innovestX

กลยุทธ์การลงทุน 4Q22

NEW EQUILIBRIUM

MEANS BOTTOM OUT

“จุดสมดุลใหม่” ที่อาจจะหมายถึง “จุดต่ำสุด”

InnovestX Research

4Q22 InnovestX Strategy - New equilibrium means bottom out?

Shifting into new equilibrium. We believe that in 4Q22, the global economy is shifting into the new equilibrium that including (1) inflation has peaked, (2) the US interest rate will peak at level incrementally above 4% and (3) the economy will slow down.

Economic is starting to deteriorated. We believe that the US and global economic momentum will begin to slow further in 4Q22 due to (1) tight monetary policy (2) the risk of three European economic crises and (3) the slowdown in China. Interest rates that need to be raised quickly, High public debt and the new energy subsidies makes Europe more prone to a fiscal crisis

Inflation has peaked. Signs of inflation peaked and began to slow down are increasing. Weakening demand l will lead to a falling in inflation.

Interest rate stabilizing. Bond yields will continue to rise to reach a new equilibrium at 4% given a peak of Fed Fund Rate at 3.9%

Export is a downside risk to growth. Thai economic momentum will expand at a slower rate due to production costs. Export is a downside risk to growth.

Macro relief but not a greenlight. Periods of relief in growth or financial condition have essentially sowed the seeds of their own demise, given the ongoing challenge of bringing inflation lower.

Recession not fully priced. We find the bear markets around soft landings are likely to end around the perceived peak in the policy cycle, while a hard landing could face growth pressure and depressed valuations. We have not yet met these conditions, suggesting further bumpy road for markets before a decisive trough is established; we expect to see the inflection point in 2Q23.

How to end the bear market? Either an economic trough or a shift in Fed policy is generally a precondition for a market turnaround and bottoming.

Bottom out. We see four indications the market has bottomed: 1) inflation and Fed hawkishness has peaked, 2) economic growth is likely to improve as supply is the problem rather than demand, 3) a recession is partially priced in and earnings downgrades are underway, 4) valuations are not at extremes

Domestic growth. Market volatility is high. We see opportunity to add to stocks that has high pricing power, domestic demand appeal, and show strong earnings growth momentum. Our top picks in 4Q22 are AMATA, AP, CRC, KTB, MTC

Economic

4Q22 Economic Theme: Shifting into the new equilibrium

- We believe that in 4Q22 the global economy is shifting into a new equilibrium. In the old equilibrium, the economic perception was that inflation was still rising, interest rates would be stepped up to curb inflation and the economy was still resilient. The new equilibrium as perceived by the market is that inflation has peaked, US interest rates will peak at a level incrementally above 4% and economies will slow down.
- Despite panic in financial markets after US CPI in August came in above expectations, evidence is uncovering the reality of the changed picture: Inflation is starting to stabilize, both in the US and around the world, markets are adjusting to a new terminal rate and the global economy is expected to slow down further. Alarm bells are ringing for Europe, however, which is facing three crises: energy, inflation and fiscal. The US economy is expected to slow down gradually, while the Chinese economy is expected to stabilize.
- Thailand's economy is trending upward, underwritten primarily by the revival of tourism. The baht is expected to be more volatile, with the positive of incoming revenue countering the negative of global financial volatility. Interest rates are likely to go up to end the year at 1.25%. The key threat to the economy is that exports may be affected by the global economic slowdown.

Econ Theme:
Inflation has peaked, the economy is decelerating and interest rate is reaching a new equilibrium

