

6 FEBRUARY 2024

SPOTLIGHT ON THAILAND

Published Reports

- CHAYO GROUP (CHAYO TB) - Justified valuation with low earnings visibility; Initiate with HOLD TP THB5.70
- INOUE RUBBER (THAILAND) (IRC TB) - Lower costs to offset weak sales; Downgrade to HOLD TP THB15.00
- Thailand Automotive - Car production set for slight growth amid challenges
- NSL FOODS (NSL TB) - Back in the spotlight; Maintain BUY TP THB26.00

Economics

- Ministry bullish on luring 35m foreign arrivals this year
- Spending mood upbeat ahead of holiday
- Panel called on to cut policy rate
- Headline inflation dips 4 months in a row
- Red Sea danger leads global oil buyers to switch markets
- January headline CPI drops 1.11% y/y, lowest in nearly 3 years

Corporate News

- AIS seeks partners for virtual bank
- SCB Wealth predicts B1tn in new bond issuances this year
- BLA targets B10bn in 1st-year premiums
- SJWD plans to spend B2.5bn on expanding network

Indices	Index as of 5-Feb-24	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,384	(0.0)	(2.3)	(748)
China SHCOMP	2,702	(1.0)	(9.2)	
Hong Kong HSI	15,510	(0.2)	(9.0)	
India SENSEX	71,731	(0.5)	(0.7)	(3,075)
Indonesia JCI	7,199	(0.6)	(1.0)	652
Korea KOSPI	2,591	(0.9)	(2.4)	4,675
MY FBMKLCI	1,511	(0.3)	3.9	
PH PCOMP	6,728	0.3	4.3	91
SG FSSTI	3,134	(1.4)	(3.3)	
Taiwan TWSE	18,096	0.2	0.9	2,631
VN VNINDEX	1,186	1.2	5.0	49
MSCI Emerging	983	(0.5)	(3.9)	
Nikkei 225	36,354	0.5	8.6	
FTSE 100	7,613	(0.0)	(1.6)	
CAC 40	7,590	(0.0)	0.6	
DAX	16,904	(0.1)	0.9	
Dow Jones	38,380	(0.7)	1.8	
Nasdaq	15,598	(0.2)	3.9	
S&P 500	4,943	(0.3)	3.6	
Brent	77.99	0.9	1.2	
Dubai	77.49	(2.1)	1.3	
WTI	72.78	(0.1)	1.5	
GOLD	2,025.11	0.0	(1.8)	
Trade data (THB m)	Buy (THB m)	Sell (THB m)	Net (THB m)	Share (%) (THB m)
Foreign	23,398	23,238	160	57
Retail	11,438	11,217	222	27
Prop Trade	3,510	3,600	(90)	9
Local Institution	2,872	3,163	(292)	7
Total Trade	41,218	41,218	0	100
Rates	Last close 5/2/2024	1M ago 8/1/2024	End last yr 29/12/2023	1yr ago 6/2/2023
THB/USD	35.80	35.03	34.14	33.68
Inflation *	(1.11)	(0.83)	(0.83)	5.02
MLR **	7.12	7.12	7.12	6.43
1Y Fixed *	1.65	1.65	1.65	1.14
Govt bond 10Y	2.67	2.76	2.68	2.47
Commodity (USD/bbl)	Last close 5/2/2024	1M ago 5/1/2024	End last yr 29/12/2023	1yr ago 3/2/2023
Brent	77.99	78.76	77.04	79.94
Dubai	77.49	77.64	76.51	79.35
WTI	72.78	73.81	71.65	74.11
Gold	2,025	2,028	2,063	1,867
Baltic Dry	1,407	2,110	2,094	608
(USD/ton)	02-Feb-24	26-Jan-24	25-Dec-20	03-Feb-23
Coal	117.98	128.00	84.45	256.60
% change	(7.8)	(19.7)	39.7	(54.0)

* 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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Thailand Equity Sales:

Thailand Equity Trading:

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Published Reports

CHAYO GROUP (CHAYO TB) - Justified valuation with low earnings visibility; Initiate with HOLD TP THB5.70

Credit cost plateau to weigh on the AMC business

In 2023, due to pricing issues in secured NPLs, around 90% of acquired receivables for CHAYO throughout 2023 were unsecured loans aged around 150-180 days overdue (relatively new NPLs). The debt investment dynamic for CHAYO in 2023 was heavily weighted toward the last two quarters of the year. We expect newly acquired NPLs to provide the firm with cash collection streams in about 1-2 quarters after acquisition due to certain legal practices with great collectability due to aging factors.

Loan business as the second largest profit contributor

The group is implementing the “spin-off” plan for the IPO of Chayo Capital (CCAP) between 2Q and 3Q of 2024, and expects to utilize the raised funds for further growth enhancement in its loan receivables, of which CHAYO plans to maintain a 53% holding post-IPO. As of 9M23, the portfolio reached THB874m, implying an increase of 47.22% y-y. We expect the lending business to be the second growth engine for CHAYO. For 4Q23, we forecast CCAP’s loan value to increase by 4.82% q-q and 41.12% y-y. The net profit contribution should increase from 10.8% in 2022 to around 10.8-14.1% in 2023-25. Our estimates have a potential upside from a successful IPO launch.

A large NPA sale to boost 4Q23 and 2023 results

We expect CHAYO’s 4Q23 net profit to finish at THB95m, implying 25.9% q-q and 12% y-y growth, driven largely by 1) a gain booked on the disposal of a large-ticket NPA worth around THB30m; 2) the cash collection on NPLs which should moderately pick up to THB108m (up 3.8% q-q and 15% y-y) from seasonal influence; and 3) CCAP’s loan growth estimated at 4.82% q-q and 41.12% y-y. However, we still expect pressure from ECL in the AMC business, in line with our view on the dull industry trends. Our estimates suggest a 2023 net profit of THB368m, sharply rising by 45.8% y-y.

Initiate with a HOLD call with a 2024 TP of THB5.70

We initiate our coverage on CHAYO with a HOLD rating. We expect the overall AMC industry to endure prolonged pressure from impaired collection performance and low earnings visibility. Our GGM model yields a 2024 TP of THB5.70, implying a P/BV ratio of 1.63x.

