

22 OCTOBER 2024

# SPOTLIGHT ON THAILAND

## Published Reports

- CENTRAL PLAZA HOTEL (CENTEL TB) - Future expenses to loom after 3Q24; Maintain BUY TP THB48.00
- BETAGRO (BTG TB) - Expect 3Q to be the peak this year; Maintain HOLD TP THB23.50
- OSOTSPA (OSP TB) - Short-term pain, long-term gain; Maintain BUY TP THB28.00
- KASIKORNBANK (KBANK TB) - Lower non-NII pressured 3Q24 profit; Maintain BUY TP THB192.00
- KRUNGTHAI CARD (KTC TB) - 3Q24 results at first glance; Maintain HOLD TP THB44.00
- KIATNAKIN PHATRA BANK (KKP TB) - 3Q24 results at first glance; Maintain HOLD TP THB50.30
- TMBTHANACHART BANK (TTB TB) - 3Q24 results at first glance; Maintain BUY TP THB2.52

## Results Comments

- KTB - 3Q24 profit in line with our estimate but 3% exceeding the BBG consensus
- SCB - 3Q24 profit to recover with a stabilized PPOP

## Economics

- New Thaksin controversy hits Thai stocks' prospects
- Call for regulation as cheap imports hit Thai factories
- Cambodia to import more clean power from Thailand in next 2 years
- EEC demand driving growth in industrial land market
- Value of investment proposals surges 42% in first 9 months
- Thai minister wants to hike domestic tourism subsidy
- Bitcoin flirts with \$70,000 after \$2.4bn inflow into ETFs
- Thailand says investment pledges at 10-year high in Jan-Sept

## Corporate News

- Boost seen from THAI rehab exit
- Call for investment in Thai transport
- AIS head granted additional extension
- TC Space Connect bags orbital slot
- Banks post modest increase in profits

Indices	Index as of 21-Oct-24	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,489	(0.1)	5.1	(3,150)
China SHCOMP	3,268	0.2	9.9	
Hong Kong HSI	20,478	(1.6)	20.1	
India SENSEX	81,151	(0.1)	12.3	1,934
Indonesia JCI	7,773	0.2	6.9	2,943
Korea KOSPI	2,605	0.4	(1.9)	8,897
MY FBMKLCI	1,646	(0.0)	13.1	
PH PCOMP	7,407	(0.1)	14.8	100
SG FSSTI	3,615	(0.7)	11.6	
Taiwan TWSE	23,543	0.2	31.3	(11,601)
VN VNINDEX	1,280	(0.4)	13.3	(2,307)
MSCI Emerging	1,148	(0.6)	12.2	
Nikkei 225	38,955	(0.1)	16.4	
FTSE 100	8,318	(0.5)	7.6	
CAC 40	7,536	(1.0)	(0.1)	
DAX	19,461	(1.0)	16.2	
Dow Jones	42,932	(0.8)	13.9	
Nasdaq	18,540	0.3	23.5	
S&P 500	5,854	(0.2)	22.7	
Brent	74.29	1.7	(3.6)	
Dubai	73.14	(1.0)	(4.4)	
WTI	70.56	(0.1)	(1.6)	
GOLD	2,719.85	0.1	31.9	
Trade data (THB m)	Buy (THB m)	Sell (THB m)	Net (THB m)	Share (%) (THB m)
Foreign	19,774	20,473	(699)	48
Retail	14,931	14,301	630	35
Prop Trade	2,430	2,738	(308)	6
Local Institution	4,499	4,123	376	10
Total Trade	41,634	41,634	(0)	100
Rates	Last close 21/10/2024	1M ago 23/09/2024	End last yr 29/12/2023	1yr ago 23/10/2023
THB/USD	33.42	33.01	34.14	36.51
Inflation *	0.61	0.35	(0.83)	0.30
MLR **	7.12	7.12	7.12	7.12
1Y Fixed *	1.65	1.65	1.65	1.65
Govt bond 10Y	2.38	2.46	2.68	3.34
Commodity (USD/bbl)	Last close 21/10/2024	1M ago 20/09/2024	End last yr 29/12/2023	1yr ago 20/10/2023
Brent	74.29	74.49	77.04	92.16
Dubai	73.14	74.94	76.51	94.64
WTI	70.56	71.92	71.65	88.75
Gold	2,720	2,629	2,063	1,973
Baltic Dry	1,576	1,977	2,094	2,046
(USD/ton)	18-Oct-24	11-Oct-24	25-Dec-20	20-Oct-23
Coal	149.02	151.31	84.45	140.46
% change	(1.5)	7.4	76.5	6.1

\* 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

### CENTRAL PLAZA HOTEL (CENTEL TB) - Future expenses to loom after 3Q24; Maintain BUY TP THB48.00

#### Expect hotel business to post a slim profit in 3Q24

We expect RevPAR of Thai hotels to grow 4% y-y in 3Q24, driven by 15% y-y growth for Bangkok hotels. However, upcountry hotels' RevPAR should fall 4% y-y due to the renovation of Centara Mirage Pattaya, which only had c40% of room inventory. The Dubai hotel's RevPAR should rise 1% y-y on domestic demand. RevPAR of the Osaka hotel should jump 34% y-y from the low base. On a negative note, RevPAR of Maldives hotels should fall 4% y-y due to a lower OCC rate. We expect the hotel business to report a 3Q24 core profit of THB15m (vs THB55m loss in 3Q23). The slim profit is pressured by the Maldives hotels' THB10-20m pre-operating expenses and the renovation of Centara Mirage Pattaya.

#### Expect food business profit to grow by 5% y-y in 3Q24

We expect 3Q24 SSS to grow by 3% y-y, driven by growth from Mister Donut. Food revenue should increase by 4% y-y and the EBITDA margin should improve to 18.7% (vs 18.1% in 3Q23) after CENTEL closed some loss-making outlets since 2Q24. Thus, we estimate the food business' profit should grow to THB135m in 3Q24 (vs THB128m in 3Q23). Overall, we expect CENTEL's 3Q24 core profit to double y-y to THB150m.

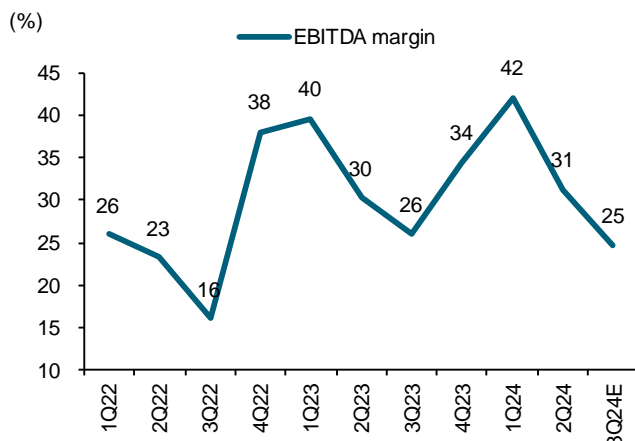
#### The renovation and new hotels should pressure 2025 earnings

Renovation plan update: Centara Karon Phuket and Mirage Pattaya will complete renovations by Nov-24 and Dec-24, respectively. However, CENTEL plans to renovate Centara Krabi (fully) and Centara Hua Hin (partially). Thus, the renovations will continue to pressure the performance of Thai hotels in 2025. In addition, we expect two new Maldives hotels to record a loss together of THB150-200m in 2025. Therefore, we estimate CENTEL's core profit to grow by 13% y-y to THB1.7b in 2025, driven by organic operations. However, it would be on par with the pre-Covid level due to the negative factors mentioned above.

#### Cut core profit forecast; share price has priced in negative news

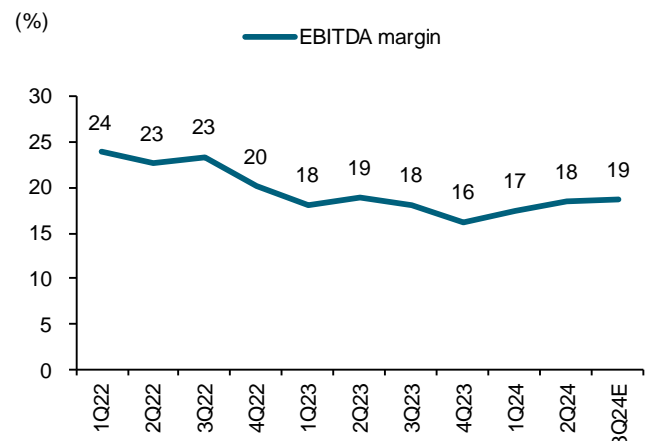
We cut our 2025-26 core profit forecasts by 6-9% to reflect the new hotels and renovation projects. We also roll forward our DCF-valuation base to 2025 and derive a new TP of THB48/shr. CENTEL trades at 29x 2025E P/E, lower than its five-year average of 34x. The weak share price has reflected the negative news. The faster-than-expected ramp-up in the new Maldives hotels' OCC rate is a share prices catalyst, in our view.