The theme of the global economy - Thai economy in 4Q22

Inflation peaked

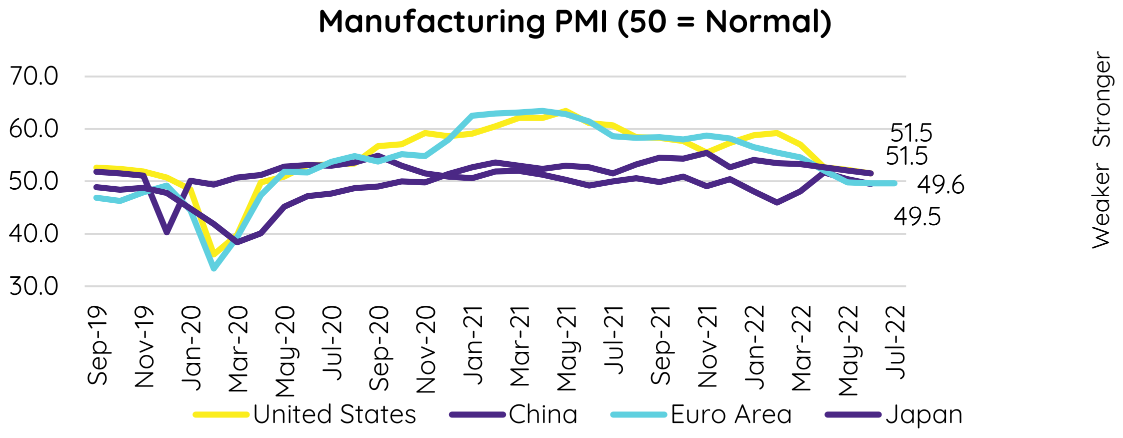
Econ slowdown

Interest rate stabilizing

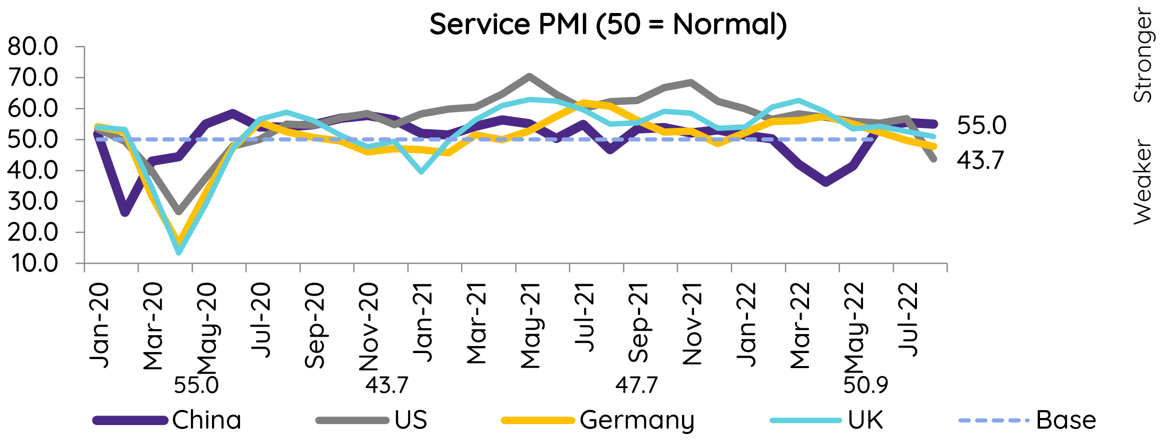
Signs that inflation has peaked and begun to went its way down are increasing. At the same time, the global economy is deteriorating especially in Europe. The Thai economy, on the other hand will continue to expand, but faces increasing risk from abroad. Meanwhile, monetary policy is attaining a new equilibrium where the tightening cycle reaches a level where the economy will deteriorate and inflation come down.

Inflation, economic slowdown is in line with IMF expectations.

The latest manufacturing PMI shows a slowdown.



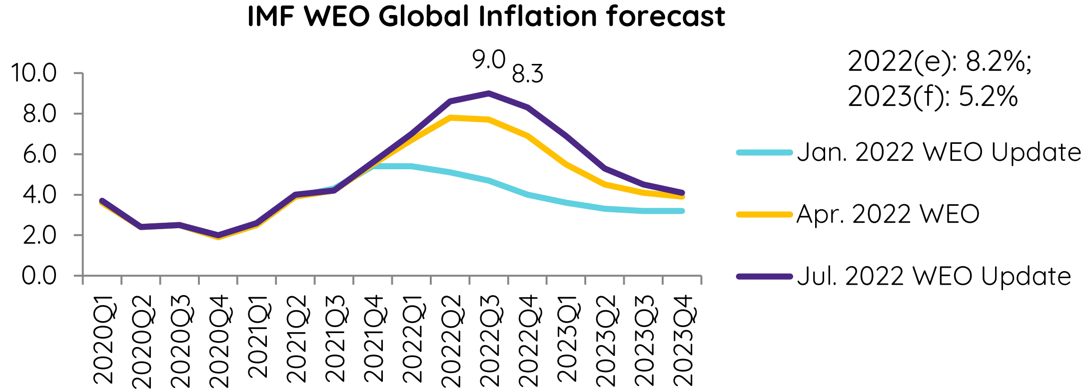
The same is true for service sector PMIs



The IMF has revised down its global economic forecasts for both 2022 and 2023.