Exhibit 1: Revenue and net profit contribution from CCAP

	2022	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)
Operating revenue				
CHAYO	897	1,415	1,575	1,822
CCAP	59	91	118	141
Revenue contribution (%)				
CHAYO	93.4	93.6	92.5	92.3
CCAP	6.6	6.4	7.5	7.7
Net profit				
CHAYO	251	368	382	439
CCAP	27	40	52	62
Net profit contribution (%)				
CHAYO	89.2	89.2	86.5	85.9
CCAP	10.8	10.8	13.5	14.1

Source: FSSIA estimates

Exhibit 2: Scenario analysis on CCAP's loan growth

	Current estimates	What if	Change
	2024E	2024E	
	(THB m)	(THB m)	(%)
Loan receivables	1,110	1,500	35.15
Average yield on loan (%)	15.00	15.00	-
Interest income from loans	145	173	19.26
ECL	12	14	19.26
Credit cost (bp)	120	120	-
Net profit	382	397	3.88

Source: FSSIA estimates

Exhibit 3: CHAYO – 4Q23 earnings preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		9M23	Change	% of	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	23E	(THB m)	(y-y %)
Interest income												
Interest income from debt management	264	317	311	335	378	12.7	43.3	964	54.1	72	1,341	50.9
Interest income from loans	24	21	26	28	36	29.5	49.0	76	51.0	68	112	50.3
Total interest income	288	338	338	363	414	14.0	43.8	1,039	53.9	72	1,453	50.9
Interest expense	48	49	65	65	76	16.2	57.6	179	60.1	70	255	59.4
Net interest income	240	289	273	298	338	13.5	41.0	860	52.6	72	1,198	49.2
Non- interest income	40	41	90	28	57	101.3	41.7	159	203.0	74	216	131.1
Gain on disposal of foreclosed assets	28	9	11	12	31	159.3	10.4	33	50.4	51	63	27.9
Service income from debt collection services	8	9	10	9	11	16.9	26.9	28	5.2	72	39	10.5
Revenue from recruitment service	-	22	64	5	13	188.2	n/a	92	n/a	87	105	n/a
Other income	4	1	4	3	2	(18.2)	(45.1)	7	66.2	77	9	3.5
Total operating income	280	331	363	326	395	21.1	41.1	1,020	65.5	72	1,415	57.7
Operating expenses	89	100	148	107	134	25.5	51.1	355	48.6	73	489	49.3
Pre-provision operating profit	191	231	214	219	261	19.0	36.4	665	76.1	72	926	62.6
Expected credit loss	72	83	84	107	107	(0.0)	48.8	274	86.2	72	381	73.9
Operating profit	119	148	130	112	154	37.1	29.0	391	69.7	72	545	55.5
Income tax expenses	26	30	28	25	31	25.0	16.8	82	68.6	73	113	50.4
Profit before minority interest	93	118	103	88	123	40.5	32.5	309	70.0	71	432	56.9
Minority interest	8	14	11	11	27	138.5	243.0	37	141.9	57	64	176.6
Net profit	85	104	92	76	95	25.9	12.0	271	63.0	74	368	45.8
EPS (THB)	0.08	0.10	0.08	0.07	0.09	25.9	5.6	0.25	55.5	75	0.33	40.0
Key financial highlights												
Acquisition of loans to NPA	1,351	77	60	592	772	6.3	(44.9)	728	65.4	49	1,500	(16.3)
Cash collection	106	105	92	106	108	(7.0)	3.1	302	29.1	74	411	20.6
Accumulated cash collection to investment (%)	39.90	41.39	42.70	40.11	36.97			40.11			36.97	
Key financial ratio												
Liabilities / Equity (x)	0.87	1.11	1.07	1.07	1.04			1.07			1.04	
Interest-bearing liabilities / Equity (x)	0.81	1.04	1.00	1.00	0.98			1.00			0.98	
Net liabilities / Equity	0.55	0.55	0.58	0.76	0.67			0.76			0.67	
ROAA (%)	4.77	5.34	4.37	3.57	4.18			4.62			4.36	
ROAE (%)	8.92	10.62	9.11	7.38	8.59			9.36			8.87	
Cost of funds (%)	6.24	5.39	6.30	6.32	6.86			6.60			6.54	
Cost to income (%)	31.75	30.14	40.85	32.81	34.00			34.80			34.58	
Credit cost (bp)	616	598	577	673	606			685			597	

Sources: CHAYO; FSSIA estimates

INOUE RUBBER (THAILAND) (IRC TB) - Lower costs to offset weak sales; Downgrade to HOLD TP THB15.00

Expect revenue to lose momentum

We expect IRC to post a 1QFY24 core profit of THB53m (-1.3% q-q), in line with the slight drop in sales revenue. Its 1QFY24 core profit should grow 235% y-y because 1QFY23 was hit hard by rising raw material costs. Like 4QFY23, this quarter's performance should be saved by the lower raw material costs. We project IRC's 1QFY24 revenue at THB1.2b (-1.4% q-q, -15.5% y-y). It would be the fifth consecutive quarter where revenue has fallen q-q and the fourth consecutive quarter with a revenue decline y-y. We anticipate its gross margin to tick up 20bps due to lower energy-related costs, supporting the company's bottom line.

FTI projects motorcycle sales in domestic market will improve

In 2023, motorcycle sales in the domestic market increased by 3.6% y-y to 1.8m units, with internal combustion engine units contributing almost 100%. Only 420 battery-powered motorcycles were bought. Exports of motorcycles rose 10.8% y-y as the shortage of chips and parts continued to ease. However, 80% of motorcycles manufactured in Thailand are sold domestically. The Federation of Thai Industries (FTI) projects motorcycle production in 2024 to be steady at 2.1m units, driven by domestic sales, while exports are expected to slide as neighboring countries plan to manufacture more motorcycles.

Forecast maintained as challenges lie ahead

Our projected profit in 1QFY24 accounts for 32% of our full-year forecast, but we prefer to maintain our projection for at least the next two quarters. We believe that motorcycle sales should remain steady this year as the effective interest rate for bike loans has not exceeded 23% (since January 2023), prompting banks to put the brakes on loan growth.

