SCBS

1Q22 STRATEGY

WELCOME TO

THE YEAR OF TIGER

1Q22 SCBS Strategy – Meow Aurora

Year of normalization. Global economic growth has become normalized, with growth in DM economies slowing from 1H and growth in EMs expected to revive in 2H. In EM ex. China, economies in the 1H will be in a "sweet spot" due to 1) reopening after widespread vaccinations, 2) a good export trend and 3) money saved from fiscal and monetary measures. In 2H, growth will be driven by tourism as it continues to revive. Domestic spending will begin to slow and monetary and fiscal policy will begin to tighten.

Five things to expect in 2022. Our five main predictions: 1) we expect 2022 global growth to normalize, 2) we expect global inflation to decline in 2H22, 3) we expect global monetary policy to return to normal, 4) we expect conflict between the US and China to turn more serious, and 5) a China slowdown, global stagflation and new COVID-19 variants are the major risks.

Thai economy theme is "cautiously optimistic". In 2022, we expect economic growth to revive from the fall of 6.1% in 2020 and growth of 1.0% in 2021. With the theme of "2-4-4-8", 2022 export growth is projected at 2%, private consumption at 4%, GDP growth at 3.6-4.0% and tourist arrivals at 8.0mn persons.

The easy part of recovery is passing. Most DMs are moving from early expansion to late expansion; EMs are moving toward peak in 1H22. The service sectors will fuel growth for an extended recovery. Thus, overall return on risky assets remains positive but slowing to moderate.

Outlook for 2022. The growth and policy outlook will likely become less friendly. Service growth will offset manufacturing sector growth. We expect earnings growth of 6% YoY in 2022 on the back of GDP growth of 3-4%. We estimate SET Index return at 5% by the end of 2022, 8% with dividends.

Micro-driven market with less dependency on macro. The business cycle has moved from recovery to expansion and toward normalization. We expect a shift to a micro-driven market as macro volatility declines and individual sector/specific factors come increasingly into play. We expect the cyclical tailwinds to weaken in 1H22.

SET Index target. Our 2022 SET Index target based on fundamentals is 1,660. The SET is expected to perform well in 1Q22 and correct in 2Q to absorb a rate hike and growth normalization. 2H22 will gain momentum from reopening and post-pandemic recovery.

Valuation de-rating and re-rating. We expect valuations for Electronics, Healthcare, Transportation, Hotel, Media, Construction Materials and Construction Services will be de-rated due to limited upside for ROE expansion. Banks, ICT and Commerce are likely to see multiples expansion.

Alpha themes. We highlight four ideas for 2022 around the macro and micro themes of 1) high pricing power, 2) benefit from rate hike cycle, 3) growth at a reasonable price with an inexpensive growth and 4) quality stocks.

Focusing on growth at reasonable price. We look at stocks that 1) are little impacted by macro headwinds, 2) are gaining momentum from switch to EV and car exports, 3) are showing earnings growth or recovery, 4) have limited financial risk or strong balance sheets, and 5) have reasonable valuations. Our top picks in 1Q22 are ADVANC, AH, BLA, KBANK and NYT.

Economy

Summary: 2022 Year of normalization

In 4Q2021 the theme of global economy is "Rebound, Reflation and Resurgence". The global economic growth has become normalized, with the growth of developed market (DM) economies decelerated from 1H, while growth in emerging market (EM) economies expected to revive in 2H. Inflation is rising globally, with 34 out of 43 countries saw an accelerating inflation trend. Economic headwind from the resurgence of COVID-19 pandemic is emerged recently. Delta Variant and cold weather in Europe puts global economies at risk once again, with the risk of Omicron variance looming at the horizon.

In putting a forecast for 2022 global economic trend, 3 main assumptions are set. Those are: we expect the **pandemic to become endemic** in 2H, due mainly to widespread vaccination; we expect 60-90% of **global traveling industry revival**, as predicted by IATA; and we expect **supply bottleneck problem to be resolved**, with the increase in supply from the reopening of production, while the bumping up in demand subsided. This leads to **our 5 main predictions: (1) We expect 2022 global growth to become normalized**. In DM, growth will slowdown due to fading pent-up demand, rising production and living costs, and tightening monetary and fiscal policy. In EM ex. China, the economy in the 1H will be in a "sweet spot”. But in 2H, domestic spending will begin to slow down. China, an exception, will be slow down further from this year. **(2) We expect global inflation to decline in 2H** due to: China's economy is likely to slow down, lowering demand for commodities; The bottleneck is likely to be resolved; and from a tightening global monetary condition. **(3) We expect global monetary policy will return to normal**. (**4) We believe the issue of the Cold War between US and China will become more serious** due to their domestic political pressure, but it is unlikely lead to a "hot war" or real confrontation. **(5**) Despite moderately positive tone, we note that there are **five risks worth keeping an eye on**, these are: China slowdown; Financial volatility; Global Stagflation; Extreme Weather; and New COVID-19 Variant (Omicron).

In term of Thai Economy, our 2022 theme is "cautiously optimistic". In 3Q2021, the Thai economy contracted at -0.3% pa, close to our forecast of -0.5% pa, but better than consensus' forecast of -1.6%. This is due to the severity of the 4th outbreak, and subsequently the reopening of the economy, was in line with our assumption. In 2022, we expect economic growth to revived from the decline of -6.1% in 2020 and +1.0% in 2021. **With the theme of "2-4-4-8",** the 2022 export growth is projected at 2%; private consumption at 4%, GDP Growth at 3.6-4.0%, and tourist arrival at 8.0 million persons.

Summary: Omicron pandemic scenario analysis

As the new variant pandemic emerge and potentially be a game changer to our central view**, we have done the preliminary analysis on the impact**, using the scenario analysis approach.

We found out that

(1) In term of global economic growth, **growth may decline from IMF's 2022 projection of 4.9% to as low as 3.6%,** depending on how deadly the virus is, and how efficacy of the current vaccine to tame the spread of the virus;

(2) In term of global policy respond, we believe that in the moderate and severe case, **the leading economies' authorities will relax the monetary and fiscal policy further**;

(3) In term of Thai economy and policy, we believe the negative impact of the pandemic will run through the **slowdown in consumption and tourist revenue**, depending on the intensity of the government lockdown policy.

GDP could decelerated from 3.6% in base case to 2.9% and 2.5% in moderate and severe scenario respectively. Domestic consumption will be hard-hit, declining to 2.9% and 2.2% respectively, **with the chance of consumption contraction in 1Q.**

Policy may loosening a bit, but since the authorities is concerning about the fiscal discipline, **we didn't expect a bazooka** in term of fiscal stimulus, which further limit Thailand's potential growth in the future due to the larger "income hole".

Content

Global economy in 2022: Year of normalization

- Current economic condition in 4Q2021: Rebound, Reflation, Resurgence
- 3 Main assumption: In 2H22, there will be (1) Pandemic becoming to endemic; (2) 50-60% of Global traveling industry revival; (3) Supply bottleneck problem resolved.
- 5 Predictions:
  - Global economic normalization
  - A one-year "transitory" inflation
  - Global monetary policy normalization
  - Year of intensifying geopolitics
  - Five risks loom in the horizon

Thai Economy: Cautiously optimistic

- 3Q2021: A signal to future growth
  - Growth is as we expect, inventory is the key
- 2022: A year of "2-4-4-8"
  - Export Growth: 2%; Private Consumption Growth: 4%; GDP Growth: 3.6-4.0%; Tourist arrival: 8.0 mn.

Scenario analysis on the impact of Omicron pandemic to Global and Thai economic and policy

Macroeconomic Dashboard

	2021e	Latest	2022F
US GDP (% YoY)	5.9	4.7	3.8
USCPI (% YoY)	5.3	6.2	2.8
EZ GDP (% YoY)	5.0	3.9	4.3
EZ CPI (% YoY)	2.2	4.1	1.7
JPGDP (% YoY)	2.4	1.3	3.2
JP CPI (% YoY)	0.0	0.1	1.6
CN GDP (% YoY)	8.0	4.9	5.0
CN CPI (% YoY)	1.0	1.5	2.7
TH GDP (% YoY)	1.0	-0.3	3.6
TH CPI (% YoY)	1.2	2.4	1.4

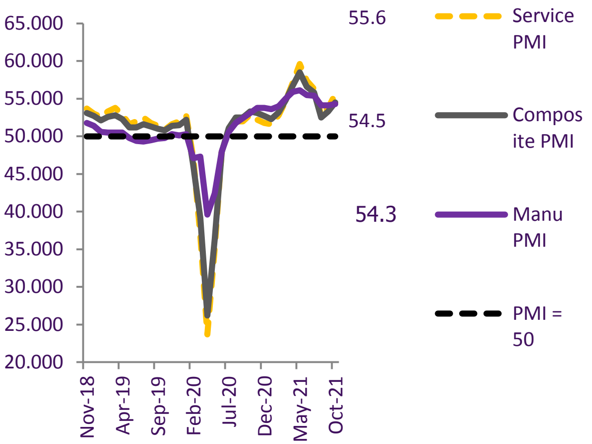
	2021e	Latest	2022F
FFR (%p.a.)	0.25	0.25	0.50
RP (% p.a., eoy.)	0.50	0.50	0.50
ECB (% p.a., eoy.)	-0.1	-0.1	-0.1
BOJ (% p.a., eoy.)	-0.1	-0.1	-0.1
US 2Y Yield (%p.a. / avg)	0.23	0.50	0.60
US 10Y Yield (%p.a./ avg)	1.45	1.48	1.65
THB/USD (Avg.)	31.5	33.7	32.0
USD index (Avg.)	93.0	96.0	95.0
EUR-USD (Avg.)	1.15	1.16	1.10
USD-JPY (Avg.)	110.0	113.24	115
USD-CNY (Avg.)	6.40	6.39	6.50
Brent (USD/bbl, avg.)	71.7	72.7	67.0

Source: CEIC, Bloomberg, SCBS Research

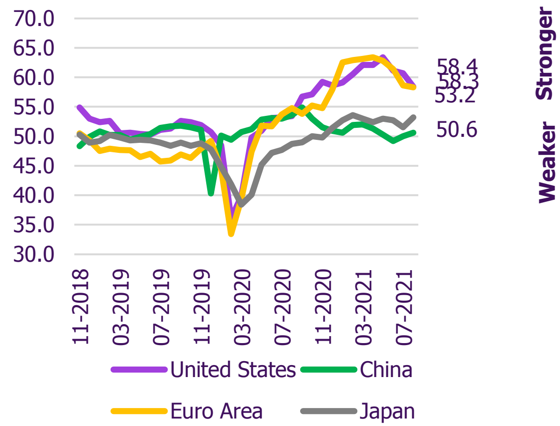
GLOBAL ECONOMY: CURRENT CONDITION

Rebound: Global Economy becoming normalized

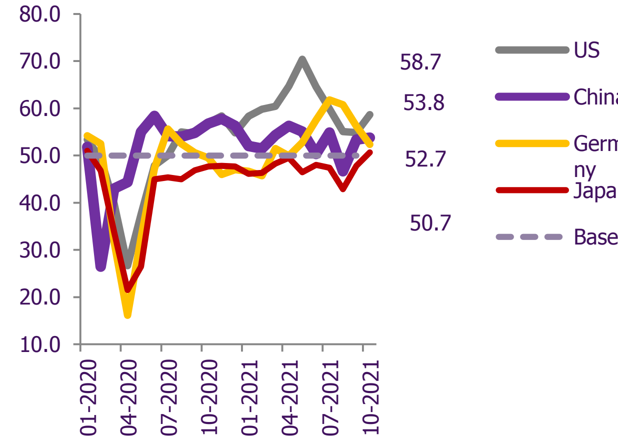
Global PMI: Manu, Service and Composite



Manufacturing PMI (50 = Normal)

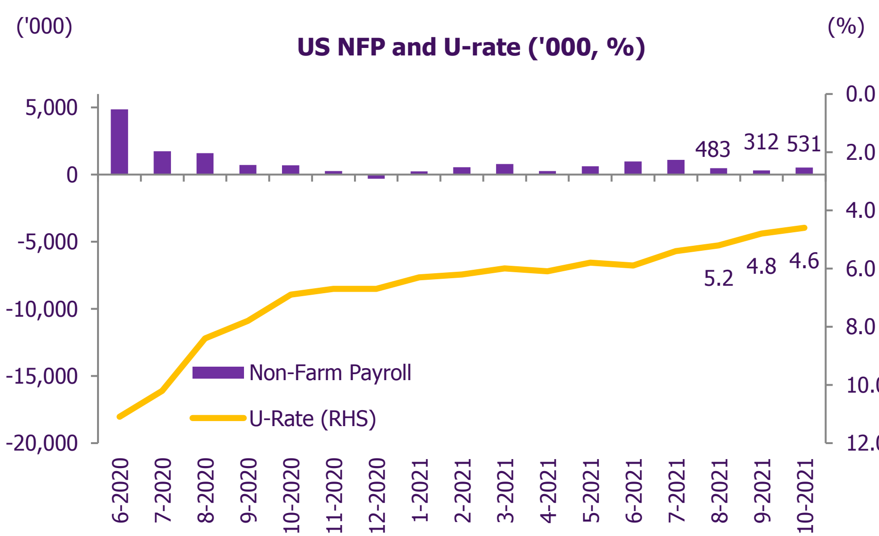


Service PMI (50 = Normal)

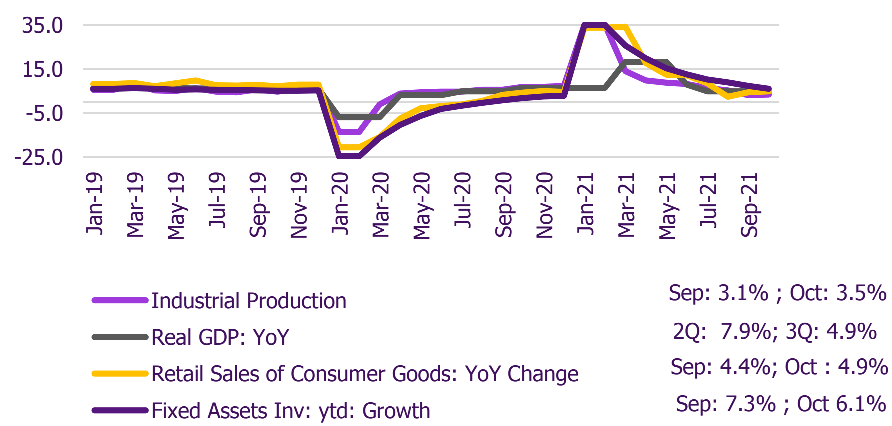


Source: CEIC, Various Sources, SCBS Research

US NFP and U-rate ('000, %)



China's GDP Growth, Retail Sale, Fixed Asset Investment and Industrial Production (% YoY)



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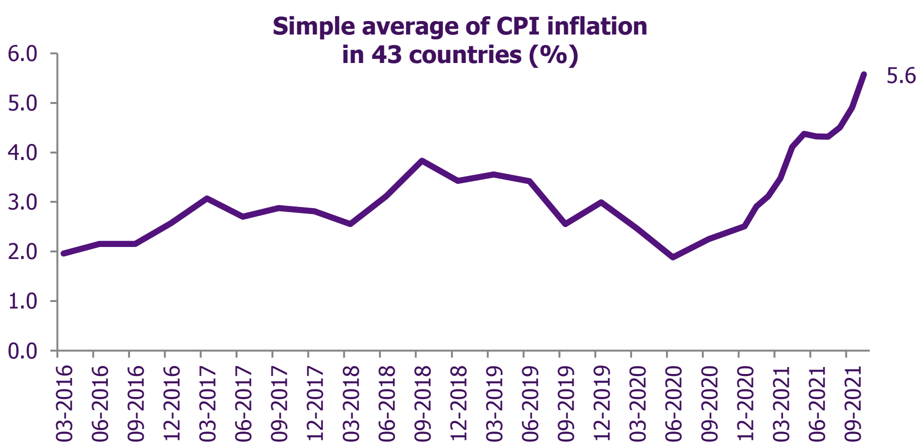
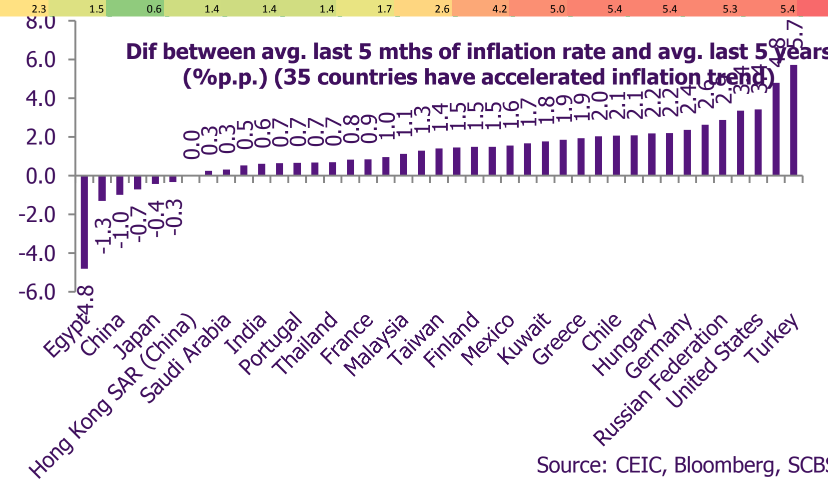
Reflation: Inflation remain elevated

Region	03/2016	06/2016	09/2016	12/2016	03/2017	06/2017	09/2017	12/2017	03/2018	06/2018	09/2018	12/2018	03/2019	06/2019	09/2019
China	2.3	1.9	1.9	2.1	0.9	1.5	1.6	1.8	2.1	1.9	2.5	1.9	2.3	2.7	3.0
Hong Kong	2.9	2.4	2.7	1.2	0.5	1.9	1.4	1.7	2.6	2.4	2.7	2.5	2.1	3.3	3.2
India	4.8	5.8	4.4	3.4	3.9	1.5	3.3	5.2	4.3	4.9	3.7	2.1	2.9	3.2	4.0
Indonesia	4.4	3.5	3.1	3.0	3.6	4.4	3.7	3.6	3.4	3.1	2.9	3.1	2.5	2.8	3.1
Japan	0.0	-0.3	-0.5	0.3	0.2	0.4	0.8	1.0	1.1	0.7	1.1	0.3	0.5	0.6	0.2
Malaysia	2.6	1.6	1.5	1.7	4.9	3.4	4.2	3.5	1.3	0.8	0.3	0.2	0.2	1.5	1.1
Philippines	0.6	1.3	1.7	2.2	3.1	2.5	3.0	2.9	4.3	5.2	6.7	5.1	3.3	2.7	0.9
Singapore	-1.0	-0.7	-0.2	0.2	0.7	0.5	0.4	0.4	0.2	0.6	0.7	0.5	0.7	0.5	0.4
South Kore	0.8	0.7	1.3	1.3	2.3	1.8	2.0	1.4	1.2	1.5	2.1	1.3	0.4	0.7	-0.4
Taiwan	2.0	0.9	0.3	1.7	0.2	1.0	0.5	1.2	1.6	1.4	1.7	-0.1	0.6	0.9	0.4
Thailand	-0.5	0.4	0.4	1.1	0.8	-0.1	0.9	0.8	0.8	1.4	1.3	0.4	1.2	0.9	0.3
Vietnam	1.7	2.4	3.3	4.7	4.7	2.5	3.4	2.6	2.7	4.7	4.0	3.0	2.7	2.2	2.0
European U	-0.1	0.0	0.3	1.1	1.5	1.3	1.6	1.4	1.4	2.0	2.1	1.6	1.6	1.5	1.1
Finland	0.0	0.4	0.4	1.0	0.8	0.7	0.8	0.5	0.8	1.2	1.3	1.2	1.1	1.0	0.9
France	-0.1	0.2	0.4	0.6	1.1	0.7	1.0	1.2	1.6	2.0	2.2	1.6	1.1	1.2	0.9
Germany	0.3	0.3	0.6	1.5	1.4	1.4	1.7	1.4	1.5	1.9	1.9	1.6	1.3	1.6	1.2
Greece	-1.5	-0.7	-1.0	0.0	1.7	1.0	1.0	0.7	-0.2	1.0	1.1	0.6	0.9	-0.3	-0.1
Hungary	-0.2	-0.2	0.6	1.8	2.7	1.9	2.5	2.1	2.0	3.1	3.6	2.7	3.7	3.4	2.8
Iceland	1.5	1.6	1.8	1.9	1.6	1.5	1.4	1.9	2.8	2.6	2.7	3.7	2.9	3.3	3.0
Ireland	-0.3	0.5	0.0	0.0	0.7	-0.4	0.2	0.4	0.2	0.4	0.9	0.7	1.1	1.1	0.9
Italy	-0.2	-0.4	0.1	0.5	1.4	1.2	1.1	0.9	0.8	1.3	1.4	1.1	1.0	0.7	0.3
Netherland	0.6	0.0	0.1	1.0	1.1	1.1	1.5	1.3	1.0	1.7	1.9	2.0	2.8	2.7	2.6
Norway	3.3	3.7	3.6	3.5	2.4	1.9	1.6	1.6	2.2	2.6	3.4	3.5	2.9	1.9	1.5
Poland	-0.9	-0.8	-0.5	0.8	2.0	1.5	2.2	2.1	1.3	2.0	1.9	1.1	1.7	2.6	2.6
Portugal	0.4	0.5	0.6	0.9	1.4	0.9	1.4	1.5	0.7	1.5	1.4	0.7	0.8	0.4	-0.1
Russian Fe	-3.0	-0.7	-0.6	-0.5	0.2	0.9	1.8	3.3	5.0	5.4	5.0	3.3	4.0	3.8	3.5
Spain	7.3	7.5	6.4	5.4	4.3	4.4	3.0	2.5	2.4	2.3	3.4	4.3	5.3	4.7	4.0
Sweden	0.8	1.0	0.9	1.7	1.3	1.7	2.1	1.7	1.9	2.1	2.3	2.0	1.9	1.8	1.5
Switzerlanc	-0.9	-0.4	-0.2	0.0	0.6	0.2	0.7	0.8	0.8	1.1	1.0	0.7	0.7	0.6	0.1
Turkey	7.5	7.6	7.3	8.5	11.3	10.9	11.2	11.9	10.2	15.4	24.5	20.3	19.7	15.7	9.3
United King	0.5	0.5	1.0	1.6	2.3	2.6	3.0	3.0	2.5	2.4	2.4	2.1	1.9	2.0	1.7
Egypt	9.0	14.0	14.1	23.3	30.9	29.8	31.6	21.9	13.3	14.4	16.0	12.0	14.2	9.4	4.8
Iran	8.3	6.8	6.7	5.7	8.2	8.2	7.2	8.9	7.1	10.1	25.8	37.4	47.5	50.5	35.0
Kuwait	-0.7	-0.8	-0.4	-0.2	0.9	-0.2	0.1	0.4	0.2	1.3	1.2	0.8	1.4	0.8	0.3
Lebanon	3.1	3.6	4.3	2.6	1.5	1.4	0.5	1.1	0.6	0.5	0.3	0.4	0.8	1.1	1.7
Saudi Arabi	2.6	2.3	1.9	1.0	-0.7	-0.5	-0.8	-1.1	2.9	2.3	2.1	1.9	-3.2	-2.6	-1.4
South Afric	6.3	6.3	6.1	6.7	6.1	5.1	5.1	4.7	3.8	4.6	4.9	4.5	4.5	4.5	4.1
United Arab	1.4	1.8	0.8	1.2	3.0	2.0	1.1	2.7	3.4	3.3	3.1	0.3	-2.5	-1.5	-2.2
Brazil	9.4	8.8	8.5	6.3	4.6	3.0	2.5	2.9	2.7	4.4	4.5	3.7	4.6	3.4	2.9
Canada	1.3	1.5	1.3	1.5	1.6	1.0	1.6	1.9	2.3	2.5	2.2	2.0	1.9	2.0	1.9
Chile	4.5	4.2	3.1	2.7	2.7	1.7	1.4	2.3	1.8	2.5	3.1	2.6	2.0	2.3	2.1
Mexico	2.6	2.5	3.0	3.4	5.4	6.3	6.3	6.8	5.0	4.6	5.0	4.8	4.0	3.9	3.0
United Stat	0.9	1.0	1.5	2.1	2.4	1.6	2.2	2.1	2.4	2.9	2.3	1.9	1.9	1.6	1.7

