

4 NOVEMBER 2024

SPOTLIGHT ON THAILAND

Published Reports

- CENTRAL RETAIL CORP (CRC TB) - Entering a high season in 4Q24; Maintain BUY TP THB42.00
- R&B FOOD SUPPLY (RBF TB) - Share price reflects profits in 2024; Upgrade to BUY TP THB7.20
- BANGKOK COMMERCIAL ASSET MNGT. (BAM TB) - Expect dismaying 3Q24 NPA results; Downgrade to HOLD TP THB9.00
- ASIA SERMKIJ LEASING (ASK TB) - Not yet out of the tunnel in 3Q24; Maintain HOLD TP THB11.00
- RATCHTHANI LEASING (THANI TB) - Further slowdown expected; Maintain HOLD TP THB2.00

Economics

- Foreign investment in Thailand surges 60% in first 9 months
- Board of Investment okays B66.9bn digital outlay
- Finance Minister has scheme for bad loans
- Visitors from China, Japan slowly return after pandemic
- Thailand approves \$2bn worth of investments in data centres, electronics
- Board of Investment eager to dull minimum tax pain

Corporate News

- BBL seeks to grow Indian base across the region
- Police agency backs latest AIS service
- Robinson Lifestyle Invests 2.5 Billion Baht to Redefine Retail
- Purple Line flat rate fare to stay at B20
- Office to sell off shares using mark-to-market

Indices	Index as of 1-Nov-24	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,464	(0.1)	3.4	(3,498)
China SHCOMP	3,272	(0.2)	10.0	
Hong Kong HSI	20,506	0.9	20.3	
India SENSEX	79,724	0.4	10.4	605
Indonesia JCI	7,505	(0.9)	3.2	2,523
Korea KOSPI	2,542	(0.5)	(4.3)	7,104
MY FBMKLCI	1,604	0.1	10.3	
PH PCOMP +	7,143	(1.9)	10.7	44
SG FSSTI	3,555	(0.1)	9.7	
Taiwan TWSE	22,780	(0.2)	27.0	(12,904)
VN VNINDEX	1,255	(0.8)	11.1	(2,633)
MSCI Emerging	1,122	0.2	9.6	
Nikkei 225	38,054	(2.6)	13.7	
FTSE 100	8,177	0.8	5.7	
CAC 40	7,409	0.8	(1.8)	
DAX	19,255	0.9	14.9	
Dow Jones	42,052	0.7	11.6	
Nasdaq	18,240	0.8	21.5	
S&P 500	5,729	0.4	20.1	
Brent	73.10	0.4	(5.1)	
Dubai	73.43	2.4	(4.0)	
WTI	69.49	0.3	(3.0)	
GOLD	2,736.53	(0.3)	32.6	
Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	14,524	16,965	(2,442)	48
Retail	11,516	10,420	1,096	33
Prop Trade	2,658	2,603	55	8
Local Institution	4,112	2,821	1,291	11
Total Trade	32,809	32,809	0	100
Rates	Last close	1M ago	End last yr	1yr ago
	01/11/2024	01/10/2024	29/12/2023	01/11/2023
THB/USD	33.90	32.59	34.14	36.23
Inflation *	0.61	0.35	(0.83)	0.30
MLR **	6.98	7.12	7.12	7.12
1Y Fixed *	1.61	1.65	1.65	1.65
Govt bond 10Y	2.41	2.48	2.68	3.23
Commodity	Last close	1M ago	End last yr	1yr ago
(USD/bbl)	01/11/2024	01/10/2024	29/12/2023	01/11/2023
Brent	73.10	73.56	77.04	84.63
Dubai	73.43	69.58	76.51	85.84
WTI	69.49	69.83	71.65	80.44
Gold	2,737	2,663	2,063	1,983
Baltic Dry	1,378	1,928	2,094	1,462
(USD/ton)	01-Nov-24	25-Oct-24	25-Dec-20	03-Nov-23
Coal	145.83	146.56	84.45	119.93
% change	(0.5)	3.0	72.7	21.6

* chg y-y% last at end of most recent month end; ** Avg of 4 major banks;
Sources: Bloomberg, except coal from BANPU
+ as of 31 Oct

FSSIA Thailand Research

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

Thailand Equity Sales:

Thailand Equity Trading:

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Published Reports

CENTRAL RETAIL CORP (CRC TB) - Entering a high season in 4Q24; Maintain BUY TP THB42.00

Expect a trough in 3Q24 before a seasonal peak in 4Q24

We anticipate a 3Q24 core profit of THB1.44b, dropping 11% q-q mainly due to seasonal factors and renovations at La Rinascente but increasing 9.2% y-y, driven by total sales growth and improved controls on SG&A expenses, which should help offset reduced GPM. We expect total revenue to rise by 4.7% y-y. Although overall 3Q24 SSSG might go negative by c2%, new stores could drive sales growth of department stores, Thaiwatsadu (TWD), Tops, and Go Wholesale. Also, the SSSG in 3Q24 is expected to be slightly softer than in 2Q24, with La Rinascente's SSSG in Italy anticipated to turn negative by 5% (compared to +6% in 2Q24) as it temporarily closed some locations for renovations ahead of the 4Q24 high season, with scheduled completion by October.

Lower expenses would offset reduced GPM from fashion sales

We expect a 3Q24 GPM of 25.6% (-100bps q-q, -110bps y-y) due to a slowdown in fashion sales, reflecting slower purchasing power recovery, discretionary demand reduction, and increased price promotions during a low season. The renovation impact at La Rinascente in Italy and a higher revenue share from TWD and Go Wholesale should also play a role. However, given improved controls on expenses, SG&A-to-total revenue should remain within its guidance of 27.5% (-60bps q-q, -180bps y-y), with crucial reductions in personnel, marketing, and utilities.

Potentially recovering TH-SSSG in Oct, Maintain 2024-26E

If 3Q24 meets expectations, 9M24 core profit accounts for 65% of our 2024 forecast (compared to 67% for 9M23). We maintain our 2024E core profit of THB8.5b (+8% y-y). For 4Q24, SSSG is expected to improve from our 3Q24 estimate of -c2%, supported by completed renovations at Chidlom and La Rinascente and economic and tourism stimulus measures. In October, Thailand's SSSG is anticipated to recover to around 0-1%.

Retain BUY call after rolling over our 2025 TP of THB42/share

We keep our BUY call unchanged after rolling forward our 2025 DCF-based TP of THB42/share, implying 27x 2025E P/E. We expect core profit to peak in 4Q24 and CRC to benefit from a downtrend in interest rates, with its debt structure consisting of 85% floating and 15% fixed rates. CRC traded at 20.6x 2025E P/E, below its five-year historical average P/E of 28.5x and the 2025E sector average of 22x.