Downgrade to HOLD on limited upside

We maintain our TP of THB15.00, based on a P/E of 17x, equal to its five-year historical average. However, as IRC's current share price offers less than a 10% upside, we downgrade our rating to HOLD from Buy. On the positive side, IRC has a strong base as a leading manufacturer of industrial elastomer products and motorcycle tires and tubes for over 50 years. As a debt-free company, IRC is also cash rich at THB6.0 per share as of end-September 2023.

Exhibit 4: 1QFY24 earnings preview

Year to Sep 30	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24E	----- Change -----		FY23	FY24E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	FY24E
Sales	1,464	1,441	1,258	1,255	1,237	(1.4)	(15.5)	5,417	5,728	5.7	21.6
Cost of sales	(1,361)	(1,298)	(1,145)	(1,123)	(1,105)	(1.6)	(18.8)	(4,927)	(5,218)	5.9	21.2
Gross profit	102	144	112	132	132	0.2	29.3	491	511	4.1	25.9
Operating costs	(88)	(97)	(98)	(94)	(92)	(1.6)	5.2	(380)	(371)	(2.5)	24.9
Operating profit	15	47	15	39	40	4.5	171.2	110	140	26.8	28.8
Operating EBITDA	105	146	119	143	142	(0.9)	35.9	513	545	6.3	26.0
Other income	11	19	12	17	15	(10.6)	32.6	60	49	(18.5)	30.8
Interest expense	(0)	(0)	(0)	(0)	(0)	0.0	(24.0)	(0)	(0)	0.0	23.3
Profit before tax	17	65	31	57	56	(1.4)	229.1	170	189	10.9	29.7
Tax	(1)	(4)	(1)	(3)	(3)	(2.0)	153.6	(10)	(23)	119.2	14.6
Associates	0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Minority interests	0	0	0	(0)	0	0.0	0.0	(0)	(0)	0.0	0.0
Reported net profit	16	61	30	53	53	(1.3)	235.4	160	166	3.9	31.7
Core profit	16	61	30	53	53	(1.3)	235.4	160	166	3.9	31.7
Reported EPS (THB)	0.08	0.30	0.15	0.27	0.26	(1.3)	229.4	0.83	0.86	4.1	30.5
Core EPS (THB)	0.08	0.30	0.15	0.27	0.26	(1.3)	235.4	0.83	0.86	4.1	30.5
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	
Gross margin	7.0	10.0	8.9	10.5	10.7	0.2	3.7	9.1	8.9	(0.1)	
Operating margin	1.2	4.5	2.5	4.5	4.5	0.0	3.4	3.1	3.3	0.2	
EBITDA margin	7.1	10.1	9.5	11.4	11.5	0.1	4.3	9.5	9.5	0.1	
Recurring net margin	1.1	4.2	2.4	4.3	4.3	0.0	3.2	2.9	2.9	(0.1)	
SG&A / Sales	6.6	6.8	7.4	7.3	7.4	0.0	0.8	7.0	6.5	(0.5)	

Sources: IRC, FSSIA estimates

Thailand Automotive - Car production set for slight growth amid challenges

2023 was a tough year for Thailand's automobile industry

2023 was a tough year for Thailand's automobile industry. Two downward revisions were the result of weak demand, tighter lending, and fierce competition. Total domestic car sales declined 8.7% y-y to 775,780 units largely due to a significant drop (-27.4% y-y) in pickup truck sales to 355,139 units, the lowest in 12 years since 2011. Pickups accounted for 45% of domestic car sales in 2023, while passenger cars were at 38% and other commercial vehicles (vans and buses) were at 16%. Exports, however, rose 11.7% y-y to 1,117,539 units. Australia and Asia remained healthy.

The FTI predicts a 3.2% rise in car production in 2024 amid challenges

The Federation of Thai Industries (FTI) projects a 3.2% rise in car production from 1,841,663 units to 1,900,000 units in 2024 amid concerns over geopolitical conflicts, the continued strict criteria for car loans, and the high level of household debt. Car production for export is forecast at 1,150,000 units (60% of total production), while domestic sales are projected at 750,000 units (40% of total production) in 2024. Unlike 2023, car exports in 2024 will face challenges because of sluggish demand abroad and the potential impact from Laos imposing a higher excise tax on cars, which could affect Thai car exports.

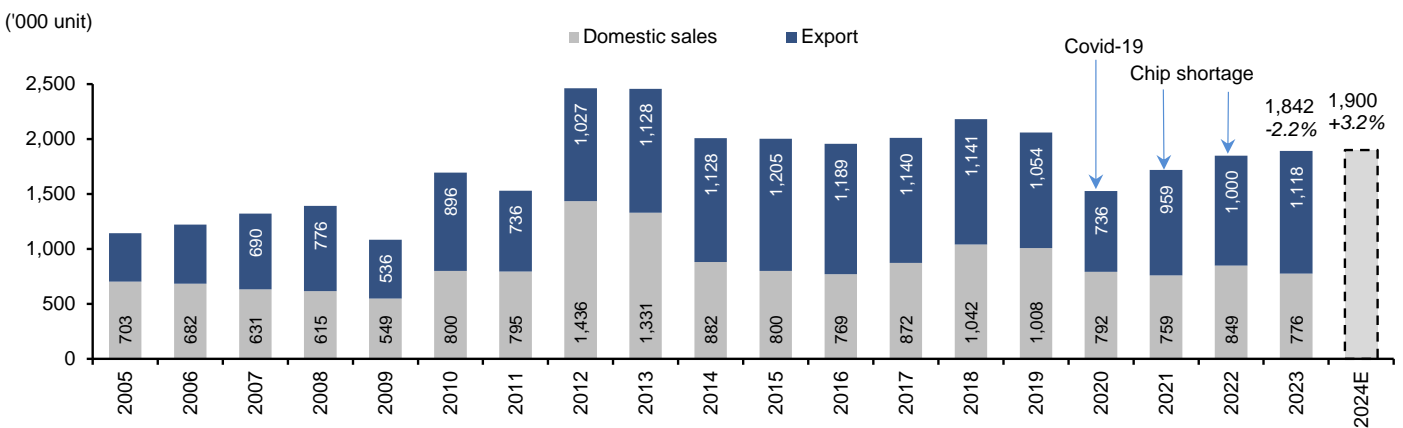
EV adoption in Thailand is accelerating, but challenges remain

The demand for EVs in Thailand grew tremendously, surging 381% y-y in 2023 due to the government's subsidies ranging between THB70b and THB150b for EV purchases depending on battery capacity. By 2030, Thailand aims to convert 30% of its annual production of 2.5m vehicles into EVs to maintain its status as a regional auto production hub. The influx of Chinese EV brands may affect Thailand's car suppliers who have a decades-long relationship with Japanese automakers. Thai automotive parts suppliers represent more than 1,800 companies, most of them SMEs, and employ more than 550,000 workers. EVs require far fewer components, thus fewer workers.

