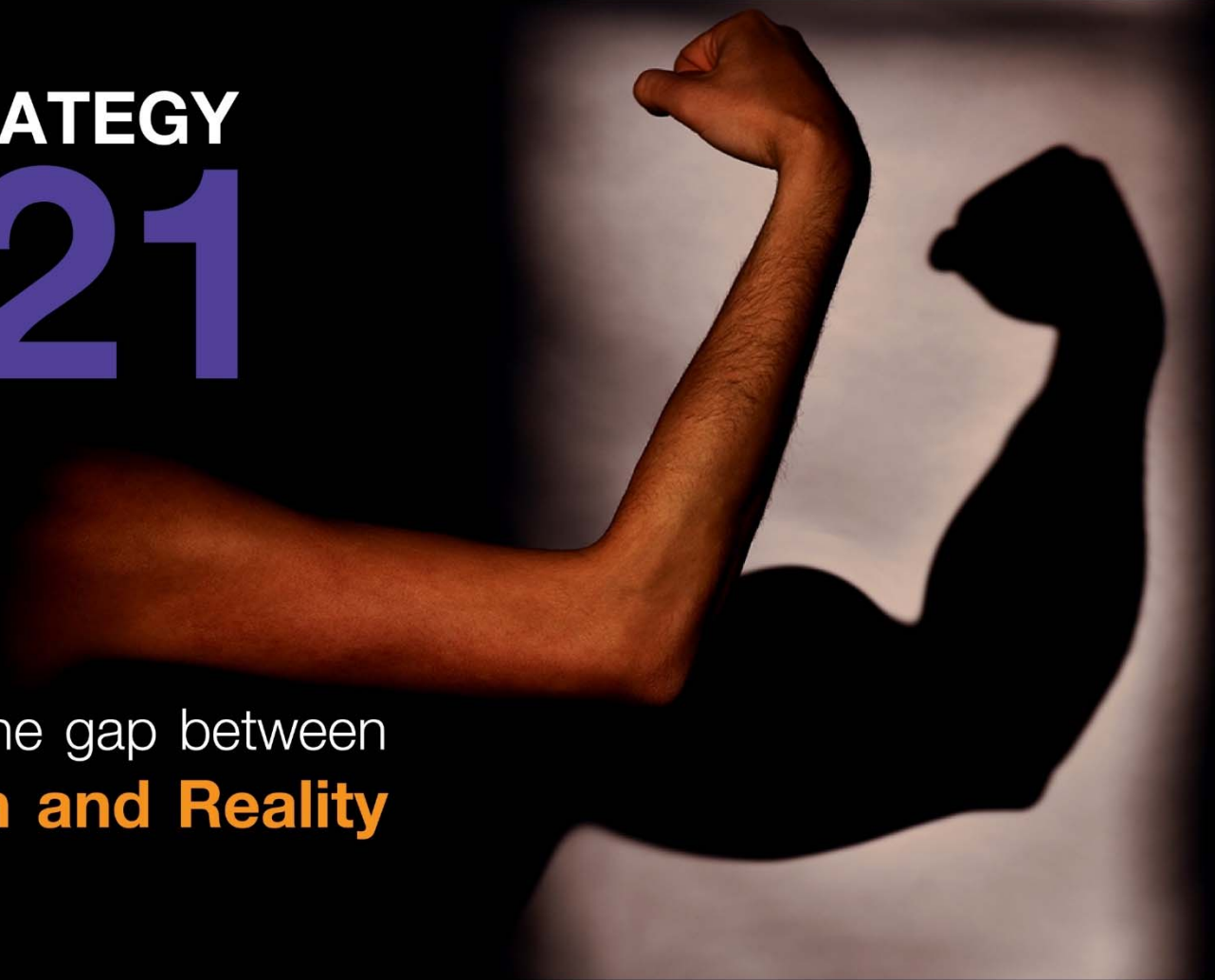


SCBS STRATEGY 2021

Please mind the gap between
Expectation and Reality

SCBS RESEARCH





What we can expect in 1Q21

Global Economic Theme: Is the light at the end of the tunnel coming from a train?

At the end of 2020, a year of unexpected global economic and investment derailment is beginning to see a glimpse of hope from a new and stable US president and the approaching availability of one or more vaccines that will put an end to the pandemic. This has led to euphoria in the investment world but we are less sanguine.

Global economy: We believe that it will recover gradually if vaccines are approved, but confidence will not immediately return, since vaccines need to be approved, manufactured and distributed – all of which are complicated and take time. This means the global service sector will continue to underperform and may pull global economic growth down below its potential until the vaccines are widely distributed, possibly as late as 2022.

Global Politics: In the US, partisan conflict will not go away even with a new president. Biden's administration may be hampered by a divided Congress with both parties having little in common, though some initial success may be seen since Biden may start off with low hanging fruit issues such as COVID control, economic stimulus measures, and rejoining the Paris accord. In Europe, Brexit negotiations will likely be resolved, while the EUR750bn Europe-wide fiscal measure may not be disbursed until 2H21. In China, the Communist party's latest 5-year plan that focuses on domestic consumption and import-substitution production based on a "dual circulation" philosophy will help its economy continue to expand and lead to a new round of the "cold war" between the two largest economies.

Global Economic Policy: Monetary policy will continue to be accommodative compared to a rather constrained fiscal policy. This is due to: 1) the US Fed's change in its inflation targeting goal, implying an overshoot; 2) fiscal policy is as yet not fully effective due to public debt limitations that is forcing monetary policy to play the lead role; and 3) the Fed's easing bias that will lead to a weak dollar, which will lead other central banks to undergo further relaxation to match the US (otherwise their currencies may be stronger than desired).

Key takeaways

- Overall, the global economic crisis bottomed out during the lockdown (1H20).
- The global economic recovery will be slow. With economic stimulus measures as a driving force in the past, going forward, resolution of COVID-19 will be the key to economic success, whether via a vaccine or a drug, that we can expect to be broadly effective in controlling the disease in 2H21
- After a strong rebound in 3Q20, the world's economy is expected to slow in 4Q20-1Q21 as a result of a more limited lockdown compared to the heavy-handed lockdown in the initial COVID-19 wave.
- Thailand's 2020 GDP is expected to drop 7.8% before a smaller-than-consensus rebound of 3.1% in 2021. What is key is whether the country can safely reopen to incoming tourists, businesspeople and patients.
- Domestic consumption is expected to recover more strongly than the overall economy, while international trade is expected to improve in tandem with the global economy. There is also a risk of trade protectionism and baht appreciation.
- Financial markets for the remainder of 2020 are expected to stabilize and improve in 2021, backed by two positives: vaccine availability and a new and stable US president. Apart from that, an outperformance of listed companies and continued liquidity injection by global central banks suggest a stronger performance of risk assets through next year.
- The downside risk is US politics and policy, especially during the first 100 days after Biden takes office. Another risk is the fragility of financial positions of global and Thai businesses that may force them to face liquidity shortages as a result of a new lockdown.

Contents by Dr. Piyasak Manason

1

Global Economy—

Looking back: Economic data continues to rebound, monetary policy still leading fiscal and risk events (US election) turning favorable.

Looking ahead: new hopes (Biden presidency, vaccines) still have downside risks that include difficulties with distributing a vaccine, a dark winter, a divided congress and a hardening stance from China.

2

Thai Economy—

Looking back: Economic figures reviving from the March low, except for the tourism industry.

Looking ahead: Consumption is the new hope, boosted by rising farm income and government stimulus.

Risk: Monetary policy still too tight, leading to a stronger baht.

3

SCBS Economic Projection:

2021 will be the year of 4-3-2-1:

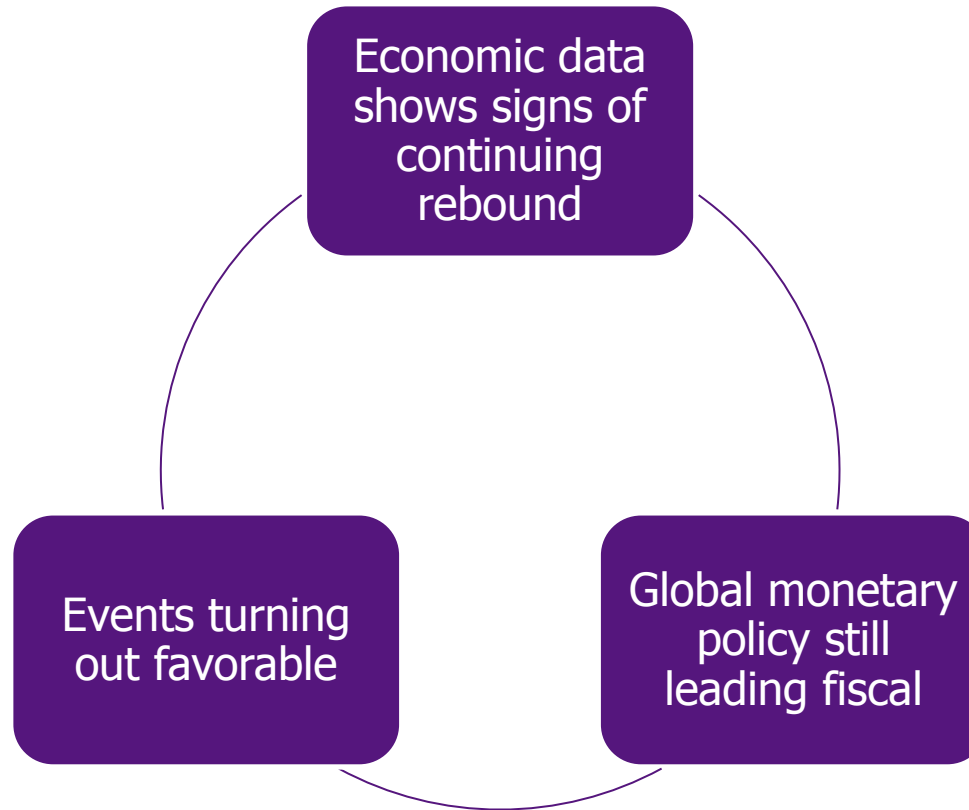
4% is consumption growth, 3% is GDP growth, 2% is growth in private investment and real exports of goods and services and 1% is projected headline inflation, with the risk tilted toward the downside.



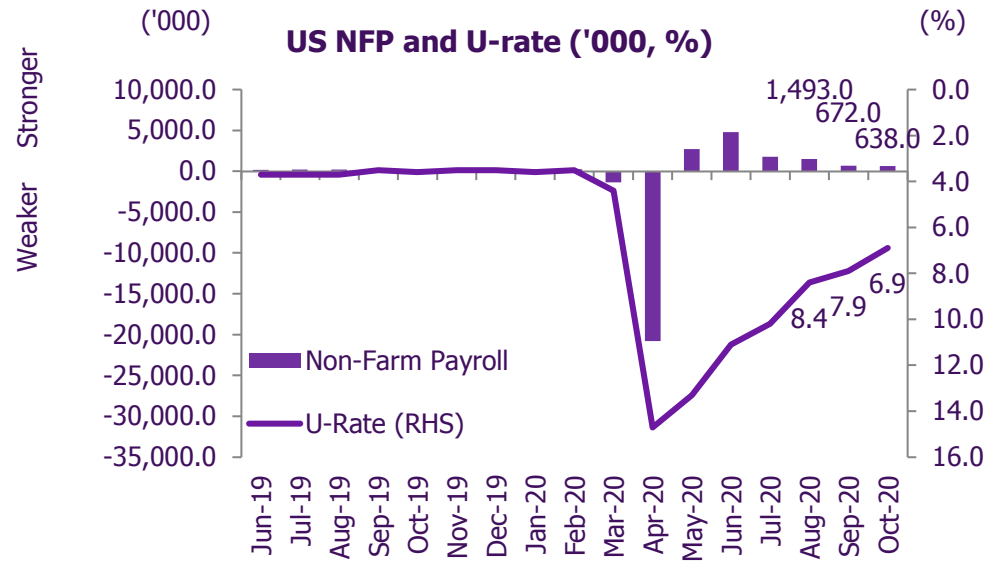
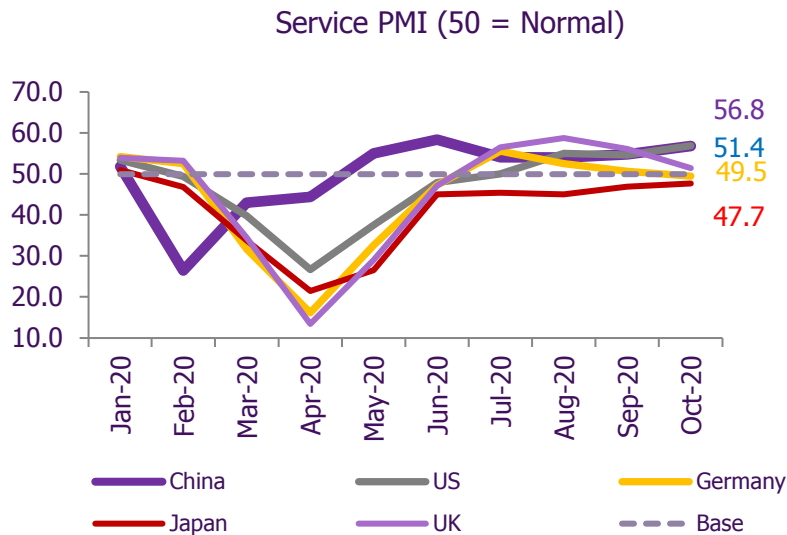
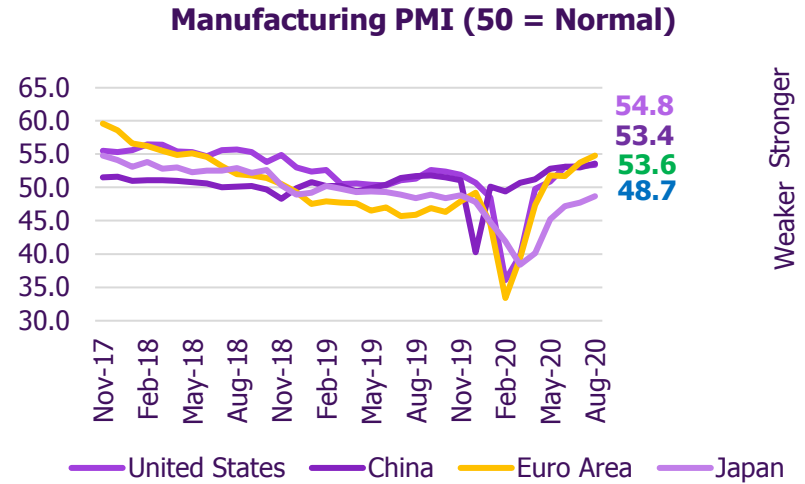
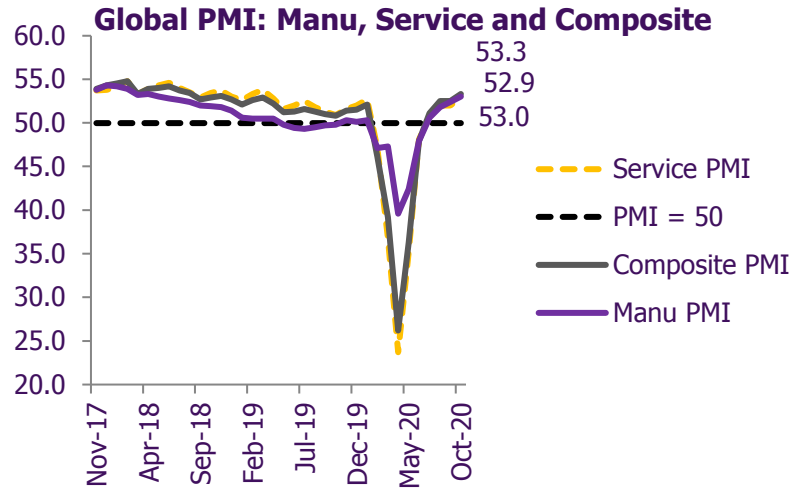
Global economy



Global economy--Looking back



Data still shows signs of a (fading) economic rebound



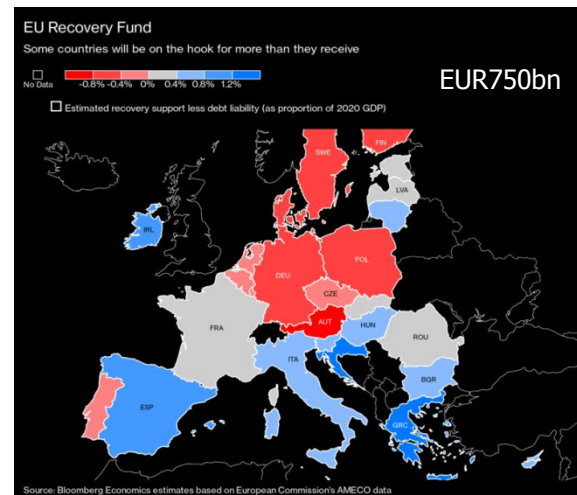
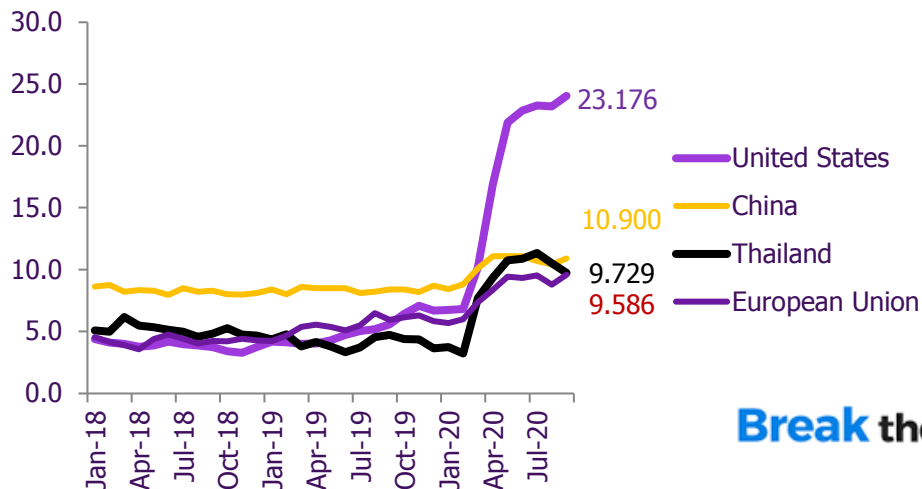
Global stimulus: monetary vs fiscal

US monetary policy is back on line, but fiscal policy is still dragging growth.

Criteria	US liquidity heatmap (end of period)									
	12/2018	6/2019	12/2019	3/2020	6/2020	8/2020	9/2020	10/2020	Latest	
Fed B/L sheet (\$tr)	4.08	3.83	4.17	5.25	7.08	6.99	7.06	7.14	7.14	7.14
US2YY (%)	2.48	1.75	1.58	0.23	0.16	0.14	0.13	0.15	0.19	0.19
US10YY (%)	2.69	2.00	1.92	0.70	0.66	0.72	0.69	0.79	0.98	0.98
DXY (Pt.)	91.9	94.0	95.7	99.1	97.4	92.8	93.7	93.0	93.0	93.0
M2 Growth (%YoY)	3.7	4.7	6.7	10.2	22.9	23.2	24.1	24.0	N/A	N/A
Score (1-->5)	2.0	2.0	2.0	2.4	3.8	4.2	4.2	4.2	4.2	3.8

*Red = 1; Orange = 2; Yellow = 3; Light green = 4; Dark green = 5; 1 = most tight, 5 = most loose

Money supply growth, selected countries



Break the Gridlock



Problem Solvers Caucus

	Total amount \$trn	Payroll protection \$/wk
CAREs Act	2.2	600
Problem Solvers Caucus Plan	1.5 (1.3-2.0)	450

Fortunate event (for the market) 1: Biden elected president

Joe Biden



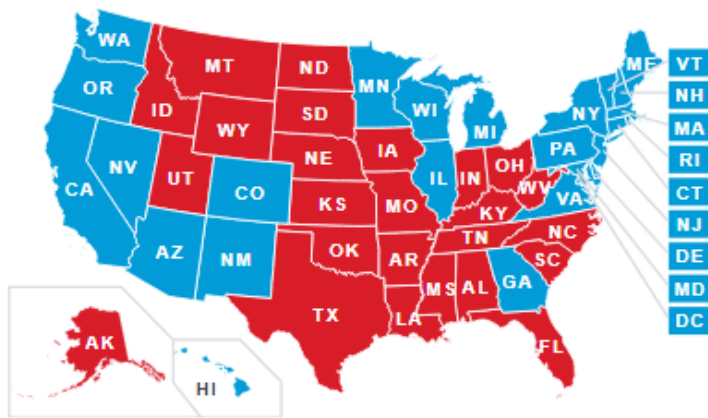
306

270 to win

Donald Trump



232



Democratic Party

46

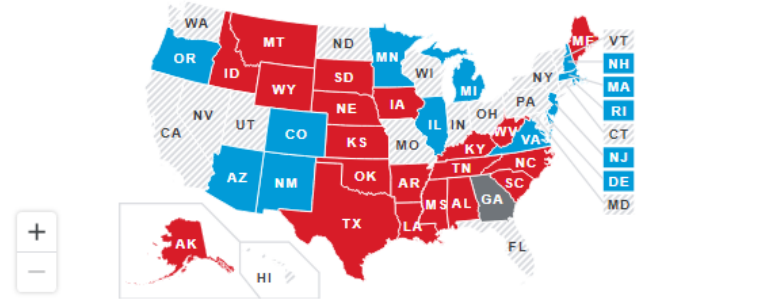
Republican Party

50

Senate results

51 for majority

Other parties have 2 seats



House results

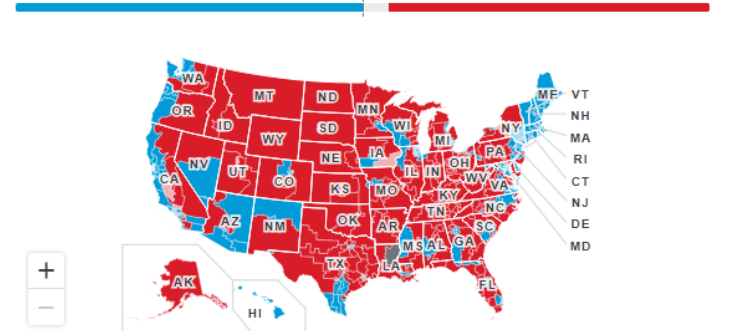
Democratic Party

218

Republican Party

202

218 for majority



Candidates



Joe Biden
Democratic Party

Electoral votes Vote % Vote count

306 51.1% 79,823,827



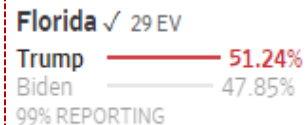
Donald Trump
Republican Party

232 47.2% 73,786,905

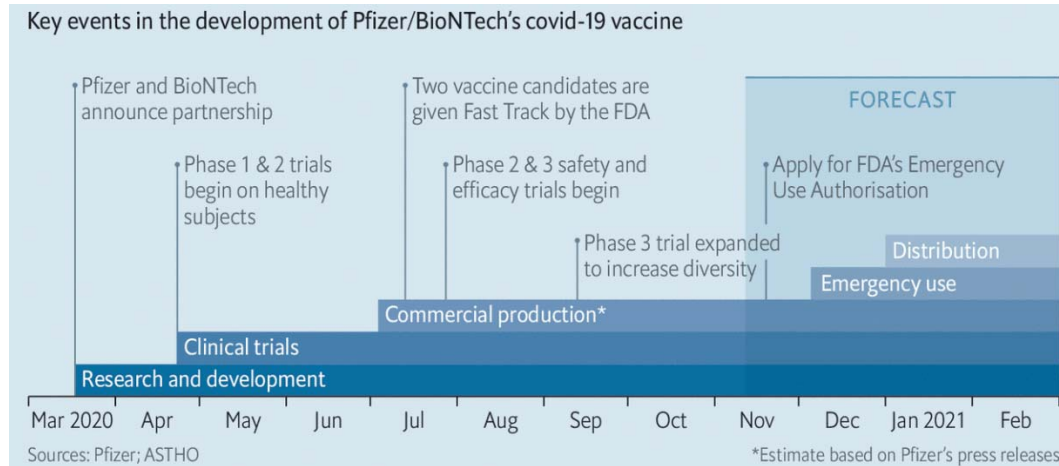
■ Won

Key Race Results

[Full Results](#) | [Paths to Victory](#)

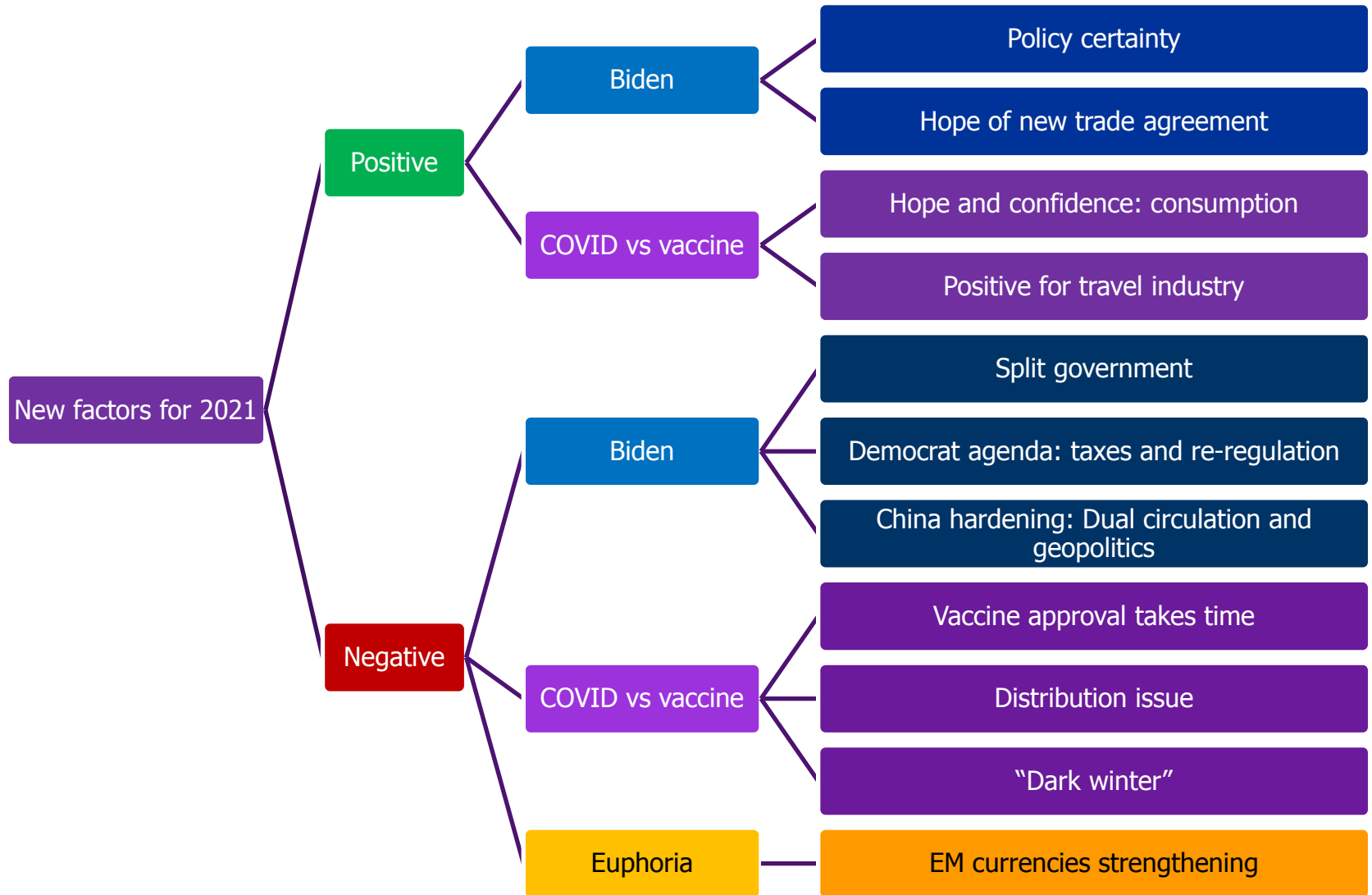


Fortunate event 2: Pfizer COVID-19 vaccine breakthrough



- A vaccine developed by Pfizer Inc. and BioNTech SE protects most people from COVID-19, according to a study and is hailed by the top US infectious disease specialist as “extraordinary.” The shot prevented more than 90% of symptomatic infections in the trial thousands of volunteers, the most encouraging advance so far in the battle against the coronavirus. As of Nov 21, Pfizer Inc. filed with U.S. regulators for an emergency-use authorization for its Covid-19 vaccine, seeking clearance for an experimental shot that’s expected to play an important role in an immunization effort to halt the virus.
- If an emergency authorization is granted, a second committee of outside experts convened by the Centers for Disease Control and Prevention will quickly weigh in to decide who should get the vaccine first. Only then will distribution begin. Pfizer says it expects to produce up to 50 million doses globally in 2020—enough for 25 million people because the vaccine is given in two doses—and up to 1.3 billion doses in 2021.
- Yet, experts cautioned that there are still many hurdles to clear. Questions about production, distribution and, most importantly, the performance and capability of the vaccine itself still need to be answered. The results were published in a press release, not a peer-reviewed journal study. Some expert said that the companies’ statement “does not at all tell us about just what they’ve actually accomplished.” “It’s really too early to put any definition to what this new vaccine research shows us.” The headline number of 90% reduction in symptomatic cases says little about what kind of cases are being prevented.