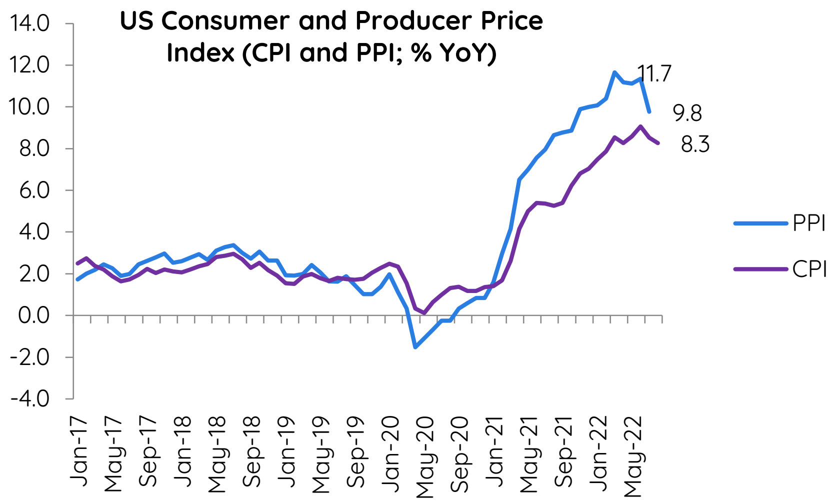
GDP growth	2022F		2023F	
	Apr	Jul	Apr	Jul
Global GDP	3.6	3.2	3.6	2.9
Advanced economies	3.3	2.5	2.4	1.4
Emerging economies	3.8	3.6	4.4	3.9
US	3.7	2.3	2.3	1.0
Eurozone	2.8	2.6	2.3	1.2
Japan	2.4	1.7	2.3	1.7
China	4.4	3.3	5.1	4.6
Thailand	3.3	2.8	4.3	4.0

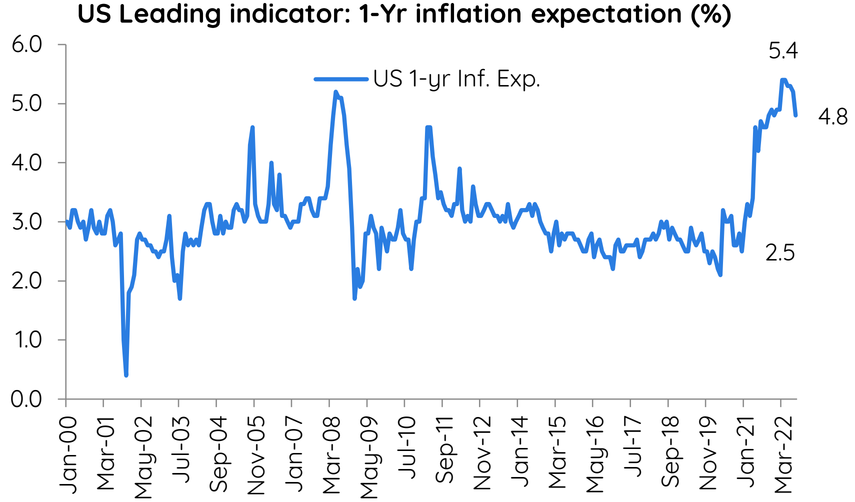
The IMF believes global inflation will peak in 3Q22 before it begins to decline.