Investment conditions to assist local parts manufacturers in 2026

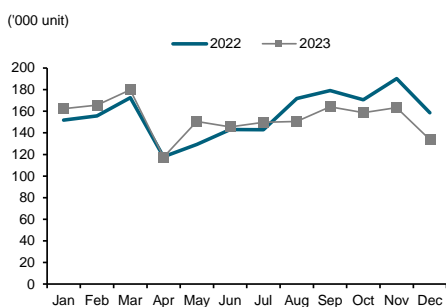
EV adoption could disrupt the existing automotive supply chain. However, it may create opportunities for EV- and battery-related stocks (EA, NEX, GPSC, PTT, BCPG, and EPG), EV distributors (ASAP, COM7, and SUSCO), and export/import stocks (SJWD and NYT). The conditions imposed on importers to manufacture two cars domestically for every one imported car (ratio at 2:1) starting in 2026 and increasing to 3:1 by 2027 may assist local parts manufacturers to transform from combustion to ICE production smoothly.

Exhibit 5: Thailand's domestic automobile sales and exports



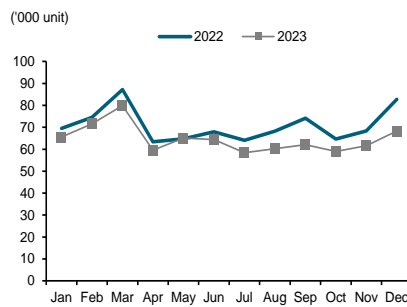
Sources: The Federation of Thai Industries, FSSIA's compilation

Exhibit 6: Car production (2022-23)



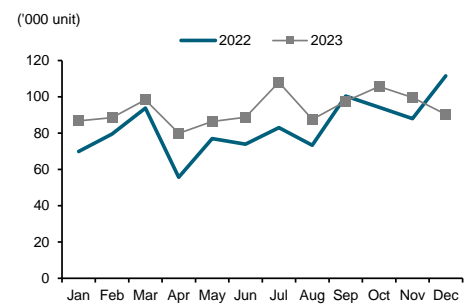
Sources: Automotive Industry Club, FSSIA's compilation

Exhibit 3: Domestic car sales (2022-23)



Sources: Automotive Industry Club, FSSIA's compilation

Exhibit 4: Car exports (2022-23)



Sources: Automotive Industry Club, FSSIA's compilation

NSL FOODS (NSL TB) - Back in the spotlight; Maintain BUY TP THB26.00

4Q23 revenue and net profit to hit a new high

We anticipate NSL's 4Q23 net profit to reach a new high of THB85m (+16% q-q, +9% y-y). The expected profit is higher than our previous forecast, supported by solid revenue growth, a higher gross margin and a smaller share of loss from its associate. To elaborate, we are impressed by 4Q23E total revenue which should grow by 6% q-q and 20% y-y, due to 1) the strong growth of existing product revenue; 2) the success of new products – Nama Chocolate Mild Milk, Macarons; and 3) the full-quarter recognition of revenue from BAW totaling THB45m (3% of 4Q23E total revenue). We expect its 4Q23 gross margin to recover q-q to 18.3% from 17.7% in 3Q23 after the improvement of its factory is completed.

Expect an insignificant loss from affiliated companies

The company has been adjusting the marketing strategy of its associate Pen1 since 3Q23. We expect to see a smaller loss contribution of around THB2.5m in 4Q23 (vs a loss of THB3.7m in 3Q23). However, we assume an insignificant operating loss from its two subsidiaries – NSL Intertrade and NSL BAW. In particular, NSL Intertrade has exported its first shipment of retort desserts in 4Q23. Even though we have not seen a clear improvement from BAW's operation, we believe that management will continue to monitor its performance. Overall, we conclude that solid growth in its main business should offset a loss from its new businesses entirely.

Revising up profit to reflect solid revenue growth

Management set a 2024 total revenue growth target of 19-20% y-y, supported by 1) continued bakery unit revenue growth in line with 7-Eleven's expansion and more new flavors; 2) the export revenue target of over THB100m (1.8% of the 2024 revenue target); and 3) NSL branded products and revenue from subsidiaries. We revise up 2024-25E revenue by 7-8% to grow 14% y-y and 9% y-y. Therefore, we raise our 2024-25 net profit forecasts by 7.5% and 4.6% to grow by 21% y-y and 11% y-y.

Reaffirm BUY call with a higher TP of THB26

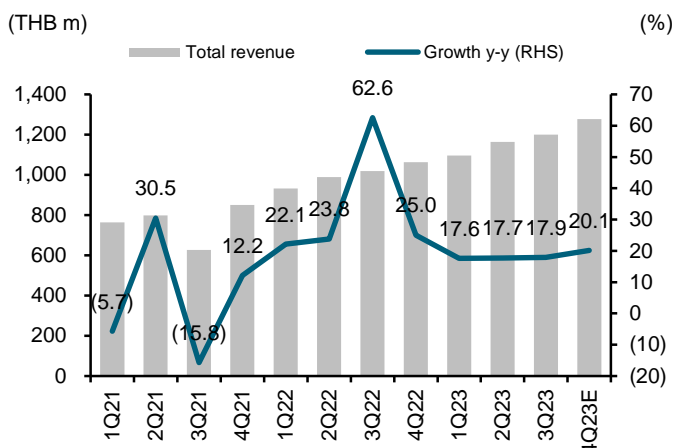
We reiterate our BUY recommendation with a new target price at THB26, up from THB24 (20x 2024E P/E maintained). We have a more positive view on NSL's profit visibility following the efficient management of its new business. Its share price is trading only 14.6x 2024E P/E. Also, we expect a 2H23 DPS of THB0.54, implying dividend yield of 3%.