#### Exhibit 1: EBITDA margin of hotel business



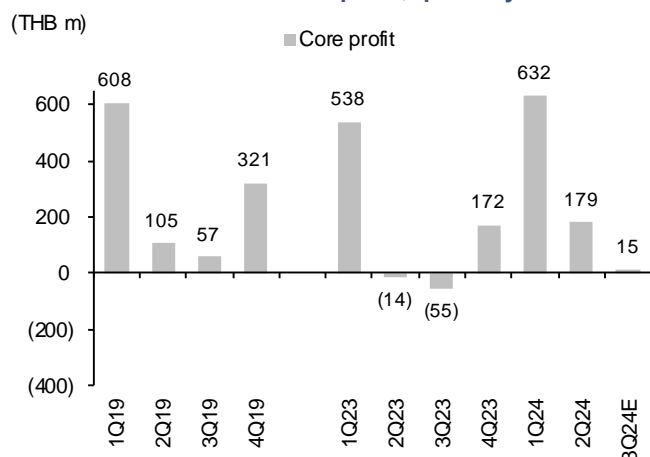
Sources: CENTEL; FSSIA estimates

#### Exhibit 2: EBITDA margin of food business



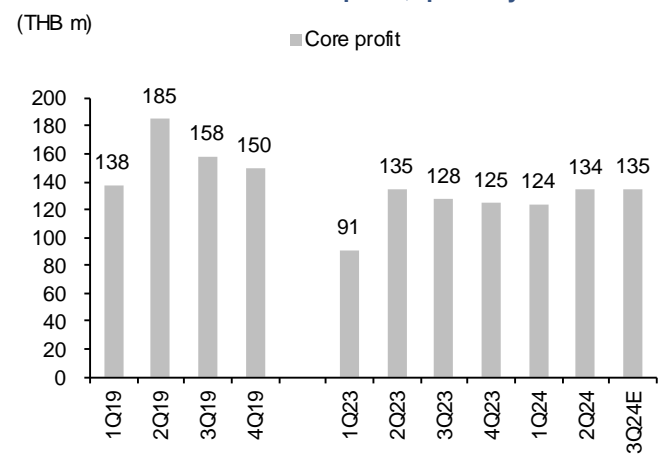
Sources: CENTEL; FSSIA estimates

#### Exhibit 3: Hotel business core profit, quarterly



Sources: CENTEL; FSSIA estimates

#### Exhibit 4: Food business core profit, quarterly



Sources: CENTEL; FSSIA estimates

## Exhibit 5: CENTEL – 3Q24 results preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
<b>Sales</b>	<b>5,212</b>	<b>5,755</b>	<b>6,104</b>	<b>5,536</b>	<b>5,430</b>	<b>(2)</b>	<b>4</b>	<b>23,871</b>	<b>11</b>
- Hotel operations	2,158	2,520	3,003	2,185	2,254	3	4	10,658	17
- Food and beverage	3,054	3,235	3,101	3,351	3,176	(5)	4	13,213	6
COGS (Incl. depreciation)	(3,121)	(3,397)	(3,335)	(3,276)	(3,258)	(1)	4	(13,912)	10
<b>Gross profit</b>	<b>2,091</b>	<b>2,358</b>	<b>2,769</b>	<b>2,260</b>	<b>2,172</b>	<b>(4)</b>	<b>4</b>	<b>9,959</b>	<b>11</b>
SG&A	(1,850)	(1,912)	(1,893)	(2,006)	(2,047)	2	11	(8,031)	9
<b>Operating profit</b>	<b>241</b>	<b>446</b>	<b>875</b>	<b>254</b>	<b>125</b>	<b>(51)</b>	<b>(48)</b>	<b>1,928</b>	<b>22</b>
Net other income	140	179	218	228	228	0	63	777	10
Interest income	64	84	68	83	83	0	29	464	62
Interest expense	(280)	(268)	(259)	(259)	(264)	2	(6)	(1,201)	19
<b>Pretax profit</b>	<b>164</b>	<b>441</b>	<b>901</b>	<b>305</b>	<b>172</b>	<b>(44)</b>	<b>5</b>	<b>1,967</b>	<b>26</b>
Income Tax	(56)	(156)	(117)	(56)	(29)	(48)	(48)	(371)	(2)
Share profit from associates	7	(20)	7	7	7	0	4	1	(101)
Share profit from JV	(62)	30	(6)	13	(30)	(335)	(52)		
Minority interest	20	2	(30)	43	30	(31)	52	(64)	688
<b>Core profit</b>	<b>74</b>	<b>297</b>	<b>755</b>	<b>313</b>	<b>150</b>	<b>(52)</b>	<b>104</b>	<b>1,533</b>	<b>37</b>
Extraordinaries, GW & FX	0	128		(145)	0			0	(100)
<b>Reported net profit</b>	<b>74</b>	<b>425</b>	<b>755</b>	<b>168</b>	<b>150</b>	<b>(10)</b>	<b>104</b>	<b>1,533</b>	<b>23</b>
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	0
<b>Pre-ex EPS</b>	<b>0.05</b>	<b>0.22</b>	<b>0.56</b>	<b>0.23</b>	<b>0.11</b>	<b>(52)</b>	<b>104</b>	<b>1.14</b>	<b>37</b>
<b>EPS</b>	<b>0.05</b>	<b>0.31</b>	<b>0.56</b>	<b>0.12</b>	<b>0.11</b>	<b>(10)</b>	<b>104</b>	<b>1.14</b>	<b>23</b>
COGS Excl. depreciation	(2,345)	(2,739)	(2,581)	(2,468)	(2,450)	(1)	4	(10,803)	13
Depreciation	(776)	(757)	(754)	(808)	(808)	0	4	(3,109)	3
EBITDA	1,163	1,362	1,855	1,297	1,169	(10)	0	5,037	9
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	40	41	45	41	40	(1)	(0)	42	0
SG&A/Revenue	36	33	31	36	38	1	2	34	(1)
Hotel EBITDA margin	26	34	42	31	25	(7)	(1)	32	(1)
Food EBITDA margin	18	16	17	18	19	0	1	19	1
Total EBITDA margin	22	25	30	24	25	2	4	21	(0)
Net profit margin	1	7	12	3	3	(0)	1	6	1
<b>Operating stats</b>									
<b>Hotel</b>									
OCC - Maldives (%)	70	72	92	59	64				
OCC - Thailand (%)	68	70	76	68	66				
OCC - Dubai (%)	77	82	90	83	87				
OCC - Japan (%)	67	77	67	88	78				
ARR - Maldives (THB)	9,558	14,030	16,640	11,717	10,051				
ARR - Thailand (THB)	3,984	4,509	5,408	4,088	4,280				
ARR - Dubai (THB)	5,493	8,322	7,441	7,119	4,877				
ARR - Japan (THB)	6,176	7,094	7,045	7,166	7,096				
RevPAR - Maldives (THB)	6,685	10,127	15,237	6,887	6,409				
RevPAR - Thailand (THB)	2,715	3,149	4,092	2,760	2,820				
RevPAR - Dubai (THB)	4,217	6,840	6,686	5,932	4,265				
RevPAR - Japan (THB)	4,126	5,457	4,740	6,284	5,549				
<b>Food</b>									
SSSG (y-y %)	0	2	1	2	3				
TSSG (y-y %)	4	5	3	6	4				

Sources: CENTEL; FSSIA estimates

## Exhibit 6: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
OCC (%)	72.0	71.3	72.0	72.0	72.7	73.4	0.0	(1.4)	(1.4)
RevPar (THB)	3,631	4,115	4,302	3,631	4,194	4,384	0.0	(1.9)	(1.9)
SSSG (%)	2.0	2.0	2.0	5.0	2.0	2.0	(3.0)	0.0	0.0
TSSG (%)	6.0	6.0	5.8	10.0	6.0	5.8	(4.0)	0.0	0.0
Total revenue (THB b)	23.9	25.9	28.1	24.4	26.7	28.9	(2.0)	(2.7)	(2.7)
EBITDA margin (%)	21.1	21.3	22.3	21.6	22.0	22.7	(0.5)	(0.8)	(0.4)
Core profit (THB m)	1,533	1,736	2,102	1,533	1,917	2,246	0.0	(9.4)	(6.4)

Note: Change of items in percentage terms are represented in ppt change; Source: FSSIA estimates

## BETAGRO (BTG TB) - Expect 3Q to be the peak this year; Maintain HOLD TP THB23.50

### Expect 3Q24 net profit to hit a seven-quarter high

We expect a 3Q24 net profit of THB988m (+57% q-q, reversing from a loss last year). Excluding an FX gain of THB55m and a gain from biological assets of THB25m, its core profit would equal THB908m (+45% q-q, turning from a loss of THB770m in 3Q23). This growth is supported by a 3% q-q and 14% y-y increase in Thai pork prices, along with expected increases in pork, chicken, and animal feed sales volumes both q-q and y-y. This growth can fully offset the decline in chicken and animal feed prices. We project 3Q24 revenue to grow by 9.2% q-q and 9.9% y-y.

### Raw material prices remain low, supporting the gross margin

Overall, raw material prices remain low. Although corn prices have increased, BTG still has low-cost stock to utilize. Hence, its 3Q24 gross margin should remain stable q-q at 14.1%, improving from a low base of 8.2% in 3Q23. While we expect total expenses to rise slightly q-q and y-y, the stronger revenue growth should lead to a decrease in SG&A to sales, projected at 10.2%, down from 10.6% in 2Q24 and 10.8% in 3Q23.

### Passing the peak this year in 3Q, with declining profit trend in 4Q

We anticipate BTG's 4Q24 profit to decline q-q due to the low season, particularly in exports, and meat prices have decreased, especially chicken prices. Currently, chicken prices are at THB37/kg, resulting in an average price for 4QTD of THB39/kg (-10% q-q). Similarly, pork prices in 4QTD have fallen to THB70-71/kg, down q-q. We are becoming more cautious about the trend of meat prices in 2025 due to higher production volumes of both pork and chicken, combined with feed ingredient prices that are expected to remain stable or decrease slightly. Therefore, we have cut our 2024-25E net profit by 13%, to THB2.2b and THB2.6b (+20% y-y), respectively.

### Roll forward TP to 2025 at THB23.5 and maintain HOLD call

We roll forward our TP to 2025 at THB23.5, based on a P/E ratio of 17x. The stock still has a limited upside, so we maintain our HOLD call and keep a neutral outlook on the meat prices in 2025. Meanwhile, BTG is in the process of acquiring an egg business in Singapore – expected to be completed and reflected in the financial statements starting in 1Q25. We anticipate this profit to account for c5% of BTG's profits in 2025.

### Exhibit 7: BTG – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	---- Change ----		9M24E	Change	2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	27,047	27,365	27,024	27,225	29,724	9.2	9.9	83,973	3.3	112,801	3.8	74.4
Cost of sales	24,836	25,032	24,102	23,388	25,548	9.2	2.9	73,038	0.4	97,912	0.1	74.6
Gross profit	2,211	2,333	2,922	3,836	4,176	8.9	88.9	10,934	28.6	14,890	37.4	73.4
SG&A	2,932	2,623	2,795	2,889	3,032	4.9	3.4	8,716	(2.7)	11,731	1.3	74.3
Operating profit	(604)	(235)	253	1060	1269	19.7	nm	2,583	nm	3,638	nm	71.0
Interest expense	170	209	198	199	200	0.4	17.8	597	28.7	797	18.5	74.9
Tax expense	23	256	195	269	215	(20.3)	840.3	679	238.3	846	85.0	80.3
Biological gain (loss)	(23)	14	10	15	25	71.7	nm	49	nm	49	nm	100.0
Other gain (loss)	9	(2)	(4)	(13)	55	nm	511.1	38	1188.1	38	nm	100.0
Reported net profit	(784)	(656)	(124)	628	988	57.3	nm	1,492	nm	2,204	nm	67.7
Core profit	(770)	(668)	(130)	626	908	45.0	nm	1,404	nm	2,117	nm	66.3

Key ratios (%)												
					(ppt)	(ppt)						
Gross margin	8.2	8.5	10.8	14.1	14.1	(0.0)	5.9	13.0	2.6	13.2	3.2	
SG&A to sales	10.8	9.6	10.3	10.6	10.2	(0.4)	(0.6)	10.4	(0.6)	10.4	(0.3)	
Operating margin	(2.2)	(0.9)	0.9	3.9	4.3	0.4	6.5	3.1	3.1	3.2	3.5	
Net margin	(2.9)	(2.4)	(0.5)	2.3	3.3	1.0	6.2	1.8	2.7	2.0	3.2	
Core margin	(2.8)	(2.4)	(0.5)	2.3	3.1	0.8	5.9	1.7	2.5	1.9	3.1	

Operating statistics												
Broiler price-TH (THB/kg.)	36.6	37.9	40.8	43.6	43.0	(1.4)	17.5	42.5	6.5	41.6	5.6	
Swine price-TH (THB/kg.)	62.7	62.3	66.3	69.3	71.5	3.1	14.0	69.0	(5.8)	70.0	0.7	
Swine price-Cambodia (KHR/kg.)	8,572	7,237	7,287	9,568	8,866	(7.3)	3.4	8,574	(1.2)	8,605	3.5	
Swine price-Laos (LAK/kg.)	46,341	45,912	47,593	48,745	51,112	4.9	10.3	49,150	6.3	47,000	1.9	
Corn price-TH (THB/kg.)	11.7	10.4	10.4	10.9	12.0	9.8	3.0	11.1	(11.8)	11.0	(9.3)	
Soybean meal price-TH (THB/kg.)	21.5	22.0	22.2	21.3	20.5	(3.6)	(4.7)	21.3	(7.2)	20.9	(8.1)	