2021 Economic factor tree



Vaccine is hope, "Dark winter" is real

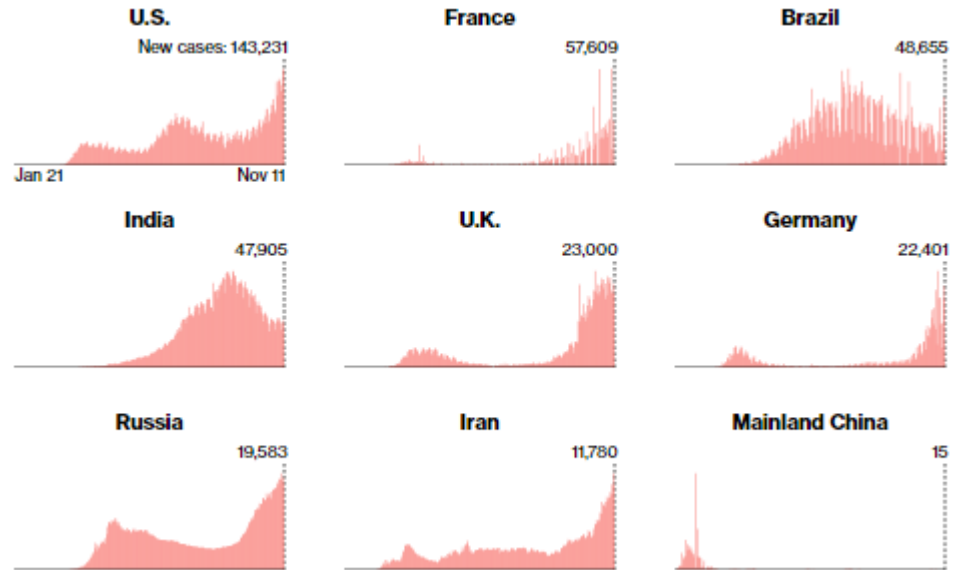
52,289,687 1,286,926

Confirmed cases worldwide

Deaths worldwide

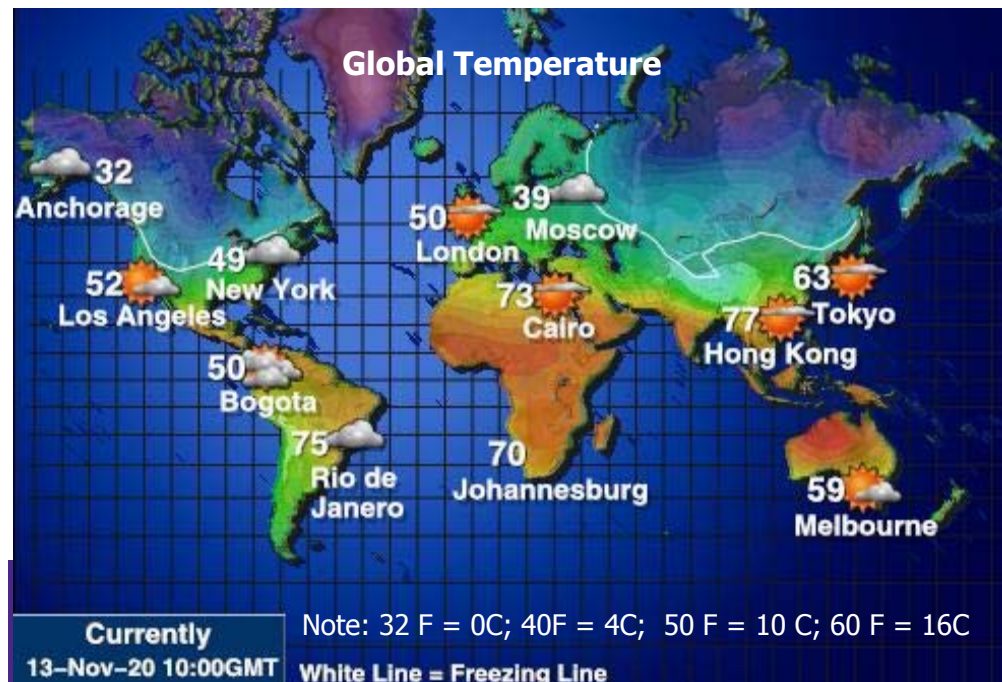
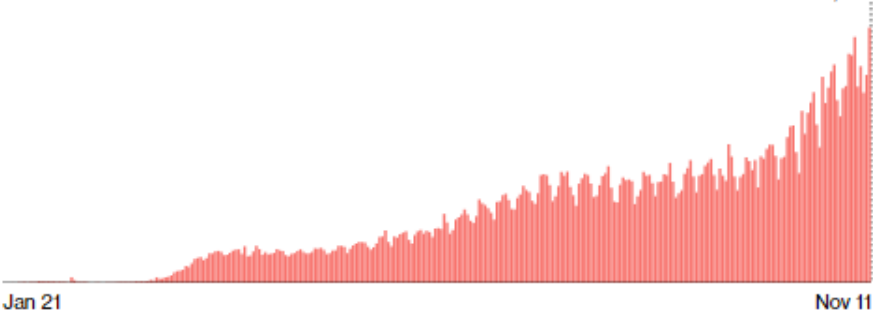
Where deaths have occurred

Where deaths have occurred	Deaths	Cases
U.S.	241,809	10,403,745
Brazil	163,368	5,747,660
India	128,121	8,683,916
Mexico	96,430	986,177
U.K.	50,457	1,260,220
Italy	42,953	1,028,424
France	42,599	1,914,919
Iran	40,121	726,585
Spain	40,105	1,417,709
Peru	35,031	928,006
Argentina	34,531	1,273,356
Colombia	33,312	1,165,326
Russia	31,755	1,843,678



Global Cases Added Per Day

New cases: 666,053



Biden presidency with divided congress: "Best of both worlds"

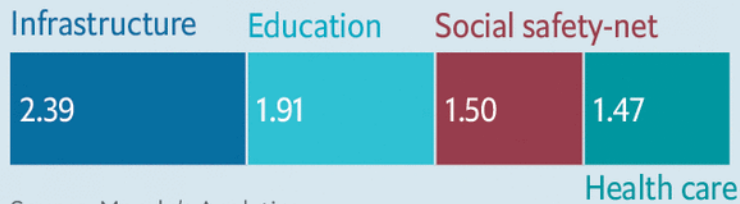
We are not that optimistic.

- Biden is the new president-elect, winning the White House but not both houses of Congress. The market is seeing this as the best scenario since it will keep social policies from going to extremes, such as raising personal and corporate income taxes, due to strong Republican opposition. As for foreign affairs, the market expects a multilateral trade treaty during the Biden administration, which is good for trade and the world economy.

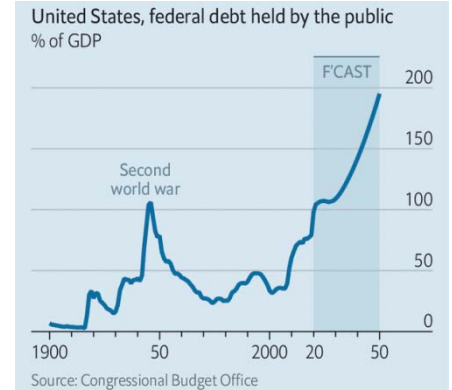
- We are not as sanguine as the market, since the lack of a clear majority in both houses makes the president's job harder making enacting important items such as the federal budget, public debt ceiling and international treaty approval more difficult, since these must have the congressional approval.

	Biden
Corporate taxes	Raise corporate rate to 28%; create minimum tax rate of 15% on book income
Personal income taxes	Restore top rate to 39.6%; raise capital gains tax to ordinary rate for those earning >\$1mn; wealth tax (details unspecified)
Trade	Enlist US allies to challenge China on trade; advocates enforcing existing trade laws while writing new rules that protect workers, the environment and labour standards.
Healthcare	Improve Affordable Care Act (ObamaCare) by adding public insurance option; Medicare to negotiate drug prices; link domestic to int'l prices
Energy	Ban new leases for drilling offshore and on federal land; partially supports Green New Deal end fossil fuel subsidies; supports carbon tax; end fossil fuel subsidies; 100% clean energy by 2050
Tech & Comms	Supports using anti-trust legislation to investigate anti-competitive practices
Finance	Support a financial transactions tax
Infrastructure	\$1.3trn plan, including green proposals

Joe Biden's proposed new spending, by category
2021-30 cumulative, total \$7.27trn



Source: Moody's Analytics



China's "Dual circulation" philosophy means relying less on foreigners



China's 14th Five-year plan

No succession planning

- No civilian vice-chairman to PLA appointment
- Traditionally one appointment every 10 yrs (and 2yrs before leadership change)
- Implying that Xi will be in power for the next 5 years

Dual circulation

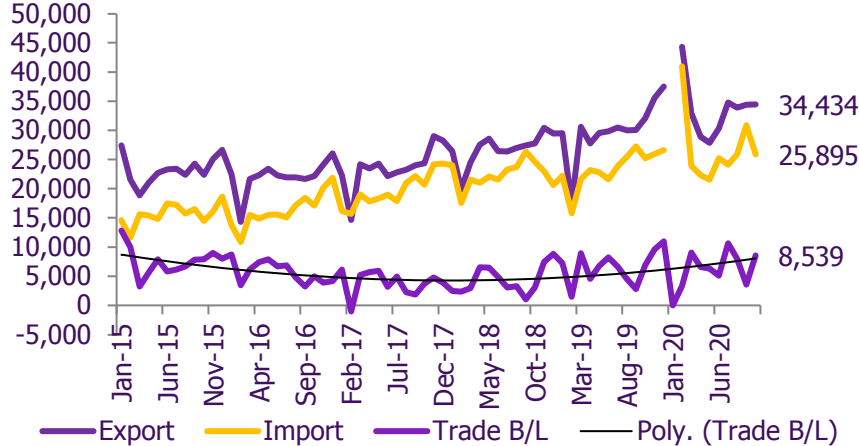
- International circulation (produce to export)
- Domestic circulation (promote consumption and reduce imports)
- "self-developed, controllable" supply chains (reduce foreign dependency)

No announcement of GDP target

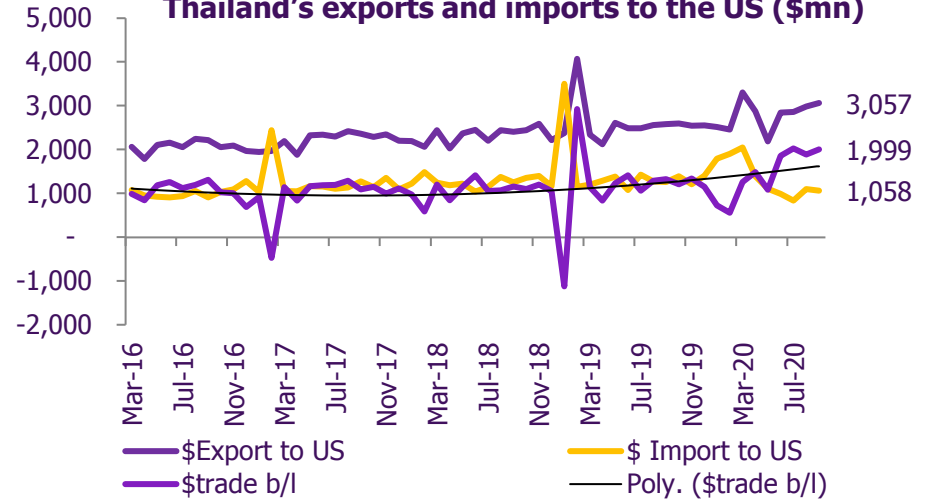
- Dual circulation leads to more R&D, and will hurt growth in the short run
- China aims to focus more on clean energy and environmental standards, which will also hurt growth in the short run

(Extra) Even without "Dual circulation", China is gaining in exports to ASEAN, at the expense of intra-ASEAN trade, while Trump's trade policy benefitted Thailand

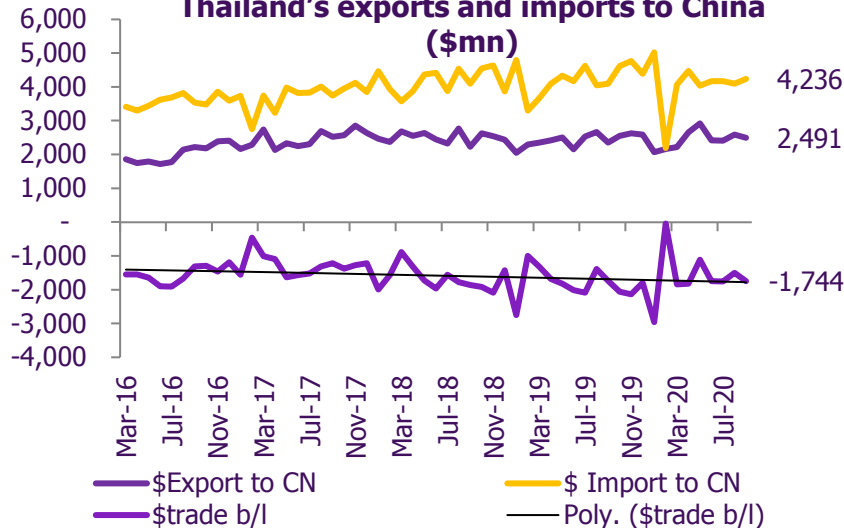
China's exports/imports to ASEAN (\$mn)



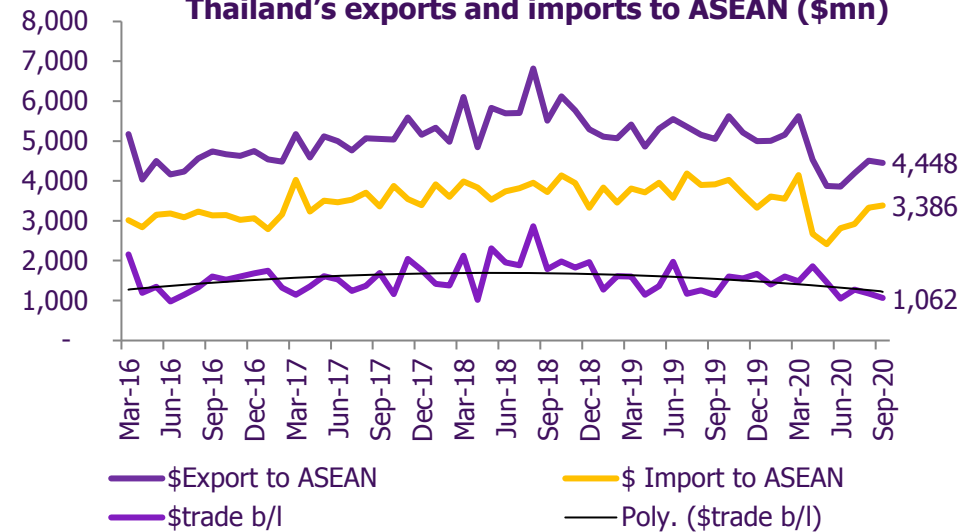
Thailand's exports and imports to the US (\$mn)



Thailand's exports and imports to China (\$mn)

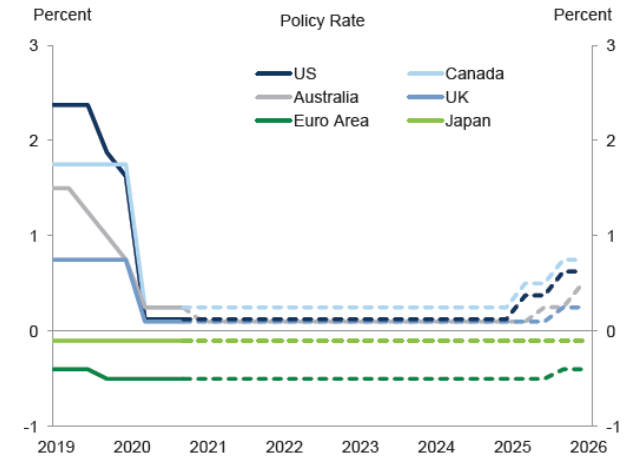
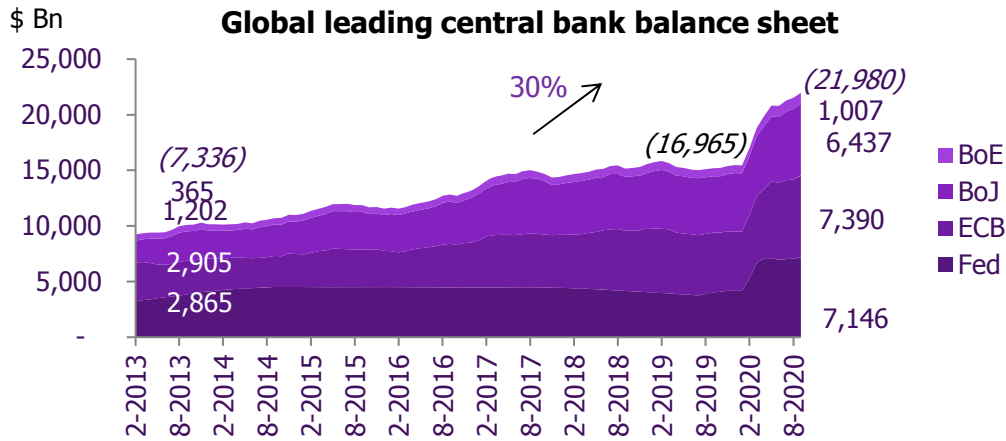


Thailand's exports and imports to ASEAN (\$mn)



Global monetary policy vs fiscal policy

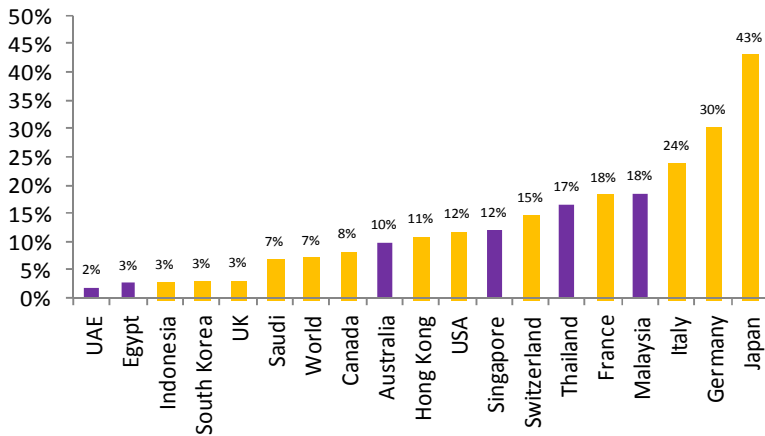
Research houses project that monetary policy will become accommodative while fiscal policy will eventually face hurdles



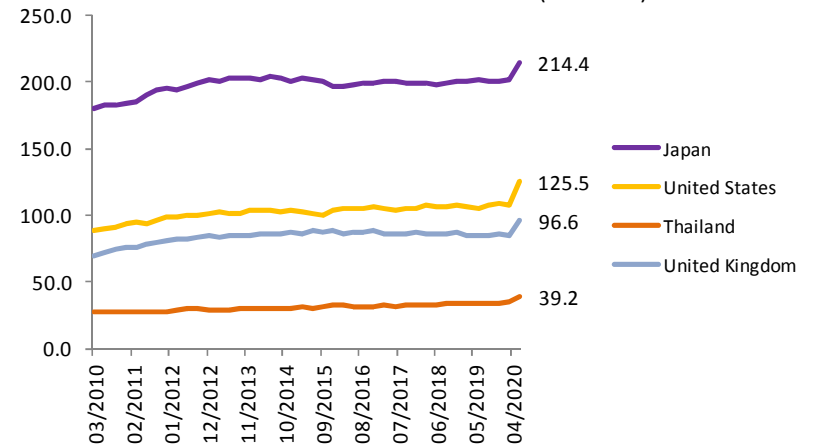
Governments worldwide embark on bazooka stimulus packages...

...which lead to greater public debt

Latest proposal on global government measure (% of GDP)

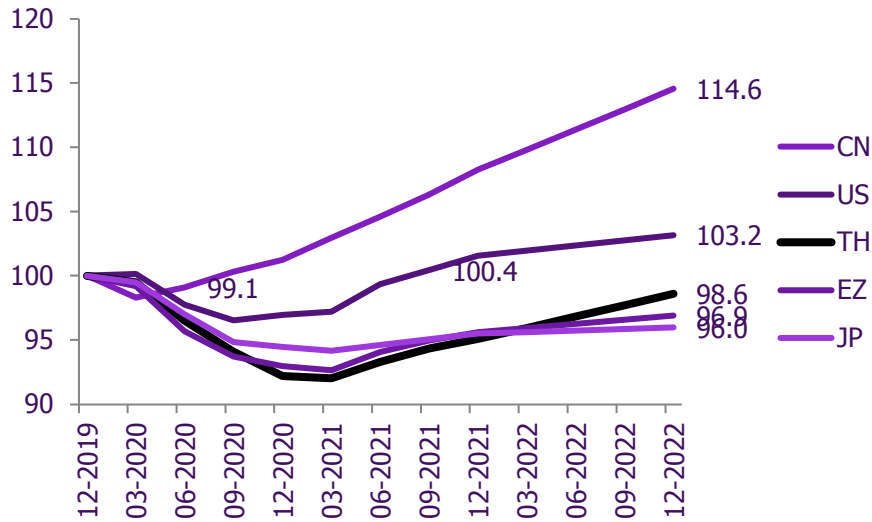


Selected countries Public debt (% of GDP)

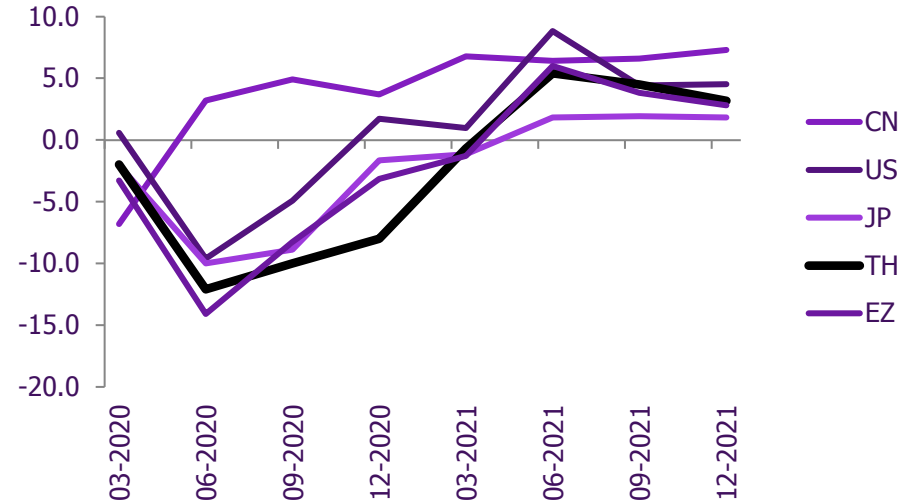


SCBS projection for global economic growth

Global-5 GDP Recovery pace (4Q19 = 100)



Global-5 Quarterly GDP growth (% YoY)



SCBS Economic Growth Projection (%YOY & 4Q19 = 100)

	12/2019	03/2020	06/2020	09/2020	12/2020	03/2021	06/2021	09/2021	12/2021	yr 2020	yr 2021	yr 2022
US	2.2	0.6	-9.6	-4.9	1.7	1.0	8.8	4.4	4.5	-3.1	4.7	1.6
EZ	1.2	-3.3	-14.1	-8.3	-3.2	-1.3	6.0	3.8	2.8	-7.2	2.8	1.3
CN	6.0	-6.8	3.2	4.9	3.7	6.8	6.4	6.6	7.3	1.2	6.8	5.7
JP	-0.7	-2.0	-10.0	-8.9	-1.7	-1.2	1.8	1.9	1.8	-5.6	1.1	0.5
TH	1.6	-2.0	-12.1	-10.0	-8.0	-0.7	5.4	4.5	3.2	-8.0	3.1	3.6

➔ % YoY Growth

	12/2019	03/2020	06/2020	09/2020	12/2020	03/2021	06/2021	09/2021	12/2021
US	100	100.1	97.7	96.5	97.0	97.2	99.3	100.4	101.6
EZ	100	99.2	95.7	93.7	93.0	92.7	94.1	94.9	95.6
CN	100	98.3	99.1	100.3	101.2	102.9	104.6	106.3	108.3
JP	100	99.5	97.0	94.8	94.5	94.2	94.6	95.1	95.5
TH	100	99.5	96.5	94.1	92.2	92.0	93.3	94.3	95.1

➔ 4Q19 = 100



Thailand's economy





What we expect in 1Q21

Thai economic theme: Slow and uneven revival

External vs domestic economy: with the effect of COVID-19 hanging on longer than anticipated, external sectors such as tourism and exports will still be affected, while domestic segments such as private consumption will gradually recover, partly due to government measures to stimulate consumption.

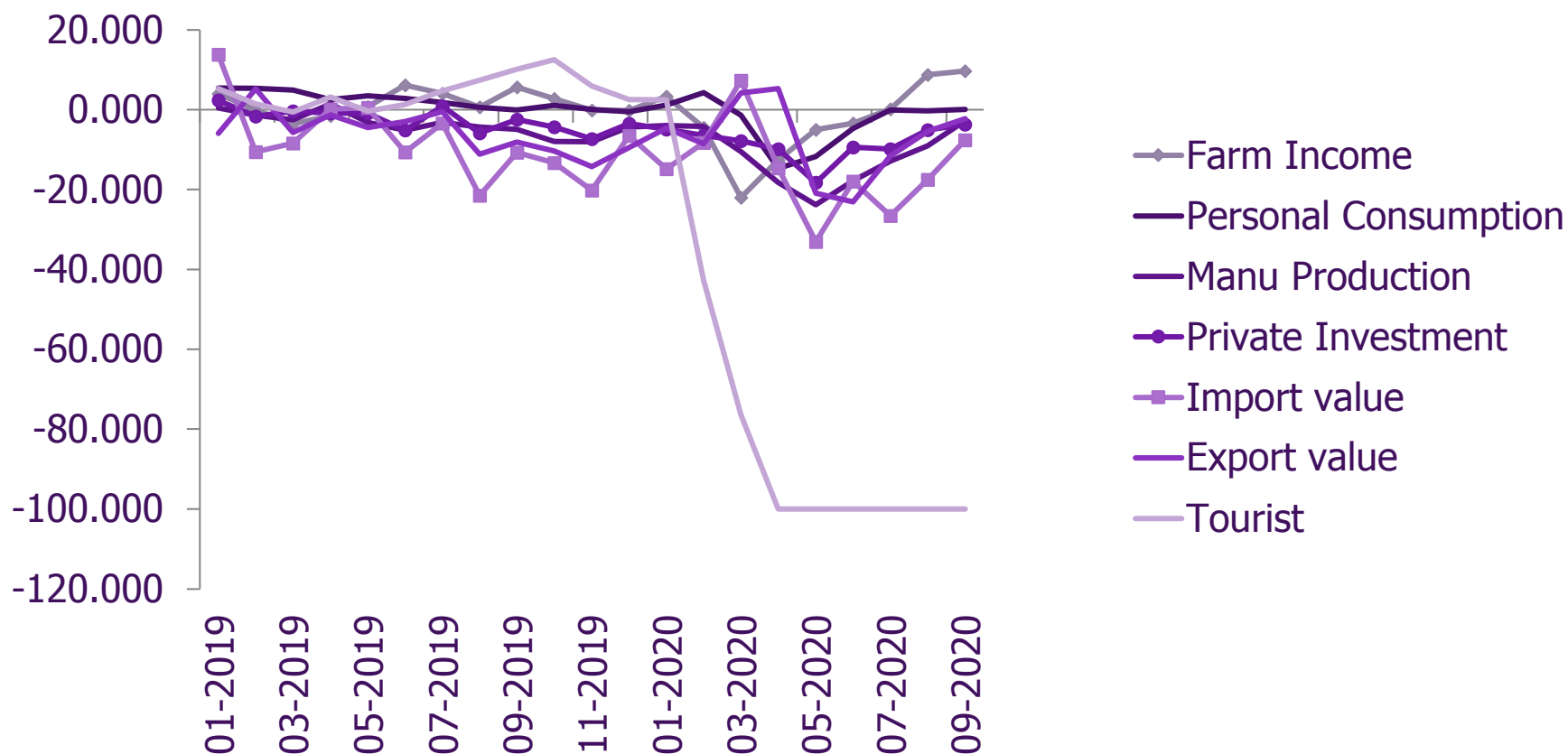
Manufacturing vs service sectors: The service sector will remain under pressure from the lack of tourism and risk-averse consumers, causing it to shrink or grow at a low level, while the manufacturing sector, especially the agricultural sector, will begin to recover faster. This is partly due to rising of farm income, which will lead to greater production of agricultural products.