Exhibit 7: 4Q23 earnings preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	% Y-Y
Sales	1,063	1,095	1,163	1,201	1,277	6.4	20.1	4,001	4,736	18.4
Cost of sales	870	892	949	988	1,044	5.6	20.1	3,259	3,873	18.8
Gross profit	194	204	214	212	233	9.8	20.3	742	863	16.3
SG&A	97	107	109	117	124	5.9	28.3	369	457	24.0
Operating profit	100	98	108	98	111	13.4	11.1	382	416	8.9
Interest expense	3	3	3	2	3	27.2	7.5	10	11	7.2
Profit (loss) sharing	0	(1)	(2)	(4)	(3)	nm	nm	0	(9)	nm
Tax expense	20	19	21	19	21	12.7	8.0	74	80	8.1
Reported net profit	78	75	83	73	85	15.5	8.8	298	316	6.3
Core profit	78	78	83	73	85	15.5	8.8	298	316	6.3
Key ratios (%)										
Gross margin	18.2	18.6	18.4	17.7	18.3	0.6	0.0	18.5	18.3	(0.2)
SG&A / Sales	9.1	9.8	9.4	9.7	9.7	0.0	0.6	9.2	9.6	0.4
Operating margin	9.4	9.0	9.3	8.2	8.7	0.5	(0.7)	9.5	8.9	(0.6)
Net margin	7.3	6.9	7.1	6.1	6.6	0.5	(0.7)	7.4	6.7	(0.8)
Core margin	7.3	7.2	7.1	6.1	6.6	0.5	(0.7)	7.4	6.7	(0.8)

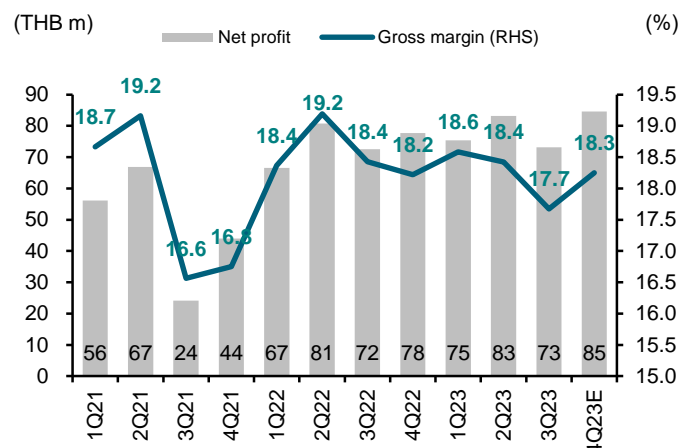
Sources: NSL, FSSIA estimates

Exhibit 8: Quarterly total revenue and growth



Sources: NSL, FSSIA estimates

Exhibit 9: Quarterly net profit and gross margin



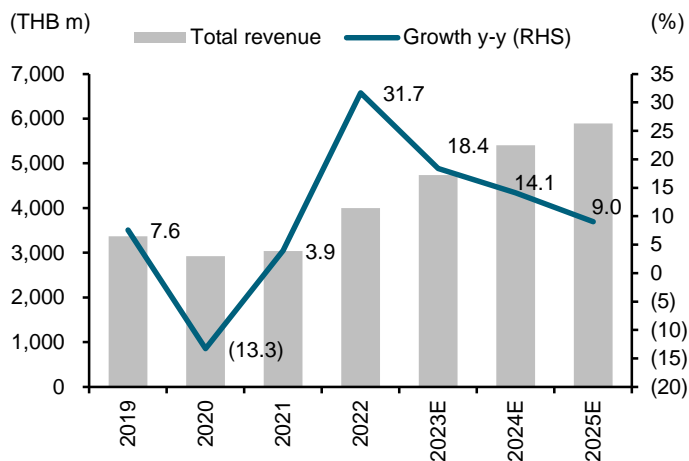
Sources: NSL, FSSIA estimates

Exhibit 10: Changes in key assumptions for NSL

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Total revenue	4,736	5,404	5,893	4,651	5,044	5,442	1.8	7.1	8.3
Costs	3,873	4,415	4,808	3,800	4,116	4,430	1.9	7.3	8.5
Gross profit	863	989	1,084	851	928	1,012	1.4	6.6	7.1
SG&A expenses	457	519	566	451	484	517	1.3	7.2	9.4
Profit sharing	(9)	(3)	0	(8)	(6)	3	<i>nm</i>	<i>nm</i>	(100.0)
Reported net profit	316	383	425	311	356	406	1.7	7.5	4.6
Core profit	316	383	425	311	356	406	1.7	7.5	4.6
Key ratios (%)									
Total revenue growth	18.4	14.1	9.0	16.2	8.4	7.9	2.2	5.7	1.1
Net profit growth	6.3	21.0	11.0	4.5	14.6	13.8	1.8	6.4	(2.8)
Core profit growth	6.3	21.0	11.0	4.5	14.6	13.8	1.8	6.4	(2.8)
Gross margin	18.2	18.3	18.4	18.3	18.4	18.6	(0.1)	(0.1)	(0.2)
SG&A to sales	9.6	9.6	9.6	9.7	9.6	9.5	(0.1)	0.0	0.1
Net margin	6.7	7.1	7.2	6.7	7.1	7.5	(0.0)	(0.0)	(0.3)
Core margin	6.7	7.1	7.2	6.7	7.1	7.5	(0.0)	(0.0)	(0.3)
Operating statistics (THB m)									
Bakery sales	4,327	4,953	5,387	4,242	4,595	4,938	2.0	7.8	9.1
Food service sales	281	301	337	281	301	337	0.0	0.0	0.0
Snack sales	45	49	53	45	48	51	0.0	2.4	4.1
OEM sales	84	101	116	84	101	116	0.0	0.0	0.0