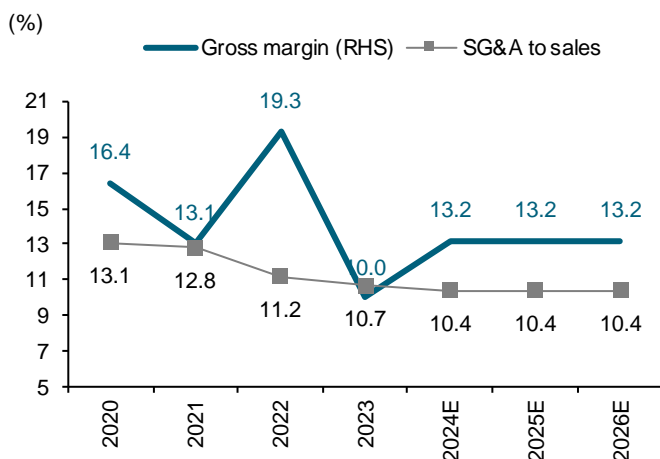
Sources: BTG, FSSIA estimates

## Exhibit 8: Changes in key assumptions for BTG

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	112,801	118,023	123,652	111,105	116,281	121,831	1.5	1.5	1.5
Cost of sales	97,912	102,444	107,330	96,284	100,467	105,018	1.7	2.0	2.2
Gross profit	14,890	15,579	16,322	14,821	15,814	16,813	0.5	(1.5)	(2.9)
SG&A expenses	11,731	12,274	12,860	11,888	12,442	13,036	(1.3)	(1.3)	(1.4)
Operating profit	3,638	3,836	4,019	3,600	4,070	4,508	1.1	(5.8)	(10.8)
Interest expense	797	683	649	712	611	580	11.9	11.8	11.8
Reported net profit	2,204	2,643	2,822	2,538	3,051	3,466	(13.2)	(13.4)	(18.6)
Core profit	2,117	2,643	2,822	2,538	3,051	3,466	(16.6)	(13.4)	(18.6)
<b>Key ratios (%)</b>									
Total revenue growth	3.8	4.6	4.8	2.3	4.7	4.8			
Net profit growth	nm	19.9	6.8	nm	20.2	13.6			
Core profit growth	nm	24.9	6.8	nm	20.2	13.6			
Gross margin	13.2	13.2	13.2	13.3	13.6	13.8	(0.1)	(0.4)	(0.6)
SG&A to sales	10.4	10.4	10.4	10.7	10.7	10.7	(0.3)	(0.3)	(0.3)
Operating margin	3.2	3.3	3.3	3.2	3.5	3.7	(0.0)	(0.3)	(0.4)
Net margin	2.0	2.2	2.3	2.3	2.6	2.8	(0.3)	(0.4)	(0.6)
Core margin	1.9	2.2	2.3	2.3	2.6	2.8	(0.4)	(0.4)	(0.6)
<b>Key assumptions</b>									
<b>Revenue breakdown (THB m)</b>									
Agro business	32,887	34,531	36,258	32,887	34,531	36,258	0.0	0.0	0.0
Food & protein business	71,311	74,358	77,542	69,727	72,702	75,811	2.3	2.3	2.3
International business	6,096	6,277	6,561	6,012	6,191	6,471	1.4	1.4	1.4
Pet business	2,415	2,789	3,222	2,415	2,789	3,222	0.0	0.0	0.0
<b>Price</b>									
Broiler price-TH (THB/kg)	41.6	40.0	40.0	41.0	42.0	43.0	1.5	(4.8)	(7.0)
Swine price-TH (THB/kg)	70.0	70.0	70.0	72.0	72.0	72.0	(2.8)	(2.8)	(2.8)
Swine price-Cambodia (KHR/kg)	8,605	8,400	8,200	7,500	7,800	8,000	14.7	7.7	2.5
Corn price-TH (THB/kg)	11.0	10.0	10.0	10.0	10.0	10.0	9.8	0.0	0.0
Soybean meal price-TH (THB/kg)	20.9	19.5	19.0	20.5	20.0	19.0	1.8	(2.5)	0.0

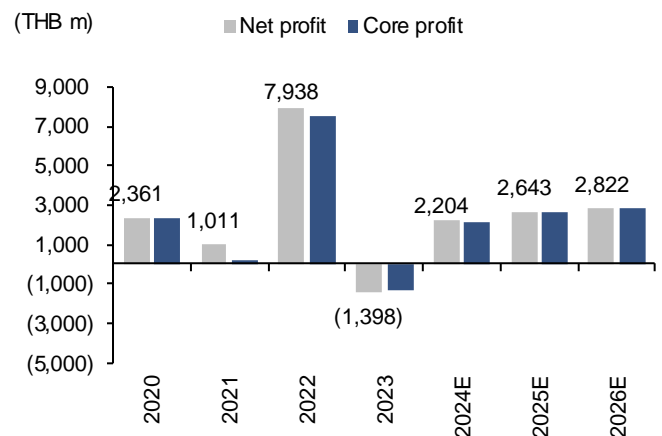
Source: FSSIA estimates

## Exhibit 9: Yearly gross margin and SG&amp;A to sales



Sources: BTG; FSSIA estimates

## Exhibit 10: Yearly net profit and core profit



Sources: BTG; FSSIA estimates

## OSOTSPA (OSP TB) - Short-term pain, long-term gain; Maintain BUY TP THB28.00

### Loss from divestment to pressure 3Q24 bottom line

We anticipate a 3Q24 core profit of THB620m (-33% q-q, +10% y-y). However, including the loss from the divestment of the glass factory in Myanmar, estimated at cTHB800m, OSP's bottom line would show a net loss of THB180m. While this is a cash impact, we view it as a one-time event related to the restructuring of unprofitable businesses.

### Market share has decreased due to the impact of flooding

The overall revenue for 3Q24 is not likely to be very positive. We project a decline of 17.5% q-q and 3.4% y-y, mainly due to the low season and the impacts from flooding in the northern and northeastern regions, which are key areas for OSP (accounting for c60% of revenue from traditional trade channels). Consequently, the market share for energy drinks in 3Q24 should decrease to 45.4% from 46.4% in 2Q24, representing a significant drop. We also expect that revenue from international energy drinks will decline q-q due to seasonal factors, but still grow y-y. Meanwhile, we project revenue from the personal care segment to grow 8% y-y but decline q-q seasonally. We expect the 3Q24 gross margin to be at 36%, down from 38.2% in 2Q24, along with the revenue.

### Maintain our 2024-25 core profit forecast

We expect profits to recover in 4Q24 after the flooding situation eases. We anticipate a rebound in market share, and OSP is preparing to launch new products. We still need to monitor the momentum of the market share recovery to see if the company can regain ground from competitors. In addition, OSP is considering potential M&A deals, which may occur in 4Q24 or 1H25. We maintain our 2024-25E core profit at THB2.96b (+36% y-y) and THB3.2b (+8.2% y-y).

### Positive outlook on medium- to long-term growth

We anticipate that OSP may consider not paying dividends for 2H24 due to the cash impact from the aforementioned losses. Nonetheless, we maintain a positive outlook on medium- to long-term growth trends, viewing M&A as an upside potential for future growth. We retain our TP at THB28. There is an upside of 27%.

### Exhibit 11: OSP – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	--- Change ---		9M24E	Change	2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	6,277	6,530	7,260	7,345	6,063	(17.5)	(3.4)	20,668	5.8	28,760	10.4	71.9
Cost of sales	4,058	4,213	4,613	4,541	3,880	(14.5)	(4.4)	13,034	1.5	18,407	7.9	70.8
Gross profit	2,220	2,317	2,647	2,804	2,183	(22.2)	(1.7)	7,634	14.2	10,354	15.0	73.7
SG&A	1,624	1,623	1,797	1,761	1,516	(13.9)	(6.7)	5,073	1.7	7,075	7.0	71.7
Operating profit	633	754	918	1,073	697	(35.0)	10.1	2,688	46.4	3,480	34.4	77.2
Interest expense	26	34	29	26	27	2.6	2.6	83	11.6	107	(0.2)	76.8
Tax expense	96	171	82	143	65	(54.5)	(32.4)	289	11.5	540	25.5	53.5
Profit (loss) sharing	51	43	59	59	50	(15.6)	(1.7)	168	63.4	179	(22.3)	94.0
Reported net profit	642	433	828	604	(180)	nm	nm	1,253	(36.4)	1,843	(23.3)	68.0
Core profit	562	592	828	923	620	(32.8)	10.3	2,372	49.8	2,962	36.2	80.1

Key ratios (%)						(ppt)	(ppt)		(ppt)		(ppt)
Gross margin	35.4	35.5	36.5	38.2	36.0	(2.2)	0.6	36.9	2.7	36.0	1.5
SG&A to sales	25.9	24.9	24.7	24.0	25.0	1.0	(0.9)	24.5	(1.0)	24.6	(0.8)
Operating margin	10.1	11.5	12.6	14.6	11.5	(3.1)	1.4	13.0	3.6	12.1	2.2
Net margin	10.2	6.6	11.4	8.2	(3.0)	(11.2)	(13.2)	6.1	(4.0)	2.3	(1.6)
Core margin	9.0	9.1	11.4	12.6	10.2	(2.3)	1.3	11.5	3.4	6.4	(2.8)

Operating statistics (THB m)												
Beverage sales	5,071	5,292	6,077	6,104	4,665	(23.6)	(8.0)	16,845	6.4	23,844	12.8	70.6
Personal care	647	717	604	715	699	(2.2)	8.0	2,018	14.1	2,548	2.5	79.2
Other	559	521	579	527	699	32.7	25.0	1,805	(6.3)	2,368	(3.2)	76.2
Domestic	5,383	5,440	5,357	5,425	5,005	(7.7)	(7.0)	15,787	0.9	22,039	4.5	71.6
Overseas	894	1,090	1,903	1,920	1,058	(44.9)	18.3	4,881	25.5	6,721	35.0	72.6
Energy drink market share (%)	46.5	45.9	46.4	46.4	45.4	(1.0)	(1.1)	46.1	(0.8)	46.5	(0.1)	
Functional drink market share (%)	43.7	40.3	42.9	45.9	45.5	(0.4)	1.8	44.8	2.7	42.0	0.4	

Sources: OSP, FSSIA estimates



## KASIKORNBANK (KBANK TB) - Lower non-NII pressured 3Q24 profit; Maintain BUY TP THB192.00

### Lower non-NII pressured the 3Q24 net profit

KBANK reported a 3Q24 net profit of THB12.0b, 3% below our forecast and 1% below the BBG consensus, declining by 5.4% q-q but increasing by 6.1% y-y. Meanwhile, the PPOP stood at THB27.2b, which also fell more than expected, dropping by 4.8% q-q and 0.4% y-y, mainly due to lower-than-expected non-NII, following higher-than-expected insurance underwriting expenses (MTL). NII declined as expected in 3Q24 by 1.2% q-q and 2.6% y-y, following a higher-than-expected contraction in net loans, which dropped by 2.2% q-q and 0.2% y-y. Overall, loans contracted by 2.3% YTD in 9M24, below its full-year guidance of 3-5% y-y and our estimate of 2.5% y-y. The 3Q24 NIM was in line with expectations at 3.63% vs 3.68% in 2Q24 due to lower loan yields (resulting from the continued slowdown in lending and its focus on low-yield segments) and the decline in interest expenses. Net fee income rose as expected, driven by increases in fees from international trade and brokerage income from securities trading.

### Manageable asset quality within 2024 guidance

Asset quality remained stable as expected, with no additional concerns. Although the NPL ratio (calculated by FSSIA) slightly increased to 3.72% in 3Q24 from 3.64% in 2Q24, this was mainly due to the contraction in the total loan base. Gross NPLs remained relatively stable in the quarter, while the reported NPL ratio was at 3.20%, consistent with the 2024 guidance of not exceeding 3.25%. Stage 2 loans slightly increased to 7.8% from 7.3% at the end of 2Q24, for the same reason. Credit costs remained steady at 189bps, with 9M24 credit costs at 192bps, aligning with the 2024 guidance range of 175-195bp and our estimate of 195bp.

### Maintain forecast with expected profit growth of 10.1% CAGR

We maintain our 2024-26 net profit forecasts with an expected 2024-26 growth rate of 10.1% CAGR, with our anticipated 2026 ROE spiking to 9.5%, close to its guidance of 10%, based on the expected dividend payout ratio increasing to 45-46% compared to 36.3% in 2023.

### Retain our BUY call with a new 2025 TP of THB192

We retain our BUY call with an attractive dividend yield of 6-7% p.a. Our 2025 GGM-TP is THB192 with a P/BV of 0.79x, under the expected long-term ROE of 9.8% and COE of 12.2% (down from 13.4% to reflect the highest ESG scoring among the banks under coverage).

