

24 JULY 2024

SPOTLIGHT ON THAILAND

Published Reports

- ASIA AVIATION (AAV TB) - Flying higher out of market's radar; Maintain BUY TP THB3.30
- THAI FOODS GROUP (TFG TB) - Strong profit recovery anticipated; Maintain BUY TP THB4.80
- DOHOME (DOHOME TB) - Recovery outlook continues to improve; Maintain BUY TP THB11.80
- SIAM GLOBAL HOUSE (GLOBAL TB) - 2Q24 profit should remain unexciting; Upgrade to BUY TP THB17.30
- Thailand Banks - 2Q24 profit in line; asset quality deteriorated
- KASIKORNBANK (KBANK TB) - More visibility on 2024 performance; Upgrade to BUY TP THB145.00
- KIATNAKIN PHATRA BANK (KKP TB) - 2Q24 profit missed; asset quality dragged; Maintain HOLD TP THB39.10
- SCB X (SCB TB) - Several headwinds continuing in 2H24; Downgrade to HOLD TP THB110.00
- TMBTHANACHART BANK (TTB TB) - Focus on credit quality and cost control; Maintain BUY TP THB2.22
- KRUNG THAI BANK (KTB TB) - 2Q24 results at first glance; Maintain BUY TP THB19.90
- KRUNGTHAI CARD (KTC TB) - 2Q24 results at first glance; Maintain HOLD TP THB40.00

Economics

- Motorcycle sales dip 10% in H1
- Local traders optimistic on price outlook for gold
- Ministry to divest from 25 companies
- Chinese EV makers urged to use locally sourced parts
- TAT expects B18.3bn from July holidays
- Premium EV sales dip 35% in first half

Corporate News

- AirAsia flights back to normal after global IT outage
- Thailand's corporate earnings recovery mixed
- Home construction prices rise 3.8% in Q2

Indices	Index as of 23-Jul-24	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,302	(1.2)	(8.1)	(3,290)
China SHCOMP	2,915	(1.6)	(2.0)	
Hong Kong HSI	17,469	(0.9)	2.5	
India SENSEX	80,429	(0.1)	11.3	5,062
Indonesia JCI	7,314	(0.1)	0.6	(127)
Korea KOSPI	2,774	0.4	4.5	18,964
MY FBMKLCI	1,630	0.5	12.0	
PH PCOMP	6,753	0.6	4.7	(446)
SG FSSTI	3,461	0.7	6.8	
Taiwan TWSE	22,872	2.8	27.6	(2,855)
VN VNINDEX	1,232	(1.8)	9.0	(1,959)
MSCI Emerging	1,087	0.1	6.2	
Nikkei 225	39,594	(0.0)	18.3	
FTSE 100	8,167	(0.4)	5.6	
CAC 40	7,599	(0.3)	0.7	
DAX	18,558	0.8	10.8	
Dow Jones	40,358	(0.1)	7.1	
Nasdaq	17,997	(0.1)	19.9	
S&P 500	5,556	(0.2)	16.5	
Brent	81.01	(1.7)	5.2	
Dubai	82.17	(0.3)	7.4	
WTI	76.96	0.6	8.0	
GOLD	2,409.64	(0.0)	16.8	
Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	21,058	20,988	71	52
Retail	13,558	13,262	295	33
Prop Trade	2,519	2,203	316	6
Local Institution	3,185	3,867	(682)	9
Total Trade	40,320	40,320	0	100
Rates	Last close	1M ago	End last yr	1yr ago
	23/07/2024	24/06/2024	29/12/2023	24/07/2023
THB/USD	36.15	36.64	34.26	34.53
Inflation *	0.62	1.54	(0.83)	0.23
MLR **	7.12	7.12	7.12	6.87
1Y Fixed *	1.65	1.65	1.65	1.41
Govt bond 10Y	2.62	2.70	2.68	2.59
Commodity	Last close	1M ago	End last yr	1yr ago
(USD/bbl)	23/07/2024	21/06/2024	29/12/2023	21/07/2023
Brent	81.01	85.24	77.04	81.07
Dubai	82.17	84.75	76.51	81.69
WTI	76.96	81.63	71.65	78.74
Gold	2,410	2,335	2,063	1,955
Baltic Dry	1,896	1,973	2,094	967
(USD/ton)	19-Jul-24	12-Jul-24	25-Dec-20	21-Jul-23
Coal	137.34	133.36	84.45	130.10
% change	3.0	4.4	62.6	5.6

* 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 Jiracharoenying, 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 Rerkriengkrai | +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:

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Published Reports

ASIA AVIATION (AAV TB) - Flying higher out of market's radar; Maintain BUY TP THB3.30

Expect passenger volume, load factor and ticket fares to grow y-y

We expect the passenger volume to grow by 7% y-y to 5.0m in 2Q24, driven mainly by strong domestic passenger demand. The load factor should improve to 91% (from 89% in 2Q23) thanks to AAV's strategy to selectively increase seat capacity. In addition, the strong ticket fare trend should continue and grow by 14% y-y to cTHB2,000. On a positive note, the jet fuel spot price dropped by 4% q-q to USD98-99/bbl and ASK should decline by c10% q-q, leading jet fuel costs to decline by 12-14% q-q. We estimate pre-tax profit to jump to THB0.36b in 2Q24 (vs 0.17b in 2Q23). This should be the best 2Q result since 2Q17. AAV should book a cTHB0.3b FX loss on its lease liabilities due to the depreciation of the THB vs USD, resulting in our net profit forecast of THB53m in 2Q24.

Earnings momentum to accelerate in 3Q24 and 4Q24

We expect the profit momentum to continue in 3Q24, led by strong Chinese tourist arrivals in July and Aug following the school break period. Chinese tourists have increased w-w for four consecutive weeks, reaching 22k tourists/day, equivalent to c70% of pre-Covid. In addition, this number hit a record high in 2024 (excluding Chinese New Year period in Feb-24). Therefore, AAV plans to increase capacity from c81-82% in 2Q24 to 85-88% in 3Q24. Note that we expect the load factor of China routes to be strong at c89-90%, which should continue in 3Q24.

Raise core profit to reflect 1H24E and promising outlook in 2H24

We raise 2024E core profit by 8% to THB2.4b to reflect the strong load factor and ticket fares in 1H24. Although our 2024E core profit is ahead of the BBG consensus' THB1.7b, we still see a potential upside from the 2024 profit given that currently our 1H24E profit is THB1.5b-1.6b, and we see the potential for 2H24 core profit to accelerate compared to 1H24.

First low season core profit since 2018 may grab market attention

We raise our TP to THB3.3/shr (based on 18x 2024E P/E). AAV trades at an attractive valuation of 11x 2024E P/E (vs global peers' avg. of 12x). In our view, it deserves to trade at a premium to peers due to its superior earnings growth and operating profit margin (11% for AAV vs 5% average for global airlines). Key catalyst is 2Q24 profit, which should prove that AAV is now focused on profitability rather than capacity expansion.

Exhibit 1: Forecast revisions

	Current			Previous			Change (%)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Passengers carried (m)	20.7	21.0	21.1	20.7	21.1	21.2	(0.1)	(0.4)	(0.3)
Load factor (%)	90	90	90	89	89	89	0.9	0.6	0.7
Average fare (THB)	2,030	2,071	2,112	2,010	2,050	2,091	1.0	1.0	1.0
Fuel price net hedging (USD/bbl)	110	110	110	110	110	110	0.0	0.0	0.0
Revenue (THB b)	51.9	53.6	55.1	51.9	53.9	55.3	(0.1)	(0.5)	(0.4)
EBITDA margin (%)	19.0	19.1	18.9	18.6	18.7	18.4	0.5	0.5	0.5
Core earnings (THB m)	2,421	2,567	2,849	2,234	2,407	2,644	8.4	6.7	7.8

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

Sources: AAV; FSSIA estimates

Exhibit 2: AAV – 2Q24 results preview

	2Q23	3Q23	4Q23	1Q24	2Q24E	----- Change -----		2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	10,399	9,899	12,657	14,018	12,115	(14)	17	51,859
- Passenger revenue	8,136	7,823	10,336	11,514	9,895	(14)	22	42,012
- Other revenue	2,263	2,076	2,321	2,504	2,220	(11)	(2)	9,847
Expense	(9,691)	(10,541)	(10,966)	(11,885)	(11,136)	(6)	15	(46,316)
- Fuel and oil	(3,369)	(4,010)	(4,733)	(4,990)	(4,347)	(13)	29	(18,179)
- Non-fuel operating expenses	(6,322)	(6,531)	(6,233)	(6,894)	(6,789)	(2)	7	(28,137)
Operating profit	708	(642)	1,691	2,133	979	(54)	38	5,544
Interest income	9	7	9	10	10	0	2	53
Interest expense	(549)	(596)	(652)	(630)	(630)	0	15	(2,570)
Pretax profit	169	(1,231)	1,049	1,513	359	(76)	113	3,026
Income Tax	289	429	(638)	128		n/a	n/a	(605)
Core profit	458	(802)	410	1,640	359	(78)	(22)	2,421
Core profit adjusting tax 1)	179	(965)	873	1,230	359	(71)	100	2,421
Extraordinaries	(1,470)	(893)	2,403	(2,049)	(306)	85	79	0
- FX gain (loss)	(1,391)	(813)	2,314	(2,049)	(306)	85	78	0
- Derivative gain (loss)	0	0	80	0	0			0
- Others	(80)	(79)	9	0	0			0
Minority interest	0	0	0	0	0			0
Reported net profit (AAV)	(1,013)	(1,695)	2,814	(409)	53	(113)	105	2,421
Shares out (end Q, m)	9,879	9,879	9,879	9,879	9,879	0	0	12,850
Core EPS	0.05	(0.08)	0.04	0.17	0.04	(78)	(22)	0.19
EPS	(0.10)	(0.17)	0.28	(0.04)	0.01	(113)	105	0.19
Depreciation	(1,251)	(1,128)	(1,306)	(964)	(964)	0	(23)	(4,326)
EBITDA	1,960	486	2,997	3,097	1,943	(37)	(1)	9,869
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Operating profit margin	7	(6)	13	15	8	(7)	1	11
EBITDA margin	19	5	24	22	16	(6)	(3)	19
Net profit margin	(10)	(17)	22	(3)	0	3	10	5
Operating stats								
Passenger carried (m)	4.6	4.6	5.1	5.5	5.0			
Load factor (%)	89	90	90	93	91			
RPK (m seats-km)	5,148	5,219	5,477	5,787	5,142			
ASK (m seats-km)	5,940	5,921	6,189	6,278	5,626			
Average fare (THB)	1,755	1,720	2,029	2,109	1,992			
RASK (THB)	1.7	1.6	2.0	2.2	2.1			
CASK (THB)	1.7	1.9	1.8	2.0	2.1			
CASK ex-fuel (THB)	1.1	1.2	1.1	1.2	1.3			
Fuel cost per ASK (THB)	0.6	0.7	0.8	0.8	0.8			

Note: 1) tax adjusted by excluding tax related to FX gain/loss (assume 20% tax rate)

Source: AAV; FSSIA estimates

THAI FOODS GROUP (TFG TB) - Strong profit recovery anticipated; Maintain BUY TP THB4.80

Expected earnings for 2Q24 are strong

We expect a 2Q24 net profit of THB806m (+364% q-q, +12x y-y). Excluding the gain from biological assets from the high prices of Thai and Vietnamese pork, we expect TFG's core profit to be THB726m (+691% q-q, +271% y-y). The strong recovery would be due to the increase in meat prices. We expect TFG's average selling price of Thai pork to increase by 4.2% q-q, chicken by 2.1% q-q, and Vietnamese pork by 20% q-q. Meanwhile, we expect TFG's pork sales volume to remain stable, while chicken sales may grow in line with good export volumes. In addition, we do not expect any new store openings for TFG Fresh Mart by the end of 2Q24, with a total of 350 stores currently.