Region	12/2019	03/2020	06/2020	09/2020	12/2020	01/2021	02/2021	03/2021	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	
China	4.5	4.3	2.5	1.7	0.2	-0.3	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7	1.5	China
Hong Kong	2.9	2.3	0.7	-2.2	-1.0	2.6	0.5	0.6	0.8	1.0	0.7	3.7	1.6	1.4	1.7	Hong Kong
India	7.4	5.8	6.2	7.3	4.6	4.1	5.0	5.5	4.2	6.3	6.3	5.6	5.3	4.3	4.5	India
Indonesia	2.6	3.0	2.0	1.4	1.7	1.6	1.4	1.4	1.4	1.7	1.3	1.5	1.6	1.6	1.7	Indonesia
Japan	0.8	0.6	0.1	-0.2	-1.2	-0.7	-0.5	-0.4	-1.1	-0.7	-0.4	-0.3	-0.4	0.2	0.1	Japan
Malaysia	1.0	-0.2	-1.9	-1.4	-1.4	-0.2	0.1	1.7	4.7	4.4	3.4	2.2	2.0	2.2		Malaysia
Philippines	2.5	2.5	2.5	2.3	3.5	4.2	4.7	4.5	4.5	4.5	4.1	4.0	4.9	4.8		Philippines
Singapore	0.8	0.0	-0.5	0.0	0.0	0.2	0.7	1.3	2.1	2.4	2.4	2.5	2.4	2.5		Singapore
South Kore	0.7	1.0	0.0	1.0	0.5	0.6	1.1	1.5	2.3	2.6	2.4	2.6	2.6	2.5	3.2	South Kore
Taiwan	1.1	0.0	-0.7	-0.6	0.0	-0.2	1.4	1.2	2.1	2.4	1.8	1.9	2.4	2.6	2.6	Taiwan
Thailand	0.9	-0.5	-1.6	-0.7	-0.3	-0.3	-1.2	-0.1	3.4	2.4	1.2	0.5	0.0	1.7	2.4	Thailand
Vietnam	5.2	4.9	3.2	3.0	0.2	-1.0	0.7	1.2	2.7	2.9	2.4	2.6	2.8	2.1	1.8	Vietnam
European U	1.6	1.1	0.7	0.2	0.2	1.2	1.3	1.7	2.0	2.3	2.2	2.5	3.2	3.6	4.4	European U
Finland	0.9	0.6	0.0	0.2	0.2	0.9	0.9	1.3	2.1	2.2	2.0	1.9	2.2	2.5	3.2	Finland
France	1.5	0.7	0.2	0.0	0.0	0.6	0.6	1.1	1.2	1.4	1.5	1.2	1.9	2.2	2.6	France
Germany	1.5	1.4	0.9	-0.2	-0.3	1.0	1.3	1.7	2.0	2.5	2.3	3.8	3.9	4.1	4.5	Germany
Greece	0.8	0.0	-1.6	-2.0	-2.3	-2.0	-1.3	-1.6	-0.3	0.1	1.0	1.4	1.9	2.2	3.4	Greece
Hungary	4.0	3.9	2.9	3.4	2.7	2.7	3.1	3.7	5.1	5.1	5.3	4.6	4.9	5.5	4.5	Hungary
Iceland	2.0	2.1	2.7	3.5	3.6	4.3	4.1	4.3	4.5	4.4	4.2	4.3	4.3	4.4	4.5	Iceland
Ireland	1.3	0.7	-0.4	-1.2	-1.0	-0.2	-0.4	0.0	1.1	1.7	1.6	2.2	2.8	3.7	5.1	Ireland
Italy	0.5	0.1	-0.2	-0.6	-0.2	0.4	0.6	0.8	1.1	1.3	1.3	1.9	2.0	2.5	3.0	Italy
Netherland	2.7	1.4	1.6	1.1	1.0	1.6	1.8	1.9	1.9	2.1	2.0	1.4	2.4	2.7	3.4	Netherland
Norway	1.4	0.7	1.4	1.6	1.4	2.5	3.3	3.1	3.0	2.7	2.9	3.0	3.4	4.1	3.5	Norway
Poland	3.4	4.6	3.3	3.2	2.4	2.6	2.4	3.2	4.3	4.7	4.4	5.0	5.5	5.9	6.8	Poland
Portugal	0.4	0.0	0.1	-0.1	-0.2	0.3	0.5	0.5	0.6	1.2	0.5	1.5	1.5	1.5	1.8	Portugal
Russian Fe	4.0	3.1	2.6	2.5	2.1	3.0	3.2	3.1	3.2	3.8	3.9	5.0	5.3	6.3	6.8	Russian Fe
Spain	3.0	2.5	3.2	3.7	4.9	5.2	5.7	5.8	5.5	6.0	6.5	6.5	6.7	7.4	5.4	Spain
Sweden	1.8	0.6	0.7	0.4	0.5	1.6	1.4	1.7	2.2	1.8	1.3	1.4	2.1	2.5	2.8	Sweden
Switzerlanc	0.2	-0.5	-1.3	-0.8	-0.8	-0.5	-0.5	-0.2	0.3	0.6	0.6	0.7	0.9	0.9	1.2	Switzerlanc
Turkey	11.8	11.9	12.6	11.8	14.6	15.0	15.6	16.2	17.1	16.6	17.5	19.0	19.3	19.6	19.9	Turkey
United King	1.3	1.5	0.6	0.5	0.6	0.7	0.4	0.7	1.5	2.1	2.5	2.0	3.2	3.1	1.2	United King
Egypt	7.1	5.1	5.6	3.7	5.4	4.3	4.5	4.5	4.1	4.8	4.9	5.4	5.7	6.6	19.9	Egypt
Iran	27.8	22.0	22.5	34.5	44.8	46.2	48.2	48.7	49.5	46.9	47.6	43.7	43.2	43.7	39.2	Iran
Kuwait	0.6	0.0	-1.1	-0.7	-0.7	-0.4	0.0	0.2	0.8	1.5	1.7	1.9	2.2	2.5		Kuwait
Lebanon	1.5	1.9	1.8	2.0	3.0	3.0	3.0	3.2	3.1							Lebanon
Saudi Arabi	-0.2	1.5	0.5	5.7	5.3	5.7	5.2	4.9	5.3	5.7	6.2	0.4	0.3	0.6	0.8	Saudi Arabi
South Afric	4.0	4.1	2.2	3.0	3.1	3.2	2.9	3.2	4.4	5.2	4.9	4.6	4.9	5.0	5.0	South Afric
United Arab	-1.4	-1.6	-2.4	-2.4	-2.1	-1.9	-2.0	-1.1	-0.5	-0.4	-0.5	0.0	0.5			United Arab
Brazil	4.3	3.3	2.1	3.1	4.5	4.6	5.2	6.1	6.8	8.1	8.3	9.0	9.7	10.2	10.7	Brazil
Canada	2.2	0.9	0.7	0.5	0.7	1.0	1.1	2.2	3.4	3.6	3.1	3.7	4.1	4.4	4.7	Canada
Chile	3.0	3.7	2.6	3.1	3.0	3.1	2.8	2.9	3.3	3.6	3.8	4.5	4.8	5.3	6.0	Chile
Mexico	2.8	3.2	3.3	4.0	3.2	3.5	3.8	4.7	6.1	5.9	5.9	5.8	5.6	6.0	6.2	Mexico
United Stat	2.3	1.5	0.6	1.4	1.4	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	United Stat





Source: CEIC, Bloomberg, SCBS Research

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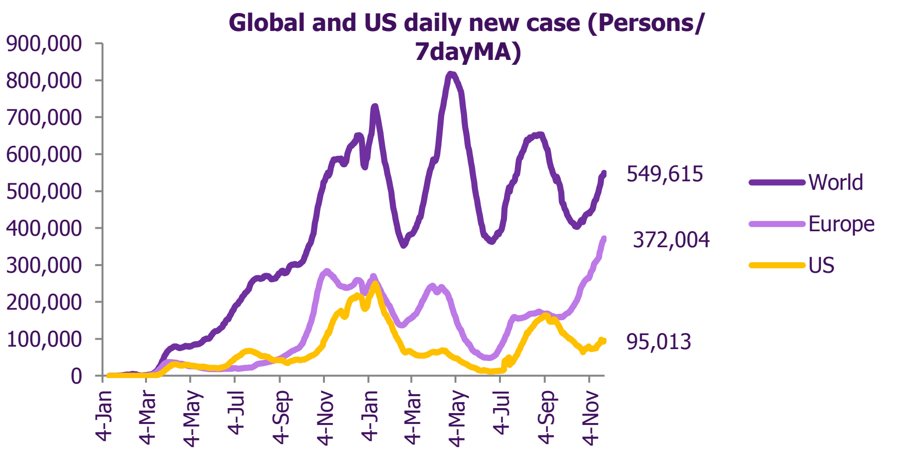
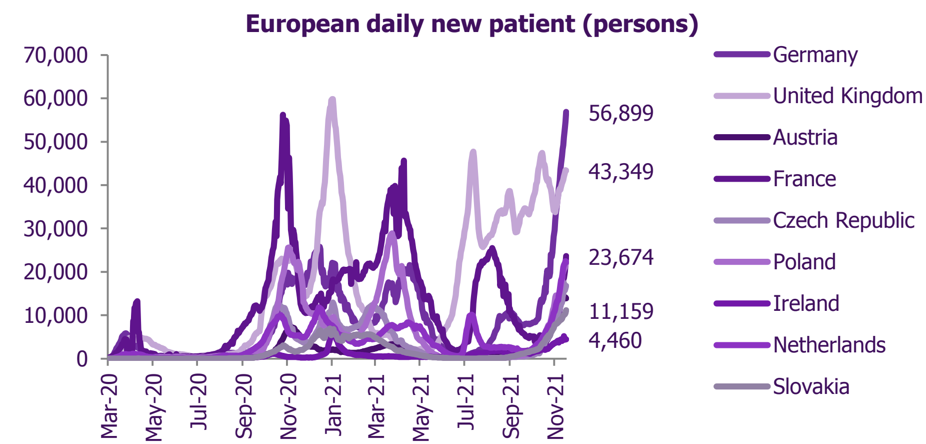
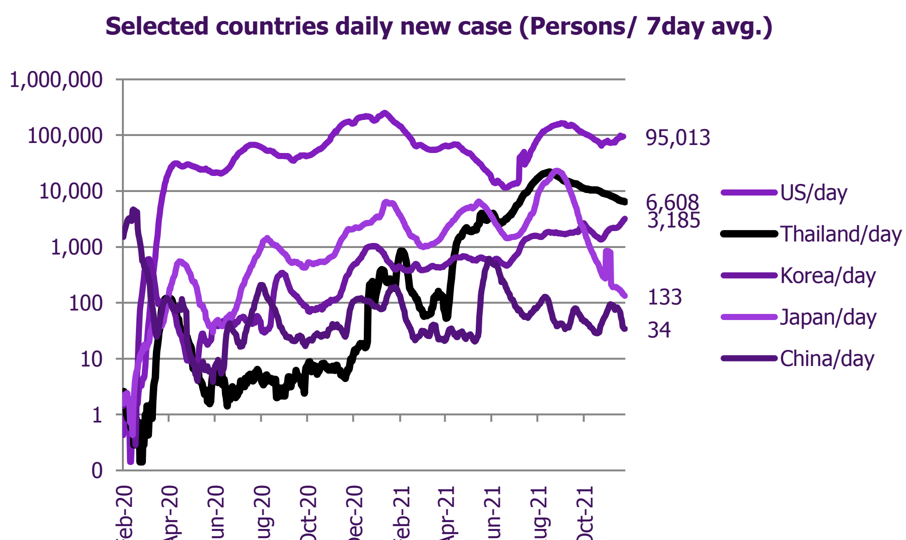
Resurgence: COVID in Europe

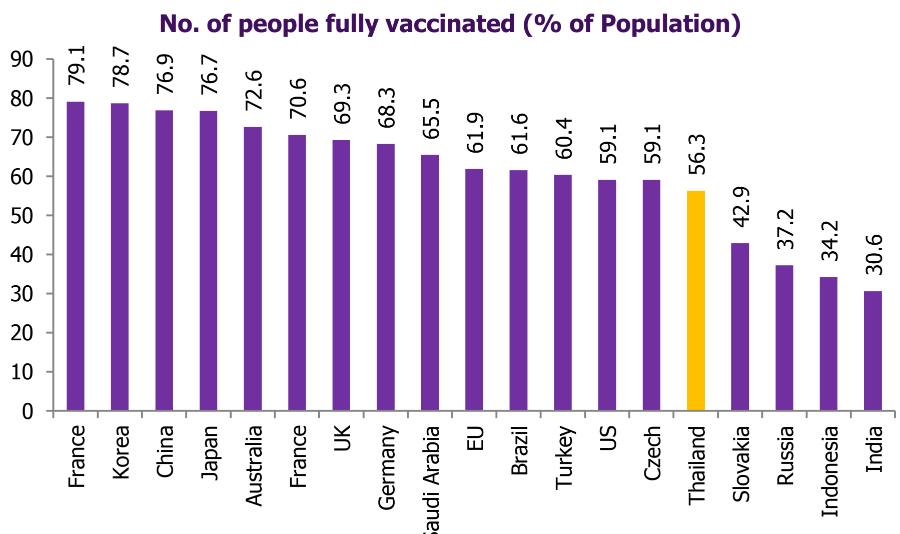
Delta Variant and cold weather in Europe puts global economies at risk once again, with the risk of Omicron variance looming at the horizon.





Source: CEIC, Bloomberg, SCBS Research





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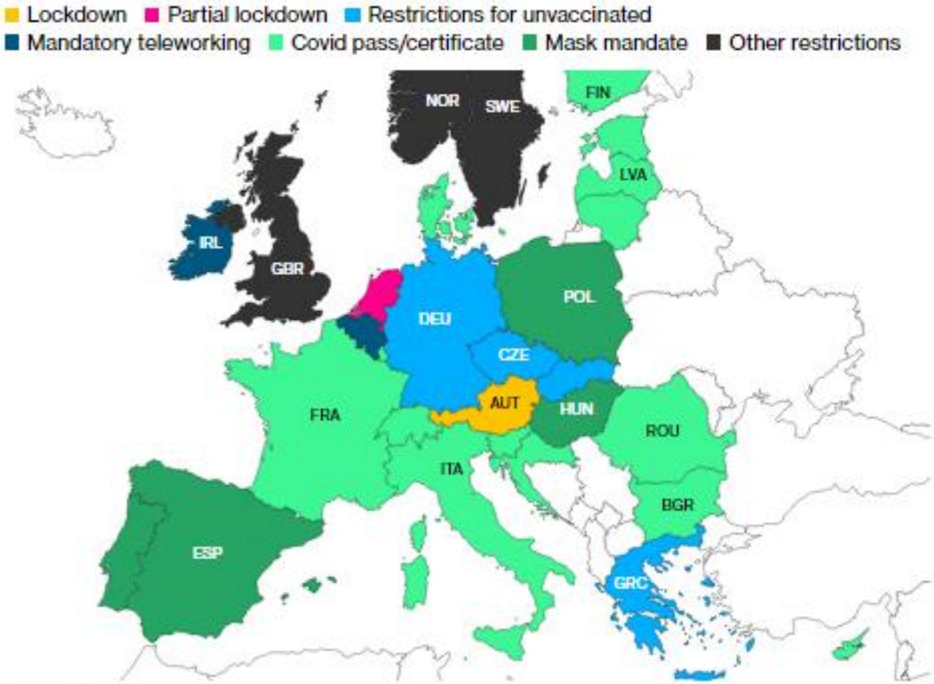
(Extra) Austria Enters Full National Lockdown, Orders Mandatory COVID Vaccines

In European first, Austria will make COVID vaccines mandatory. Germany says it can't rule out renewed lockdown as cases spike

Pandemic Fallout

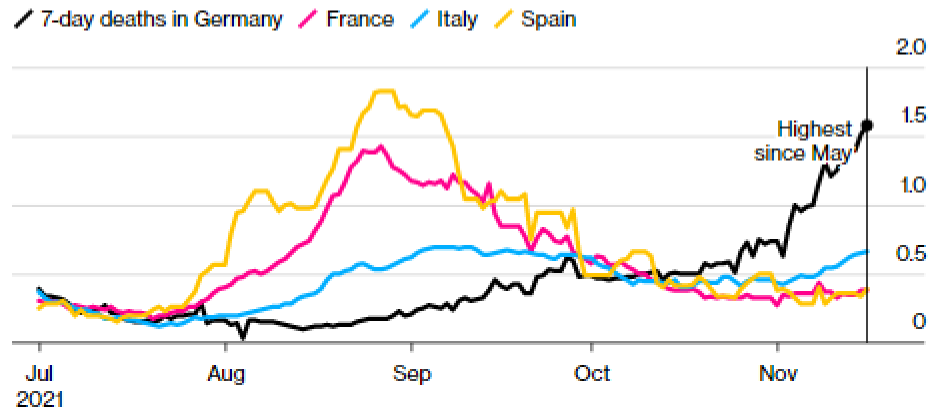
New cases are pushing countries to introduce more stringent measures



Source: Bloomberg
Note: Covid pass/certificate typically means vaccination/recovery/test required to enter certain venues, exact measures vary by country

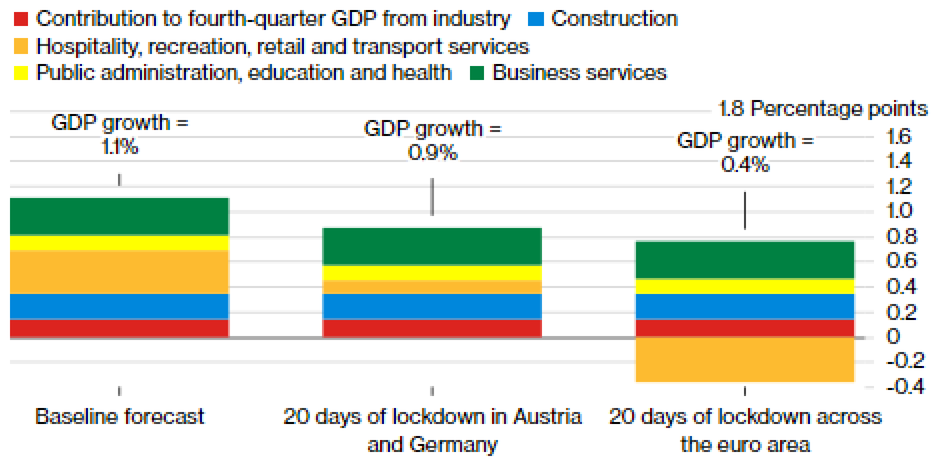
Alarm Bells

Germany's Covid death rate has been surging in recent weeks



Downside Risks

20-day lockdowns in Germany and Austria alone could cut 4Q GDP growth in euro area to 0.9% from 1.1% in Bloomberg Economics' baseline forecast



Source: Bloomberg Economics

GLOBAL ECONOMY: 3 CORE ASSUMPTIONS AND 5 PREDICTIONS FOR 2022

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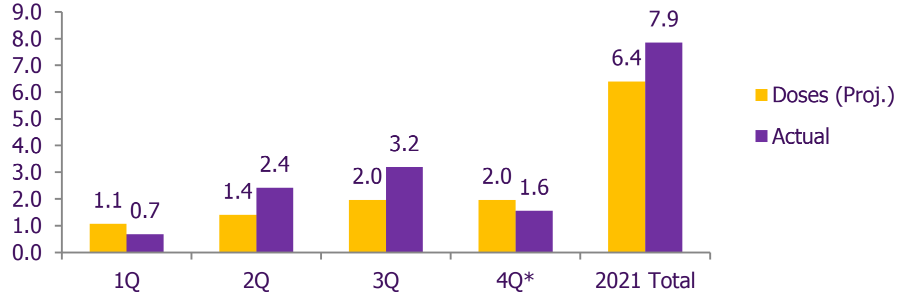
3 core assumptions for 2022

In 2H22 we expect: 1) pandemic morphs into an endemic; 2) 60-90% of global travel industry returns; (3) supply bottleneck resolved.

