

22 JANUARY 2024

SPOTLIGHT ON THAILAND

Published Reports

- BANGKOK BANK (BBL TB) - More robust than expected asset quality; Maintain BUY TP THB191.00

Results Comments

- KBANK (BUY: TP@THB160) Continued cleaning up balance sheet
- TTB (HOLD: TP@THB1.79) - Limited earnings downside risks
- SCB (BUY: TP@THB121) - No catalysts but attractive dividend yields
- KTB (BUY: TP@THB23.10) - Deteriorated asset quality
- KTC (HOLD: TP@THB49) - 4Q23 results in line with ours and consensus estimate

Economics

- India asks Thailand to invest in fishing, tourism in Andaman, Nicobar islands
- China widens South America trade highway
- Ministry continues to monitor product prices
- Asian shares rebound as chipmakers jump
- Free trade talks slated to resume with EU
- Thai lithium deposit figures hotly debated
- Vietnam-Europe air freight surges amid Red Sea strife

Corporate News

- Go Wholesale expansion to continue
- Auto loan segment volatile
- Thai BYD dealerships to triple in two years
- Indonesia says BYD to invest \$1.3 billion to boost output
- SET expects volume of IPOs to increase in 2024

Indices	Index as of 19-Jan-24	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,383	0.3	(2.4)	(488)
China SHCOMP	2,832	(0.5)	(4.8)	
Hong Kong HSI	15,309	(0.5)	(10.2)	
India SENSEX	71,683	(0.4)	(1.1)	(1,823)
Indonesia JCI	7,227	(0.4)	(0.6)	407
Korea KOSPI	2,473	1.3	(6.9)	1,376
MY FBMKLCI	1,486	0.5	2.2	
PH PCOMP	6,504	(0.1)	0.8	63
SG FSSTI	3,152	0.4	(2.7)	
Taiwan TWSE	17,682	2.6	(1.4)	(1,836)
VN VNINDEX	1,182	1.1	4.6	13
MSCI Emerging	971	1.0	(5.2)	
Nikkei 225	35,963	1.4	7.5	
FTSE 100	7,462	0.0	(3.5)	
CAC 40	7,372	(0.4)	(2.3)	
DAX	16,555	(0.1)	(1.2)	
Dow Jones	37,864	1.1	0.5	
Nasdaq	15,311	1.7	2.0	
S&P 500	4,840	1.2	1.5	
Brent	78.56	(0.7)	2.0	
Dubai	80.15	2.2	4.8	
WTI	73.41	(0.9)	2.5	
GOLD	2,029.49	0.3	(1.6)	
Trade data (THB m)	Buy (THB m)	Sell (THB m)	Net (THB m)	Share (%) (THB m)
Foreign	27,445	28,678	(1,233)	57
Retail	14,298	12,027	2,272	27
Prop Trade	2,939	3,397	(458)	6
Local Institution	4,584	5,165	(581)	10
Total Trade	49,266	49,266	0	100
Rates	Last close 19/1/2024	1M ago 19/12/2023	End last yr 29/12/2023	1yr ago 19/1/2023
THB/USD	35.52	35.00	34.14	33.04
Inflation *	(0.83)	(0.44)	5.89	5.89
MLR **	7.12	7.12	7.12	6.23
1Y Fixed *	1.65	1.65	1.65	0.99
Govt bond 10Y	2.75	2.78	2.68	2.44
Commodity (USD/bbl)	Last close 19/1/2024	1M ago 19/12/2023	End last yr 29/12/2023	1yr ago 19/1/2023
Brent	78.56	79.23	77.04	86.16
Dubai	80.15	76.64	76.51	80.66
WTI	73.41	73.44	71.65	80.33
Gold	2,029	2,040	2,063	1,932
Baltic Dry	1,503	2,094	2,094	763
(USD/ton)	19-Jan-24	12-Jan-24	25-Dec-20	20-Jan-23
Coal	129.77	135.95	84.45	367.23
% change	(4.5)	(20.0)	53.7	(64.7)

* chg y-y% last at end of most recent month end; ** Avg of 4 major banks;

Sources: Bloomberg, except coal from BANPU

FSSIA Thailand Research

Jitra Amornthum, Head of Research
 Songklod Wongchai, Strategy | +66 2646 9970 | songklod.won@fssia.com
 Veeravat Virochpoka, Strategy | +66 2646 9965 | veeravat.v@fssia.com
 Usanee Liuruti, Banks & Finance | +66 2646 9967 | usanee.l@fssia.com
 Sureeporn Teewasuwet, Foods & Beverage | +66 2646 9972 | sureeporn.t@fssia.com
 Thanyatorn Songwutti, Property | +66 2646 9963 | thanyatorn.s@fssia.com
 Teerapol Udomvej, Healthcare, Tourism & Aviation | +66 2646 9969 | teerapol.u@fssia.com
 Thada Jiracharoenyong, RA | +66 2646 9964 | thada.j@fssia.com
 Maeta Cherdasatirakul, RA | +66 2646 9971 | maeta.c@fssia.com
 Manida Sithiseree | +66 2611 3590/91 | manida.s@fnsyus.com
 Chaiyon Rerkkriengkrai | +66 2611 3592/93 | chaiyon.r@fnsyus.com
 Napaporn Klongvanitchakij | +66 2611 3582/83 | napaporn.k@fnsyus.com
 Rattana Detphattharakoson | +66 2611 3580/71 | rattana.d@fnsyus.com
 Siriluk Kiatkosolkul | +66 2611 3584/85 | siriluk.k@fnsyus.com

Thailand Equity Sales:

Thailand Equity Trading:

Published Reports

BANGKOK BANK (BBL TB) - More robust than expected asset quality; Maintain BUY TP THB191.00

4Q23 profit was below our estimate and BBG's consensus

BBL reported a 4Q23 net profit of THB8.86b, 17% below our estimates and 19% below BBG's consensus, which decreased by 21.9% q-q but increased by 17.1% y-y. Key drags were from 1) a minor loss booking on FVTPL investment, which was much lower than our expected gain of THB2.0b, and 2) higher-than-expected seasonal operating expenses, causing the cost-to-income ratio to finish at 56.0% for 4Q23 and 48.8% for 2023, which was still below BBL's guidance of low 50%. PPOP was THB18.6b, dropping by 20.5% q-q but rising by 4.3% y-y. Net interest income delivered impressive growth of 3.0% q-q and 15.5% y-y, with NIM rising to 3.14%, up 8bp from 3Q23. Overall, 2023 NIM was 2.95%, exceeding BBL's guidance of 2.50%. 4Q23 loan growth contracted by 1.9% q-q and 0.4% y-y, due mainly to the repayment of commercial and business loans. Fee income was relatively stable q-q and slightly dropped y-y as expected. However, the lower-than-expected 4Q23 investment gains caused the non-NII to drop q-q but still have a strong growth y-y.

Asset quality was well under control

Asset quality had no cause for concern. The 2023 NPL ratio was better than expected, lowering to 2.70% (our calculation was 3.22%) – still much lower than BBL's 2023 guidance of 3.50%. The 4Q23 credit costs were also lower than expected at 109bp, down from 132bp in 3Q23. The 2023 credit costs increased to 126bp, exceeding BBL's guidance of 100bp, with a rising NPL coverage ratio of 315%.

Cautious view of 2024 business outlook

We have cut our 2024-25E net profit by 9.5% and 10.4% from the previous, resulting in a sluggish growth of 1.0% y-y and 4.1% y-y, respectively, as shown in Exhibit 3, due mainly to the revision of loan growth, non-NII growth, and credit cost. We have toned down our positive outlook on BBL due to 2024 headwinds for its overseas business since the 3Q23 analyst meeting in late October 2023.

Reiterate our BUY call with attractive dividend yields

We retain our BUY call due to its well-diversified operations. We have cut our GGM-based 2024 TP to THB191 (from THB198) to reflect our lower earnings forecast, implying a P/BV of 0.65x. The current share price is cheap, trading below its 5Y average P/BV of 0.60x, with attractive dividend yields of c4-5% p.a.