### Exhibit 12: KBANK – 3Q24 results summary

Year end Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		9M24	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	38,019	38,849	38,528	37,468	37,036	(1.2)	(2.6)	113,033	3.1	74	152,689	2.9
Non-interest income	9,096	12,046	11,624	12,961	11,644	(10.2)	28.0	36,229	12.6	77	47,293	7.0
Fee income - net	7,803	7,550	8,299	8,078	8,432	4.4	8.1	24,809	5.0	76	32,716	4.9
Total operating income	47,115	50,895	50,152	50,430	48,680	(3.5)	3.3	149,262	5.3	75	199,982	3.8
Total operating expenses	19,821	24,508	20,713	21,888	21,501	(1.8)	8.5	64,101	6.0	71	89,788	5.7
PPOP before tax	27,294	26,387	29,439	28,542	27,179	(4.8)	(0.4)	85,161	4.8	77	110,194	2.3
Expected credit loss	12,793	13,572	11,684	11,672	11,652	(0.2)	(8.9)	35,009	(8.5)	71	49,170	(5.2)
Income tax	2,838	2,617	3,403	3,224	3,203	(0.7)	12.9	9,830	20.5	87	11,290	4.7
Non-controlling interest	381	810	867	991	358	(63.9)	(6.0)	2,216	19.7	82	2,715	2.0
<b>Net profit</b>	<b>11,282</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>	<b>11,966</b>	<b>(5.4)</b>	<b>6.1</b>	<b>38,105</b>	<b>15.4</b>	<b>81</b>	<b>47,020</b>	<b>10.9</b>
EPS (THB)	4.76	3.96	5.69	5.34	5.05	(5.4)	6.1	16.08	15.4	81	19.85	10.9
<b>Key ratios</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>----- Change -----</b>		<b>9M24</b>	<b>Change</b>		<b>2024E</b>	<b>Change</b>
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(y-y%)		(%)	(y-y%)
Gross NPLs (THB m)	87,383	92,064	91,584	90,569	90,642	0.1	3.7	90,642	3.7		95,944	4.2
Change (% from prior period)	(6.9)	5.4	(0.5)	(1.1)	0.1			3.7			4.2	
NPL ratio (%) - reported	3.11	3.19	3.19	3.18	3.20			3.20				
NPL ratio (%)	3.58	3.70	3.72	3.64	3.72			3.72			3.76	
Coverage ratio (%) - reported	155	152	150	152	151			151				
Coverage ratio (%)	149	145	142	143	143			143			146	
Credit cost (bp)	209	220	189	189	189			192			195	
Profitability ratio	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Cost to income ratio	42.1	48.2	41.3	43.4	44.2			42.9			44.9	
Average yield (%)	4.69	4.82	4.76	4.69	4.59			4.69			4.67	
Cost of funds (%)	1.25	1.34	1.36	1.40	1.33			1.36			1.36	
NIM (%) - reported	3.76	3.83	3.76	3.67	3.61			N/A				
NIM (%)	3.77	3.84	3.77	3.68	3.63			3.70			3.68	
Non-interest income /total income (%)	19.3	23.7	23.2	25.7	23.9			24.3			23.6	
Liquidity ratio	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Loan to deposit	90.9	92.3	91.2	93.4	87.9			92.3			92.7	
Loan to deposit & borrowing (LDBR)	82.8	84.1	82.7	85.3	81.6			84.1			89.9	
Capital adequacy ratio	(%)	(%)	(%)	(%)	(%)			(%)				
CAR	19.6	19.4	19.4	19.4				19.4			19.3	
CET 1 / Risk assets	16.7	16.5	16.5	16.5				16.5			16.5	
Tier 2 / Risk assets	2.0	2.0	2.0	2.0				2.0			1.9	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
q-q	(0.5)	2.1	(1.1)	1.0	(2.2)							
y-y	(1.1)	(0.2)	(0.1)	1.6	(0.2)			(0.2)			2.5	
Year-to-date	(2.3)	(0.2)	(1.1)	(0.1)	(2.3)			(2.3)				

Sources: KBANK; FSSIA estimates

## KRUNGTHAI CARD (KTC TB) - 3Q24 results at first glance; Maintain HOLD TP THB44.00

KTC reported a 3Q24 net profit of THB1.92b, increasing by 5.1% q-q and 3.4% y-y – beating our estimate and the BBG consensus forecast by 3% due to a lower-than-expected credit cost. 3Q24 PPOP totaled THB3.98b, remaining stable q-q over a muted loan growth situation, but rising by 5.2% y-y thanks to its strong non-NII growth. The overall asset quality improved in the quarter, leading to a lower-than-expected credit cost and NPL ratio. 9M24 net profit accounts for 74% of our 2024E.

With 9M24 on the trajectory of our full-year forecast, we maintain our 2024-26 net profit estimates. We expect 4Q24 to represent a high season, with loans projected to grow c2% q-q and the solid card spending momentum of customers to be prolonged further. With improvements in 3Q24 asset quality, we expect a short-term upward movement in the share price. However, our GGM-based TP of THB44, implying a P/BV of 2.57x, currently offers no upside. Therefore, we maintain our HOLD recommendation for KTC.

Following the MPC's recent rate cut on 16 October, our scenario analysis (Exhibit 2) indicates that every 25bp reduction in both prospective debenture issues and bank loan yields would provide an upside of 0.4-0.6% to our 2025-26 net profit forecast, all else being equal. As of 3Q24, KTC's debt structure is financed 72% through debentures and 27% via loan borrowings, with 24% of total IBD due for repayment within one year.

### Highlights

**(+) Asset quality:** The overview for KTC's 3Q24 asset quality was better than expected. Thanks to its aggressive write-off policy since 1Q24, the NPL ratio finished at 1.93% from 1.97% in 2Q24, and aligned with its guidance of below 2.00%. Moreover, the 3Q24 credit costs were 612bp, lower than our expectation of 634bp, as its prudent lending policy bore fruit with a lower LGD of its overall portfolio. The 3Q24 coverage ratio was higher at 373% from 363% in 2Q24.

**(0) NII:** 3Q24 net interest income was THB3.62b. The figure rose by 1.8% q-q over a higher loan yield of 15.47% from 15.26% in 2Q24, owing to seasonality, but remained stable y-y as its loan portfolio was pressured by a higher write-off volume, as expected (loans: +0.3% q-q, -0.5% y-y, and -5.5% YTD, far under the guidance of 6-7% growth). With the 3Q24 cost of funds stable at 2.95%, the loan spread ticked up to 12.52% from 12.33% in 2Q24.

**(+) Non-NII:** 3Q24 non-interest income was THB2.82b (+1.4% q-q, +18.4% y-y). The meaningful y-y expansion was due to the increase in bad debt recovery income, which totaled THB1.0b (compared to THB700m-800m per quarter in 2023), benefitting from a larger pile of written-off debts in 2024. Meanwhile, fee revenue from card spending also increased along with the spending volume, which grew 10% y-y, in line with expectations. Accordingly, OPEX increased 4.3% q-q and 9.2% y-y to support servicing costs from a higher transaction volume and marketing expenses to promote purchases. The 3Q24 CIR was 38.2% (higher than our expectation of 37.3%).



## Exhibit 13: KTC – 3Q24 results summary

KTC	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	----- Change ----- (q-q%) (y-y%)		9M24 (THB m)	Change (y-y%)	% of 24E	2024E (THB m)	Change (y-y %)
Interest income	4,096	4,149	4,008	4,004	4,074	1.7	(0.5)	12,086	1.8	73	16,446	2.7
Interest expense	441	456	451	448	453	1.1	2.6	1,352	8.4	75	1,792	5.2
Net interest income	3,655	3,693	3,557	3,556	3,621	1.8	(0.9)	10,734	1.0	73	14,654	2.4
Non-interest income	2,376	2,532	2,755	2,777	2,815	1.4	18.4	8,347	20.7	76	10,945	15.9
Operating income	6,031	6,225	6,312	6,333	6,436	1.6	6.7	19,081	8.8	75	25,599	7.7
Operating expenses	2,252	2,429	2,369	2,359	2,460	4.3	9.2	7,187	12.8	75	9,541	8.4
PPOP	3,779	3,795	3,943	3,975	3,976	0.0	5.2	11,894	6.5	74	16,058	7.3
Expected credit loss	1,477	1,612	1,683	1,690	1,611	(4.7)	9.1	4,985	16.4	73	6,789	15.2
Profit before tax	2,302	2,184	2,260	2,284	2,365	3.5	2.7	6,909	0.4	75	9,268	2.2
Income tax expense	464	439	467	469	470	0.3	1.3	1,406	1.9	76	1,854	1.9
<b>Net profit</b>	<b>1,856</b>	<b>1,761</b>	<b>1,803</b>	<b>1,826</b>	<b>1,919</b>	<b>5.1</b>	<b>3.4</b>	<b>5,549</b>	<b>0.2</b>	<b>74</b>	<b>7,465</b>	<b>2.3</b>
EPS (THB)	0.72	0.68	0.70	0.71	0.74	5.1	3.4	2.15	0.2	74	2.90	2.3
Key balance sheet highlights												
Loan - gross	106,027	111,623	104,690	105,154	105,511	0.3	(0.5)	105,511	(0.5)		108,319	(3.0)
Interest bearing debt	63,213	66,918	59,814	62,392	60,519	(3.0)	(4.3)	60,519	(4.3)		60,111	(10.2)
Earnings assets	108,924	117,130	108,351	109,468	107,832	(1.5)	(1.0)	107,832	(1.0)		113,202	(3.4)
Leverage ratio	(x)	(x)	(x)	(x)	(x)			(x)			(x)	
IBD/E (x)	1.85	1.87	1.59	1.73	1.59			1.59			1.51	
D/E (x)	2.07	2.15	1.83	1.98	1.78			1.78			1.77	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)			(%)	(%)		(%)	(%)
Gross NPLs (THB m)	2,481	2,439	2,091	2,071	2,039	(1.5)	(17.8)	2,039	(17.8)		2,266	(7.1)
NPL ratio	2.34	2.19	2.00	1.97	1.93			1.93			2.09	
Coverage ratio - LLR/ NPLs	382	400	354	363	373			373			370	
Credit cost (bp)	560	593	623	644	612			628			617	
LLR/TL	8.93	8.75	7.07	7.16	7.21			7.21			7.74	
Profitability ratios	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Cost-to-income ratio	37.34	39.03	37.53	37.24	38.22			37.67			37.27	
Yield on loans	15.53	15.25	14.82	15.26	15.47			15.24			14.95	
Cost of funds	2.79	2.80	2.85	2.93	2.95			2.91			2.82	
Spreads	12.74	12.45	11.97	12.33	12.52			12.32			12.13	
Net interest margin (NIM)	13.55	13.07	12.62	13.06	13.33			13.21			12.72	
ROE	22.28	20.05	19.60	19.75	20.73			20.50			19.78	
ROA	7.10	6.42	6.54	6.79	7.20			7.04			6.69	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
q-q	1.1	5.3	(6.2)	0.4	0.3							
y-y	10.0	7.8	2.0	0.2	(0.5)			(0.5)			(3.0)	
YTD	2.4	7.8	(6.2)	(5.8)	(5.5)			(5.5)				

Sources: KTC; FSSIA estimates

## Exhibit 14: Scenario analysis for a 25bp rate cut on net profit forecast

	----- Current forecast -----				----- 25bp cut -----				----- Net profit upside -----	
	----- Cost of funds -----		----- Net profit -----		----- Cost of funds -----		----- Net profit -----			
	2025E (%)	2026E (%)	2025E (THB m)	2026E (THB m)	2025E (%)	2026E (%)	2025E (THB m)	2026E (THB m)	2025E (%)	2026E (%)
KTC	3.14	3.25	7,938	8,590	3.07	3.13	7,972	8,644	0.4	0.6

Source: FSSIA estimates

## KIATNAKIN PHATRA BANK (KKP TB) - 3Q24 results at first glance; Maintain HOLD TP THB50.30

### Lower ECLs to boost 3Q24 profit; asset quality remains fragile

#### Highlights

- **KKP's 3Q24 net profit surged to THB1.31b, surpassing our forecast and the BBG consensus by 42%**, with q-q growth of 69.7% and a y-y increase of 1.9%. The main driver was a reduction in ECL and credit costs. However, losses from the sales of repossessed vehicles significantly rose to THB1.22b vs THB1.07b in 1Q24 due to the higher number of repossessed cars sold. PPOP declined by 16.9% q-q and 27.9% y-y to THB2.28b in 3Q24, primarily because of higher operating expenses linked to the increased losses on vehicle sales. This led to a rise in the cost-to-income ratio to 65.5% (or 47.1% excluding losses on repossessed vehicles, compared to 41.8% in 2Q24). Both NII and non-NII operating income exceeded expectations, growing both q-q and y-y. The higher-than-anticipated loan spread resulted from an increase in the loan yield, influenced by the loan denominator effects, while the cost of funds remained stable.