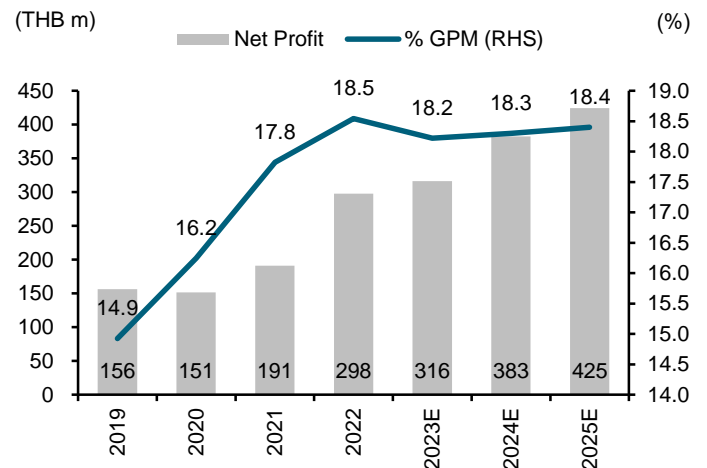
Source: FSSIA estimates

Exhibit 11: Yearly total revenue and growth



Sources: NSL, FSSIA estimates

Exhibit 12: Yearly net profit and gross margin



Sources: NSL, FSSIA estimates

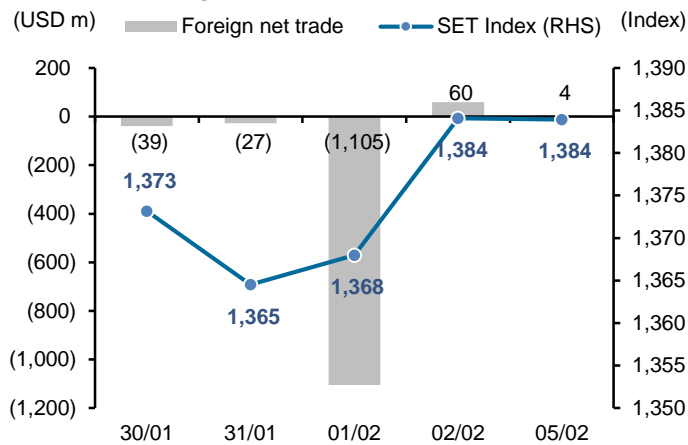
Economic news

- [Ministry bullish on luring 35m foreign arrivals this year](#) BANGKOK POST: The Tourism and Sports Ministry is confident the country can attract 35 million foreign visitors this year after 3 million arrived in the first month, while tourism operators say expensive tour packages will not affect Chinese tourists from second-tier cities. Kitti Chaodee, secretary to the tourism and sports minister, said Thailand welcomed more than 90,000 daily arrivals during weekdays and more than 100,000 on weekends in January, creating positive momentum for the year.
- [Spending mood upbeat ahead of holiday](#) BANGKOK POST: Spending among Thai residents during the Chinese New Year festival, which starts on Thursday this week, is expected to reach the highest level in 11 years thanks to the country's economic recovery after the pandemic. According to the annual survey of consumer spending for the holiday by the University of the Thai Chamber of Commerce (UTCC), spending is expected to surge to 50 billion baht, up 10.1% from 45 billion the previous year.
- [Panel called on to cut policy rate](#) BANGKOK POST: The Finance Ministry is urging the Bank of Thailand's Monetary Policy Committee (MPC) to consider cutting its policy rate to ease the burden on the public, says Deputy Finance Minister Julapun Amornvivat. He said the central bank's policy review on Tuesday should consider the effect of the policy rate on people rather than merely focusing on financial stability, given the sturdy fundamentals of the banking system.
- [Headline inflation dips 4 months in a row](#) BANGKOK POST: Headline inflation declined for a fourth consecutive month in January, reaching its lowest level in 35 months, as the Commerce Ministry expects the trend to continue in February and March thanks to government measures to reduce the cost of living. Despite the outlook, Poonpong Naiyanapakorn, director-general of the Trade Policy and Strategy Office, insisted there is no indication of deflation.
- [Red Sea danger leads global oil buyers to switch markets](#) BANGKOK POST: EW YORK - The global oil market is looking increasingly local as militant attacks in the Red Sea and surging freight rates make supplies from closer to home more attractive. A slump in tanker traffic through the Suez Canal is spurring the beginnings of a split, with one trading region centered around the Atlantic Basin and including the North Sea and the Mediterranean, and another encompassing the Persian Gulf, the Indian Ocean and East Asia. There is still crude moving between these areas via the longer and costlier journey around the southern tip of Africa but recent buying patterns point to disconnection.
- [January headline CPI drops 1.11% y/y, lowest in nearly 3 years](#) BANGKOK POST: Thailand's annual consumer inflation rate fell to its lowest in 35 months in January, the Commerce Ministry said on Monday. The figure compared with a forecast fall of 0.82% for January in a Reuters poll. The core CPI increased 0.52% year-on-year in January, versus a forecast rise of 0.57%.