Monetary vs fiscal policy: The government will rely more on the fiscal sector in order to stimulate the economy, especially measures to stimulate consumption. On the other hand, monetary policy will not be as accommodative since the Monetary Policy Committee (MPC) is concerned about the side effects of low interest.

Given this backdrop, we our 2021 economic theme is 4-3-2-1, with 4% as consumption growth (esp. non-durable), 3% as GDP growth, 2% as growth of private investment and real exports of goods and services and 1% as headline inflation, with the risk tilted toward the downside.

Latest Thai economic indicators have begun to rebound from April's low, except for tourism, which is still at zero

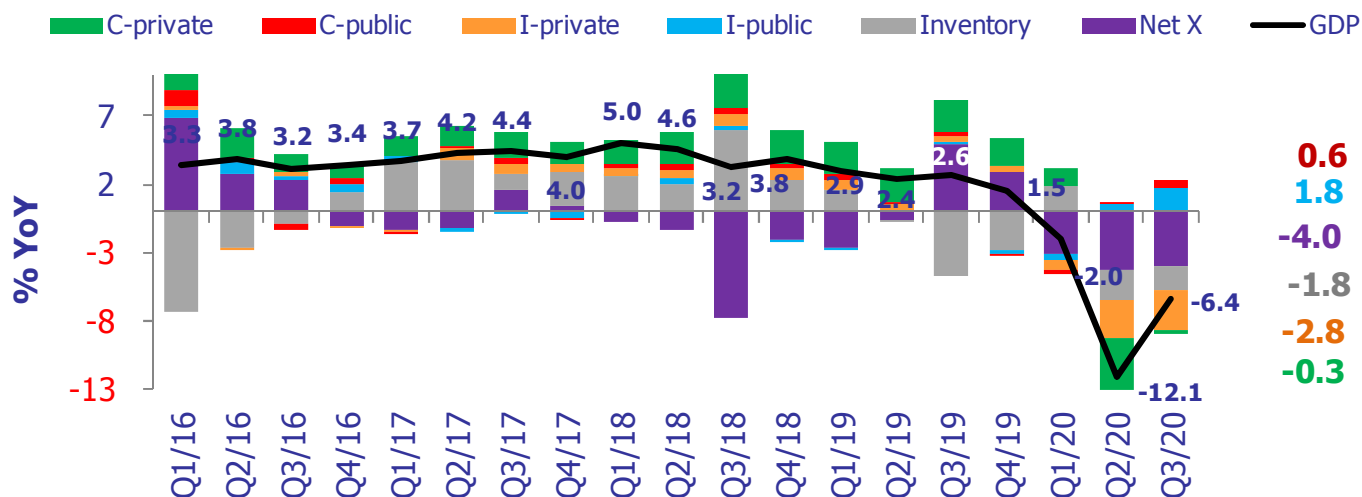
Thailand's important monthly Econ Indicators (% YoY)



Thailand's GDP 3Q20 contracted 6.4% YoY, better than expected

- On the expenditure side of the economy, 3Q20 GDP contracted 6.4% YoY (+6.5% QOQSA), less than expected by the market (-8.6%) and SCBS (-10.0%) due to the reopening, economic stimulus, accelerating disbursement of government budget and rising agricultural prices. But the tourism sector has been in a coma, with foreigners still unable to enter the country.
- On the production side of the economy, almost all economic sectors grew better or contracted less due to the return of economic activity in agriculture, manufacturing, construction and real estate after the reopening of the domestic economy at the end of 2Q20. Sectors that continued to contract at a high level included transportation and the hotel and restaurant sectors, as the country's doors remained closed to international tourism.

Contribution to Thailand's GDP Growth

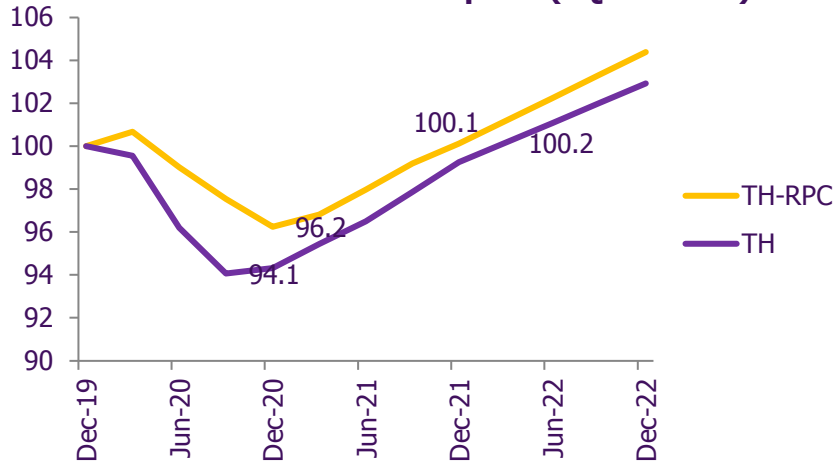


Growth	Share	GDP Growth Production side									
		Yr2017	Yr2018	Yr2019	19H1	19Q3	19Q4	20Q1	20Q2	20Q3	
GDP	100.0%	4.1	4.2	2.4	2.7	2.6	1.5	-2.0	-12.1	-6.4	
Agri	6.2%	4.7	5.5	-0.2	0.2	2.7	-2.5	-9.8	-3.3	-0.9	
Manufacturing	26.3%	2.8	3.2	-0.7	0.2	-0.8	-2.2	-2.6	-14.6	-5.3	
Electric	2.9%	1.8	2.2	4.7	8.1	3.2	-1.2	1.1	-13.3	-9.4	
Construction	2.7%	-3.0	2.4	1.9	3.2	2.7	-2.1	-9.9	7.4	10.5	
Wholesale, Retail	15.6%	6.4	6.6	5.7	6.1	5.3	5.2	4.8	-9.8	-5.5	
Transport	6.8%	7.8	4.4	3.4	3.4	3.1	3.9	-6.0	-38.8	-23.6	
Hotel & Rest.	6.2%	10.8	7.6	5.5	4.3	6.7	6.8	-23.3	-50.2	-39.6	
ICT	5.3%	4.1	7.6	8.8	8.0	8.2	10.6	3.2	2.7	3.1	
Financial	7.2%	6.4	3.4	2.7	1.9	3.8	3.4	4.5	1.7	1.6	
Real Estate	3.9%	6.5	5.7	3.3	4.1	2.2	2.7	1.7	0.8	1.5	

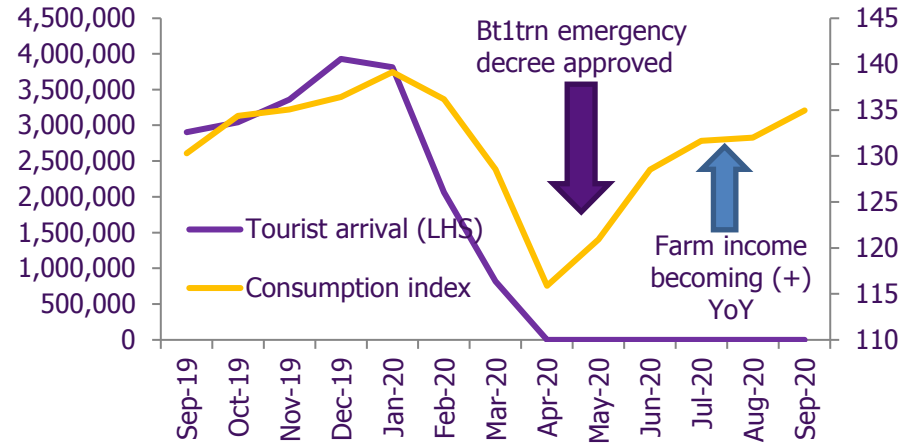
Looking ahead: new economic themes emerge

External vs domestic: consumption starting to revive due to government stimulus and rising farm income

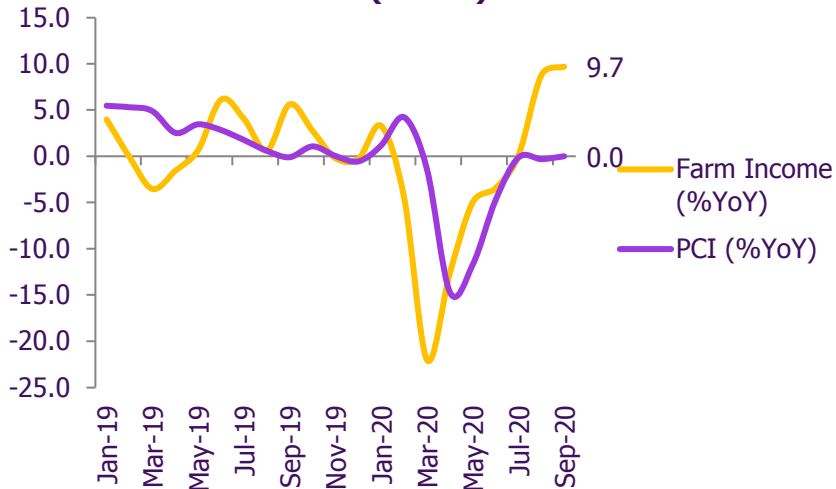
TH GDP and consumption (4Q19 = 100)



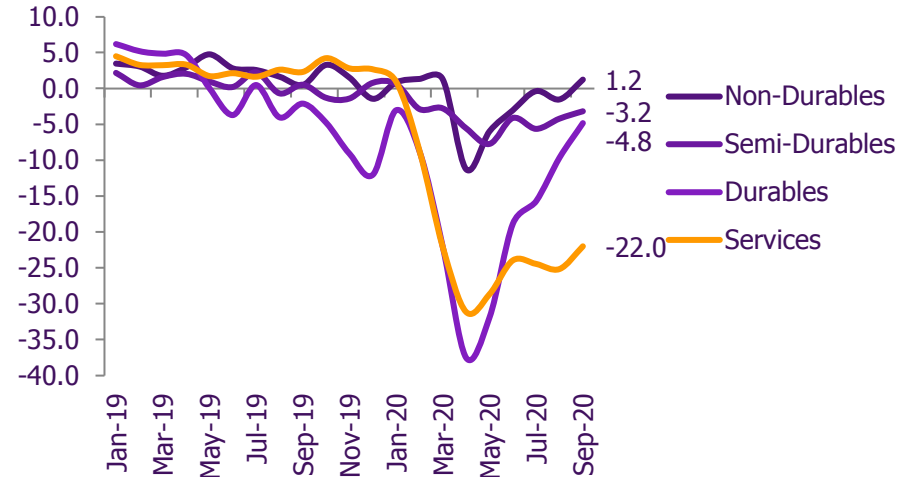
Personal consumption index and contributing factors



Personal Consumption Index and Farm Income (%YoY)



Component of Personal Consumption Indicator (%YoY)

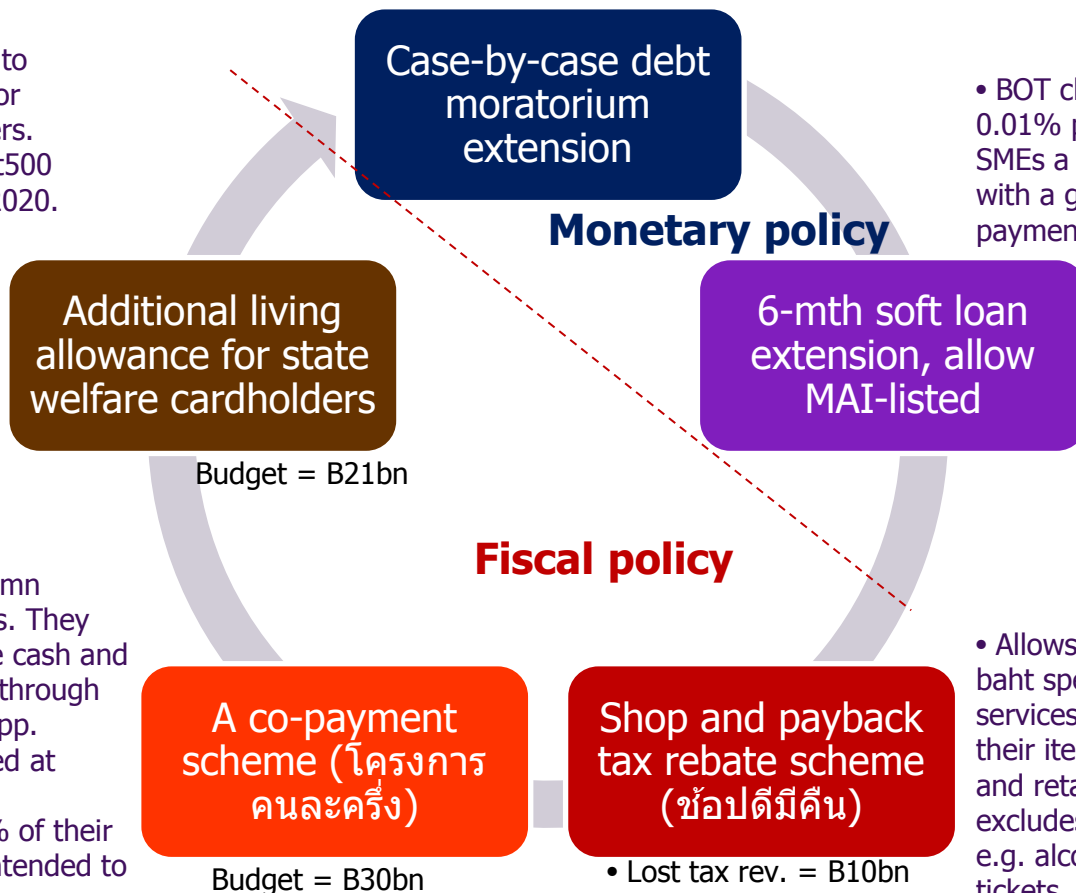


Consumption is expected to revive partly due to new measures to stimulate consumption

- The BOT has implemented targeted debt moratorium measures, scheduled to end June 30, 2021, for SMEs with a credit line of below B100mn and having difficulty servicing existing debt.

- Addition of an extra Bt1,500 to the monthly living allowance for 14mn state welfare card holders. Each cardholder will receive Bt500 each month from Oct to Dec 2020.

- BOT charges financial institutions 0.01% per year, banks can charge SMEs a maximum rate of 2% per year, with a grace period for interest payment during the first 2 years.



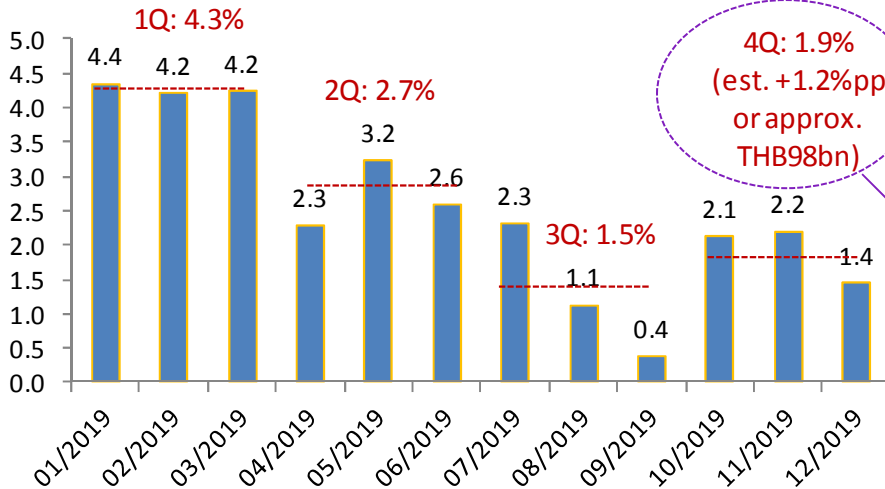
- Bt3,000 cash handouts to 10mn people to buy consumer goods. They are required to register for the cash and the money will be transferred through the Pao Tang app's G-wallet app. Spending will be initially capped at Bt150 per person per day; the government will subsidize 50% of their spending. The handouts are intended to help more than 80,000 small entrepreneurs, street vendors and hawkers.

- Allows people to deduct up to 30,000 baht spent on certain goods and services. Buyers must also purchase their items from registered businesses and retain all their receipts. The rebate excludes certain products and services, e.g. alcohol, tobacco, fuel, flight tickets. Some 3.7mn people are expected to take advantage of the tax rebate program, expected to slice Bt10bn off government tax revenue.

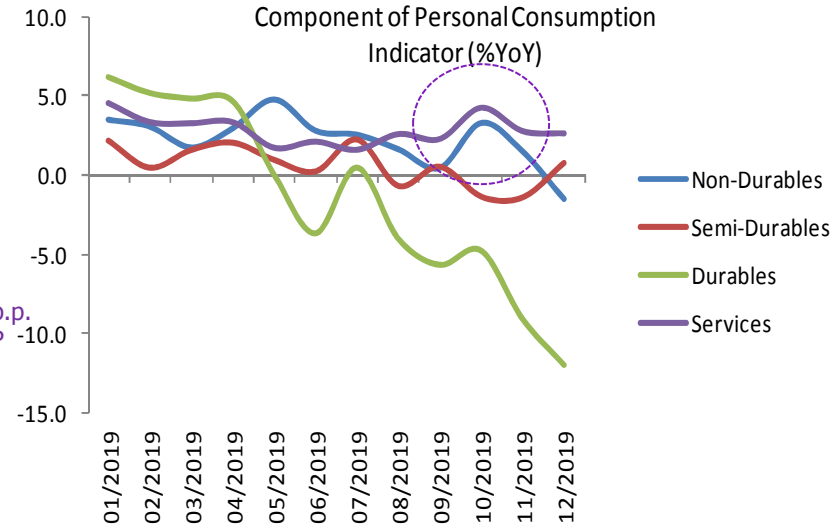
(Extra) Result of 2019 Chim-Shop-Chai (Phase 1-3 from 27 Sept-31 Dec.) which create approx. 3 round of money circulation.



Thailand's Private Consumption Indicator (% YoY)



Component of Personal Consumption Indicator (%YoY)



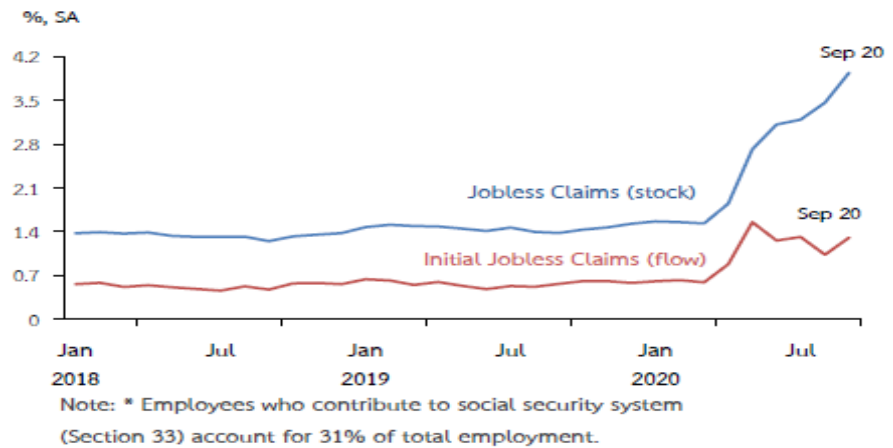
(Extra) Despite a relatively low unemployment rate, under-employment rate is significant; JSCCIB still holding its forecast of unemployment (no specific timeline)

Official unemployed is approx. 760K persons

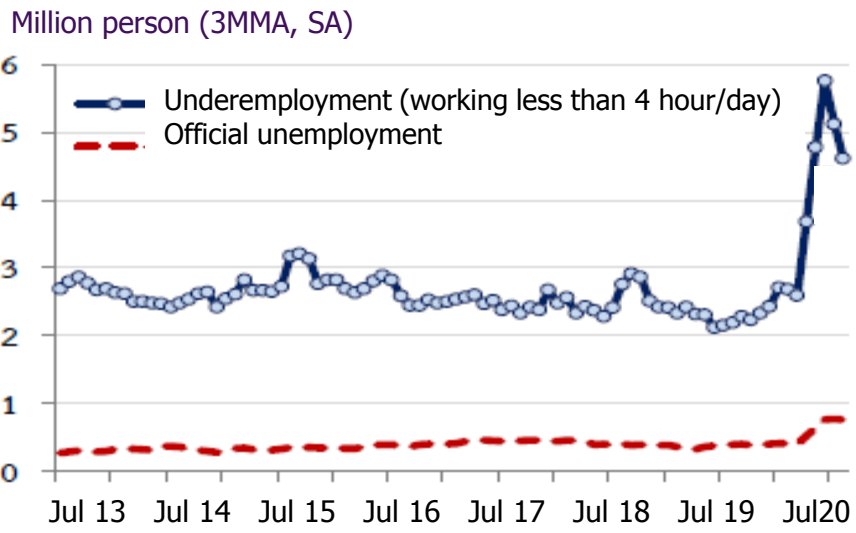


Thai jobless claim data shows there are at least 470k workers applying for jobless benefits

Ratio of Jobless Claims to Total Contributors in Section 33*

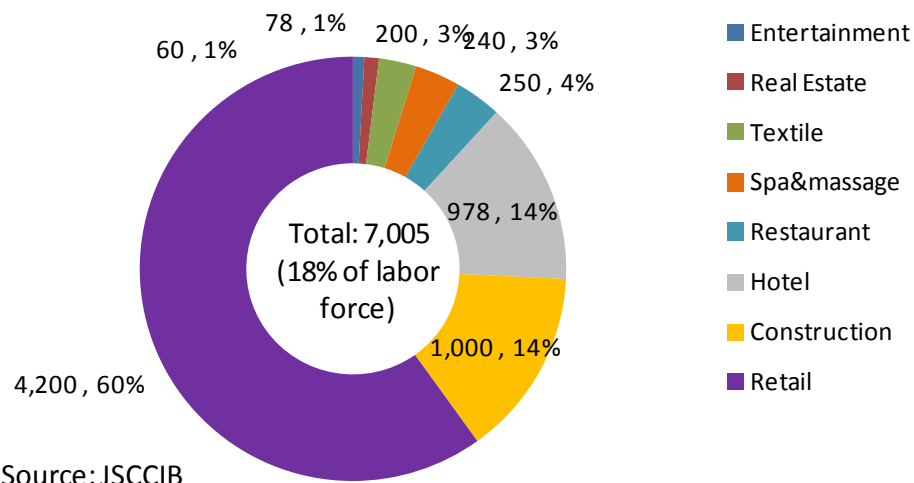


BOT data shows that including under-employment, there are 5.3mn people affected by this crisis



JSCCIB forecasts an unemployment rate of 18%

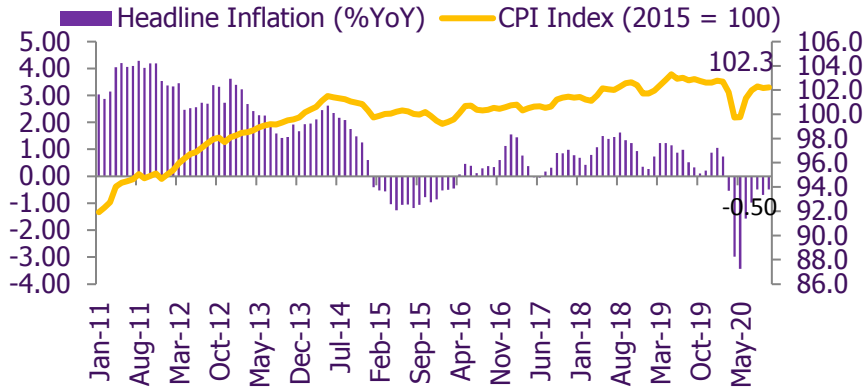
Unemployed worker classified by sector ('000, %)



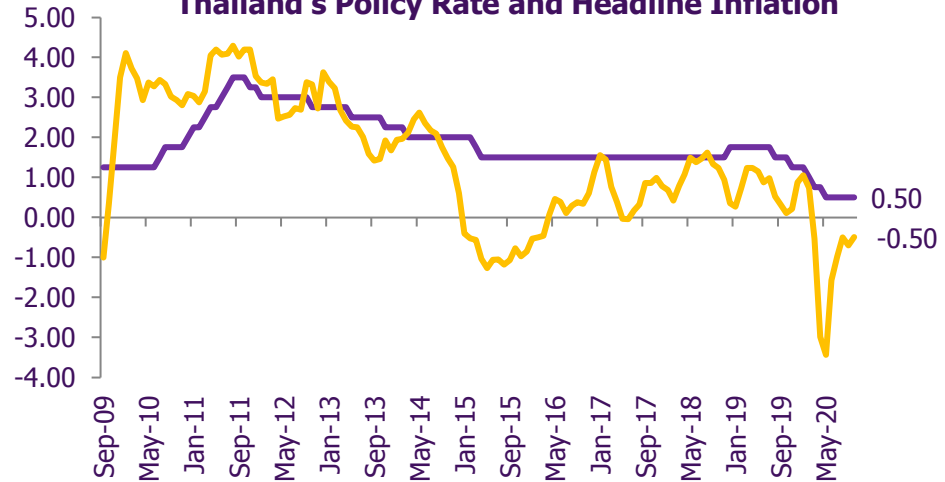
Source: JSCCIB

Thailand's monetary policy: still too tight

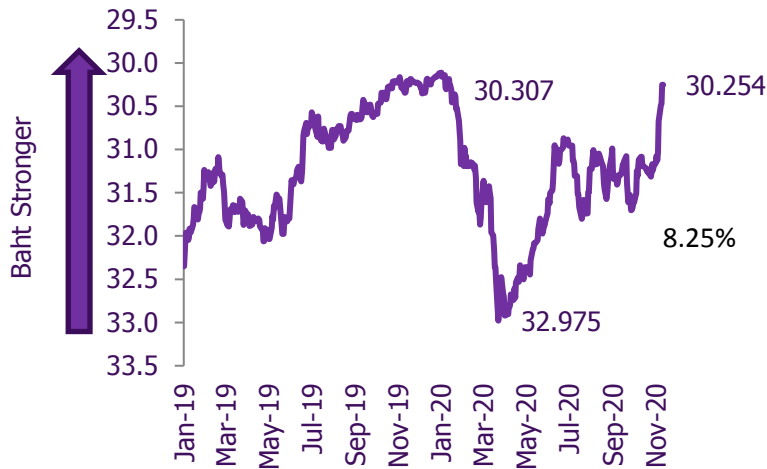
Thailand's Inflation and CPI (% YoY.)



