14.5
GUNKUL41C2301A	8/8/2022	GUNKUL	JPM	Call	SET	11/1/2023	6
HANA42C2212G	8/8/2022	HANA	MST	Call	SET	5/1/2023	66.43
IVL13C2212A	8/8/2022	IVL	KGI	Call	SET	15/12/2022	59.5
KBANK41P2212A	8/8/2022	KBANK	JPM	Put	SET	8/12/2022	115
KTB42C2301G	8/8/2022	KTB	MST	Call	SET	3/2/2023	22.14
MTC13C2212A	8/8/2022	MTC	KGI	Call	SET	9/12/2022	66.25
PTTGC19C2212A	8/8/2022	PTTGC	YUANTA	Call	SET	9/12/2022	55.64
SAWAD16C2211A	8/8/2022	SAWAD	TNS	Call	SET	7/12/2022	71
SCB41P2212A	8/8/2022	SCB	JPM	Put	SET	8/12/2022	81
SCC19C2212A	8/8/2022	SCC	YUANTA	Call	SET	9/12/2022	489.35
SPRC19C2212A	8/8/2022	SPRC	YUANTA	Call	SET	9/12/2022	13.38
SPRC42C2301G	8/8/2022	SPRC	MST	Call	SET	3/2/2023	15.62
STEC13C2212A	8/8/2022	STEC	KGI	Call	SET	15/12/2022	16
STGT42C2301G	8/8/2022	STGT	MST	Call	SET	3/2/2023	23.1
TRUE13C2212A	8/8/2022	TRUE	KGI	Call	SET	9/12/2022	6.6

Source: SET