Loans contracted worse than expected across all segments, particularly in core lending, as auto hire purchases (46%) aligned with the 23.9% y-y decline in industry car sales over 8M24. Similarly, commercial (15%, including RE and SME) and large corporate loans (13%) also contracted due to substantial repayments during this period. 9M24 loans contracted by 6.4% YTD, falling short of the bank's guidance and our estimate, which anticipated only a 3% y-y contraction.

For non-NII, the increase in working days and improvements in the capital market boosted revenue from the brokerage, asset management, and investment banking businesses, which helped offset the decline in FVTPL investment gains. The 9M24 net profit decreased by 25.0% y-y, representing 84% of our full-year net profit forecast.

- **Asset quality remains fragile** after challenges with NPLs and credit costs in 2Q24. The 3Q24 NPL ratio met expectations at 4.10%, up from 4.00% in 2Q24, primarily due to the effect of a reduced loan base and the continued migration of 2021-22 vintage hire-purchase and micro SME loans to stage 3. In contrast, NPLs in commercial and corporate lending declined. Stage 2 loans increased to 7.5% in the quarter, up from 7.1% in 2Q24 and 6.3% in 3Q23. However, a substantial reduction in the ECL led to a decrease in credit costs to 199bp compared to 289bp in 2Q24, while the coverage ratio remained steady at 135.5%.
- **Maintain our conservative 2024-26 earnings forecast:** Due to the anticipated recovery in the capital market following the establishment of the Vayupak Fund, non-NII, especially fee incomes, could surpass expectations. Nevertheless, we retain our conservative 2024-26 net profit forecast at a -1.2% CAGR, reflecting a significant decline in 2024E. We anticipate a recovery in 2025-26, supported by modest growth in its core hire-purchase business and a gradual improvement in its capital market activities.
- **Retain our HOLD call for an attractive dividend yield of c5-6% p.a.** We reaffirm our HOLD call for KKP. The recent rise in KKP's stock price reflects the share buyback plan scheduled between 28 August and 28 November 2024. Of the planned 22m shares (2.6% of total paid-up shares), 11m have already been repurchased. Our GGM-based 2025 TP remains at THB50.30, implying a P/BV of 0.64x, with an expected long-term ROE of 8.8% and a COE of 13.1%. While this suggests no upside potential from the current price, the dividend yield remains compelling.

## Exhibit 15: KKP – 3Q24 results summary

Year-end Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M24	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	5,988	5,562	5,253	5,009	4,937	(1.4)	(17.5)	15,199	(9.2)	74	20,516	(8.0)
Non-interest income	1,456	1,393	1,579	1,543	1,668	8.1	14.5	4,791	(5.6)	78	6,177	(4.5)
Fee income - net	1,337	1,333	1,123	1,171	1,483	26.6	10.9	3,777	(8.8)	81	4,661	(14.9)
Total operating income	7,444	6,955	6,832	6,552	6,605	0.8	(11.3)	19,989	(8.3)	75	26,693	(7.2)
Total operating expenses	4,281	4,584	4,316	3,809	4,326	13.6	1.1	12,451	10.1	77	16,118	1.4
PPOP before tax	3,163	2,371	2,516	2,743	2,279	(16.9)	(27.9)	7,539	(28.2)	71	10,574	(17.8)
Expected credit loss	1,678	1,429	609	1,769	681	(61.5)	(59.4)	3,060	(34.2)	59	5,200	(14.5)
Income tax	201	270	400	202	282	39.4	40.0	884	(16.7)	82	1,075	(19.2)
Non-controlling interest	4	2	1	3	12	261.6	213.6	16	53.9	87	18	43.5
<b>Net profit</b>	<b>1,281</b>	<b>670</b>	<b>1,506</b>	<b>769</b>	<b>1,305</b>	<b>69.7</b>	<b>1.9</b>	<b>3,580</b>	<b>(25.0)</b>	<b>84</b>	<b>4,281</b>	<b>(21.3)</b>
EPS (THB)	1.51	0.79	1.83	0.93	1.58	69.7	4.6	4.34	(23.0)	84	5.19	(19.2)
<b>Key ratios</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>---- Change ----</b>		<b>9M24</b>	<b>Change</b>		<b>2024E</b>	
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>	<b>(THB m)</b>	<b>(y-y%)</b>		<b>(%)</b>	
Gross NPLs (THB m)	14,170	12,630	15,019	15,540	15,464	(0.5)	9.1	15,464	9.1		15,870	25.7
Change (% from prior period)	(0.5)	(10.9)	18.9	3.5	(0.5)			9.1			25.7	
NPL ratios (%) - reported	3.50	3.20	3.80	4.00	4.10			4.10				
NPL ratio (%)	3.50	3.20	3.80	4.00	4.10			4.10			4.10	
Coverage ratio (%) - reported	145.3	164.6	137.3	136.5	135.9			135.9				
Coverage ratio (%)	144.8	164.0	136.5	135.8	135.5			135.5			134.6	
Credit cost (bp) - incl loss from repossessed car	304	284	207	289	199			234			285	
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>	
Cost to income ratio	57.5	65.9	63.2	58.1	65.5			62.3			60.4	
Average loan yield (%)	7.00	7.32	7.21	7.12	7.28			6.31			7.18	
Cost of funds (%)	2.00	2.21	2.36	2.48	2.57			2.50			2.49	
Loan spread	5.00	5.11	4.85	4.64	4.71			5.60			4.69	
NIM (%)	4.80	4.36	4.16	4.04	4.08			4.13			4.08	
Non-int inc/total income (%)	19.6	20.0	23.1	23.6	25.2			24.0			23.1	
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>						<b>(%)</b>	
q-q	0.3	(0.7)	(0.7)	(1.0)	(4.8)							
y-y	9.7	5.3	1.7	(2.1)	(7.1)			(7.1)			(2.9)	
Year-to-date	6.0	5.3	(0.7)	(1.7)	(6.4)			(6.4)				

Sources: KKP; FSSIA estimates

## TMBTHANACHART BANK (TTB TB) - 3Q24 results at first glance; Maintain BUY TP THB2.52

### 3Q24 results were broadly in line; well-contained asset quality

#### Highlights

- **The 3Q24 net profit came in at THB5.23b**, c2% below our estimate and the BBG consensus, marking a slight decline of 2.4% q-q but an increase of 10.4% y-y. PPOP was slightly lower than expected at THB9.93b, down 2.3% q-q and 2.9% y-y, impacted by higher-than-expected operating expenses, mainly due to increased IT and marketing costs. Consequently, the 3Q24 cost-to-income ratio rose to 42.4% from 41.5% in 2Q24. Following a decline in ECLs in the quarter, TTB reported a lower reversal of income tax expenses of THB64m in 3Q24, compared to the average of THB350m-470m in 1H24, with the remaining tax benefit at the end of 3Q24 amounting to THB11.7b.
- **The core business remained sluggish**, particularly with NII amid a significant loan contraction. The core loan segments experienced contractions, including auto hire purchases (30%), housing (26%), corporate (29%), and SME loans (8%). Although there was growth in the high-yield loan segment (6%), more was needed to drive overall loan growth. The NIM improved by 4bp in 3Q24, better than expected, due to a slight increase in loan yields, driven by the shrinking loan base, while funding costs decreased slightly. Non-NII declined somewhat as expected, but received some support from net fee growth from mutual fund and bancassurance fees.
- **Asset quality remains manageable**, even though the NPL ratio rose to 3.21% in 3Q24 – higher than anticipated – mainly due to the shrinking loan base. However, gross NPLs remained stable as expected. Credit costs decreased to 149bp from 162bp in 2Q24, with the bank noting an additional management overlay of THB154m in 3Q24, bringing the normalized credit costs down to 144bp. Overall, credit costs for 9M24 stood at 154bp, higher than the 2024 guidance of c125-135bp but still in line with our 2024 estimate of 160bp. The coverage ratio decreased to 149% compared to 152% in 2Q24.
- **Maintain 2024-26 earnings forecast:** We maintain our 2024-26 earnings forecast with the expected net profit growth at 11.6% CAGR, outpacing its peers' average of 5.0%. The growth contributors come from the high-yield segment (under its stringent lending policy), cost control, and continued NIM management. We retain our BUY call due to its limited downside risks to net profit, and an attractive dividend yield of c6-7% p.a. under an expected 60% payout ratio. Our 2025 GGM-based TP is THB2.52, based on a P/BV of 0.97x under an LT-ROE of 9.0% and COE of 9.2%.

#### Exhibit 16: TTB – 3Q24 results summary

Year-end Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M24	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	14,665	14,948	14,397	14,185	14,061	(0.9)	(4.1)	42,643	0.9	75	57,140	(0.1)
Non-interest income	3,335	3,384	3,273	3,187	3,163	(0.8)	(5.2)	9,623	(7.2)	74	13,072	(5.0)
Fee income - net	2,505	2,638	2,454	2,209	2,242	1.5	(10.5)	6,906	(10.6)	72	9,578	(7.6)
Total operating income	18,000	18,332	17,671	17,372	17,224	(0.9)	(4.3)	52,267	(0.7)	74	70,212	(1.1)
Total operating expenses	7,777	8,336	7,570	7,210	7,295	1.2	(6.2)	22,075	(3.8)	73	30,221	(3.4)
PPOP before tax	10,223	9,996	10,100	10,162	9,929	(2.3)	(2.9)	30,191	1.7	75	39,990	0.8
Expected credit loss	4,354	9,326	5,117	5,281	4,764	(9.8)	9.4	15,162	17.8	74	20,610	(7.2)
Income tax	1,133	(4,197)	(351)	(474)	(64)	(86.5)	NA	(890)	NA	45	(1,956)	N/A
Net profit	4,735	4,867	5,335	5,356	5,230	(2.4)	10.4	15,919	17.1	75	21,336	15.6
EPS (THB)	0.05	0.05	0.06	0.06	0.05	(2.4)	10.4	0.16	17.1	75	0.22	15.6
Key ratios	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M24			2024E	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(y-y%)		(%)	
Gross NPLs (THB m)	40,279	41,006	39,759	40,105	40,224	0.3	(0.1)	40,224	(0.1)		40,600	(1.0)
Change (% from prior period)	(1.1)	1.8	(3.0)	0.9	0.3			(0)			(1.0)	
NPL ratios (%) - reported	2.67	2.62	2.56	2.64	2.73							
NPL ratio (%)	2.96	3.09	3.02	3.09	3.21			3.21			3.25	
Coverage ratio (%) - reported	144	155	155	152	149			149				
Coverage ratio (%)	144	155	155	152	149			149			157	
Credit cost (bp)	128	277	155	162	149			154			160	
Profitability ratio	(%)	(%)	(%)	(%)	(%)						(%)	
Cost to income ratio	43.2	45.5	42.8	41.5	42.4			42.2			43.0	
Average yield (%)	4.64	4.81	4.77	4.81	4.82			4.84			4.79	
Cost of funds (%)	1.47	1.60	1.75	1.82	1.80			1.81			1.81	
NIM (%) - reported	3.34	3.39	3.28	3.26	3.26							
NIM (%)	3.36	3.42	3.26	3.24	3.28			3.28			3.24	
Non-interest income/total income (%)	18.5	18.5	18.5	18.3	18.4			18.4			18.6	
Loan growth	(%)	(%)	(%)	(%)	(%)						(%)	
q-q	(0.1)	(2.6)	(1.0)	(1.4)	(3.4)							
y-y	(2.2)	(3.5)	(3.2)	(4.9)	(8.1)			(8.1)			(6.0)	
Year-to-date	(1.0)	(3.5)	(1.0)	(2.4)	(4.7)			(4.7)				

Sources: TTB; FSSIA estimates

## Results Comments

### KTB - 3Q24 profit in line with our estimate but 3% exceeding the BBG consensus

KTB reported a 3Q24 net profit of THB11.1b, a slight decrease of 0.8% q-q but an increase of 8.0% y-y. The slight q-q decline in net profit was mainly due to higher ECLs than the PPOP. PPOP rose by 1.5% q-q and 5.5% y-y to THB23.4b, driven by higher non-NII, especially net fee income, which offset the decline in NII and increased operating expenses. Furthermore, there were no concerns about asset quality in 3Q24, as it was well-managed and in line with its 2024 guidance. The 9M24 net profit grew by 10.1% y-y, representing 89% of our full-year forecasts.