Total 2021 vaccinations beating our 2020 projection

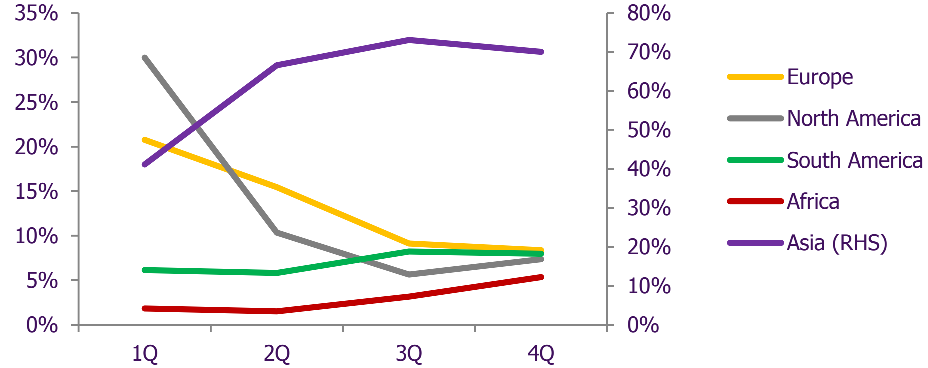
Number of COVID-19 vaccinations in 2021: Projection made in 2020 compare to actual (doses, bn)



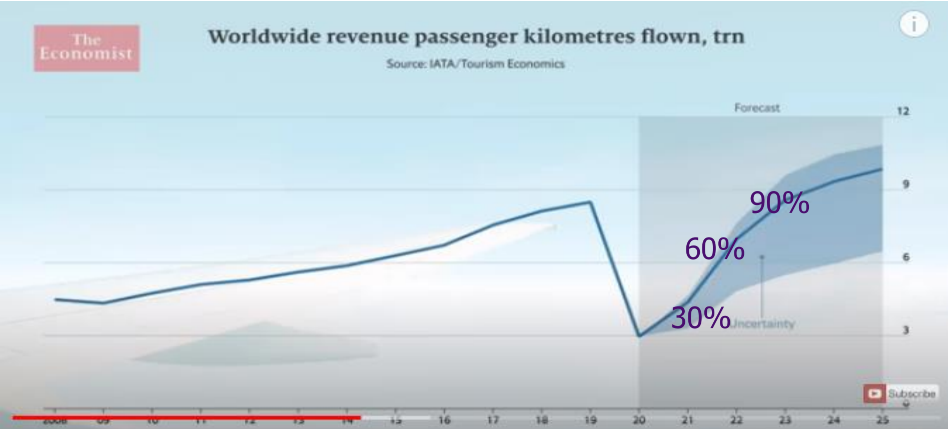
Source: CEIC, Bloomberg, SCBS Research

Wider vaccination coverage in the rich world has led to an uneven recovery

Proportion of vaccinations (% of global vaccinations)



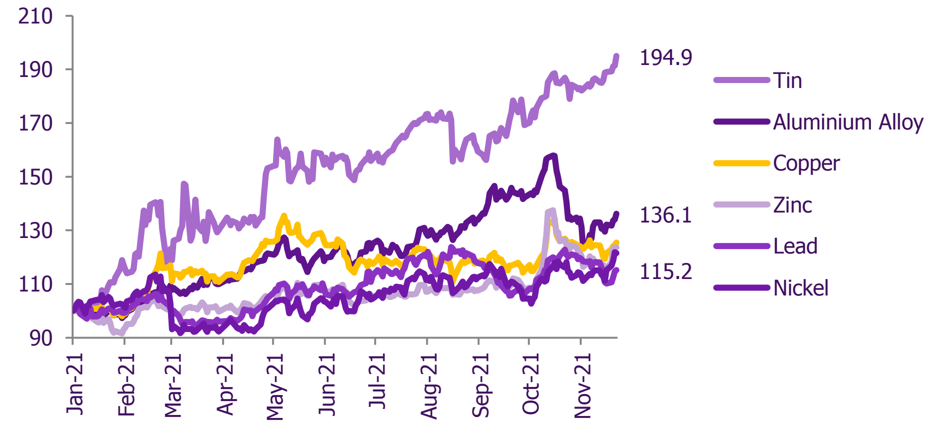
60-90% revival in global travel industry expected



Source: IATA, The Economist, SCBS Research

Supply bottleneck resolved

Hard commodity prices (Jan 2021: 100)



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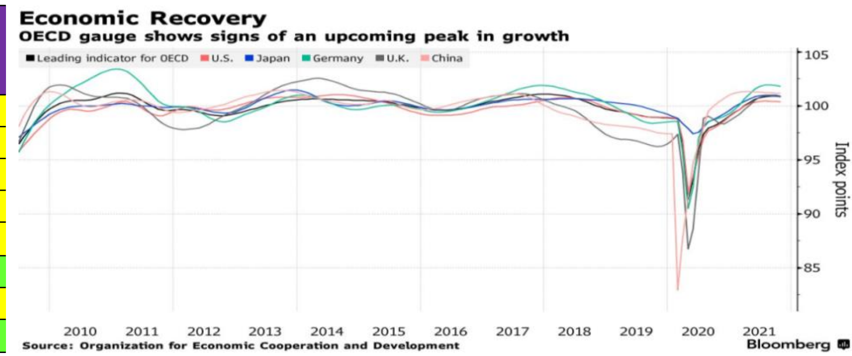
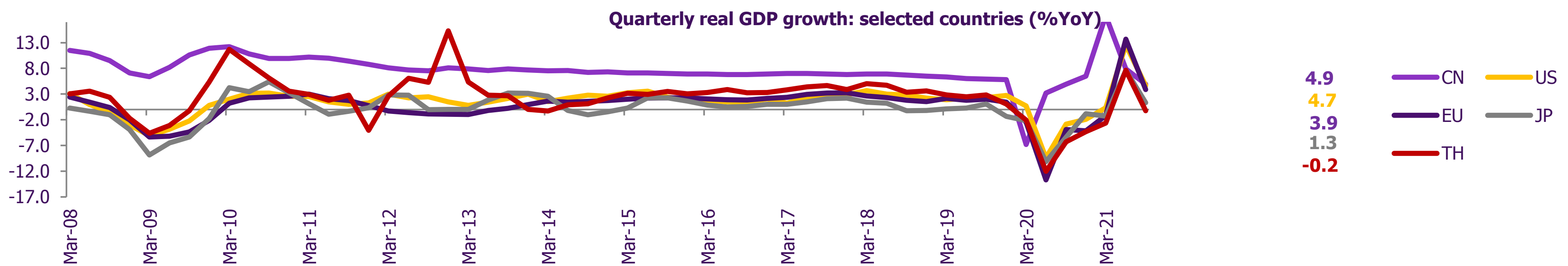
1. Global economy 2022: the year of normalization

- The OECD Leading Economic Indicator indicates signs of peak growth coming in the US, Japan, Germany and the UK, and growth beginning to slow in Canada and Italy. In EMs, slower economic growth is foreseen in China, India and Brazil.
- Our view next year is for normalization of global growth. In DM, growth will slow upon fading pent-up demand, rising production and living costs and tightening monetary and fiscal policy. But the US looks better than the others given its larger dependence on the service sector, which is beginning to revive. In Europe, the latest COVID outbreak is worrisome, but we expect this to be controlled since about 60-70% of the people are vaccinated.
- In EM ex. China, economies in the 1H will be in a "sweet spot" due to 1) reopening after widespread vaccinations, 2) a good export trend and 3) money saved from fiscal and monetary measures. In 2H, growth will be driven by tourism as it continues to revive. Domestic spending will begin to slow and monetary and fiscal policy will begin to tighten.
- In China, 1Q growth will slow further due to three problems: 1) energy shortage, 2) a real estate crisis and 3) a zero-COVID policy that affects consumption, investment and manufacturing. But from 2Q, growth will start to return upon gradual increases in supply, resolving of the supply bottleneck, lower chances of an outbreak in China due to global vaccinations and warmer temperatures that will bring energy demand down. At the same time, next year's overall GDP growth will be lower than this year.

GDP growth in major economies	Actual (YOY%)				IMF (Oct'21)	
	2020	1Q21	2Q21	3Q21	2021f	2022f
Global GDP	-3.2	N/A	N/A	N/A	5.9	4.9
Advanced economies	-4.6	N/A	N/A	N/A	5.2	4.5
Emerging economies	-2.1	N/A	N/A	N/A	6.4	5.1
US	-3.5	0.3	12.6	4.7	6.0	5.2
Eurozone	-6.5	-1.2	13.8	3.9	5.0	4.3
Japan	-4.7	-1.3	7.6	1.3	2.4	3.2
China	2.3	18.3	7.9	4.9	8.0	5.6
Thailand	-6.1	-2.6	7.6	-0.3	1.0	4.5





Source: CEIC, Bloomberg, SCBS Research

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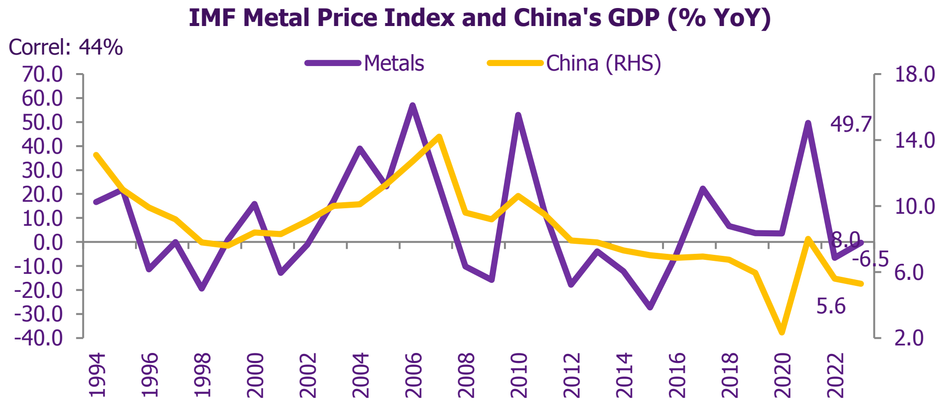
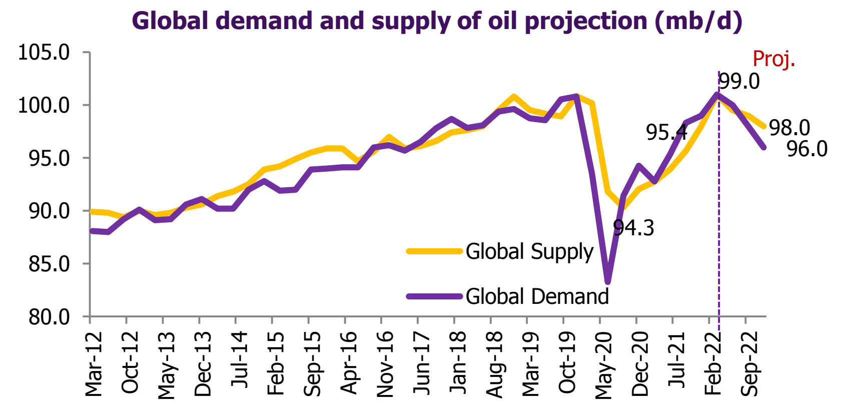
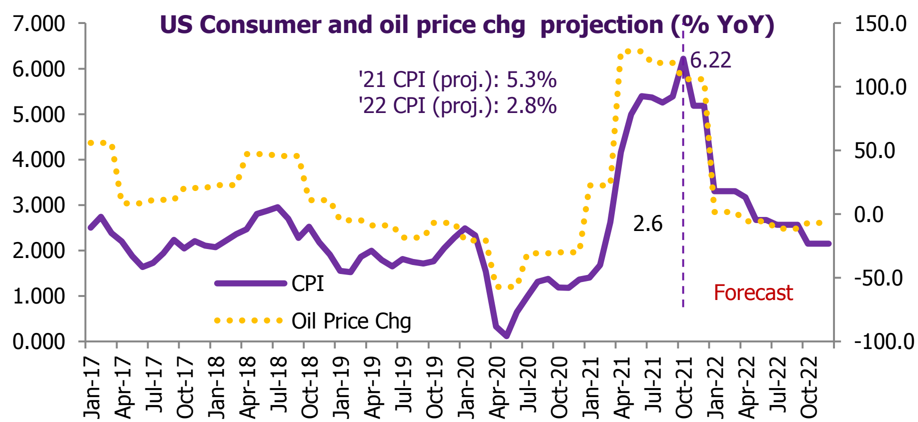
2. A one-year "transitory" inflation

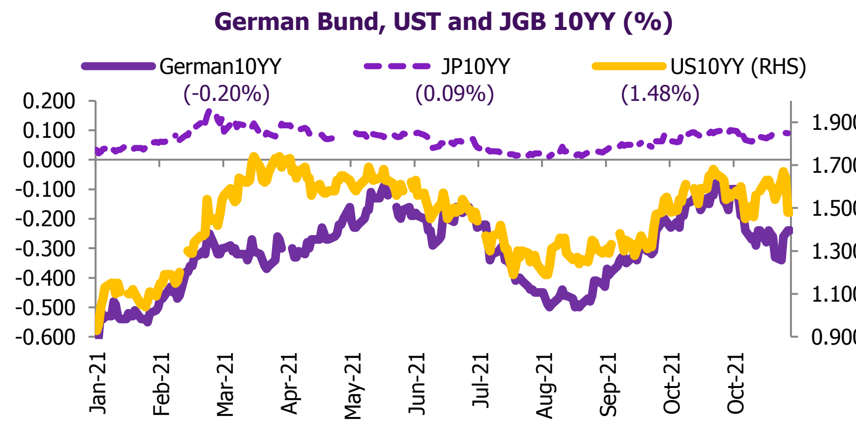
- Global inflation is likely to decline in 2H due to: 1) a slowing in China's economy that will cut demand for commodities, especially industrial metals since China accounts for more than 60-80% of global consumption; 2) a resolution of the supply chain bottleneck due to an increase in supply in tandem with a slowdown in demand, resulting in a new equilibrium; 3) a tightening global monetary condition. This can be seen in the moderately rising bond yields. This will reduce the speculative flow in commodities.

Proj.	3Q21	4Q21	1Q22	2Q22	2H22
Demand	98.3	99	101	100	97
Supply	95.6	98	101	99.5	98.5
Brent	73.5	75	73	70	65







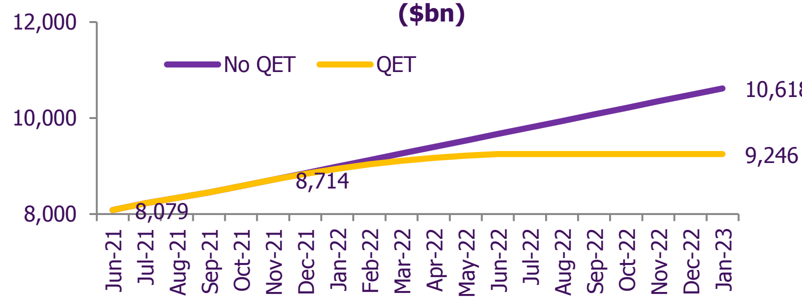


Source: CEIC, OPEC, SCBS Research

3. Global monetary policy normalization

- Global monetary policy will return to normal. Monetary policy tightening is starting in several countries in the form of interest rate increases in New Zealand and South Korea and reduction in monetary stimulus (QE) in the US, Canada, Australia and the UK. Currently, 13 out of 42 central banks have raised interest rates. Most leading central banks have already begun to cut QE.
- Next year will be a year of tightening monetary measures as 35 countries out of 42 still have negative real rates. However, the withdrawal will be done gradually due to the large amount of public and private debt around the world. If rates are raised too rapidly, it will lead to greater financial cost for public and private sectors. A 100 bps hike in interest rate would cause the global public debt burden to grow by US$85bn or 12% of global GDP.

SCBS projection of Fed B/S after QE tapering ($bn)



Region	12/2016	12/2017	12/2018	12/2019	03/2020	06/2020	09/2020	12/2020	03/2021	06/2021	07/2021	08/2021	09/2021	10/2021	
Australia	1.5	1.5	1.5	0.8	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	Australia
China	2.3	2.3	2.3	2.3	2.3	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	China
Hong Kon	1.0	1.8	2.8	2.5	1.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	Hong Kong SAR (C
India	6.3	6.0	6.5	5.2	4.4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	India
Indonesia	4.8	4.3	6.0	5.0	4.5	4.3	4.0	3.8	3.5	3.5	3.5	3.5	3.5	3.5	Indonesia
Japan	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	Japan
Malaysia	3.0	3.0	3.3	3.0	2.5	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	Malaysia
Philippine	3.5	3.5	5.3	4.5	3.8	2.8	2.8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	Philippines
Singapore	0.5	0.9	1.8	1.4	0.3	0.2	0.1	0.9	0.2	0.1	0.3	0.2	0.1	0.2	Singapore
South Kor	1.3	1.5	1.8	1.3	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.8	0.8	0.8	South Korea
Taiwan	1.4	1.4	1.4	1.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	Taiwan
Thailand	1.5	1.5	1.8	1.3	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	Thailand
Vietnam	4.5	4.3	4.3	4.0	3.5	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	Vietnam
European	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	European Union
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Finland
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	France
Germany	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Germany
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Greece
Hungary	0.9	0.9	0.9	0.9	0.9	0.8	0.6	0.6	0.6	0.9	1.2	1.5	1.7	1.8	Hungary
Iceland	5.0	4.3	4.5	3.0	1.8	1.0	1.0	0.8	0.8	1.0	1.0	1.3	1.3	1.5	Iceland
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Ireland
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Italy
Netherlar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Netherlands
Norway	0.5	0.5	0.8	1.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	Norway
Poland	1.5	1.5	1.5	1.5	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	Poland
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Portugal
Russian F	10.0	7.8	7.8	6.3	6.0	4.5	4.3	4.3	4.5	5.5	6.5	6.5	6.8	7.5	Russian Federatio
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Spain
Sweden	-0.5	-0.5	-0.5	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Sweden
Switzerlar	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	Switzerland
Turkey	8.0	8.0	24.0	12.0	9.8	8.3	10.3	17.0	19.0	19.0	19.0	19.0	18.0	16.0	Turkey
United Ki	0.3	0.5	0.8	0.8	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	United Kingdom
Egypt	15.3	19.3	17.3	12.8	9.8	9.8	9.3	8.8	8.8	8.8	8.8	8.8	8.8	8.8	Egypt
Kuwait	2.5	2.8	3.0	2.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	Kuwait
Saudi Ara	2.0	2.0	3.0	2.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	Saudi Arabia
South Afri	7.0	6.8	6.8	6.5	5.3	3.8	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	South Africa
United Ar	1.0	1.8	2.8	2.0	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	United Arab Emira
Brazil	13.8	7.0	6.5	4.5	3.8	2.3	2.0	2.0	2.8	4.3	4.3	5.3	6.3	7.8	Brazil
Canada	0.5	1.0	1.8	1.8	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	Canada
Chile	3.5	2.5	2.8	1.8	1.0	0.5	0.5	0.5	0.5	0.5	0.8	0.8	1.5	2.8	Chile
Mexico	5.8	7.3	8.3	7.3	6.5	5.0	4.3	4.3	4.0	4.3	4.3	4.5	4.5	4.8	Mexico
United Sta	0.6	1.3	2.4	1.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	United States

Selected countries real interest rate (%, Latest--Oct 21)

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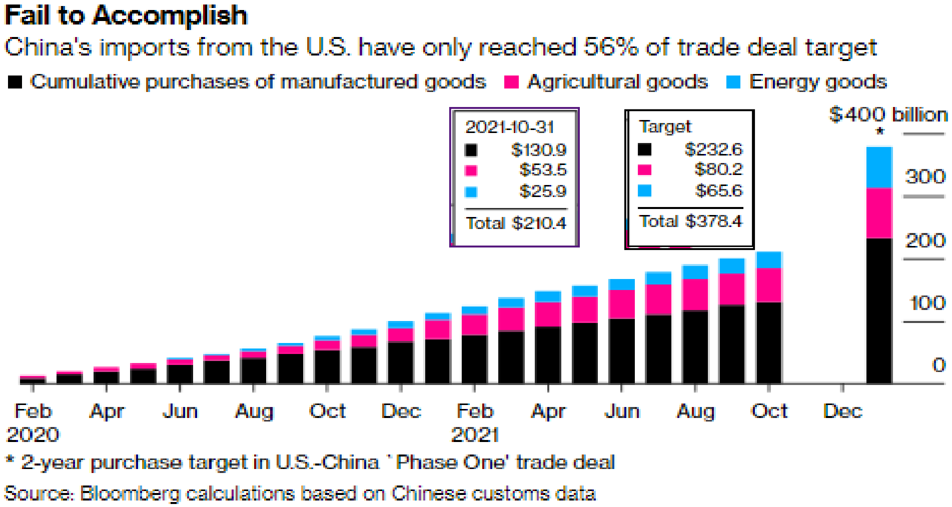
Source: CEIC, Bloomberg, SCBS Research

4. Year of intensifying geopolitics

- In 2022, we believe the “cold war” between China and the US will become more serious, but is unlikely to lead to a "hot war" or real confrontation for two reasons. 1) The US is looking at a mid-term election at the end of the year with all seats in the lower house up for reelection, while 34 out of 100 in the senate are up for reelection. Hence, Biden will have to act tough with China to gain political capital. 2) The Communist Party of China will hold its 20th National party congress that will extend President Xi Jinping’s position for another five years. Hence Xi and Communist party will have to show that their political system is superior and give more stability and prosperity than the West.
- For these reasons, we expect intensification on four fronts:

1. Trade war: the US will not cancel the Phase I trade treaty, while China will not care and continue to build alliances with other nations, such as submitting an application to join the CPTPP.
2. Technology war: both sides will focus on R&D, with China increasing its annual budget by 7%, while the US has a US$250bn R&D development budget.
3. Capital war: the US puts more pressure on China, for example, by forcing Chinese companies listed on US bourses to submit in-depth accounting details to the SEC, while China is trying to force more companies to list on the Chinese market.
4. Geopolitical war: the US continues to push through the binding of joint allies such as AUKUS (Australia, England and the United States) and Quad (USA, India, Japan, Australia), while China will act tough on Taiwan, which we see as the most vulnerable point between the two powers.