Gross margin could reach a five-quarter high

Besides the price of livestock adjusting upwards, we expect the cost of raw materials to continue to decline q-q. The price of all types of livestock at TFG is higher than the breakeven price. Therefore, we expect the 2Q24 gross margin to recover to 12.5%, up from 8.6% in 1Q24 and 9.5% in 2Q23. Meanwhile, we expect SG&A to sales to decrease slightly to 6.5%, down from 6.7% in 1Q24. We also expect a small share of loss from Thaifoods Nucleus Genetics, which has just started operating and developing its breeding farm using advanced technology.

Solid growth in 2H24 supported by seasonality and new branches

Assuming in-line results, TFG's 1H24 net profit would be THB980m (+98% y-y), accounting for 47% of our 2024E net profit. The outlook for 2H24 profit remains favorable, driven by 1) stable and high prices for livestock such as Thai pork at THB70/kg, Thai chicken at THB44/kg, and Vietnamese pork at VND68,000-69,000/kg; 2) a slight decline in raw material costs q-q; and 3) the resumption of TFG Fresh Mart branch expansions, with approximately 200 new locations planned for 2H24. It would support the growth of retail shop sales in the same period.

Retain BUY call with strong earnings recovery

We maintain our 2024E net profit at THB2.1b, rebounding from a net loss of THB809m in 2023. Similarly, we retain our target price of THB4.8, based on the same P/E of 14x. There is still an upside of 22%. We like TFG's earnings recovery, which would generate solid growth. Aside from that, we expect TFG's financial position to improve as well. Hence, we maintain our BUY recommendation.

Exhibit 3: TFG – 2Q24 earnings preview

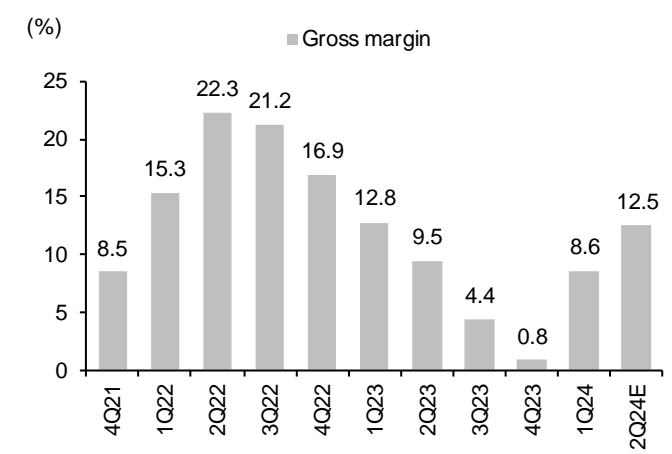
	2Q23	3Q23	4Q23	1Q24	2Q24E	----- Change -----		2023	2024E	Change	% 1H24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	13,562	14,081	14,550	14,998	16,273	8.5	20.0	55,871	58,976	5.6	53.0
Cost of sales	12,276	13,457	14,427	13,712	14,239	3.8	16.0	52,086	52,075	(0.0)	53.7
Gross profit	1,286	624	123	1,286	2,034	58.1	58.1	3,785	6,900	82.3	48.1
SG&A	853	782	1,182	1,008	1,058	4.9	24.0	3,678	3,539	(3.8)	58.4
Operating profit	434	(157)	(1059)	278	976	250.7	125.2	107	3,362	3038.2	37.3
Interest expense	335	322	178	270	270	(0.1)	(19.4)	1,120	1,354	20.9	39.9
Tax expense	(18)	(112)	(170)	(13)	51	nm	nm	(77)	372	nm	10.1
Other gain (loss)	(160)	(178)	111	82	80	(2.4)	nm	(313)	0	nm	nm
Reported net profit	69	(446)	(861)	174	806	364.1	1071.9	(809)	2,102	nm	46.6
Core profit	229	(268)	(972)	92	726	691.2	217.1	(496)	2,102	nm	38.9

Key ratios (%)										
					(ppt)	(ppt)				
Gross margin	9.5	4.4	0.8	8.6	12.5	3.9	3.0	6.8	11.7	4.9
SG&A to sales	6.3	5.6	8.1	6.7	6.5	(0.2)	0.2	6.6	6.0	(0.6)
Operating margin	3.2	(1.1)	(7.3)	1.9	6.0	4.1	2.8	0.2	5.7	5.5
Net margin	0.5	(3.2)	(5.9)	1.2	5.0	3.8	4.4	(1.4)	3.6	5.0
Core margin	1.7	(1.9)	(6.7)	0.6	4.5	3.9	2.8	(0.9)	3.6	4.5

Operating Statistics (THB/kg)										
Domestic chicken price - TFG	59.6	54.6	53.9	55.5	56.7	2.1	(4.9)	56.9	58.0	1.8
Domestic swine price - TFG	69.6	59.5	57.9	59.5	62.0	4.2	(10.9)	67.0	70.1	4.6
Vietnam swine price (VND/kg)	55,095	57,023	47,082	53,400	64,055	20.0	16.3	52,311	55,000	5.1
Corn price	12.9	11.7	10.4	10.4	10.9	0.0	(21.8)	12.1	10.0	(17.4)
Soybean meal price	23.4	21.5	22.0	22.7	21.3	3.2	(5.4)	22.7	20.5	(9.7)

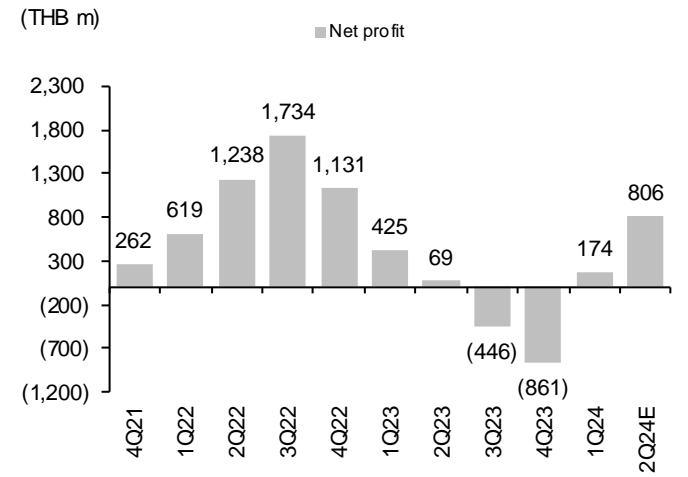
Sources: TFG; FSSIA estimates

Exhibit 4: Gross margin



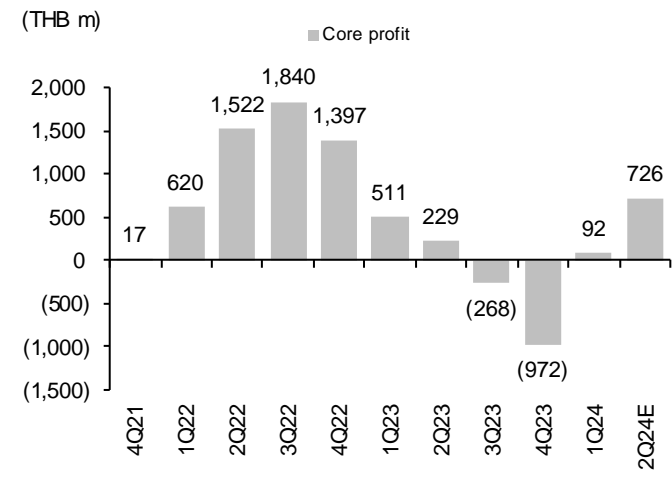
Sources: TFG, FSSIA estimates

Exhibit 5: Net profit



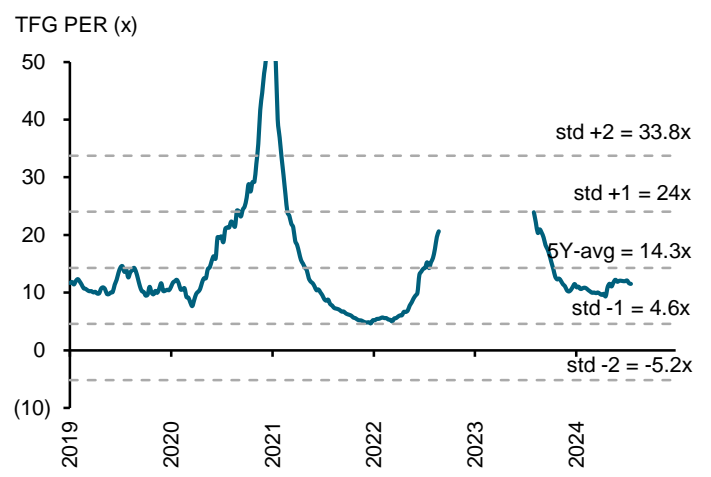
Sources: TFG, FSSIA estimates

Exhibit 6: Core profit



Sources: TFG, FSSIA estimates

Exhibit 7: Historical P/E band



Sources: Bloomberg, FSSIA estimates

DOHOME (DOHOME TB) - Recovery outlook continues to improve; Maintain BUY TP THB11.80

2Q24 core profit should grow y-y

We expect a 2Q24 core profit of THB201m (-18% q-q, +411 y-y), down 18% q-q due to a lower GPM after a change in the product mix towards its building material product group and higher expenses brought on by transportation expenses after a recovery in contractors and wholesalers but up 411% y-y owing to a higher GPM by 350bps y-y after the absence of a stock clearance as in 2Q23. Specifically, we anticipate a stubbornly negative SSSG of 6% but slightly higher total sales due to sales of the new branches and a positive steel SSSG in 2Q24.

Gross margin should support

We anticipate a 2Q24 gross margin of 17.5% (vs 17.8% in 1Q24 and 14% in 2Q23), down by 30bps q-q due to a higher sales mix from building material products after contractors resumed their buying but up by 350bps y-y after the absence of a stock clearance and a higher gross margin in all product groups. However, expenses should increase in line with new branches and transportation expenses after a recovery in contractors.

3Q24 y-y growth should remain robust with higher expected SSSG

If 2Q24 matches our estimate, the 1H24 profit would secure 45% of our 2024 forecast. In 2H24, we anticipate an improved SSSG recovery outlook due to government disbursement. Since it stood at only 39% YTD, we expect higher disbursement in the remainder of this fiscal year. Also, the farm income index continued to increase in line with agricultural product prices. It should support a recovery in the purchasing power of farmers, a crucial customer base.

Maintain BUY call at our TP of THB11.8

We reaffirm a BUY call at our TP of THB11.8. The 2Q24 core profit should grow outstandingly y-y. Also, we expect continued y-y growth in 3Q24 due to a higher GPM brought on by the absence of a stock clearance and better cost management. We retain our 2024E profit growth of 84% y-y and 2025-26E growth of 26% CAGR.