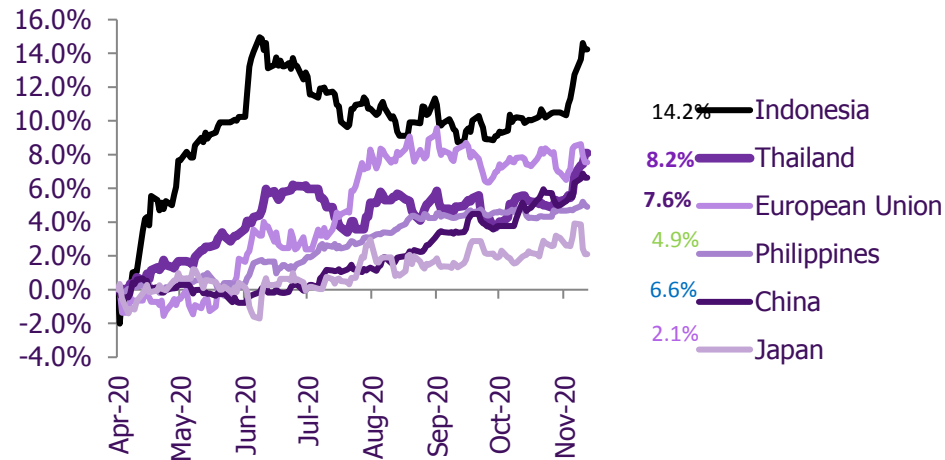
Thailand's Policy Rate and Headline Inflation



USDTHB



Local Currency against USD (% since Apr1)



SCBS projects 2021 GDP growth of 3.1%

		Thailand's GDP growth and its component (Oct)									
		2020f				2021f					
	Size (% of GDP)	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021
Priv. Cons.	51%	2.7	-6.8	-0.6	-	-1.9	-	-	-	-	4.0
Public. Cons.	13%	-2.8	1.3	3.4	-	3.0	-	-	-	-	2.8
Priv. Inv.	16%	-5.4	-15.0	-10.7	-	-12.1	-	-	-	-	2.2
Public. Inv.	5%	-9.3	12.5	18.5	-	9.8	-	-	-	-	9.4
X of G&S	66%	-7.3	-27.8	-23.5	-	-16.6	-	-	-	-	1.9
M of G&S	61%	-3.1	-23.2	-20.3	-	-12.4	-	-	-	-	2.2
GDP Growth	100%	-2.0	-12.1	-6.4	-	-7.8	-0.7	5.4	4.5	3.2	3.1

- In 2021, Thailand economic backdrop will consist of 3 themes
 - 1) headwinds via both domestic and international economies (domestic from political factors, international from extended COVID effect),
 - 2) service sector will still be depressed by effect of "risk-averse consumers" which will cut leisure activities, but agriculture sector will slowly rebound due to La Nina effect,
 - 3) relaxing fiscal policy but tightening monetary policy.

Given this backdrop, we tag the economic theme in 2021 at 4-3-2-1, with
 4% as consumption growth (esp. non-durable),
 3% as GDP growth,
 2% as growth in private investment and real exports of goods and services and
 1% as projected headline inflation

2020- 2021 Thai economic projection: BoT vs SCBS

Macro growth projection	Actual 2019	BOT 2020	SCBS 2020	BOT 2021	SCBS 2021*
GDP Growth	2.4	-7.8	-7.8	3.6	3.1
Gross fixed capital formation:	2.1	N/A	-11.5	N/A	3.2
- Private	2.8	-11.4	-16.4	4.2	2.2
- Public	0.2	8.8	7.3	11.4	9.4
Private consumption	4.5	-3.5	-3.8	2.0	4.0
Public consumption	1.4	3.4	4.1	5.1	2.8
Export value in \$ terms (%)	-3.2	-8.2	-11.5	4.5	2.3
Import value in \$ terms (%)	-5.4	-13.7	-21.1	4.4	2.0
Current account to GDP (%)	7.0	N/A	2.7	N/A	3.0
Headline inflation (%)	0.7	-0.9	-1.5	1.0	0.7
USD/THB	31.0	N/A	30.5	N/A	30.0
Policy rate (%)	1.25	N/A	0.50	N/A	0.25
No. of inbound tourists (mn)	39.8	6.7	6.7	9.0	10.0



2021 – The year of two halves

1H21 – Go with the flow and quality cyclical rotation into stocks with solid balance sheets.

2H21 – Market realization. Focus on fundamentals in 2022 and on domestic politics.



Key summary of our strategy in 1Q21

		Our summary views
Macroeconomic outlook		Economy bottomed but recovery will be slow. Thai GDP recovery is expected to be slower than the 3.1% YoY consensus expects.
Econ bright spots		Domestic consumption and exports are the bright spots.
Economic cycle		We are in the late contraction of the economic cycle. We expect the global economy to enter early expansion in 2Q21, positive for Energy, Petrochem, Agribusiness and Commerce.
Earnings outlook		2021 EPS of our SCBS coverage (70% of market cap) will increase 40% YoY, slightly lower than the 43% expected by consensus.
Vaccine		Serves as an insurance policy against economic shock. It will be the starting point for virus control but will not end the pandemic. Expected vaccine allocation of 70-75% of the population is low. We expect good news from the vaccine will continue in 1Q21.
Rotation		Expect the rotation to continue. We support rotation to EM and cyclical but disagree on value rotation. Macro risks remain, risk/reward for investing in Banks is not balanced, despite cheap valuation.
Foreign flow		Foreign inflow is expected to continue in 1Q21 and could lead to continuous baht appreciation. Transportation, Healthcare, Banks and Petrochem have high correlation with foreign flow.
1H21 strategy		Go with flow and quality rotation into strong balance sheets. Recovery is incomplete. Short-term positioning and flow can have a larger impact. Good news on vaccine and policy supportive stories could support a rally. Based on mean-reversion P/BV approach, The SET Index could go up to 1,470-1,500.
2H21 strategy		Focus on fundamentals in 2022 and domestic political situation. The market is full of expectations and is far ahead of reality. Wait for a key entry point for higher margin of safety to buy on dip. Stay selective and defensive in this low rate and low growth environment.
SET Index target	Upper bound	Mean reversion and flow could lead the market to go up to 1,450-1,500
	Key entry point	The key entry point is 1,300 in the case of a market correction.
Sector	Overweight	Commerce, Healthcare, Energy, Hotel and Tourism
	Neutral	Agribusiness, Electronics, Utilities, F&B, Building materials, Land Transportation, Petrochemical, Property
	Underweight	REIT, Air Transportation, Bank, Entertainment/Media, Telecom
Recommendation		Strong recovery prospects with limited financial risks and attractive valuation. Our top picks in 1Q21 are HMPRO, IP, MINT, PTTEP, TOP

Our recommendations outperformed the SET by nearly 1% thanks to AP, BDMS, SVI, TOP, ZIGA

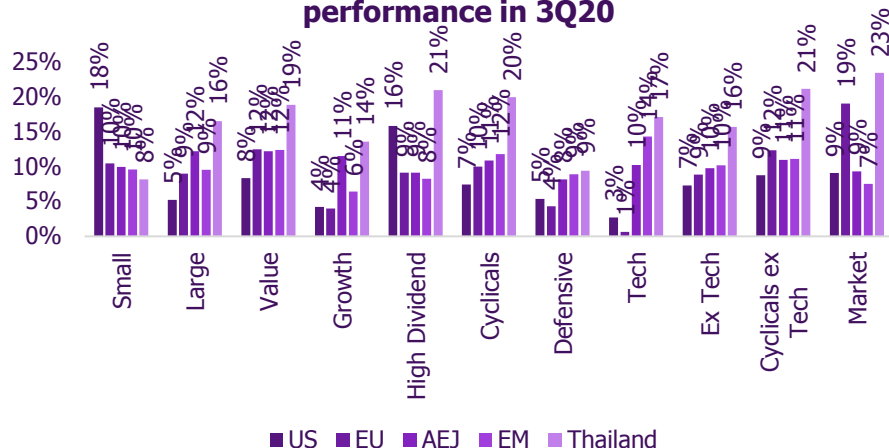
It has been a remarkable month in current events and in many ways the price action in markets has been remarkable as well. There has been frenzy of risk appetite since the US election that is likely to lead to a lack of dominance in Congress. The positive results from Pfizer and Moderna's clinical trials underscore the progress that has been made in scientific fight against the virus that could eventually bring normalcy. These factors have raised the tide for all the boats in the harbor.

In 4QTD, we saw large-caps, value stocks and cyclical stocks outperform small-caps, growth stocks and defensive stocks. Tourism and energy-related stocks outperformed the rest of the market thanks to the higher vaccine efficacy than expected from Pfizer/BioNTech and Moderna.

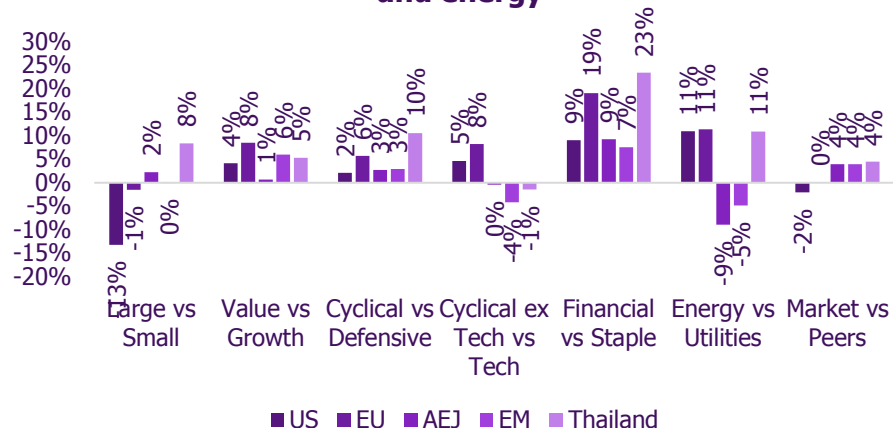
The SET has recovered 61% from the COVID-19 cycle (Feb-Sep) and is up 11% QTD, aligned with Asian peers that have made it up 12% QTD, while outperforming global peers by 3%. Most cyclical sectors (Petrochemical, Banks, Property, Energy, Transportation, and Electronics) offer more attractive returns than defensive sectors, which have increased 2-5%. Our top picks in 4Q20 offered average returns of 12%, representing an alpha of nearly 1% thanks to TOP (+48%), AP (+20%), ZIGA (+25%), BDMS (+17%) and SVI (+16%).

A rising tide lifting all boats in 4Q20

Thailand outperforming peers across all aspects of investment style in QTD after a worst performance in 3Q20



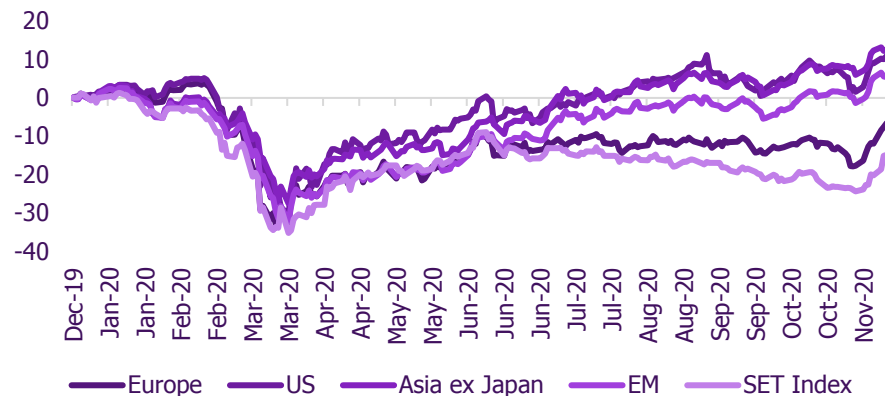
...Thailand is following the global trend that driven by value and cyclical stocks such as banks and energy



Although SET Index outperform QTD, recovery rate of SET Index from COVID-19 cycle is lagging peers

	US	EU	Asia	EM	Global	Thailand
IT	187%	104%	179%	191%	186%	432%
Healthcare	114%	72%	209%	237%	121%	55%
Financials	71%	39%	76%	57%	56%	43%
ICT	138%	36%	213%	182%	143%	21%
Cons Disc	181%	128%	182%	202%	178%	63%
Industrials	106%	97%	107%	89%	109%	62%
Cons Staples	117%	93%	121%	97%	105%	40%
Energy	32%	37%	68%	49%	36%	55%
Utilities	84%	103%	50%	50%	89%	41%
Real Estate	80%	56%	51%	48%	70%	55%
Materials	138%	90%	131%	110%	122%	93%
Market	121%	76%	139%	116%	116%	63%

Lagging index like SET Index has rooms to catch up peers if rotation continues



Key themes and lessons from 3Q20

The 3Q20 earnings season is over. The release of earnings had more to do with market reaction to performance than with the earnings themselves, which, as expected, fell YoY but showed some recovery QoQ. Although net profit fell 32% YoY, this was the second quarter showing a strong recovery QoQ, growing 32% in 2Q20 and 23% in 3Q20 thanks to the lifting of the lockdown and improving economic activities. The key winners were agribusiness, food & beverages and electronics, all of which showed revenue growth and margin expansion. The biggest loser was airlines.

Medium and small-caps showed a faster recovery than large-caps. As a whole, balance sheets remained stable QoQ with a net D/E of 1.6x in 3Q20. Most companies now have higher leverage after the arrival of COVID-19, especially tourism-related companies. We are concerned about a deterioration in balance sheets for media, hotel and transportation.

Stock price reactions have been mixed. The market penalized the companies that missed estimates, while gave no reward or return for companies that exceeded expectations. We believe this trend will continue since current market expectations are high.

Net profit +22% QoQ but -32% YoY

	Revenue		Expense		SG&A to sales		Operating profit		EBIT margin		Reported Net Profit	
	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY
Agribusiness	13%	8%	3%	-6%	1%	2%	106%	371%	8%	13%	37%	288%
Food & Beverage	8%	11%	7%	8%	1%	1%	12%	37%	0%	2%	23%	24%
Consumption	22%	-12%	21%	-12%	0%	-2%	44%	-6%	1%	0%	70%	-20%
Automotive	55%	-27%	28%	-26%	-5%	0%	334%	-33%	19%	-1%	288%	-32%
Industrials	-1%	19%	-2%	16%	-1%	3%	8%	67%	1%	2%	12%	145%
Petrochemical	8%	-16%	7%	-16%	1%	2%	21%	-17%	0%	0%	8%	-47%
Packaging	-2%	-4%	6%	-2%	6%	6%	-41%	-18%	-7%	-2%	-45%	-22%
Steel	4%	-13%	4%	-17%	4%	1%	-19%	114%	0%	4%	1%	80%
Construction Materials	6%	-8%	5%	-13%	0%	1%	12%	38%	1%	5%	2%	53%
Property	15%	-1%	5%	3%	-3%	-2%	95%	-13%	8%	-3%	200%	-19%
Industrials Estate	8%	-59%	-9%	-66%	-7%	-6%	55%	-40%	11%	12%	89%	-7%
Construction Services	1%	-9%	1%	-9%	-1%	-2%	20%	-2%	1%	0%	98%	73%
Energy	13%	-27%	9%	-28%	-1%	2%	96%	-7%	4%	2%	72%	-13%
Utilities	-1%	-4%	-6%	-8%	-1%	-2%	11%	5%	3%	3%	-3%	11%
Commerce	6%	-2%	4%	-1%	0%	0%	29%	-9%	1%	0%	43%	-15%
Healthcare	22%	-21%	11%	-17%	-3%	1%	152%	-38%	8%	-4%	206%	-41%
Media	34%	-35%	10%	-31%	-6%	6%	104%	-93%	21%	-5%	92%	-125%
Tourism	94%	-57%	27%	-31%	-45%	17%	37%	-198%	71%	-50%	27%	-276%
Transportation	-17%	-64%	23%	-42%	89%	51%	-582%	-1833%	-52%	-60%	-239%	-931%
ICT	0%	-10%	2%	-6%	5%	5%	-11%	-27%	-2%	-4%	-17%	-41%
Electronics	14%	20%	13%	12%	-2%	-2%	29%	173%	1%	7%	24%	165%
Total ex Financials	9%	-16%	7%	-16%	1%	2%	31%	-15%	2%	0%	22%	-32%
SET50 ex Financials	8%	-17%	6%	-17%	0%	2%	30%	-13%	2%	0%	19%	-24%
SET50-100 ex Financials	14%	-16%	8%	-18%	8%	1%	146%	23%	5%	3%	343%	16%
sSET	10%	-9%	10%	-3%	2%	4%	5%	-63%	0%	-6%	210%	-89%
Defensive	6%	-1%	5%	-1%	1%	1%	12%	-3%	1%	0%	12%	-11%
Cyclicals	11%	-23%	8%	-23%	2%	2%	60%	-25%	2%	0%	42%	-51%

Balance sheets remain strong but debt is up 20% YoY

	Account Receivable		Inventory		Account Payable		Total Liabilities		Equity		Debt	
	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY	%Chg QoQ	%Chg YoY
Agribusiness	19%	5%	14%	9%	20%	15%	6%	0%	5%	20%	5%	-1%
Food & Beverage	5%	5%	3%	7%	14%	5%	2%	20%	1%	10%	2%	21%
Consumption	27%	-6%	26%	-1%	36%	-2%	2%	7%	0%	9%	-1%	8%
Automotive	124%	-16%	23%	-15%	118%	-18%	7%	-13%	0%	4%	1%	-12%
Industrials	29%	34%	46%	41%	41%	67%	0%	59%	3%	6%	-3%	58%
Petrochemical	8%	-15%	6%	-6%	2%	-9%	-1%	25%	1%	-4%	-1%	27%
Packaging	-6%	-4%	7%	0%	-4%	-10%	1%	-3%	3%	9%	1%	-3%
Steel	6%	-22%	6%	-17%	-2%	-15%	2%	-18%	-1%	10%	3%	-19%
Construction Materials	7%	-4%	9%	-10%	15%	6%	1%	22%	3%	9%	0%	23%
Property	-9%	-19%	3%	-34%	35%	18%	-1%	7%	1%	10%	-2%	7%
Industrials Estate	39%	-17%	71%	-32%	29%	-16%	-5%	4%	6%	5%	-5%	4%
Construction Services	0%	-10%	-1%	-5%	6%	13%	1%	1%	-1%	-2%	1%	1%
Energy	19%	-26%	5%	-20%	24%	22%	6%	19%	2%	-1%	5%	19%
Utilities	-4%	-2%	-1%	4%	2%	-5%	7%	8%	10%	27%	7%	7%
Commerce	1%	-9%	9%	4%	7%	-4%	2%	17%	3%	4%	2%	19%
Healthcare	30%	-13%	11%	-7%	39%	-17%	-1%	1%	1%	2%	-2%	2%
Media	42%	-30%	-38%	-4%	-42%	-12%	6%	28%	0%	-8%	12%	31%
Tourism	152%	-25%	24%	-26%	121%	-41%	7%	62%	2%	1%	6%	68%
Transportation	-11%	-48%	34%	-61%	-7%	-40%	3%	29%	-15%	-34%	3%	30%
ICT	-8%	-23%	1%	-15%	-8%	-26%	-1%	39%	-2%	-15%	-1%	46%
Electronics	13%	25%	5%	17%	14%	28%	5%	26%	9%	5%	3%	25%
Total ex Financials	8%	-15%	7%	-21%	11%	-3%	3%	20%	2%	2%	2%	21%
Defensive	0%	-11%	6%	3%	2%	-13%	2%	21%	3%	8%	2%	24%
Cyclicals	14%	-17%	7%	-26%	18%	6%	3%	20%	1%	0%	2%	20%

Hope can power a risk rally despite doubts

The market was encouraged by good news about a vaccine that has precluded the prospect of a double-dip recession. The availability of a vaccine is clearly an upside risk to 2021 growth with forward-looking markets pricing it in, although the current backdrop seems dire.

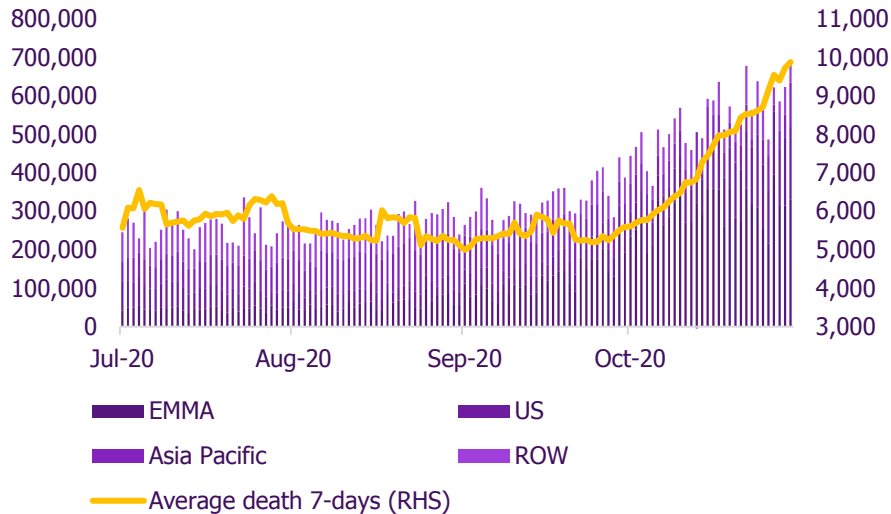
Subdued US policy uncertainty and high vaccine efficacy signals improving growth ahead, leading to a surge in global indices by 11% and the SET Index by 14% in November. However, the economy is still slowing and a double-dip recession is possible given the renewed strength of the coronavirus globally. This and next quarter (4Q20-1Q21) are going to be very challenging for the economy, with markets looking for normalcy and a V-shaped recovery in 2H21.

On the bring of getting a vaccine

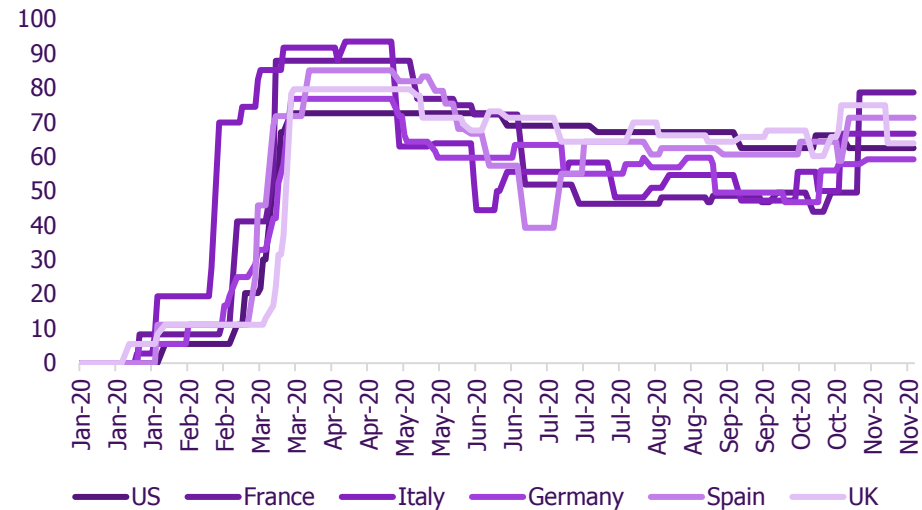
Status of COVID-19 vaccine candidates – expect three vaccines to get approval from the FDA in 1Q21

Company	Vaccine candidate	Expected preliminary phase 3 data release	Potential EUA granted from FDA	Expected 2021 US-contracted production (millions of doses)	Estimated production capacity (millions of doses) in 2021
Pfizer	BNT162b2	Released	Jan-21	100-600	1,000-1,300
Moderna	mRNA1273	Partially released	Feb-21	100-500	1,000
AstraZeneca	AZD1222	Jan-21	Mar-21	300	1,000-1,500
Johnson & Johnson	Ad26.COVID-2-S	Apr-21	Jun-21	100-300	1,000
NovaVax	NVX-CoV2373	1Q21	2Q21	110	1,000

Global cases reach record high amid new wave of infection. Daily deaths surge



Stringency gauges climb as fresh virus restrictions and partially locked down announced



Game of rotation and building position for vaccine

From an equity market standpoint, the recovery in growth spurred by lower US policy risks, hope for more cooperative relations, globalization and rising prospects of a vaccine support rotation toward risky assets and cyclical sectors.

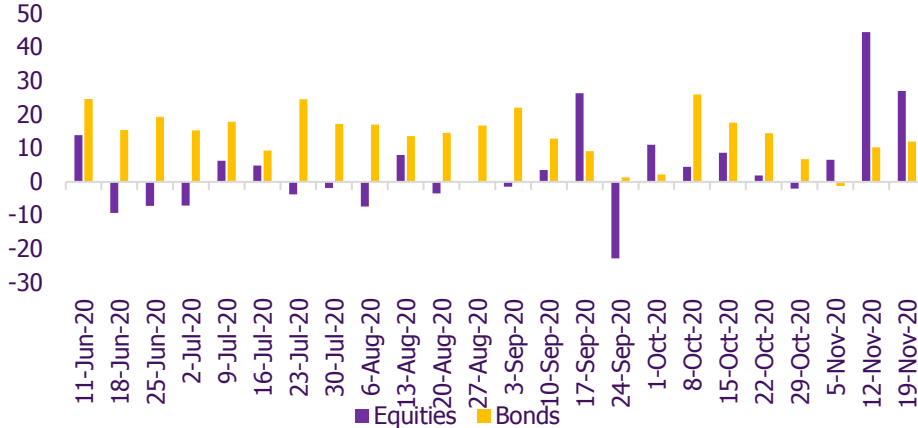
Fixed income to equity - As the vaccine is the world's best hope for overcoming the COVID-19 pandemic, a temporary rotation to EM markets and cyclical sectors can be quite large, but these have generally been short-lived at an average of 3-4 months. The sizable gap between equity and bond valuation and rising risk appetite will drive some reallocation from fixed income to equity markets. Flows also point to relatively extreme positioning between bonds and equities. If uncertainties simmer down, we would expect some rotation from bonds to equities, but not much. We believe investors will use the cash sitting in their accounts for temporary equity rotation.

DM to EM – The lack of a majority in the US Congress means little scope for major legislative changes, although trade and regulatory policy stances will likely differ from the Trump administration. This means limited probability for higher individual and corporate tax rates as well as an antitrust law and more global cooperation. Thus, we do not expect a material outflow from US markets to EM markets.

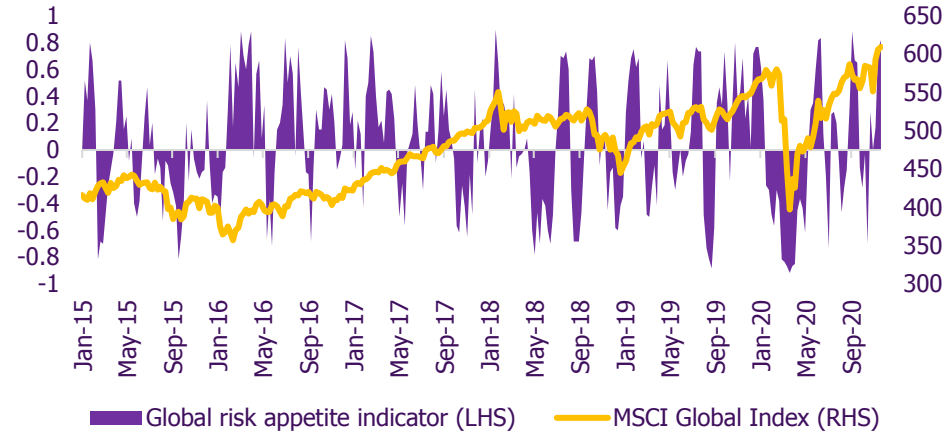
Small to large – Optimism about the soon availability of a vaccine could be giving investors more reason to peek under the equity market's hood. Large-caps are symbolic beneficiaries of expectations for an economic reopening and will attract foreign fund inflow once a vaccine is widely available. Thus, we prefer large-cap over small-cap.