Exhibit 1: CRC – 3Q24 results preview

Profit & Loss Statement	3Q23	4Q23	1Q24	2Q24	3Q24E	Change		9M24E	Change	9M24E	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%)
Retail sales	53,162	58,530	60,347	56,242	55,662	(1.0)	4.7	172,251	5	74	233,780	5
Rental and rendering services	2,360	2,573	2,416	2,476	2,478	0.1	5.0	7,370	6	75	9,865	4
Total revenue	55,522	61,103	62,763	58,718	58,140	(1.0)	4.7	179,621	5	74	243,645	5
Cost of retail sales	(38,947)	(42,340)	(44,849)	(41,284)	(41,413)	0.3	6.3	(127,546)	6	74	(171,859)	6
Cost of rental and rendering services	(590)	(612)	(611)	(596)	(619)	4.0	5.0	(1,826)	5	75	(2,432)	3
Gross profit	15,985	18,150	17,303	16,838	16,108	(4.3)	0.8	50,249	4	72	69,354	4
Investment income	54	90	52	90	58	(35.3)	6.7	200	(4)	64	314	7
Other income	3,999	4,711	4,440	4,194	4,099	(2.3)	2.5	12,732	4	72	17,741	5
Operating costs	(17,429)	(18,337)	(17,530)	(17,695)	(17,116)	(3.3)	(1.8)	(52,340)	1	72	(72,378)	3
Operating profit	2,610	4,615	4,266	3,427	3,149	(8.1)	20.7	10,842	19	72	15,031	10
Interest expense	(1,215)	(1,278)	(1,140)	(1,303)	(1,290)	(1.0)	6.1	(3,732)	11	73	(5,079)	9
Profit before tax	1,395	3,336	3,125	2,124	1,860	(12.5)	33.3	7,109	24	70	10,151	12
Tax	(424)	(156)	(760)	(555)	(446)	(19.5)	5.3	(1,761)	26	77	(2,280)	47
Associates	283	86	306	164	157	(4.2)	(44.6)	626	(31)	67	935	(6)
Minority interests	(112)	(128)	(147)	(121)	(128)	6.0	14.5	(396)	5	75	(532)	5
Non-recurring items	(178)	527	(353)	47	0	(100.0)	(100.0)	(306)	(19)	n/a	-	(100)
Reported net profit	1,143	3,138	2,171	1,660	1,442	(13.1)	26.2	5,273	8	62	8,524	6
Normalized profit	1,321	2,611	2,524	1,613	1,442	(10.6)	9.2	5,579	6	65	8,524	8
EPS (THB)	0.19	0.52	0.36	0.28	0.24	(13.1)	26.2	0.87	8	62	1.41	6
Normalized EPS (THB)	0.22	0.43	0.42	0.27	0.24	(10.6)	9.2	0.93	6	65	1.41	8
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Retail sales margin	26.7	27.7	25.7	26.6	25.6	(1.0)	(1.1)	26.0	(0.5)		26.5	(0.2)
Rental and rendering services margin	75.0	76.2	74.7	75.9	75.0	(0.9)	(0.0)	75.2	0.3		75.3	0.1
Gross margin	28.8	29.7	27.6	28.7	27.7	(1.0)	(1.1)	28.0	(0.4)		28.5	(0.3)
EBIT margin	4.7	7.6	6.8	5.8	5.4	(0.4)	0.7	6.0	0.7		6.2	0.2
Recurring net margin	1.7	5.2	3.8	2.7	2.4	(0.2)	0.7	3.0	0.4		3.2	(0.0)
SG&A / revenue	29.3	27.9	26.1	28.1	27.5	(0.6)	(1.8)	27.2	(3.1)		27.7	(0.5)
Operational statistics	(%)	(%)	(%)	(%)	(%)	(%)	(%)				(%)	(ppt)
SSSG												
Total SSSG	0.0	(2.4)	1.0	(1.0)	(2.0)	(1.0)	(2.0)				0.7	(2.3)
---Fashion	6.0	3.0	2.0	3.0	(1.0)	(4.0)	(7.0)				2.0	(10.0)
---Hardline	(6.0)	(8.0)	(5.0)	(8.0)	(8.0)	-	(2.0)				(2.0)	2.0
---Food	(3.0)	(5.0)	4.0	(1.0)	(1.0)	-	2.0				2.0	2.2
SSSG by country												
---Thailand	3.0	(1.0)	0.0	(2.0)	(1.0)	1.0	(4.0)					
---Vietnam	(15.0)	(16.0)	2.0	(4.0)	(2.0)	2.0	13.0					
---Italy	10.0	9.0	9.0	6.0	(5.0)	(11.0)	(15.0)					

Sources: CRC; FSSIA estimates

R&B FOOD SUPPLY (RBF TB) - Share price reflects profits in 2024; Upgrade to BUY TP THB7.20

Expect 3Q24 profit to recover q-q

We anticipate a 3Q24 net profit of THB107m (+4% q-q, -49% y-y). Excluding an FX loss of THB10m, core profit would equal THB117m (+15% q-q, -39% y-y). It should decline y-y due to decreased revenue from China and lower selling prices in India. However, we expect a slight q-q recovery, with total revenue projected to grow by 4% q-q and decrease by 7.5% y-y, driven by domestic growth, consistent with the seasonal pattern. Meanwhile, we project a slight 2% q-q recovery in overseas revenue, primarily from Indonesia.

Product mix and raw materials would remain stable

In 3Q24, the overall product mix and raw material costs are expected to remain stable q-q. Thus, we forecast a 3Q24 gross margin of 35%, up from 34.7% in 2Q24 but still below 39.4% in 3Q23 due to a reduced contribution of high-margin revenue from flavor and fragrance. We anticipate expenses to remain high, similar to the previous quarter, due to ongoing marketing costs, while personnel expenses should begin to stabilize. As a result, we expect SG&A-to-sales at 21.8%, down from 22.9% in 2Q24, due to revenue growth.

Profit trough likely in 24E and would grow in 25E

The profit for 4Q24 is likely to show continued recovery, driven by both domestic revenue and the start of revenue recognition from a new client in Pakistan, with projected full-year recognition in 2025. However, given a slower-than-expected recovery, we have cut our 2024E-26E net profit by 16-23%. Our new 2024E profit is THB515m (-21% y-y), and we expect a profit growth of 28% in 2025 to THB657m. We assume 2025 revenue growth at 11.5% y-y due to strength in the domestic market, Indonesia, and Vietnam. In addition, we have not yet included a new client in Russia, which is currently testing products and has the potential for recognition in 2025.

Upgrade to BUY with a new 2025 TP of THB7.2

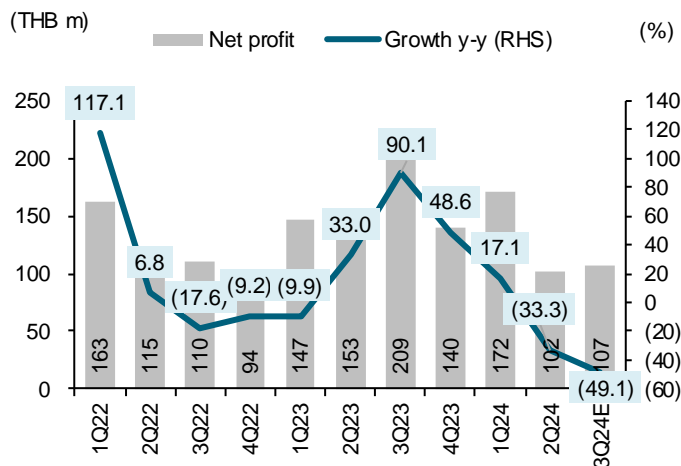
We roll forward our TP to 2025 at THB7.2, based on a P/E of 22x. We upgraded RBF to BUY from Hold as we are increasingly confident that RBF has passed its lowest profit point in 2Q24. The revenue drops in China (from a high base in 2023 due to short-term sales) and India (with prices returning to normal levels in 2024) are expected to conclude in 2024, and we anticipate a return to growth in 2025. The stock price retreat of 60% YTD has already reflected the poor profits in 2024. It is currently trading at 18x 2025E P/E (-1.5 SD), while the financial position remains healthy with a current ratio of 4.8x and a low D/E ratio of only 0.17x

Exhibit 2: RBF – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	--- Change ---		9M23	9M24E	Change	2023	2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	1,159	1,150	1,167	1,031	1,072	4.0	(7.5)	3,271	3,269	(0.1)	4,421	4,394	(0.6)	74.4
Cost of sales	702	715	732	673	697	3.5	(0.8)	2,045	2,102	2.8	2,760	2,830	2.5	74.3
Gross profit	457	435	435	357	375	5.0	(17.9)	1,226	1,167	(4.8)	1,661	1,564	(5.8)	74.6
SG&A	212	232	249	236	234	(0.8)	10.3	610	718	17.7	842	955	13.3	75.2
Operating profit	245	205	188	128	146	14.8	(40.2)	622	462	(25.8)	827	627	(24.1)	73.6
Interest expense	3.5	2.9	2.8	2.9	2.9	(0.7)	(17.1)	8	9	6.6	11	12	5.1	74.9
Tax expense	52	38	37	24	27	15.7	(47.3)	120	88	(26.0)	157	120	(23.5)	73.6
Profit (loss) sharing - India	3.31	1.34	1.20	1.02	1.00	(2.3)	(69.7)	6	3	(43.6)	7	7	(6.5)	48.9
Other gain	17	(26)	23	1	(10)	nm	nm	9	14	54.2	(17)	14	nm	nm
Reported net profit	209	140	172	102	107	4.1	(49.1)	509	381	(25.3)	649	515	(20.7)	74.0
Core profit	192	165	149	101	117	15.0	(39.4)	500	367	(26.7)	666	501	(24.8)	73.2
Key Ratios (%)						(ppt)	(ppt)	(ppt)			(ppt)			
Gross margin	39.4	37.8	37.3	34.7	35.0	0.3	(4.4)	37.5	35.7	(1.8)	37.6	35.6	(2.0)	
SG&A to sales	18.3	20.2	21.3	22.9	21.8	(1.1)	3.5	18.7	22.0	3.3	19.0	21.7	2.7	
Operating margin	21.1	17.8	16.1	12.4	13.7	1.3	(7.5)	19.0	14.1	(4.9)	18.7	14.3	(4.4)	
Net margin	18.1	12.1	14.7	9.9	9.9	0.0	(8.1)	15.6	11.6	(3.9)	14.7	11.7	(3.0)	
Core margin	16.6	14.4	12.8	9.8	10.9	1.0	(5.7)	15.3	11.2	(4.1)	15.1	11.4	(3.7)	
Operating statistics (THB m)														
Domestic revenue	844	843	889	817	854	4.5	1.2	2,367	2,559	8.1	3,211	3,438	7.1	74.4
Overseas revenue	316	307	278	214	218	2.0	(30.9)	903	710	(21.5)	1,210	957	(21.0)	74.2
Domestic contribution (%)	72.8	73.3	76.2	79.3	79.7	0.4	6.9	72.4	78.3	5.9	72.6	78.2	5.6	
Overseas contribution (%)	27.2	26.7	23.8	20.7	20.3	(0.4)	(6.9)	27.6	21.7	(5.9)	27.4	21.8	(5.6)	
Revenue by segment (THB m)														
Flavoring & Food coloring	386	370	393	326	338	3.8	(12.4)	1,118	1,057	(5.4)	1,488	1,407	(5.4)	75.1
Food Coating	577	546	564	506	529	4.5	(8.4)	1,573	1,599	1.7	2,118	2,149	1.5	74.4
Other	196	234	209	199	205	3.0	4.6	581	613	5.5	815	838	2.8	73.1
Revenue by destination (THB m)														
Indonesia	76	83	87	73	80	9.3	5.3	226	241	6.5	309	326	5.5	73.9
Vietnam	46	60	54	58	56	(3.3)	21.7	138	168	21.5	198	233	17.7	72.1
India	47	20	25	18	20	10.5	(57.4)	93	63	(32.0)	103	88	(14.8)	71.6
China	95	76	63	11	12	5.4	(87.4)	269	86	(67.9)	344	98	(71.4)	87.8