Exhibit 8: DOHOME - 2Q24 result preview

Year to Dec 31	2Q23 (THB m)	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24E (THB m)	----- Change -----		----- 1H24E -----			2024E	Change
						(q-q%)	(y-y%)	(THB m)	(y-y%)	(%24E)	(THB m)	(y-y%)
Total revenue	7,995	7,431	7,331	7,959	8,085	2	1	16,044	(3)	50	32,172	3
- Retail sales	7,898	7,358	7,258	7,877	8,001	2	1	15,878	(2)	50	31,834	3
- Service income	96	72	73	82	84	2	(13)	166	(9)	49	338	3
Cost of sales	(6,876)	(6,283)	(6,094)	(6,542)	(6,670)	2	(3)	(13,213)	(5)	49	(26,703)	1
Gross profit	1,119	1,148	1,238	1,416	1,415	(0)	26	2,831	13	52	5,469	12
Operating costs	(993)	(973)	(1,021)	(1,024)	(1,078)	5	9	(2,102)	5	53	(3,941)	(1)
Operating profit	126	175	216	392	336	(14)	167	729	40	48	1,528	67
Other income	55	72	179	58	60	4	8	118	8	43	271	(24)
EBIT	182	247	395	450	396	(12)	118	846	36	47	1,800	42
Finance income	5	6	8	6	6	6	19	12	29	50	23	3
Interest expense	(141)	(145)	(158)	(153)	(151)	(1)	7	(304)	15	50	(609)	8
Profit before tax	46	108	244	303	251	(17)	451	554	50	46	1,214	68
Tax	(6)	(17)	(48)	(58)	(50)	(14)	708	(109)	51	47	(232)	70
Non-recurring items	0	0	(53)	0	0	n/a	n/a	0	n/a	n/a	0	(100)
Reported net profit	39	91	197	244	201	(18)	411	446	50	45	982	68
Recurring net profit	39	91	144	244	201	(18)	411	446	50	45	982	84
EPS (THB)	0.01	0.03	0.06	0.08	0.06	(18)	388	0.14	43	45	0.30	60
Recurring EPS(THB)	0.01	0.03	0.05	0.08	0.06	(18)	388	0.14	43	45	0.30	76
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)			(%)	(ppt)
Gross margin	14.0	15.5	16.9	17.8	17.5	(0.3)	3.5	17.6			17.0	1.3
Operating margin	1.6	2.4	2.9	4.9	4.2	(0.8)	2.6	4.5			4.8	1.8
Recurring net margin	0.5	1.2	2.0	3.1	2.5	(0.6)	2.0	2.8			3.1	1.3
SG&A to revenue	12.3	13.0	13.6	12.8	13.2	0.5	0.9	13.1			12.1	(0.5)
Operating stat												
SSSG (% y-y)	(9.9)	(7.1)	(9.1)	(9.8)	(6.0)						(3.0)	
Stores - L (no.)	21	23	24	24	24						24	
Stores - ToGo (no.)	8	8	11	11	13						11	

Sources: DOHOME; FSSIA estimates

SIAM GLOBAL HOUSE (GLOBAL TB) - 2Q24 profit should remain unexciting; Upgrade to BUY TP THB17.30

Expect 2Q24 profit to decrease q-q but increase y-y

We anticipate a 2Q24 net profit of THB712m (-2% q-q, +1% y-y), down q-q due to lower sales after Thailand entered its rainy season in late May and higher expenses in line with the opening of new branches but slightly up y-y owing to higher sales from the new branches and a higher GPM. We expect lesser negative SSSG of -2%, improving from -5.3% in 1Q24 due to (1) government disbursement and (2) higher steel prices in May and June. Specifically, the 2Q24 average deformed steel bar price decreased 6% y-y (vs an average loss of 12-13% y-y in 1Q24).

GPM should recover from higher private brand exposure and efficient promotion

We expect the GPM to recover to 26% (vs 25% in 1Q24 and 25.4% in 2Q23) from a higher private brand exposure of 23.5%, up from 23% in 1Q24 owing to the absence of inventory shortage and more efficient sales promotion. However, expenses should increase in line with branch expansion. In 2Q24, GLOBAL opened three new branches, sending the totals to 87. Also, it has introduced four new branches in 1H24 from its plan of eight to hit 91 branches this year.

Expect 2H24 profit to grow y-y and continued SSSG recovery

The 2H24 SSSG should continue to recover due to contractors and in line with government disbursement, which should accelerate in 2H24 after standing at 39% YTD. Also, GLOBAL plans four new branches in the remainder of this year, while purchasing power should recover from 1H24 due to a higher farm income index and purchasing power stimulus measures of the state.

Raise rating to BUY at our TP of THB17.3

We have increased our rating from HOLD to BUY at the same TP of THB17.3. We see an improving gross margin outlook and believe that it will stabilize in 2H24. Also, the negative SSSG should improve and turn positive in 2H24. Hence, we have a bullish view of the performance outlook. Additionally, the share price plunge of 9% YTD is higher than peers while GLOBAL plans continued branch expansion.

Exhibit 9: GLOBAL – 2Q24 result preview

Profit & Loss Statement	2Q23	3Q23	4Q23	1Q24	2Q24E	-----Change-----		----- 1H24E -----			2024E	Change
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	%24E	(THB m)	(y-y%)
Retail sales	8,503	7,340	7,523	8,767	8,713	(1)	2	17,480	0.3	49	35,554	10
Cost of retail sales	6,344	5,443	5,557	6,578	6,448	(2)	2	13,025	(0.1)	49	26,418	10
Gross profit	2,159	1,898	1,966	2,190	2,265	3	5	4,455	1	49	9,135	11
Operating costs	(1,423)	(1,399)	(1,423)	(1,464)	(1,551)	6	9	(3,015)	12	50	(6,044)	9
Operating profit	736	499	543	726	714	(2)	(3)	1,440	(15)	47	3,091	13
Other income/expenses	180	173	190	212	200	(6)	11	413	19	57	721	2
Interest expense	(65)	(71)	(81)	(86)	(90)	5	37	(176)	36	62	(284)	1
Profit before tax	851	601	651	852	825	(3)	(3)	1,677	(12)	48	3,527	12
Tax	(167)	(117)	(126)	(179)	(165)	(8)	(1)	(344)	(9)	49	(705)	14
Associates	22	44	34	51	50	(1)	133	101	77	71	142	5
Minority interests	(2)	(2)	1	2	2	19	(223)	4	(170)	(50)	(7)	10
Non-recurring items	0	0	0	0	0	n/a	n/a	0	n/a	n/a	0	n/a
Reported net profit	703	525	560	725	712	(2)	1	1,438	(9)	49	2,956	11
Recurring net profit	703	525	560	725	712	(2)	1	1,438	(9)	49	2,956	11
EPS (THB)	0.14	0.10	0.11	0.14	0.14	(2)	(3)	0.28	(15)	49	0.57	6
Recurring EPS (THB)	0.14	0.10	0.11	0.14	0.14	(2)	(3)	0.28	(15)	49	0.57	6
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Retail sales margin	25.4	25.9	26.1	25.0	26.0	1.0	0.6	25.5	1.1		25.7	0.1
Operating margin	8.7	6.8	7.2	8.3	8.2	(0.1)	(0.5)	8.2	(15.2)		8.7	0.2
Recurring net margin	8.3	7.2	7.4	8.3	8.2	(0.1)	(0.1)	8.2	(9.6)		8.3	0.0
SG&A / Sales	16.7	19.1	18.9	16.7	17.8	1.1	1.1	17.2	11.3		17.0	(0.1)
Effective tax rate	19.7	19.5	19.4	21.0	20.0	(1.0)	0.3	20.5	4.1		20.0	0.0
Operating stats												
SSSG (%)	(9.5)	(12.3)	(12.3)	(5.3)	(2.0)							
Private brand (%)	23.8	23.9	24.0	23.0	23.5							
Number of stores-TH (no.)	79	81	83	84	87							

Sources: GLOBAL;FSSIA estimates

Thailand Banks - 2Q24 profit in line; asset quality deteriorated

Contracting 2Q24 net profit following weak core operations and a rise in ECLs

The seven banks under our coverage delivered an in-line aggregate 2Q24 net profit, dropping by 2.5% q-q but increasing by 2.7% y-y, amounting to THB53.5b. PPOP rose slightly by 1.4% both q-q and y-y, amounting to THB116.0b. For the q-q comparison, KKP, SCB, and KBANK posted a net profit decrease, while BBL, KTB, TISCO, and TTB increased, with BBL performing the best and KKP performing the worst. For the y-y comparison, KKP, SCB, and TISCO announced a net profit contraction, while TTB, KBANK, KTB, and BBL grew y-y, with TTB and KBANK performing the best and KKP performing the worst.

Deteriorated asset quality but manageable; NPL uptick with rising credit costs

We view the aggregate asset quality as concerning in 2Q24, particularly in the SME and retail segments, with more alarms in the corporate segment, namely EA. New NPL formations and stage 2 loans increased from 1Q24 following the slow economic recovery and high level of household debt. However, we view this as manageable. Most banks proactively managed and sustained a high credit cost level in 2Q24. The NPL ratio rose to 3.67% with a jump in credit costs to 162bp in 2Q24, sustaining the coverage ratio at 184%.

Lack of positive catalysts with sluggish net profit growth projected in 2024-26

We have made downward revisions of KKP's, SCB's, and TTB's 2024-26E net profit due mainly to rising ECLs and lower loan growth (KKP and TTB), but an upward revision for KBANK following its better-than-expected NIM, net fee income, and non-NII. Consequently, the estimated 2024 aggregate net profit increased slightly to THB198.2b, rising by 1.5% y-y, due to 1) a large base in 2023 following a less positive impact from the interest rate increase compared to 2023; and 2) continued sluggish operating income. For 2025-26, we expect a more remarkable net profit growth rate of 5.4-6.5% y-y, based on our conservative assumptions for loan growth, fees, and a gradual reduction in credit costs.

Maintain UNDERWEIGHT call with TTB as our top Buy

We retain our UNDERWEIGHT call on the Thai banking sector. Despite the deep correction in the SETBANK index, we see no catalysts to drive the sector except for attractive dividend yields. We pick TTB (TP THB2.22) as our top BUY based on the limited downside risks to its earnings from the remaining tax benefits totaling THB12.7b and an attractive dividend yield of c6-7% p.a. In addition, we prefer KTB (TP THB19.90) and KBANK (TP THB145) to SCB (TP THB110), following our reduced concern over their asset quality and attractive dividend yields of c5-7% p.a.