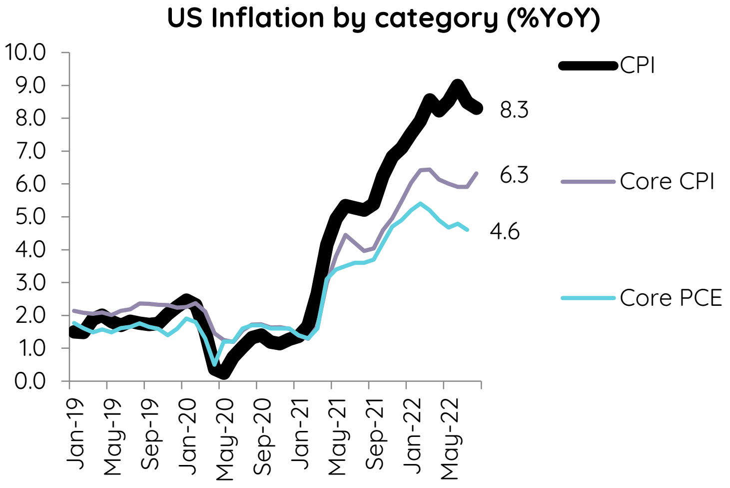


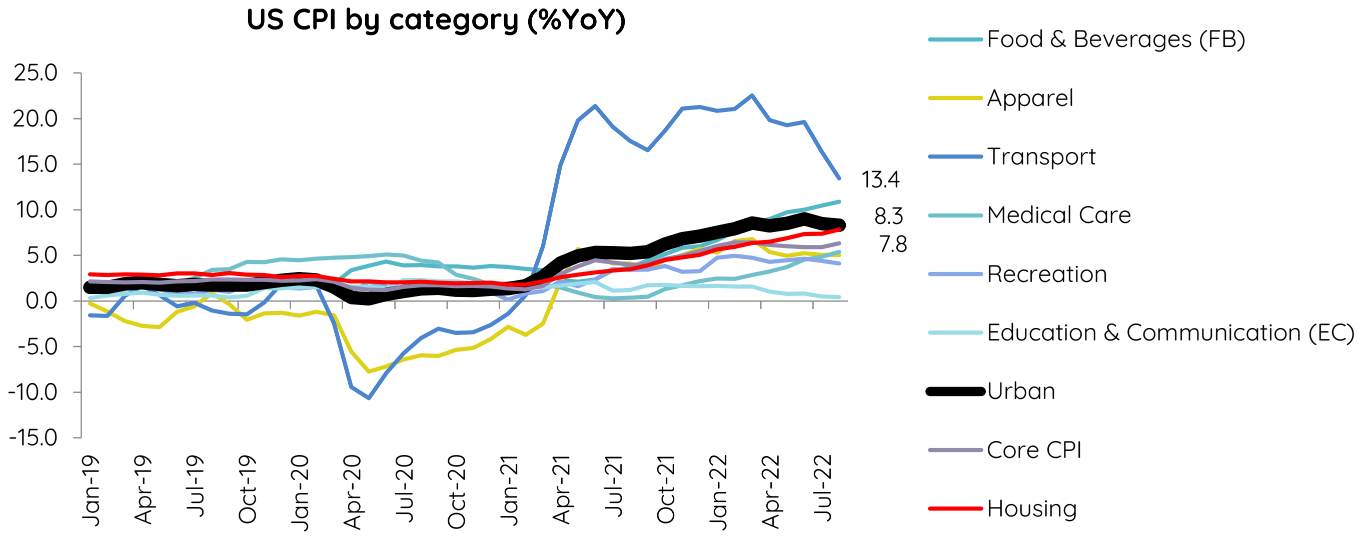
Inflation has peaked

In the big picture, US inflation, including inflation expectations, is trending downward