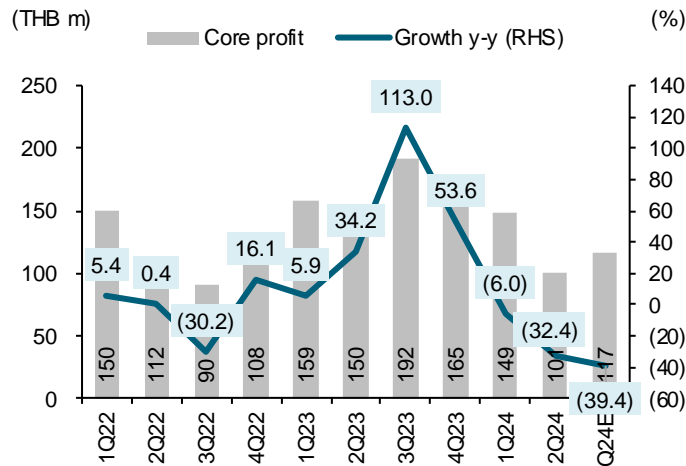
Sources: RBF, FSSIA estimates

Exhibit 3: Quarterly net profit and growth



Sources: RBF, FSSIA estimates

Exhibit 4: Quarterly core profit and growth



Sources: RBF, FSSIA estimates

Exhibit 5: Changes in key assumptions for RBF

	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 (THB m)	4,394	4,898	5,411	4,676	5,212	5,759	(6.0)	(6.0)	(6.0)
Costs	2,830	3,110	3,409	2,899	3,209	3,484	(2.4)	(3.1)	(2.2)
Gross profit	1,564	1,788	2,002	1,777	2,003	2,275	(12.0)	(10.7)	(12.0)
SG&A expenses	955	980	1,082	945	1,016	1,123	1.1	(3.6)	(3.6)
Interest expense	12	12	14	12	15	17	(3.8)	(16.1)	(20.8)
Tax expense	120	160	184	158	198	243	(24.1)	(18.8)	(24.6)
Reported net profit	515	657	752	670	785	910	(23.2)	(16.3)	(17.3)
Core profit	501	657	752	670	785	910	(25.3)	(16.3)	(17.3)
Key ratios (%)									
Total revenue growth	(0.6)	11.5	10.5	5.8	11.4	10.5	(6.4)	0.0	(0.0)
Net profit growth	(20.7)	27.8	14.4	3.2	17.2	15.8	(24.0)	10.6	(1.4)
Core profit growth	(24.8)	31.3	14.4	0.6	17.2	15.8	(25.4)	14.1	(1.4)
Gross margin	35.6	36.5	37.0	38.0	38.4	39.5	(2.4)	(1.9)	(2.5)
SG&A to sales	21.7	20.0	20.0	20.2	19.5	19.5	1.5	0.5	0.5
Net margin	11.7	13.4	13.9	14.3	15.1	15.8	(2.6)	(1.6)	(1.9)
Core margin	11.4	13.4	13.9	14.3	15.1	15.8	(2.9)	(1.6)	(1.9)
Operating statistics (THB m)									
Domestic revenue	3,438	3,799	4,179	3,596	3,974	4,371	(4.4)	(4.4)	(4.4)
Overseas revenue	957	1,099	1,232	1,080	1,238	1,388	(11.5)	(11.2)	(11.2)
Domestic revenue proportion (%)	78.2	77.6	77.2	76.9	76.2	75.9	1.3	1.3	1.3
Overseas revenue proportion (%)	21.8	22.4	22.8	23.1	23.8	24.1	(1.3)	(1.3)	(1.3)

Source: FSSIA estimates

BANGKOK COMMERCIAL ASSET MNGT. (BAM TB) - Expect dismaying 3Q24 NPA results; Downgrade to HOLD TP THB9.00

Expect underperformance in the NPA business in 3Q24

We expect BAM to report a disappointing 3Q24 net profit of THB207m, implying steep declines of 54.6% q-q and 45.9% y-y, owing to the underperforming NPA segment despite the firm's persisting effort to adopt an aggressive pricing strategy. The 3Q24E cash collection is THB3.6b, dropping 10.3% q-q and 8.1% y-y, largely due to a lower contribution from the NPA business, which is expected to dwindle 30.2% q-q and 19.3% y-y as the firm encounters a weakening demand for housing and a lower collection from big-ticket clients. Accordingly, we expect revenue from NPAs to contract 39.6% q-q and 39.0% y-y. By contrast, we expect seasonal influence and a higher degree of adaptability of debtors to result in a moderate improvement in the NPL business, with expected cash collection and revenue increasing 9.8% q-q and 0.9% y-y and 1.7% q-q and 15.7% y-y, respectively. We expect 3Q24 CIR to surge to 31.7% from 28.2% over a weakening revenue performance, while the cost of funds should remain stable at 3.48%. The 9M24E net profit accounts for 81% of our 2024 estimate.

Investment in NPLs declines as expected

We expect NPL investment in 3Q24 at THB1.75b, declining from THB4.6b in 2Q24, in line with management guidance, where loan supply from FIs would likely decline h-h in 2H24. However, auctioned NPL pricing during the period remains easy, with a cost-to-appraisal ratio of c35%. We expect 9M24 NPL investment at THB7.5, securing 88% of our full-year estimate.

Slash 2024-26E NPA estimates

We have cut our 2024-26E net profit by 15-26%, largely to reflect our more conservative assumptions for the NPA segment. Accordingly, we have slashed our cash collection and NPL investment estimates by 7-10% and 15%, respectively. By contrast, we include our projections for the performance of Ari-AMC, which should contribute 3-6% in 2025-26.

Downgrade to HOLD for attractive dividend yield of 4-6% p.a.

Following our estimate cut, we downgrade our recommendation on BAM to HOLD from BUY. Our new NAV-based TP is THB9.00 (from THB11.00), implying a P/BV ratio of 0.65x and reflecting a higher discount rate applied on its NPAs due to a higher business risk assumption. However, our estimate for the 2024-26 dividend yield remains attractive at 4-6% p.a., assuming an average payout ratio of 80%.