Exhibit 10: Changes in rating and TP

	----- Rating -----		Change in rating	--- 2024 TP (THB) ---		% Change in TP
	New	Previous		New	Previous	
Banking sector	UNDERWEIGHT	UNDERWEIGHT	-	n/a	n/a	n/a
BBL	HOLD	BUY	↓	157.00	157.00	-
KBANK	BUY	HOLD	↑	145.00	140.00	3.6
SCB	HOLD	BUY	↓	110.00	120.00	(8.3)
KTB	BUY	BUY	-	19.90	19.90	-
TTB	BUY	BUY	-	2.22	2.24	(0.9)
TISCO	HOLD	HOLD	-	96.00	97.00	(1.0)
KKP	HOLD	HOLD	-	39.10	50.60	(22.7)

Source: FSSIA estimates

Exhibit 11: 2Q24 earnings summary of Thai banks under coverage

	2Q24 (THB m)	1Q24 (THB m)	Change (q-q%)	2Q23 (THB m)	Change (y-y%)	2023 (THB m)	2024E (THB m)
BBL	11,807	10,524	12.2	11,293	4.6	41,635	42,037
KBANK	12,653	13,486	(6.2)	10,994	15.1	42,405	47,020
KTB	11,195	11,078	1.1	10,156	10.2	36,616	37,621
SCB	10,014	11,281	(11.2)	11,868	(15.6)	43,521	41,170
TTB	5,356	5,335	0.4	4,566	17.3	18,463	19,192
KKP	769	1,506	(49.0)	1,408	(45.4)	5,418	4,271
TISCO	1,749	1,733	0.9	1,854	(5.7)	7,301	6,935
Coverage	53,543	54,943	(2.5)	52,140	2.7	195,359	198,247

Sources: Company data; FSSIA estimates

Exhibit 12: NPL ratio, 3Q22-2Q24

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	2024E	Banks' target
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	2024E
BBL	3.83	3.62	3.73	3.46	3.48	3.22	3.43	3.64	3.45	±3.0
KBANK	3.59	3.74	3.60	3.83	3.58	3.70	3.72	3.64	3.76	< 3.25
KTB	4.01	3.90	3.97	3.83	3.74	3.86	3.77	3.85	3.80	< 3.25
SCB	3.92	4.01	3.97	3.84	3.89	3.99	3.89	3.90	4.06	n/a
TTB	3.01	3.03	3.09	2.99	2.96	3.09	3.02	3.09	3.15	≤ 2.9
KKP	3.29	3.45	3.56	3.74	3.69	3.31	3.94	4.11	4.10	3.50 - 3.70
TISCO	2.08	2.09	2.13	2.20	2.25	2.22	2.27	2.44	2.63	2.50 - 2.75
Coverage	3.70	3.68	3.69	3.62	3.56	3.58	3.61	3.67	3.68	

Sources: Company data; FSSIA estimates

Exhibit 13: Aggregate banks – 2Q24 operating summary

Year end 31 Dec	2Q23	3Q23	4Q23	1Q24	2Q24	--- Change ---		1H24	Change	%of	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y %)	24E	(THB m)	(y-y %)
Net interest income	149,783	157,561	161,865	156,319	155,815	(0.3)	4.0	312,133	7.1	50	626,325	2.6
Non-interest income	50,687	44,609	43,454	48,419	49,717	2.7	(1.9)	98,136	(2.5)	50	195,046	3.3
Fee income - net	32,865	33,258	32,140	33,445	32,346	(3.3)	(1.6)	65,791	(2.3)	49	134,258	1.2
Total operating income	200,470	202,170	205,318	204,738	205,532	0.4	2.5	410,270	4.7	50	821,371	2.7
Total operating expenses	86,033	88,651	100,662	90,311	89,473	(0.9)	4.0	179,784	7.1	48	373,650	4.6
PPOP before tax	114,437	113,519	104,657	114,427	116,059	1.4	1.4	230,845	2.9	51	447,721	1.2
Expected credit loss	47,701	48,343	54,320	44,501	49,186	10.5	3.1	93,687	1.4	48	196,120	0.5
Income tax	12,837	13,233	5,775	13,018	11,157	(14.3)	(13.1)	24,175	(6.2)	52	46,152	3.1
Non-controlling interest	1,758	1,490	1,902	1,965	2,172	10.5	23.5	4,137	13.3	57	7,202	2.2
Net profit	52,140	50,454	42,661	54,943	53,543	(2.5)	2.7	108,486	6.1	55	198,247	1.5
EPS (THB)	10.96	10.60	8.96	11.55	11.25	(2.5)	2.7	22.80	6.1	55	41.08	(0.1)
Key ratios	2Q23	3Q23	4Q23	1Q24	2Q24	--- Change ---		1H24	Change		2024E	Change
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(%)	(y-y %)		(%)	(y-y %)
Gross NPLs (THB m)	439,669	436,408	433,707	440,288	445,417	1.2	1.3	445,417	1.3		453,488	4.6
Change (% from prior period)	(1.2)	(0.7)	(0.6)	1.5	1.2			1.3			4.6	
NPL ratio (%)*	3.62	3.56	3.58	3.61	3.67			3.67			3.68	
Coverage ratio (%)*	184	187	189	186	185			185			188	
Credit cost (bp)	158	159	178	146	162			154			161	
Profitability ratio	(%)	(%)	(%)	(%)	(%)						(%)	
Cost to income ratio	42.9	43.8	49.0	44.1	43.5			43.8			45.5	
Average yield (%)	4.50	4.74	4.91	4.80	4.82			4.84			4.76	
Cost of funds (%)	1.38	1.46	1.59	1.63	1.66			1.65			1.63	
Loan spreads	3.12	3.27	3.32	3.17	3.16			3.19			3.13	
NIM (%)*	3.37	3.53	3.60	3.47	3.46			3.49			3.43	
Non-interest income /total income (%)	25.3	22.1	21.2	23.6	24.2			23.9			23.7	
Loan growth	(%)	(%)	(%)	(%)	(%)						(%)	
q-q	0.8	0.8	(0.9)	0.7	(0.7)							
y-y	0.6	0.5	0.1	1.4	(0.1)						1.5	
Year-to-date	0.2	1.0	0.1	0.7	0.0			0.0				

Sources: Company data; FSSIA estimates

Exhibit 14: Aggregate banks – key financial summary, as of 19 July 2024

	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net profit (THB m)	167,006	156,017	111,916	145,315	165,342	195,360	198,247	208,959	222,504
EPS (THB)	39.7	35.6	25.5	33.2	34.7	41.14	40.9	43.1	45.9
Change y-y	0.8%	-10.3%	-28.3%	29.8%	4.8%	18.4%	-0.5%	5.4%	6.5%
P/E (x)	11.1	9.5	13.2	12.5	11.2	9.3	8.6	8.2	7.7
BVS (THB)	393.2	422.3	441.4	473.1	455.1	479.0	491.2	511.6	537.3
P/B (x)	1.1	0.8	0.8	0.9	0.9	0.8	0.7	0.7	0.7
ROE (%)	20.2	8.9	5.9	7.3	7.8	8.8	8.5	8.6	8.8
ROA (%)	2.4	1.1	0.7	0.8	0.9	1.1	1.1	1.1	1.1
Dividend yield (%)	3.5	4.8	2.3	2.5	3.6	5.2	5.6	5.9	6.3

Sources: Company data; Bloomberg; FSSIA estimates

KASIKORNBANK (KBANK TB) - More visibility on 2024 performance; Upgrade to BUY TP THB145.00

2Q24 profit corrected in line with expectation

KBANK delivered an in-line 2Q24 net profit of THB12.6b, dropping by 6.2% q-q but jumping 15.1% y-y, while PPOP rose to THB28.5b, dipping by 3.0% q-q but rising 4.8% y-y. The decrease in net profit q-q was due to 1) weaker-than-expected net interest income by 2.8% q-q (but still increased 2.1% y-y); and 2) higher-than-expected operating expenses (from marketing expenses/IT-related/one-time employee subsidy measure). Thus, the cost-to-income ratio jumped to 43.4% from an abnormal low of 41.3% in 1Q24. However, non-NII increased more than expected, supported by the mark-to-market gains on FVTPL investments of THB3.17b. Net fee income dropped as expected, dragged by decreased credit cards and loan-related fees. 2Q24 loans returned to growth of 1.0% q-q and 1.6% y-y, but were slightly negative at 0.1% YTD, higher than our estimate. The NIM was slightly lower than expected at 3.68%, due to a shrinking loan yield and rising cost of funds.

Asset quality continues to be a critical focus in 2H24

Asset quality was stable in 2Q24 as expected, with no alarms. The NPL ratio (FSSIA's calculation) dipped to 3.64%, while the reported NPL ratio was 3.18%, still in line with its 2024 guidance of not exceeding 3.25%. However, stage 2 loans rose by 1.2% q-q and 3.6% y-y, but the proportion remained stable since 1Q23 at around 7.3-7.4% of total. Credit costs were stable at 189bp, consistent with the 2024 guidance of 175-195bp and below our target of 200bp. Accordingly, the coverage ratio rose to 144% from 142% in 1Q24.

Upward revisions on 2024-26 profit forecast

We have raised our 2024-26 net profit forecasts by 12.1-15.8% due to 1) higher NIM, net fee income, and non-NII assumptions; and 2) the reduction in estimated loan growth and credit cost to align with its 2024 guidance. Consequently, the expected 2024-26 net profit growth rises to 10.1% CAGR, with our anticipated 2026 ROE spiking to 9.4%, close to its guidance of 10%, based on the expected dividend payout ratio increasing to 38-40% compared to 36.3% in 2023.

Upgrade to BUY with a new 2024 TP of THB145

We upgrade our recommendation to BUY from Hold, based on 1) the expectation that KBANK's 2024-26 profit growth will be higher than industry peers; and 2) attractive dividend yields of 6-7% p.a. We also raise the 2024 GGM-TP to THB145 (from THB140) at a P/BV of 0.63x (from 0.61x) under an expected 9.0% LT-ROE (from 7.9%) and 13.80% COE (from 12.36%).

Exhibit 15: KBANK - 2024-26E earnings revisions

	Current			Previous			Change		
	2024E (%)	2025E (%)	2026E (%)	2024E (%)	2025E (%)	2026E (%)	2024E (%)	2025E (%)	2026E (%)
Net profit (THB m)	47,020	51,555	56,655	41,942	45,100	48,913	12.1	14.3	15.8
EPS (THB)	19.85	21.76	23.91	17.70	19.03	20.64	12.1	14.3	15.8
DPS (THB)	7.50	8.50	9.50	6.50	7.00	7.50	15.4	21.4	26.7
ROE (%)	8.58	9.00	9.44	7.70	8.00	8.30			
Target price (THB)	145			140			3.6		
PBV (x)	0.63			0.61			2.2		
Net profit growth (%)	10.9	9.6	9.9	(1.1)	7.5	8.5			
NIM (%)	3.68	3.68	3.68	3.60	3.60	3.62			
Loan growth (%)	2.5	3.0	3.0	5.0	5.0	5.0			
Fee growth (%)	4.9	4.0	4.0	1.9	0.7	1.0			
Non-NII growth (%)	7.0	4.5	1.3	4.2	8.9	3.4			
Credit cost (bp)	195	180	160	200	200	190			
Cost to income (%)	44.9	45.1	45.3	46.0	45.6	45.7			
NPL ratio	3.76	3.74	3.73	3.80	3.80	3.79			

Source: FSSIA estimates

KIATNAKIN PHATRA BANK (KKP TB) - 2Q24 profit missed; asset quality dragged; Maintain HOLD TP THB39.10

Rising ECLs and lower spread caused the hiccup in 2Q24 profit

KKP surprised the market with a disappointing 2Q24 net profit at an abnormal low of THB769m, plummeting 49.0% q-q and 45.4% y-y. The critical drag was the rise in ECLs and credit costs. However, losses on sales of repossessed vehicles reduced significantly to THB1.07b (from THB1.44b in 1Q24) from fewer repossessed cars sold. PPOP rose 9.0% q-q but dropped by 24.5% y-y to THB2.74b, thanks to the operating expense reduction, mainly from the loss on sales of repossessed cars, which lowered the cost-to-income ratio to 58.1% (41.8% excluding losses on sales of repossessed cars from 42.1% in 1Q24). However, operating income – NII and non-NII – contracted meaningfully both q-q and y-y. The lower-than-expected NIM was due to the rising cost of funds – the changes in deposit mix toward term deposits and the lingering high-interest cost of US funding – and the lower loan yield. Regarding non-NII, KKP disclosed that the impact of fewer working days on its capital market and trading business (30% of total in 1H24) was higher than its peers. Stricter SET regulations also hurt its brokerage fees.