Exhibit 1: 2024-25E earnings revision

	New		Previous		Change	
	2024E (THB m)	2025E (THB m)	2024E (THB m)	2025E (THB m)	2024E (%)	2025E (%)
Net profit (THB m)	42,037	43,779	46,452	48,871	(9.5)	(10.4)
EPS (THB)	22.02	22.93	24.34	25.60	(9.5)	(10.4)
Target price (THB)	191		198			
Key statistics and ratios						
Net profit growth (%)	1.0	4.1	6.7	5.2		
NIM (%)	2.94	2.91	2.99	2.99		
Loan growth (%)	3.0	3.0	4.0	4.0		
Fee growth (%)	1.0	1.0	1.0	1.0		
Non-NII growth (%)	2.8	1.4	5.5	1.3		
Credit cost (bp)	129.1	121.7	123.0	120.0		
Cost to income (%)	48.9	49.4	47.7	47.7		
NPL ratio	3.20	3.19	3.69	3.73		

Source: FSSIA estimates

Exhibit 2: BBL – 4Q23 results summary

Year-end Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y %)
Net interest income	30,454	30,077	31,487	34,130	35,165	3.0	15.5	102,223	130,860	28.0
Non-interest income	6,431	10,215	10,956	8,443	7,028	(16.8)	9.3	36,672	36,627	(0.1)
Fee income - net	6,958	7,122	6,571	6,773	6,768	(0.1)	(2.7)	27,508	27,234	(1.0)
Total operating income	36,886	40,293	42,443	42,573	42,193	(0.9)	14.4	138,895	167,487	20.6
Total operating expenses	19,071	18,850	20,111	19,208	23,621	23.0	23.9	69,019	81,775	18.5
PPOP before tax	17,815	21,442	22,332	23,365	18,572	(20.5)	4.3	69,876	85,712	22.7
Expected credit loss	7,914	8,474	8,880	8,969	7,343	(18.1)	(7.2)	32,647	33,667	3.1
Income tax	2,257	2,728	2,047	2,938	2,281	(22.3)	1.1	7,484	9,993	33.5
Non-controlling interest	74	112	112	108	84	(22.4)	14.4	440	417	(5.2)
Net profit	7,569	10,129	11,293	11,350	8,863	(21.9)	17.1	29,306	41,636	42.1
EPS (THB)	3.97	5.31	5.92	5.95	4.64	(21.9)	17.1	15.35	21.81	42.1
Key ratios	4Q22	1Q23	2Q23	3Q23	4Q23	---- Change ----		2022	2023 (Current)	Change
Asset quality ratio	(%)	(%)	(%)	(THB m)	(THB m)	(q-q%)	(y-y%)	(%)	(THB m)	(y-y %)
Gross NPLs (THB m)	97,188	98,359	93,285	94,884	85,955	(9.4)	(11.6)	97,188	85,955	(11.6)
% from prior period	(9.2)	1.2	(5.2)	1.7	(9.4)			(3.9)	(11.6)	
NPL ratio (%)*	3.62	3.73	3.46	3.48	3.22			3.62	3.22	
Coverage ratio (%)*	261	265	287	283	315			261	315	
NPL ratios (%) - reported	3.10	3.09	2.90	3.00	2.70			3.10	2.70	
Coverage ratio (%) - reported	261	265	287	283	315			261	315	
Credit cost (bp)	116	127	133	132	109			124	126	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	51.7	46.8	47.4	45.1	56.0			49.7	48.8	
Average yield (%)	3.80	4.01	4.26	4.51	4.70			3.22	4.39	
Cost of funds (%)	1.21	1.53	1.70	1.74	1.87			1.01	1.71	
NIM (%)*	2.79	2.73	2.83	3.06	3.14			2.36	2.95	
NIM (%) - reported	2.84	2.84	2.91	3.11	3.19			2.42	3.02	
Non-NII /total inc. (%)	17.4	25.4	25.8	19.8	16.7			26.4	21.9	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	(4.1)	(1.6)	2.2	0.9	(1.9)					
y-y	3.6	2.0	1.7	(2.6)	(0.4)			3.6	(0.4)	
Year-to-date	3.6	(1.6)	0.6	1.5	(0.4)					

Sources: BBL; FSSIA's compilation

Results Comments

(-) KBANK (BUY: TP@THB160) Continued cleaning up balance sheet

Rising ECL and seasonal Opex pressured 4Q23 net profit

KBANK reported a 4Q23 net profit of THB9.39b, decreasing by 16.8% q-q but rising by 194.2% y-y, 17% below our estimate, and 20% below BBG consensus. Key drags were from 1) higher than expected ECL and credit cost, due primarily to a continued proactive asset quality cleanup (NPL written off and sales) and a one-time deterioration in a large corporate loan, namely ITD-- which already classified as stage 2 loans with extra provisions, and 2) more considerable than expected operating expenses from a one-time write-off of IT related expenses, cTHB1b, and other expenses related to productivity improvement. PPOP was in line with the expected THB26.4b, dropping by 3.3% q-q and 6.9% y-y despite significantly rising operating expenses, but higher than expected FVTPL investment gains partly helped offset the impact.

Asset quality turned negative in both the NPL ratio and credit cost

4Q23 NPL ratio (FSSIA's calculation) increased to 3.70% from 3.58% in 3Q23, despite accelerated credit costs to write off the NPL proactively (c5.1b in 4Q23 from c3.7b in 3Q23), mainly from the SME and retail loan segments. Meanwhile, stage 2 loans also increased by 3.7% q-q to THB6.64b, due mainly to the reclassification of ITD loans. Moreover, if the loans turn to stage 3, KBANK reiterates the buffer of its solid management overlay of 15% to the total allowance of ECL (LLR) to compensate. 4Q23 credit cost increased higher than expected to 220bp (we predicted 211bp).

Gloomy 2024 business outlook

We made minor revisions to our 2024-25E forecast, given that there was no disclosure of 2024 guidance. Regarding its cautious and prudent credit policy, slowing SME and high yield segment by gearing toward the corporate segment, we expect its net profit to grow merely 5.0% y-y and 9.1% y-y in 2024-25E, respectively. The 2024-25E loan growth and cost-to-income ratio are vulnerable factors that cause the downside of our projections.

Exhibit 3: KBANK – 4Q23 operations summary

Year end Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Net interest income	36,148	34,875	36,701	38,019	38,849	2.2	7.5	132,998	148,444	116
Non-interest income	13,252	11,699	11,369	9,096	12,046	32.4	(9.1)	40,259	44,210	9.8
Fee income - net	7,779	8,114	7,714	7,803	7,550	(3.2)	(3.0)	32,882	31,811	(5.2)
Total operating income	49,399	46,574	48,070	47,115	50,895	8.0	3.0	173,258	192,654	11.2
Total operating expenses	21,042	19,793	20,847	19,821	24,508	23.6	16.5	74,753	84,968	13.7
PPOP before tax	28,358	26,781	27,223	27,294	26,387	(3.3)	(6.9)	98,505	107,685	9.3
Expected credit loss	22,784	12,692	12,784	12,793	13,572	6.1	(40.4)	51,919	51,840	(0.2)
Income tax	933	2,562	2,760	2,838	2,617	(7.8)	180.6	8,633	10,778	24.9
Non-controlling interest	1,450	788	685	381	810	112.7	(44.1)	2,183	2,662	21.9
Net profit	3,191	10,741	10,994	11,282	9,388	(16.8)	194.2	35,769	42,405	18.6
EPS (THB)	135	4.53	4.84	4.76	3.96	(16.8)	194.2	14.78	17.52	18.6
Key ratios	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2022	2023	Change
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(%)	(%)	(y-y%)
Gross NPLs (THB m)	93,344	88,740	93,834	87,383	92,064	(6.9)	(11)	93,344	92,064	(14)
Change (% from prior period)	5.6	(4.9)	5.7	(6.9)	5.4			(12.1)	(14)	
NPL ratios (%) - reported	3.19	3.04	3.20	3.11	3.19			3.19	3.19	
NPL ratio (%)*	3.74	3.60	3.83	3.58	3.70			3.74	3.70	
Coverage ratio (%) - reported	154	157	147	155	152			154	152	
Coverage ratio (%)*	143	144	137	149	145			143	145	
Credit cost (bp)	368	205	208	209	220			211	208	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	42.6	42.5	43.4	42.1	48.2			43.1	44.1	
Average yield (%)	4.18	4.22	4.49	4.69	4.82			3.80	4.53	
Cost of funds (%)	0.71	1.02	1.15	1.25	1.34			0.83	1.19	
NIM (%) - reported	3.33	3.46	3.63	3.76	3.83			3.33	3.66	
NIM (%)*	3.63	3.47	3.64	3.77	3.84			3.34	3.66	
Non-interest income/total income (%)	26.8	25.1	23.7	19.3	23.7			23.2	22.9	
Liquidity ratio								(%)	(%)	
Loan to deposit	90.8	90.8	90.4	90.9	92.3			90.8	92.3	
Loan to deposit & borrowing (LDBR)	84.0	83.1	82.3	82.8	84.1			84.0	84.1	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)					
CAR	18.8	18.9	19.0	19.6	19.4			18.8	19.4	
CET 1 / Risk assets	15.9	15.9	16.1	16.7	16.5			15.9	16.5	
Tier 2 / Risk assets	2.0	2.0	2.0	2.0	2.0			2.0	2.0	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	12	(12)	(0.6)	(0.5)	2.1					
y-y	3.0	0.3	(1.8)	(1.1)	(0.2)			3.0	(0.2)	
Year-to-date	3.0	(12)	(1.8)	(2.3)	(0.2)					