Exhibit 6: BAM – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		9M24E	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 %)
Interest income from NPLs	1,704	1,844	1,800	1,861	1,903	2.3	11.7	5,564	14.5	73	7,619	13.7
part of amount received	710	845	874	733	748	2.1	5.4	2,355	14.2	74	3,162	8.7
part of accrued income	994	999	926	1,128	1,155	2.4	16.2	3,209	14.8	72	4,457	17.4
Interest income from installment loans	39	35	46	15	15	-	(61.5)	76	(19.1)	59	128	(0.7)
Total interest income	1,747	1,822	1,830	1,886	1,928	2.2	10.4	5,644	13.8	73	7,728	13.2
Interest expense	736	756	771	802	820	2.2	11.4	2,393	11.2	76	3,147	8.2
Net interest income	1,011	1,066	1,059	1,084	1,108	2.2	9.6	3,251	15.7	71	4,581	16.8
Gain on NPL receivables	541	637	689	691	700	1.2	29.3	2,080	21.5	74	2,812	19.8
Gain on NPA sales	604	496	443	693	375	(45.8)	(37.9)	1,511	(9.4)	79	1,913	(11.6)
Gain on installment loans	157	127	94	100	98	(2.7)	(37.7)	292	(37.3)	77	382	(35.7)
Other non-interest income	17	20	12	23	20	(11.8)	21.2	54	12.0	80	68	(1.1)
Total non-interest income	1,318	1,281	1,238	1,507	1,193	(20.9)	(9.5)	3,938	1.1	76	5,174	(0.0)
Operating expenses	777	825	680	730	730	-	(6.1)	2,139	(2.9)	70	3,074	1.5
ECL expense	1,084	1,028	1,099	1,296	1,312	1.3	21.0	3,707	16.0	74	5,032	19.1
Pre-tax profit	467	540	519	565	259	(54.2)	(44.6)	1,343	3.0	81	1,650	(10.5)
Income tax	84	80	95	109	52	(52.5)	(38.4)	256	11.8	84	305	(1.4)
Net profit	383	460	423	456	207	(54.6)	(45.9)	1,087	1.1	81	1,345	(12.4)
EPS (THB)	0.12	0.14	0.13	0.14	0.06	(54.6)	(45.9)	0.34	1.1	81	0.42	(12.4)
Cash collection												
NPL cash collection	2,146	2,320	2,169	1,973	2,165	9.8	0.9	6,307	2.9	73	8,684	2.7
NPA cash collection	1,716	1,593	1,364	1,985	1,385	(30.2)	(19.3)	4,734	(6.6)	75	6,322	(5.1)
Total cash collection	3,862	3,913	3,534	3,958	3,551	(10.3)	(8.1)	11,042	(1.4)	74	15,006	(0.7)
Key balance sheet items												
Gross NPL receivables	87,543	86,575	85,569	88,424	89,237	0.9	1.9	89,237	1.9		87,096	0.6
Gross NPA	44,723	45,635	46,788	46,903	48,175	2.7	7.7	48,175	7.7		48,729	6.8
Additional acquisition	5,431	1,514	1,194	4,558	1,748	(61.6)	(67.8)	7,500	38.1	88	8,500	(40.6)
Key financial ratios (%)	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Cost to income ratio	33.38	35.14	29.59	28.17	31.72			29.76			31.51	
Cost of funds	3.40	3.42	3.43	3.50	3.48			3.52			3.47	
Gross profit margin	75.99	75.63	74.87	76.36	73.72			75.03			75.61	
Net profit margin	12.49	14.83	13.80	13.45	6.64			11.34			10.42	
ROA	1.14	1.35	1.24	1.32	0.59			1.04			0.98	
ROE	3.56	4.24	3.86	4.17	1.90			3.34			1.49	
D/E (x)	2.15	2.15	2.10	2.23	2.24			2.24			2.16	
IBD/E (x)	2.00	2.08	2.03	2.15	2.17			2.17			2.08	

Sources: BAM ;FSSIA estimates

Exhibit 7: Revenue breakdown

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		9M24E	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 %)
Revenue from NPL management	1,251	1,482	1,563	1,424	1,448	1.7	15.7	4,435	17.5	74	5,974	13.7
Interest income from NPLs	710	845	874	733	748	2.1	5.4	2,355	14.2	74	3,162	8.7
Gain on NPLs	541	637	689	691	700	1.2	29.3	2,080	21.5	74	2,812	19.8
Revenue from NPA management	800	658	584	808	488	(39.6)	(39.0)	1,880	(15.7)	78	2,422	(16.1)
Gain on NPAs	604	496	443	693	375	(45.8)	(37.9)	1,511	(9.4)	79	1,913	(11.6)
Interest income from installment loans	39	35	46	15	15	-	(61.5)	76	(19.1)	59	128	(0.7)
Gain on installment loans	157	127	94	100	98	(2.7)	(37.7)	292	(37.3)	77	382	(35.7)

Sources: BAM; FSSIA estimates

Exhibit 8: Historical cash collection performance vs management guidance

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	9M23	9M24E	2023	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Company's target													
NPL	2,593	3,070	2,298	2,682	2,521	2,999	2,600	3,118	3,148	7,501	8,866	10,500	10,000
NPA	1,704	2,839	1,169	1,782	1,967	2,382	2,300	3,360	3,295	4,918	8,955	7,300	10,000
Total	4,297	5,909	3,467	4,464	4,488	5,381	4,900	6,478	6,443	12,419	17,821	17,800	20,000
Actual/ FSSIA estimate													
NPL	2,552	3,118	1,972	2,013	2,146	2,320	2,169	1,973	2,165	6,132	6,307	8,452	8,684
NPA	1,868	2,277	1,249	2,104	1,716	1,593	1,364	1,985	1,385	5,069	4,734	6,661	6,322
Total	4,420	5,395	3,221	4,118	3,862	3,913	3,534	3,958	3,551	11,200	11,042	15,113	15,006
Relative to guidance	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			(%)	(%)
NPL	(1.6)	1.6	(14.2)	(24.9)	(14.9)	(22.6)	(16.6)	(36.7)	(31.2)	(18.3)	(28.9)	(19.5)	(13.2)
NPA	9.6	(19.8)	6.8	18.1	(12.8)	(33.1)	(40.7)	(40.9)	(58.0)	3.1	(47.1)	(8.7)	(36.8)
Total	2.9	(8.7)	(7.1)	(7.8)	(14.0)	(27.3)	(27.9)	(38.9)	(44.9)	(9.8)	(38.0)	(15.1)	(25.0)

Sources: BAM; FSSIA estimates

Exhibit 9: 2024-26E earnings revisions

	----- New -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Net profit (THB m)	1,345	1,604	1,820	1,823	1,970	2,144	(26.2)	(18.6)	(15.1)
Net profit growth (%)	(12.4)	19.2	13.5	18.8	8.1	8.8			
Cash collection (THB m)	15,006	15,691	16,285	16,177	17,182	18,077	(7.2)	(8.7)	(9.9)
Cash collection ratio (%)	12.0	12.4	12.6	12.0	12.2	12.4			
Purchase of A/R (THB m)	8,500	8,925	9,148	10,000	10,500	10,763	(15.0)	(15.0)	(15.0)
Investment growth (%)	(40.6)	5.0	2.5	(30.2)	5.0	2.5			
Cost of funds (%)	3.47	3.44	3.46	3.52	3.54	3.54			
Cost to income (%)	31.5	31.3	30.9	31.4	30.7	30.6			
Ari-AMC assumptions									
Gross loans	690	2,831	4,048						
Paid-up capital	275	1,000	1,000						
D/E (x)	1.9	2.0	2.2						
Cash collection	34.5	352.1	687.9						
Share of profit	(3.3)	38.4	116.8						
Service fee income	1.3	13.6	26.5						
Percentage contributions	(0.1)	2.6	6.4						

Source: FSSIA estimates

ASIA SERMKIJ LEASING (ASK TB) - Not yet out of the tunnel in 3Q24; Maintain HOLD TP THB11.00

3Q24 performance to weaken further

We expect ASK to report a 3Q24 net profit at THB78m, declining by 5.7% q-q and 75.6% y-y. The 3Q24E PPOP is at THB736m (-3.6% q-q, -10.7% y-y), as loans should exhibit a deeper contraction of 3.3% q-q, 3.3% y-y, and 4.1% YTD over a new loan underwriting volume that we expect to drop c30% y-y due to the firm's cautious lending and muted truck demand. Accordingly, 3Q24 NII should continue to decline by 3.6% q-q and 6.5% y-y, while we expect non-NII to drop by 0.4% q-q and 18.9% y-y due to a lower contribution from loan and insurance brokerage fees. Meanwhile, we project 3Q24 OPEX to decline 2.6% q-q and 4.0% y-y on lower loan underwriting, with a CIR of 29.3%, stable q-q. Our 9M24E net profit secures 75% of our 2024 estimate.

New NPL formation to decelerate, but remains a concern

Despite the firm's prolonged effort to aggressively manage NPLs, we expect the 3Q24 asset quality to weaken, in line with industry peers. The NPL ratio is expected to finish at 6.54%, rising from 6.10% in 2Q24 due to heavy rainfall during the quarter, impacting road freight and the repayment ability of debtors. 3Q24 credit costs should continue at a high level of 3.49%, but decline slightly from 3.55% in 2Q24 due to a lower provision for loans, reflecting the firm's effort on strict lending since 3Q23 and a gradual decline in new NPL formation. However, we expect a higher loss on sales of NPAs due to the sluggish used truck market. The 3Q24E coverage ratio drops further to 53% from 57% in 2Q24. We expect the slowing demand for used trucks to result in net bookings of NPAs to pile up further to THB2.2b from THB1.9b in 2Q24.