Bond to equities – vaccine and US election rally

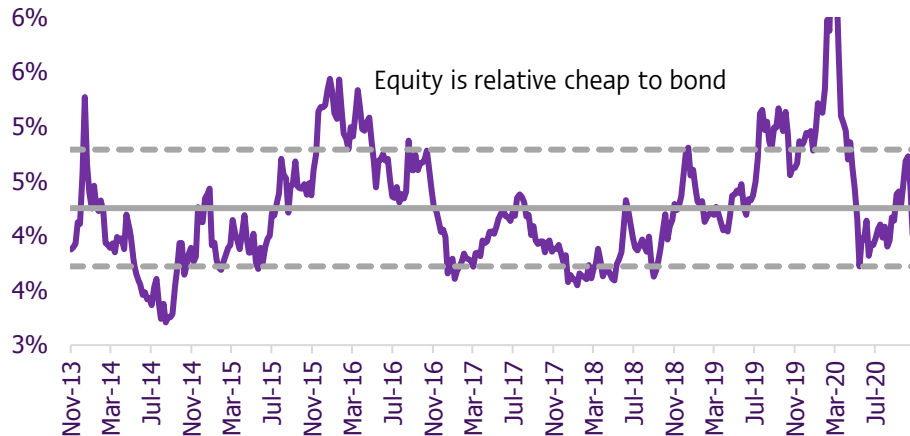
Risk appetite jumps. Net flows into equity surged, largest as % of AUM since Jan18



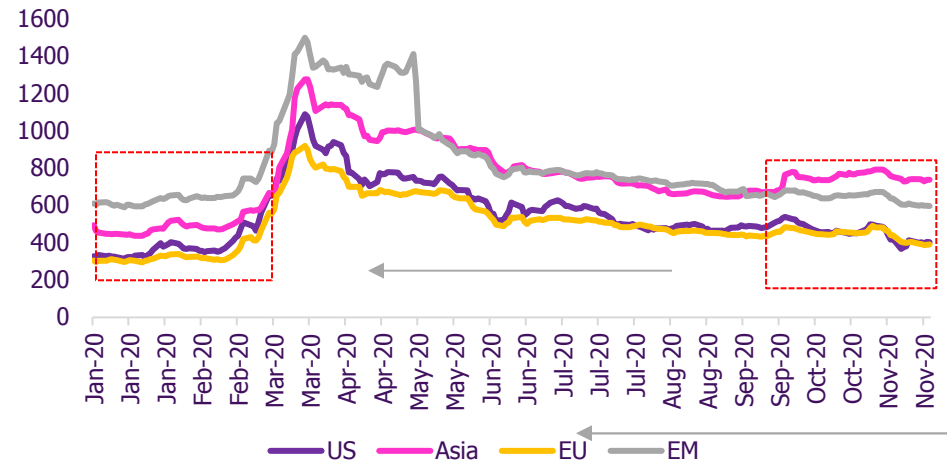
Equities surge on fresh risk appetite after positive vaccine progress. Investors are greedy



Thai bond/equity yield gap is slightly below the average level. Low interest rate supportive for equity multiples

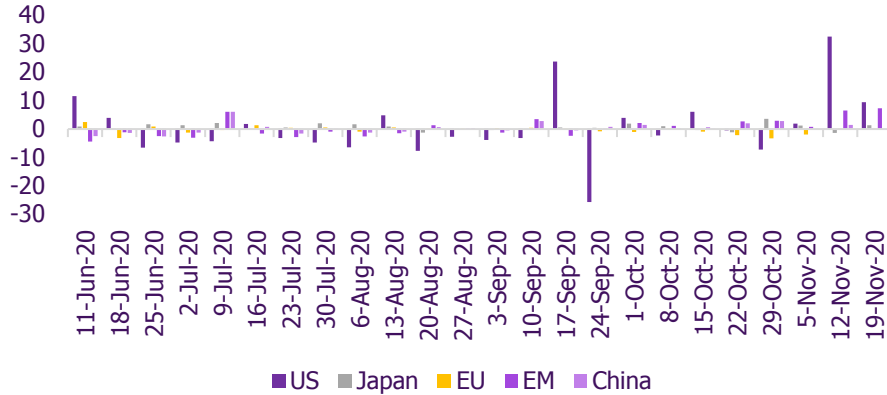


High Yield Spread is falling to near pre-COVID-19 level despite macro risks remain

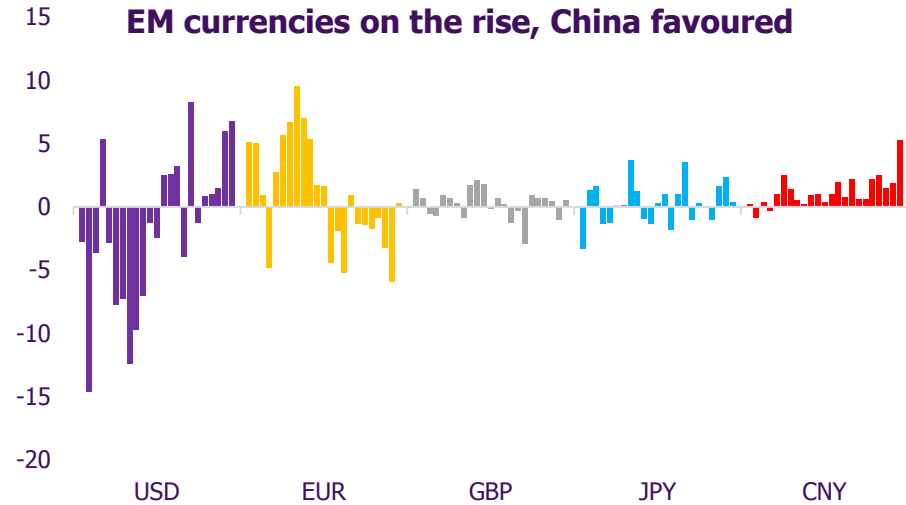


DM to EM – EM on the rise, China favored

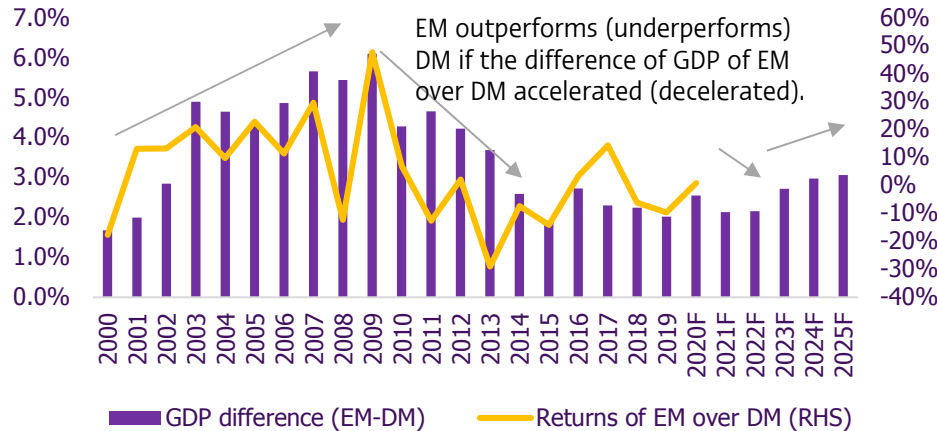
EM ETFs have best two-week inflow since Jan20 and most in 10 months



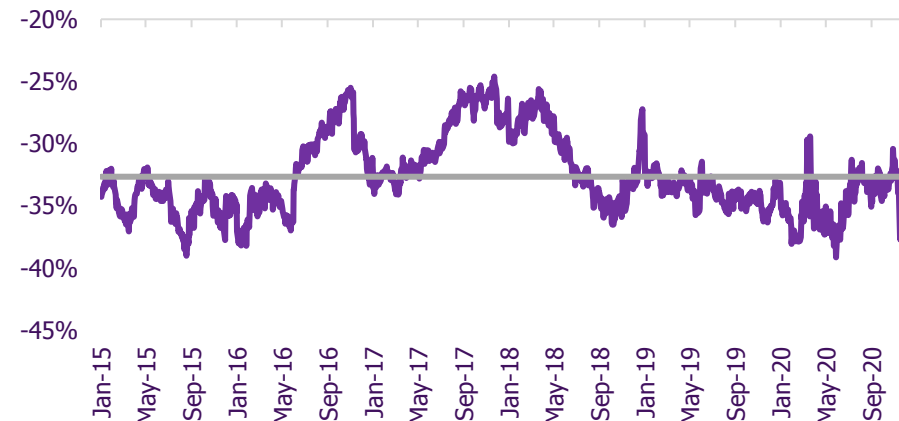
EM currencies on the rise, China favoured



Different between EM and DM GDP growth could translate into excess returns of EM over DM



EM is at a deep discount to DM and also below the long-term average in term of P/E and P/B



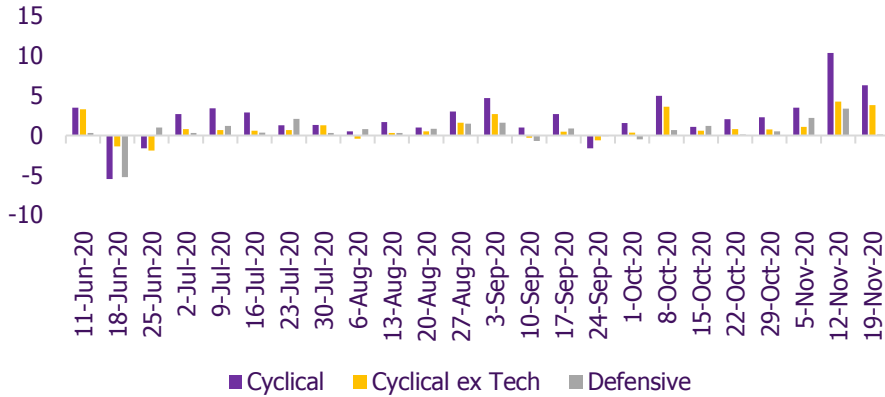
Game of rotation and building position for vaccine

Defensive to cyclical - Better GDP growth, confidence that a vaccine is coming soon and willingness to discount current virus trends with a divergence in valuation means Thai and emerging market pandemic laggards have plenty of room to extend gains and catch up with their peers. We believe the availability of a vaccine in 2021 clears the path to normalization and should serve as a catalyst for outperformance of cyclical stocks. While the road to more upside by year's end will hit speed bumps, continued reports of vaccine progress can add conviction to the post-pandemic sector rotation trade and pull laggards such as Hotel, Property, Energy, Transportation and Bank back on the path to catch up. Financial market sentiment is improving along with signs of vaccine availability as a rising cyclical tide supports a rally in cyclical sectors. We expect the economy to shift from late contraction to early expansion in 1H21. According to data over 1990-2018, Petrochemicals, Agribusiness, Energy, Commerce and Electronics sectors offered excess returns during early expansion. We also find that Petrochemical, Agribusiness, Energy, and Electronics sectors have a high correlation with economic activities.

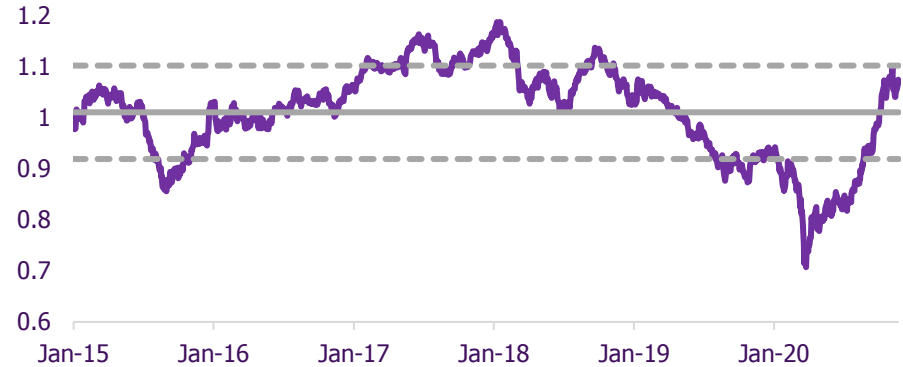
Growth to value - The premium for growth companies has become more extreme than in the past. Looking at MSCI growth versus value shows that the gap between the two has reached an extreme level. However, we do not expect a strong outflow from growth stocks to value stocks because growth stocks offer higher visibility, higher premium valuation and higher potential returns in the long term than value stocks. This value rotation is only rebalancing valuation and expectations in the short-term rather than significantly changing fundamentals.

Expect the cyclical rotation to continue in 1Q21

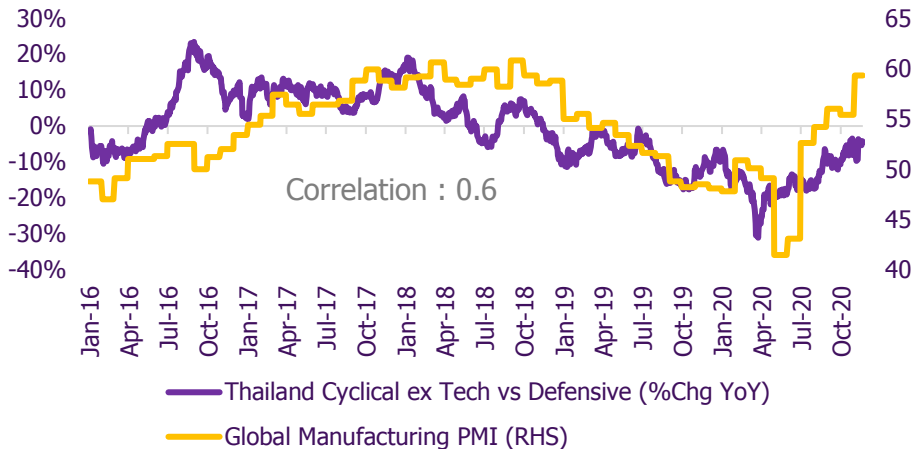
Cyclical sectors are gaining momentum, while inflow to defensive is decelerating in Oct-Nov.



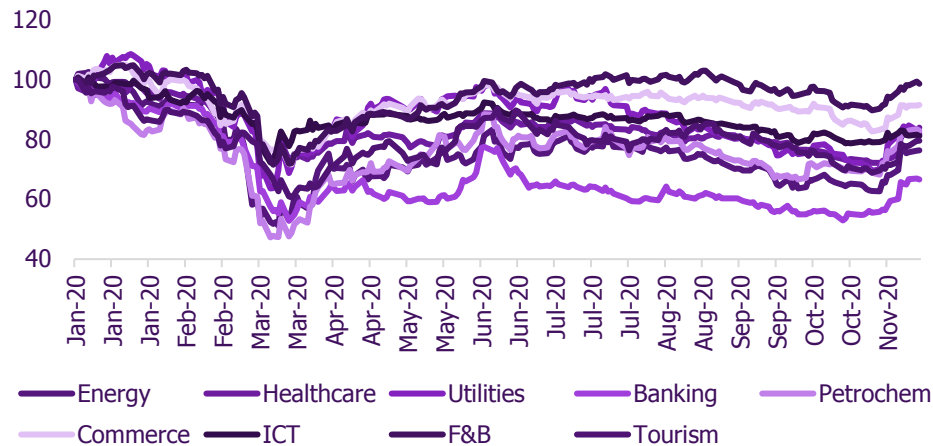
Cyclical is performing well after hit the bottom. There is more rooms to go for cyclicals with expected returns of 7%



Cyclicals rally when economic activities and growth accelerates

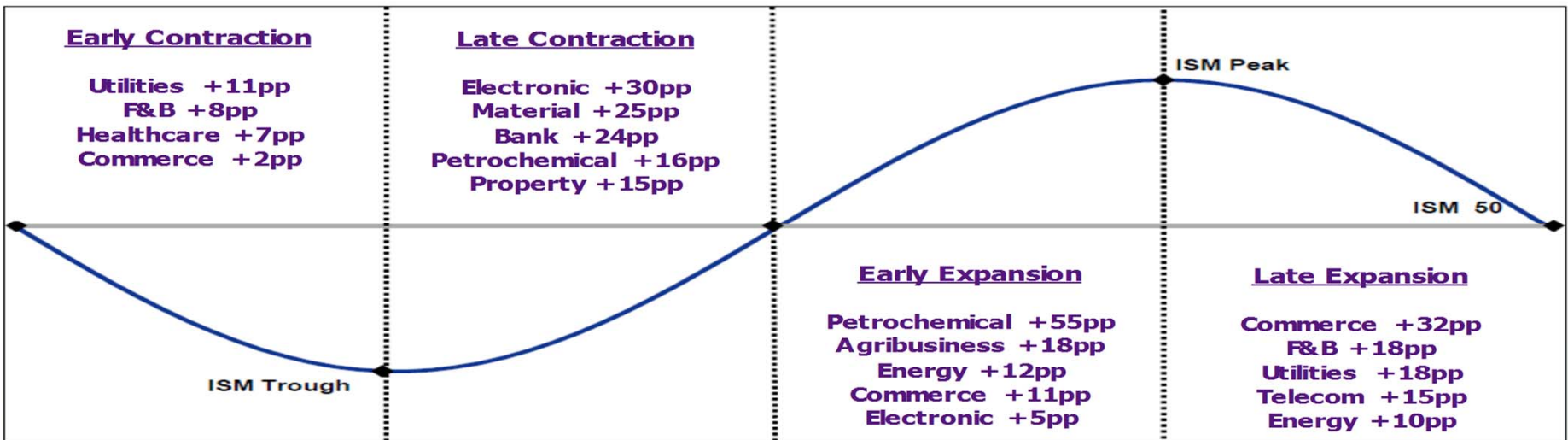
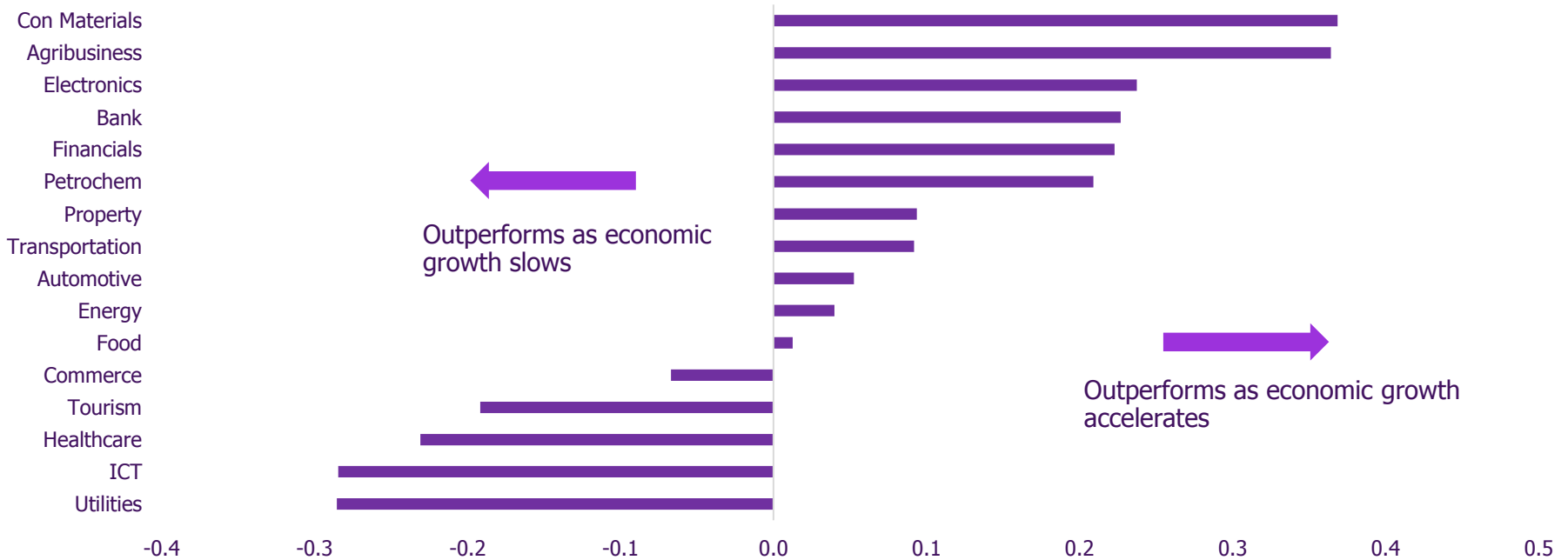


Hardest-hit sectors from COVID-19 is expected to outperform on vaccine prospects



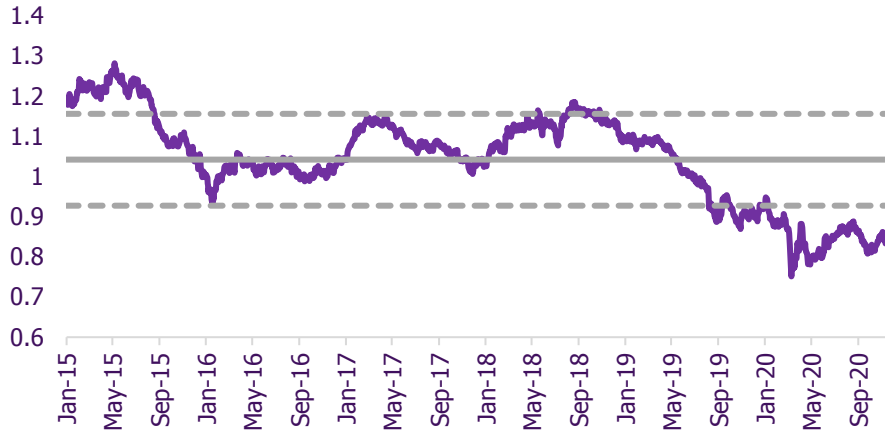
Excess returns and economic cycles

Correlation of sector excess returns with changes in global economic activities

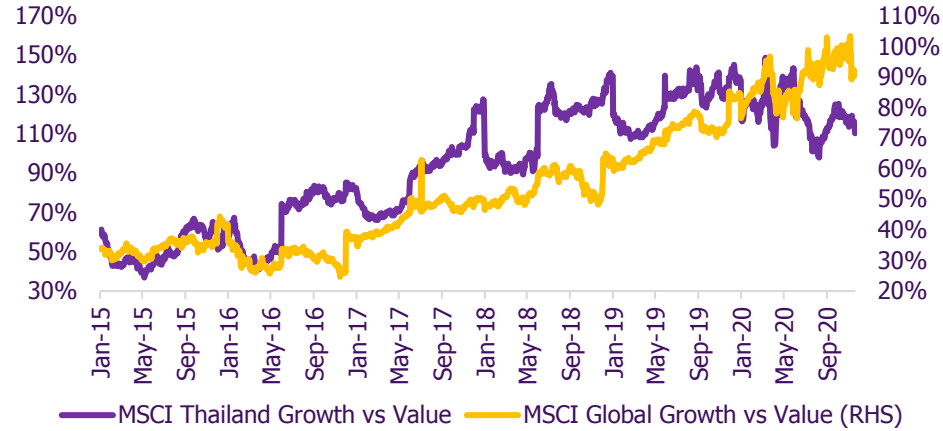


Value is attractive in the short-term, growth is more interesting in the long-term

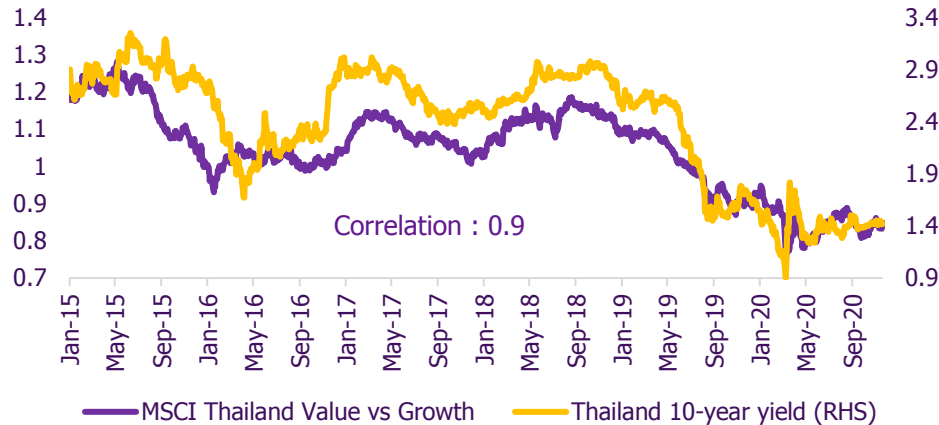
Value is able to catch up in short-term but growth remain attractive in long-term



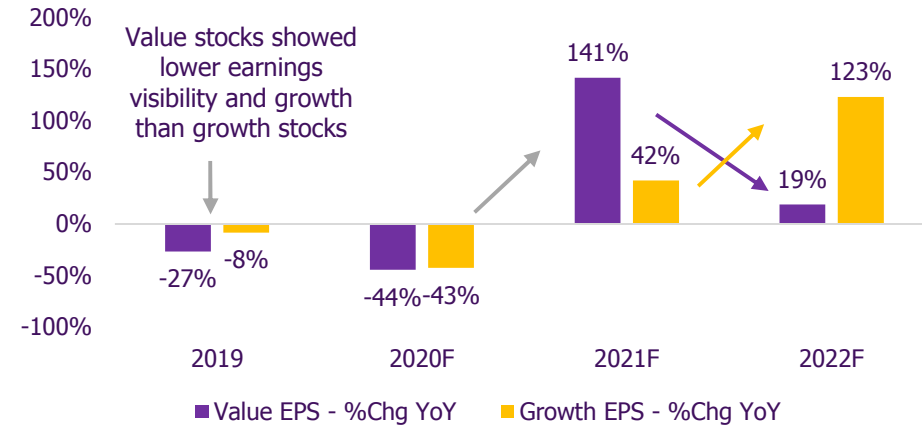
The premium for Growth has risen and looks extreme in term of P/E



If bond yields rise, this would support Value stocks in Thailand with high correlation



Earnings growth for value is strong in 2021, while Growth is expected to outperform in long-term



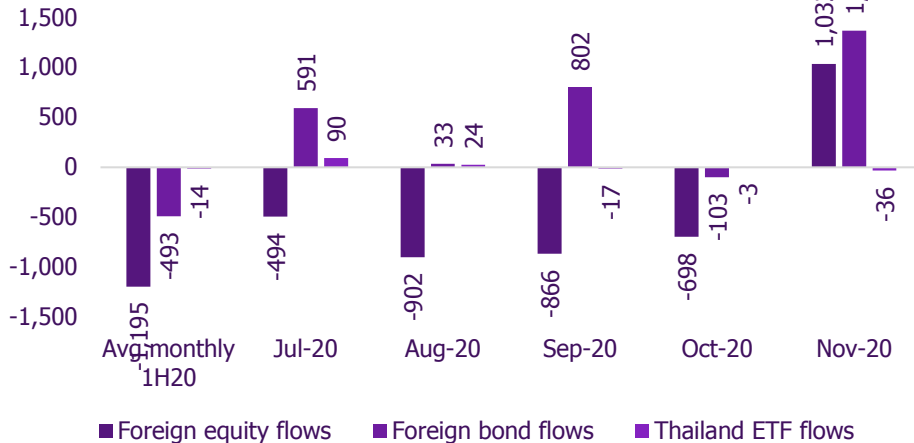
Thailand is like a fish in new water

Overall investor positioning in cyclical stocks remains light and could support a sector upswing if fundamentals improve as we expect. Based on EPFR, global fund flow is shifting to cyclical stocks such as financials (+US\$5.2bn) and energy (+US\$2.8bn) in November after a vaccine appeared closer to fruition, higher than accumulative flow of US\$5bn and US\$2.4bn during Jun-Oct 2020 respectively. In addition, we see a net inflow in technology (+US\$5.3bn) and healthcare (+US\$3.8bn) due to easing overhang on policy risk from blue wave expectations. Meanwhile, other defensive sectors such as consumer (+US\$0.9bn), utilities (+US\$0.6bn), and telecommunication (+US\$0.4bn) have seen little inflow in November 2020.

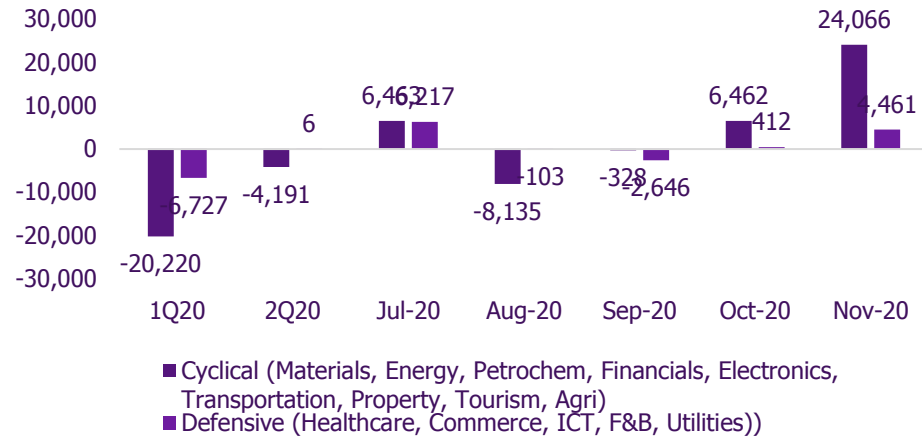
In the Thai stock market, we are seeing a strong inflow of US\$1b in Nov 2020 after a huge outflow of US\$23.9b since 2014. The cyclicals index has clearly outperformed defensives in Nov 2020, suggesting that investors are starting to gradually take a position in cyclical stocks. In addition, cyclical stocks are still under-owned and this may amplify an upswing upon a vaccine-led pickup in economic activity, in our view. The light positioning and high cash on hand anchor the cyclical rotation story. Likewise, NVDR trading activities from Oct-Nov 2020 show that foreign investors have a net buy in Bank, Energy, Construction Materials, Property and Transportation.