Asset quality turned negative with a more deterioration sign

We view KKP's asset quality as unfavorable, with more cause for concern in 2H24. The 2Q24 NPL ratio spiked q-q to 4.11%. In addition to the lower loan base effect, the slippage of the 2021-22 vintage hire-purchase to stage 3 loans and the impact of its qualitative NPL classification in commercial lending were also critical pressures in 2Q24. Moreover, the rising stage 2 loans following the deterioration in the SME and housing segments led to KKP setting an extra THB300m in ECLs for management overlay. However, the coverage ratio was stable q-q at 132%.

Revised 2024 guidance leads to 2024-26E profit cut

We have significantly cut our 2024-26E net profit by 20.8-26.3% to reflect KKP's revised 2024 guidance regarding negative loan growth, a lower loan spread, higher NPL ratio, and a lower comprehensive ROE while maintaining credit costs. We lower our expected net profit growth to -1.2% CAGR during the same period.

Retain our HOLD call for an attractive dividend yield of c5-7% p.a.

We reiterate HOLD for an attractive dividend yield of c5-7% p.a. We trim our 2024 GGM-TP to THB39.10 (from THB50.60), implying a P/BV of 0.53x (from 0.67x) under 7.4% LT-ROE (from 9.4%) and 13.1% COE.

Exhibit 16: 2024E – FSSIA estimates vs. management guidance

Key financial guidance	KKP	KKP*	KKP*	FSSIA**
	2023	2024E original	2024E revised	2024E
ROE (Comprehensive income)	9.16%	~10-11%	~8-9%	6.9%
Loan growth	5.3%	~3.0%	~3.0%	-3.0%
Loan spread	5.2%	~5.0%	~4.8%	4.7%
NPL ratio (gross) 1	3.2%	~3.5-3.7%	~3.9-4.1%	4.1%
Credit cost 2	301	~ 250-270	~ 250-270	285

1. NPLs ratio : Excluding amount classified as Purchased or Originated Credit-Impaired (POCI) financial assets

2. Credit cost : Expected credit loss plus loss from sale of repossessed cars

Sources: KKP; FSSIA estimates

Exhibit 17: KKP - 2024-26E earnings revisions

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Net profit (THB m)	4,271	4,718	5,244	5,798	6,165	6,620	(26.3)	(23.5)	(20.8)
EPS (THB)	5.04	5.57	6.19	6.85	7.28	7.82	(26.3)	(23.5)	(20.8)
DPS (THB)	2.35	2.65	2.95	3.25	3.50	3.75	(27.7)	(24.3)	(21.3)
Target price (THB)	39.10			50.6			(22.7)		
Target PBV (x)	0.53			0.67					
Net interest income (THB m)	20,503	20,120	20,028	21,671	22,261	22,966	(5.4)	(9.6)	(12.8)
Non-interest income (THB m)	6,177	6,195	6,534	5,029	5,368	5,664	22.8	15.4	15.3
ECL (THB m)	5,200	4,900	4,700	4,241	4,193	3,781	22.6	16.9	24.3
Net profit growth (%)	(21.5)	10.5	11.1	6.5	6.3	7.4			
Loan growth (%)	(3.0)	(1.0)	0.0	3.0	3.0	3.0			
Next fee growth (%)	(14.9)	6.5	6.5	(26.8)	6.5	6.5			
Non-NII growth (%)	(4.5)	0.3	5.5	(22.3)	6.7	5.5			
Interest spread	4.69	4.69	4.70	4.89	4.88	4.90			
Credit cost (bp) - including lossess from sales of car repossessed	285	270	253	253	232	204			
NPL ratio (%)	4.10	4.00	4.00	3.90	3.80	3.80			
LLR/NPL (%)	135	139	140	138	141	143			

Source: FSSIA estimates

SCB X (SCB TB) - Several headwinds continuing in 2H24; Downgrade to HOLD TP THB110.00

Rising ECLs and lower non-NII dragged down 2Q24 profit

SCB reported a 2Q24 net profit of THB10.0b, 5% below our estimate and the BBG consensus, which decreased by 11.2% q-q and 15.6% y-y. Key drags were 1) rising ECLs and operating expenses (mainly from one-off expenses related to the cessation of the Robinhood application); and 2) dropping non-NII, which offset the increase in NII. Loan growth slowed as expected, with a slight drop YTD, far below its 3-5% y-y 2024 guidance and our forecast of 2.5% y-y, primarily pressured by a corporate loan (35%) reduction. The 2Q24 NIM was better than expected, increasing by 17bp to 3.90%, mainly supported by a loan yield expansion on the effect of the Blue Scheme corporate loan prepayment. In contrast, the cost of funds was healthy and in line with expectations. Non-NII decreased by 5.0% q-q and 21.0% y-y, attributed to lower net fee income (bancassurance and loan-related fees) and FVTPL investment gains.

Deteriorated asset quality, particularly in the retail segment

Asset quality deteriorated worse than expected. Despite the stable NPL ratio of 3.90% in 2Q24 (FSSIA's calculation) following its proactive management (sales and write-offs), its stage 2 loans increased q-q by THB11.3b and stabilized at 7.2% of total loans, mainly from the EA lending and partly from the housing (Gen 1) and CardX (Gen 2) loans. SCB stated that the rising 2Q24 credit costs to 190bp were mainly from its Gen 2 segment, while an extra THB800m was for the unsecured portion of EA loans, for which SCB believes the coverage is enough. Hence, the coverage ratio was relatively stable q-q at 156%.

Lower 2024-26 profit forecast on higher credit costs

We have trimmed our 2024-26E net profit by 6.6-8.4%, leading to growth at 1.1% CAGR to reflect the expected higher credit costs following the EA loan issues and the slow recovery of the Thai economy. Despite another potential impairment loss from the remaining assets of THB1b (net book value) of the Robinhood application, we believe our higher expected cost-to-income ratio in 2H24 could support the worst-case scenario.

Downgrade recommendation to HOLD with 2024 TP of THB110

We downgrade our call to HOLD (from Buy) for an expected annual dividend yield of c9-10% p.a. under a payout ratio assumption of 80%. We cut our 2024 GGM-TP to THB110 (from THB120), implying a P/BV of 0.76x (from 0.82x) under 8.8% L-T ROE (from 9.4%) and 11.2% COE.

Exhibit 18: SCB - 2024-26E earnings revisions

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Net profit (THB m)	41,170	42,995	44,921	44,063	46,949	48,974	-6.6%	-8.4%	-8.3%
EPS (THB)	12.23	12.77	13.34	13.09	13.94	14.54	-6.6%	-8.4%	-8.3%
DPS (THB)	9.78	10.22	10.67	10.47	11.15	11.64	-6.6%	-8.4%	-8.3%
Target price (THB)	110			120			-8.3%		
Target PBV (x)	0.76			0.82					
Net profit growth (%)	-5.4%	4.4%	4.5%	1.2%	6.5%	4.3%			
NIM (%)	3.82%	3.83%	3.86%	3.82%	3.83%	3.86%			
Loan growth (%)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%			
Fee growth (%)	2.5%	3.0%	3.0%	2.5%	0.0	0.0			
Non-NII growth (%)	2.1%	2.5%	2.6%	2.1%	0.0	0.0			
Credit cost (bp)	195	190	190	180	170	170			
Cost to income (%)	43.2%	43.5%	43.4%	43.2%	43.5%	43.4%			
NPL	4.06%	4.10%	4.10%	4.06%	4.10%	4.10%			

Source: FSSIA estimates

TMBTHANACHART BANK (TTB TB) - Focus on credit quality and cost control; Maintain BUY TP THB2.22

2Q24 profit in line; sluggish core profit

TTB delivered an in-line 2Q24 net profit of THB5.36b (+0.4% q-q, +17.3% y-y). Following its variable incentive compensation reduction and cost efficiency, a lower operating expense offset weaker operating income and a rising ECL impact. Accordingly, PPOP amounted to THB10.2b, growing by 0.6% q-q and 2.7% y-y. NII remained sluggish as expected, with a slight decrease of 1.5% q-q but an increase of 0.7% y-y, aligning with its loan contraction of 1.4% q-q, 4.9% y-y, and 2.4% YTD, pressured by its low-yield portfolio – hire-purchase lending (24%) for new and used cars and housing loans (25%) – despite increasing high-yield loans (12%). In addition, the 2Q24 NIM dipped lower than expected by 2bp to 3.24%, mainly from the rising cost of funds, which its loan yield management could not offset. However, given TTB's 95% loan-to-deposit ratio, we expect less pressure on the cost side in 2H24. The correction in non-NII by 2.6% q-q and 13.1% y-y was primarily due to a drop in net fee income, particularly bancassurance fees tied to new loan bookings.

Manageable asset quality, more prudent ECL reserves

We think TTB's asset quality has no cause for concern. A lower loan base caused the 2Q24 NPL ratio to increase slightly to 3.09%, while the absolute NPL figures grew minimally. However, the credit costs elevated to 162bp, exceeding their normal level of 133bp, of which THB1.09b was an additional provision for future uncertainties. In addition, the coverage ratio reduced slightly to 152% following its aggressive write-offs.

Minor adjustment on 2024-26E net profit

We trim our 2024-26E earnings by 0.3-2.0% to reflect the higher expected credit costs and weaker loans, net fees, and cost-to-income ratio on the slow recovery of the Thai economy. We reduce our 2024-26E net profit growth to 6.0% CAGR, with the key contributions coming from the high-yield segment (credit quality focus) and continued NIM and cost management. In addition, our projected income tax benefits will balance with our expected extra credit costs to strengthen its coverage ratio.

Retain our top BUY call with an attractive dividend yield of c6-7% p.a.

We retain TTB as our top BUY due to its limited net profit downside and attractive dividend yields of c6-7% p.a. Our new 2024 GGM-based TP is THB2.22 (from THB2.24), based on a P/BV of 0.90x (from 0.91x) under the expected LT-ROE of 8.4% (from 8.5%) and COE of 9.2%.