Source: KBANK

(+) TTB (HOLD: TP@THB1.79) - Limited earnings downside risks

Better-than-expected 4Q23 profit

TTB reported a 4Q23 net profit of THB4.87b, 11% and 9% above our estimate, and BBG consensus, respectively, increased by 2.8% q-q and 26.5% y-y, despite rising seasonal operating expenses, which brought the cost-to-income ratio shooting to 45.5% from 43.2% in 3Q23. The bank showed reversal income tax expenses of THB4.19b in 4Q23 from using tax benefits after the completion of TBCO liquidation, formerly Thanachart Bank (TBANK), a subsidiary of TTB. Hence, TTB decided to set up the extra provisions for ECL of THB4.89b in 4Q23 against future uncertainties without affecting the 4Q23 net profit. Excluding those extra items, 4Q23 PPOP aligned with our forecast of THB9.99b, decreasing by 2.2% q-q but increasing 4.3% y-y. NIM continued to expand, benefitting from rising interest rates for all types of loans by 0.25% in early October 2023. In contrast to loan growth, which contracted by 2.6% q-q and 3.5% y-y, mainly due to decreased corporate loans, while retail loans increased, mainly from high-yield loan in tandem with TTB's strategy.

Asset quality was manageable

The overall asset quality was within TTB's 2023 guidance, but credit costs. The 2023 NPL ratio dipped slightly to 2.62%, below the bank's guidance of not exceeding 2.90%. 4Q23 credit costs shoot to 277bp, aligning with the rising ECL, exceeding TTB's guidance of 125-135bp, resulting in the coverage ratio at the end of 2023 of 155%, from 144% in 3Q23. Excluding the extra provision, the 4Q23 normal credit cost was 128bp, which is still in line with its guidance of 125-135bp.

Tax benefits to create earnings upside

We cut our 2024-25E net profit by 8-11% to reflect a lower expected NIM, loan, fees, and non-NII growth, causing the expected 2024 net profit to contract by 11.4% y-y, and slight growth of c2-3% p.a. in 2025-26. Despite the tax benefits left, we exclude those in our assumptions. We are still concerned with its 2024 core business outlook, the auto hire-purchase, which is cloudier and less profitable.

Exhibit 4: TTB – 4Q23 operations summary

Year end Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	---- Change ----		2022	2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Net interest income	13,827	13,502	14,093	14,665	14,948	19	8.1	51,818	57,208	10.8
Non-interest income	4,014	3,368	3,668	3,335	3,384	15	(5.7)	14,236	13,754	(3.4)
Fee income - net	2,750	2,559	2,659	2,505	2,638	5.3	(4.1)	10,391	10,362	(0.3)
Total operating income	17,842	16,870	17,760	18,000	18,332	1.8	2.7	65,854	70,962	7.8
Total operating expenses	8,256	7,303	7,863	7,777	8,336	7.2	10	29,952	31,280	4.4
PPOP before tax	9,585	9,567	9,897	10,223	9,996	(2.2)	4.3	35,902	39,682	10.5
Expected credit loss	4,802	4,276	4,244	4,354	9,328	111.2	94.2	18,353	22,199	21.0
Income tax	935	996	1,087	1,133	(4,197)	n/a	n/a	3,352	(980)	(129.2)
Net profit	3,849	4,295	4,566	4,735	4,867	2.8	26.5	14,196	18,463	30.1
EPS (THB)	0.04	0.04	0.05	0.05	0.05	2.8	26.5	0.15	0.19	30.1
Key ratios	4Q22	1Q23	2Q23	3Q23	4Q23	---- Change ----		2022	2022	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(%)	(%)	
Gross NPLs (THB m)	41,707	42,006	40,719	40,279	41,006	1.8	(1.7)	41,707	41,006	
Change (% from prior period)	(0.5)	0.7	(3.1)	(1.1)	1.8			(1.0)	(1.7)	
NPL ratios (%) - reported	2.73	2.89	2.63	2.67	2.62			2.73	2.62	
NPL ratio (%)*	3.03	3.09	2.99	2.96	3.09			3.03	3.09	
Coverage ratio (%) - reported	140	140	144	144	155			138	155	
Coverage ratio (%)*	138	140	144	144	155			138	155	
Credit cost (bp)	139	125	125	128	277			134	164	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	46.3	43.3	44.3	43.2	45.5			45.5	44.1	
Average yield (%)	3.97	4.15	4.38	4.64	4.81			3.76	4.45	
Cost of funds (%)	0.96	1.29	1.39	1.47	1.60			0.92	1.42	
NIM (%) - reported	3.10	3.08	3.18	3.34	3.39			2.95	3.24	
NIM (%)*	3.13	3.04	3.17	3.36	3.42			2.96	3.22	
Non-interest income/total income (%)	22.5	20.0	20.7	18.5	18.5			21.8	19.4	
Liquidity ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Loan to deposit	98.3	98.8	97.7	102.5	95.8			98.3	95.8	
Loan to deposit & borrowing (LDBR)	89.1	87.9	88.6	91.9	88.6			94.3	91.8	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
CAR	20.0	19.9	19.8	19.9	20.7			20.0	20.7	
CET 1 Risk assets	15.7	15.7	15.6	16.3	17.0			15.7	17.0	
Tier 2 / Risk assets	3.7	3.7	3.6	3.6	3.7			3.7	3.7	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	(1.3)	(1.3)	0.4	(0.1)	(2.6)					
y-y	0.4	(0.6)	(2.1)	(2.2)	(3.5)			0.4	(3)	
Year-to-date	0.4	(1.3)	(0.9)	(1.0)	(3.5)					

Source: TTB

(+) SCB (BUY: TP@THB121) - No catalysts but attractive dividend yields

4Q23 net profit beat our expectation from lower ECL

SCB reported a 4Q23 net profit of THB10.9b (exceeding our estimate and BBG consensus by 23% and 21%, respectively), rose by 13.8% q-q and 53.9% y-y (low base), mainly from lower-than-expected ECL and lower-than-expected operating expenses, which helped offset decreasing fee income (mainly from banassurance and lending related fees) and non-NII (mainly from FVTPL investment gains). PPOP was in line with the expected THB23b, decreased by 7.4% q-q but increased by 32.3% y-y. 2023 net profit was THB43.5b, which rose by 15.9% y-y, thanks to the increasing market interest rate, which helped push the net interest income and NIM amid sluggish loan growth, fragile fee income, and accelerated ECL and credit cost.

Continued deteriorating asset quality

Asset quality was weaker than expected. The reported NPL ratio increased to 3.44% from 3.30% in 3Q23, mainly from SME and retail segment--housing and auto hire-purchase loans amid an uneven economic recovery. Increasing NPL formation in 4Q23 to 0.69% from 0.56% in 3Q23, bringing 2023 figures to 2.24% from 1.91% in 2022, was due mainly to increasing SME and housing loans. However, the ECL were lower than expected, with a credit cost of 153bp (we expected 201bp) after making the pre-emptive provision and management overlays set according to future economic uncertainties in 3Q23.

2024-25 earnings cut to reflect 2024 guidance

We cut our 2024-25E net profit by c2-7% to reflect the 2024 guidance, mainly from the downward revisions of loan growth upward revisions of credit cost. SCB also reiterated at the 4Q23 analyst meeting that 15-20% of its retail loan portfolio under the comprehensive debt restructuring program (CDR) risks stage migration due to the prospect of further loan quality deterioration within the next 12-14 months. However, the bank reiterated that the credit cost had already passed its peak in 3Q23, and the current ECL, including mid-high teen level of management overlay, is still sufficient to withstand future loan staging deterioration in this group of customers.