We retain our 2024-26 forecast and maintain a top BUY call with a 2025 GGM-based TP of THB 23.50, implying 0.72x P/BV, based on an expected LT-ROE of 8% and COE of 11.8%.

#### Highlights

- (0) **Net interest income (NII) slightly declined as expected**, in line with the continued loan slowdown (+0.1% q-q and -2.5% y-y). While there was growth in government loans (16% of totals) and retail loans (46%), particularly in housing (19%) and personal loans (24%), this was offset by declines in private corporate loans (16%) and SME loans (10%) due to high levels of debt repayment. Overall, loans in 9M24 contracted slightly by 0.5% YTD, below the 2024 guidance of 3% y-y but in line with our target of 1% y-y, as we expect loan demand to increase in 4Q24 due to seasonal factors. NIM remained stable at 3.38%, with a 5bp increase in loan yield offset by a similar rise in cost of funds. The 9M24 NIM rose to 3.39%, exceeding the 2024 guidance of 3.00-3.30% and our target of 3.28%.
- (+) **Non-NII increased more than expected**, growing by 13.6% q-q and 15.7% y-y. This growth was supported by a higher-than-anticipated rise in net fee income, mainly from bancassurance and wealth management transactions. 9M24 fee income rose by 6.7% y-y, surpassing the 2024 guidance of low to mid-single-digit growth and our target of 1.5% y-y. Other non-NII components also exceeded expectations, including gains from mark-to-market on FVTPL investments, gains on investment, and bad-debt recovery income.
- (-) **Operating expenses increased more than expected**, rising by 4.6% q-q and 2.8% y-y, primarily due to higher IT and digital investment costs. This increase offset the positive impact of a significant reduction in losses from foreclosed assets, which had been substantially marked down in previous periods and are now approaching normalized levels. Consequently, the 3Q24 cost-to-income ratio rose to 42.4% vs. 41.7% in 2Q24. Overall, the 9M24 cost-to-income ratio stood at 42.5%, still aligning with its 2024 guidance of below the mid-40% range and our full-year target of 43.4%.
- (0) **Asset quality was well-contained and aligned with guidance**. The NPL ratio dropped slightly to 3.83% following a reduced gross NPLs by 0.4% q-q in 3Q24. Stage 2 loans increased slightly to 7.59% vs. 7.53% in 2Q24, with the ratio averaging 7-8% during the past 1.5 years. The 3Q24 credit costs grew slightly by 6bp to 130bp, following a rise in ECLs. The 9M24 credit cost rose to 125bp, which still aligned with its 120-130bp 2024 guidance but was below our 140bp estimate. The NPL coverage ratio remains solid at 179% vs. 176% in 2Q24.

#### Exhibit 17: KTB – 3Q24 operations summary

Year end Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M23	9M24		%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	29,667	30,362	29,561	30,055	29,885	(0.6)	0.7	83,057	89,502	7.8	76	117,455	3.6
Non-interest income	9,221	9,228	11,141	9,394	10,672	13.6	15.7	26,818	31,207	16.4	83	37,687	4.6
Fee income - net	5,503	5,434	5,577	5,277	5,619	6.5	2.1	15,438	16,473	6.7	78	21,186	1.5
Total operating income	38,888	39,590	40,703	39,449	40,557	2.8	4.3	109,875	120,709	9.9	78	155,142	3.8
Total operating expenses	16,733	17,745	17,731	16,438	17,193	4.6	2.8	44,411	51,361	15.6	76	67,398	8.4
PPOP before tax	22,155	21,845	22,972	23,012	23,364	1.5	5.5	65,463	69,347	5.9	79	87,744	0.5
Expected credit loss	8,157	13,070	8,029	8,004	8,312	3.9	1.9	24,015	24,345	1.4	67	36,252	(2.2)
Income tax	2,774	1,733	2,936	2,877	2,958	2.8	6.6	8,169	8,771	7.4	87	10,093	1.9
Non-controlling interest	941	931	929	936	985	5.3	4.7	2,774	2,851	2.8	75	3,779	2.0
Net profit	10,282	6,111	11,078	11,195	11,108	(0.8)	8.0	30,505	33,381	9.4	89	37,621	2.7
EPS (THB)	0.74	0.44	0.79	0.80	0.79	(0.8)	8.0	2.18	2.39	9.4	89	2.69	2.7
Key ratios	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M23	9M24			2024E	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(q-q%)	(y-y%)	(THB m)	(THB m)			(%)	
Gross NPLs (THB m)	98,309	99,407	98,815	98,701	98,301	(0.4)	(0.0)	98,309	98,301	(0.0)		98,887	(0.5)
Change (% from prior period)	(0.5)	1.1	(0.6)	(0.1)	(0.4)			(6.1)	(0.0)			(0.5)	
NPL ratios (%) - reported	3.10	3.08	3.14	3.12	3.14			3.10	3.14				
NPL ratio (%)*	3.74	3.86	3.77	3.85	3.83			3.74	3.83			3.80	
Coverage ratio (%) - reported	180	181	182	181	184			180	184				
Coverage ratio (%)*	174	174	175	176	179			174	179			176	
Credit cost (bp)	125	201	124	124	130			123	125			140	
Profitability ratio	(%)	(%)	(%)	(%)	(%)							(%)	
Cost to income ratio	43.0	44.8	43.6	41.7	42.4			40.4	42.5			43.4	
Average yield (%)	4.57	4.74	4.58	4.65	4.70			4.25	4.69			4.56	
Cost of funds (%)	1.32	1.49	1.46	1.48	1.53			1.22	1.50			1.48	
NIM (%) - reported	3.38	3.38	3.41	3.37	3.35			3.19	3.36				
NIM (%)*	3.42	3.45	3.31	3.37	3.38			3.19	3.39			3.28	
Non-interest income/total income (%)	23.7	23.3	27.4	23.8	26.3			24.4	25.9			24.3	
Loan growth	(%)	(%)	(%)	(%)	(%)							(%)	
q-q	2.0	(2.0)	1.6	(2.2)	0.1								
y-y	0.7	(0.6)	1.4	(0.7)	(2.5)			0.7	(2.5)			1.0	
Year-to-date	1.4	(0.6)	1.6	(0.6)	(0.5)			1.4	(0.5)				

Source: KTB

## SCB - 3Q24 profit to recover with a stabilized PPOP

### 3Q24 performance was broadly in line

SCB reported a 3Q24 net profit of THB10.9b, which was 2% lower than our expectation but 7% higher than the BBG consensus. This reflected a growth of 9.6% q-q and 13.5% y-y. PPOP stood at THB24.7b, slightly below our estimates, remaining stable q-q and y-y. The core business remained relatively stable, with NII nearly unchanged q-q (up 3.5% y-y), consistent with a slight decline in loans of 0.1% q-q and 0.9% y-y. The corporate segment (35%) saw slight growth, while SME loans (17%) declined slightly. Retail loans (40%) experienced decreases in the auto hire-purchase segment (32%) and unsecured loans (2%). However, there was strong growth in housing loans (32%) and AutoX (2%). Overall, the 9M24 loans increased slightly by 0.3% YTD, below its 2024 guidance of 3-5% y-y and our target of 2.5% y-y. Every 1% miss in loan targets could negatively impact 2024 net profit by c0.9%.

### Asset quality has no alarms and well-contained

The asset quality remained stable with no significant concerns. The NPL ratio was steady at around 3.89 while stage 2 loans rose slightly to 7.24% from 7.19% in 2Q24. The coverage ratio increased slightly to 158.9% from 156.5% at the end of 2Q24 due to a decrease in bad debt sales and write-offs from THB12.5b to THB11.5b. ECLs decreased as expected to THB10.9b, including an undisclosed management overlay. Credit costs dropped to 180bp from 190bp in 2Q24, with 9M24 credit costs at 179 bp, which was in line with its 2024 guidance of 160-180 bp and lower than our target of 195bp.

### Exhibit 18: SCB – 3Q24 operations summary

Year end Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24	--- Change ---		9M24	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	31,536	33,413	31,761	32,576	32,636	0.2	3.5	95,740	4.9	74	129,713	4.0
Non-interest income	11,809	9,130	11,234	10,678	9,661	(9.5)	(18.2)	34,463	(7.6)	73	47,418	2.1
Fee income - net	8,140	7,166	7,897	7,529	7,738	2.8	(4.9)	23,164	(9.4)	69	33,546	2.5
<b>Total operating income</b>	<b>43,344</b>	<b>42,543</b>	<b>42,995</b>	<b>43,253</b>	<b>42,297</b>	<b>(2.2)</b>	<b>(2.4)</b>	<b>128,545</b>	<b>(0.0)</b>	<b>73</b>	<b>177,131</b>	<b>3.5</b>
Total operating expenses	18,490	19,517	18,100	18,568	17,606	(5.2)	(4.8)	54,275	3.8	71	76,454	6.5
<b>PPOP before tax</b>	<b>24,854</b>	<b>23,026</b>	<b>24,895</b>	<b>24,685</b>	<b>24,690</b>	<b>0.0</b>	<b>(0.7)</b>	<b>74,270</b>	<b>(2.7)</b>	<b>74</b>	<b>100,677</b>	<b>1.4</b>
Expected credit loss	12,245	9,330	10,201	11,626	10,937	(5.9)	(10.7)	32,765	(4.4)	68	47,909	9.9
Income tax	2,891	2,628	3,354	2,908	2,626	(9.7)	(9.1)	8,888	(4.7)	78	11,345	(5.1)
Non-controlling interest	55	73	59	137	154	13.1	179.6	350	101.6	139	252	2.0
<b>Net profit</b>	<b>9,663</b>	<b>10,995</b>	<b>11,281</b>	<b>10,014</b>	<b>10,972</b>	<b>9.6</b>	<b>13.5</b>	<b>32,267</b>	<b>(0.8)</b>	<b>78</b>	<b>41,170</b>	<b>(5.4)</b>
EPS (THB)	2.87	3.27	3.35	2.97	3.26	9.6	13.5	9.58	(0.8)	78	12.23	(5.4)
<b>Key ratios</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>--- Change ---</b>		<b>9M24</b>	<b>Change</b>		<b>2024E</b>	<b>Change</b>
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>	<b>(THB m)</b>	<b>(y-y%)</b>		<b>(%)</b>	<b>(y-y%)</b>
Gross NPLs (THB m)	95,576	96,832	95,236	95,097	94,586	(0.5)	(1.0)	94,586	(1.0)		100,932	4.2
Change (% from prior period)	2.7	1.3	(1.6)	(0.1)	(0.5)			(1.0)			4.2	
NPL ratios (%) - reported	3.30	3.44	3.52	3.34	3.38			3.38				
NPL ratio (%)*	3.89	3.99	3.89	3.90	3.89			3.89			4.06	
Coverage ratio (%) - reported	167.2	159.9	160.6	161.7	163.9			163.9				
Coverage ratio (%)*	162.2	153.9	156.0	156.5	158.9			158.9			160.4	
Credit cost (bp)	201	153	167	190	180			179			195	
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>			<b>(%)</b>	
Cost to income ratio	42.7	45.9	42.1	42.9	41.6			42.2			43.2	
Average yield (%)	4.87	5.15	4.99	5.08	5.14			5.04			5.11	
Cost of funds (%)	1.35	1.42	1.40	1.41	1.49			1.42			1.55	
NIM (%) - reported	3.74	3.96	3.83	3.90	3.91			3.89				
NIM (%) *	3.74	3.96	3.83	3.90	3.91			3.85			3.82	
Non-NII/total income (%)	27.2	21.5	26.1	24.7	22.8			26.8			26.8	
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>			<b>(%)</b>	
q-q	1.3	(1.2)	0.9	(0.4)	(0.1)							
y-y	4.6	2.1	2.1	0.6	(0.9)			(0.9)			2.5	
Year-to-date	3.3	2.1	0.9	0.5	0.3			0.3				