Positioning in cyclical stocks remains light

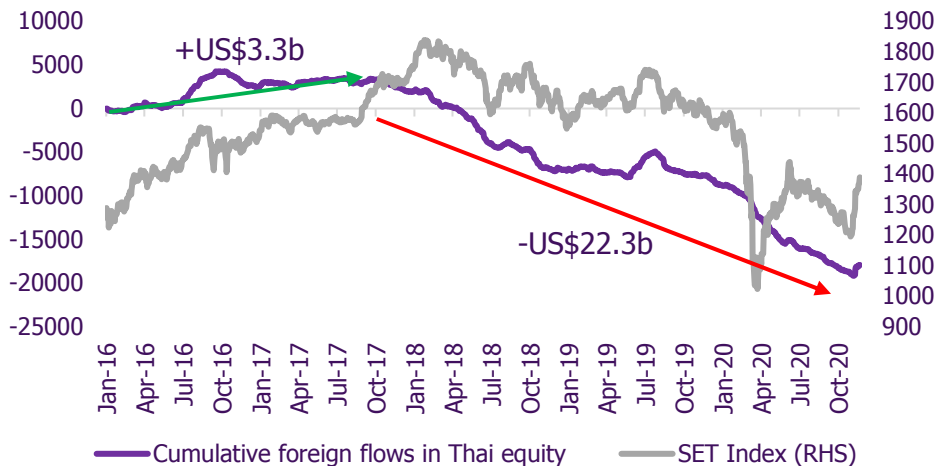
Foreign investor has net buy for the first time in 2020 with strong inflow



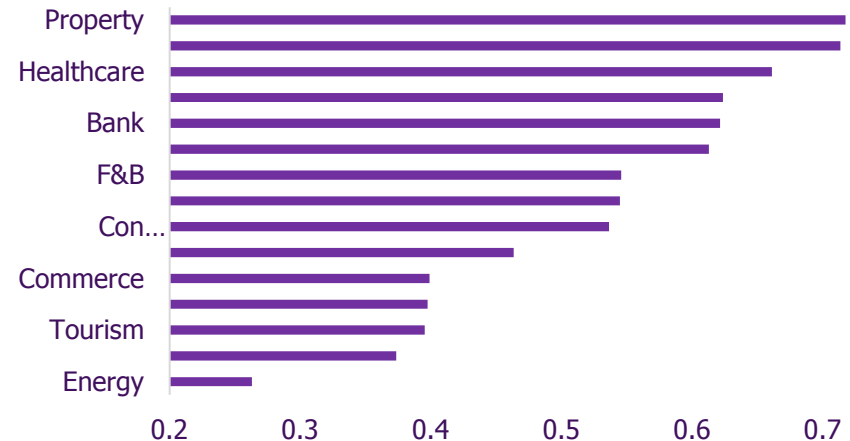
...Cyclical is more attractive than defensive in the eye of foreign investor



Foreign investors net sold US\$22b since mid-2017, and have net bought US\$1b in Nov21



Property, transportation, healthcare, bank and petrochem sectors are the foreign investor's top of mind about Thai equity market



How far the market can go? What is the key entry point?

The combination of a soon-coming vaccine and clear outcome of the US presidential election have dramatically reduced downside risk for the Thai economy and financials market, pulling the Thai stock market up 12% in 4QTD. At 1,390, the SET Index now stands 36% above the bottom (63% recovery rate on COVID-19 cycle) and 14% from the previous peak, aligned with economic recovery and peer comparison in terms of growth and recovery rate.

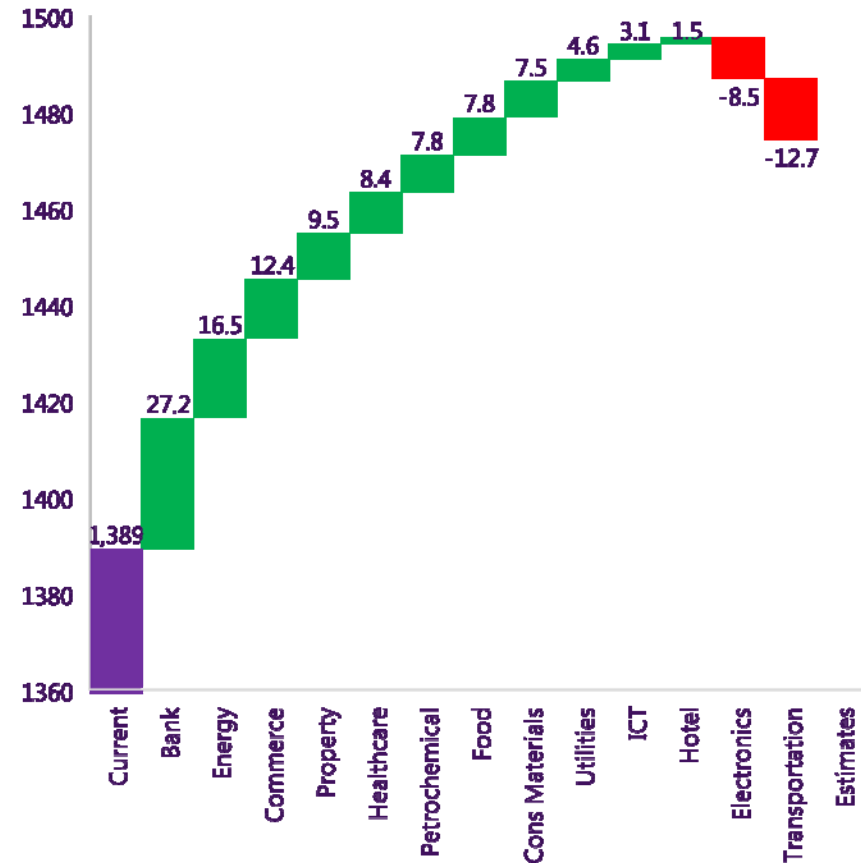
We think potential market returns from the game of rotation will be largely from valuation re-rating rather than significant earnings upgrades. Based on our new normal valuation, we assume a higher band from the fundamental perspective in order to see upside on a bull case scenario. We thus believe the market could go up to 1,500 points based on our mean reversion approach.

The government and Bank of Thailand will closely monitor and are strongly committed to using all the monetary and fiscal tools in their repertoire to support the economy and this plus the positive from the Regional Comprehensive Economic Partnership (RCEP) trade deal will support economic recovery and a rally of the SET. If the world does not experience a further surge in infections or a difficult transition to the next US president and uncertain domestic political outlook, the soon availability of a vaccine means the Thai equity market is unlikely to fall to a level below 1,300, which we select as a key entry point in a market correction.

How far can the market go on valuation re-rating?

	Current level	FY21F BV	Current PBV	Mean PBV	Target	Exp returns	SET Impact
Energy	537.9	501.6	1.0	1.4	677.1	26%	16.5
Commerce	35,242.7	9,210.9	3.8	4.2	38,225.2	8%	12.4
Transportation	357.9	97.9	3.7	3.3	322.9	-10%	-12.7
Bank	318.7	552.7	0.6	0.7	386.9	21%	27.2
ICT	134.2	60.0	2.1	2.3	138.0	3%	3.1
Food	12,547.9	6,162.2	2.0	2.2	13,556.8	8%	7.8
Property	205.4	161.4	1.3	1.4	229.2	12%	9.5
Healthcare	4,906.9	1,232.5	4.0	4.5	5,546.2	13%	8.4
Utilities	285.7	143.0	2.0	2.3	329.0	15%	4.6
Petrochemical	895.6	898.8	1.0	1.2	1,051.5	17%	7.8
Electronics	3,001.7	734.2	4.1	3.0	2,202.7	-27%	-8.5
Construction Materials	9,123.1	6,020.0	1.5	1.7	10,233.9	12%	7.5
Hotel	379.4	290.1	1.3	1.6	464.1	22%	1.5
SET	1,389				1,474		85.0

Based on mean-reversion on valuations, the SET could go up by 85 points or 6% from current level. Only two sectors could see valuation de-rating



Please mind the gap between expectations and reality

The recent progress in finding an effective vaccine is good news in the medium term. Despite the vaccine euphoria, however, it is too early to assume control will be achieved over the pandemic in 2021 based on production capacities, limited coverage for vaccine allocation and transportation cost, especially for poor and emerging countries.

There is the hope that a vaccine will bring a return to normalcy some time in 2021, but the Thai economy still has a long way to go before it can fully recover from the damage caused by the pandemic. The key expectation in 2021 is that the COVID-19 pandemic will end and activities to return to normal after 70-75% of the population is vaccinated by 2H21. Based on our analysis, the two-dose regimen required for the leading vaccine candidates mean that more than 10 billion doses would be required to vaccinate 70% of the world's population. Putting this against the cumulative COVID-19 vaccine production capacity of 5-6 billion doses in 2021 leads us to believe the vaccine will not be enough to bring COVID-19 under control in 2021 as the market hopes.

We believe the market will disappoint if investors expect most activities to get back to normal in 2H21. We are concerned that elevated asset prices point to a disconnect from the real status of the economy and the distance to an actual earnings recovery and this is a potential threat leading to price volatility and a sell-off of the Thai equity market in 2H21. Though the Thai stock market may look attractive in the short-term, the long-term growth outlook remains clouded, with recovery uneven and highly uncertain. In addition, the COVID-19 pandemic is likely to leave large and deep scars on the Thai economy and its companies that will take time to heal.

Expectation vs reality – The higher we go today, the greater the future disappointment

Expectation

1

Market expects control over the virus after a vaccine comes on the market in 1H21.

2

Hopes a vaccine will bring a return to normalcy in 2H21.

3

About 70-75% of the population is vaccinated by 2H21 in order to end the pandemic.

4

Market expects NPLs will be manageable and hopes the central bank will step in to control default risks.

5

Faster economic recovery: GDP and EPS expected to return to pre-COVID-19 level in 2021.

Reality

Daily new cases globally continue to hit new highs and show no signs of stopping in 1Q21 given lower temperatures.

Depending on vaccine availability, cost, conditions and logistics, this may happen more slowly than hoped.

More than 10 billion doses would be required to inoculate the global population to reach expectation against capacity of just 5-6 billion doses in 2021.

The market is underestimating the risk of default from the slow economic recovery and changing consumer behavior. Risks absorbed by central banks are not sustainable for long term.

COVID-19 has deeply scarred Thai companies and it will take time to reduce leverage; business structure and competitiveness are unchanged.

Economic and earnings recovery in 2021 but lagging peers and far from pre-COVID level

Thai GDP growth in 3Q20 came in above expectations thanks to an improvement in both revenue and margin, backed by continuous cost control measures. A stronger 3Q20 GDP than expected and improvement in 4Q20 do mean that this year's EPS will probably be a little stronger: we now expect 2020 EPS to fall 42% YoY (vs consensus of -46% YoY).

The market is looking past 2020 and focusing on 2021. Our economist remains convicted of a moderately-paced Thai recovery on the expectation of a widely available vaccine. Immunization should lead to protection and the ending of lockdowns will usher in a sequential tourism recovery from 2H21, driving earnings up.

On this basis, we expect earnings for companies under SCBS coverage to grow 40% YoY in 2021 and 19% in 2022 after the sharp decline in 2020 led by damages to tourism and financials. Our growth is slightly lower than consensus, which expects earnings to jump 44% YoY in 2021 and 23% YoY in 2022. EPS growth in 2021 will be driven by Energy, Petrochemical, Transportation and F&B.

We believe our 2021 earnings forecast is achievable with improving earnings visibility after a COVID-19 vaccine becomes available. We expect EPS to get back to pre-COVID-19 level in 2022, meaning it will take two years to recover back to the previous peak.

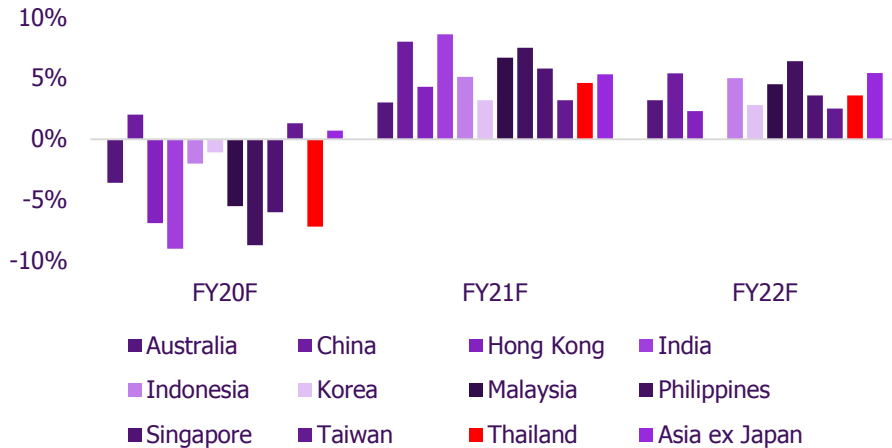
Economic and earnings growth comparison

	FY19	FY20F		FY21F		FY22F	
		SCBS	Consensus	SCBS	Consensus	SCBS	Consensus
Agribusiness	15.2	6.4	-4.5	1.1	9.9	10.1	11.3
Automotive	-38.8	-49.5	-26.2	91.0	6.6	23.4	36.5
Banking	4.3	-34.6	-33.8	15.1	7.2	10.3	14.4
Commerce	7.3	-21.0	-19.5	17.3	19.9	13.4	15.8
Construction Materials	-24.4	3.1	3.3	7.5	4.4	6.7	2.6
Energy & Utilities	-19.4	-59.1	-61.4	133.4	125.0	14.0	22.2
Finance & Securities	16.6	-14.7	-11.0	14.3	11.2	12.3	14.2
Food & Beverage	41.5	-52.0	-59.8	73.6	94.9	29.9	30.8
Health Care Services	40.3	-51.7	-52.6	25.1	31.0	17.8	19.7
Information & Communication Technology	30.6	-22.9	-21.6	-12.2	-5.1	2.0	11.9
Insurance	11.7	-47.6	-37.0	85.0	42.2	4.7	20.9
Media & Publishing	11.0	31.9	27.0	9.4	16.5	7.1	0.0
Paper & Printing Materials	11.1	14.0	12.0	2.1	10.1	3.1	16.4
Petrochemicals & Chemicals	-74.0	-64.1	-76.2	363.6	460.0	19.0	33.2
Property Development	-1.0	-31.6	-36.0	9.0	17.3	15.7	15.6
Tourism & Leisure	-19.3	-232.6	-240.6	-64.0	-76.3	-204.0	-271.9
Transportation & Logistics	19.7	-114.2	-217.6	44.7	-57.4	-594.1	-195.8
Total	-7.5	-41.5	-46.4	40.1	43.4	19.2	23.3

Economic and earnings growth comparison

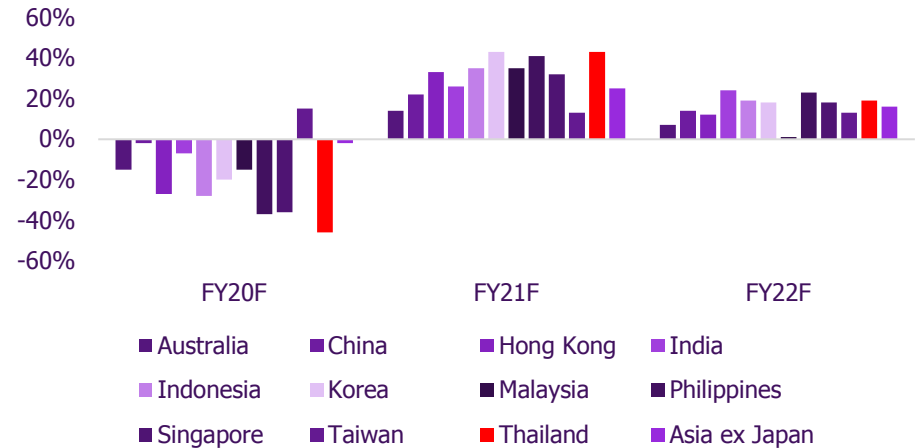
GDP comparison

Larger hit by COVID but slower recovery in short-term and long-term relative to peers



Earnings comparison

Large impacts in 2020 leading to high recovery in 2021 and resume normal in 2022



Thai GDP and EPS growth are expected to show a strong recovery at 4.6% and 40.1% YoY in 2021. Compared with regional peers, Thailand's growth is slower (Asia ex Japan) with a GDP of 5.3%. EPS is higher than peers with estimated growth of 24.8% YoY due to larger impact from COVID-19, as EPS is expected to fall 41% YoY in 2020 but peers' is expected to be flat.

SET Index target in 2021 is 1,450

The SET is trading at a P/B ratio of 1.5x, in line with our fundamental P/B of 1.5x based on sector ROE profile, payout ratio and long-term growth rate. Our calculations show a 2021 SET Index target based on fundamentals of 1,450 or 4% upside from the current level, aligning with our view that holds that net profit in 2021 will be below actual net profit in 2019 (average and yearend SET index at 1,640 and 1,560). The 1Q21 trading range target is 1,350-1,450.

The backdrop of low interest rates and vaccine approval should drive an improvement in growth expectations and valuations. Improving growth expectations and easing uncertainties will compress the risk premium; however, political events in 2021 could be noise to create volatility and a surge in risk premium in the case of a deadlocked Congress.

Stocks are highly valued on an absolute basis relative to history. The aggregate index trades above the 90th percentile on a variety of metrics including P/E, EV/sales, EV/EBITDA, price/book, and market cap/GDP. This suggests caution is warranted. We expect a rebalancing of sector valuations given the divergence in valuation among sectors in 2020 via sector rotation. Combining various valuation approaches points to limited valuation upside from current levels. We recommend investors wait for a wider margin of safety at our key entry point at 1,300.

2021 SET target is 1,450

	Book value (2021)	Target PB		Market Cap	
		SD band	Justified PB	SD band	Justified PB
Energy	2,214,629	1.1	1.0	2,384,142	2,144,647
Utilities	246,070	2.3	2.1	572,163	520,388
Bank	2,458,400	0.6	0.6	1,497,076	1,491,753
Trans	435,346	3.3	3.4	1,423,397	1,480,833
ICT	586,365	4.4	3.2	2,566,301	1,864,670
Food	533,652	2.2	2.2	1,166,437	1,161,886
Commerce	440,174	5.4	5.4	2,397,090	2,376,940
Petro	518,370	1.1	0.9	548,182	443,605
Healthcare	179,280	5.7	5.7	1,028,015	1,021,896
Electronics	83,055	1.7	1.8	137,225	147,727
Property	721,872	1.2	0.7	865,520	506,836
Hotel	67,450	1.8	0.8	118,978	54,555
Media	55,303	2.7	2.6	148,967	145,289
Con Mat	441,762	1.5	1.3	672,999	579,119
Finance	207,948	3.0	3.3	632,194	684,469
Cons	96,602	1.1	0.4	101,794	41,645
Others	773,850	1.0	1.0	773,850	773,850
Implied target		1.7	1.5	1,585	1,437

Approach	Current level	Target valuation (Based case)	Implied SET Index	Potential Upside / Downside	Bull case	Implied SET Index	Potential Upside / Downside	Bear case	Implied SET Index	Potential Upside / Downside
P/E	18.3	16.0	1,216	-12%	17.2	1,307	-6%	14.8	1,125	-19%
P/B and ROE	1.45	1.53	1,411	2%	1.60	1,472	6%	1.47	1,355	-2%
Equity Risk Premium	ERP 7% / Rf 0.5%	ERP 6.5% / Rf 0.5%	1,267	-9%	ERP 6% / Rf 1%	1,382	-1%	ERP 7.5% / Rf 0.25%	1,169	-16%
Earnings Yield Gap	455	466	1,257	-9%	404	1,401	1%	528	1,140	-18%
		Average	1,288	-7%		1,391	0%		1,197	-14%
		Median	1,262	-9%		1,392	0%		1,155	-17%

Investment roadmap in 2021 – a year of two halves

Our baseline assumptions for 2021 include: 1) vaccines are approved by the FDA in 1Q21 and mass production begins in 2Q21, 2) Thailand will get an approved vaccine in 4Q21; 3) reduced US political uncertainty, 4) recovery in Thai tourism in 2H21, 5) BoT stays put with a stable policy rate of 0.5%, 6) baht maintains its strength in 1H21, 7) NPLs increase in 2021, 8) GDP and earnings continue to recover in 2021 but remain below pre-COVID-19 level and 9) steady progress in amending Thailand's constitution. These positive assumptions, beginning vaccine development and extending to GDP and earnings recovery and reopening inbound tourism will lead to a rally in the SET and outweigh the downside risks from the baht appreciation, NPLs and political uncertainties.

The year 2021 could turn out to be a year of two halves for the Thai equity market. In the first half of 2021, we may live in a Goldilocks environment with a fresh catalyst from vaccine availability, global cooperation, and earnings recovery. We are focusing on a vaccine that will serve as an insurance policy against headwinds from COVID-19 and start another layer of recovery. Sector rotation and positioning for recovery will underwrite a rally in 1H21. The market will be full of expectations toward the upside. However, the market is focusing on short-term sentiment, using hope as a strategy, while earnings and economic recovery remain slow. We are concerned about the gap between expectations and market realization as well as domestic political uncertainties and slower-than-expected return to normal and recovery in 2H21 along with a rich valuation for the broad-based market.

Key events in 2021 – good in 1H21, light in 2H21

1Q21

Jan 1	End of Brexit transition period
Jan 20	Inauguration of the 46th President of the US
Jan 20-27	BOJ, ECB, FOMC meeting
Jan	Potential EUA granted from FDA for Moderna and Pfizer
Jan	AZN and JNJ release the Phase 3 data
Feb	Singapore fiscal budget
Feb	India union budget
Mar 13-19	BOJ, ECB, FOMC meeting

2Q21

Apr7	South Korea municipal elections
Apr 22-28	BOJ, ECB, FOMC meeting
May	China NPC & CPPCC Annual session
May	India regional election
May 2-5	ADB Annual meetings
May 18-21	WEF Annual meetings
Jul 15-28	BOJ, ECB, FOMC meeting
Jun	Thailand referendum

3Q21

Jul 15-28	BOJ, ECB, FOMC meeting
Sep 5	Hong Kong Legislative Council Election
Aug-Sep	Germany Federal Election
Sep	Thai new charter drafting assembly set up

4Q21

Oct 21	Japan General Election
Oct 28 - Nov 2	BOJ, ECB, FOMC meeting
Dec 14-17	BOJ, ECB, FOMC meeting
Dec	Draft of new Thailand constitution completed

1H21 – Go with the flow and quality rotation into stocks with solid balance sheets

We believe the economic and EPS recovery are as yet incomplete. It is reasonable to think that a prospective return to normalcy has not yet been fully priced in. Short-term positioning and flow can be a much larger determinant of micro-term price action than some over-arching fundamental narrative. Good news on the vaccine front is only going to amplify the short-term rally in 1H21. The higher risky assets go up in 1H21, the more vulnerable they may be to disappointment in 2H21.

Although the vaccines' success story gives hope for the future, the impact from COVID-19 will continue to dog Thai companies in 1H21 before returning to normal in 2H21 in the best-case scenario. We prefer companies with strong balance sheets to those with weak balance sheets that are able to reduce tail risk from financial issues in 1H21.

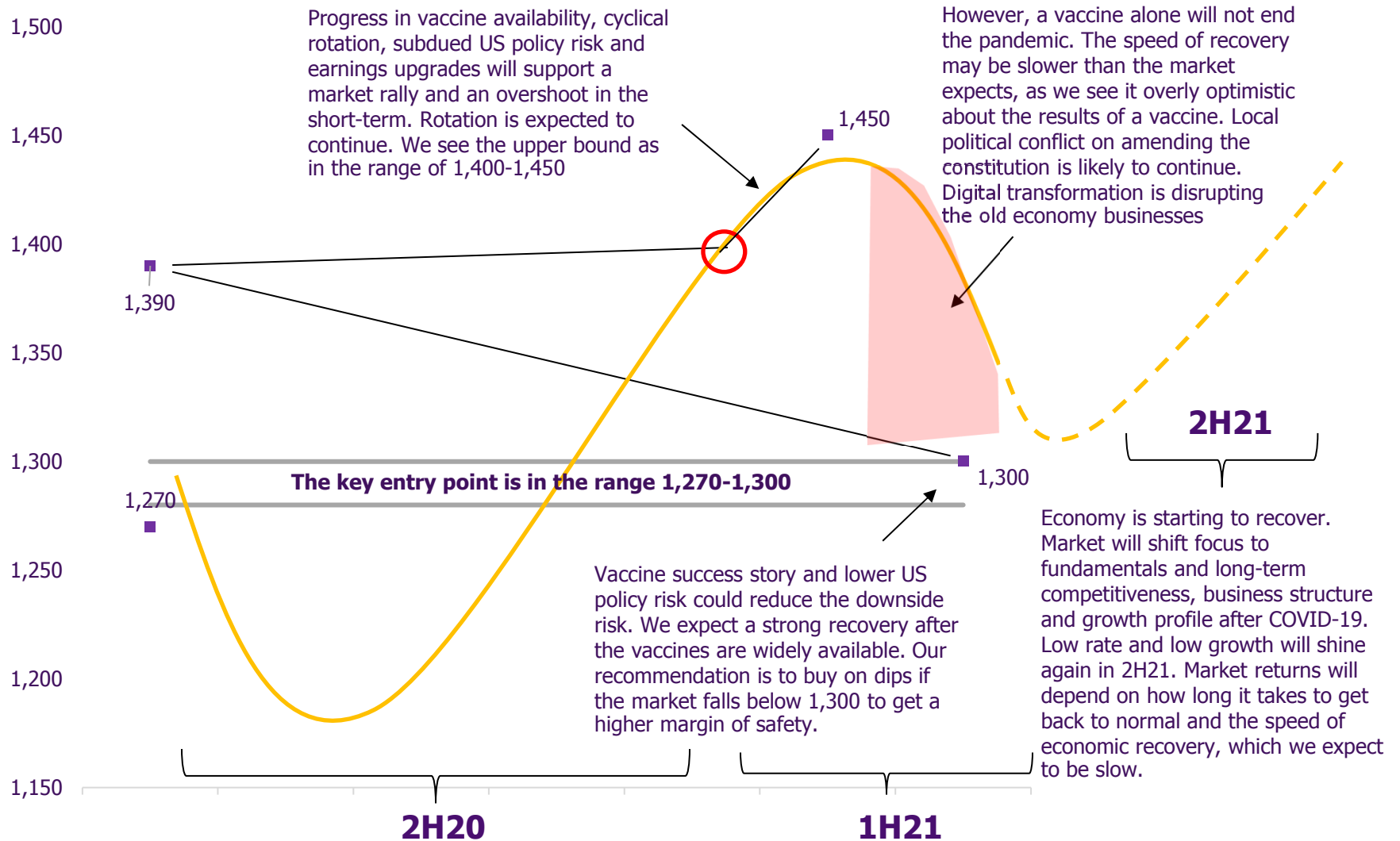
Though macro risks remain, we expect a modest GDP recovery in 1H21 thanks to a low base effect in exports, government spending and domestic spending arising out of economic stimulus. Based on our economic and pricing model, our short-term tactical call in 1H21 is to overweight cyclical sectors such as Energy, Petrochemical, Transportation, and Tourism. We have a cautious view on Banks and companies with weak balance sheets due to the probability of default, especially after the expiration of the loan relief program.

2H21 - Focus on fundamentals in 2022 and on domestic politics

The promise of a working vaccine will help the economy eventually, but not in the short-term, in our view. We think the market will shift its focus from sentiment and expectations to a fundamental narrative with a focus on growth profile and speed of recovery after vaccines are widely available. We expect returns to be driven by EPS improvement and doubt a further re-rating in 2H21 as the positive catalysts will already be priced in in 1H21.

We do not expect a large re-rating for the Thai stock market because: 1) long-term nominal growth prospects remain low, 2) the sector mix is unattractive, concentrated in sectors with low valuation and 3) political uncertainty with regards to an amendment of the Thai constitution. Outside of economic activity, we do not see a significant change in terms of competitive advantage or business structure after the disruption from COVID-19.