Exhibit 5: SCB – 4Q23 operations summary

Year end Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	--- Change ---		2022	2023	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Net interest income	29,340	28,942	30,791	31,536	33,413	6.0	13.9	107,865	124,684	15.6
Non-interest income	8,918	11,958	13,525	11,809	9,130	(22.7)	2.4	46,555	46,421	(0.3)
Fee income - net	8,816	8,909	8,509	8,410	7,166	(12.0)	(18.7)	37,418	32,723	(11.9)
Total operating income	38,258	40,900	44,316	43,344	42,543	(1.8)	11.2	154,420	171,105	10.8
Total operating expenses	20,854	16,757	17,016	18,490	19,517	5.6	(6.4)	69,874	71,781	2.7
PPOP before tax	17,403	24,143	27,300	24,854	23,026	(7.4)	32.3	84,547	99,324	17.5
Expected credit loss	7,079	9,927	12,098	12,245	9,330	(23.8)	318	33,829	43,600	28.9
Income tax	3,331	3,147	3,289	2,891	2,828	(9.1)	(21.1)	13,592	11,955	(12.1)
Non-controlling interest	(149)	73	46	55	73	32.8	(119.2)	(42)	247	(168.7)
Net profit	7,143	10,995	11,868	9,663	10,995	13.8	53.9	37,546	43,523	15.9
EPS (THB)	2.12	3.27	3.52	2.87	3.27	13.8	53.9	11.15	12.93	15.9
Key ratios	4Q22	1Q23	2Q23	3Q23	4Q23	--- Change ---		2,022	2,023	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Gross NPLs (THB m)	95,329	95,153	93,028	95,576	96,832	2.7	3.7	95,329	96,832	16
Change (% from prior period)	3.5	(0.2)	(2.2)	2.7	13			(12.6)	16	
NPL ratios (%) - reported	3.34	3.32	3.25	3.30	3.44			3.34	3.44	
NPL ratio (%)*	4.01	3.97	3.84	3.89	3.99			4.01	3.99	
Coverage ratio (%) - reported	160	164	171	167	160			160	160	
Coverage ratio (%)*	166	161	165	162	164			166	164	
Credit cost (bp)	120	166	201	201	163			145	182	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	54.5	41.0	38.4	42.7	45.9			45.2	42.0	
Average yield (%)	4.21	4.44	4.75	4.87	5.16			3.87	4.81	
Cost of funds (%)	0.80	1.17	1.26	1.35	1.42			0.89	1.31	
NIM (%) - reported	3.34	3.32	3.25	3.30	3.39			3.29	3.72	
NIM (%)*	3.54	3.46	3.70	3.74	3.98			3.29	3.72	
Non-NII/total income (%)	23.3	29.2	30.5	27.2	21.5			30.1	27.1	
Liquidity ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Loan to deposit	93.0	95.6	98.2	96.4	99.3			93.0	99.3	
Loan to deposit & borrowing (LDBR)	84.6	88.5	87.1	85.7	87.5			84.6	87.5	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
CAR	18.9	18.6	19.1	18.7	18.8			18.9	18.8	
CET 1 / Risk assets	17.7	17.5	17.9	17.5	17.8			17.7	17.8	
Tier 2 / Risk assets	1.1	1.1	1.1	1.1	1.1			1.1	1.1	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	13	0.9	10	13	(12)					
y-y	3.3	3.1	2.7	4.6	2.1			3.3	2.1	
Year-to-date	3.3	0.9	19	3.3	2.1					

Source: SCB

(-) KTB (BUY: TP@THB23.10) - Deteriorated asset quality

Disappointed 4Q23 results

KTB reported a 4Q23 net profit of THB6.11b, decreasing 40.6% q-q and 24.6% y-y, mainly from higher-than-expected ECL and credit cost to proactively NPL management and for the reclassification of one corporate customer, ITD, to become stage 2 loans, which needed extra provision. Excluding the abnormal provisions, PPOP was in line with the expected THB21.8b, slightly decreased by 1.4% q-q but increased by 15.2% y-y, pressured by rising seasonal operating expenses. 4Q23, the cost-to-income ratio shot to 44.8% from 43.0% in 3Q23. The 2023 cost-to-income ratio was an abnormal low of 41.6% (from 43.7% in 2022) but in line with KTB's guidance of below mid-40%. Net interest income growth and NIM were slightly softer than expected from the accelerating cost of funds despite increasing loan yields. Loans continued to contract at 2.0% q-q and 0.6% y-y, mainly from the repayment of government-related loans (15% of totals). Excluding government-related loans, loans showed a slight growth of 0.9% q-q and 1.5% y-y, mainly from retail segments.

Asset quality deteriorated but under manageable

4Q23 NPL ratio (FSSIA's calculation) increased to 3.86% from 3.74% in 3Q23, with no details of the NPLs category and staging loans disclosed. Despite a significant rise in ECL during 4Q23, the increasing NPL ratio reflected higher-than-expected new NPL formation. 4Q23 credit cost rose to 201bp (from 125bp in 3Q23), bringing 2023 credit cost to 143bp (from 93bp in 2022) and the reported coverage ratio to finish at 181%, exceeding KTB's 2023 guidance of c170%.

Cut 2024-25E profit mainly to reflect higher credit cost

We cut our 2024-25E net profit by 5.8% and 7.6%, respectively, to image 1) higher credit cost chiefly due to its asset quality deteriorated, 2) lower loan growth, mainly from the volatile government-related loans, and 3) higher cost-to-income ratio from the abnormally low level in 2023. We forecast 2024-25 net profit growth of 2-3% p.a., decreasing from the previous of 5-6% p.a.

Exhibit 6: KTB – 4Q23 operations summary

Year end Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	--- Change ---		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y %)
Net interest income	24,606	25,619	27,771	29,667	30,362	2.3	23.4	90,405	113,420	25.5
Non-interest income	10,046	9,653	7,944	9,221	9,228	0.1	(8.1)	34,986	36,046	3.0
Fee income - net	5,073	5,139	4,797	5,503	5,434	(1.2)	7.1	20,316	20,872	2.7
Total operating income	34,652	35,272	35,715	38,888	39,590	1.8	14.2	125,391	149,465	19.2
Total operating expenses	15,696	13,650	14,028	16,733	17,745	6.0	13.1	54,771	62,157	13.5
PPOP before tax	18,956	21,622	21,687	22,155	21,845	(1.4)	15.2	70,620	87,309	23.6
Expected credit loss	7,532	8,104	7,754	8,157	13,070	60.2	73.5	24,338	37,085	52.4
Income tax	2,494	2,531	2,864	2,774	1,733	(37.5)	(30.5)	9,077	9,902	9.1
Non-controlling interest	821	921	912	941	931	(1.1)	13.4	3,508	3,705	5.6
Net profit	8,109	10,067	10,157	10,282	6,111	(40.6)	(24.6)	33,698	36,616	8.7
EPS (THB)	0.58	0.72	0.73	0.74	0.44	(40.6)	(24.6)	2.41	2.62	8.7
Key ratios	4Q22	1Q23	2Q23	3Q23	4Q23	--- Change ---		2022	2023	Change
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(%)	(%)	(y-y %)
Gross NPLs (THB m)	101,096	102,542	98,810	98,309	99,439	(0.5)	(6.1)	101,096	99,439	(1.6)
Change (% from prior period)	(3.5)	1.4	(3.6)	(0.5)	1.1			(5.3)	(1.6)	
NPL ratios (%) - reported	3.26	3.22	3.11	3.10	3.08			3.26	3.08	
NPL ratio (%)*	3.90	3.97	3.83	3.74	3.86			3.90	3.86	
Coverage ratio (%) - reported	180	183	177	180	181			180	181	
Coverage ratio (%)*	172	177	171	174	174			172	174	
Credit cost (bp)	116	125	120	125	201			93	143	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Cost to income ratio	45.3	38.7	39.3	43.0	44.8			43.7	41.6	
Average yield (%)	3.59	3.95	4.26	4.57	4.74			3.28	4.34	
Cost of funds (%)	0.87	1.13	1.21	1.32	1.49			0.76	1.28	
NIM (%) - reported	2.61	2.80	3.00	3.20	3.38			2.60	3.22	
NIM (%)*	2.83	2.97	3.21	3.42	3.45			2.62	3.23	
Non-interest income/total income (%)	29.0	27.4	22.2	23.7	23.3			27.9	24.1	
Liquidity ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
Loan to deposit	100.1	98.5	100.0	100.7	97.3			100.1	97.3	
Loan to deposit & borrowing (LDBR)	94.6	93.2	94.2	94.8	91.8			94.6	91.8	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
CAR	19.8	19.9	20.1	20.5	20.7			19.8	20.7	
CET 1/ Risk assets	15.7	15.8	16.1	16.4	16.5			15.7	16.5	
Tier 2 / Risk assets	3.1	3.1	3.1	3.2	4.2			3.1	4.2	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)	
q-q	(0.7)	(0.4)	(0.2)	2.0	(2.0)					
y-y	(1.4)	(2.9)	(2.2)	0.7	(0.6)			(1.4)	(0.6)	
Year-to-date	(1.4)	(0.4)	(0.6)	1.4	(0.6)					