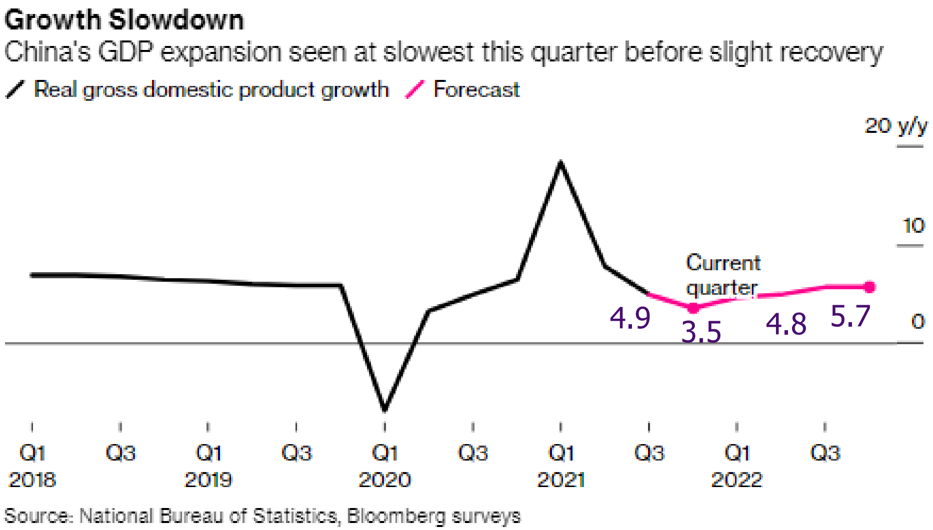
Source: Bloomberg, SCBS Research

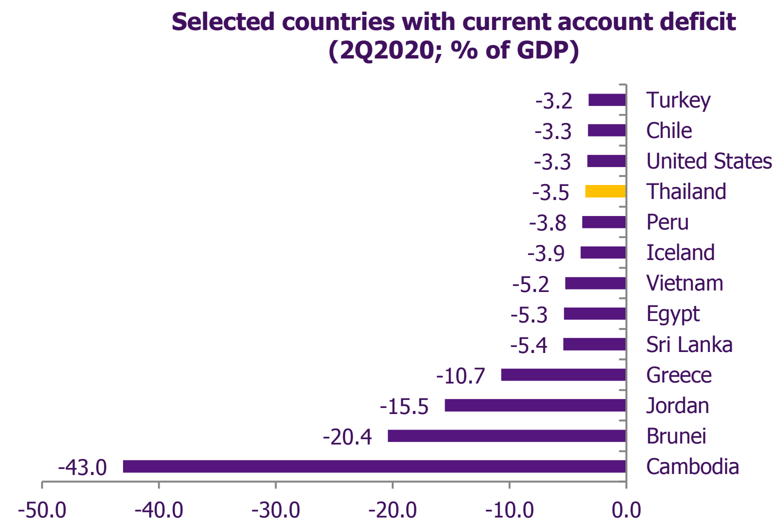


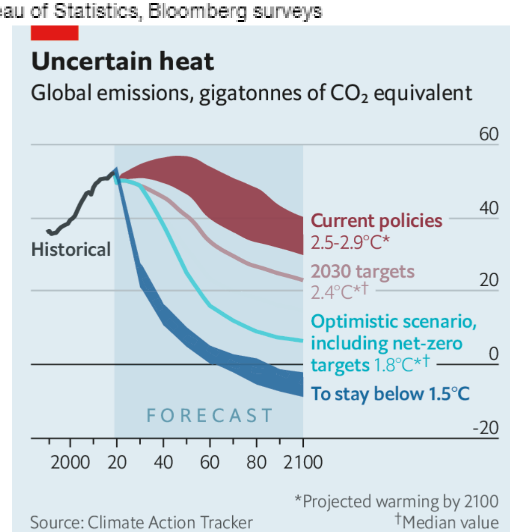
Battlefield	Our view	Our analysis
Trade	Trade war to be monitored closely as China is likely to massively miss the trade deal; regional cooperation to be competitive	US: Tariffs as leverage; China: seeking trade win from partners
Tech	Speeding up R&D in both countries	Splinternet; US: cutting-edge technology, China: cheap and accessible technology
Capital	Policies further apart, private sector doesn’t care much	Long-term win to China; capital will continue to flow in (common prosperity is the risk)
Geopolitics	AUKUS, Quad, Taiwan issue, TSMC to be focus	Cold war continues on this front

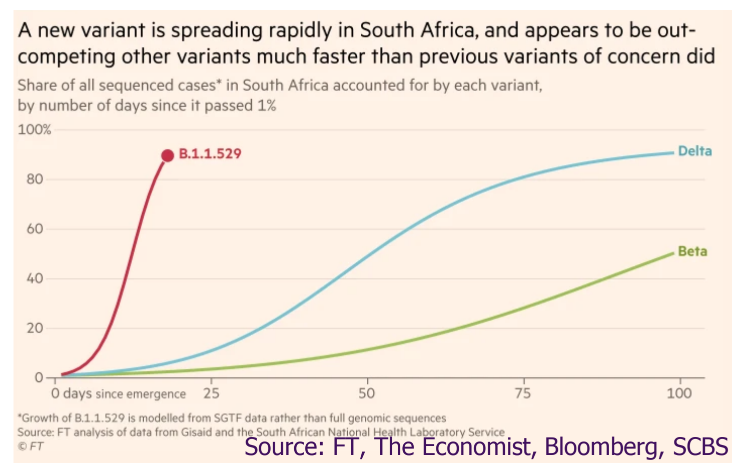
5. Five risks loom on the horizon

- **Risk factors in 2022**: 1) China slowdown, 2) financial volatility, 3) global stagflation, 4) extreme weather, 5) new COVID-19 Variant (Omicron)





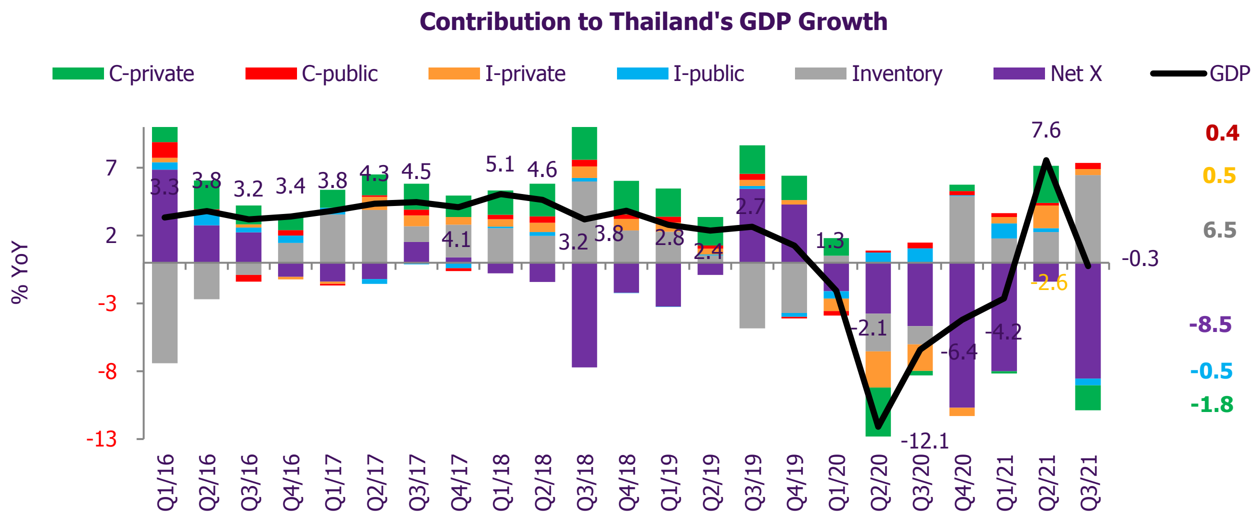


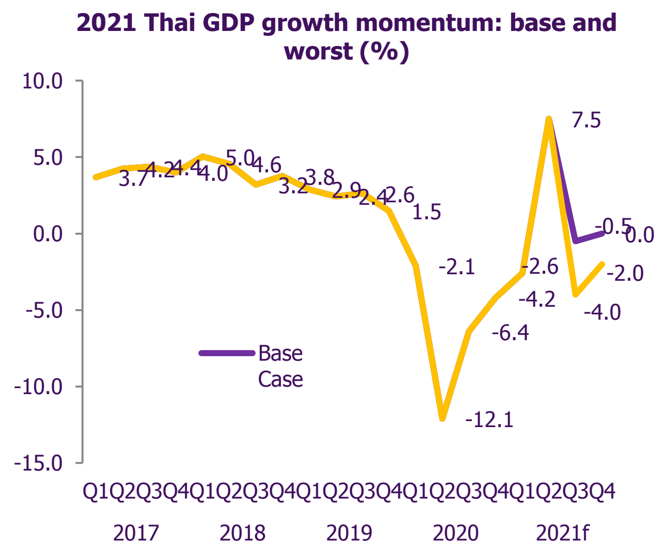


Source: FT, The Economist, Bloomberg, SCBS Research

THAI ECONOMY: CAUTIOUSLY OPTIMISTIC

The Thai economy in 3Q21 contracted at 0.3% p.a., close to our forecast of -0.5% p.a., but better than consensus forecast of -1.6%.





Important components of Thai economic expansion

1. Inventory accumulation in 3Q21 contributed to GDP growth of 6.5%, with increased inventory accumulation in the industrial and mining sectors, including electronic products and circuit boards, computers and equipment, jewelry, petroleum products and crude oil refining. In particular, there was a large increase in production of electronic devices and circuit boards to support higher orders, in line with the recovery of demand in the international market, all leading to a large increase in inventory accumulation.
2. Government spending contributed 0.4% to GDP growth from spending on COVID treatment.
3. Private investment contributed 0.5% to GDP growth, mainly investing in machinery and equipment. Meanwhile, construction investment contracted following the closure of worker camps.
4. Private consumption contributed a 1.8% contraction in GDP due to the spread of COVID-19, causing consumers to be cautious about their spending, while the government had to upgrade measures to control the spread of COVID-19.
5. Net exports of goods and services contributed a 8.5% contraction in GDP. This is because imports of goods (+26.8% YoY) and services (+31.8%) was higher than exports of goods (+12.3%) and services (+11.8) as a result of higher transportation costs.

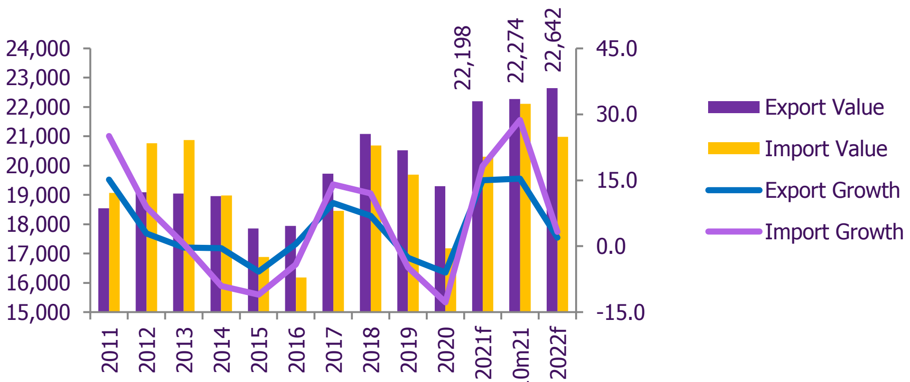
Source: CEIC, NESDC, SCBS Research

2022: A year of "2-4-4-8"

In 2022, we expect 2022 export growth at 2%; private consumption at 4%, GDP growth at 3.6-4.0% and tourist arrivals at 8.0mn.

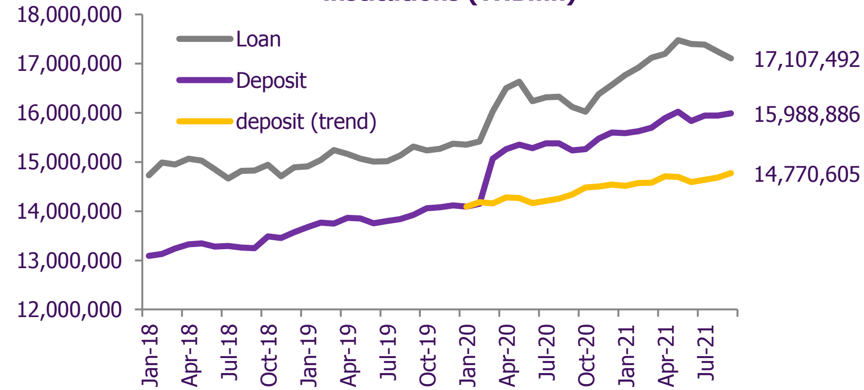
Export growth is projected to decline from 15% this year off a higher base and the reopening which raised services demand at the expense of goods demand.

Thai export and import value and growth (Avg. Mthly; USD and %YoY)



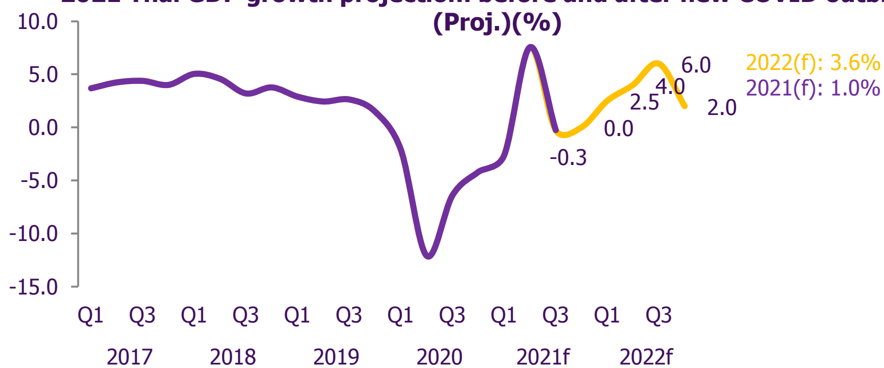
Private consumption will expand ~4%, recovering from this year's ~1.2% following the reopening, pent-up demand and large amount of savings in middle income households

Loans and deposits at Thai financial institutions (THBmn)



GDP growth is expected to be 3.6-4.0%, with 3Q as the peak on a base effect, the reopening and accommodative policies.

2021 Thai GDP growth projection: before and after new COVID outbreak (Proj.)(%)



About 8mn foreign tourists will arrive in Thailand, with most coming in 2H.

Yr	2019	2020	2021f	2022f	2023f
Global (%'19)	100%	30%	60%	90%	120%
Persons (mn)	39.9	6.7	0.3	8.0	23.9
% of 2019	100%	17%	1%	20%	60%
Revenue (THB trn)	1.91	0.33	0.02	0.56	1.67
R/Persons (THB k/trip)	47.8	49.2	66.7	70.0	70.0

Source: CEIC, NESDC, SCBS Research

SCBS

Latest official Thai economic projections vs SCBS

Macro growth projection	Actual 2019	Actual 2020	FPO (Oct'21) 2021f	NESDC (Nov'21) 2021f	BOT (Sep'21) 2021f	SCBS (Jul'21) 2021f	BOT (Jul'21) 2022f	NESDC (Nov'21) 2022f	SCBS (Jul'21) 2022f
GDP growth	2.3	-6.1	1.0	1.2	0.7	1.0	3.9	4.0	3.6
Private investment	2.7	-8.4	4.0	4.3	4.2	3.9	6.7	4.2	7.3
Public investment	0.1	5.7	8.1	4.8	8.0	9.1	6.4	4.6	5.1
Private consumption	4.0	-1.0	0.8	1.2	0.0	1.2	5.7	4.3	4.2
Public consumption	1.7	0.8	3.8	2.3	3.3	3.1	-0.5	0.3	2.5
Export value in US$ terms (%)	-3.3	-6.6	16.3	16.8	16.5	15.0	3.7	5.7	2.0
Import value in US$ terms (%)	-5.6	-13.5	29.2	23.2	23.8	18.2	4.8	1.0	3.3
Current account to GDP (%)	7.0	3.3	-3.7	-2.5	-3.4	-2.0	0.1	1.0	3.5
Headline inflation (%)	0.7	-0.8	1.0	1.2	1.0	1.2	1.4	1.4	1.4
USD/THB	31.0	31.3	31.9	31.9	N/A	31.5	N/A	32.5	32.0
Policy rate (%)	1.25	0.50	0.50	N/A	N/A	0.50	N/A	N/A	0.50
No. of inbound tourists (mn)	39.8	6.7	0.18	0.2	0.2	0.3	6.0	5.0	8.0

Source: CEIC, NESDC, BOT, FPO, SCBS Research

SCENARIO ANALYSIS

ON THE IMPACT OF OMICRON PANDEMIC TO GLOBAL AND THAI ECONOMIC AND POLICY

Scenario analysis on the impact of Omicron pandemic to global and Thai economy and policy

- As the new variant pandemic emerge and potentially be a game changer to our central view of global and Thailand's growth normalization, we have done the pre-lim analysis on the impact. Since there are a lot of uncertainty around this new variant, we can not be certain and assess the impact correctly. We believe that in order to access the impact correctly, 3 questions need to be answered (See below). After that, we can be certain that which scenario is the correct one, and what the impact to economy and market will be.
- What we know about Omicron so far? We know that (1) 50 mutations incl. 30 spike protein; (2) Likely to be more transmissible, unsure to cause more severe illness; (3) Vaccine efficacy against Omicron is unsure—testing period up to 2 weeks; (4) Cases reported several countries in Europe (e.g. UK, Belgium) and in Asia (e.g. HK, Israel) ; (5) Several countries ban flight from S. Africa, UK start tighten social distancing.

Variant comparison (Our view)

	Speed of contagion	How deadly?
Alpha (UK)	Moderate	Moderate
Beta (S. Africa)	Slow	Severe
Delta (India)	Fast	Somewhat
Omicron (S. Africa)	Fastest (?)	Somewhat (?)

3 Important questions

Q	Description
1.	How effective is the current vaccine efficacy?
2.	Is it more deadly than Delta?
3.	What will be the policy support if lockdown?

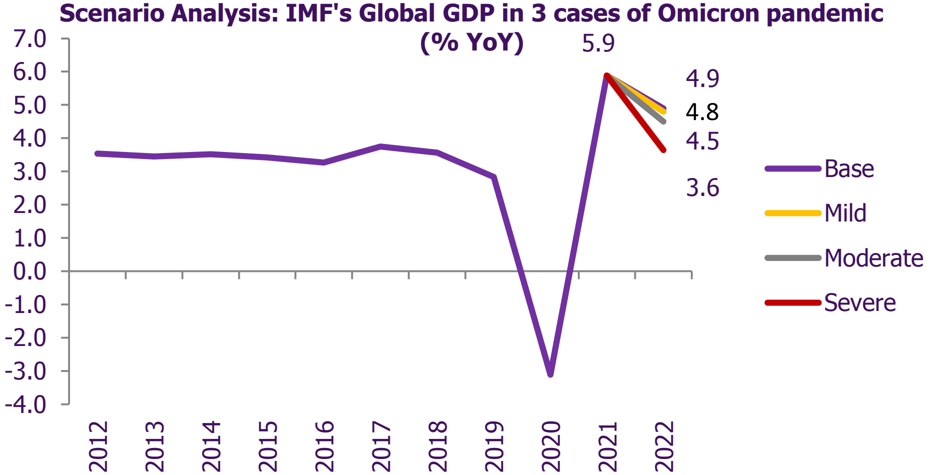
Source: Various sources, SCBS Research

Scenario analysis

Scenarios	Condition	Econ/ Market impact
Best case (30%)	the current vaccine can tame Omicron, symptom not strong	No lockdown, Econ minimum impact, no change in policy / Market down about a week then rebound
Worse case (50%)	Current vaccine can't tame Omicron, but symptom not strong, easily curable.	New outbreak, new lockdown: last about 1-2 months. (Like Delta outbreak) Econ: policy relax again/ Market down about a month.
Worst case (20%)	Current vaccine can't tame Omicron, Symptom strong—deadly;	New pandemic last through End 1Q, when new vaccine announced. Econ: Further deteriorated, Policy: tightening reversed. Market: down strongly then up when key question answered.

Scenario analysis on Global economic growth in the 3 scenarios

- In the mild case, only Africa continent, where the Omicron case was discover, was hit hard by the travel ban all around the world. But since African economy is small in comparison with the world's (5%), the negative impact to the world economy is limited. In our calculation, growth would be slow 10 bps from the base line, to 4.8% from 4.9% previously.
- In the moderate case, Africa, Europe and the rest of the world would be hard hit by the virus and the ban, as well as domestic lockdown. European growth would decline from 4.3% to 3.2% from our calculation (or about -0.23% in term of contribution to global GDP). Combine with the impact from the rest of the world, global growth would slow down to 4.5%.
- In severe case, impact from Africa, Europe, US and other Emerging countries would give a sizable negative impact to the global economy. In term of negative contribution to world economy, the four regions would cause the global economy to decelerated by (-0.2%, -0.3%, -0.375% and -0.383% respectively). In all, global growth will slow to 3.643% from 4.9% before Omicron pandemic.
- In term of policy respond, in the mild case we do not expect any change in policy respond from the leading economies' authorities, though we expect the Fed to taper QE as planned. In the moderate case, some relaxation of policy tightening could be seen. In the severe case, another fiscal and monetary stimulus will be issued to counter the impact of lockdown.



What authority will do during pandemic?