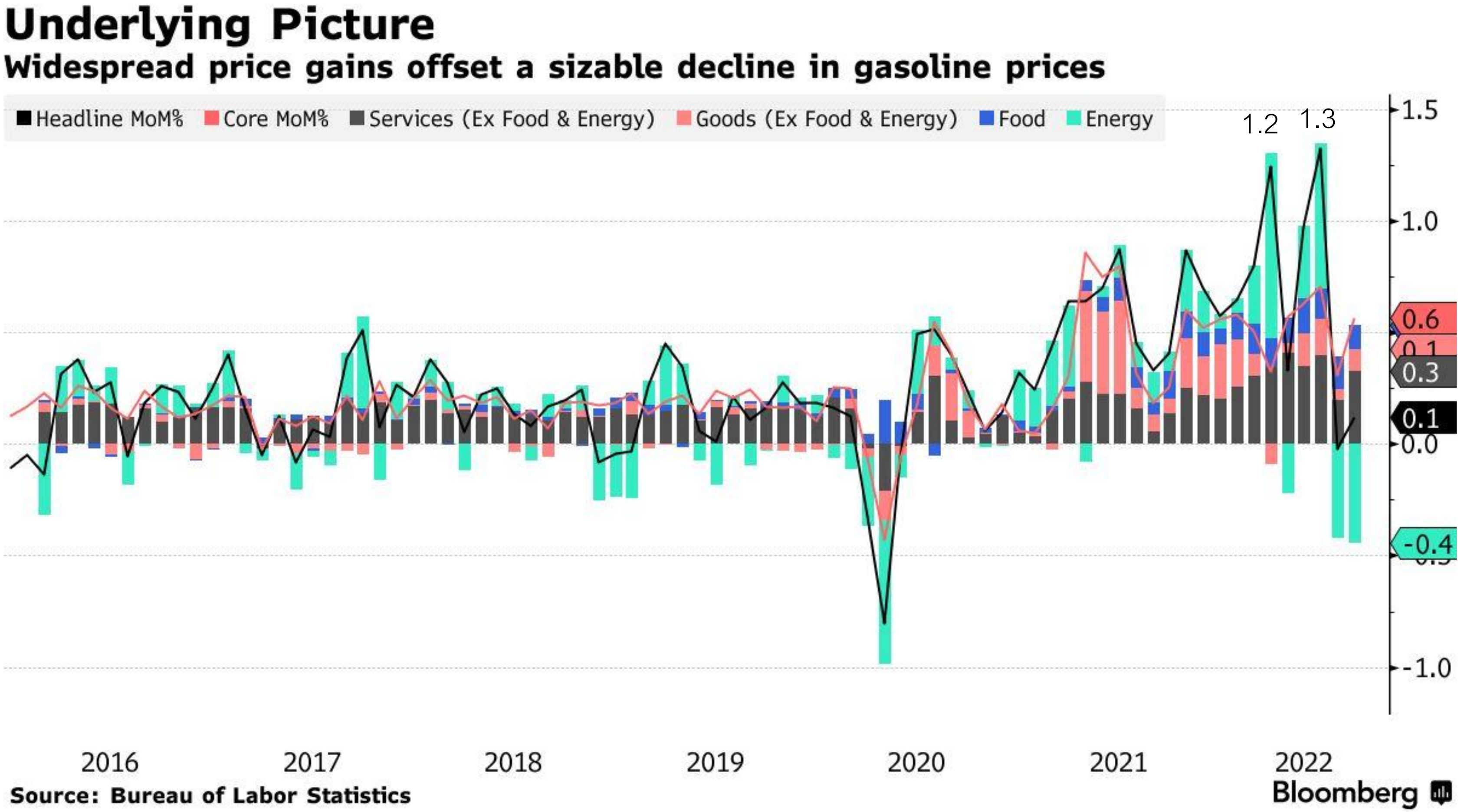




- US headline inflation in August was 8.3% YoY (+0.1% MoM), above expectations of 8.1% but lower than our estimate of 8.6% and below last month's 8.5%. Looking at key elements shows that inflation from the energy side has eased. The price of refined oil price is down 10.6% YoY to $3.71 a gallon from $4.67 in June, as are expenses such as used cars and airfare. However, food and home expenses rose 0.8% and 0.7% MoM, contributing to high headline inflation, with continued rises in housing prices, health expenditure and tuition fees This led to an increase in core inflation of 6.3% per year and 0.6% per month.
- However, we believe inflation has peaked. An economic slowdown coupled with tightening monetary policy will lead to a gradual slowing in inflation and inflation expectations. Inflation expectations, as measured by the New York Fed for August, dropped from 6.2% to 5.7%, while inflation expectations, as measured by the U of Michigan, dropped from 5.4% to 4.8% in the same month.

On a monthly basis, inflation has peaked

- Monthly inflation was +0.1% MoM in August, down from +1.2% in March and +1.3% in June.
- The driving factor for the rise was the service sector, with energy the largest pressure.