Corporate news

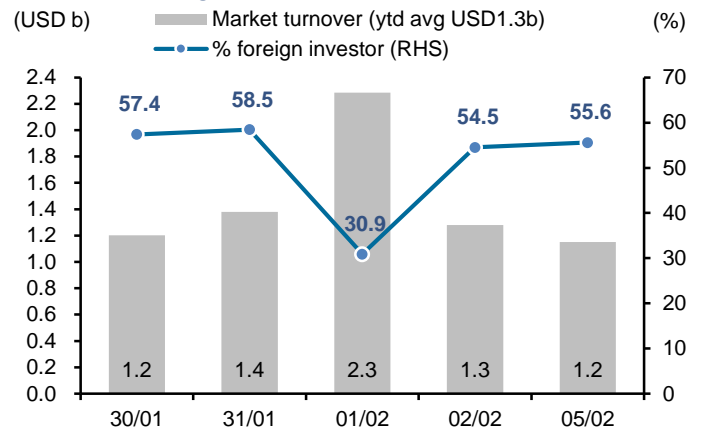
- [AIS seeks partners for virtual bank](#) BANGKOK POST: Advanced Info Service (AIS) is in talks with PTT Oil and Retail Business (OR) and a digital platform provider on a potential partnership to apply for a virtual bank licence from the Bank of Thailand, according to AIS chief executive Somchai Lertsutiwong. The potential partners would be added to AIS's plan to apply for a licence with current partner Krungthai Bank (KTB).
- [SCB Wealth predicts B1tn in new bond issuances this year](#) BANGKOK POST: The Thai bond market will remain robust with favourable returns this year thanks to sustained high interest rates, with new issuances estimated at 1 trillion baht, according to financial advisor SCB Wealth. Sornchai Suneta, executive vice-president of SCB Wealth's Investment Office and Product Function, said the bond market is expected to continue to yield favourable returns, attributed to elevated interest rates that should decline in the future.
- [BLA targets B10bn in 1st-year premiums](#) BANGKOK POST: SET-listed Bangkok Life Assurance (BLA) is aiming to achieve first-year premiums of 10 billion baht by the end of 2026 by focusing on agent channels amid fierce competition in the industry. Though Thai economic growth is sluggish, there are more than 20 life assurance firms competing in the market. BLA wants to improve its performance via the firm's agent channels, said president and chief executive Chone Sophonpanich.
- [SJWD plans to spend B2.5bn on expanding network](#) BANGKOK POST: SCGJWD Logistics (SJWD), a unit of Siam Cement Group, is set to invest nearly 2.5 billion baht to acquire shares of logistics companies in Thailand and Malaysia as it expands its logistics and supply chain business in Southeast Asia. Co-chief executive Bunn Kasemsup said the company's board recently approved SJWD's plan to invest more in SET-listed Asia Network International (ANI), while its subsidiary JWD Asia Holding Private (JWDAH) plans to acquire shares of Swift Haulage Berhad (SWIFT).

Exhibit 13: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 14: Foreign participation



Source: Bloomberg

Exhibit 15: 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	1,383.93	0.0	0.0	0.5	(0.4)	(0.4)	0.0	(0.8)	(0.6)	1.2	(0.9)
-5D	1,376.28	0.6	0.1	(0.1)	1.0	0.9	0.7	(1.5)	0.5	2.6	0.2
-1M	1,427.96	(3.1)	(2.0)	(5.5)	2.0	(5.6)	(2.4)	(4.5)	(7.3)	(1.9)	(7.8)
-3M	1,417.21	(2.3)	(1.6)	(4.6)	1.2	(4.7)	0.0	(0.7)	(4.9)	(5.2)	(5.7)
-6M	1,530.46	(9.6)	(8.0)	(8.3)	(2.7)	(12.4)	(2.5)	(6.9)	(12.9)	(10.7)	(17.8)
-1Y	1,682.11	(17.7)	(16.6)	(6.7)	(8.5)	(23.8)	(15.4)	(17.7)	(21.0)	(17.5)	(33.3)
WTD	1,384.08	0.0	0.0	0.5	(0.4)	(0.4)	0.0	(0.8)	(0.6)	1.2	(0.9)
MTD	1,364.52	1.4	0.9	1.0	0.8	2.3	1.1	(0.5)	1.4	4.7	2.7
QTD	1,415.85	(2.3)	(1.7)	(5.0)	3.2	(4.0)	(2.6)	(3.7)	(6.9)	2.8	(8.9)
End of 2022	1,415.85	(2.3)	(1.7)	(5.0)	3.2	(4.0)	(2.6)	(3.7)	(6.9)	2.8	(8.9)

Source: Bloomberg

Exhibit 16: 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
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	1,383.93	(2.3)	35.24	44,988	1,277	(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	1,383.93	(14.0)	35.35	52,430	1,483	(2,164)	823	(6)	(69)	(334)
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	1,364.52	(18.4)	35.20	62,067	1,763	(562)	888	25	(42)	(112)
Feb-24	1,383.93	(14.7)	35.50	42,793	1,205	(1,105)	(66)	(31)	(26)	(223)
2024YTD	1,383.93	(2.3)	35.24	44,988	1,277	(6,202)	823	(6)	(69)	(334)
30/01/2024	1,373.14		35.37	42,492	1,201	(39)	33	13	(6)	(99)
31/01/2024	1,364.52		35.47	48,924	1,379	(27)	39	(4)	(8)	(17)
01/02/2024	1,367.96		35.46	42,002	1,185	59	(5)	(15)	(39)	(33)
02/02/2024	1,384.08		35.25	45,160	1,281	60	(67)	(14)	21	(65)
05/02/2024	1,383.93		35.80	41,218	1,151	4	6	(3)	(8)	(125)

Source: Bloomberg

Exhibit 17: Upcoming events

Date Time	Event	Survey	Actual	Prior	
02/07/2024 02:05	BoT Benchmark Interest Rate	Feb-07	2.50%	--	2.50%
02/09/2024 02:30	Foreign Reserves	Feb-02	--	--	\$221.2b
02/09/2024 02:30	Forward Contracts	Feb-02	--	--	\$30.3b
02/12/2024 22:30	Consumer Confidence Economic	Jan	--	--	56
02/12/2024 22:30	Consumer Confidence	Jan	--	--	62
02/17/2024 02/24	Car Sales	Jan	--	--	68326
02/18/2024 21:30	GDP SA QoQ	4Q	--	--	0.80%
02/18/2024 21:30	GDP YoY	4Q	--	--	1.50%
02/21/2024 02/29	Customs Exports YoY	Jan	--	--	4.70%
02/22/2024 02/29	Customs Imports YoY	Jan	--	--	-3.10%
02/22/2024 02/29	Customs Trade Balance	Jan	--	--	\$973m
02/25/2024 02/29	Mfg Production Index ISIC NSA YoY	Jan	--	--	-6.27%
02/25/2024 02/29	Capacity Utilization ISIC	Jan	--	--	55.25
02/29/2024 02:00	BoP Current Account Balance	Jan	--	--	\$2107m
02/29/2024 02:30	BoP Overall Balance	Jan	--	--	\$464m
02/29/2024 02:30	Exports	Jan	--	--	\$22380m
02/29/2024 02:30	Imports	Jan	--	--	\$20035m
02/29/2024 02:30	Exports YoY	Jan	--	--	3.00%
02/29/2024 02:30	Imports YoY	Jan	--	--	-1.70%
02/29/2024 02:30	Trade Balance	Jan	--	--	\$2346m
02/29/2024 19:30	S&P Global Thailand PMI Mfg	Feb	--	--	46.7
02/29/2024 03/11	CPI Core YoY	Feb	--	--	0.52%
02/29/2024 03/11	CPI NSA MoM	Feb	--	--	0.02%
02/29/2024 03/11	CPI YoY	Feb	--	--	-1.11%
03/01/2024 02:30	Business Sentiment Index	Feb	--	--	48