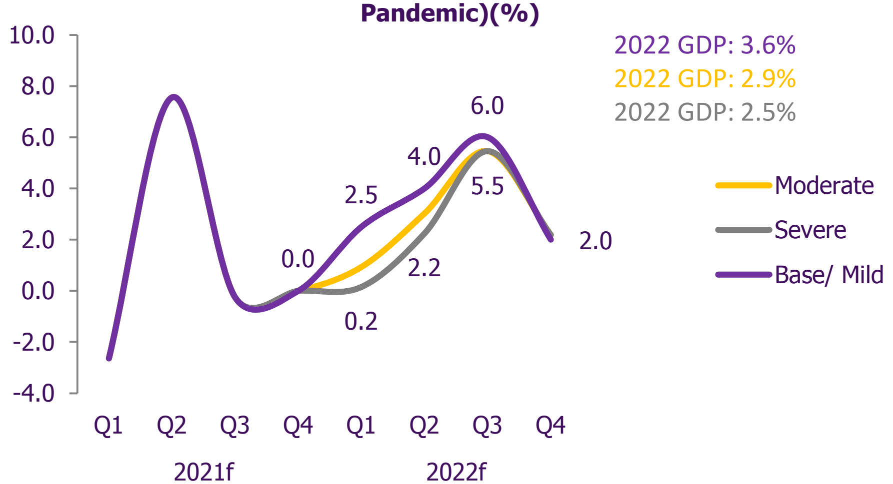
Scenario	Policy respond
Mild	Nothing/ QE Tapering as planned
Moderate	US: Stop QE Tapering in first half/ no rate hike/ Europe: maintain the level of liquidity injection until the end of the year.
Severe	US: QE till rest of year, no hike; Fiscal: Another moderate fiscal ($500bn stimulus)/ Europe: Another Fiscal stimulus. China: Relax policy further

Source: IMF, Various sources, SCBS Research

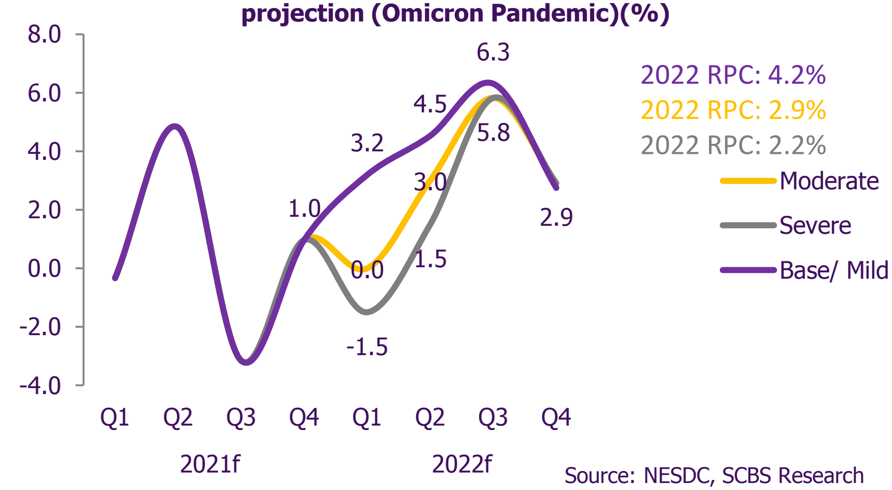
Scenario analysis on Thai economic growth in the 3 scenarios

- In the mild case, no strong and meaningful impact from the global Omicron pandemic, given that there is no meaningful domestic widespread. This is due to the early imposition of travel restriction from South Africa and its 7 neighbors . GDP as base case.
- In the moderate case, we assume the domestic widespread (with number of infected people could reach 10,000 or more for one to two months due to its replacing Delta). Hence, we expect full lockdown (as in the case of Delta pandemic) for 2 months. We expect GDP slowdown for 3 quarters (from base case), from decline for consumption and tourist arrival (to 6mn from 8 mn). We expect policy support for 2 months (Jan and Feb), in term of unemployment benefit for the eligible of S. 33, S.39 and S.40 (same as in Delta pandemic).
- In severe case, domestic widespread lasting about 2-3 months. Hence government announce lockdown for 3 months, GDP almost contract during 1Q22, while consumption contracted. We expect policy support for 4 months, mainly in term of money transfer to people affected from the pandemic.
- In summary , in this environment, we expect the consumption to decline from 4.2% growth in 2022 (exceeding GDP growth of 3.6%) to 2.9% and 2.2% in moderate and severe case, respectively. Private investment will decelerate too, from 7.3% growth in base case to 5.2% in severe case. Number of tourist arrival would decline from 8mn to 6mn and 4mn respectively.

Scenario Analysis of 2022 Thai GDP Growth projection (Omicron Pandemic)(%)



Scenario Analysis of 2022 Thai Real Private Consumption Growth projection (Omicron Pandemic)(%)



Source: NESDC, SCBS Research

Strategy

Key points of our 1Q22 strategy

		Our summary views
Macroeconomic outlook		Global economic growth has become normalized, with growth in DM economies decelerating from 1H and growth in EMs expected to revive in 2H. Inflation will fall in 2H on resolution of supply chain problems.
Economic bright spots		Service-related sectors, high pricing-power sectors, logistics, domestic consumption, electric vehicles.
Economic cycle		Most advanced countries are moving from early to late expansion, while EMs are moving toward peak in 1H22. Service sectors will dominate growth in 2022. Demand and supply in many sectors will become more balanced in 2022 upon a continuous vaccine rollout and easing lockdown restrictions.
Market cycle		The business cycle has moved from recovery to expansion and toward normalization. We expect a shift to a micro-driven market as macro volatility declines and individual sector and specific factors come increasingly into play. We expect the cyclical tailwinds to weaken in 1H22.
Earnings outlook		2022 EPS of our SCBS coverage will grow 6% YoY and likely come back up to pre-COVID-19 levels in 2022. In 1Q22, pressure on margin from supply chain shortages will subside. EPS growth in 2022 will be driven by Banking, Commerce, F&B, Insurance and Packaging. Tourism and Transportation are expected to report lower losses in 2022. Energy and Petrochem are expected to decline from 2021.
De-rate vs Re-rate		Electronics, Healthcare, Transportation, Hotel, Media, Construction Materials and Construction Services will be de-rated due to limited upside from ROE expansion. Meanwhile, Telecommunications and Commerce are likely to see multiple expansion. The banking sector is still undervalued.
Alpha themes		We highlight four ideas in 2022 centering on the macro and micro themes of: 1) high pricing power, 2) benefit from rate hike cycle, 3) growth at a reasonable price and 4) quality stocks.
1Q22 strategy		The SET Index is expected to perform well in 1Q22. We recommend focus on defensives, EV supply chain, pricing power, growth at reasonable price and earnings quality. Market returns will depend on earnings rather than valuation expansion.
SET Index target		Our calculations put our 2022 SET Index target based on fundamentals at 1,660. Our key entry point is 1,530, while the take-profit level is 1,750
Sector weighting 1Q22	**Overweight**	Bank, Commerce, Insurance, Logistics
	Neutral	Beverage, Energy, Hotel, Finance, Petrochemical, Property and Telecom
	Underweight	Agribusiness, Air Transportation, Building Materials, Entertainment/Media, Shipping
Recommendations		We look at stocks in that 1) are little impacted by macro headwinds, 2) are gaining momentum from switch to EV and car exports, 3) are showing earnings growth or recovery, 4) have limited financial risk or strong balance sheets, and 5) have reasonable valuations. Our top picks in 1Q22 are ADVANC, AH, BLA, KBANK and NYT.

Our 4Q21 recommendations outperformed the SET by 2% thanks to KCE and SECURE.

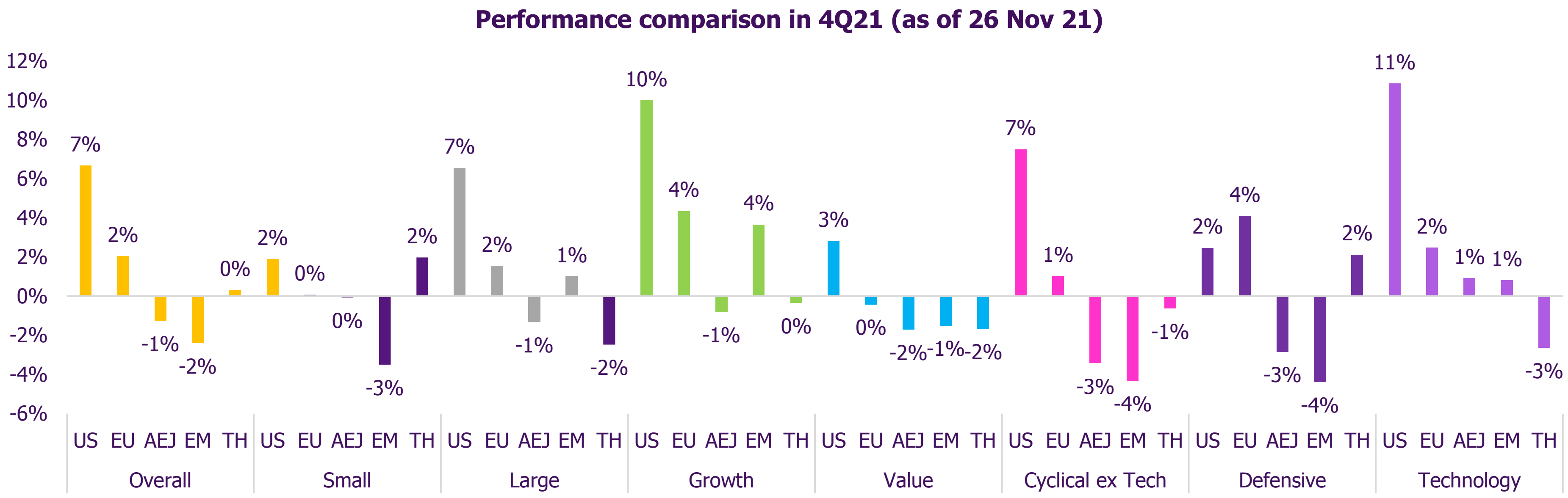
4Q21 has nearly come to an end, with the Thai stock market moving in a narrow range (+0.3%) with high price volatility. The positives accelerating recovery (faster-than-expected COVID-19 vaccine rollout and easing lockdown restrictions) are offset by the higher-than-expected cost pressure, the new variant concern and tightening global monetary policies. The easing supply chain disruption and rapid vaccine rollout led the Thai stock market to move in same direction as emerging markets (+0.1%) and Asia ex-Japan markets (+1%). The Thai market rally has underperformed developed markets (+6%), with slower vaccinations and weaker recovery.

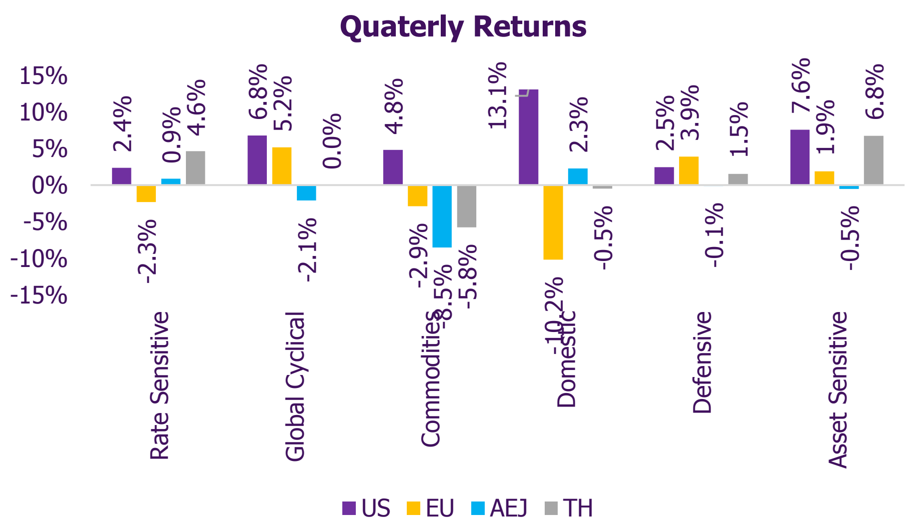
In 4Q21, we saw small caps, defensives and growth stocks outperform large caps, cyclical and value stocks. Differing styles of investment offered similar returns. Rate-sensitive and asset-sensitive baskets outperformed commodities and domestic baskets. Cyclical stocks remained a bright spot, supported by a broadening global restart and ongoing negative real interest rate. In addition, share prices have partially priced in the concern on tightening monetary policy and regulation in China.

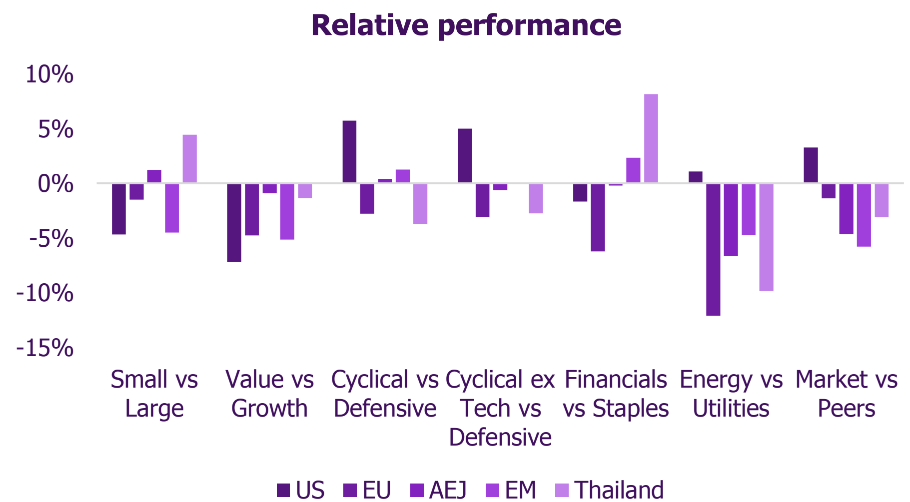
The Thai stock market is moving sideways; index contribution has been concentrated in four sectors: Telecommunications, Financial, Healthcare and Banking. Meanwhile, the consensus calls on Petrochemical and Energy disappointed. As expected, foreign investors have bought a net US$382mn in Thai equities QTD after a strong outflow in 9M21 of US$2.5bn. Foreign flows are the same in ASEAN peers.

Our top picks that focused on pricing power and earnings quality offered average returns of 8.3%, while defensive and domestic reopening names underperformed the SET by 3%, representing excess returns of 2% thanks to KCE (+11%) and SECURE (+5%). BEM (-4%), OSP (-4%) and ZEN (-2%) underperformed in response to longer-than-expected lockdown restrictions and cost pressure.

Rate- and asset-sensitive outperformed in 4Q21



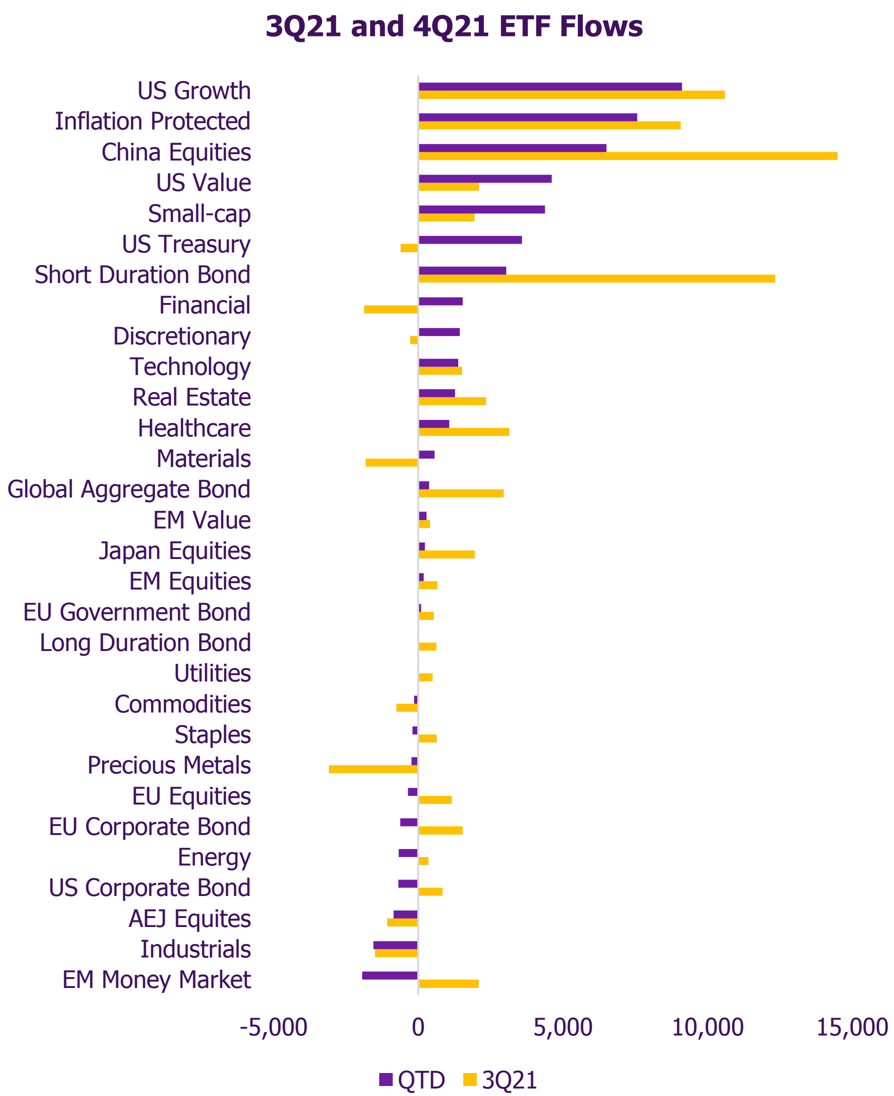




Source: Bloomberg, SET, SCBS Investment Research

SCBS

Inside the investor's mind: what are they doing now?

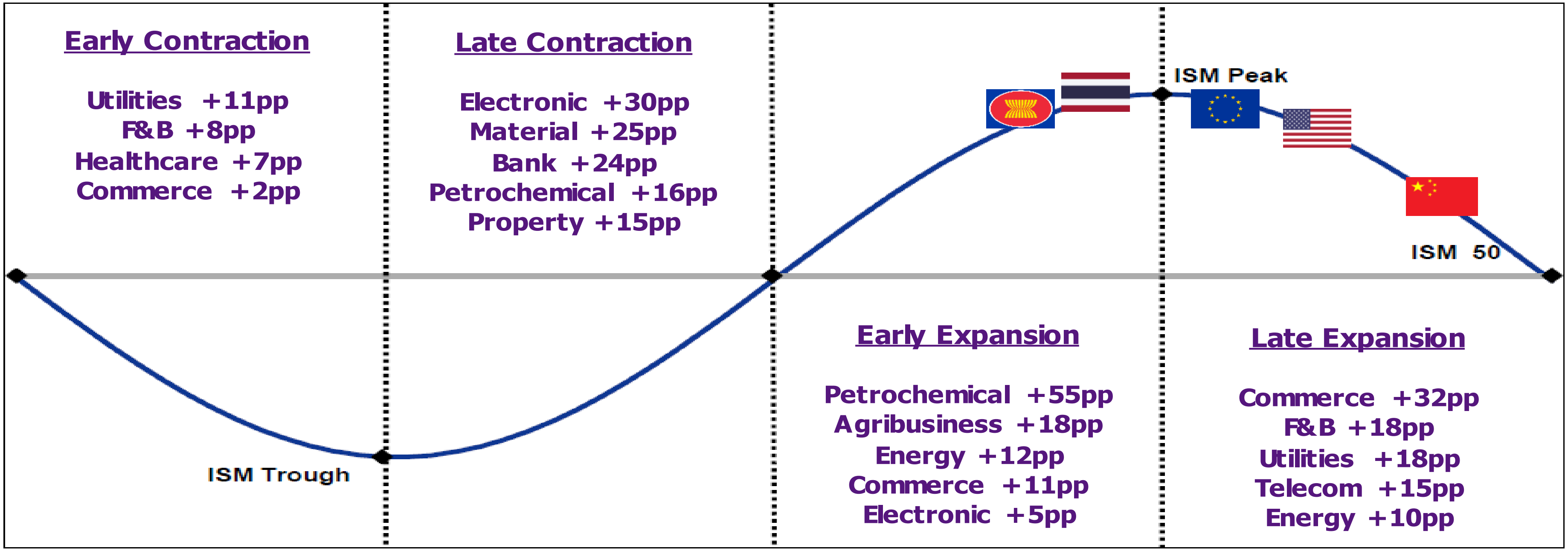


Source: EPFR, ETF

Flows into ETF-related products in 4Q21 relative to 3Q21 are reflecting the key themes inside long-term investor minds, detailed below:

1) **Prefer equities over bonds** – Both equities and bonds are facing decelerating inflow. Equities have a larger inflow compared to bonds on a global restart and rising yield.
2) **Prefer DM over EM** – due to vaccine rollout and aggressive fiscal stimulus.
3) **Prefer cyclical over defensive** – on the back of continuous economic recovery, reopening and easing supply chain disruption.
4) **Afraid of inflation** – Inflation-protected bonds show a continuous aggressive inflow along with financial and discretionary inflow.
5) **No rate hike in the short-term** – Flows are into short-duration bonds, while long-duration bonds are facing outflows, indicating that a rate hike is not expected for 3-6 months.
6) **Buy on dips and looking for laggards** – After selloff in China, tech and small-cap in 2Q-3Q21, we see large inflows into these areas.
7) **Take profit** on energy, EU equities, and corporate bonds.

Economic cycle – The easy part of recovery is passing…

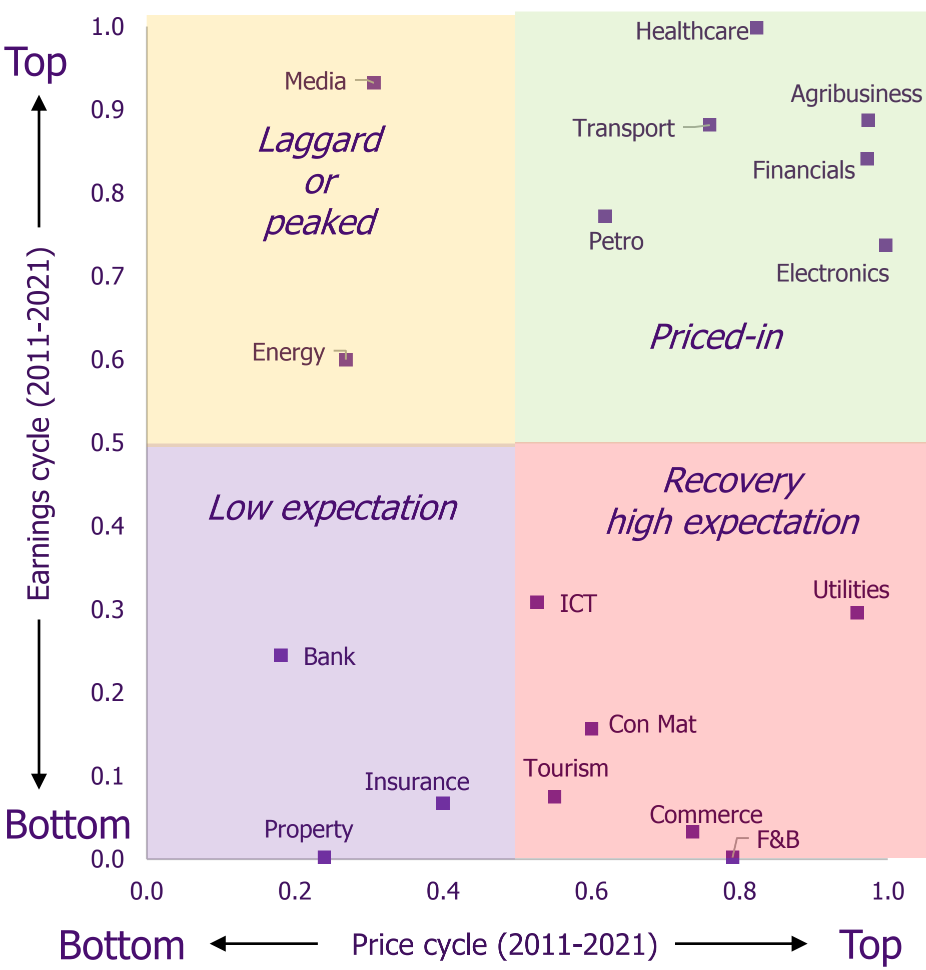


Source: Bloomberg, SET, SCBS Investment Research

Financial market sentiment is improving along with vaccination rollout and global restart as a rising cyclical tide supports a rally in cyclical sectors. The global economy shifted from late contraction to early expansion in 1H21. Most advanced countries are moving from early expansion to late expansion, confirmed by a shift in the yield curve from bear steepening to bear flattening; emerging countries are moving toward peak in 1H22. We see limited upside to manufacturing activities, with the service sectors as the key growth drivers for an extended recovery. Thus, overall return on risky assets remains positive but slowing to moderate and sectors such as Commerce, F&B and Utilities are expected to outperform in the late expansion phase, going by data over 1990-2018.