Source: KTB

KTC (HOLD: TP@THB49) - 4Q23 results in line with ours and consensus estimate

4Q23 results in line with ours and consensus estimate

KTC reported a 4Q23 net profit at THB1.76b, dropped by 5.13% q-q but increased by 5.73% y-y, in-line with our estimate and BBG consensus. PPOP finished at THB3.79b (stable q-q and up 5.17% y-y). The stable q-q figure was due to an increase in non-NII (largely fee income and bad debt recovery) which was offset by a seasonal increase in OPEX, leading the 4Q23 cost-to-income ratio to show at 39.03%, rising from 37.33% in 3Q23. The 2023 net profit was THB7.29b, increased by 3.1% y-y with a cost-to-income ratio of 37.04%.

(+) Operating income: 4Q23 net interest income rose 1.29% q-q and 8.27% y-y with growth in loans. The yield on loans was 15.15%, declined from 15.44% for a faster growth in credit card loans than higher-yield personal loans during the period. The cost of funds was 2.87%, slowly increased by 8bps from 3Q23 (in-line with company's guidance of lower than 3%) but inevitably led to a shrinkage in loan spreads from 12.65% to 12.28%. The non-NII also grew 5.31% q-q and 4.65% y-y largely from discount fee from merchants along with growth spending volume.

(+) Loans: KTC loan receivables finished at THB112.3b, growing 5.29% q-q and 7.83% y-y. The credit card loans at the end of 4Q23 was THB74.4b, an increase by 7.53% q-q and 7.17%, held up moderately stronger than our estimations due to a strong spending volume during the quarter at THB73.1b, expanding at a pace of 13.13% q-q and 5.62% y-y, contributing to an enhancement in fee income. The personal loan segment in 4Q23 finished at THB34.7b, growing 1.79% q-q and 7.54% y-y in line with our expectations. The cash advance sub-segment (KTC PROUD) achieved a mere 1.2% q-q and 4.4% y-y growth for the firm's more strictive stance on lending policy for the fragile profile of the customers. Meanwhile, the auto title loans (P BERM) remained its high pace of expansion due to small-sized advantage at 11.1% q-q and 134.1% y-y. However, the contribution of P BERM was still low at 2% of the total.

(+) Asset quality: The 2023 NPL ratio was at 2.17% (1.72% excluding KTBL, against the firm's target of 1.8%), lower than our estimate due to a lower-than-expected new NPL formation in all segments and moderately higher-than-expected NPL write-offs in the credit card segment, leading to a credit cost of 593bps, rising from 560bps in 3Q23. The coverage ratio was at 400%, vastly higher than our estimate of 353% due to higher-than-expected ECL and lower-than-expected gross NPLs.

The leasing segment from KTBL remained a portion with troublesome debt quality where in 4Q23, NPL ratio for the segment was 17.7%, continued to increase from 15.26% in 3Q23 and 8.94% at the end of 2022.

(+) 1Q24 outlook: We expect 1Q24 net profit to exhibit a y-y growth, supported by 1) pent-up demand on spending for Easy E-receipt policy during Jan-Feb 2024 and 2) higher gains from bad debt recovery due to higher amount of NPL write-offs during 2023 while the asset quality remained a crucial factor for monitoring given the pace of the current domestic economic recovery.

We reiterate our HOLD call at the current price given our cautious view of the industry's asset quality and stricter lending regulations of lending companies. Our 2024 GGM-based TP of THB49 implied a P/BV of 3.1x.

Exhibit 7: KTC – 4Q23 operations summary

KTC	4Q22 (THB m)	1Q23 (THB m)	2Q23 (THB m)	3Q23 (THB m)	4Q23 (THB m)	Change (q-q%)	Change (y-y%)	2022 (THB m)	2023E (THB m)	Change (%)
Interest income	3,832	3,803	3,972	4,096	4,149	1.29	8.27	14,381	16,020	11.4
Interest expense	378	390	415	441	456	3.26	20.56	1,392	1,703	22.3
Net interest income	3,454	3,413	3,557	3,655	3,693	1.06	6.93	12,989	14,317	10.2
Non-interest income	3,228	3,047	3,091	3,208	3,378	5.31	4.65	11,870	12,724	7.2
Operating income	5,885	5,670	5,837	6,031	6,225	3.21	5.78	21,856	23,763	8.7
Operating expenses	2,276	1,985	2,135	2,252	2,429	7.89	6.73	8,117	8,801	8.4
PPOP	3,609	3,685	3,702	3,780	3,796	0.42	5.17	13,740	14,962	8.9
Expected credit loss	1,508	1,367	1,438	1,477	1,612	9.12	6.89	4,868	5,894	21.1
Profit before tax	2,101	2,319	2,263	2,303	2,184	(5.16)	3.94	8,871	9,068	2.2
Income tax expense	456	452	463	464	439	(5.43)	(3.71)	1,818	1,819	0.0
Net profit	1,666	1,872	1,806	1,857	1,761	(5.13)	5.73	7,079	7,295	3.1
EPS (THB)	0.65	0.73	0.70	0.72	0.68	(5.13)	5.73	2.75	2.83	3.1
Key balance sheet highlights										
NPL	1,845	1,931	2,130	2,481	2,439	(1.7)	32.2	1,846	2,439	32.1
Loan - gross	104,194	103,312	105,588	106,700	112,347	5.3	7.8	104,194	112,347	7.8
Loans - net	95,402	94,378	96,364	97,232	102,584	5.5	7.5	95,402	102,583	7.5
Interest bearing debt	61,972	59,547	63,351	63,213	66,918	5.9	8.0	61,972	66,918	8.0
Earnings assets	97,689	96,194	98,342	100,111	108,082	8.0	10.6	106,520	117,854	10.6
Leverage ratio										
IBD/E (x)	1.98	1.79	1.98	1.86	1.88			1.98	1.88	
D/E (x)	2.24	2.01	2.19	2.08	2.16			2.24	2.16	
Asset quality ratio										
Gross NPLs (THB m)	1,845	1,931	2,130	2,481	2,439	(1.7)	32.2	1,846	2,439	
NPL ratio	1.77	1.87	2.02	2.33	2.17			1.77	2.17	
Coverage ratio - LLR/ NPLs	476	463	433	382	400			476	400	
Credit cost (bp)	609	530	554	560	593			498	548	
LLR/TL	8.44	8.65	8.74	8.87	8.69			8.44	8.69	
Profitability ratios										
Cost-to-income ratio	38.68	35.01	36.58	37.33	39.03			37.14	37.04	
Yield on loans	15.24	14.66	15.21	15.44	15.15			14.61	14.80	
Cost of funds	2.53	2.57	2.70	2.79	2.80			2.39	2.64	
Spreads	12.70	12.09	12.51	12.65	12.35			12.23	12.15	
Net interest margin (NIM)	13.47	12.90	13.38	13.46	12.99			12.88	12.76	
ROE	21.84	23.19	22.13	22.51	20.24			24.33	21.77	
ROA	6.81	7.41	7.12	7.17	6.48			7.40	6.80	
Loan growth										
Loan growth y-y	12.48	14.53	11.06	9.98	7.83			12.48	7.83	
q-q	7.40	-0.85	2.20	1.05	5.29					