Maintain 2024-26 net profit forecast

We maintain our forecasts, with 2024 net profit contracting 63.5% y-y, largely due to mounting credit cost pressure at 3.28% compared to 2.49% in 2023 from both the influence of deteriorating loan quality and rising loans on NPA sales. For 2025-26, we expect a sharp recovery of 26% CAGR due to the low base in the prior year, while our conservative assumptions indicate a gradual decline in credit costs to 2.8-3.0%.

Maintain HOLD call at 2025 TP of THB11.00

Due to the unfavorable outlook we have for the hire-purchase truck industry and for the firm, we maintain HOLD for ASK and roll forward our GGM-based TP to 2025 at THB11.00, implying a P/BV ratio of 0.53x (from 0.45x) under LT ROE of 6.4% (from 5.9%) and COE of 9.8%. Our 2024-26E dividend yield is at an attractive range of 4-6% under an average payout ratio of 50%.

Exhibit 10: ASK – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	---- Change ----		9M24E	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 %)
Interest income	1,436	1,485	1,474	1,464	1,430	(2.3)	(0.4)	4,368	4.7	74	5,918	4.6
Interest expense	504	538	552	558	558	0.1	10.8	1,668	21.6	72	2,318	21.4
Net interest income	932	947	923	906	871	(3.9)	(6.5)	2,700	(3.6)	75	3,601	(3.9)
Non-interest income	210	185	189	171	170	(0.4)	(18.9)	530	(19.3)	74	718	(14.6)
Operating income	1,142	1,132	1,112	1,077	1,041	(3.3)	(8.8)	3,230	(6.6)	75	4,319	(5.9)
Operating expenses	318	307	340	313	305	(2.6)	(4.0)	958	(1.8)	73	1,321	3.1
Pre-provisioning operating profit	824	825	772	764	736	(3.6)	(10.7)	2,272	(8.5)	76	2,998	(9.4)
Expected credit loss	426	621	554	667	639	(4.1)	50.2	1,860	60.6	76	2,442	37.3
Income tax	81	43	44	15	19	32.8	(75.9)	78	(70.7)	70	111	(64.2)
Net profit	318	161	174	82	78	(5.7)	(75.6)	334	(68.4)	75	445	(63.5)
EPS (THB)	0.60	0.31	0.33	0.16	0.15	(5.7)	(75.6)	0.63	(68.4)	75	0.84	(63.5)
Key balance sheet items												
Gross loans	74,567	75,182	75,736	74,538	72,084	(3.3)	(3.3)	72,084	(3.3)		73,770	(1.9)
Interest bearing debt	64,104	64,190	64,973	64,694	63,835	(1.3)	(0.4)	63,835	(0.4)		63,047	(1.8)
Leverage ratios	(x)	(x)	(x)	(x)	(x)			(x)			(x)	
D/E	6.3	6.3	6.2	6.5	6.4			6.4			6.3	
IBD/E	6.1	6.0	6.0	6.3	6.1			6.1			6.0	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)		(%)	(%)
Gross NPL (THB m)	3,089	3,539	3,918	4,549	4,785	5.2	54.9	4,785	54.9		4,787	35.3
NPL / TL	4.14	4.71	5.17	6.10	6.64			6.64			6.49	
LLR	1,956	2,205	2,380	2,584	2,520	(2.5)	28.8	2,520			2,578	16.9
Coverage ratio	63	62	61	57	53			53			54	
Credit cost	2.31	3.32	2.94	3.55	3.49			3.38			3.28	
Profitability ratios	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Cost-to-income ratio	27.81	27.09	30.55	29.08	29.28			29.65			30.58	
Average loan yield	7.79	7.93	7.82	7.79	7.80			7.94			7.95	
Cost of funds	3.19	3.36	3.42	3.44	3.48			3.48			3.64	
Loan yield spreads	4.60	4.58	4.40	4.35	4.33			4.47			4.30	
Net interest margins (NIM)	5.14	5.15	5.00	4.94	4.84			4.98			4.95	
Non-NII / Revenue	18.37	16.36	16.99	15.86	16.33			16.40			16.62	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
q-q	2.2	0.8	0.7	(1.6)	(3.3)							
y-y	14.3	11.2	8.3	2.2	(3.3)			(3.3)			(1.9)	
YTD	10.3	11.2	0.7	(0.9)	(4.1)			(4.1)				

Sources: ASK; FSSIA estimates

RATCHTHANI LEASING (THANI TB) - Further slowdown expected; Maintain HOLD TP THB2.00

Loans to contract further

We expect THANI to report a 3Q24 net profit at THB254m, stable both q-q and y-y. The overall operations should continue to be pressured by the sluggish industry conditions. We expect loans to contract by 1.7% q-q, 9.0% y-y, and 7.1% YTD, as the demand for trucks remains weak and the firm continues to emphasize quality over growth. As a result, we project NII to dwindle by 0.9% q-q and 9.2% y-y over a flat q-q loan spread at 3.47% (loan yield should rise q-q due to seasonality, but would be offset by a rise in the cost of funds). The same trend goes for non-NII, which we expect to drop by 1.3% q-q and 5.1% y-y on lower loan and insurance fees. 3Q24E OPEX increases by 4.1% q-q, but drops 16.6% y-y over a declining underwriting volume of cTHB4.5b (c27% y-y decline). Accordingly, the 3Q24E CIR is at 22.6% from 21.8% in 2Q24. Our 9M24E secures 76% of our 2024E net profit.

Seasonality and flooding aggravating pressures on quality

3Q24 asset quality should continue to be under industry pressure and weaken further, given the impact of flooding in Chiang Rai in Sep-24 and a heavier-than-usual rainfall over the period, causing the firm's weaker collection performance. Therefore, we expect the 3Q24 NPL ratio to rise further to 3.53% from 3.41% in 2Q24. The 3Q24E credit cost is at 2.15% from 2.03% in 2Q24, while we project the coverage ratio to decline further to 89% from 92% in 2Q24. We expect THANI's monthly new truck foreclosures to continue at a high level of 140-150 units. However, we expect fewer monthly unit sales due to the slowing demand for used trucks, leading to a higher net booking value of 3Q24E NPAs at THB500m from THB454m in 2Q24.

Maintain forecasts; continue to expect a contraction in 2024

We maintain our 2024-26E net profit, with 2024 plunging 13.3% over the rising credit cost pressure and declining loan portfolio before an average recovery of 10% CAGR during 2025-26, with a conservative estimate of 5.3% CAGR loan growth and a decline in credit cost to 1.5-1.6% from 1.7% in 2024.

Maintain HOLD call with 2025 TP of THB2.00

With the unfavorable business landscape expected to persist, we maintain our UNDERWEIGHT recommendation for the truck hire-purchase industry over credit quality and foreclosed truck concerns. Accordingly, we retain our HOLD rating for THANI with a 2025 GGM-based TP of THB2.00, implying a P/BV of 0.87x over LT ROE of 9.2% (from 9.1%) and COE of 10.0%, which currently offers limited upside from the trading share price.