Price and earnings cycle – reality vs expectation

Price Cycle vs Earnings Cycle (2011-2021)



Source: SETSMART, SCBS Investment Research

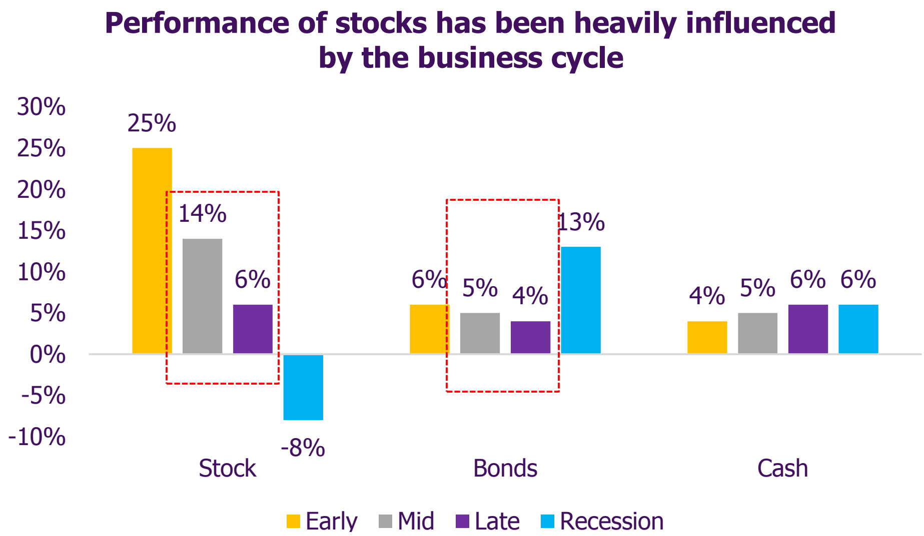
Earnings surprises and forecast revisions are some of the expectational strategies in the past decade. During high market liquidity and a risk-on environment, price volatility is surging, likely driven by sentiment and expectation rather than fundamental value. Thus, price and earnings cycles are still important for medium-term investors that focus on earnings development.

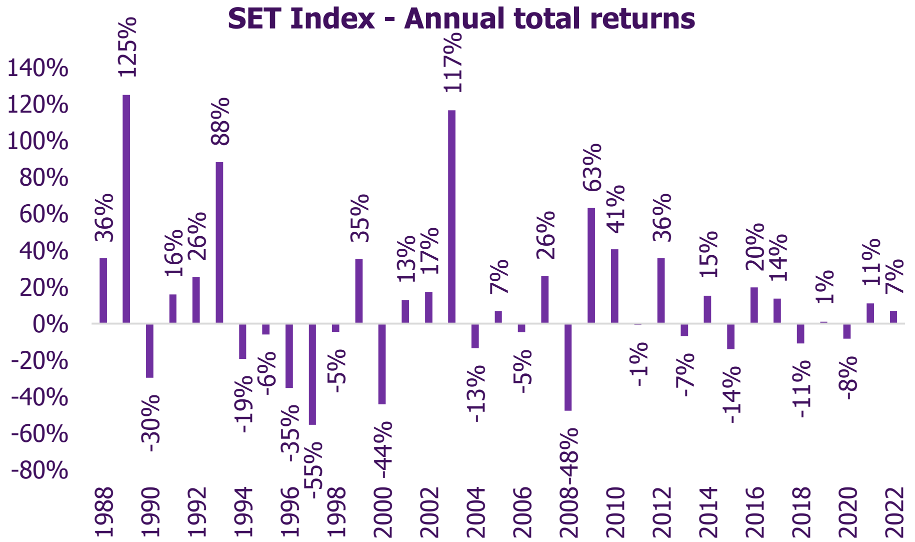
Our analysis of the price and earnings cycles since 2011 shows that:

1) Strong rallies in healthcare, electronics, logistics and transportation are driven by robust earnings growth
2) Energy and shipping sectors face selling pressure after a strong rally and supply chain is easing in many areas.
3) F&B, Commerce and Tourism are in a high expectations environment after the domestic economic restart in 4Q suggesting earnings bottomed out in 3Q21.
4) Bank, Insurance and Property are sectors with low expectation. If earnings recovery is strong, share prices will react positively.

SCBS

What do we expect from market returns?





Source: Bloomberg, SCBS Investment Research

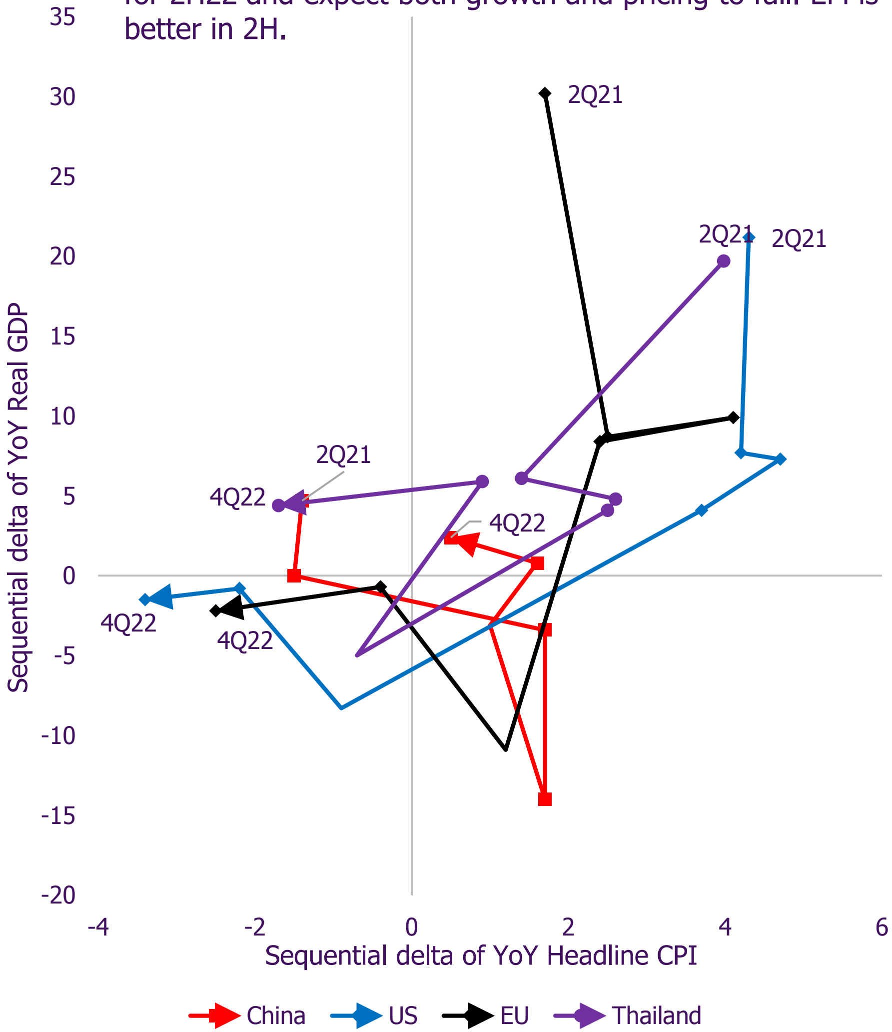
Thai markets are at price highs but this is because earnings expectations have been strong. The index is not cheap in absolute terms versus longer-term history. On 18x, SET Index 12m fwd P/E is toward the upper end of its historical range. Thai equities look expensive against the EU (16x), AEJ (15x) and EM (13x). Dividend yield on Thai stocks is ~3%, aligned with AA Thai corporate bonds. Thai stocks provide yield of 3% and some protection against inflation since they own real assets. Thus, we think that return will remain positive as EPS growth and recovery stay strong, but with slightly lower returns in 2022.

Thai equity valuations have contracted 4% YTD, compared with 10-15% for peers. As a result, we think EPS growth is a tailwind as Thailand will recover from the adverse impacts of the pandemic, while we see limited upside from valuation re-rating. We expect the SET Index to return 5% by the end of 2022, 8% with dividends.

Our expected price return is equivalent to the 55 percentile of annual returns and around 10% average for AEJ equities since 1990

#1 Growth and pricing framework

Strong growth and pricing in 1Q22; we have a cautious view for 2H22 and expect both growth and pricing to fall. EM is better in 2H.



Source: Bloomberg, CEIC, SET, SCBS Investment Research

We are embarking on a faster recovery than seen in the past: risky assets, including the SET, have rebounded strongly and cyclical sections of the market have outperformed more than in previous cycles. This indicates that the good news of prospective growth has already been priced in. According to consensus forecast, GDP growth is expected to slow. We expect global economic recovery to enter late expansion in 2022. Inflation is expected to fall. Based on our analysis, when growth is strong but passes its peak in momentum, market returns tend to slow and defensive stocks and those with low volatility and high quality are expected to outperform.

There are three investment implications from the growth and pricing framework

- We expect 1Q22 to be a good quarter for the stock market. Growth and small-cap stocks are expected to outperform.
- In 2Q22, most economic and earnings figures will steadily normalize. Growth is slowing, and concern over a rate hike is rising.
- In 2H22, EM is expected to outperform DM on the service restart, as growth is accelerating. Discretionary and tech will be the winners.

#1 Growth and pricing framework - Roadmap

<table>
<tr><th></th><th>1Q22</th><th>2Q22</th><th>3Q22</th><th>4Q22</th></tr>
<tr><td>China</td><td colspan="2">Bonds over stocks
Style – quality and growth
Sector – Utilities, Tech, Energy, REITS
Fixed Income : long duration, TIPS and IG</td><td colspan="2">Stocks and commodities over bonds
Style - high beta, growth, small-cap
Sector - Tech, Discretionary, Industrials
Fixed income: TIPS, high yield credit</td></tr>
<tr><td>US</td><td rowspan="3">Stock and commodities over bonds

Style – high beta, growth, small-cap

Sector - Tech, Discretionary, Industrials

Fixed Income : TIPS, High Yield Credit</td><td rowspan="2">Bonds over stocks

Style – quality and growth

Sector – Utilities, Tech, Energy, REITS

Fixed income: long duration, TIPS and IG</td><td colspan="2" rowspan="2">Bonds over stocks

Style – low beta, quality

Sector – Healthcare, Staples, REIT, Utilities

Fixed income – long duration</td></tr>
<tr><td>EU</td></tr>
<tr><td>Thailand</td><td>Bonds over stocks

Style – low beta, quality

Sector – Healthcare, Staples, REIT, Utilities

Fixed income – long duration</td><td>Stocks over bonds

Style - high beta, growth, small-cap

Sector - Tech, Discretionary, Industrials

Fixed income: high yield credit</td><td>Stocks over bonds

Style – high beta, growth, quality

Sector – Tech, Discretionary, Industrial, Materials</td></tr>
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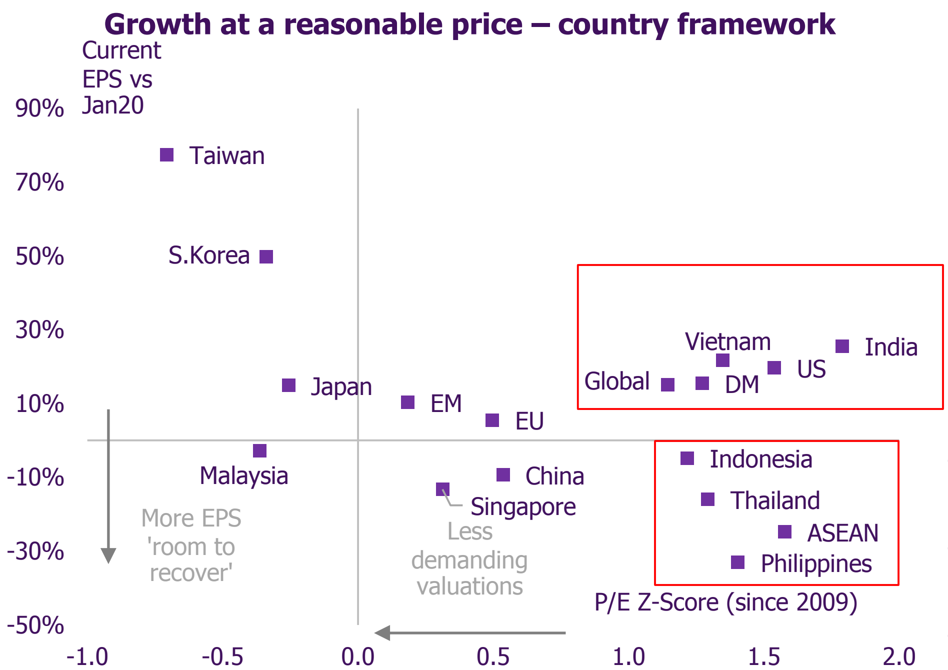
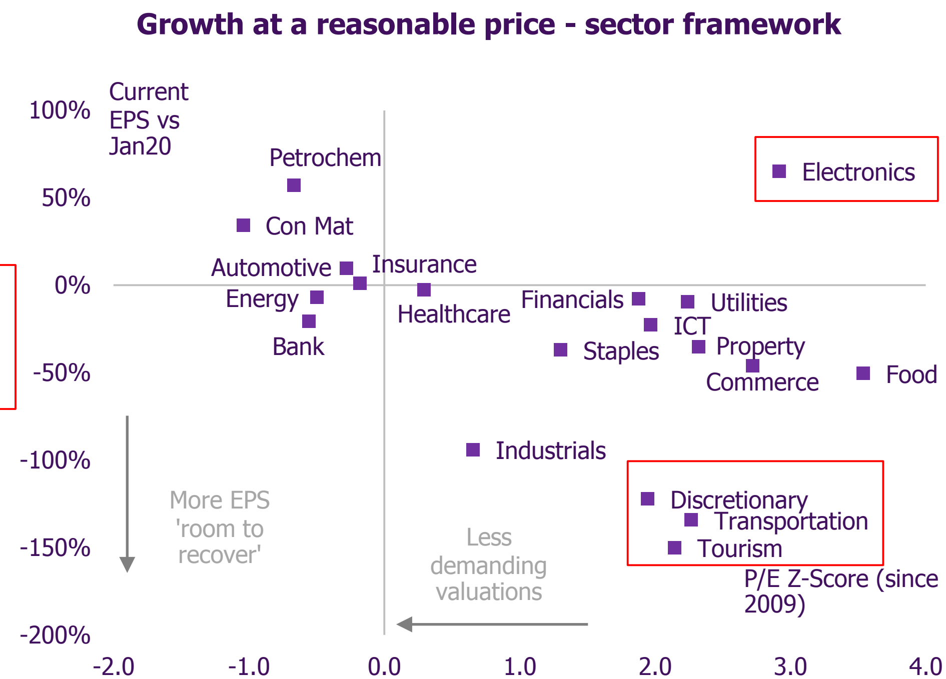
Source: Bloomberg, CEIC, SET, SCBS Investment Research

#2 Growth in a reasonable price framework





Source: SCBS Investment Research

We find wide dispersion across valuation and earnings metrics at the individual market level. From the valuation perspective, DM, Vietnam and India tend to trade at above-average valuations, whereas defensive EM such as North Asia appear cheap vs historical averages. Although Thailand and ASEAN countries have room to recover on a return of tourism and domestic consumption that could offer upside, valuation is stretched and most tourism-related stocks have returned to pre-COVID levels. Sector-wise, consumer Discretionary, Transportation and Tourism and domestic cyclical (Property, Commerce and F&B) appear to have room to run compared with a sector-wide assessment, as commodity sector EPSs have fully recovered. Banks with a positive view are driven by valuation expansion and EPS growth.

Political calendar is active; economic calendar is light

1Q22	
1-Jan	RECP to take effect
17-21 Jan	WEF Annual Meeting
01-Feb	India Union Budget
4-20 Feb	Beijing Winter Olympics
05-Feb	Fed Chair's term starts
Mar-22	China's PCC conference
Mar-22	National People's Congress
Mar-22	China's reopening efforts
09-Mar	S.Korea Presidential Election
27-Mar	Hong Kong Chief Executive Election
2Q22	
Jun-22	Fed's last taper
Jun-22	G7 Meeting (Germany)
09-May	Philippines General Election
09-May	Philippines Presidential Election
3Q22	
Jul-22	FOMC, Fed's first-rate hike
Jul-22	Malaysia General Election
Jul-22	India Presidential Election
Aug-22	Excerise RIMPAC (Asia)
Sep-22	ASEAN Economic Ministers Meeting
2H22	Hong Kong plans to open border
4Q22	
Oct-22	G20 Summit (Bali)
Oct-22	China National Congress
Oct-22	Communist Party of China Meeting
Nov-22	Taiwan Loal Elections
Nov-22	OPEC and non-OPEC Ministerial Meeting
Nov-22	APEC Meeting (Thailand)
08-Nov	US Senate and House Rep Elections
Dec-22	China's Politburo Meeting

Source: SCBS Investment Research

The **political calendar** is active in 2022: 1) elections in South Korea and Hong Kong - we do not expect any significant change in the political landscape for either, 2) Chinese Communist Party will set the stage for President Xi Jinping to extend his term, and 3) US mid-term elections in both the Senate and the House that seems poised to see Democrats lose control of the both, making it difficult to conduct economic policy in the second half of Biden's presidency.

The **economic calendar** is light in 2022. There are three key events that relate to investment returns: 1) China's reopening efforts; 2) Fed tapering schedule and 3) Fed's first rate hike, with the market expecting two policy rate hikes in 2H22.

Based on our event analysis, we expect a shift to a micro-driven market as macro volatility declines and is mostly priced in in view of the current investor position. Individual sector and stock specific factors as well as earnings growth will come increasingly into play as a source of alpha in 2022.

Sector outlook for 2022

Air Trans	Auto	Bank	Commerce	Construction Materials
Recovery mainly loaded in 2H22. While we believe Thai tourism is on the path to recovery (likely in 2H22), the speed of recovery, particularly in early stages, is uncertain. We expect to see restructuring at airline operators.	Expect normalized earnings growth in 2022. Key is global semiconductor shortage. New model launches and rapid adoption of EV are the main catalysts for the sector.	Expect a moderate earnings recovery from easing provisions with a slight pick-up in loan growth. There is upside from a potential delay in a 23-bps hike in FIDF cost back to the normal 0.46%.	Expect growth from revived SSS growth and rental income off 2021's low base from the lockdown and low purchasing power.	Expect stable growth from higher energy costs amid better sales volume.

Electronics	Energy	Finance	Food	Healthcare
Growth remains strong from technology transformation, while we are concerned about supply growth from disruption and new supply in 2H22. In addition, fading work-from-home and online learning could pressure short-term growth, while the new development in the metaverse and restocking could offset the slowing WFH demand.	Profit in oil and gas should normalize after overshooting in 2021 due to the oil price hike. E&P profit is expected to grow from higher sales volume while the power sector will continue to realize profit from new capacity, both greenfield and acquired assets.	Expect a moderate earnings recovery from accelerating loan growth. New business development and new operations in other segments may facilitate high growth.	Growth driven by specific factors from GFPT's startup of new production capacity; others will be relatively stable YoY. Key concern is rising feeder cost.	BCH and CHG: Expect earnings to drop in 2022 off the exceptionally high base in 2021 from COVID-19-related services. BDMS and BH: Expect earnings to grow as more Thai and international patients come for treatment.

Hotel	ICT	Land Transportation	Petrochemicals	Property
While we believe Thai tourism is on the path to recovery, how fast this will happen, particularly in early stages, is uncertain since demand for travel is affected by low vaccination levels in some countries, new variants of the virus and each country's restrictions to prevent spread. Earnings should improve in 2H22, assuming more international tourists and lower cost structure pulling down breakeven point. Outbound tourism from China is key for recovery and we expect to see a wave of recovery in 2H22.	We should see a mild recovery in mobile revenue following economic recovery. Revenue from the enterprise segment and fixed broadband should continue to grow. In addition, the amalgamation between DTAC and TRUE could lower the competition in the sector. Infrastructure funds are another growth story for the sector in 2H22.	Strong earnings recovery driven by improving traffic and ridership will continue in 2022 off the low base in 2021 and we believe all variables will approach normal gradually.	Profit will fall YoY after product spread rose to a record high in 2021 due to bad weather in 1Q21. Upside to earnings is from new acquisitions but this may not offset the impact of lower product spread YoY.	Recovery in presales and new launches, with growth both in low-rise and condos in order to support revenue both short- and long-term. Gross margin will also recover slightly from less pressure from a fire-sale of inventories.