Source: KTC

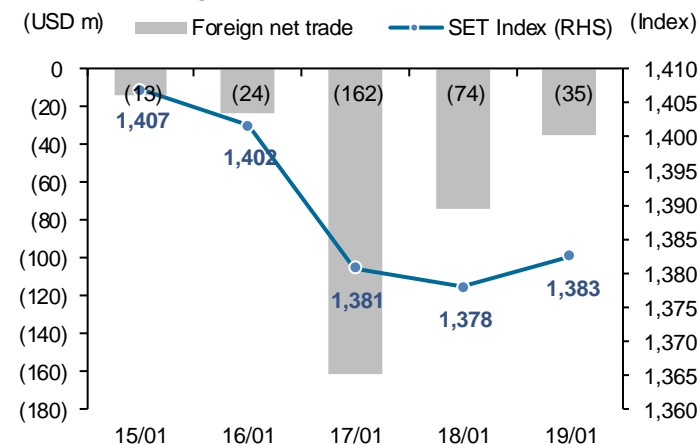
Economic news

- [India asks Thailand to invest in fishing, tourism in Andaman, Nicobar islands](#) BANGKOK POST: India is inviting Thailand to invest in its fishing and tourism sector in the Andaman and Nicobar islands. Shri Vishwendra, Secretary of Fisheries in the Andaman and Nicobar Administration, said opportunities for deep-sea fishing in the region were plentiful due to its underexploited nature. The area is rich in marine resources, particularly tuna, with a potential catch of 148,000 tonnes.
- [China widens South America trade highway](#) BANGKOK POST: CHANCAY, Peru - In September, a group of Brazilian farmers and officials arrived in the Peruvian fishing town of Chancay. The draw: a new Chinese mega-port rising on the Pacific coast, promising to turbocharge South America's trade ties with China. The \$3.5-billion deepwater port, set to start operations late this year, will provide China with a direct gateway to the resource-rich region. Over the last 10 years, Beijing has unseated the United States as the largest trade partner for South America, devouring its soybeans, corn and copper.
- [Ministry continues to monitor product prices](#) BANGKOK POST: The Commerce Ministry is keeping a close watch on prices in 18 categories in the first quarter, with costs nudging up for animal feed raw materials, the minimum wage is adjusted, and transport costs rise as a result of the Red Sea attacks. According to Wattanasak Sur-iam, director-general of the Internal Trade Department, the 18 categories being monitored are: instant noodles; fresh food; canned food; bagged rice; seasoning sauce; vegetable oil; carbonated drinks; milk and dairy products; electrical appliances; laundry products; fertilisers; insecticides; pet food; iron; cement; paper; medicine and medical services, and services through retail and wholesale channels.
- [Asian shares rebound as chipmakers jump](#) BANGKOK POST: RECAP: Asian shares rebounded yesterday, buoyed by a rally in global chipmakers, after struggling earlier because of concerns about China's sluggish economic recovery. Thai shares moved in a range of 1,374.08 and 1,416.91 points this week, before closing on Friday at 1,382.51, down 2.2% from the previous week, with daily turnover averaging 47.16 billion baht.
- [Free trade talks slated to resume with EU](#) BANGKOK POST: Thailand is scheduled to host the second round of talks for the Thailand-EU Free Trade Agreement (FTA) from Jan 22-26 in Bangkok, with an aim to conclude the negotiations in 2025. According to Chotima Iemsawasdikul, director-general of the Trade Negotiations Department, the Commerce Ministry will simultaneously convene discussions for heads of delegations and expert subcommittees.
- [Thai lithium deposit figures hotly debated](#) BANGKOK POST: Fifteen million tonnes or less than 70,000 tonnes? That's how much lithium there is in Thailand, depending on which figures one wants to believe. A government spokesperson caused a stir this week when she mentioned Thailand in the same breath as Bolivia and Argentina — two global heavyweights when it comes to the highly sought-after mineral used in electric-vehicle batteries.
- [Vietnam-Europe air freight surges amid Red Sea strife](#) BANGKOK POST: SEOUL - An unseasonal surge in air cargo on a key clothing export route from Vietnam to Europe indicates shippers are turning to more expensive air freight as shipping is disrupted by attacks in the Red Sea, the freight platform Xeneta said on Friday. Cargo volumes from Vietnam to Europe surged 62% in the week ending Jan 14 from the previous week, and rates increased by 10%, said Niall van de Wouw, chief air freight officer for the air and ocean freight rate benchmarking platform.

Corporate news

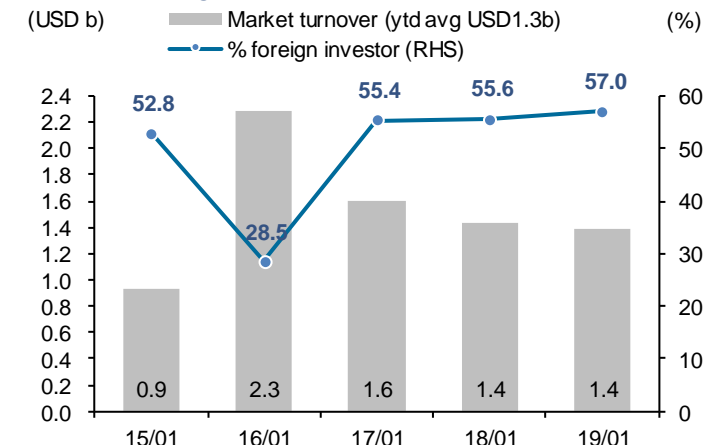
- [Go Wholesale expansion to continue](#) BANGKOK POST: Central Food Wholesale remains optimistic about the economy and domestic spending power, driven by a thriving tourism industry, as it plans to add seven Go Wholesale outlets in Bangkok and upcountry. Suchada Ithijarakul, group chief executive at Central Food Wholesale, part of Central Retail Corporation, said consumers will continue to purchase food items because they are necessities, despite a slow economy.
- [Auto loan segment volatile](#) BANGKOK POST: Thailand's uneven economic recovery has affected some auto loan borrowers and increased default risk. The number of impounded cars sold via auctions rose significantly in 2023. Car seizures are expected to continue in 2024, though growth should be lower than the previous year, Varunyoo Sila, director and chief executive of Union Auction Plc, Thailand's largest car auction service, said in an exclusive interview with the Bangkok Post.
- [Thai BYD dealerships to triple in two years](#) BANGKOK POST: The sole Thai distributor of BYD, the world's biggest electric vehicle maker, will triple its dealerships in the country in two years, it said, helping to cement the Chinese automaker's dominant position in its top overseas market. BYD overtook Tesla as the world's top EV maker in the fourth quarter last year, and the expansion in Thailand underscores its global push — especially in markets where its US rival has yet to become a major vendor — as EV sales growth slows in its home market China.
- [Indonesia says BYD to invest \\$1.3 billion to boost output](#) BANGKOK POST: China's BYD (Build Your Dreams), the world's largest maker of electric vehicles (EVs), will invest US\$1.3 billion in Indonesia, including in a production facility, according to a senior government official. The manufacturing plant will have a capacity of 150,000 units, Indonesia's Coordinating Economic Minister Airlangga Hartarto said in Jakarta on Thursday, citing talks with company executives. He did not give further details in the comments he made at a BYD event to mark the firm's entry into the Indonesian market. It's just launched three EV models: SEAL, Atto 3 and Dolphin.
- [SET expects volume of IPOs to increase in 2024](#) BANGKOK POST: The Stock Exchange of Thailand (SET) expects more companies will float shares on the Thai bourse this year than in 2023 as investment sentiment has improved. Manpong Senanarong, senior executive vice-president and head of the issuer and listing division, said the SET anticipates more initial public offerings (IPOs) in 2024 than the previous year because market sentiment is better.