Exhibit 19: TTB - 2024-26E earnings revision

	Current			Previous			Change		
	2024E (%)	2025E (%)	2026E (%)	2024E (%)	2025E (%)	2026E (%)	2024E (%)	2025E (%)	2026E (%)
Net profit (THB m)	19,192	20,306	21,963	19,523	20,713	22,029	-1.7%	-2.0%	-0.3%
EPS (THB)	0.20	0.21	0.23	0.20	0.21	0.23	-0.8%	-0.1%	-1.3%
DPS (THB)	0.109	0.115	0.125	0.111	0.118	0.126	-1.7%	-2.2%	-0.6%
Target price (THB)	2.22			2.24			-0.9%		
Target PBV (x)	0.90			0.91			-1.3%		
Net profit growth (%)	4.0%	5.8%	8.2%	5.7%	6.1%	6.4%			
NIM (%)	3.24%	3.26%	3.29%	3.15%	3.18%	3.20%			
Loan growth (%)	-3.0%	0.5%	0.5%	0.0%	0.5%	0.5%			
Fee growth (%)	-4.7%	1.0%	1.0%	1.0%	1.0%	1.0%			
Non-NII growth (%)	-2.8%	1.5%	1.5%	1.5%	1.5%	1.5%			
Credit cost (bp)	160	155	150	140	135	130			
Cost to income (%)	43.2%	43.4%	43.0%	45.8%	46.0%	46.1%			
NPL ratio	3.15	3.17	3.17	3.15	3.18	3.17			

Source: FSSIA estimates

KRUNG THAI BANK (KTB TB) - 2Q24 results at first glance; Maintain BUY TP THB19.90

2Q24 profit in line with our estimate but 5% below BBG consensus

KTB reported a 2Q24 net profit of THB11.2b, growing by 1.1% q-q and 10.2% y-y. PPOP was THB23.0b, increasing 0.2% q-q and 6.1% y-y, supported by higher net interest income and lower operating expenses, which offset the lower non-NII. In addition, we have no cause for concern about its asset quality in this period. 1H24 net profit grew 10.1% y-y, accounting for 59% of our full-year forecast. We retain our 2024-26 forecast and maintain our BUY call with a 2024 GGM-based TP of THB19.90, implying 0.65x P/BV (expected LT-ROE 8% and COE 11.8%).

Highlights

- (+) Net interest income** amounted to THB30.0b, increasing slightly by 1.7% q-q and 8.2% y-y. Loans contracted by 2.2% q-q, 0.7% y-y, and 0.6% YTD, mainly from corporate (28%) and government and state enterprise (16%) loan repayments. Meanwhile, SMEs continued shrinking following the bank's de-risking policy in the high-risk segment. However, retail – housing (19%) and personal loans (24%) – grew minimally q-q. KTB maintains its 2024 loan guidance at 3.0% y-y, with the expected loan demand to accelerate in 2H24. The 2Q24 NIM increased by 6bp to 3.37% on higher loan yields (more high-yield concentration) and accelerating interest expenses. Overall, the 1H24 NIM spiked to 3.39%, exceeding its 2024 guidance of 3.00-3.30% and our target of 3.28%.
- (-) Non-interest income** was worse than expected due to lower net fee income by 5.4% q-q (seasonality), but increased by 10.0% y-y (from credit card transactions and mutual fund fees). The 1H24 net fees grew by 9.2% y-y, exceeding its 2024 guidance of low to mid-single-digit growth and our forecast of 1.5% y-y. Moreover, the bad debt recovery decreased more than expected in 2Q24 to THB2b vs our expectation of THB3.3b and THB3.11b in 1Q24.
- (+) Operating expenses** were better than expected in 2Q24, mainly due to a decrease in impairment losses from properties for sale to THB1.61b vs THB3.79b in 1Q24. KTB expects the figure to be lower in 2H24. The 2Q24 cost-to-income ratio decreased to 41.7% from 43.6% in 1Q24. Overall, the 1H24 cost-to-income ratio finished at 42.6%, aligning with its 2024 guidance of below mid-40% and our expectation of 43.4%.
- (0) Asset quality** – no cause for concern in 2Q24. As expected, the NPL ratio slightly increased to 3.85% from 3.77% in 1Q24, partly due to a decreased loan base, while the NPL amount dipped q-q. Stage 2 loans also reduced by 3.7% q-q to 7.5% of total loans from 7.7% at the end of 1Q24. Credit costs and the coverage ratio were stable q-q as expected at 124bp and 176%, respectively. Overall, the 1H24 credit costs rose to 125bp, below its 2024 guidance of 120-130bp and our target of 140bp. For the EA lending exposure, KTB disclosed no details but indicated a minimal impact on its 2024 guidance.

Exhibit 20: KTB – 2Q24 operating summary

Year end Dec 31	2Q23	3Q23	4Q23	1Q24	2Q24	--- Change ---		1H23	1H24	Change	%of	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	24E	(THB m)	(y-y %)
Net interest income	27,771	29,667	30,362	29,561	30,055	1.7	8.2	53,390	59,617	11.7	51	117,455	3.6
Non-interest income	7,944	9,221	9,228	11,141	9,394	(15.7)	18.3	17,597	20,535	16.7	54	37,687	4.6
Fee income - net	4,797	5,503	5,434	5,577	5,277	(5.4)	10.0	9,935	10,854	9.2	51	21,186	1.5
Total operating income	35,715	38,888	39,590	40,703	39,449	(3.1)	10.5	70,987	80,152	12.9	52	155,142	3.8
Total operating expenses	14,028	16,733	17,745	17,731	16,438	(7.3)	17.2	27,679	34,168	23.4	51	67,398	8.4
PPOP before tax	21,686	22,155	21,845	22,972	23,012	0.2	6.1	43,308	45,984	6.2	52	87,744	0.5
Expected credit loss	7,754	8,157	13,070	8,029	8,004	(0.3)	3.2	15,858	16,032	1.1	44	36,252	(2.2)
Income tax	2,864	2,774	1,733	2,936	2,877	(2.0)	0.5	5,395	5,813	7.7	58	10,093	1.9
Non-controlling interest	912	941	931	929	936	0.7	2.7	1,832	1,865	1.8	49	3,779	2.0
Net profit	10,156	10,282	6,111	11,078	11,195	1.1	10.2	20,223	22,273	10.1	59	37,621	2.7
EPS (THB)	0.73	0.74	0.44	0.79	0.80	1.1	10.2	1.45	1.59	10.1	59	2.69	2.7
Key ratios	2Q23	3Q23	4Q23	1Q24	2Q24	--- Change ---		1H23	1H24	Change	%of	2024E	Change
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	24E	(%)	(y-y%)
Gross NPLs (THB m)	98,810	98,309	99,407	98,815	98,701	(0.1)	(0.1)	98,810	98,701	(0.1)		98,887	(0.5)
Change (% from prior period)	(3.6)	(0.5)	1.1	(0.6)	(0.1)			(5.4)	(0.1)			(0.5)	
NPL ratios (%) - reported	3.11	3.10	3.08	3.14	3.12			3.11	3.12				
NPL ratio (%)	3.83	3.74	3.86	3.77	3.85			3.83	3.85			3.80	
Coverage ratio (%) - reported	177	180	181	182	181			177	181				
Coverage ratio (%)	171	174	174	175	176			171	176			176	
Credit cost (bp)	120	125	201	124	124			122	125			140	
Profitability ratio	(%)	(%)	(%)	(%)	(%)							(%)	
Cost to income ratio	39.3	43.0	44.8	43.6	41.7			39.0	42.6			43.4	
Average yield (%)	4.26	4.57	4.74	4.58	4.65			4.11	4.69			4.56	
Cost of funds (%)	1.21	1.32	1.49	1.46	1.48			1.17	1.49			1.48	
NIM (%) - reported	3.00	3.20	3.38	3.41	3.31			3.10	3.35				
NIM (%)	3.21	3.42	3.45	3.31	3.37			3.09	3.39			3.28	
Non-interest income /total income (%)	22.2	23.7	23.3	27.4	23.8			24.8	25.6			24.3	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)	(%)			(%)	
q-q	(0.2)	2.0	(2.0)	1.6	(2.2)								
y-y	(2.2)	0.7	(0.6)	1.4	(0.7)			(2.2)	(0.7)			1.0	
Year-to-date	(0.6)	1.4	(0.6)	1.6	(0.6)			(0.6)	(0.6)				

Sources: KTB; FSSIA estimates

KRUNGTHAI CARD (KTC TB) - 2Q24 results at first glance; Maintain HOLD TP THB40.00

2Q24 profit in line; loans missed

KTC reported a 2Q24 net profit of THB1.83b, marginally increasing by 1.3% q-q and 1.1% y-y, aligning with our estimate but 5% above the BBG consensus. PPOP was at THB3.98b, which increased by 0.8% q-q and 7.4% y-y, bearing the credit cost pressure, but was offset by a more prominent contribution from debt recovery income. Loans showed flat growth of 0.4% q-q and 0.2% y-y, coming short of our +1.9% y-y estimate for 2024 because of stricter lending criteria, which led to a lower approval rate, and accelerated write-off practices. The effect manifested in both the credit card (66%) and personal loan (32%) segments, while the leasing portfolio of KTBL (2%) continued its sharp contraction, where the current effort is on quality control of the existing portfolio. The 1H24 net profit accounts for 47% of our 2024E. For 2H24, the high season for its business, we believe both loan and spending growth are likely to accelerate h-h along with the net profit.

We foresee some downside to our estimates from underperforming loan growth. However, upsides from the rising recovery income should compensate, leaving only marginal deviations from our 2024-26E net profit. Meanwhile, we retain our unfavorable outlook for the unsecured finance industry over asset quality concerns. Therefore, we maintain our HOLD recommendation with a GGM-based 2024 TP at THB40.00, implying a 2.57x PBV ratio (LT ROE 18.0%, COE 9.0%).

Highlights

(-) Net interest income (NII): 2Q24 NII was flat on both a q-q and y-y basis, which aligned with the dim loan growth due to slowing lending activity and increased write-offs. The 2Q24 cost of funds continued to rise, but, thanks to the higher-than-expected loan yield, the loan spread of 12.24% showed a 36bp q-q increase (but declined 27bp y-y).

(+) Non-NII increased moderately more than expected, moving by +0.8% q-q and sharply rising by 21.8% y-y. On the y-y basis, the figure was boosted by 1) merchant discount fees with 2Q24 spending volume growth of 11.5% y-y (but remained lower than KTC's aggressive 15% target for 2024); and 2) bad debt recovery income (collections from written-off loans) at THB1.0b compared to its usual level of cTHB800m/quarter.

(-) OPEX was flat q-q but increased 10.5% y-y, moderately higher than expected. It realized rising service fee expenses, following the expanding spending volume and IT expenses during the period. The 2Q24 cost-to-income ratio finished at 37.2% (we estimated 35.4%).

(0) Asset quality: The weakening conditions of KTC's asset quality reflect the rising credit costs in 2Q24 to 6.44%, which moderately increased from 6.23% in 1Q24. From the amount, management stated that the company has set aside some additional overlay for prospective uncertainties. However, thanks to its faster write-off practices, the 2Q24 NPL ratio fell moderately to 1.96%, lower than our estimate of 2.01%, and declined from 1.98% in 1Q24. Accordingly, the coverage ratio rose to 363% from 354% in 1Q24.