Exhibit 11: THANI – 3Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		9M24E	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 %)
Interest income	924	913	885	847	839	(0.9)	(9.2)	2,571	(6.7)	76	3,405	(7.2)
Interest expense	304	319	316	308	296	(4.0)	(2.7)	920	7.9	71	1,289	10.0
Net interest income	620	594	569	539	543	0.9	(12.4)	1,651	(13.2)	78	2,116	(15.2)
Non-interest income	236	191	227	227	224	(1.3)	(5.1)	677	(8.4)	75	899	(3.3)
Operating income	856	785	795	765	767	0.2	(10.4)	2,328	(11.9)	77	3,015	(12.0)
Operating expenses	208	175	187	166	173	4.1	(16.6)	527	(6.2)	71	737	0.0
Pre-provisioning operating profit	648	610	608	599	594	(0.8)	(8.4)	1,801	(13.4)	79	2,278	(15.3)
Expected credit loss	340	386	177	263	272	3.7	(19.9)	712	7.5	81	883	(15.7)
Income tax	58	63	88	82	68	(17.4)	16.3	238	(18.6)	85	279	(21.3)
Net profit	250	161	343	255	254	(0.2)	1.4	852	(24.3)	76	1,116	(13.3)
EPS (THB)	0.04	0.03	0.06	0.04	0.04	(3.1)	(7.8)	0.14	(28.4)	77	0.18	(18.8)
Key balance sheet items												
Gross loans	55,163	54,061	52,178	51,096	50,203	(1.7)	(9.0)	50,203	(9.0)		49,870	(7.8)
Interest bearing debt	42,140	41,742	41,773	37,958	37,057	(2.4)	(12.1)	37,057	(12.1)		38,567	(7.6)
Leverage ratios	(x)	(x)	(x)	(x)	(x)			(x)			(x)	
D/E	3.4	3.4	3.3	3.0	2.8			2.8			2.9	
IBD/E	3.4	3.3	3.2	2.9	2.8			2.8			2.8	
Asset quality ratio	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)		(%)	(%)
Gross NPL (THB m)	1,506	1,726	1,719	1,741	1,772	1.8	17.7	1,772	17.7		1,747	1.2
NPL / TL	2.73	3.19	3.29	3.41	3.53			3.53			3.50	
LLR	1,542	1,678	1,642	1,609	1,584	(1.6)	2.7	1,584	2.7		1,626	(3.1)
Coverage ratio	102	97	95	92	89			89			93	
Credit cost	2.46	2.83	1.33	2.03	2.15			1.80			1.70	
Profitability ratios	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
Cost-to-income ratio	24.27	22.34	23.49	21.75	22.59			22.62			24.43	
Average loan yield	6.69	6.69	6.66	6.56	6.63			6.51			6.55	
Cost of funds	2.86	3.04	3.03	3.09	3.16			3.10			3.21	
Loan yield spreads	3.83	3.65	3.64	3.47	3.47			3.41			3.34	
Net interest margins (NIM)	4.54	4.39	4.19	4.08	4.32			4.23			4.01	
Non-NII / Revenue	27.54	24.30	28.48	29.62	29.15			29.08			29.81	
Loan growth	(%)	(%)	(%)	(%)	(%)			(%)			(%)	
q-q	(0.3)	(2.0)	(3.5)	(2.1)	(1.7)							
y-y	3.9	0.7	(4.7)	(7.6)	(9.0)			(9.0)			(7.8)	
YTD	2.8	0.7	(3.5)	(5.5)	(7.1)			(7.1)				

Sources: THANI; FSSIA estimates

Economic news

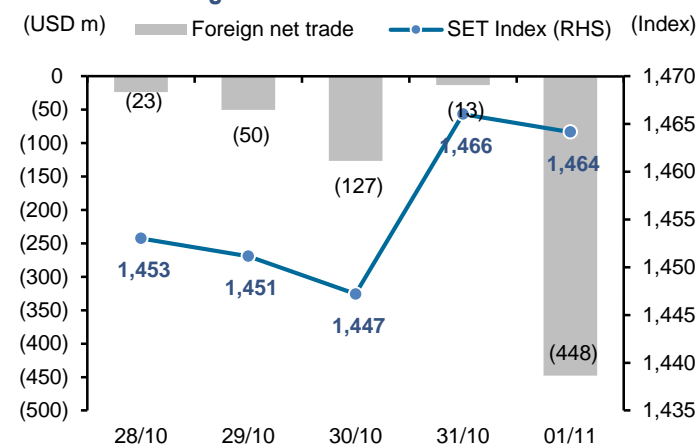
- **[Foreign investment in Thailand surges 60% in first 9 months](#)** BANGKOK POST: Foreign investment in Thailand rallied 60% to 134 billion baht in value for the first nine months of this year, with Japan continuing to top the list of source countries, a government spokesman said on Sunday. Jirayu Houngsub, spokesman for the Prime Minister's Office, said a total of 636 businesses were granted permission under the Foreign Business Act of 1999, up 29% year-on-year. The investments created employment for 2,505 Thai workers. In terms of investment spending and applications, Japan continued to lead the pack at 74 billion baht for the period (157 applications), followed by Singapore at 12.2 billion (96), China 11.9 billion (89), the US 4.14 billion (86) and Hong Kong 4.11 billion (46).
- **[Board of Investment okays B66.9bn digital outlay](#)** BANGKOK POST: The Board of Investment (BoI) has approved new investments in data centre and electronic businesses worth 66.9 billion baht, paving the way for Thailand to become a regional digital innovation hub. Two of the new projects belong to data centre operators: Quartz Computing Co, a subsidiary of Alphabet Inc, the parent company of Google, and Digitalland Services (Thailand), a subsidiary of China-based GDS Holdings Ltd, a developer and operator of data centres in China and Southeast Asia. Quartz Computing plans to spend 32.7 billion baht building a new data centre and cloud region in Chon Buri, scheduled to start commercial operation in early 2027. "This will be its fifth data centre in Asia," said Narit Therdsteerasukdi, secretary-general of the BoI, after the board's meeting on Friday. A data centre is a network of computers that stores, processes and distributes data, while a cloud region is an area where a cloud service provider operates a number of data centres simultaneously to improve performance. The BoI approved Quartz Computing's project after Ruth Porat, president and chief investment officer of Alphabet, announced the investment plan in Thailand, following a meeting with Prime Minister Paetongtarn Shinawatra on Sept 30.
- **[Finance Minister has scheme for bad loans](#)** BANGKOK POST: Finance Minister Pichai Chunhavajira has proposed measures to address retail non-performing loans at commercial banks, which now total 1 trillion baht, including a three-year suspension of interest payments. He said there are two primary objectives with the existing debts: 1) to restructure the loans to make them repayable; and 2) to allow borrowers who can repay their debts to access additional credit. To achieve these goals, the programme targets debtors who have recently started to experience payment difficulties, specifically those who have been overdue on payments for 30 to 90 days. The programme may also consider borrowers who have been in arrears for 90 days to one year, as this group continues to face problems despite a somewhat longer delinquency period, said Mr Pichai. He said this group of borrowers is still capable of tackling their debts.
- **[Visitors from China, Japan slowly return after pandemic](#)** BANGKOK POST: The tourism industry will continue to struggle with the Northeast Asian market this year, as Chinese and Japanese visitors have not fully returned since the pandemic, according to the Tourism Authority of Thailand (TAT). TAT governor Thapanee Kiatphaibool said the Northeast Asian market varies as South Korea and Taiwan are expected to post revenue surges of 108% and 149% compared with 2019, with 1.9 million and 1 million tourists, respectively. China, which is typically the largest source market, is forecast for revenue to reach 65% of the level in 2019, tallying 348 billion baht for 2024. Likewise, Japan is expected to post 60% of the 2019 level at 56 billion baht, with Hong Kong at 88% with 38 billion baht. These three markets mark the lowest revenue recoveries for Northeast Asia, estimated at 74% of the 2019 level for 2024.
- **[Thailand approves \\$2bn worth of investments in data centres, electronics](#)** BANGKOK POST: Thailand's Board of Investment (BOI) said it had approved US\$2 billion worth of new investments in data centres and electronics manufacturing. The approvals include a 32.8-billion-baht (\$968.12 million) investment by a subsidiary of Alphabet Inc to establish a hyperscale data centre. On Tuesday, the BOI reported that US-based cloud service provider Equinix announced it is investing US\$500 million in data centre development in Thailand over 10 years to serve growing demand from customers in CLMVT. CLMVT refers to Cambodia, Laos, Myanmar, Vietnam and Thailand, which are all located in the greater Mekong subregion.
- **[Board of Investment eager to dull minimum tax pain](#)** BANGKOK POST: The Board of Investment (BoI) is planning to launch measures to ease the sting for multinational investors based on a new government tax planned for foreigners. Under a new law being drafted by the Revenue Department, individuals residing in Thailand for 180 days or more must pay personal income tax on overseas earnings, regardless of whether that income is brought into Thailand. The department said earlier the law aims to set a minimum tax rate. The tax aligns with the principle of a global minimum tax (GMT), ensuring large multinational corporations pay a minimum tax rate of 15% worldwide in the countries where they operate. "We expect the tax to affect foreign investors who expand their businesses into Thailand, so we need measures to deal with the impact," said Narit Therdsteerasukdi, secretary-general of the BoI.

Corporate news

- **[BBL seeks to grow Indian base across the region](#)** BANGKOK POST: Bangkok Bank (BBL) wants to expand its Indian customer base across both Thailand and its Southeast Asia network to tap rising outbound investments from India. According to Chaiyavit Anuchitworawong, senior executive vice-president at BBL, Indian outbound investments in the region are accelerating, driven by the strong growth potential of both Indian and Southeast Asian economies. As a regional bank, BBL is expanding its international loan portfolio through offshore clients, especially in Thailand, Indonesia, Hong Kong and China, he said. Though BBL has no physical presence in India, its regional network can still cater to Indian customers, generating revenue from this segment.