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What to expect in earnings in 2022

	Mkt. Cap. (Btm)	Net Profit (Btm)				Growth (%)		
		20A	21F	22F	23F	21F	22F	23F
Agribusiness	15,297	1,352	196	835	974	(85.51)	326.32	16.69
Automotive	39,293	1,834	4,280	4,686	5,169	133.33	9.51	10.29
Banking	1,723,478	143,681	179,020	199,203	220,809	24.60	11.27	10.85
Commerce	1,595,661	33,823	26,553	39,136	48,062	(21.50)	47.39	22.81
Construction Materials	568,308	40,628	54,170	55,956	60,953	33.33	3.30	8.93
Energy & Utilities	2,636,832	45,566	206,486	198,786	219,403	353.15	(3.73)	10.37
Finance & Securities	589,226	25,762	29,093	32,460	37,677	12.93	11.58	16.07
Food & Beverage	687,736	17,951	13,427	28,668	40,296	(25.20)	113.52	40.56
Health Care Services	590,165	10,937	17,964	14,509	17,326	64.25	(19.23)	19.42
Information & Communication Technology	872,294	33,590	28,039	29,631	36,378	(16.53)	5.68	22.77
Insurance	90,437	2,654	5,075	6,353	8,583	91.23	25.18	35.12
Media & Publishing	5,194	312	285	325	354	(8.95)	14.06	9.08
Packaging	271,527	6,457	8,109	9,361	10,261	25.58	15.44	9.62
Paper & Printing Materials	10,595	1,011	936	973	1,021	(7.45)	3.91	5.00
Personal Products & Pharmaceuticals	6,720	168	176	291	374	4.94	65.61	28.28
Petrochemicals & Chemicals	503,103	3,174	75,342	47,507	54,701	2,273.72	(36.95)	15.14
Property Development	392,419	21,024	22,503	24,291	26,743	7.04	7.95	10.09
Tourism & Leisure	57,313	(4,490)	(4,336)	(1,867)	712	3.44	56.95	138.14
Transportation & Logistics	1,223,349	7,589	(18,318)	(5,701)	24,879	(341.38)	68.88	5.36
Total	**11,878,946**	**393,024**	**648,998**	**685,401**	**814,675**	**65.13**	**5.61**	**18.86**

Source: SCBS Investment Research

4Q21 earnings are irrelevant in the earnings season from mid-Feb 2022 onward. What will matter are guidance and growth strategies. Growth in service sectors will be offset by lower growth in the manufacturing sectors as immunization leads to protection and the ending of lockdowns, ushering in a sequential service sector recovery from 2021. On this basis, we expect earnings for companies under SCBS coverage to grow 6% YoY in 2022 (vs cons est +11%). EPS growth in 2022 will be driven by Banking, Commerce, F&B, Insurance and Packaging. Tourism and Transportation are expected to report lower losses in 2022. Earnings for Energy, Petrochemical and Healthcare are expected to decline from 2021 due to high base effect. We believe our 2022 earnings forecasts, which appear more conservative than consensus, are achievable with improving earnings visibility after rapid vaccination and tourism recovery in 2H22.

First thoughts on "Omicron"

What we know - Omicron has more than 30 mutations on its key spike protein, more than double the number carried by Delta, which could make it more transmissible or evade the vaccine immunity to some extent. There is a high risk it will spread and cause serious disease and restrictions in many countries such as Belgium, UK, Israel, Germany, Italy and Hong Kong. The findings of the efficiency of current vaccines against Omicron will be released in Mid-Dec21.

What we expect about Omicron - We do not believe the variant will create a situation where vaccines will be rendered useless, though it is likely to dilute vaccine efficacy. In addition, there is no evidence to suggest a change in current treatment. Vaccine manufacturers have indicated that their vaccines can be reconfigured rapidly and be ready for production in Feb 2022. A high level of vaccinations (>80%) means less chance of a variant emerging. We are concerned about greater restrictions that could cause earnings downgrades in 1Q22.

What to do – We do see a broad risk that recovery may be impeded in the near term by the need to digest the prospect of a more hawkish Fed and a less consistent cyclical tailwind. We recommend reduce position in cyclical and reopening beneficiaries given Omicron uncertainties. The key entry point to buy back is 1,550.

	Impact if lockdown is seen in 1Q22
Hotel	Limited inbound tourist recovery. Occupancy rate could drop QoQ, leading to widening losses at the same level as 2Q-3Q21.
Aviation	Traffic would fall QoQ. Losses would grow on lower traffic and bring concerns on balance sheet weakness.
Healthcare	Organic patient traffic will delay treatment, while demand for COVID-19 treatment would jump.
Automotive	Net profit is expected to decline YoY and QoQ due to production disruption.
Restaurant	Tightening lockdown would pressure traffic and margin and delay an earnings turnaround by 1-2 quarters.
Petrochem	Operating profit would fall 10-15% YoY, esp. for olefins and aromatics.
Power	Average net profit could slip by 3-5% from base case.
Bank & Finance	Limited impact as all customers are facing the same issue. Debt restructuring is needed. Provisions have been already booked in 2021.
Insurance	Claims are expected to increase, but it is unpredictable.
ICT	Limited impact. Growth upside capped in the short-term.
Land transport	High impact, mostly from falling traffic. Net profit would remain as weak as in 3Q21.
IT distributor	High impact from store closures.
Property	See moderate impact but profit direction to remain unchanged thanks to low base effect.
Consumer/Beverage	Worst case scenario looks like 3Q21. Overseas market lockdown is key risk.
Commerce	Estimated profit impact is up to 10% on the back of weak same-store sales growth and rental income
Food	Utilization rate will drop if factories are closed. Net profit is expected to fall 5-10% in FY2022.
Con Mat	Lockdown could erode net profit by 3%
SET	Based on analyst assumption adjustments for a possible lockdown in 1Q22, we expect net profit for 2022 could drop 7% from current forecasts.

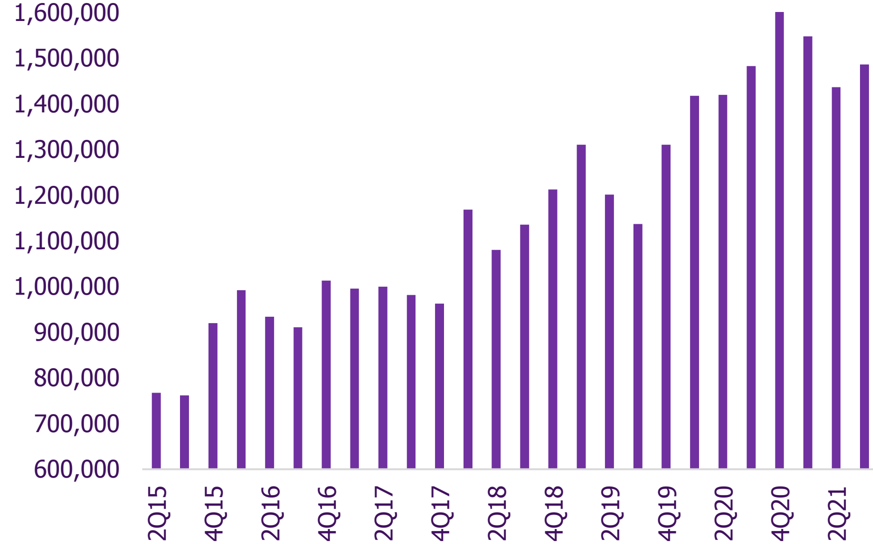
High cash on hand for new investments

D/E is more stable across sectors except in services and tourism-related sectors

	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Agribusiness	0.9	0.9	1.0	1.0	0.8	0.8	0.9	0.9	0.8	0.8
Food & Beverage	1.6	1.6	1.5	1.7	1.7	1.7	1.6	1.6	1.6	1.7
Consumption	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Automotive	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5
Industrials	1.0	1.2	1.3	1.8	1.8	1.8	1.8	2.0	2.1	2.2
Petrochemical	0.8	0.8	0.9	1.1	1.1	1.1	1.1	1.2	1.2	1.2
Packaging	0.7	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Steel	1.0	1.0	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Construction Materials	1.1	1.1	1.1	1.2	1.2	1.2	1.1	1.2	1.1	1.1
Property	1.4	1.4	1.2	1.4	1.4	1.4	1.3	1.3	1.3	1.3
Industrials Estate	1.6	1.8	2.0	2.1	2.0	1.8	1.7	1.7	1.7	1.7
Construction Services	2.6	2.5	2.5	2.7	2.6	2.7	2.6	2.6	2.7	2.7
Energy	1.1	1.2	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5
Utilities	1.7	1.7	1.3	1.5	1.5	1.4	1.4	1.4	1.4	1.5
Commerce	2.1	1.9	2.0	2.1	2.2	2.2	2.3	2.2	2.3	2.2
Healthcare	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Media	0.6	0.6	0.6	0.8	0.8	0.8	0.8	0.8	0.7	0.7
Tourism	1.8	1.7	1.6	2.6	2.6	2.7	2.9	3.2	3.1	3.3
Transportation	1.5	1.4	1.4	1.7	1.8	1.9	1.8	1.8	1.9	1.9
ICT	2.7	2.6	2.8	4.3	4.2	4.2	4.1	4.3	4.2	4.3
Electronics	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.1
Total	**1.3**	**1.3**	**1.3**	**1.6**	**1.6**	**1.6**	**1.5**	**1.5**	**1.5**	**1.6**
Defensive	**1.8**	**1.7**	**1.6**	**1.9**	**1.9**	**1.9**	**1.9**	**1.8**	**1.9**	**1.9**
Cyclicals	**1.2**	**1.2**	**1.2**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**
MAI	**1.00**	**0.99**	**1.01**	**1.1**	**1.2**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**

Source: SCBS Investment Research

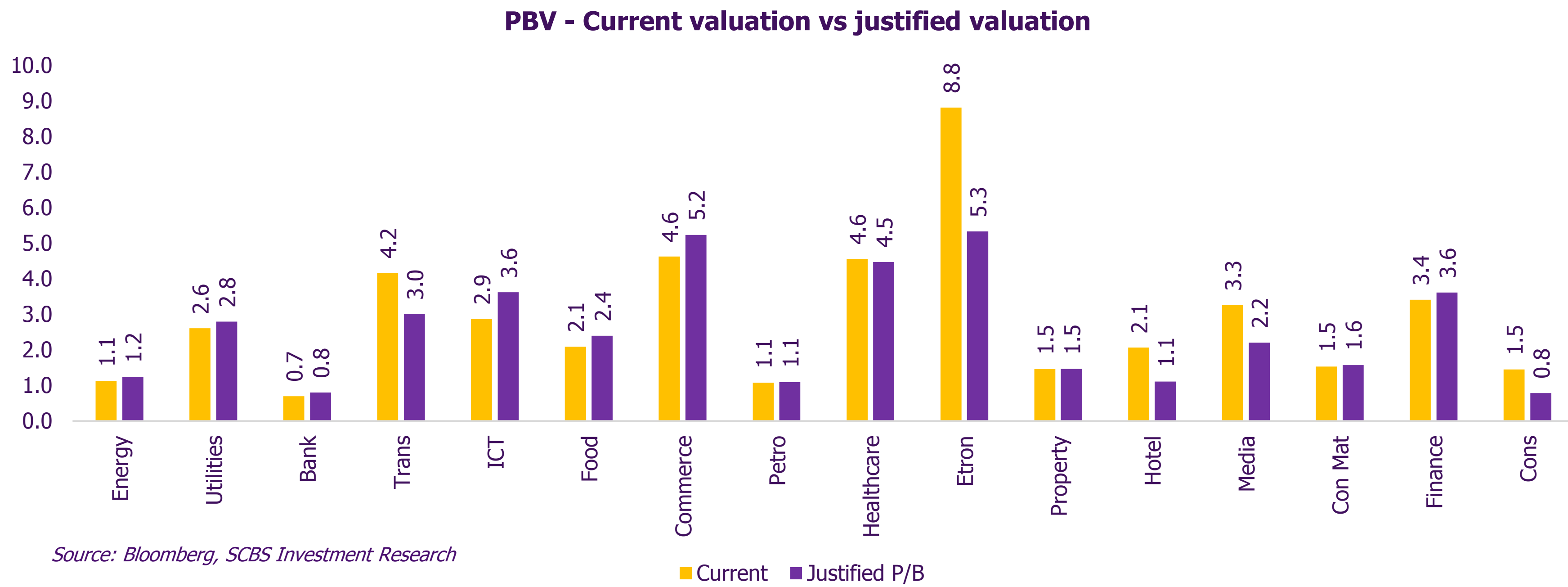
Corporate cash holdings remain high, no further sign of financial stress



Overall D/E ratio remained steady at 1.5-1.6x in 3Q21. As border reopening remains unclear, we are concerned about tourism-related sectors such as Hotel and Transportation, both suffering from the lengthier and more severe wave of COVID-19 than anticipated. Company cash holdings remain high but have fallen from peak in 4Q20. Most are looking for new investment opportunities and deleveraging after the impressive operational improvement in 2Q-3Q21. We think companies will be looking to increase shareholder returns via either investment to reduce cost from efficiency or new businesses for long-term growth. In addition, both large and small companies are deleveraging in order to prepare for post-pandemic recovery. This may also indicate that most companies believe the COVID-19 pandemic is manageable and liquidity is high enough to handle the COVID-19 risks. Thus, financial risks at Thai companies is low.

Valuation de-rating and re-rating

Comparison of current PBV and justified PBV

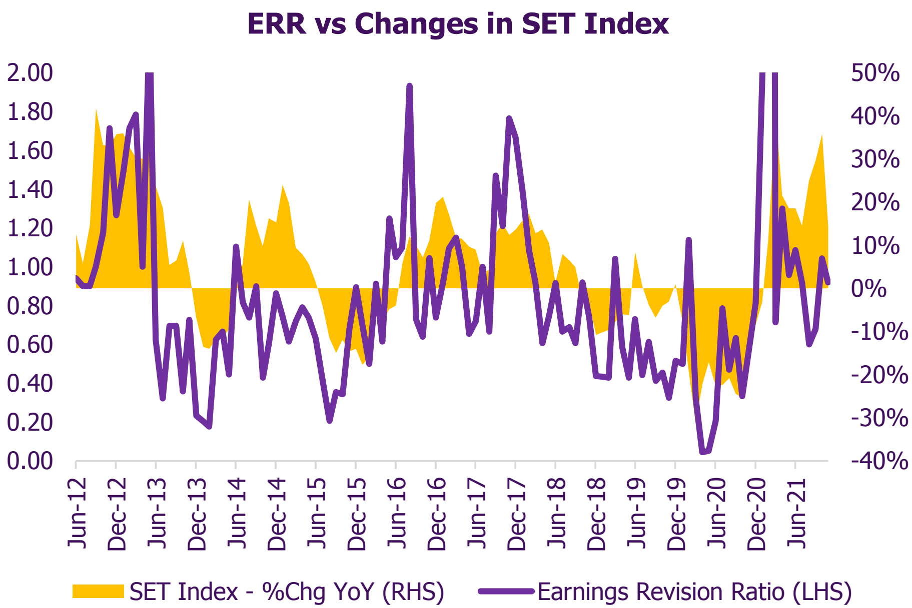


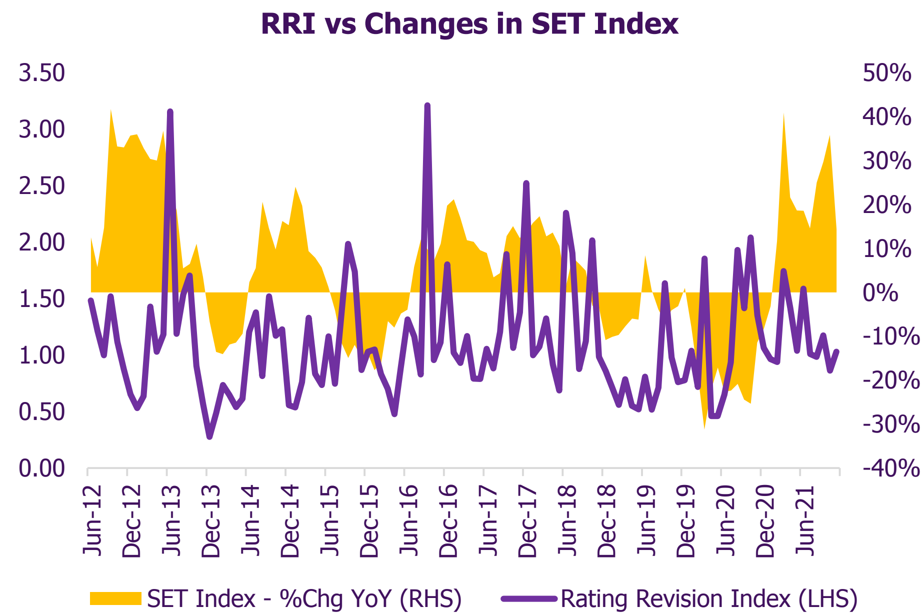
Source: Bloomberg, SCBS Investment Research

We believe using PE to derive the SET Index valuation is tricky in view of high earnings volatility with a cloudy growth outlook. PB is justified during periods of low earnings visibility.

We discover that valuations for Electronics, Healthcare, Transportation, Hotel, Media, Construction Materials and Construction Services will be de-rated due to limited upside for ROE expansion. Telecommunication and Commerce are likely to see multiples expansion. The Bank sector is still undervalued, while Electronics and Transportation are overvalued.

Finding a new equilibrium between greed and fear…





Source: SCBS Investment Research

Consensus 2022 EPS estimate has been trimmed by 0.1% QTD (5% YTD). Sector-level EPS revisions and price movement are diverging. QTD, sectors such as Energy, Petrochemical, Transportation, Electronics and Tourism have shown continuous upward earnings revisions but share prices have fallen, indicating that the positives have been priced in. Although Property, Healthcare, Packaging, Automotive and Entertainment are facing earnings downgrades, prices have rallied as the market priced in a specific catalyst such as LTV, easing lockdown measures, vaccine revenue and easing chip shortages. In 4Q21, overall analyst ratings are being downgraded after an upgrade in 2Q-3Q21, while earnings revision ratio is at break-even point. This indicates that consensus is worried about earnings growth outlook amid a strong rally that is driven by specific factors and news flow. In addition, positives have been priced in in most sectors. Thus, we think earnings visibility and quality may have more effect on a stock rally than macroeconomic factors in 2022.

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Market outlook - Neither good nor bad in 2022

- Amid slower global growth, prolonged high global inflation is a headwind, and broad monetary/fiscal policy is expected to shift toward tightening, which will affect liquidity and valuations. Thus, overall market returns are likely to be much more muted. We believe the gradual recovery in domestic consumption and tourism reopening will be key supportive factors.
- We expect a broad shift towards a tighter policy and the beginning of normalization. However, we expect easy financial conditions to continue, combined with a moderate growth outlook that will ensure conditions remain favorable for Thai stock markets but not as good as in 2021.
- We see EPS growth as a tailwind as Thailand will recover from the adverse impacts of the pandemic. We expect earnings growth of 6% YoY in 2022. Thus, our calculations show a 2022 SET Index target based on fundamentals of 1,660, aligning with our view that holds that net profit in 2022 will resume pre-COVID-19 levels. We estimate SET Index return at 5% by the end of 2022, 8% with dividends.
- However, Thai equity valuation is higher than in some other parts of ASEAN. While we believe EM will gain momentum from fund inflow, we do not expect a large fund flow into Thai markets due to slower growth (EPS and GDP) and higher valuation than peers.
- The business cycle has moved from recovery to expansion toward normalization. Equity returns and Sharpe ratios tend to decline in this phase of the cycle. As the frameworks suggest, we expect the cyclical tailwinds to weaken in 1H22.
- We see the economic impact of the variant more as shuffling the time profile of reopening across the next few quarters. We are concerned about new variants that could derail the tourism recovery.
- Issues like inflation, fiscal overreach and political instability are not an environment where Thai markets and assets are likely to shine.
- We expect a flatter path in 2022 after pricing in the recovery from the pandemic has run its course. We expect a shift to a micro-driven market as macro volatility declines and individual sector and specific factors come increasingly into play.

Bottom-up P/B approach - SET Index target is 1,660

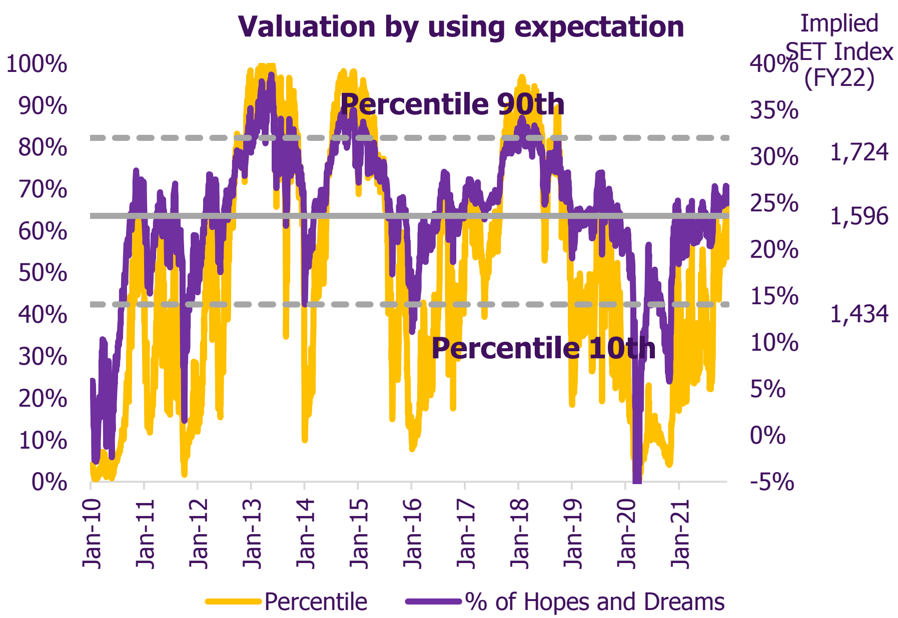
		Target PB		Market Cap	
	Book value (2022)	SD band	Justified PB	SD band	Justified PB
Energy	2,593,000	1.2	1.2	3,208,426	3,111,600
Utilities	170,837	2.3	2.2	395,325	375,840
Bank	2,641,714	0.8	0.8	2,025,953	2,025,953
Trans	351,575	3.5	3.4	1,244,663	1,195,355
ICT	590,799	4.0	3.5	2,390,019	2,091,430
Food	556,481	2.4	2.2	1,333,580	1,224,258
Commerce	581,708	6.3	5.4	3,643,396	3,141,221
Petro	588,767	1.3	1.2	739,344	706,520
Healthcare	187,352	5.5	5.7	1,026,452	1,067,907
Electronics	97,398	5.3	2.6	519,297	253,235
Property	745,410	1.5	1.3	1,094,289	969,033
Tourism	49,056	3.3	2.2	160,977	107,733
Media	76,632	3.5	2.6	264,425	199,242
Con Mat	524,297	1.7	1.6	914,892	838,875
Finance	285,013	3.1	3.1	877,488	877,488
Cons	96,802	1.4	0.8	130,923	76,522
Others	1,008,888	1	1	1,008,888	1,008,888
Implied target				**1,796**	**1,660**

Source: Bloomberg, SCBS Investment Research

Key levels for entry and taking profit

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	16.9	17.4	1,662	3%	18.8	1,796	12%	16.0	1,528	-5%
P/B and ROE	1.7	1.7	1,659	3%	1.9	1,813	13%	1.6	1,551	-4%
Equity Risk Premium	ERP 7% / Rf 0.5%	ERP 7% / Rf 0.5%	1,619	1%	ERP 6% / Rf 1%	1,737	8%	ERP 7.5% / Rf 0.25%	1,541	-4%
Earnings Yield Gap	401	410	1,587	-1%	341	1,792	11%	479	1,423	-12%
Hopes and Dreams	25%	24%	1,596	-1%	32% (Percentile 90%)	1,725	7%	20% (Percentile 20%)	1,532	-5%
		Average	**1,625**	**1%**		**1,773**	**10%**		**1,515**	**-6%**
		Median	**1,619**	**1%**		**1,792**	**11%**		**1,532**	**-5%**

Source: SCBS Investment Research



Source: SCBS Investment Research

Combining various approaches points to limited valuation upside. Taking an average of all five approaches suggests valuation upside of 1%, which translates to a 17x target P/E. We quantify potential bull and bear case scenarios which point to median 10% valuation upside and 5% valuation downside from current levels. Compared against our SET fundamental target of 1,660 and the current economic environment, we use bear case valuations as a key entry point with a 5% margin of safety from current level. We recommend to take profit at an index level of above 1,750. The Thai market is expected to be a trading market in 2022 in the range of 1,550 to 1,750.