Exhibit 21: KTC – 2Q24 operating summary

KTC	2Q23 (THB m)	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	----- Change -----		1H24 (THB m)	Change (y-y%)	% of 24E	2024E (THB m)	Change (%)
						(q-q%)	(y-y%)					
Interest income	3,972	4,096	4,149	4,008	4,004	(0.1)	0.8	8,012	3.0	47	16,996	11.4
Interest expense	415	441	456	451	448	(0.8)	7.9	899	11.6	46	1,962	22.3
Net interest income	3,557	3,655	3,693	3,557	3,556	(0.0)	(0.0)	7,113	2.1	47	15,034	10.2
Non-interest income	2,280	2,376	2,532	2,755	2,777	0.8	21.8	5,533	21.9	55	10,026	6.5
Operating income	5,837	6,031	6,225	6,312	6,333	0.3	8.5	12,646	9.9	50	25,060	8.7
Operating expenses	2,135	2,252	2,429	2,369	2,359	(0.4)	10.5	4,728	14.8	50	9,369	8.4
PPOP	3,702	3,779	3,795	3,943	3,975	0.8	7.4	7,918	7.2	50	15,691	8.9
Expected credit loss	1,438	1,477	1,612	1,683	1,690	0.4	17.5	3,374	20.3	55	6,162	21.1
Profit before tax	2,263	2,302	2,184	2,260	2,284	1.1	0.9	4,544	(0.8)	48	9,529	2.2
Income tax expense	463	464	439	467	469	0.4	1.3	936	2.2	49	1,906	0.0
Net profit	1,806	1,856	1,761	1,803	1,826	1.3	1.1	3,630	(1.3)	47	7,674	3.1
EPS (THB)	0.70	0.72	0.68	0.70	0.71	1.3	1.1	1.41	(1.3)	47	2.98	3.1
Key balance sheet highlights												
Loan - gross	105,588	106,700	112,347	105,347	105,803	0.4	0.2	105,803	0.2		114,435	7.8
Interest bearing debt	63,351	63,213	66,918	59,814	62,392	4.3	(1.5)	62,392	(1.5)		67,140	8.0
Earnings assets	98,342	100,111	108,082	101,599	102,575	1.0	4.3	102,575	4.3		121,001	10.6
Leverage ratio	(x)	(x)	(x)	(x)	(x)							
IBD/E (x)	1.98	1.86	1.88	1.60	1.73			1.73			1.68	
D/E (x)	2.19	2.08	2.16	1.84	1.98			1.98			1.95	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)							
Gross NPLs (THB m)	2,130	2,481	2,439	2,091	2,071	(1.0)	(2.8)	2,071	(2.8)		2,373	
NPL ratio	2.02	2.33	2.17	1.98	1.96			1.96			2.07	
Coverage ratio - LLR/ NPLs	433	382	400	354	363			363			343	
Credit cost (bp)	554	560	593	623	644			638			547	
LLR/TL	8.74	8.87	8.69	7.02	7.11			7.11			7.11	
Profitability ratios	(%)	(%)	(%)	(%)	(%)						(%)	
Cost-to-income ratio	36.58	37.34	39.03	37.53	37.24			37.39			37.39	
Yield on loans	15.21	15.44	15.15	14.73	15.17			15.16			14.99	
Cost of funds	2.70	2.79	2.80	2.85	2.93			2.86			2.93	
Spreads	12.51	12.65	12.35	11.88	12.24			12.30			12.06	
Net interest margin (NIM)	13.38	13.46	12.99	12.54	12.98			14.16			12.59	
ROE	22.06	22.28	20.05	19.60	19.75			21.19			20.32	
ROA	7.10	7.10	6.42	6.54	6.79			6.87			6.66	
Loan growth	(%)	(%)	(%)	(%)	(%)							
q-q	2.2	1.1	5.3	(6.2)	0.4							
y-y	11.1	10.0	7.8	2.0	0.2			0.2			1.9	
YTD	1.3	2.4	7.8	(6.2)	(5.8)			(5.8)				

Sources: KTC; FSSIA estimates

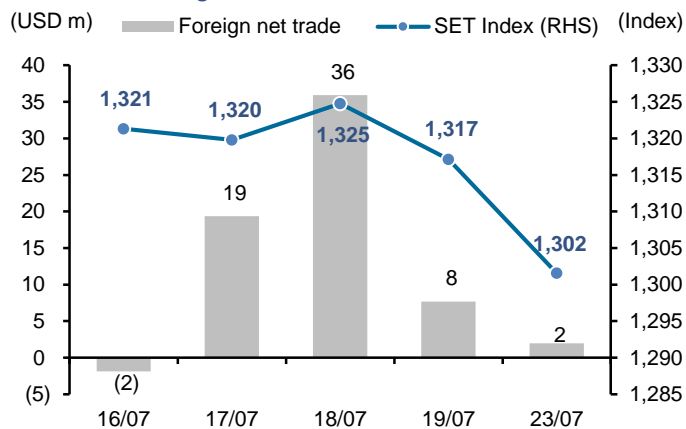
Economic news

- [Motorcycle sales dip 10% in H1](#) BANGKOK POST: Motorcycle sales fell by 10% year-on-year during the first half, with Thai Honda Co, a major motorcycle manufacturer and distributor, also experiencing a sales drop in the sluggish market. The unfavourable circumstances resulted from slow economic growth of 1.5% in the first quarter, banks' stricter criteria in granting auto loans and an unhealthy export sector, said Yuichi Shimizu, president of Thai Honda.
- [Local traders optimistic on price outlook for gold](#) BANGKOK POST: Local gold traders remain bullish about bullion's price trend, saying prices could top US\$2,500 an ounce by end-2024 with a significant price increase expected after the US Federal Reserve (Fed) cuts US interest rates in September. Gold was quoted at \$2,395 an ounce by midday in Asian trade on Tuesday after it was announced that President Joe Biden had dropped out of the US presidential race and that he backed vice-president Kamala Harris as the new Democratic candidate, sending the price up to top \$2,400 overnight, according to gold trader Hua Seng Heng. Prices were also pressured by a stronger US dollar and a slight downward trend is likely to continue in the short term, it added. Gold prices scaled an all-time high of \$2,483.60 last week, with markets broadly pricing in a 25-basis-point US rate cut by September. Lower interest rates increase the appeal of gold.
- [Ministry to divest from 25 companies](#) BANGKOK POST: The State Enterprise Policy Office (Sepol) looks set to divest Finance Ministry shares in 25 non-listed firms, with a total estimated value of 20 billion baht. According to Tibordee Wattanakul, Sepol's director-general, the plan to dispose of the Finance Ministry's shares held in non-listed companies by Sepol is expected to be completed by the end of this year.
- [Chinese EV makers urged to use locally sourced parts](#) BANGKOK POST: The Industry Ministry is requesting Chinese electric vehicle manufacturers assemble their EVs with at least 40% of parts sourced locally in a move to support the automotive supply chain in Thailand. The 40% threshold was suggested following talks involving the ministry and GAC Aion New Energy Automobile, an EV maker under Guangzhou Automobile Corporation (GAC), which has promised to use 40% local content. Thai auto parts makers, which are mostly familiar with components designed for internal combustion engines (ICE), still require support from car manufacturers, though the latter are shifting their focus to electric mobility technology, said Industry Minister Pimphattra Wichaikul.
- [TAT expects B18.3bn from July holidays](#) BANGKOK POST: Two consecutive national holidays this month are expected to generate 18.3 billion baht in tourism revenue from 5 million domestic trips, according to the Tourism Authority of Thailand (TAT). TAT governor Thapanee Kiatphaibool said domestic tourism sentiment during the Buddhist holidays marked last weekend -- Asarnha Bucha Day and Khao Phansa (Buddhist Lent) -- and His Majesty the King's 72nd birthday on July 28 remains positive.
- [Premium EV sales dip 35% in first half](#) BANGKOK POST: Sales of premium electric vehicles (EVs) in Thailand plunged 35% year-on-year during the first half of this year, but German luxury car maker BMW remains positive about its EV sales, with newly launched models in the Mini family in Bangkok expected to thrill the public. The drop in premium EV sales to 3,844 units between January and June this year was noted by Krisda Utamote, former president of the Electric Vehicle Association of Thailand (EVAT) and BMW Group Thailand's director for corporate communications.

Corporate news

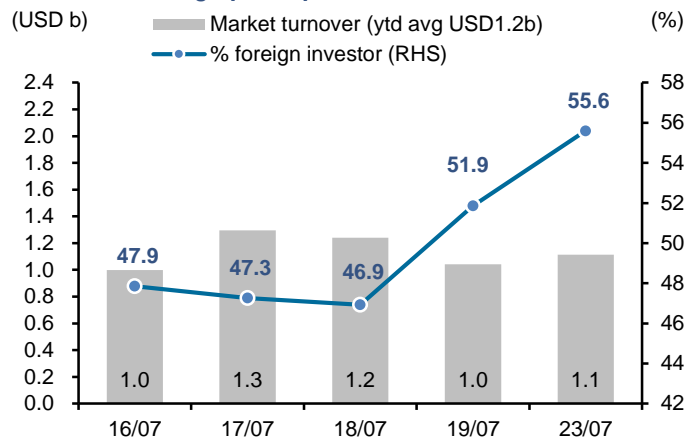
- [AirAsia flights back to normal after global IT outage](#) BANGKOK POST: Thai AirAsia says the global IT outage on Friday delayed 200 of its flights, affecting about 40,000 passengers, but the airline managed to operate every scheduled flight. Tansita Akrarittiprom, head of commerce, said on Tuesday that the AirAsia group had carried more than 500,000 travellers on 3,000 flights since Friday's failed CrowdStrike system security update crashed its departure control system. Having to revert to manual processing had caused delays for two days. As of Tuesday, the airline had resumed normal operations, having recovered all systems affected by the outage. However, it continued to run service recovery for customers impacted over the weekend.
- [Thailand's corporate earnings recovery mixed](#) BANGKOK POST: Thai businesses across several sectors are witnessing improved earnings, although leverage remains high due to large investments, according to Fitch Ratings. The view was among those expressed at the firm's recent 2024 Bangkok briefing on the global financial market and Thailand's corporate credit outlook. Participants also explored asset allocation strategies and the framework for credit investing. Obboon Thirachit, senior director of corporate ratings at Fitch Ratings (Thailand), noted in his presentation that a steady tourism recovery and a resumption of government spending should support continued earnings growth at Fitch-rated corporates in the aviation, hospitality and building material sectors.
- [Home construction prices rise 3.8% in Q2](#) BANGKOK POST: The price index of standard home construction in the second quarter of 2024 rose 3.8%, with the biggest increases seen in the prices of wood and wooden products, as well as labour wages. Vichai Viratkapan, acting director-general of the Real Estate Information Center (REIC), said while home construction prices continued to rise, the increase in the second quarter was not significant. "The highest year-on-year increase in prices was for wood and wooden products like formwork wood, framework wood, and flooring and doors with a rise of 6.8%," he said. "Their prices were driven by operational and transportation costs." Wood and wooden products were also limited in supply, while demand was driven by ongoing public sector construction projects and private sector projects, particularly industrial factories.