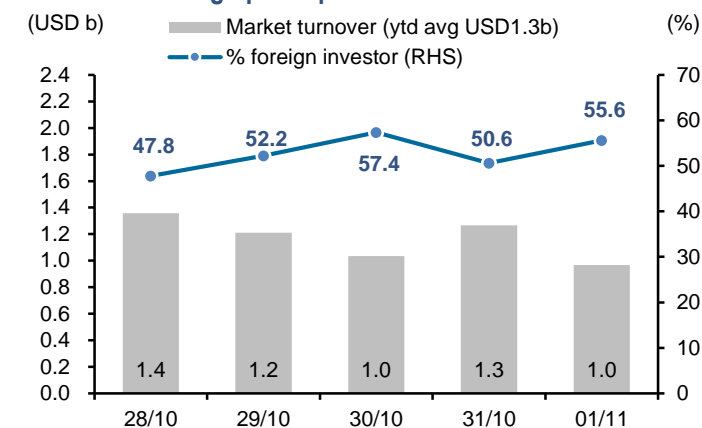
- **[Police agency backs latest AIS service](#)** BANGKOK POST: Advanced Info Service (AIS) has partnered with the Central Investigation Bureau (CIB) to help customers deal with calls from scammers and call centre gangs via its free new service for reporting suspicious phone numbers. The service, based on a network intelligent system, allows AIS customers to report the last number from which they received a suspicious call by dialling *1185# within five minutes of hanging up on the call. Having dialled the service number, AIS's intelligent system will retrieve the suspicious number in order to examine it. If the AIS system discovers the calling pattern of the suspicious number indicates suspicious activity within a period of 48 hours, AIS will forward the relevant information to the CIB. The service is free of charge 24/7 and the phone user can report a suspicious call received via all kinds of communications networks, including a fixed telephone line, a mobile phone network, an overseas call network, or a Voice over Internet Protocol network. There is no limit as to how many times a customer can report a suspicious number.
- **[Robinson Lifestyle Invests 2.5 Billion Baht to Redefine Retail](#)** BANGKOK POST: Robinson Lifestyle, under Central Retail, announces 2.5 Billion Baht Investment to Transform Shopping Center and Expand New Branches, Enhancing Experiences for Customers, Partners, and Communities. Robinson Lifestyle has announced a proactive initiative to enhance customer experiences and cater to diverse lifestyles. The company plans to transform its shopping centers across Thailand into comprehensive lifestyle hubs, guided by its "Lifestyle and Experiential Community" strategy, to meet the needs of all customer segments. This approach positions Robinson Lifestyle as a Complete Lifestyle Destination, offering a variety of destinations, such as Dining, Family, Sport, Pet, and Tourist, while bolstering Thailand's economy and supporting sustainable growth. Mr. Lertvit Pumipitak, President of Robinson Lifestyle under Central Retail, expressed the company's dedication to transforming its shopping centers into vibrant community hubs, aiming to become customers' top destination of choice. In response to evolving global lifestyle trends, the company is investing over 2.5 billion baht in a major renovation initiative. This project includes upgrades to branches in Kanchanaburi and Samut Prakan, as well as the opening of two new locations, all slated for completion within two years. Each site's design is inspired by the distinctive cultural heritage of its location, modernised to offer a contemporary aesthetic while delivering immersive lifestyle experiences that encourage customers to enjoy a full day at the center.
- **[Purple Line flat rate fare to stay at B20](#)** BANGKOK POST: The Mass Rapid Transit Authority of Thailand (MRTA) aims to extend the Purple Line's 20-baht flat rate fare for another year after the current policy ends next month. Wittaya Phanmongkol, deputy and acting governor of the MRTA, said that when the new MRTA board is appointed, the MRTA will propose extending the flat rate on the Tao Poon-Bang Yai section for another year. "The issue needs to be expedited because the present measure will expire on Nov 30," he said, adding extending the flat rate would reduce the burden of travel expenses on the public. He said the measure, implemented on Oct 16 last year, was popular with passengers. The number of passengers has increased by an average of 17.5% compared to the previous year.
- **[Office to sell off shares using mark-to-market](#)** BANGKOK POST: The State Enterprise Policy Office (Sepo) plans to gradually sell shares held by the Finance Ministry with a stake of less than 50% over the next 4-5 years, using a mark-to-market pricing method. According to Tibordee Wattanakul, director-general of Sepo, previous attempts to sell shares with less than a 50% stake were unsuccessful because of a lack of buyers and fears of scrutiny if the state incurred losses because of the share sale price. Mr Tibordee said there are two methods for selling shares: the equity approach, which is based on the original acquisition cost, and the mark-to-market method, which considers the current market price of the shares. He said the current market prices of some shares held by the ministry have dropped, making losses inevitable if sold at the original acquisition cost. This makes a mark-to-market sale approach necessary, said Mr Tibordee. Although selling below book value may result in a loss, there are opportunity costs associated with holding those assets because selling them returns liquidity to the state, he said. If the assets are not sold, they will remain stagnant, potentially causing greater harm to the state, said Mr Tibordee.

Exhibit 12: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 13: Foreign participation



Source: Bloomberg

Exhibit 14: Index performance

SET Index			Index performance (% change)								
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem
% of SET Index			19%	10%	11%	9%	5%	5%	3%	8%	2%
Current	1,464.17	(0.1)	(0.0)	(0.1)	(1.0)	0.1	(0.4)	0.5	(0.6)	0.7	0.2
-5D	1,463.42	0.1	0.2	(0.8)	(0.0)	0.2	(0.6)	(0.5)	1.1	1.1	4.7
-1M	1,464.66	(0.0)	(1.3)	(2.1)	3.7	(1.5)	(1.9)	(2.8)	(10.1)	(3.2)	(3.8)
-3M	1,322.75	10.7	6.8	10.1	21.5	8.1	2.5	9.5	(0.8)	8.6	10.5
-6M	1,367.95	7.0	(0.9)	6.4	36.9	2.4	0.8	(5.1)	(12.7)	(3.6)	(11.9)
-1Y	1,379.96	6.1	(2.6)	3.9	38.2	3.1	7.2	(1.2)	(19.5)	(3.3)	(8.0)
WTD	1,463.42	0.1	0.2	(0.8)	(0.0)	0.2	(0.6)	(0.5)	1.1	1.1	4.7
MTD	1,466.04	(0.1)	(0.0)	(0.1)	(1.0)	0.1	(0.4)	0.5	(0.6)	0.7	0.2
QTD	1,448.83	1.1	(1.0)	(1.2)	5.5	(0.4)	(0.3)	(1.9)	(9.4)	(2.2)	(3.8)
End of last year	1,415.85	3.4	(5.8)	2.1	36.0	1.8	0.6	(7.2)	(22.7)	1.9	(17.2)

Source: Bloomberg

Exhibit 15: 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	1,464.17	3.4	35.44	45,652	1,288	(5,507)	3,348	(146)	2,305	4,615
1Q24	1,377.94	(14.4)	35.67	49,376	1,384	(2,164)	2,185	(81)	(172)	(818)
2Q24	1,300.96	(13.4)	36.71	43,013	1,172	(1,748)	962	58	276	1,388
3Q24	1,448.83	(1.5)	34.78	47,428	1,363	(1,292)	(671)	73	(52)	(1,216)
4Q24	1,464.17	3.4	33.65	43,223	1,285	(999)	(134)	(12)	1,063	31
Jan-24	1,364.52	(18.4)	35.20	62,067	1,763	(562)	888	25	(42)	(1,115)
Feb-24	1,370.67	(15.5)	35.85	44,920	1,253	(1,105)	157	(62)	(178)	905
Mar-24	1,377.94	(14.4)	35.95	41,142	1,144	(498)	1,140	(44)	48	(608)
Apr-24	1,367.95	(10.5)	36.78	42,530	1,156	(378)	(52)	(56)	(1)	699
May-24	1,345.66	(12.3)	36.64	43,600	1,190	(886)	203	92	160	(269)
Jun-24	1,300.96	(13.4)	36.70	42,908	1,169	(484)	811	22	117	958
Jul-24	1,320.86	(15.1)	36.28	36,693	1,011	(306)	134	(19)	(68)	(1,057)
Aug-24	1,359.07	(13.2)	34.74	44,784	1,289	(493)	132	(30)	70	(618)
Sep-24	1,448.83	(1.5)	33.33	60,806	1,824	(492)	(936)	121	(53)	458
Oct-24	1,466.04	6.1	33.39	53,636	1,606	(533)	(166)	(13)	1,025	474
Nov-24	1,464.17	6.1	33.90	32,809	968	(448)	32	2	38	(331)
2024YTD	1,464.17	3.4	35.44	45,652	1,288	(6,202)	2,343	39	1,115	(615)
28/10/2024	1,453.03		33.86	45,932	1,357	(23)	3	10	11	(40)
29/10/2024	1,451.16		33.76	40,857	1,210	(50)	25	8	17	(16)
30/10/2024	1,447.20		33.71	39,584	1,174	(127)	111	8	8	(4)
31/10/2024	1,466.04		33.74	42,739	1,267	(13)	(53)	1	65	1
1/11/2024	1,464.17		33.90	32,809	968	(72)	32	2	38	(85)