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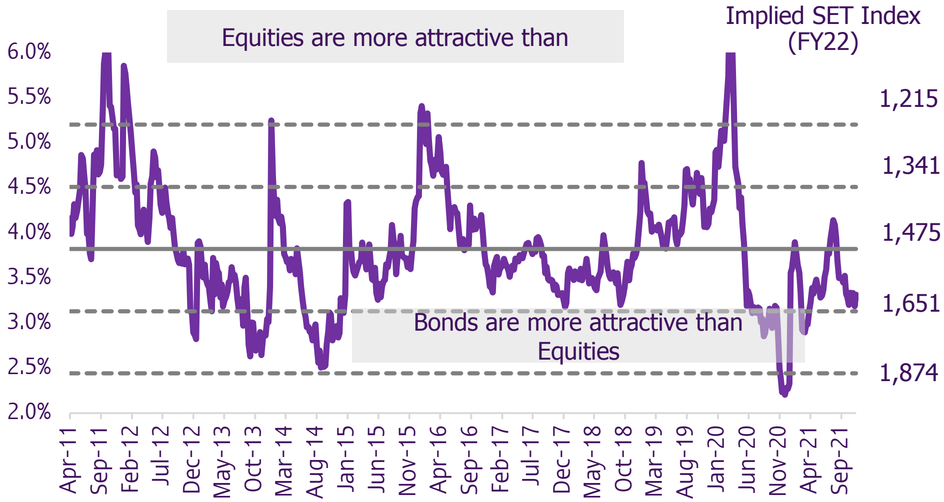
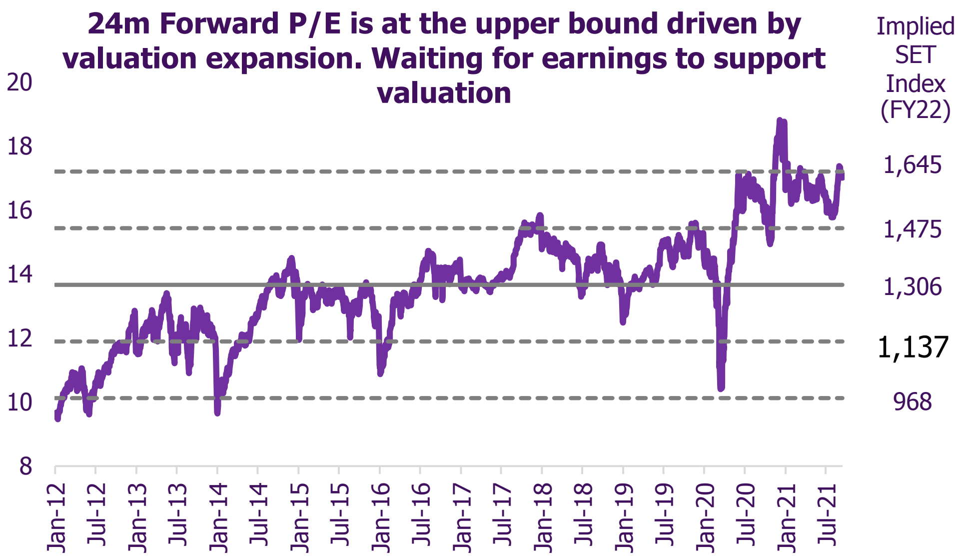
Earnings quality will justify its rich stock valuation

Thai bond/equity yield gap is at 1SD below average. Rising rate could pressure equity multiples/valuations.



Source: Bloomberg, ThaiBMA, SCBS Investment Research

24m Forward P/E is at the upper bound driven by valuation expansion. Waiting for earnings to support valuation



The SET Index is trading at the upper band of valuation and seems richly valued despite earnings recovery. The earnings yield gap at 3.2% indicates that equities are expensive relative to bonds. However, the SET is trading at 18.9x 2021 and 16.9x 2022, which is +2SD over 10-year average, making valuation rather stretched in our view. We believe slower growth toward normalization and tightening monetary policy as well as reopening uncertainty could lead to valuation rebalancing and will not make stocks more attractive than bonds. We believe market returns will be driven by earnings growth rather than valuation expansion in the current macro environment. Falling liquidity and high volatility could also pressure any further valuation re-rating, limiting valuation expansion ahead. Strong earnings growth with high earnings quality will be key to share price and valuation.

Our focus of interest in 1Q22 and 2022 is on fundamental value and a new growth narrative rather than betting on multiples expansion, foreign investor money inflow and yield movement.

Investment strategy – earnings are a source of alpha

- Based our economists' outlook for inflation to moderate and supply chain disruptions to ease around mid-2022, we continue to recommend value stocks with favorable fundamentals and inexpensive growth.
- Smoothening in the global supply chain and an energy crunch are expected in 2022, especially ocean shipping and semiconductors, with inflation and cost pressure subsiding. Clean energy, green investment and EV supply chain remain a key theme in 2022.
- Based on our growth and pricing framework, the SET is expected to perform well in 1Q22 and correct in 2Q to absorb a rate hike and growth normalization. 2H22 will gain momentum from reopening and post-pandemic recovery.
- Excess returns will come from sector allocation and stock selection rather than sentiment.
- We believe the core portfolio should focus on defensive growth and conviction ideas from the post-pandemic recovery theme such as technological innovation and a green economy.
- Among factors, we expect the market environment to favor growth, but not to the extent seen in the years up to 2020. By sector, we anticipate a rotation from the cyclical sectors that have recently driven the market to certain defensive sectors with sound fundamentals.
- We have a positive view on Banks, Insurance, Logistics, Telecommunication and Commerce, which will be driven by a strong earnings recovery with reasonable valuations. Underweighted sectors include Construction Materials, Air Transportation, Agribusiness and traditional media.
- Share price gains driven by rising valuations are unlikely as corporate profit growth slows.
- We highlight four ideas for stocks in 2022: 2) those with high pricing power, 2) who benefit from rate hike cycle, 3) can show growth at reasonable price and 4) are quality stocks.
- Our picks in 1Q22 are ADVANC, AH, BLA, KBANK and NYT with a focus on defensive, EV supply chain beneficiaries, pricing power, growth at a reasonable price and earnings quality.

Summary of sector weightings and valuation in 1Q22

Sector	Recommended sector weighting	Current SET weight	2020 returns	YTD returns	Growth		Net profit CAGR 20-23	P/E		P/B		Dividend yield	
					21F	22F		21F	22F	21F	22F	21F	22F
Bank	Overweight	9%	-24%	19%	25%	11%	15%	9.6	8.7	0.7	0.7	3.1%	3.5%
Commerce	Overweight	10%	-13%	12%	-21%	47%	12%	60.1	40.8	4.5	4.3	1.6%	1.8%
Automitive	Neutral	0%	11%	19%	133%	10%	41%	9.2	8.4	1.0	0.9	4.9%	5.4%
Electronics	Neutral	4%	379%	7%	18%	33%	23%	64.6	48.7	6.9	6.3	1.6%	2.0%
Energy	Neutral	21%	-9%	3%	353%	-4%	69%	12.8	13.3	1.2	1.1	3.5%	3.6%
Food & beverage	Neutral	6%	-3%	9%	-25%	114%	31%	51.2	24.0	1.6	1.6	1.5%	1.6%
Healthcare	Neutral	4%	-16%	21%	64%	-19%	17%	32.9	40.7	4.5	4.4	2.0%	1.8%
Hotel	Neutral	1%	-19%	23%	-3%	-57%	n.m.	-13.2	-30.7	4.1	4.7	0.0%	0.0%
Land Transportation	Neutral	1%	-27%	2%	-40%	77%	7%	64.4	36.4	2.3	2.2	2.0%	2.9%
Petrochemical	Neutral	3%	5%	7%	2274%	-37%	158%	6.7	10.6	1.0	1.0	5.5%	4.1%
REITs / PF / IF	Neutral	2%	-26%	0%	26%	17%	14%	6.5	5.6	1.2	1.2	7.5%	10.5%
Residential/IE	Neutral	5%	-18%	12%	7%	8%	8%	17.4	16.2	1.2	1.2	3.4%	3.8%
Telecoms	Neutral	9%	-15%	29%	-17%	6%	3%	31.1	29.4	4.8	4.7	2.8%	2.9%
Utilities	Neutral	4%	-3%	9%	38%	24%	30%	38.9	31.3	3.8	3.5	1.4%	1.6%
Agribusiness	Underweight	1%	62%	24%	-86%	326%	-10%	78.1	18.3	1.0	1.0	1.6%	1.6%
Air Transportation	Underweight	5%	-16%	1%	-5067%	42%	n.m.	n.m.	-68.8	6.5	6.9	0.0%	0.0%
Building Materials	Underweight	4%	-5%	8%	33%	3%	14%	10.5	10.2	1.2	1.1	5.1%	5.3%
Entertainment / Media	Underweight	1%	-19%	29%	-9%	14%	4%	18.3	16.0	1.9	1.7	2.2%	2.5%

Source: Bloomberg, SCBS Investment Research

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Summary of 1Q22 sector outlook

	Analyst score	Catalysts/Risks
Commerce	8	Better sentiment and activities as mass vaccinations progress and lockdown eases. All modern trade retailers can benefit from stimulus measures. Strong earnings growth is expected on a strong same-store sales recovery in 4Q21.
Energy	7	Limited upside for oil price on more OPEC supply; higher GRM given an increase in jet fuel demand as vaccination rate increases.
Healthcare	7	A short-term windfall from a surge of COVID-19-related services due to continuous infections. Progress in reopening Thailand in 4Q21 will be positive to international patient services. However, high base effect in 2021 could pressure growth.
ICT	7	Expect earnings growth to recover YoY in 1Q22, but key concern is 5G use case for enterprise segment. We believe the attraction for the sector is as a safe place during market correction. In addition, positive sentiment from easing competition will support growth.
Property	7	Strong presales in 1Q22. Earnings recovery QoQ but still decline YoY. Concerns are high rejection rate. New launches are expected to increase after the lockdown. LTV will be a key positive catalyst for sector recovery in 2022.
Bank	6	Inexpensive valuation but unexciting earnings outlook from rising NPLs and hefty credit cost with weak loan growth and NIM. Asset quality remains a concern, while upside is on potential extension cut in FIDF cost.
Chemical	6	Capacity additions, mainly from China. Falling oil price, soft feedstock and restocking during Chinese New Year could support a wider spread.
F&B	6	Benefits from reopening and stimulus policy from government. Overseas market expected to get back to normal in 2022. Rising raw material costs such as aluminum and sugar are concerns. Hemp, cannabis and kratom are key catalysts.
Food	6	Higher feed and transportation costs amid 4Q20's high base for livestock margin as well as high base for seafood margin. Earnings and margins will soften. However, we expect a recovery in price after the lockdown eased in 4Q21.
Insurance	6	Expect a gradual recovery in premium growth and an improvement in combined ratio in 4Q21-2022. There is an upside on ROI from favorable capital market and the launch of new high-margin products.
Land transport	6	Traffic is recovering. Thailand will start opening the country in 2022, which will help drive traffic recovery further. However, these positives are mostly priced in.
Tourism	6	A catalyst is progress toward Thailand's reopening in 2022. Key to monitor is demand to travel that may be impacted by new technology. The key downside risks are new room supply, slow recovery from China market and new capex cycles.
Utilities	6	New capacity could be announced and demand from industrial users continues to improve. Gradual recovery is expected. However, cost pressure will continue despite the uptick in Ft.
Automotive	5	Demand remains strong. Chip shortage problems are beginning to ease. New model launches and EV adoption will support revenue and margin expansion in 2022.
Construction materials	5	Higher fuel costs (coal and natural gas), amid moderate rise in demand.
Finance	5	Expect accelerating loan growth, manageable asset quality but weaker NIM from rising price competition. Fee income from debt collection is expected to fall. New hire-purchase regulations, which are expected to be finalized in 1Q22.

Source: SCBS Investment Research

Four alpha themes to enhance modest beta

We highlight four ideas for 2022 around the macro and micro themes of 1) high pricing power, 2) benefit from rate hike cycle, 3) growth at a reasonable price and 4) quality stocks.

#1 High pricing power – In an inflationary environment, higher input costs to sales price will erode earnings. We think companies with stable and high profit margins can be deemed to have high pricing power and high level of price pass-through. Based on our scanning criteria, companies that we expect to see show solid margin expansion include NRF, NYT, M, BH, AMATA.

#2 Growth at a reasonable price – Growth stocks tend to perform in a slowing growth environment. We prefer to stay invested in growth stocks without overpaying for growth that could be a cushion for downside risks. Based on our scanning criteria, companies expected to have a strong growth with reasonable valuation include ACE, KBANK, SABINA, WHA, WICE.

#3 Inexpensive growth – The slowing growth environment has become more supportive of growth stocks. We remain cautious on stocks with stretched valuations. Based on our scanning criteria that focus on sales and EPS growth and valuation (book yield and earnings yield), companies that are expected to have inexpensive growth include CKP, SSP, NER, WICE, TQM.

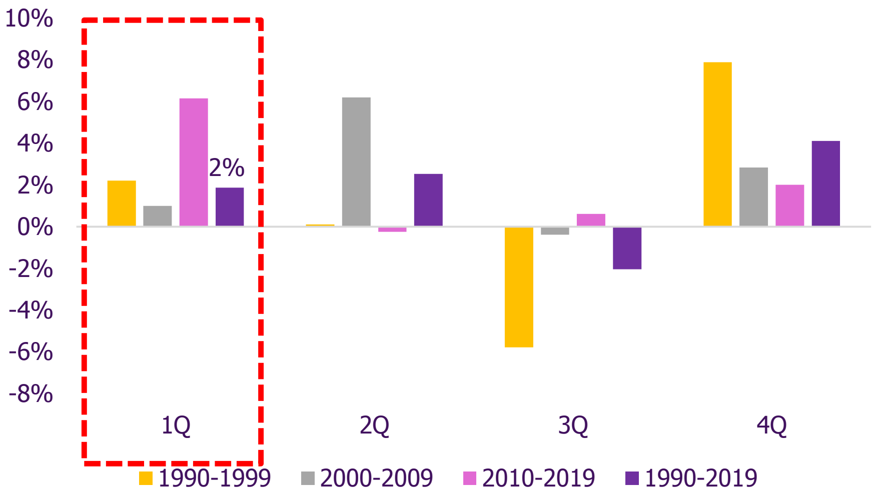
#4 Quality stocks with high growth – Macroeconomic volatility and political risks could warrant continued caution. We think mid-cap and large-cap quality stocks with high growth trend could perform well in this environment. Based on our scanning criteria, quality stocks with high growth include DELTA, EA, GLOBAL, HTC, AH.

1Q is normally a strong quarter, with large and cyclical stocks doing well. We expect history to repeat itself.

Over the past decades, 1Q has been a strong quarter with average returns of 2% and rising almost 60% of the time. Based on historical data, 1Q has tended to be strong with positive returns continuing from 4Q. In addition, first quarter is the second-best quarter for high beta stocks such as large-cap, value, and cyclical stocks. During the up years, the SET hit its annual peak in 1Q about 40% of time.

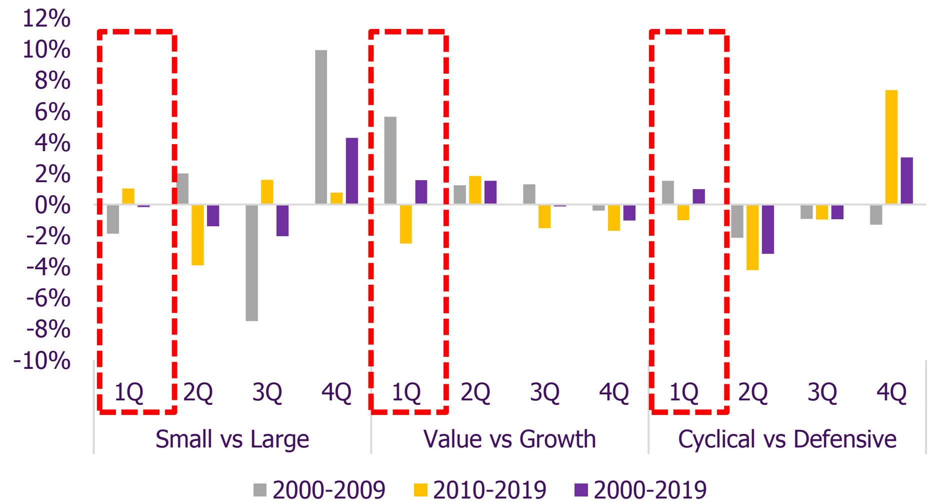
However, this year may be different due to fear of stagflation, margin pressure, QE tapering and rising political risks that could cause market volatility in 4Q21. To prepare for an increase in volatility, we recommend maintaining exposure in large cap and defensive sectors that have strong growth and solid balance sheets to reduce volatility and protect against unpredictable events.

4Q has tended to be strong and likely to continue in 1Q



Source: SET, SCBS Investment Research

Small-cap, value style and cyclicals tend to outperform in 4Q



Source: Bloomberg, SET, SCBS Investment Research

Our picks in 1Q22 are ADVANC, AH, BLA, KBANK and NYT with a focus on defensive, EV, pricing power, growth at a reasonable price and earnings quality.

1) We continue to recommend value stocks with favorable fundamentals and inexpensive growth.
2) Clean energy, green investment and EV supply chain remain a key theme in 2022.
3) We anticipate a rotation from cyclical sectors that have recently driven the market to certain defensive sectors with sound fundamentals.
4) We expect the market environment to favor growth.
5) We recommend rotating from small caps that outperformed from earnings recovery and lean into mid-cap and large-cap with high pricing power and strong balance sheets.
6) Although we believe reopening stocks could gain momentum, we suggest buy on share price weakness given a slow recovery from both domestic and international reopening themes.

We look at stocks that: 1) have limited impact from macro headwinds, 2) gain momentum from EV theme and car exports, 3) are looking at continuous earnings growth or recovery, 4) have limited financial risk or strong balance sheets, and 5) have reasonable valuations. Our top picks in 1Q21 are ADVANC (defensive), AH (EV, new model launch), BLA (recovery, yield play), KBANK (domestic recovery, growth at reasonable price) and NYT (car exports and high pricing power).

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F
ADVANC	Outperform	205.00	235.0	18.1	22.2	23.3	21.7	(11)	(5)	7	8.1	7.5	6.8	38	33	33	3.4	3.2	3.5	7.7	7.5	7.1
AH	Outperform	23.30	28.0	24.2	53.0	8.5	7.4	(83)	526	15	1.0	1.0	0.9	2	12	13	0.6	3.9	4.1	12.7	8.1	7.1
BLA	Outperform	30.25	36.0	21.3	32.1	12.3	11.0	(63)	162	11	1.1	1.0	1.0	4	9	9	0.8	2.0	2.3	0.0	0.0	0.0
KBANK	Outperform	142.50	171.0	22.5	11.5	9.2	7.9	(23)	25	17	0.8	0.7	0.7	7	8	9	1.8	2.2	2.5	0.0	0.0	0.0
NYT	Buy	4.10	5.3	35.8	21.7	20.0	15.4	(38)	8	30	1.6	1.6	1.5	6	8	10	4.9	5.0	6.5	7.0	6.3	6.2
Average					**28.1**	**14.6**	**12.7**	**(44)**	**143**	**16**	**2.5**	**2.4**	**2.2**	**11**	**14**	**15**	**2.3**	**3.3**	**3.8**	**5.5**	**4.4**	**4.1**

Source: SCBS Investment Research

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Companies with Excellent CG Scoring

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Companies with Good CG Scoring

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Corporate Governance Report

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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 2020 to 26 October 2021) is publicized.

1 TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

2 RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัททมีข่าวด้านการกากับดูแลกิจการ เช่น การกระทาผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข่าวดังกล่าวประกอบด้วย

Anti-corruption Progress Indicator

Certified (ได้รับการรับรอง)

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

Declared (ประกาศเจตนารมณ์)

7UP, ABICO, APCO, ASIAN, AWC, BEC, BKD, CPL, CPW, CRC, DOHOME, ECF, EKH, ETC, EVER, GULF, III, INOX, JR, KEX, KUMWEL, LDC, MAJOR, MATCH, MILL, NCL, NRF, NUSA, PIMO, PR9, RS, SAK, SCGP, SCM, SIS, STAR, STECH, SUPER, TQM, TTA, VCOM, WIN, YUASA, ZIGA

N/A

3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALT, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASP, ASW, ATP30, AU, AUCT, B52, BA, BBIK, BC, BCT, BDMS, BE8, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIZ, BJC, BLAND, BLISS, BM, BOL, BR, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHG, CHO, CI, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DDD, DHOUSE, DITTO, DMT, DOD, DTCI, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FLOYD, FMT, FN, FORTH, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HENG, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IHL, IIG, ILM, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, J, JAK, JAS, JCK, JCKH, JCT, JMART, JMT, JP, JSP, JTS, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWM, KYE, LALIN, LEE, LEO, LH, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MEGA, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCAP, NCH, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NOVA, NPK, NSL, NTV, NVD, NYT, OHTL, OISHI, ONEE, OR, OSP, OTO, PACE, PACO, PAE, PAF, PERM, PF, PICO, PIN, PJW, PLE, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTL, PTTEP, RAM, RATCH, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SF, SFLEX, SFP, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, STANLY, STARK, STC, STEC, STGT, STHAI, STI, STOWER, STPI, SUC, SUN, SUTHA, SVH, SVOA, SVT, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPH, TITLE, TK, TKN, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPCS, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TSE, TSF, TSI, TSR, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UBE, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UT, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, W, WAVE, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.