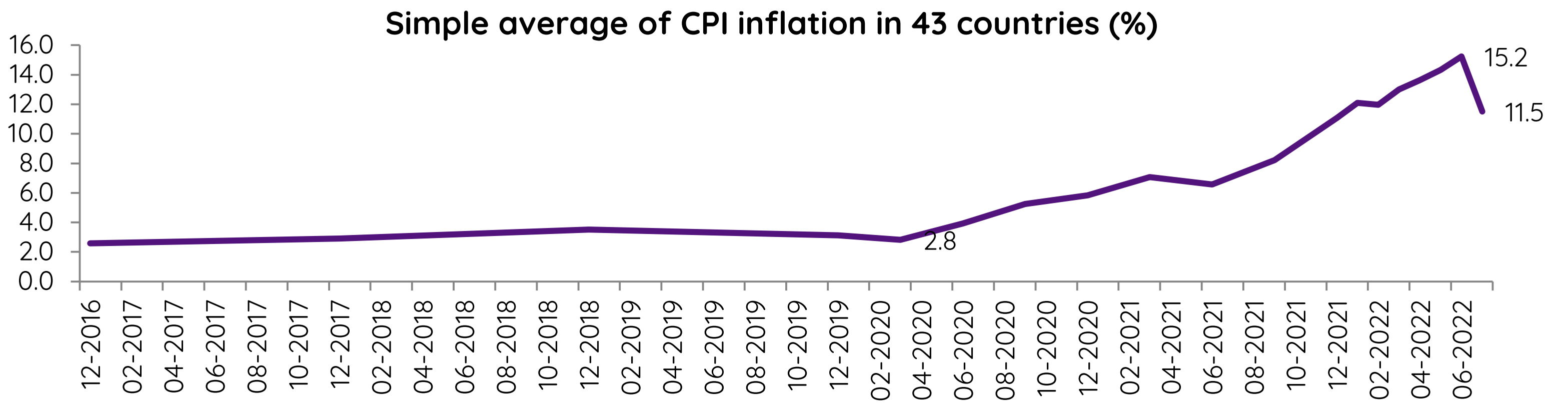


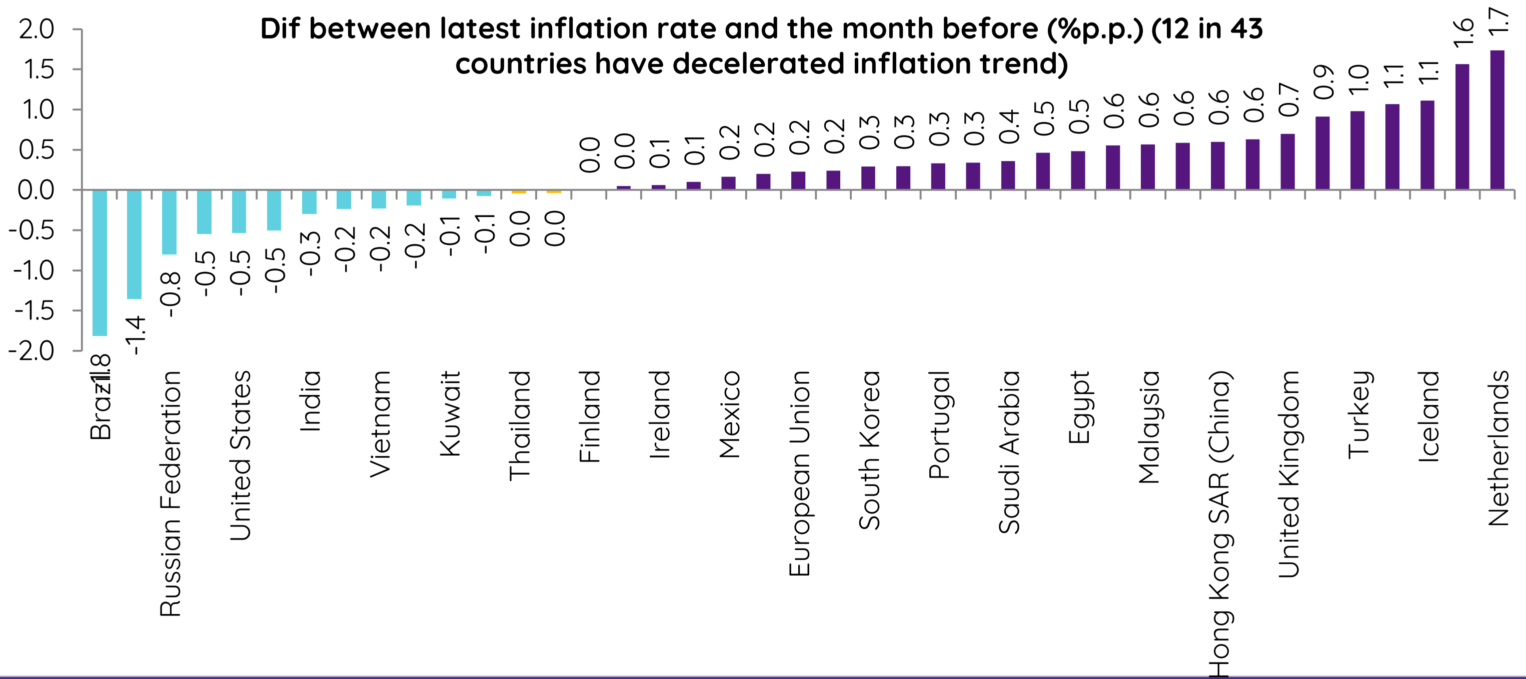
Global Inflation Heatmap shows inflation has peaked