Source: Bloomberg

Exhibit 18: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Richy Place 2002 (RICHY)	Pichaya Tansode	Common Shares	2/1/2024	515,310	0.67	Buy	0.35

Source: SEC

Exhibit 19: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
FSX	05/03/2024	28/11/2023	Common	2.3	Baht	1 : 1	25/03/2024 - 29/03/2024	867929461

Source: SET

Exhibit 20: Upcoming XM

Symbol	X-Date	Meeting Date	Agenda	Venue
GLOCON	06/02/2024	20/03/2024	Capital increase, Paid up capital reduction, The issuance of convertible securities	Electronic Extraordinary General Meeting (E-EGM)
SCGP	06/02/2024	26/03/2024	Cash dividend payment	Meeting via electronic means (E-Meeting)
CV	07/02/2024	01/03/2024	Capital increase, Paid up capital reduction, The issuance of convertible securities	electronic meeting
SCC	07/02/2024	27/03/2024	Cash dividend payment	Meeting via electronic means (E-Meeting)
KPNPF	12/02/2024	08/03/2024	Conversion to Reit	Jamjuree Ballroom A, M floor, Pathumwan Princess Hotel, No. 444 Phaya Thai Road, Wang Mai Sub-district, Pathum Wan District, Bangkok 10330
THG	12/02/2024	06/03/2024	The issuance of debentures	At Nuntha Utayarn Samosorn, located opposite to the Thonburi Hospital at no. 64 Soi Issaraparp 44, Issaraparp Road, Baan Chang Lor, Bangkok Noi, Bangkok 10700
NUSA	13/02/2024	29/02/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets, Changing The director(s)	e-Meeting
KWI	14/02/2024	12/03/2024	Capital increase, Paid up capital reduction, Connected transaction	Via electronic means
PTTEP	19/02/2024	01/04/2024	Cash dividend payment, Changing The director(s)	Electronic Meeting (E-Meeting)
OHTL	08/03/2024	25/04/2024	Omitted dividend payment, Changing The director(s)	e-AGM

Source: SET

Exhibit 21: Upcoming XD

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Price	Div Yield	Par
METCO	7/2/2024	10	Baht	01/10/2022 - 30/09/2023	NP	22/2/2024	243.00	4.1%	10
DIF	8/2/2024	0.2264	Baht	01/10/2023 - 31/12/2023	Both	4/3/2024	8.15	2.8%	10
ERWPF	8/2/2024	0.1365	Baht	01/07/2023 - 31/12/2023	NP	28/2/2024	8.55	1.6%	7.7793
IRC	8/2/2024	0.4178	Baht	01/10/2022 - 30/09/2023	NP	28/2/2024	14.20	2.9%	1
POPF	8/2/2024	0.1658	Baht	01/10/2023 - 31/12/2023	NP	28/2/2024	6.65	2.5%	9.7299
PPF	8/2/2024	0.2005	Baht	01/10/2023 - 31/12/2023	NP	28/2/2024	10.30	1.9%	10
SIRIP	8/2/2024	0.08	Baht	01/10/2023 - 31/12/2023	NP	28/2/2024	7.40	1.1%	10
AAPL80X	9/2/2024	-	Baht	-	-	14/3/2024	-	-	-
CPNCG	13/2/2024	0.2559	Baht	01/10/2023 - 31/12/2023	NP	1/3/2024	7.10	3.6%	9.9476
RAM	13/2/2024	0.2	Baht	-	RE	29/2/2024	32.75	0.6%	0.1
MSFT80X	14/2/2024	-	Baht	-	-	11/4/2024	-	-	-
PTTEP	19/2/2024	5.25	Baht	-	RE	22/4/2024	152.00	3.5%	1
KSL	29/2/2024	0.05	Baht	01/11/2022 - 31/10/2023	NP	15/3/2024	2.56	2.0%	0.5
SCGD	1/4/2024	0.15	Baht	01/01/2023 - 31/12/2023	NP	22/4/2024	9.20	1.6%	10
SCGP	2/4/2024	0.3	Baht	01/01/2023 - 31/12/2023	NP	22/4/2024	31.75	0.9%	1
SCC	4/4/2024	3.5	Baht	01/01/2023 - 31/12/2023	NP	23/4/2024	272.00	1.3%	1

Source: SET

Exhibit 22: New securities

Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
BBL11C2405A	06/02/2024	BBL	KS	Call	SET	07/06/2024	185
BGRIM19C2407A	06/02/2024	BGRIM	YUANTA	Call	SET	11/07/2024	33.25
BYDCOM28C2407A	06/02/2024	BYDCOM	MACQ	Call	SET	03/08/2024	230
DOHOME11C2406A	06/02/2024	DOHOME	KS	Call	SET	20/06/2024	15.5
FORTH19C2407A	06/02/2024	FORTH	YUANTA	Call	SET	11/07/2024	23.1
GUNKUL13C2407A	06/02/2024	GUNKUL	KGI	Call	SET	10/07/2024	4.1
GUNKUL13P2407A	06/02/2024	GUNKUL	KGI	Put	SET	10/07/2024	2.1
HANA13P2406A	06/02/2024	HANA	KGI	Put	SET	11/06/2024	32
HANA19C2407A	06/02/2024	HANA	YUANTA	Call	SET	11/07/2024	65.25
KUAISH28C2407A	06/02/2024	KUAISH	MACQ	Call	SET	03/08/2024	47
LENOVO28C2407A	06/02/2024	LENOVO	MACQ	Call	SET	03/08/2024	10
SJWD13C2407A	06/02/2024	SJWD	KGI	Call	SET	10/07/2024	20
SPRC11C2406A	06/02/2024	SPRC	KS	Call	SET	04/07/2024	11.5
TU11C2407T	06/02/2024	TU	KS	Call	SET	06/08/2024	18

Source: SET