Exhibit 22: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 23: Foreign participation



Source: Bloomberg

Exhibit 24: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			20%	11%	10%	10%	6%	6%	3%	8%	2%
Current	1,301.54	(1.2)	(1.1)	(0.0)	(1.5)	(0.5)	(2.6)	(1.0)	(1.9)	(0.7)	(2.8)
-5D	1,327.43	(2.0)	(2.7)	(0.6)	(0.3)	(1.2)	(4.0)	(2.0)	(2.4)	(1.9)	(8.2)
-1M	1,316.73	(1.2)	(2.6)	(1.2)	5.7	1.9	(3.4)	(1.3)	(2.3)	(2.6)	(11.2)
-3M	1,361.10	(4.4)	(9.2)	(3.0)	10.1	(6.3)	2.5	(10.9)	(9.9)	(9.5)	(24.8)
-6M	1,381.19	(5.8)	(11.0)	(3.7)	7.6	(3.3)	1.4	(12.5)	(14.8)	(4.8)	(22.1)
-1Y	1,523.81	(14.6)	(18.0)	(11.0)	3.6	(17.2)	(0.8)	(16.7)	(25.8)	(17.6)	(35.3)
WTD	1,317.14	(1.2)	(1.1)	(0.0)	(1.5)	(0.5)	(2.6)	(1.0)	(1.9)	(0.7)	(2.8)
MTD	1,300.96	0.0	(1.3)	0.1	5.1	2.8	(2.6)	1.2	(1.6)	(1.1)	(10.6)
QTD	1,300.96	0.0	(1.3)	0.1	5.1	2.8	(2.6)	1.2	(1.6)	(1.1)	(10.6)
End of last year	1,415.85	(8.1)	(12.9)	(8.2)	9.4	(7.1)	(2.0)	(14.3)	(21.1)	(5.2)	(28.8)

Source: Bloomberg

Exhibit 25: 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	1,301.54	(8.1)	36.18	42,574	1,177	(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	1,377.94	(14.4)	35.67	49,376	1,384	(2,164)	2,185	(81)	(172)	(796)
2Q24	1,300.96	(13.4)	36.71	43,013	1,172	(1,748)	962	58	276	(474)
3Q24	1,301.54	(11.5)	36.37	36,157	994	(1,292)	127	(23)	(45)	0
Jan-24	1,364.52	(18.4)	35.20	62,067	1,763	(562)	888	25	(42)	(112)
Feb-24	1,370.67	(15.5)	35.85	44,920	1,253	(1,105)	157	(62)	(178)	(429)
Mar-24	1,377.94	(14.4)	35.95	41,142	1,144	(498)	1,140	(44)	48	(255)
Apr-24	1,367.95	(10.5)	36.78	42,530	1,156	(378)	(52)	(56)	(1)	(697)
May-24	1,345.66	(12.3)	36.64	43,600	1,190	(886)	203	92	160	511
Jun-24	1,300.96	(13.4)	36.70	42,908	1,169	(484)	811	22	117	(287)
Jul-24	1,301.54	(16.4)	36.37	36,157	994	(306)	127	(23)	(45)	0
2024YTD	1,301.54	(8.1)	36.18	42,574	1,177	(6,202)	3,274	(46)	59	(1,270)
16/7/2024	1,321.31		36.11	36,029	998	(2)	25	16	(39)	(41)
17/7/2024	1,319.79		35.88	46,506	1,296	19	(0)	(13)	(6)	221
18/7/2024	1,324.76		35.97	44,631	1,241	36	(17)	(3)	(16)	(16)
19/7/2024	1,317.14		36.28	37,797	1,042	8	6	(5)	(9)	(72)
23/7/2024	1,301.54		36.21	40,320	1,113	2	8	9	(19)	(16)

Source: Bloomberg

Exhibit 26: Upcoming events

Date Time	Event		Survey	Actual	Prior
07/22/2024 07:24	Car Sales	Jun	--	--	49871
07/25/2024 07:30	Mfg Production Index ISIC NSA YoY	Jun	-0.90%	--	-1.54%
07/25/2024 07:30	Capacity Utilization ISIC	Jun	--	--	59.77
07/25/2024 07:26	Customs Imports YoY	Jun	2.10%	--	-1.70%
07/25/2024 07:26	Customs Exports YoY	Jun	2.60%	--	7.20%
07/25/2024 07:26	Customs Trade Balance	Jun	\$615m	--	\$656m
07/26/2024 03:30	Gross International Reserves	Jul-19	--	--	\$227.8b
07/26/2024 03:30	Forward Contracts	Jul-19	--	--	\$28.3b
07/31/2024 03:00	BoP Current Account Balance	Jun	--	--	\$647m
07/31/2024 03:30	Exports YoY	Jun	--	--	7.80%
07/31/2024 03:30	Exports	Jun	--	--	\$25930m
07/31/2024 03:30	Imports YoY	Jun	--	--	-2.30%
07/31/2024 03:30	Imports	Jun	--	--	\$23105m
07/31/2024 03:30	Trade Balance	Jun	--	--	\$2825m
07/31/2024 03:30	BoP Overall Balance	Jun	--	--	\$551m
07/31/2024 20:30	S&P Global Thailand PMI Mfg	Jul	--	--	51.7
08/01/2024 03:30	Business Sentiment Index	Jul	--	--	48.7
08/04/2024 23:30	CPI YoY	Jul	--	--	0.62%
08/04/2024 23:30	CPI NSA MoM	Jul	--	--	-0.31%
08/04/2024 23:30	CPI Core YoY	Jul	--	--	0.36%
08/06/2024 08:13	Consumer Confidence Economic	Jul	--	--	52.6
08/06/2024 08:13	Consumer Confidence	Jul	--	--	58.9
08/18/2024 22:30	GDP YoY	2Q	--	--	1.50%
08/18/2024 22:30	GDP SA QoQ	2Q	--	--	1.10%
08/21/2024 03:00	BoT Benchmark Interest Rate	Aug-21	--	--	2.50%

Source: Bloomberg

Exhibit 27: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
KEX	1/8/2024	13/6/2024	Common	3.2	Baht	0.6196 : 1	21/08/2024 - 27/08/2024	2812500000
STPI	1/8/2024	13/6/2024	Common	3.4	Baht	12 : 1	20/08/2024 - 26/08/2024	133442549
MGI	15/8/2024	24/6/2024	Warrants	-	Baht	2.5 : 1	-	840000000
SGC	16/8/2024	2/7/2024	Common	-	Baht	1 : 1	-	3270000000

Source: SET

Exhibit 28: Upcoming XM

Symbol	X-Date	Meeting Date	Agenda	Meeting Place / Channel for Inquiry
M-II	31/7/2024	23/8/2024	Conversion to Reit	MFC Asset Management PCL. Office, Room 2306-2307, 23rd floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110
MNIT	31/7/2024	22/8/2024	Conversion to Reit	MFC Asset Management PCL. Office, Room 2306-2307, 23rd floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110
MNRF	31/7/2024	22/8/2024	Conversion to Reit	MFC Asset Management PCL. Office, Room 2306-2307, 23rd floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110
MIT	1/8/2024	23/8/2024	Capital increase, Acquisition and disposition of assets / Acquisition or Disposition of Assets	MFC Asset Management PCL. Office, Room 2306-2307, 23rd floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok 10110
NOVA	1/8/2024	22/8/2024	-	through electronic means
GULF	8/8/2024	3/10/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets	at Ballroom, The Conrad Bangkok Hotel, 87 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok
INTUCH	8/8/2024	3/10/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets	By electronic media
GCAP	20/9/2024	15/10/2024	Capital increase, Connected transaction	E-Meeting

Source: SET

Exhibit 29: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Major Development (MJD)	Suriya Poolvorakals	Common Shares	7/18/2024	50,000	1.05	Buy	0.05
Major Development (MJD)	Suriya Poolvorakals	Common Shares	7/19/2024	83,000	1.04	Buy	0.09
Thai Textile Industry (TTI)	Kamjorn Cheunchujitr	Common Shares	7/19/2024	500	23.70	Buy	0.01
Thai Textile Industry (TTI)	Kamjorn Cheunchujitr	Common Shares	7/19/2024	2,900	23.80	Buy	0.07
Wattanapat Hospital Trang (WPC)	Pornlert Boonsontisuk	Common Shares	7/18/2024	200,000	11.50	Buy	2.30
Raimon Land (RML)	Kris Narongdej	Common Shares	7/19/2024	241,047,619	0.42	Buy	101.24
Ingress Industrial (INGRS)	Nabilah Hajihama	Common Shares	7/19/2024	200,000	0.37	Buy	0.07
Eastern Power Group (EP)	Yuth Chinpakkul	Common Shares	7/19/2024	13,700	2.53	Buy	0.03

Source: SEC

Exhibit 30: Upcoming XD

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Price	Div Yield	Par
CN01	24/07/2024	-	Baht	-	-	21/08/2024	-	-	-
BLAND	25/07/2024	0.01	Baht	-	RE	16/08/2024	0.55	1.8%	1
ASIA	26/07/2024	0.13	Baht	01/01/2024 - 31/03/2024	Both	08/08/2024	6.30	2.1%	1
ASML01	30/07/2024	-	Baht	-	-	28/08/2024	-	-	-
TMW	30/07/2024	4.15	Baht	01/04/2023 - 31/03/2024	NP	16/08/2024	60.25	6.9%	5
LPF	31/07/2024	0.2155	Baht	01/03/2024 - 31/05/2024	NP	16/08/2024	12.50	1.7%	10.1948
EPG	01/08/2024	0.1	Baht	01/04/2023 - 31/03/2024	NP	21/08/2024	4.58	2.2%	1
KYE	01/08/2024	29.85	Baht	01/04/2023 - 31/03/2024	NP	22/08/2024	334.00	8.9%	10
PTL	01/08/2024	0.19	Baht	-	RE	22/08/2024	11.50	1.7%	1
SIA19	01/08/2024	-	Baht	-	-	23/08/2024	-	-	-
SINGTEL80	01/08/2024	-	Baht	-	-	12/09/2024	-	-	-
SCGD	05/08/2024	0.1	Baht	01/01/2024 - 30/06/2024	NP	22/08/2024	7.25	1.4%	10
SCGP	06/08/2024	0.25	Baht	01/01/2024 - 30/06/2024	NP	21/08/2024	27.50	0.9%	1
ROCTEC	07/08/2024	0.013	Baht	01/04/2023 - 31/03/2024	NP	21/08/2024	0.82	1.6%	0.1
MSFT80X	15/08/2024	-	Baht	-	-	09/10/2024	-	-	-
SBUX80X	16/08/2024	-	Baht	-	-	26/09/2024	-	-	-
NINTENDO19	27/09/2024	-	Baht	-	-	30/12/2024	-	-	-

Source: SET

Exhibit 31: New securities

Warrants	Trade Date	Underlying	Market	Maturity Date	Initial Price (Baht)	Exercise Price (Baht)	
CGH-W5	24/07/2024	CGH	SET	31/05/2026	-	1	
Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
EA19C2412B	24/07/2024	EA	YUANTA	Call	SET	12/12/2024	9
GULF19C2412A	24/07/2024	GULF	YUANTA	Call	SET	12/12/2024	57
IVL13C2412A	24/07/2024	IVL	KGI	Call	SET	10/12/2024	25.25
KKP13C2412B	24/07/2024	KKP	KGI	Call	SET	10/12/2024	49.75
NDX28C2412A	24/07/2024	NDX	MACQ	Call	SET	26/12/2024	24,200.00
PTTGC13C2412B	24/07/2024	PTTGC	KGI	Call	SET	10/12/2024	36
PTTGC13P2412A	24/07/2024	PTTGC	KGI	Put	SET	10/12/2024	18
Depository Receipts	Trade Date	Underlying	Market	Maturity Date	Subscription on Date	IPO Price (Baht)	Conversion Price (Baht)
INDIAESG19	24/07/2024	INDIAESG	SET	-	-	5.397	-

Source: SET