Global Inflation Heatmap of selected countries (%)

Region	03/2020	06/2020	09/2020	12/2020	03/2021	06/2021	09/2021	12/2021	01/2022	02/2022	03/2022	04/2022	05/2022	06/2022	07/2022	
China	4.3	2.5	1.7	0.2	0.4	1.1	0.7	1.5	0.9	0.9	1.5	2.1	2.1	2.5	2.7	China
India	5.8	6.2	7.3	4.6	5.5	6.3	4.3	5.7	6.0	6.1	7.0	7.8	7.0	7.0	6.7	India
Indonesia	3.0	2.0	1.4	1.7	1.4	1.3	1.6	1.9	2.2	2.1	2.6	3.5	3.6	4.3	4.9	Indonesia
Japan	0.6	0.1	-0.2	-1.2	-0.4	-0.4	0.2	0.8	0.5	0.9	1.2	2.4	2.4	2.3	2.6	Japan
Singapore	0.0	-0.5	0.0	0.0	1.3	2.4	2.5	4.0	4.0	4.3	5.4	5.4	5.6	6.7	7.0	Singapore
South Korea	1.0	0.0	1.0	0.5	1.5	2.4	2.5	3.7	3.6	3.7	4.1	4.8	5.4	6.0	6.3	South Korea
Taiwan	0.0	-0.7	-0.6	0.0	1.2	1.8	2.6	2.6	2.8	2.3	3.3	3.4	3.4	3.6	3.4	Taiwan
Thailand	-0.5	-1.6	-0.7	-0.3	-0.1	1.2	1.7	2.2	3.2	5.3	5.7	4.6	7.1	7.7	7.6	Thailand
Vietnam	4.9	3.2	3.0	0.2	1.2	2.4	2.1	1.8	1.9	1.4	2.4	2.6	2.9	3.4	3.1	Vietnam
European U	1.1	0.7	0.2	0.2	1.7	2.2	3.6	5.3	5.6	6.2	7.8	8.1	8.8	9.6	9.8	EU
France	0.7	0.2	0.0	0.0	1.1	1.5	2.2	2.8	2.9	3.6	4.5	4.8	5.2	5.8	6.1	France
Germany	1.4	0.9	-0.2	-0.3	1.7	2.3	4.1	5.3	4.9	5.1	7.3	7.4	7.9	7.6	7.5	Germany
Italy	0.1	-0.2	-0.6	-0.2	0.8	1.3	2.5	3.9	4.8	5.7	6.5	6.0	6.8	8.0	7.9	Italy
Russian Fe	3.1	2.6	2.5	2.1	3.1	3.9	6.3	8.4	8.7	9.2	16.7	17.8	17.1	15.9	15.1	Russian Fe
Spain	2.5	3.2	3.7	4.9	5.8	6.5	7.4	6.5	6.1	7.6	9.8	8.3	8.7	10.2	10.8	Spain
Sweden	0.6	0.7	0.4	0.5	1.7	1.3	2.5	3.9	3.7	4.3	6.0	6.4	7.3	8.7	8.5	Sweden
Switzerlanc	-0.5	-1.3	-0.8	-0.8	-0.2	0.6	0.9	1.5	1.6	2.2	2.4	2.5	2.9	3.4	3.4	Switzerlanc
United King	1.5	0.6	0.5	0.6	0.7	2.5	3.1	5.4	5.5	6.2	7.0	9.0	9.1	9.4	10.1	United King
Brazil	3.3	2.1	3.1	4.5	6.1	8.3	10.2	10.1	10.4	10.5	11.3	12.1	11.7	11.9	10.1	Brazil
Canada	0.9	0.7	0.5	0.7	2.2	3.1	4.4	4.8	5.1	5.7	6.7	6.8	7.7	8.1	7.6	Canada
Chile	3.7	2.6	3.1	3.0	2.9	3.8	5.3	7.2	7.7	7.8	9.4	10.5	11.5	12.5	13.1	Chile
Mexico	3.2	3.3	4.0	3.2	4.7	5.9	6.0	7.4	7.1	7.3	7.5	7.7	7.7	8.0	8.2	Mexico
US	1.5	0.6	1.4	1.4	2.6	5.4	5.4	7.0	7.5	7.9	8.5	8.3	8.6	9.1	8.5	US