Source: Bloomberg

Exhibit 16: Upcoming events

Date Time	Event		Survey	Actual	Prior
11/01/2024 03:30	Business Sentiment Index	Oct	--	47	45.7
11/01/2024 03:30	Gross International Reserves	Oct-25	--	\$238.5b	\$240.5b
11/01/2024 03:30	Forward Contracts	Oct-25	--	\$25.7b	\$26.0b
11/05/2024 22:30	CPI Core YoY	Oct	0.80%	--	0.77%
11/05/2024 22:30	CPI NSA MoM	Oct	0.05%	--	-0.10%
11/05/2024 22:30	CPI YoY	Oct	0.95%	--	0.61%
11/08/2024 02:30	Gross International Reserves	Nov-01	--	--	\$238.5b
11/08/2024 02:30	Forward Contracts	Nov-01	--	--	\$25.7b
11/13/2024 22:30	Consumer Confidence Economic	Oct	--	--	48.8
11/13/2024 22:30	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%
11/21/2024 11/26	Car Sales	Oct	--	--	39048
11/24/2024 11/29	Customs Exports YoY	Oct	--	--	1.10%
11/24/2024 11/29	Customs Imports YoY	Oct	--	--	9.90%
11/24/2024 11/29	Customs Trade Balance	Oct	--	--	\$394m
11/25/2024 11/30	Mfg Production Index ISIC NSA YoY	Oct	--	--	-3.51%
11/25/2024 11/30	Capacity Utilization ISIC	Oct	--	--	57.47
11/29/2024 02:00	BoP Current Account Balance	Oct	--	--	\$559m
11/29/2024 02:30	Exports YoY	Oct	--	--	1.10%
11/29/2024 02:30	Exports	Oct	--	--	\$25660m
11/29/2024 02:30	Imports YoY	Oct	--	--	9.50%
11/29/2024 02:30	Imports	Oct	--	--	\$23191m
11/29/2024 02:30	Trade Balance	Oct	--	--	\$2470m
11/29/2024 02:30	BoP Overall Balance	Oct	--	--	\$2357m
12/01/2024 19:30	S&P Global Thailand PMI Mfg	Nov	--	--	50

Source: Bloomberg

Exhibit 17: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
WHAIR	4/11/2024	21/10/2024	Common	-	Baht	1 : 0.1149	-	109190000
TRC	11/11/2024	15/8/2024	Common	2.4	Baht	3.5 : 1	-	285331752
HEALTH	14/11/2024	28/10/2024	Warrants	-	Baht	2 : 1	-	211340261
ACC	15/11/2024	19/9/2024	Common	0.6	Baht	3 : 1	09/12/2024 - 16/12/2024	447685207
HEALTH	21/11/2024	28/10/2024	Common	2	Baht	1 : 2	11/12/2024 - 17/12/2024	845361044
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 18: Upcoming XM

Symbol	X-Date	Meeting Date	Agenda	Meeting Place / Channel for Inquiry
CHO	7/11/2024	3/12/2024	Capital increase, The issuance of convertible securities	Meeting via Electronic media (E-EGM)
ITD	7/11/2024	17/12/2024	Acquisition and disposition of assets / Acquisition or Disposition of Assets	Meeting via electronic means (E-EGM), broadcasted from the meeting room on the 37th floor of the headquarters, located at No. 2034/132-161 ItalThai Tower, New Petchburi Road, Bangkok Sub-district, Huai Khwang District, Bangkok
TRITN	8/11/2024	13/12/2024	Capital increase, Connected transaction, Acquisition and disposition of assets / Acquisition or Disposition of Assets, The application for a waiver from the requirement to make a tender offer for all securities of the Company	e-Shareholding Meeting
HEALTH	14/11/2024	28/11/2024	Capital increase, The issuance of convertible securities	In the form of electronic meeting
NEX	22/11/2024	26/12/2024	Capital increase	Via electronic meeting (E-EGM)

Source: SET

Exhibit 19: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Jakpaison Estate (JAK)	Metha Angwattanapanich	Common Shares	10/31/2024	211,000	1.38	Buy	0.29
Jakpaison Estate (JAK)	Metha Angwattanapanich	Common Shares	11/1/2024	90,700	1.38	Buy	0.13
Chin Huay (CH)	Pravit Srisengnam	Common Shares	10/25/2024	236,700	2.33	Buy	0.55
Chin Huay (CH)	Pravit Srisengnam	Common Shares	10/28/2024	16,300	2.30	Buy	0.04
Chin Huay (CH)	Pravit Srisengnam	Common Shares	10/29/2024	10,100	2.30	Buy	0.02
Chin Huay (CH)	Pravit Srisengnam	Common Shares	10/30/2024	24,500	2.30	Buy	0.06
Chin Huay (CH)	Pravit Srisengnam	Common Shares	10/31/2024	12,400	2.30	Buy	0.03
CP Aextra (CPAXT)	Sompong Rungratattisai	Common Shares	10/18/2024	98,000	34.00	Sell	3.33
CP Aextra (CPAXT)	Sompong Rungratattisai	Common Shares	10/22/2024	557	34.25	Sell	0.02
Medeze Group (MEDEZE)	Rachanee O-Charoen	Common Shares	11/1/2024	87,000	8.80	Transfer	0.77
Medeze Group (MEDEZE)	Danita Phithaknetikun	Common Shares	10/31/2024	50,000	9.10	Buy	0.46
Medeze Group (MEDEZE)	Danita Phithaknetikun	Common Shares	11/1/2024	22,000	8.90	Buy	0.20
Medeze Group (MEDEZE)	Tanut Kunkanjanawan	Common Shares	10/31/2024	33,500	8.95	Buy	0.30
Supalai (SPALI)	Ajchara Tangmatitham	Common Shares	10/30/2024	90,000	19.54	Buy	1.76
Supalai (SPALI)	Prateep Tangmatitham	Common Shares	10/30/2024	90,000	19.54	Buy	1.76
Siam Wellness Group (SPA)	Phumiphan Bunjapamai	Common Shares	10/31/2024	7,500	6.50	Buy	0.05
Siam Wellness Group (SPA)	Phumiphan Bunjapamai	Common Shares	10/31/2024	120,000	6.55	Sell	0.79

Source: SEC

Exhibit 20: New securities

Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
DELTA13C2503A	4/11/2024	DELTA	KGI	Call	SET	8/3/2025	180
PTTEP41C2503A	4/11/2024	PTTEP	JPM	Call	SET	12/3/2025	163
PTTEP41P2503A	4/11/2024	PTTEP	JPM	Put	SET	12/3/2025	105
PTTGC41C2503A	4/11/2024	PTTGC	JPM	Call	SET	12/3/2025	31
RBF13C2503A	4/11/2024	RBF	KGI	Call	SET	8/3/2025	7.25
SET5013C2412M	4/11/2024	SET50	KGI	Call	SET	4/1/2025	1,025.00
SET5013P2503A	4/11/2024	SET50	KGI	Put	SET	3/4/2025	775
SET5019C2503A	4/11/2024	SET50	YUANTA	Call	SET	3/4/2025	1,025.00
SET5019P2503A	4/11/2024	SET50	YUANTA	Put	SET	3/4/2025	850
TOP41C2503A	4/11/2024	TOP	JPM	Call	SET	12/3/2025	50

Source: SET

Exhibit 21: Upcoming XD

Symbol	X-Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Price	Div Yield	Par
BAREIT	06/11/2024	0.187	Baht	01/07/2024 - 30/09/2024	NP	21/11/2024	9.90	1.9%	9.816
AAPL80X	08/11/2024	-	Baht	-	-	11/12/2024	-	-	-
LHPF	11/11/2024	0.14	Baht	01/07/2024 - 30/09/2024	Both	26/11/2024	5.60	2.5%	10
LHSC	11/11/2024	0.17	Baht	01/07/2024 - 31/08/2024	NP	22/11/2024	11.00	1.5%	10.2
PCC	13/11/2024	0.07	Baht	01/01/2024 - 30/06/2024	NP	29/11/2024	2.94	2.4%	1
RAM	13/11/2024	0.15	Baht	-	RE	29/11/2024	23.50	0.6%	0.1
TSST	14/11/2024	0.04	Baht	01/01/2024 - 30/06/2024	NP	29/11/2024	15.40	0.3%	0.5
SBUX80X	15/11/2024	-	Baht	-	-	26/12/2024	-	-	-
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
BKNG80X	06/12/2024	-	Baht	-	-	24/01/2025	-	-	-
GOOG80X	09/12/2024	-	Baht	-	-	10/01/2025	-	-	-

Source: SET