Exhibit 8: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 9: Foreign participation



Source: Bloomberg

Exhibit 10: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			21%	10%	9%	10%	6%	6%	3%	8%	2%
Current	1,382.51	0.3	1.0	0.9	1.0	(0.6)	(0.3)	(0.1)	0.1	(1.3)	(1.1)
-5D	1,413.53	(2.2)	(1.0)	(1.7)	(0.3)	(4.3)	(1.6)	(2.5)	(4.1)	(3.6)	(6.4)
-1M	1,394.90	(0.9)	(1.4)	(0.7)	2.9	(1.2)	0.8	(0.3)	(4.2)	0.3	(9.7)
-3M	1,423.04	(2.8)	(0.7)	(4.8)	(4.1)	(4.6)	2.7	(1.1)	(3.3)	(8.0)	(1.4)
-6M	1,536.64	(10.0)	(7.5)	(8.0)	(5.1)	(14.9)	(2.4)	(7.6)	(13.6)	(14.0)	(20.7)
-1Y	1,688.48	(18.1)	(18.4)	(6.8)	(11.5)	(24.2)	(15.5)	(16.4)	(23.8)	(20.3)	(35.7)
WTD	1,413.53	(2.2)	(1.0)	(1.7)	(0.3)	(4.3)	(1.6)	(2.5)	(4.1)	(3.6)	(6.4)
MTD	1,415.85	(2.4)	(1.7)	(3.3)	0.9	(3.9)	(2.5)	(3.3)	(6.8)	(0.1)	(10.2)
QTD	1,415.85	(2.4)	(1.7)	(3.3)	0.9	(3.9)	(2.5)	(3.3)	(6.8)	(0.1)	(10.2)
End of 2022	1,415.85	(2.4)	(1.7)	(3.3)	0.9	(3.9)	(2.5)	(3.3)	(6.8)	(0.1)	(10.2)

Source: Bloomberg

Exhibit 11: 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)	(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
2022	1,668.66	15.1	34.78	53,589	1,541	5,362	(656)	56	(4,758)	4,111
2023	1,415.85	(15.2)	34.81	51,072	1,467	(5,507)	3,348	(146)	2,305	318
2024YTD	1,382.51	(2.4)	34.98	44,451	1,271	(5,507)	3,348	(146)	2,305	319
1Q23	1,609.17	(5.1)	33.92	63,300	1,866	(1,646)	1,594	(83)	136	612
2Q23	1,503.10	(4.2)	34.48	47,432	1,376	(1,461)	593	(120)	987	(178)
3Q23	1,471.43	(7.4)	35.17	49,809	1,416	(1,420)	825	261	333	(716)
4Q23	1,415.85	(15.2)	35.64	42,734	1,199	(981)	336	(204)	849	601
1Q24	1,382.51	(14.1)	34.98	62,067	1,775	(2,164)	563	21	(95)	38
Jul-23	1,556.06	(1.3)	34.61	44,682	1,291	(361)	100	81	181	958
Aug-23	1,565.94	(4.5)	35.04	56,846	1,622	(443)	48	114	280	(1,057)
Sep-23	1,471.43	(7.4)	35.85	47,900	1,336	(616)	677	66	(128)	(618)
Oct-23	1,381.83	(14.1)	36.51	45,582	1,249	(431)	254	(134)	312	458
Nov-23	1,380.18	(15.6)	35.47	44,524	1,255	(548)	300	10	238	474
Dec-23	1,415.85	(15.2)	34.95	38,095	1,090	(2)	(218)	(80)	299	(331)
Jan-24	1,382.51	(17.3)	34.98	62,067	1,775	(562)	563	21	(95)	38
2024YTD	1,382.51	(2.4)	34.98	44,451	1,271	(6,202)	563	21	(95)	38
15/01/2024	1,407.02		34.95	32,633	934	(13)	35	1	(23)	(101)
16/01/2024	1,401.72		35.37	39,472	1,116	(24)	43	7	(26)	(119)
17/01/2024	1,380.65		35.50	56,708	1,597	(162)	174	(15)	3	(32)
18/01/2024	1,377.93		35.60	50,985	1,432	(74)	68	2	5	9
19/01/2024	1,382.51		35.52	49,266	1,387	(35)	64	(13)	(16)	

Source: Bloomberg

Exhibit 12: Upcoming events

Date Time	Event		Survey	Actual	Prior
01/19/2024 02:30	Foreign Reserves	Jan-12	--	\$223.5b	\$222.5b
01/19/2024 02:30	Forward Contracts	Jan-12	--	\$29.9b	\$30.0b
01/18/2024 01/24	Car Sales	Dec	--	--	61621
01/22/2024 01/28	Customs Exports YoY	Dec	5.90%	--	4.90%
01/22/2024 01/28	Customs Imports YoY	Dec	7.00%	--	10.10%
01/22/2024 01/28	Customs Trade Balance	Dec	-\$1500m	--	-\$2400m
01/25/2024 01/30	Mfg Production Index ISIC NSA YoY	Dec	-2.45%	--	-4.71%
01/25/2024 01/30	Capacity Utilization ISIC	Dec	--	--	57.87
01/26/2024 02:30	Foreign Reserves	Jan-19	--	--	\$223.5b
01/26/2024 02:30	Forward Contracts	Jan-19	--	--	\$29.9b
01/31/2024 02:00	BoP Current Account Balance	Dec	--	--	-\$1244m
01/31/2024 02:30	BoP Overall Balance	Dec	--	--	\$1591m
01/31/2024 02:30	Exports	Dec	--	--	\$23100m
01/31/2024 02:30	Imports	Dec	--	--	\$23258m
01/31/2024 02:30	Exports YoY	Dec	--	--	3.90%
01/31/2024 02:30	Imports YoY	Dec	--	--	9.50%
01/31/2024 02:30	Trade Balance	Dec	--	--	-\$159m
01/31/2024 19:30	S&P Global Thailand PMI Mfg	Jan	--	--	45.1
02/01/2024 02:30	Business Sentiment Index	Jan	--	--	49.1
02/04/2024 22:30	CPI Core YoY	Jan	--	--	0.58%
02/04/2024 22:30	CPI NSA MoM	Jan	--	--	-0.46%
02/04/2024 22:30	CPI YoY	Jan	--	--	-0.83%
02/06/2024 02/13	Consumer Confidence Economic	Jan	--	--	56
02/06/2024 02/13	Consumer Confidence	Jan	--	--	62
02/07/2024 02:05	BoT Benchmark Interest Rate	Feb-07	--	--	2.50%
02/18/2024 21:30	GDP SA QoQ	4Q	--	--	0.80%
02/18/2024 21:30	GDP YoY	4Q	--	--	1.50%

Source: Bloomberg

Exhibit 13: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Jenkongklai (JPARK)	Sudwin Panyawongkhanti	Common Shares	1/18/2024	8,000	6.50	Buy	0.05
TQR (TQR)	Yupares Piriyanphan	Common Shares	1/18/2024	700,000	7.20	Buy	5.04
Thai Nippon Rubber (TNR)	Pathompong Chupayak	Common Shares	1/18/2024	10,000	9.68	Buy	0.10
Triton Holding (TRITN)	Louise Tachaubol	Common Shares	1/17/2024	13,893,100	0.13	Buy	1.81
Triton Holding (TRITN)	Louise Tachaubol	Common Shares	1/18/2024	10,602,100	0.13	Buy	1.38
Bangkok Lab and Cosmetic (BLC)	Suvit Ngampoopun	Common Shares	1/17/2024	160,000	4.97	Buy	0.80
Bangkok Lab and Cosmetic (BLC)	Suvit Ngampoopun	Common Shares	1/17/2024	210,000	4.92	Sell	1.03
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/2/2024	10,000	30.25	Sell	0.30
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/3/2024	5,000	31.50	Sell	0.16
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/5/2024	10,000	31.75	Sell	0.32
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/10/2024	15,000	30.25	Sell	0.45
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/15/2024	10,000	30.00	Sell	0.30
Beryl 8 Plus (BE8)	Mr. Sean Player Wolfman	Common Shares	1/18/2024	10,000	29.00	Sell	0.29
People's Garment (PG)	Kityaporn Chaitavornsathien	Common Shares	1/18/2024	17,500	9.19	Buy	0.16
Principle Capital (PRINC)	Satit Wittayakorn	Common Shares	1/15/2024	300,000	4.41	Buy	1.32
Principle Capital (PRINC)	Satit Wittayakorn	Common Shares	1/16/2024	300,000	4.49	Buy	1.35
Principle Capital (PRINC)	Satit Wittayakorn	Common Shares	1/17/2024	300,000	4.50	Buy	1.35
Peace and Living (PEACE)	Pisit Punjakunaporn	Common Shares	1/18/2024	20,000	3.16	Buy	0.06
PSG Corporation (PSG)	Chaiyod Chirabowornkul	Common Shares	1/15/2024	40,100	0.67	Sell	0.03
Firetrade Engineering (FTE)	Taksin Tantipijit	Common Shares	1/16/2024	86,800	1.62	Buy	0.14
Maketowin Holding (MTW)	Kittamet Tangphichayaphothiwat	Common Shares	1/18/2024	6,250	2.16	Buy	0.01
Ladprao General Hospital (LPH)	Pramote Poonapanont	Common Shares	1/18/2024	10,000	5.00	Buy	0.05
Royal Plus (PLUS)	Nilsuwan Leelarasamee	Common Shares	1/17/2024	52,000	6.61	Buy	0.34
Royal Plus (PLUS)	Nilsuwan Leelarasamee	Common Shares	1/18/2024	60,000	6.43	Buy	0.39
Supalai (SPALI)	Ajchara Tangmatitham	Common Shares	1/18/2024	75,000	19.19	Buy	1.44
Supalai (SPALI)	Prateep Tangmatitham	Common Shares	1/18/2024	75,000	19.19	Buy	1.44
Haad Thip (HTC)	Colonel Patchara Rattakul	Common Shares	1/18/2024	209,800	15.60	Sell	3.27
Aqua Corp (AQUA)	Shine Bunnag	Common Shares	1/17/2024	1,136,900	0.34	Buy	0.39
Eastern Power Group (EP)	Yuth Chinpakkul	Common Shares	1/18/2024	5,900	2.64	Buy	0.02
Ekarat Engineering (AKR)	Vichit Yamboonruang	Common Shares	1/18/2024	100,000	0.91	Buy	0.09
Ekarat Engineering (AKR)	Vichit Yamboonruang	Warrant	1/18/2024	653,744	0.09	Sell	0.06