Source: SCB



## Economic news

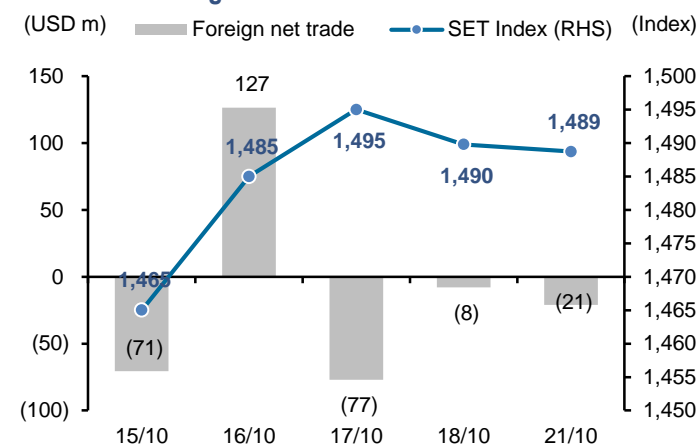
- **[New Thaksin controversy hits Thai stocks' prospects](#)** BANGKOK POST: Global and local politics, including the Election Commission's (EC) decision to accept a case against Thaksin Shinawatra for dominating the internal issues of the ruling Pheu Thai Party, are limiting the upside for the Stock Exchange of Thailand (SET) after the Thai index briefly topped the 1,500-point range on Friday, say analysts. Locally, political tensions have risen since the EC accepted the petition seeking Pheu Thai's dissolution. Independent lawyer Thirayut Suwankesorn filed the complaint asking the Constitutional Court to order Mr Thaksin, the country's former premier, and the ruling party to halt attempts to undermine the country's constitutional monarchy and of violating Article 49 of the Constitution. The EC found that the complaints have merit. On Oct 18, the commission appointed a committee to investigate the case that could lead to the dissolution of the party.
- **[Call for regulation as cheap imports hit Thai factories](#)** BANGKOK POST: The government needs to have foreign e-commerce platform operators registered as legal entities, as well as better control the influx of low-cost products into Thailand which is reducing sales among local manufacturers, says the Federation of Thai Industries (FTI). The measures were suggested after the federation's latest survey of 175 entrepreneurs and members of the FTI found 35.1% of respondents saw their sales drop, following inexpensive imports sold via the online platforms. "The impact is clearly seen in garments, furniture, plastic products and packaging," said ML Peekthong Thongyai, vice-chairman of the FTI. Some 47.4% of respondents said they have yet to experience a fall in sales, while 17.5% said their sales rose.
- **[Cambodia to import more clean power from Thailand in next 2 years](#)** BANGKOK POST: SINGAPORE  
- Cambodia plans to import over 600 megawatts (MW) of clean power from neighbouring Laos, Vietnam and Thailand, its energy minister Keo Rottanak told Reuters, increasing its contracted import capacity by over 50%. The neighbouring nation will import 300 MW of solar and hydro capacity from Laos starting in 2026. It is in the final stages of approval to almost double a 300 MW import deal with Vietnam and could potentially import another 100 MW from Thailand, Rottanak said. "We just signed last week more than 300 megawatt combined hydro and solar with Laos. So this is going to come to Cambodia in 2026," Rottanak told Reuters in an interview at the Singapore International Energy Week (SIEW). Cambodia currently has contracts to import 1,030 MW of power from Thailand, Vietnam, and Laos, according to the US International Trade Administration, accounting for nearly a quarter of total capacity used to supply power to the country.
- **[EEC demand driving growth in industrial land market](#)** BANGKOK POST: The serviced industrial land market in the first half of 2024 experienced growth across the board, with increases in new supply, land sales, sales rates and asking prices, primarily driven by demand in the Eastern Economic Corridor (EEC). Marcus Burtenshaw, executive director and head of occupier strategy and solutions at property consultant Knight Frank Thailand, said the first half of 2024 showed a strong, sustained demand for serviced industrial land in Thailand, particularly in the EEC. "This trend underscores Thailand's growing appeal as a hub for high-value, technology-driven industries," he said. "With investments from both local and international players, coupled with government incentives, the growth in this sector is expected to continue." Knight Frank Thailand reported that 8,063 rai of serviced industrial land was sold or leased nationwide in the first half of 2024, a surge of 53% compared to the second half of 2023. New supply added only 886 rai, bringing the total supply to 181,280 rai, an increase of just 0.5%.
- **[Value of investment proposals surges 42% in first 9 months](#)** BANGKOK POST: Thailand saw the value of new investment project proposals soar by 42% year-on-year during the first nine months of 2024 to a combined 722.5 billion baht, the highest level recorded since 2015, according to the Board of Investment (BoI).
- The uptick in value was particularly apparent in the electronic products and data centre sectors. The adjusted investment value stood at 509.4 billion baht in the corresponding period last year. From January to September this year, applications for 2,195 projects, up from 1,501 projects in the corresponding period last year, were submitted to the board for investment incentives, which were launched to help drive up investment in the country. Large projects in target sectors such as electrical appliances and electronics (E&E), and digital businesses, mostly data centres, led the rankings due to a significant influx of foreign direct investment (FDI).
- **[Thai minister wants to hike domestic tourism subsidy](#)** BANGKOK POST: The Tourism and Sports Minister is aiming to increase the tourism subsidy to local tourists in the upcoming stimulus scheme to 50% and would like to change the criteria for online travel agents, mandating them to register in Thailand to avoid losing income to foreign companies. Meanwhile, it has been confirmed that Lalisa "Lisa" Manoban, the globally-renowned Thai pop star, will perform at the Amazing Thailand Countdown 2025 to be held at ICONSIAM. Tourism and Sports Minister Sorawong Thienthong said the Tourism Authority of Thailand (TAT) is drafting the criteria of the new co-payment scheme, which would help subsidise tourism costs for locals, and argued it should be adjusted to raise the economic impact to 5-10% compared to the previous version of the scheme. The previous five phases of the subsidy during the time of the previous government created an economic impact of around 58.6 billion baht.
- **[Bitcoin flirts with \\$70,000 after \\$2.4bn inflow into ETFs](#)** BANGKOK POST: Bitcoin came close to \$70,000 on Monday as a spurt of inflows into exchange-traded funds for the largest digital asset as well as optimism about the outlook for US regulations supported sentiment. The cryptocurrency rose 1% before paring some of the gains to trade at \$69,005 as of 7.20am in London. Smaller tokens such as second-ranked Ether and top-10 coin Solana oscillated in narrow ranges. US spot-Bitcoin ETFs lured almost \$2.4 billion of net inflows in the six days through Oct 18, data compiled by Bloomberg show, partly on bets that US crypto rules will become friendlier after the Nov 5 presidential election. Republican candidate Donald Trump is avowedly pro-crypto, so much so that Bitcoin is viewed as a so-called Trump trade. Democratic rival Vice President Kamala Harris has vowed to support a regulatory framework for the industry. That contrasts with a crackdown on the sector under the Biden administration.

- [Thailand says investment pledges at 10-year high in Jan-Sept](#) BANGKOK POST: Thailand's investment applications rose 42% in the January-September period from the same period a year earlier, led by electronic manufacturing and data centre projects, the Board of Investment said on Monday. The value of investment applications rose to 723 billion baht during the period, the highest in 10 years, it said, with the majority coming from foreign investors. Foreign investment applications increased 38% from a year earlier to 547 billion baht, with Singapore and China the top two investors, the BoI said in a statement.

## Corporate news

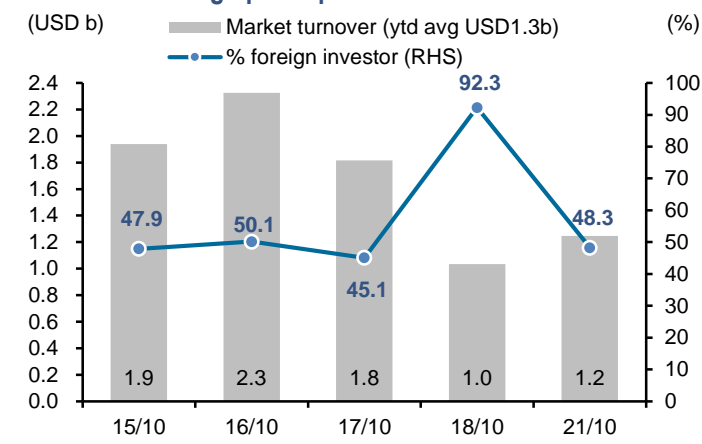
- [Boost seen from THAI rehab exit](#) BANGKOK POST: Creditors of Thai Airways International (THAI), especially Bangkok Bank (BBL) and Krungthai Bank (KTB), will receive a boost from the national carrier's planned exit from its rehabilitation plan in mid-2025 as the banks are being given multiple options for debt repayment, analysts say. In its recent filings to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, management expects THAI shareholder equity to turn positive in February next year, then it plans to prepare to exit the rehabilitation plan in April. The Central Bankruptcy Court is expected to approve its exit from the rehabilitation plan in May and the carrier's shares would then be able to resume trading on the SET by the end of June. According to Charlie Kueyen, a banking analyst at KGI Securities (Thailand), BBL and KTB are listed among 36 groups with outstanding debt of 404 billion baht. The banks are classified in the majority debtor group (Group 6) with outstanding debts of around 31 billion baht.
- [Call for investment in Thai transport](#) BANGKOK POST: Thailand urgently needs to develop its transportation infrastructure, including rail and air, to support regional connectivity and promote tourism, according to The Mall Group Co, a leading Thai retail operator. Speaking at Dailynews Talk 2024, held by Dailynews on Monday, Supaluck Umpujh, chairwoman of The Mall Group, said that if Thailand is to become a world-leading tourist destination, the most important thing now is to speed up its infrastructure development. "The government should consider the plan to construct the South Terminal at Suvarnabhumi airport to be able to accommodate more passengers. We must quickly develop our airports to accommodate an increasing number of tourists, so we can compete with regional peers such as Singapore," she said. SET-listed Airports of Thailand is reviewing the master plan on the expansion to Suvarnabhumi Airport, which is expected to be completed next year.
- [AIS head granted additional extension](#) BANGKOK POST: Somchai Lertsutiwong is to remain chief executive of Advanced Info Service (AIS) for another year, after his contract was extended for the second time. His original working term at the company expired in 2022, but was extended until December this year. This latest one-year extension will allow Mr Somchai to continue his pivotal role at the country's largest mobile operator by revenue until the end of 2025. AIS has temporarily paused its internal selection process for chief executive succession planning, after previously taking months to choose internal and external candidates.
- [TC Space Connect bags orbital slot](#) BANGKOK POST: The National Broadcasting and Telecommunications Commission (NBTC) yesterday awarded only the right to use the 50.5° East slot -- out of three proposed slots -- to TC Space Connect, a subsidiary of Thaicom as it deems that its bid proposal complies with the awarding terms and conditions of such a slot. The approval solves the urgent issue concerning the country's right to use the 50.5°E orbital slot, which is set to expire on Nov 27. Thaicom proposed keeping the country's rights to the 50.5°E slot by using the Thaicom 9A satellite that it earlier planned to use for operating its upcoming service on the 119.5°E orbital slot in the first quarter of 2025. Thaicom's other subsidiary, Space Tech Innovation (STI), won the rights to use the 119.5°E orbital slot in an auction held in 2023.
- [Banks post modest increase in profits](#) BANGKOK POST: The banking sector reported a modest increase in profits for the first nine months of 2024, driven by gains in both interest and fee income, while continuing to allocate substantial reserves for loan losses in preparation for heightened uncertainties. The 10 SET-listed banks and their subsidiaries, posted a combined net profit of 159 billion baht for the first nine months of 2024, reflecting a year-on-year increase of 3.49%. Only Krungthai Bank's (KTB) operating results have not yet been disclosed. Kasikornbank (KBank) led the sector with a net profit of 38.1 billion baht for the period, up 15.4% year-on-year.