2021 – Year of two halves



Positive bias on cyclical stocks: our stock picks in 1Q21 are HMPRO, IP, MINT, PTTEP, TOP

History shows that the environment of strong and accelerating economic growth typically supports cyclical stock outperformance. Thus, we recommend investors embrace cyclical sectors such as Energy, Petrochemical, Transportation and Tourism in 1H21 in tandem with vaccine availability and expectations for economic activity. Defensive sectors such as Commerce and Healthcare could outperform, undergirded by specific growth stories. We think Media, Telecommunication and Banks are likely to lag.

Take a tactical position in deeply undervalued stocks that benefit from a vaccine and economic normalization and those with strong recovery prospects and limited financial risk. We suggest investors view positively companies that: 1) operate in industries that have manageable headwinds, 2) exhibit strong recovery after a vaccine is available, 3) remain competitive in the long-term, 4) have limited financial risks or low chance of a capital increase and 5) deep underperformance relative to the market.

stock picks in 1Q21

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F
HMPRO	Outperform	15.40	18.0	18.9	32.8	39.7	33.2	9	(17)	20	9.6	9.5	8.7	30	24	27	2.5	2.0	2.4	19.5	21.7	19.1
IP	Outperform	11.80	12.7 - 15.3	9 - 31	55.9	36.8	24.6	89	46	89	5.3	5.3	4.6	16	15	20	1.6	1.4	2.0	33.2	24.4	16.6
MINT	Neutral	24.30	24.0	(1.2)	15.9	n.m.	n.m.	23	n.m.	78	1.3	1.3	1.5	8	(17)	(4)	0.0	0.0	0.0	9.9	166.6	18.8
PTTEP	Outperform	93.75	114.0	25.1	7.6	16.7	14.6	35	(54)	15	1.0	1.0	1.0	13	6	7	6.4	3.5	3.4	2.7	3.6	3.5
TOP	Outperform	48.75	50.0	3.1	24.0	n.m.	12.2	(60)	n.m.	n.m.	0.8	0.8	0.8	3	(3)	7	3.1	0.5	3.1	10.5	(61.1)	12.4
Average					27.2	31.1	21.1	19	(8)	50	3.6	3.6	3.3	14	5	11	2.7	1.5	2.2	15.2	31.0	14.1

Key highlights on our stock picks in 1Q21

	Key investment highlights
HMPRO	SSS improvement in 4Q20 thanks to seasonality and government stimulus. We expect its earnings to turn around in 2021F, most sharply in 2Q21F on a revival in SSS growth and rental income off the low base generated by government measures to control the spread of COVID-19 and weak purchasing power because of COVID-19.
IP	The demand for wellness and anti-aging and innovative aesthetic products is on the rise. The short-term key catalysts are completion of an M&A deal and launch of new products such as items for men's health and to burn fat. We have a positive view on earnings growth from a new distribution channel. Earnings in 4Q20 are expected to grow YoY. Net profit in 2021 is expected to surge 50% YoY.
MINT	We expect a slight improvement in 4Q20 with a lower loss of Bt4.0bn (from Bt4.8bn in 3Q20). We expect worse operations in Europe in 4Q20 due to a second lockdown that will force some hotel closures. MINT had Bt30bn cash on hand and Bt25bn in credit facilities for working capital. MINT is discussing with its creditors about an extension of the covenant waiver with a potential change in financial covenant for more flexibility in the future. We also feel its liquidity preservation will keep MINT afloat in the storm. We expect its earnings to return to the black in 2022.
PTTEP	Oil price is expected to hold up in 2021 on a more balanced demand-supply environment, which will be a plus for 30% of the company's 30% sales volume, with an increase of 6.7% p.a. over the next four years. A strong balance sheet with net interest-bearing debt to equity of 0.1x (end-3Q20) gives room for new M&As amid low oil price.
TOP	TOP's cost position will remain competitive amidst an uncertain oil refining margin and aromatics product spread caused by weaker demand in the global market. TOP's balance sheet remains strong with net IBD/E of 0.7x (end-3Q20). TP is Bt50/share based on conservative PBV of 0.8x as outlook for GRM remains uncertain vs. the average PBV of 1.2x. We estimate BV (end-2021) at Bt59.6/share.

Summary of sector recommendations

Sector	Rating	Drivers (+)	Risks / Concerns (-)
Healthcare	Overweight	Robust domestic demand, rising demand for testing and laboratory services	Slow international patient recovery
Commerce	Overweight	Continuous government stimulus, earnings recovery, income growth from agribusiness	Overseas business remains weak
Energy	Overweight	Vaccine progress, cheap valuation, extend output reduction period	Global supply growth, fast battery development, climate neutral
Hotel	Overweight	Vaccine progress, eliminate travel restrictions, strong domestic tourism demand	Weak balance sheet, baht appreciation, strong supply growth
Agribusiness	Neutral	Strong demand growth both domestic and international, rising agricultural prices	Baht appreciation, rising feed costs
Electronics	Neutral	Solid demand growth from 5G and accelerated technology adoption	Baht appreciation, rich valuation
Utilities	Neutral	Strong balance sheet, high earnings visibility, new projects in pipeline	International investment risk, Lower EIRR, high valuation
Building Materials	Neutral	Accelerating government spending, high spread	rising production cost, clouded growth in property and infrastructure, strong baht
Food & beverage	Neutral	gradual domestic demand growth, strong growth from China, ASF in Europe	Volatile raw material prices, baht appreciation, intense competition in restaurants and beverages
Industrial Estate	Neutral	Continuous EEC activities, cheap valuation	Vietnam and Cambodia are gaining momentum on production relocation
Land Transportation	Neutral	Limited downside, traffic recovery	Delay of Orange Line, lawsuit between BTS and BEM
Petrochemical	Neutral	Improving global economic activities, improving spread, attractive valuation	Demand remains mute, Continuous supply growth
Automotive	Neutral	Government stimulus measures on tax subsidy	High inventory, limited model launches, aggressive promotion
Residential	Neutral	Low base effect, government stimulus measures	High inventory, slow presales, fewer new launches, tight regulations
REITs / PF / IF	Underweight	Attractive yield spread, high visibility for infrastructure fund	Yield pickup, high exposure to offices, hotels and shopping centers
Air Transportation	Underweight	Sector consolidation, baht appreciation	Liquidity crunch, credit rating downgrade, capital increase, oil price recovery
Bank	Underweight	gradual loan growth recovery, new businesses, yield recovery	Worsening credit quality, rising NPLs
Entertainment / Media	Underweight	Low base from last year, marketing campaigns continue	Popularity of streaming services and online advertising, disruption from digital media, new tax regime
Telecoms	Underweight	Replacement cycle to 5G devices, services from digital transformation	Rising competition, subdued purchasing power, new capex cycle on 5G

Summary of sector recommendations

Sector	Recommended sector weighting	Current SET weight	YTD returns	FY21	CAGR19-22	P/E	P/B	Valuation 10-yr Z-score	Dividend yield
Healthcare	Overweight	5%	-12%	25%	-9%	35.3	3.9	-0.6	2.3%
Commerce	Overweight	11%	2%	17%	4%	27.3	3.6	-1.0	1.0%
Energy	Overweight	12%	-17%	95%	0%	15.0	1.1	-0.9	3.9%
Hotel	Overweight	1%	-17%	-64%	-21%	na	1.0	-3.3	na
Agribusiness	Neutral	1%	90%	10%	5%	5.4	1.1	-0.1	2.0%
Electronics	Neutral	2%	189%	20%	33%	26.2	3.5	3.6	2.4%
Utilities	Neutral	10%	-6%	21%	8%	30.1	3.4	-0.2	2.5%
Building Materials	Neutral	4%	-7%	7%	6%	14.3	1.5	-1.7	2.5%
Food & beverage	Neutral	7%	8%	74%	3%	13.9	2.1	-0.5	1.7%
Land Transportation	Neutral	7%	-10%	5%	-5%	32.1	6.2	0.5	0.5%
Petrochemical	Neutral	3%	-6%	364%	26%	17.0	1.0	-0.9	0.6%
Automotive	Neutral	1%	-5%	7%	5%	6.7	0.9	-1.2	3.5%
Residential/IE	Neutral	6%	-16%	9%	-5%	16.0	1.2	-1.3	4.9%
REITs / PF / IF	Underweight	2%	-26%	33%	-3%	10.6	1.1	-5.0	6.0%
Air Transportation	Underweight	0%	-26%	na	-3%	na	0.6	-1.1	na
Bank	Underweight	9%	-27%	15%	-6%	9.0	0.6	-2.0	4.3%
Entertainment / Media	Underweight	1%	-2%	17%	14%	35.1	2.5	-1.2	0.8%
Telecoms	Underweight	8%	-13%	-12%	-12%	27.3	3.7	-0.9	1.0%

Home Product Center (HMPRO) OUTPERFORM: TP Bt18

Shopping tax break to lessen sales contraction

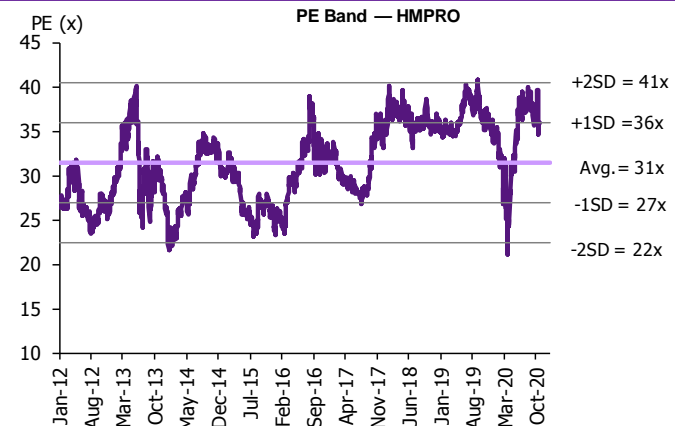
Investment Theme

- **Less contraction in SSS in 4Q20F than October.** In October, we estimate a contraction in SSS in the high single digits YoY (vs -3.7% YoY in 3Q20), hurt by weak purchasing power, heavy rains and slow sales in Oct 12-22, the period between the announcement of a new shopping tax break stimulus until the date it became effective.
- We expect less contraction in its SSS growth in 4Q20F than October, as HMPRO tends to be one of the sector's biggest gainers from government shopping tax breaks because of its high spending per ticket and high-value items. In this round, the shopping tax break allows a tax deduction for up to Bt30,000 in purchases from Oct 23-Dec 31. Given the longer period for purchases this time (more than two months in 4Q20 vs 7-23 days in 4Q15, 4Q16 and 4Q17), HMPRO expects the measure to boost sales in late 4Q20F in the runup to the holidays. In the past, the shopping tax break added Bt500mn to HMPRO's sales or about 3% YoY to SSS for a tax deduction for up to Bt15,000 in purchases in the fourth quarter.
- **4Q20F outlook.** We expect its 4Q20F earnings to drop slightly YoY due to a slight drop in SSS and softer EBIT margin from a 10-15% YoY drop in rental income (decelerating from the drop of 60% YoY in 2Q20 and the fall of 15-20% YoY in 3Q20) after it reduced the discount on tenant rent and opened new rental space in a HomePro village in Pathum Thani in October. We expect 4Q20F earnings to rise QoQ from seasonality.
- **2021F earnings turnaround, notably in 2Q21F.** We expect its earnings to turn around in 2021F, most sharply in 2Q21F on a revival in SSS growth and rental income off the low base generated by government measures to control the spread of COVID-19 and weak purchasing power because of COVID-19.

Forecasts and valuation

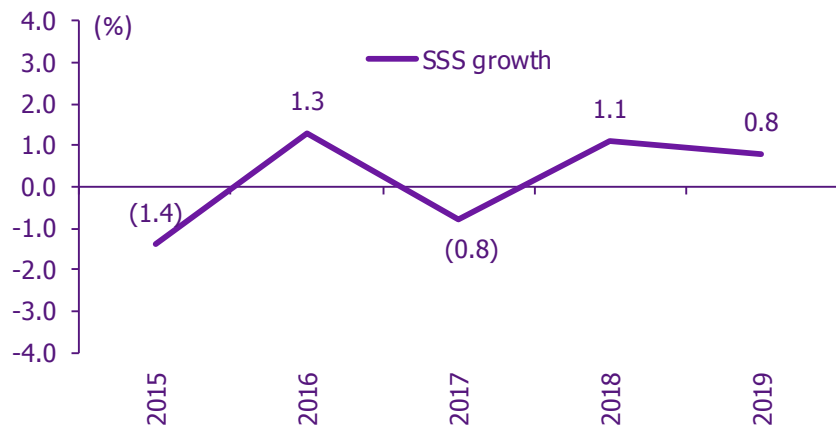
Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Revenue	(Btmn)	61,951	63,046	58,555	61,953	64,717
EBITDA	(Btmn)	10,437	10,951	9,804	11,027	12,045
Core profit	(Btmn)	5,663	6,177	5,101	6,096	6,917
Reported profit	(Btmn)	5,613	6,177	5,101	6,096	6,917
Core EPS	(Bt)	0.43	0.47	0.39	0.46	0.53
DPS	(Bt)	0.35	0.38	0.31	0.37	0.42
P/E, core	(x)	34.8	31.9	38.7	32.4	28.5
EPS growth, core	(%)	15.9	9.1	(17.4)	19.5	13.5
P/BV, core	(x)	9.9	9.3	9.3	8.5	7.8
ROE	(%)	29.4	30.1	24.1	27.4	28.5
Dividend yield	(%)	2.3	2.5	2.1	2.5	2.8
FCF yield	(x)	3.0	2.7	2.8	3.3	3.7
EV/EBIT	(x)	28.3	25.9	31.0	26.0	22.9
EBIT growth, core	(%)	14.6	8.6	(16.5)	17.8	12.5
EV/CE	(x)	6.1	5.9	6.0	6.0	5.9
ROCE	(%)	9.3	9.8	9.0	10.8	12.5
EV/EBITDA	(x)	20.0	19.0	21.1	18.6	16.8
EBITDA growth	(%)	9.9	4.9	(10.5)	12.5	9.2

HMPRO's historical PE band

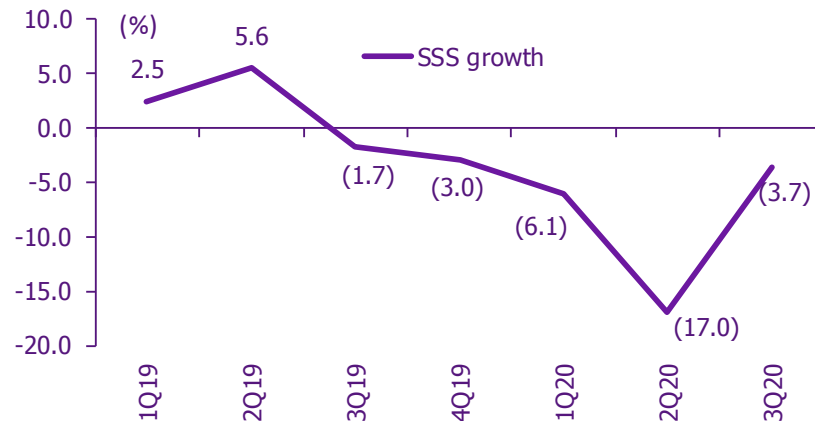


Home Product Center (HMPRO) OUTPERFORM: TP Bt18 Shopping tax break to lessen sales contraction

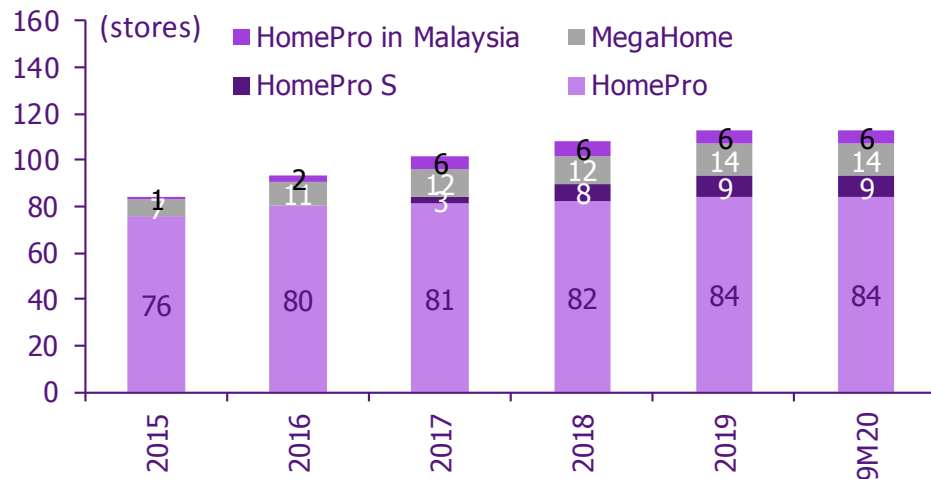
HMPRO's yearly SSS growth



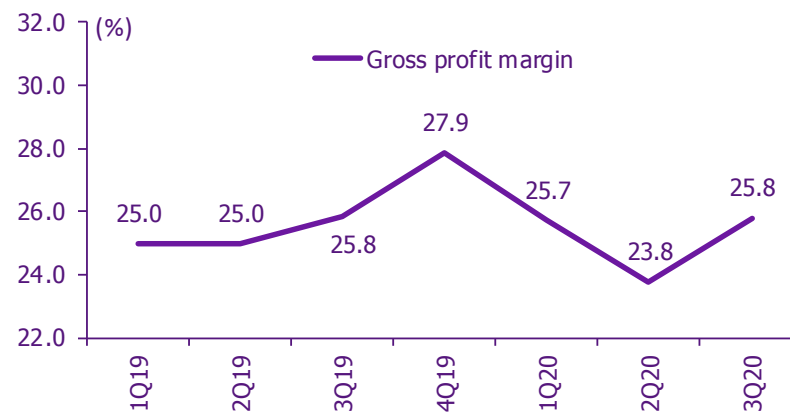
HMPRO's quarterly SSS growth



HMPRO's stores breakdown by format at end period



HMPRO's quarterly gross margin



Source: SCBS Investment Research

Minor International (MINT) Floating amidst the storm

TP Bt24/share

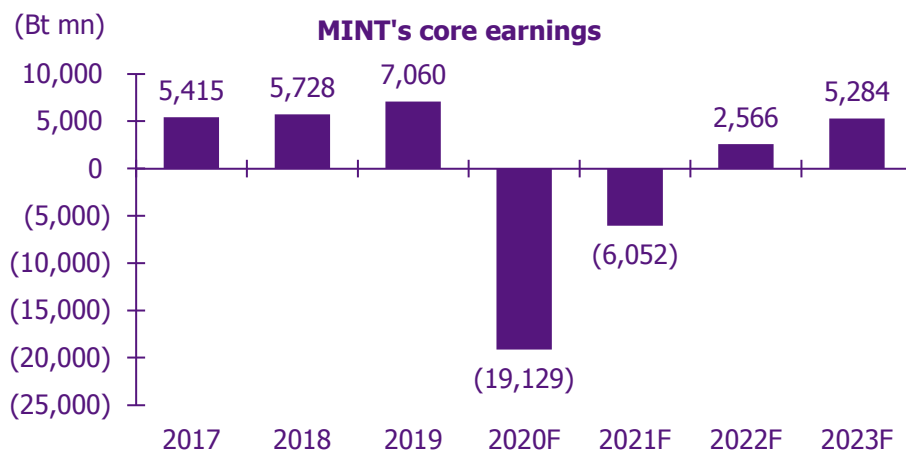
Investment Theme

- MINT's share price has increased by 34% vs. the SET's 14% over the past month as the market gets excited about a vaccine. While we view an early and sustained recovery of the tourism industry and consequently MINT's operations as highly uncertain, we also feel its liquidity preservation will keep MINT afloat in the storm. We expect its earnings to return to the black in 2022.
- We expect a slight improvement in 4Q20 with a lower loss of Bt4.0bn (from Bt4.8bn in 3Q20). We expect worse operations in Europe in 4Q20 due to a second lockdown that will force some hotel closures. NHH reported a drop in occupancy rate to 31% in October from 41% in September. However, the impact should be offset by better showings in hotels in Thailand (domestic travel) and Maldives (reopened in October) and better food operations in Thailand (62% of food revenue) and China (17% of food revenue).
- Amid uncertainty, liquidity preservation is key. As of September 30, 2020, MINT had Bt30bn cash on hand and Bt25bn in credit facilities for working capital. MINT is discussing with its creditors for an extension of the covenant waiver with a potential change in financial covenant for more flexibility in the future. Given its quality asset pool valued at over Bt100bn across the world, MINT is in advanced stages of talks with some investors for possible sale of assets valued at Bt10-15bn.

Forecasts and valuation

Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Revenue	(Btmn)	74,938	118,779	56,592	80,429	95,839
EBITDA	(Btmn)	15,366	21,277	3,636	17,854	26,522
Core profit	(Btmn)	5,728	7,060	(19,129)	(6,052)	2,566
Reported profit	(Btmn)	4,508	10,698	(19,827)	(6,052)	2,566
Core EPS	(Bt)	1.24	1.53	(3.90)	(1.17)	0.50
DPS	(Bt)	0.40	0.00	0.00	0.00	0.20
P/E, core	(x)	19.6	15.9	N.M.	N.M.	49.1
EPS growth, core	(%)	1.7	23.3	N.M.	N.M.	N.M.
P/BV, core	(x)	1.36	1.31	1.43	1.66	1.65
ROE	(%)	8.6	8.4	(22.6)	(7.6)	3.4
Dividend yield	(%)	1.6	0.0	0.0	0.0	0.8
FCF yield	(%)	(67.5)	9.8	(20.7)	(1.9)	3.9
EV/EBIT	(x)	23.5	17.1	N.M.	N.M.	30.4
EBIT growth, core	(%)	36.0	28.2	N.M.	N.M.	N.M.
EV/CE	(x)	1.0	1.0	0.7	0.8	0.8
ROCE	(%)	3.7	5.0	(3.7)	0.2	2.4
EV/EBITDA	(x)	14.7	9.9	N.M.	13.2	8.8
EBITDA growth	(%)	37.0	38.5	N.M.	N.M.	48.6

MINT's earnings forecast



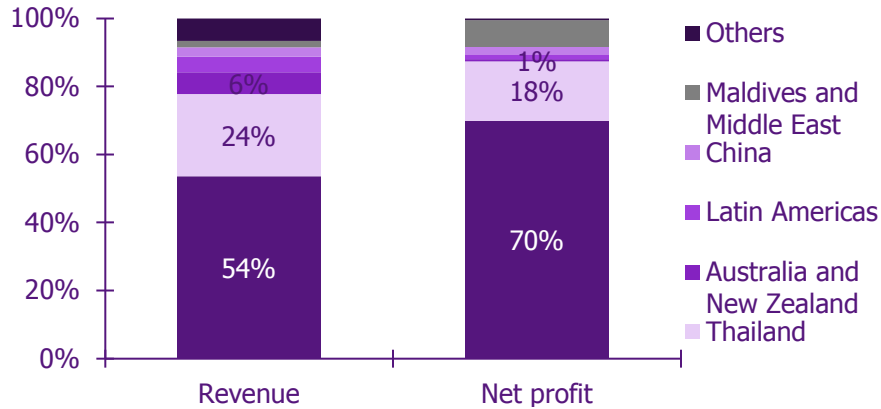
Source: SCBS Investment Research

Minor International (MINT) Floating amidst the storm

TP Bt24/share

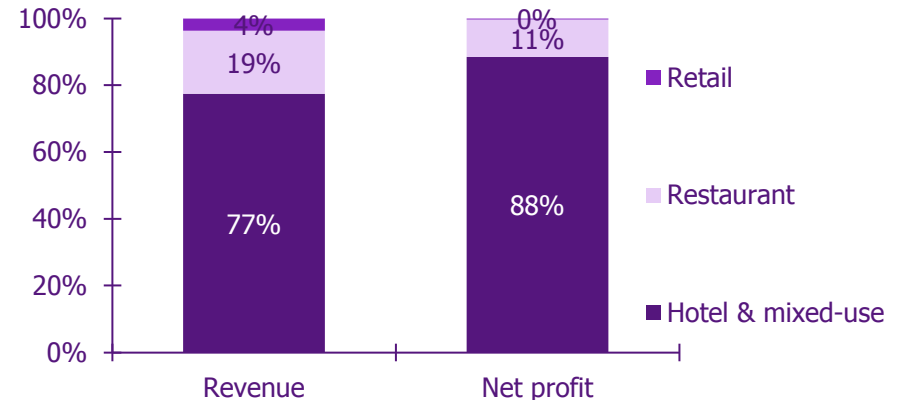
MINT's revenue breakdown

2019 revenue and net profit contribution



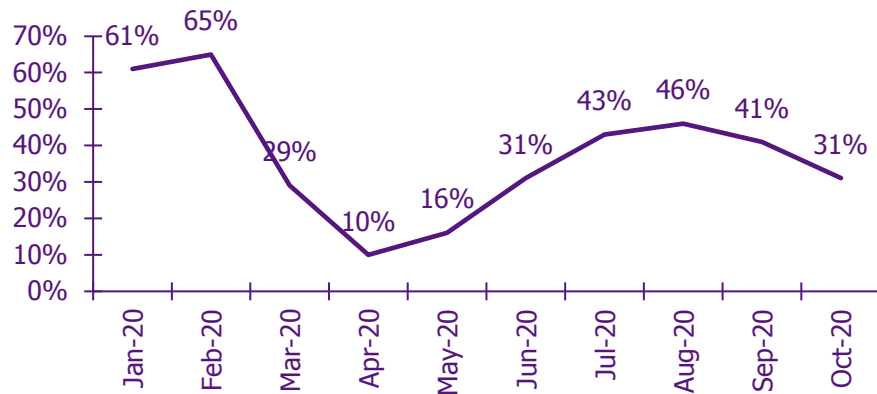
MINT's revenue breakdown

2019 revenue and net profit contribution



NHH hotel occupancy rate is slower in October

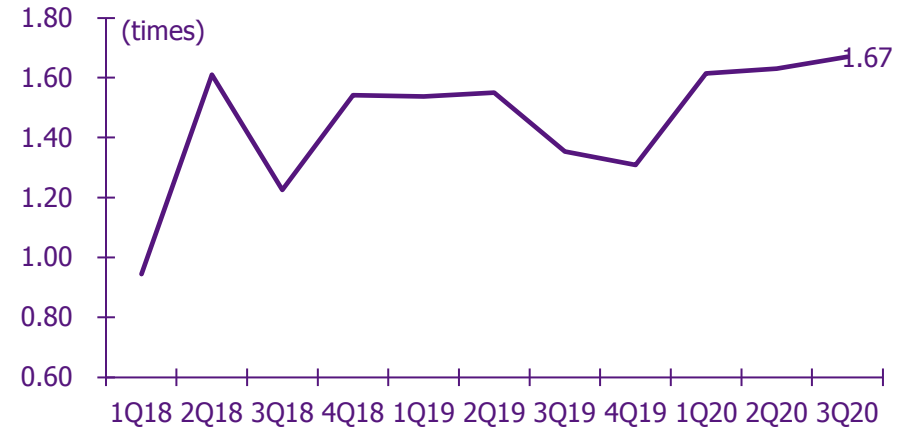
Occupancy rate of NHH's opened hotels in Europe



Source: Company data, SCBS Investment Research

MINT's interest-bearing-debt to equity

MINT's interest-bearing debt to equity



Proxy play on higher oil price

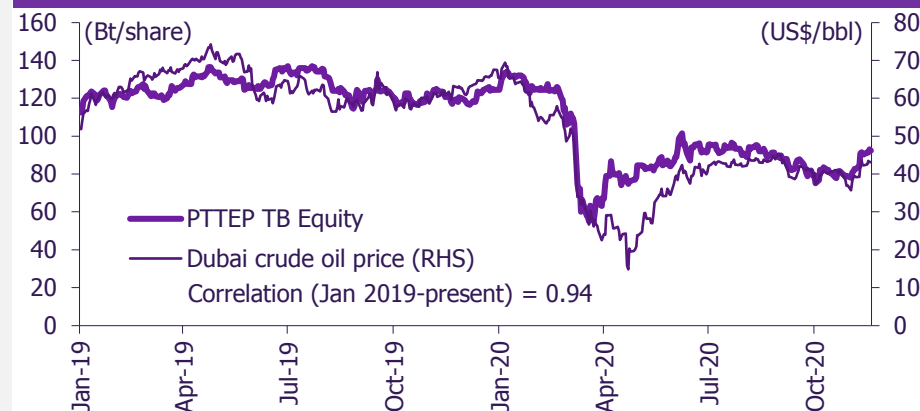
Investment Theme

- PTTEP is the proxy play of oil price with 0.94 correlation between share price and Dubai oil price.
- Oil price is expected to hold up in 2021 on more balanced demand-supply environment. This could benefit the company's 30% of sales volume which would increase by 6.7% p.a. over the next 4 years.
- Key volume growth driver is Sabah H project in Malaysia with capacity of 28kBOED, 70% of incremental volume from 2020.
- The average gas price is likely to decline when the PSCs of Block G1/61 (Erawan) and Block G2/61 start from 2022-23 but this will be offset by lower unit cost.
- PTTEP targets to reduce the unit cost from US\$30/BOE to US\$25/BOE, mainly when new PSCs begin.
- Strong balance sheet with net interest-bearing debt to equity of 0.1x (end-3Q20). This will allow rooms for new M&As amid low oil price environment.
- Limited downside risk from asset impairments given its oil sand business in Canada was fully impaired but the company still has the physical assets and the subsidiaries in Canada.
- Our DCF-based TP at Bt114/share is based on LT Dubai of US\$43/bbl and Brent of US\$45/bbl from 2021F onwards.