Source: SEC

Exhibit 14: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
TGE	24/01/2024	13/11/2023	Warrants	-	Baht	7 : 1	-	314285715
SCN	31/01/2024	15/11/2023	Warrants	-	Baht	3 : 1	-	403056836
FSX	05/03/2024	28/11/2023	Common	2.3	Baht	1 : 1	25/03/2024 - 29/03/2024	867929461

Source: SET

Exhibit 15: Upcoming XM

Symbol	X-Date	Meeting Date	Type of Meeting	Agenda	Venue
SIRIP	23/01/2024	15/02/2024	Others	Connected transaction, Conversion to Reit, other matters (if any)	Altitude room, 25th Floor, The Westin Grande Sukhumvit
ERWPF	24/01/2024	27/02/2024	EGM	Acquisition and disposition of assets / Acquisition or Disposition of Assets , Connected transaction, Other matters (if any)	Grand Ballroom A, The Westin Grande Sukhumvit, Bangkok, Sukhumvit 19
STARK	24/01/2024	22/02/2024	AGM	Omitted dividend payment	Via electronic means only by broadcasting live at VCV 2nd Floor, Phelps dodge International (Thailand) Co., Ltd. (Subsidiary company) located at No. 159 Moo. 10, Thepharak Road, Bang Pla Sub-district, Bang Phli District, Samut Prakan Province, electronic device (E-AGM)
KSL	26/01/2024	21/02/2024	AGM	Cash dividend payment, To consider and approve the amendment of the Articles of Association of the Company	
PICO	01/02/2024	23/02/2024	AGM	Omitted dividend payment, Changing The director(s)	Crystal Design Center, CDC Ballroom 1, 888 Pradit Manutham Road, Klongjan, Bangkok, Bangkok 10240
SSS	02/02/2024	01/03/2024	EGM	Capital increase, Acquisition and disposition of assets / Acquisition or Disposition of Assets , Connected transaction	Alexander Hotel, 5th Floor Evergreen Room, No. 1 Soi Ramkhamhaeng 83/3 Huamark, Bang Kapi Bangkok, Thailand, 10240

Source: SET

Exhibit 16: New securities

Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
BANPU01C2406A	22/01/2024	BANPU	BLS	Call	SET	14/06/2024	8.5
BBL13C2406A	22/01/2024	BBL	KGI	Call	SET	12/06/2024	177
BH01P2406X	22/01/2024	BH	BLS	Put	SET	14/06/2024	179
CBG01C2406A	22/01/2024	CBG	BLS	Call	SET	14/06/2024	106
COM701C2406A	22/01/2024	COM7	BLS	Call	SET	14/06/2024	30.5
EA01C2406B	22/01/2024	EA	BLS	Call	SET	14/06/2024	53
EA01P2406X	22/01/2024	EA	BLS	Put	SET	14/06/2024	26.75
GPSC19P2406A	22/01/2024	GPSC	YUANTA	Put	SET	13/06/2024	34.25
HMPRO41C2407A	22/01/2024	HMPRO	JPM	Call	SET	10/07/2024	14.5
IVL01C2406A	22/01/2024	IVL	BLS	Call	SET	14/06/2024	32
JMT41C2406A	22/01/2024	JMT	JPM	Call	SET	12/06/2024	37
KBANK13C2406A	22/01/2024	KBANK	KGI	Call	SET	12/06/2024	165
KCE01C2406A	22/01/2024	KCE	BLS	Call	SET	14/06/2024	64.75
SAWAD01C2406A	22/01/2024	SAWAD	BLS	Call	SET	14/06/2024	54.5
SCGP01C2406A	22/01/2024	SCGP	BLS	Call	SET	14/06/2024	39.75
SCGP41C2406A	22/01/2024	SCGP	JPM	Call	SET	12/06/2024	41.5
SET5001C2405A	22/01/2024	SET50	BLS	Call	SET	15/05/2024	925
SET5001C2406T	22/01/2024	SET50	BLS	Call	SET	14/06/2024	825
SET5001P2405A	22/01/2024	SET50	BLS	Put	SET	15/05/2024	750
SET5001P2406T	22/01/2024	SET50	BLS	Put	SET	14/06/2024	825
SET5019C2403E	22/01/2024	SET50	YUANTA	Call	SET	03/04/2024	925
SET5027C2403E	22/01/2024	SET50	RHBS	Call	SET	03/04/2024	950
SET5041C2403H	22/01/2024	SET50	JPM	Call	SET	03/04/2024	925
SET5041P2403C	22/01/2024	SET50	JPM	Put	SET	03/04/2024	775
TIDLOR19C2406A	22/01/2024	TIDLOR	YUANTA	Call	SET	13/06/2024	29.5
TOP01P2406X	22/01/2024	TOP	BLS	Put	SET	14/06/2024	41.25
VGI01C2406A	22/01/2024	VGI	BLS	Call	SET	14/06/2024	2.42
WHA01C2406A	22/01/2024	WHA	BLS	Call	SET	14/06/2024	6.15
WHA13C2406A	22/01/2024	WHA	KGI	Call	SET	12/06/2024	6.25

Source: SET

Exhibit 17: Upcoming XD

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Price	Div Yield	Par
LPF	25/1/2024	0.2206	Baht	01/09/2023 - 30/11/2023	NP	12/2/2024	13.30	1.7%	10.1948
1DIV	26/1/2024	0.15	Baht	-	RE	9/2/2024	9.92	1.5%	10.5049
TDEX	26/1/2024	0.2	Baht	-	RE	9/2/2024	8.32	2.4%	5.68
NOBLE	29/1/2024	0.2	Baht	01/07/2023 - 30/09/2023	Both	15/2/2024	4.00	5.0%	1
PJW	30/1/2024	0.06	Baht	-	RE	14/2/2024	3.70	1.6%	0.5
KTIS	1/2/2024	0.1	Baht	01/10/2022 - 30/09/2023	NP	16/2/2024	3.86	2.6%	1
TSC	1/2/2024	0.8	Baht	01/10/2022 - 30/09/2023	NP	22/2/2024	16.30	4.9%	1
STI	2/2/2024	0.1	Baht	01/01/2023 - 30/09/2023	NP	23/2/2024	3.74	2.7%	0.5
METCO	7/2/2024	10	Baht	01/10/2022 - 30/09/2023	NP	22/2/2024	243.00	4.1%	10
IRC	8/2/2024	0.4178	Baht	01/10/2022 - 30/09/2023	NP	28/2/2024	14.10	3.0%	1
MSFT80X	14/2/2024	-	Baht	-	-	11/4/2024	-	-	-
KSL	29/2/2024	0.05	Baht	01/11/2022 - 31/10/2023	NP	15/3/2024	2.70	1.9%	0.5

Source: SET