## Exhibit 19: Foreign fund flow and SET Index



Source: Bloomberg

## Exhibit 20: Foreign participation



Source: Bloomberg

## Exhibit 21: Index performance

	SET Index		Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			19%	11%	11%	10%	5%	5%	3%	8%	2%
Current	1,488.74	(0.1)	0.3	0.7	0.0	(0.5)	0.4	(0.7)	(0.6)	(0.1)	(0.5)
-5D	1,470.10	1.3	(0.2)	(0.4)	3.3	2.0	1.1	0.5	(3.7)	(0.5)	(0.4)
-1M	1,451.69	2.6	2.5	(0.4)	8.4	2.0	1.1	(0.1)	(6.8)	(1.1)	(3.8)
-3M	1,317.14	13.0	10.5	14.1	25.3	12.4	2.4	9.5	(2.2)	7.8	9.6
-6M	1,349.52	10.3	3.3	10.3	40.4	7.8	9.5	(1.8)	(9.2)	(1.6)	(14.9)
-1Y	1,399.35	6.4	(0.6)	4.0	35.8	5.5	10.3	(1.6)	(17.6)	(3.1)	(8.9)
WTD	1,489.82	(0.1)	0.3	0.7	0.0	(0.5)	0.4	(0.7)	(0.6)	(0.1)	(0.5)
MTD	1,448.83	2.8	2.3	1.4	7.9	2.7	2.0	0.2	(7.7)	(1.2)	(6.7)
QTD	1,448.83	2.8	2.3	1.4	7.9	2.7	2.0	0.2	(7.7)	(1.2)	(6.7)
End of last year	1,415.85	5.1	(2.7)	4.8	39.1	4.9	2.9	(5.2)	(21.3)	2.9	(19.7)

Source: Bloomberg

## Exhibit 22: 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	1,488.74	5.1	35.51	45,706	1,287	(5,507)	3,348	(146)	2,305	319
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	1,448.83	(1.5)	34.78	47,428	1,363	(1,292)	(671)	73	(52)	1,670
4Q24	1,488.74	5.1	33.22	57,468	1,730	(999)	(429)	(6)	1,006	(813)
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	1,320.86	(15.1)	36.28	36,693	1,011	(306)	134	(19)	(68)	779
Aug-24	1,359.07	(13.2)	34.74	44,784	1,289	(493)	132	(30)	70	762
Sep-24	1,448.83	(1.5)	33.33	60,806	1,824	(492)	(936)	121	(53)	129
Oct-24	1,488.74	7.7	33.22	57,468	1,730	(533)	(429)	(6)	1,006	(813)
2024YTD	1,488.74	5.1	35.51	45,706	1,287	(6,202)	2,047	44	1,057	(413)
15/10/2024	1,465.03		33.36	64,671	1,939	(71)	28	(15)	58	69
16/10/2024	1,485.01		33.20	77,184	2,325	127	(245)	51	67	(43)
17/10/2024	1,495.02		33.22	60,355	1,817	(77)	32	20	25	(63)
18/10/2024	1,489.82		33.16	64,650	1,950	(8)	(18)	3	23	(117)
21/10/2024	1,488.74		33.42	41,634	1,246	(21)	19	(9)	11	(48)

Source: Bloomberg

**Exhibit 23: Upcoming events**

Date Time	Event		Survey	Actual	Prior
10/23/2024 23:30	Car Sales	Sep	--	--	45190
10/25/2024 03:30	Gross International Reserves	Oct-18	--	--	\$240.0b
10/25/2024 03:30	Forward Contracts	Oct-18	--	--	\$26.0b
10/27/2024 10/28	Customs Exports YoY	Sep	3.50%	--	7.00%
10/27/2024 10/28	Customs Imports YoY	Sep	6.00%	--	8.90%
10/27/2024 10/28	Customs Trade Balance	Sep	\$1635m	--	\$265m
10/30/2024 00:00	Mfg Production Index ISIC NSA YoY	Sep	--	--	-1.91%
10/30/2024 00:00	Capacity Utilization ISIC	Sep	--	--	58.3
10/31/2024 03:00	BoP Current Account Balance	Sep	--	--	\$1362m
10/31/2024 03:30	Exports YoY	Sep	--	--	11.40%
10/31/2024 03:30	Exports	Sep	--	--	\$25999m
10/31/2024 03:30	Imports YoY	Sep	--	--	8.50%
10/31/2024 03:30	Imports	Sep	--	--	\$23557m
10/31/2024 03:30	Trade Balance	Sep	--	--	\$2442m
10/31/2024 03:30	BoP Overall Balance	Sep	--	--	\$2514m
10/31/2024 20:30	S&P Global Thailand PMI Mfg	Oct	--	--	50.4
11/01/2024 03:30	Business Sentiment Index	Oct	--	--	45.7
11/04/2024 22:30	CPI YoY	Oct	--	--	0.61%
11/04/2024 22:30	CPI NSA MoM	Oct	--	--	-0.10%
11/04/2024 22:30	CPI Core YoY	Oct	--	--	0.77%
11/06/2024 11/13	Consumer Confidence Economic	Oct	--	--	48.8
11/06/2024 11/13	Consumer Confidence	Oct	--	--	55.3
11/17/2024 21:30	GDP YoY	3Q	--	--	2.30%
11/17/2024 21:30	GDP SA QoQ	3Q	--	--	0.80%

Source: Bloomberg

**Exhibit 24: Upcoming XR**

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
TRITN	22/10/2024	8/10/2024	Warrants	-	Baht	5/1/2000	-	325000000
B52	29/10/2024	10/9/2024	Common	0.33	Baht	1.61699 : 1	11/11/2024 - 15/11/2024	456000000
COMAN	30/10/2024	15/10/2024	Common	2	Baht	1 : 2	27/11/2024 - 03/12/2024	294800000
THAI	30/10/2024	25/11/2022	Common	-	Baht	-	-	9822473626
MK	1/11/2024	2/9/2024	Common	2.5	Baht	3 : 1	22/11/2024 - 28/11/2024	363735022
TRC	11/11/2024	15/8/2024	Common	2.4	Baht	3.5 : 1	-	285331752
ACC	15/11/2024	19/9/2024	Common	0.6	Baht	3 : 1	09/12/2024 - 16/12/2024	447685207
B52	4/12/2024	10/9/2024	Warrants	-	Baht	2.05335 : 1	-	700000000
TGE	16/12/2024	1/10/2024	Warrants	-	Baht	20 : 1	-	110000000
COMAN	24/12/2024	15/10/2024	Warrants	-	Baht	2 : 1	-	221100000

Source: SET

**Exhibit 25: Upcoming XM**

Symbol	X-Date	Meeting Date	Agenda	Meeting Place / Channel for Inquiry
PT	22/10/2024	27/11/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets ,Connected transaction	via electronic method (E-EGM)
TRITN	22/10/2024	15/11/2024	Capital increase,The issuance of convertible securities,Reduce registered capital	e-Shareholding Meeting
GIFT	28/10/2024	29/11/2024	Capital increase,Acquisition and disposition of assets / Acquisition or Disposition of Assets ,Connected transaction,(If any)	via electronic system (e-EGM)
RS	28/10/2024	29/11/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets ,Connected transaction,(if any),Capital increase	Meeting via electronic media (e-EGM) only, Broadcast live at RS PCL. (Head Quarter)
COMAN	30/10/2024	15/11/2024	Capital increase,The issuance of convertible securities	In the form of electronic meeting
GLOCON	30/10/2024	21/11/2024	Consideration of approval of the ratification of the conditions of the ratification of the Conditions of the fine/compensation for the difference between the conversion price not less than 90% of the market price	via electronic media (EMeeting) only
SA	31/10/2024	28/11/2024	Connected transaction	Electronics Meeting

Source: SET

**Exhibit 26: Management trading**

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Gunkul Engineering (GUNKUL)	Tarakorn Angpubate	Common Shares	10/16/2024	61	2.86	Buy	0.00
Gunkul Engineering (GUNKUL)	Tarakorn Angpubate	Common Shares	10/17/2024	9,900	2.90	Buy	0.03
Medeze Group (MEDEZE)	Danita Phithaknetikun	Common Shares	10/18/2024	20,000	12.15	Buy	0.24

Source: SEC

**Exhibit 27: Upcoming XD**

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Price	Div Yield	Par
TIF1	24/10/2024	0.6	Baht	01/07/2024 - 31/08/2024	Both	08/11/2024	8.50	7.1%	9.69
CPTGF	25/10/2024	0.14	Baht	01/07/2024 - 30/09/2024	Both	12/11/2024	5.45	2.6%	9.6264
LPF	25/10/2024	0.4073	Baht	01/06/2024 - 31/08/2024	Both	12/11/2024	13.80	3.0%	10.1948
SIRIP	25/10/2024	0.1	Baht	01/07/2024 - 15/10/2024	NP	19/11/2024	7.15	1.4%	10
ASML01	29/10/2024	-	Baht	-	-	27/11/2024	-	-	-
HK01	30/10/2024	-	Baht	-	-	25/12/2024	-	-	-
HK13	30/10/2024	-	Baht	-	-	25/12/2024	-	-	-
MC	31/10/2024	0.4	Baht	01/07/2023 - 30/06/2024	NP	22/11/2024	12.80	3.1%	0.5
LHSC	11/11/2024	0.17	Baht	01/07/2024 - 31/08/2024	NP	22/11/2024	11.10	1.5%	10.2
MSFT80X	21/11/2024	-	Baht	-	-	07/01/2025	-	-	-
KO80X	29/11/2024	-	Baht	-	-	10/01/2025	-	-	-
TNH	03/12/2024	0.6	Baht	01/08/2023 - 31/07/2024	NP	17/12/2024	36.50	1.6%	1

Source: SET

**Exhibit 28: New securities**

Common Shares	Trade Date	Market	Industry	Sector	Subscription on Date	IPO Price (Baht)	Listed Shares (Shares)
TMAN	22/10/2024	SET	Consumer Products	Personal Products & Pharmaceuticals	10/10/2024 - 15/10/2024	16.3	400,003,600
Warrants	Trade Date	Underlying	Market	Maturity Date	Initial Price (Baht)	Exercise Price (Baht)	
PROEN-W2	22/10/2024	PROEN	mai	14/10/2026	-	1	
Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
HMPRO11C2502A	22/10/2024	HMPRO	KS	Call	SET	27/02/2025	14.18
HSI28C2412H	22/10/2024	HSI	MACQ	Call	SET	07/01/2025	26,400.00
HSI28C2501E	22/10/2024	HSI	MACQ	Call	SET	31/01/2025	24,600.00
HSI28C2503D	22/10/2024	HSI	MACQ	Call	SET	03/04/2025	29,800.00
HSI28P2501D	22/10/2024	HSI	MACQ	Put	SET	31/01/2025	16,600.00
MEITUA28P2504B	22/10/2024	MEITUAN	MACQ	Put	SET	07/05/2025	145
OSP19C2503A	22/10/2024	OSP	YUANTA	Call	SET	13/03/2025	26.5
PTTGC11C2502A	22/10/2024	PTTGC	KS	Call	SET	27/02/2025	33.48
RATCH13C2503A	22/10/2024	RATCH	KGI	Call	SET	11/03/2025	42.75
SCC19C2503A	22/10/2024	SCC	YUANTA	Call	SET	13/03/2025	264
SPRC19C2503A	22/10/2024	SPRC	YUANTA	Call	SET	13/03/2025	8.55
SPX28P2412C	22/10/2024	SPX	MACQ	Put	SET	26/12/2024	4,900.00
TOP11C2502A	22/10/2024	TOP	KS	Call	SET	27/02/2025	62.4
TRUE13C2503A	22/10/2024	TRUE	KGI	Call	SET	11/03/2025	16
TRUE13P2503A	22/10/2024	TRUE	KGI	Put	SET	11/03/2025	7.25
Depository Receipts	Trade Date	Underlying	Market	Maturity Date	Subscription on Date	IPO Price (Baht)	Conversion Price (Baht)
SP50001	22/10/2024	SP500HK ETF	SET	-	-	19.48	-

Source: SET