Forecasts and valuation

Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Revenue	(Btmn)	171,809	191,053	160,258	178,678	199,462
EBITDA	(Btmn)	127,315	139,517	110,912	121,449	134,601
Core profit	(Btmn)	36,291	48,844	22,285	25,525	31,065
Reported profit	(Btmn)	36,206	48,803	27,115	25,525	31,065
Core EPS	(Bt)	9.14	12.30	5.61	6.43	7.82
DPS	(Bt)	5.00	6.00	3.23	3.18	3.40
P/E, core	(x)	10.3	7.6	16.7	14.6	12.0
EPS growth, core	(%)	(5.5)	34.6	(54.4)	14.5	21.7
P/BV, core	(x)	1.0	1.0	1.0	1.0	0.9
ROE	(%)	9.5	13.1	6.1	6.8	7.9
Dividend yield	(%)	5.3	6.4	3.5	3.4	3.6
FCF yield	(x)	(0.3)	29.4	(0.2)	(2.1)	(2.8)
EV/EBIT	(x)	6.0	4.3	5.0	9.1	9.1
EBIT growth, core	(%)	44.1	30.5	13.6	(42.3)	4.9
EV/CE	(x)	0.7	0.6	0.7	0.7	0.7
ROCE	(%)	8.8	8.0	9.2	4.5	5.0
EV/EBITDA	(x)	2.3	2.7	3.6	3.5	3.3
EBITDA growth	(%)	(1.4)	18.2	9.6	(20.5)	9.5

PTTEP vs. Dubai oil price



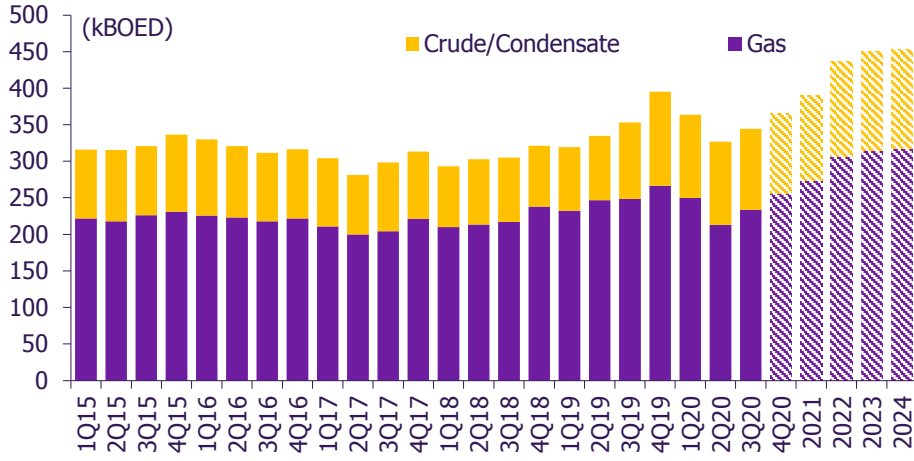
Source: SCBS Investment Research

PTT Exploration & Production (PTTEP)

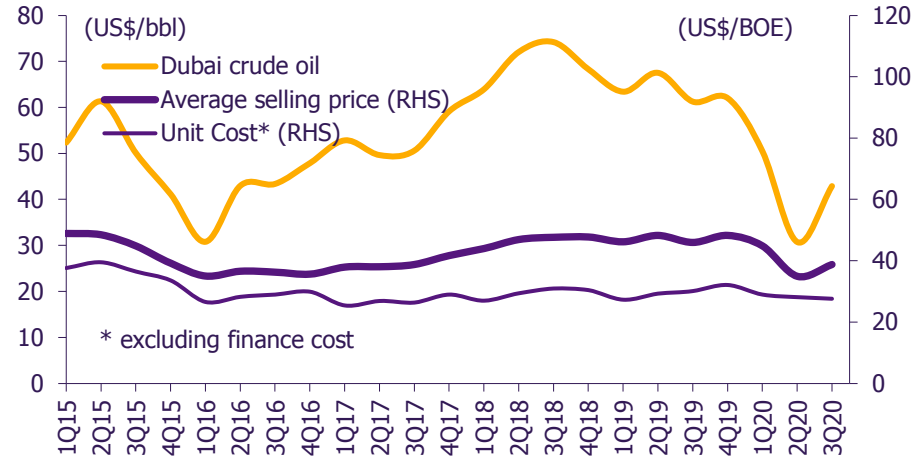
TP Bt114

Proxy play on higher oil price

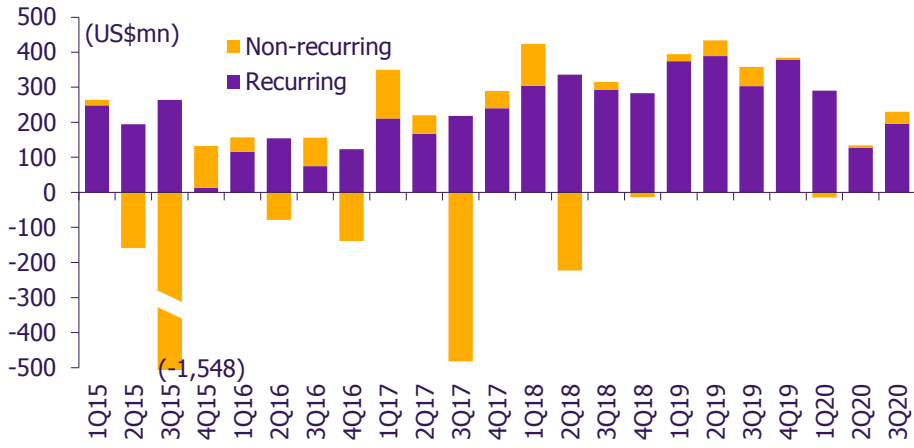
PTTEP – Sales volume



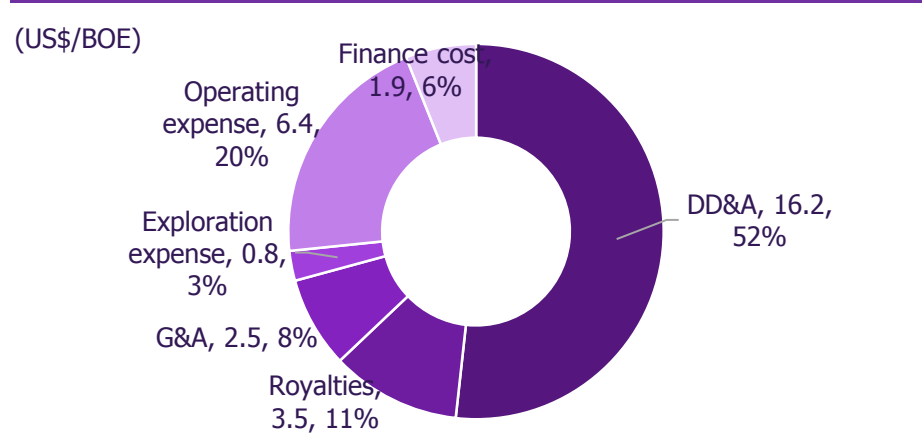
PTTEP – average selling price vs. unit cost



PTTEP – quarterly earnings performance



PTTEP – cost breakdown (last 12 months)



Source: Company data, SCBS Investment Research



Competitive cost with strong balance sheet

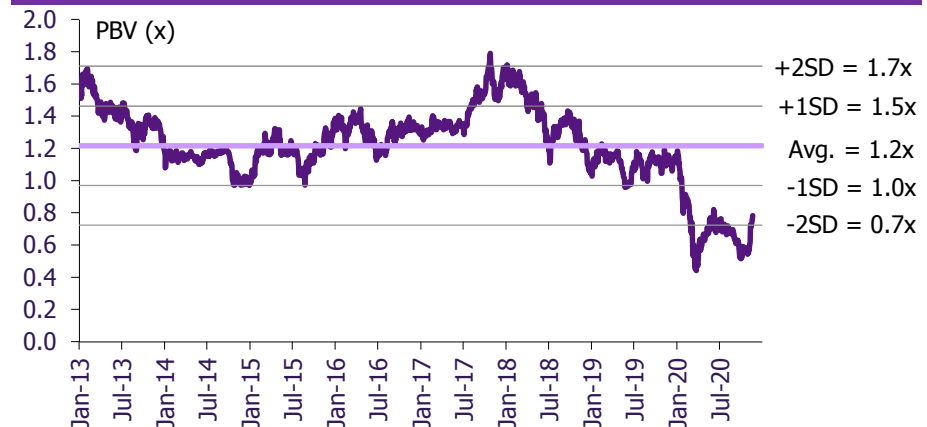
Investment Theme

- TOP's cost position would remain competitive amidst the uncertain oil refining margin and aromatics product spread caused by weaker demand in global market.
- The company's earnings would be supported by stable profit of power generating business (15% of income) despite a partial divestment in GPSC.
- Better demand for middle distillates (diesel and jet fuel) could drive market GRM if economic activity and air travelling is back to normalcy after the vaccine for COVID is approved for distribution.
- Utilization rates could be back to near normal in 2021 with crude intake of 275kbd, to accommodate domestic demand to capture better margin than export market. Most of TOP's refined oil products are sold to PTT, which has strong petrol station network.
- Aromatics spread is expected to improve YoY given more demand from new PTA plants in China.
- TOP's balance sheet remains strong with net IBD/E of 0.7x (end-3Q20). The investment of CFP are fully funded with more liquidity from divesting partial stakes in GPSC of Bt5.9bn (net of share purchase of Thaioil Power from PTT).
- TP of Bt50/share based on conservative PBV of 0.8x as outlook for GRM remains uncertain, vs. the average PBV of 1.2x. We estimate the BV (end-2021) at Bt59.6/share.

Forecasts and valuation

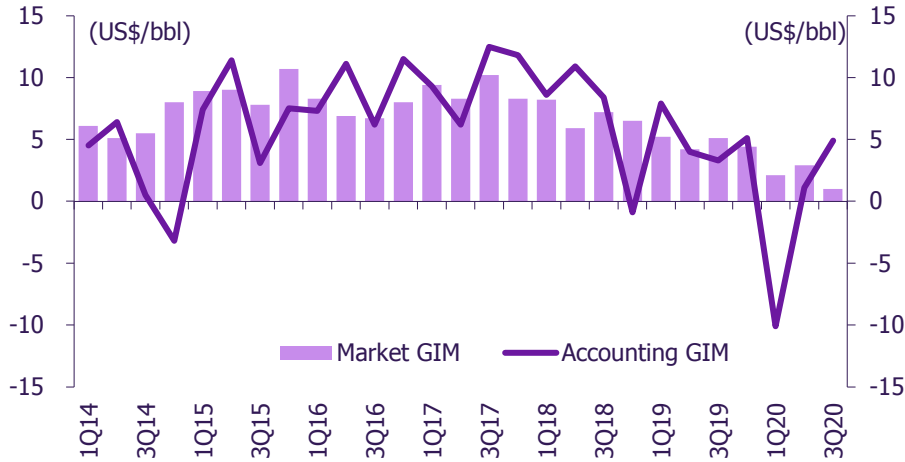
Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Revenue	(Btmn)	392,166	364,327	240,670	276,088	291,292
EBITDA	(Btmn)	20,698	12,971	(2,854)	16,952	18,257
Core profit	(Btmn)	10,343	4,143	(3,305)	8,176	9,411
Reported profit	(Btmn)	10,149	6,277	(3,975)	8,176	9,411
Core EPS	(Bt)	5.07	2.03	(1.62)	4.01	4.61
DPS	(Bt)	2.65	1.50	0.25	1.50	1.75
P/E, core	(x)	9.6	24.0	(30.1)	12.2	10.6
EPS growth, core	(%)	(52.6)	(59.9)	(179.8)	(347.4)	15.1
P/BV, core	(x)	0.8	0.8	0.9	0.8	0.8
ROE	(%)	8.2	3.3	(2.7)	6.7	7.3
Dividend yield	(%)	5.4	3.1	0.5	3.1	3.6
FCF yield	(x)	(7.2)	33.2	(80.5)	(10.1)	12.9
EV/EBIT	(x)	7.4	23.2	(17.4)	21.6	19.9
EBIT growth, core	(%)	(52.9)	(56.2)	n.a.	n.a.	12.7
EV/CE	(x)	0.9	1.0	1.0	1.0	1.0
ROCE	(%)	10.0	3.1	(4.8)	3.8	4.1
EV/EBITDA	(x)	4.8	10.5	(61.1)	12.4	12.0
EBITDA growth	(%)	(42.8)	(37.3)	(122.0)	(693.9)	7.7

TOP – PBV Band

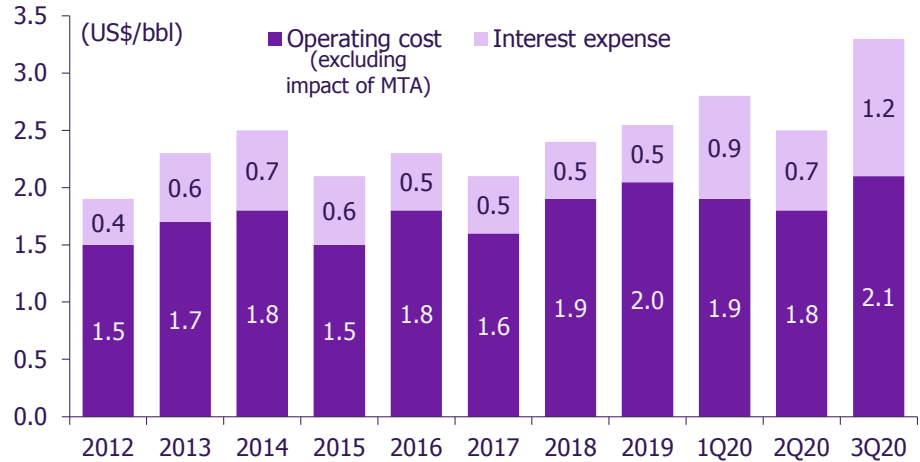


Competitive cost with strong balance sheet

Integrated margin

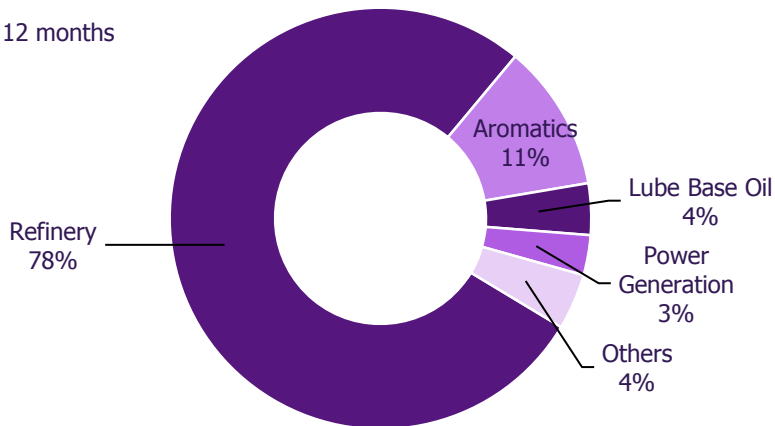


Group cash cost

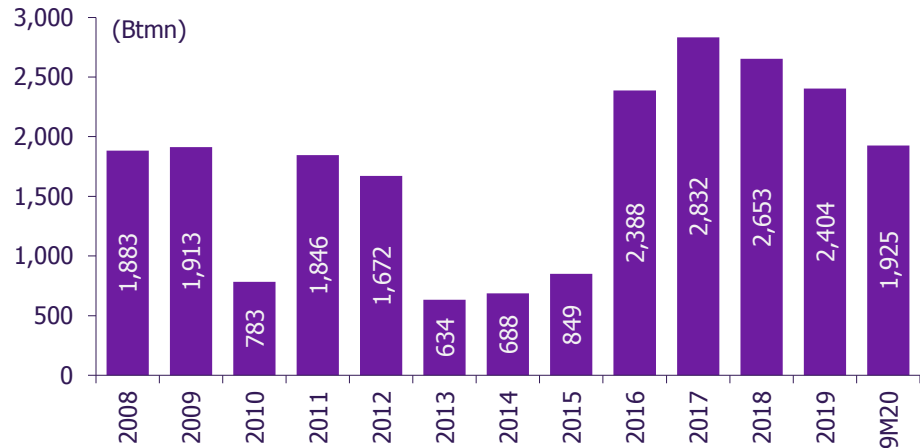


Revenue breakdown (9M20)

* last 12 months



EBITDA from power business



Source: Company data, SCBS Investment Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

SCB Securities Company Limited ("SCBS") is a wholly-owned subsidiary of The Siam Commercial Bank Public Company Limited ("SCB"). Any information related to SCB is for sector comparison purposes.

SCB Securities Company Limited ("SCBS") and SCB Asset Management Company Limited ("SCBAM") are the wholly-owned subsidiaries of The Siam Commercial Bank Public Company Limited ("SCB").

SCB Securities Company Limited ("SCBS") acts as market maker and issuer of Derivative Warrants on the ordinary shares INTUCH.

Before making an investment decision over a derivative warrant, an investor should carefully read the prospectus for the details of the said derivative warrants. Any opinion, news, research, analyse, price, statement, forecast, projection and/or other information contained in this document (the "Information") is provided as general purpose information only, and shall not be construed as a recommendation to any person of an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities. SCBS and/or its directors, officers, employees, and agents shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of, or reliance on, the Information, including without limitation, damages for loss of profits. The investor should use the Information in association with other information and opinion, including his/her own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time at its sole discretion without giving any notice. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of SCG Packaging Public Company Limited. SCBS has acted as Joint Lead Underwriter of SCG Packaging Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Charoen Pokphand Group Company Limited, and its affiliates including CP All Public Company Limited, and Charoen Pokphand Foods Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor, Lead Arranger of Global Power Synergy Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB Asset Management Company Limited ("SCBAM") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Digital Telecommunications Infrastructure Fund. SCBAM has acted as Fund Manager of Digital Telecommunications Infrastructure Fund. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Copyright©2012 SCB Securities Company Limited. All rights reserved.

CG Rating 2020 Companies with CG Rating

Companies with Excellent CG Scoring

AAV, ADVANC, AF, AIRA, AKP, AKR, ALT, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARIP, ARROW, ASP, BAFS, BANPU, BAY, BCP, BCPG, BDMS, BEC, BEM, BGRIM, BIZ, BKI, BLA, BOL, BPP, BRR, BTS, BWG, CENTEL, CFRESH, CHEWA, CHO*, CIMBT, CK, CKP, CM, CNT, COL, COMAN, COTTO, CPALL, CPF, CPI, CPN, CSS, DELTA, DEMCO, DRT, DTAC, DTC, DV8, EA, EASTW, ECF, ECL, EGCO, EPG, ETE, FNS, FPI, FPT, FSMART, GBX, GC, GCAP, GEL, GFPT, GGC, GPSC, GRAMMY, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI*, III, ILINK, INTUCH, IRPC, IVL, JKN, JSP, JWD, K, KBANK, KCE, KKP, KSL, KTB, KTC, LANNA, LH, LHFG, LIT, LPN, MAKRO, MALEE, MBK, MBKET, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MTC, NCH, NCL, NEP, NKI, NOBLE*, NSI, NVD, NYT, OISHI, ORI, OTO, PAP, PCSGH, PDJ, PG, PHOL, PLANB, PLANET, PLAT, PRM, PRG, PRP, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, RS, S, S & J, SAAM, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SIRI, SIS, SITHAI, SMK, SMPC, SNC, SONIC, SORKON, SPALI, SPI, SPRC, SPVI, SSSC, SST, STA, SUSCO, SUTHA, SVI, SYMCC, SYNTEC, TACC, TASCO, TCAP, TFMAMA, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIP, TIPCO, TISCO, TK, TKT, TMB, TMILL, TNDT, TNL, TOA, TOP, TPBI, TQM, TRC, TRUE, TSC, TSR, TSTE, TSTH, UAC, TTA, UBIS, TTCL, UV, TTW, VGI, TU, VIH, TVD, WACOAL, TVI, WAVE, TVO, WHA, TWPC, WHAUP, U, WICE, WINNER

Companies with Very Good CG Scoring

2S, ABM, ACE, ACG, ADB, AEC, AEONTS, AGE, AH, AHC, AIT, ALLA, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASK, ASN, ATP30, AUCT, AWC, AYUD, B, BA, BAM, BBL, BFIT, BGC, BJC, BJCHI, BROOK, BTW, CBG, CEN, CGH, CHARAN, CHAYO, CHG, CHOTI, CHOW, CI, CIG, CMC, COLOR, COM7, CPL, CRC, CRD, CSC, CSP, CWT, DCC, DCON, DDD, DOD, DOHOME, EASON, EE, ERW, ESTAR, FE, FLOYD, FN, FORTH, FSS, FTE, FVC, GENCO, GJS, GL, GLAND, GLOBAL, GLOCON, GPI, GULF, GYT, HPT, HTC, ICN, IFS, ILM, IMH, INET, INSURE, IRC, IRCP, IT, ITD*, ITEL, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KGI, KIAT, KOOL, KTIS, KWC, KWM, L&E, LALIN, LDC, LHK, LOXLEY, LPH, LRH, LST, M, MACO, MAJOR, MBAX, MEGA, META, MFC, MGT, MILL, MITSIB, MK, MODERN, MTI, MVP, NETBAY, NEX, NINE, NTV, NWR, OCC, OGC, OSP, PATO, PB, PDG, PDI, PICO, PIMO, PJW, PL, PM, PPP, PRIN, PRINC, PSTC, PT, QLT, RCL, RICHY, RML, RCP, RWI, S11, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SPC, SE, SEG, SFP, SFG, SHR, SIAM, SINGER, SKE, SKR, SKY, SMIT, SMT, SNP, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STI, STPI, SUC, SUN, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TEAMG, TFG, TIGER, TITTLE, TKN, TKS, TM, TMC, TMD, TMI, TMT, TNITY, TNP, TNR, TOG, TPA, TPAC, TPCORP, TPOLY, TPS, TRITN, TRT, TRU, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UT, UTP, UWC, VL, VNT, VPO, WIJK, WP, XO, YUASA, ZEN, ZIGA, ZMICO

Companies with Good CG Scoring

7UP, A, ABICO, AJ, ALL, ALUCON, AMC*, APP, ARIN, AS, AU, B52, BC, BCH, BEAUTY, BGT, BH, BIG, BKD, BLAND, BM, BR, BROCK, BSBM, BSM, BTNC, CAZ, CCP, CGD, CITY, CMAN, CMO, CMR, CPT, CPW, CRANE, CSR, D, EKH, EP, ESSO, FMT, GIFT, GREEN, GSC*, GTB, HTECH, HUMAN, IHL, INOX, INSET, IP, JTS, JUBILE, KASET, KCM, KKC, KUMWEL, KUN, KWG, KYE, LEE, MATCH, MATI, M-CHAI, MCS, MDX, MJD, MM, MORE, NC, NDR, NER, NFC, NNCL, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PMTA, POST, PPM, PRAKIT, PRECHA, PRIME, PROUD, PTL, RBF, RCI, RJH, ROJNA, RP, RPH, RSP, SF, SFLEX, SGP, SISB, SKN, SLP, SMART, SOLAR, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TIW, TNH, TOPP, TPCH, TPIPP, TPLAS, TTI, TYCN, UKEM, UMS, VCOM, VRANDA, WIN, WORK, WPH

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall have no liability for any information contained in, or for any omission from, this publication. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2019 to 19 November 2020) is publicized.

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรระมัดระวังข่าวดังกล่าวประกอบด้วย

Anti-corruption Progress Indicator

Certified (ได้รับการรับรอง)

2S, ADVANC, AI, AIE, AIRA, AKP, AMA, AMANAH, AP, AQUA, ARROW, ASK, ASP, AYUD, B, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGC, BGRIM, BJCHI, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COL, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DELTA, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, FE, FNS, FPI, FPT, FSS, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPSC, GSTEEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, ICHI, IFS, INET, INSURE, INTUCH, IRPC, ITEL, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MFEC, MINT, MONO, MOONG, MPG, MSC, MTC, MTI, NBC, NCP, NINE, NKI, NMG, NNCL, NSI, NWR, OCC, OCEAN, OGC, ORI, PAP, PATO, PB, PDI, PDJ, PE, PG, PHOL, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PREB, PRG, PRINC, PRM, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, RWI, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SEAOL, SE-ED, SELIC, SENA, SGP, SIRI, SITHAI, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSSC, SST, STA, SUSCO, SVI, SYNTEC, TAE, TAKUNI, TASCO, TBSP, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THIP, THRE, THREL, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TPA, TPCORP, TPP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TVO, TWPC, U, UBIS, UEC, UKEM, UOBKH, UWC, VGI, VIH, VNT, WACOAL, WHA, WHAUP, WICE, WIJK, XO, ZEN

Declared (ประกาศเจตนารมณ์)

7UP, ABICO, AF, ALT, AMARIN, AMATA, AMATAV, ANAN, APURE, B52, BKD, BM, BROCK, BUL, CHO, CI, COTTO, DDD, EA, EFORL, EP, ERW, ESTAR, ETE, EVER, FSMART, GPI, ILINK, IRC, J, JKN, JMART, JMT, JSP, JTS, KWG, LDC, MAJOR, META, NCL, NOBLE, NOK, PK, PLE, ROJNA, SAAM, SAPPE, SCI, SE, SHANG, SINGER, SKR, SPALI, SSP, STANLY, SUPER, SYNEX, THAI, TKS, TOPP, TRITN, TTA, UPF, UV, WIN, ZIGA

N/A

3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, AEC, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALUCON, AMC, AOT, APCO, APCS, APEX, APP, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASN, ATP30, AU, AUCT, AWC, BA, BAM, BC, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGT, BH, BIG, BIZ, BJC, BLAND, BLISS, BOL, BR, BSM, BTNC, BTW, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHG, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPH, CPL, CPR, CPT, CPW, CRANE, CRC, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DHOUSE, DOD, DOHOME, DTCI, DV8, EASON, ECF, EE, EKH, EMC, EPG, ESSO, ETC, F&D, FANCY, FLOYD, FMT, FN, FORTH, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, GYT, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, III, ILM, IMH, INGRS, INOX, INSET, IP, IRCP, IT, ITD, JAS, JCK, JCKH, JCT, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KK, KKC, KOOL, KTIS, KUMWEL, KUN, KWM, KYE, LALIN, LEE, LEO, LH, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, MEGA, METCO, MGT, MICRO, MIDA, MILL, MITSIB, MJD, MK, MM, MODERN, MORE, MPIC, MVP, NC, NCP, NCH, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NPK, NRF, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PERM, PJW, PMTA, POLAR, POMPU, PORT, POST, PPM, PR9, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROUD, PTL, RAM, RBF, RCI, RCL, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, RT, S, S11, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCGP, SCM, SCP, SDC, SEAFCO, SEG, SF, SFLEX, SFP, SFT, SFG, SHR, SIAM, SICT, SIMAT, SIS, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMT, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, STAR, STARK, STC, STEC, STGT, STHAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYMC, T, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TGPRO, TH, THANA, THE, THG, THL, THMUI, TIGER, TITTLE, TIW, TK, TKN, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, W, WAVE, WG, WGE, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YGG, YUASA, ZMICO

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.