Global Inflation Heatmap analysis





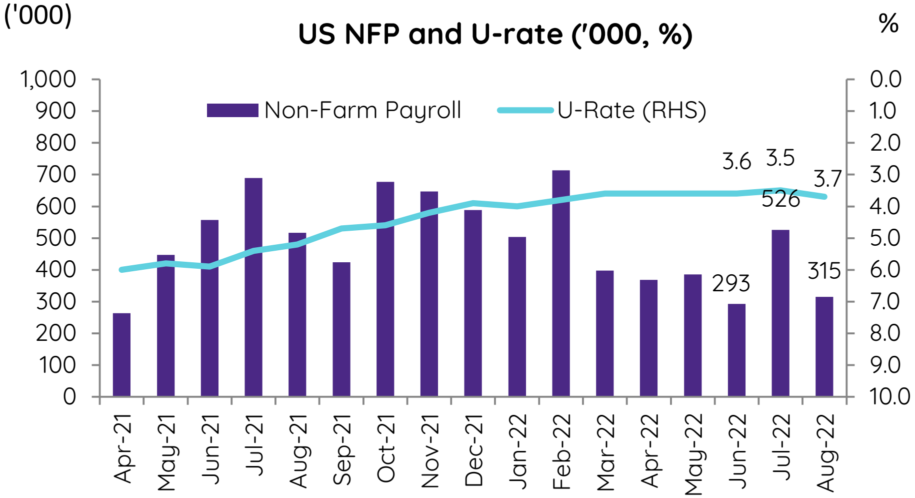
- In our monitoring of inflation in 43 countries, it began to decline in July, with the simple average falling to 11.5 percent in July from 15.2 percent in June.
- Taken by country, we find that 12 out of 43 countries began to see inflation declining in the most recent reading; these included Brazil, Lebanon, Russia, Canada, the United States, Greece, India, Taiwan, Vietnam, and Thailand.

Economic slowdown

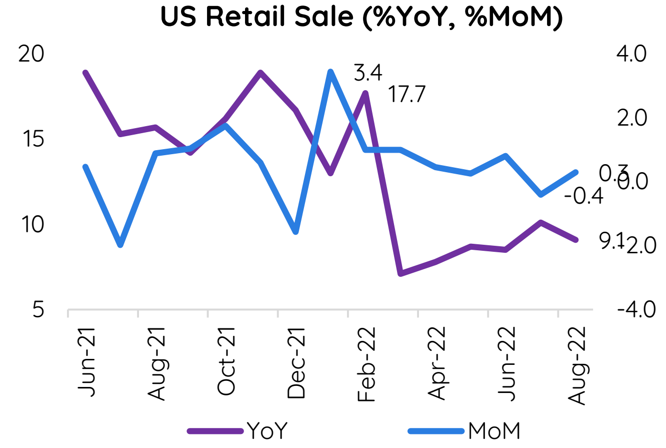
Global economic indicators have begun to deteriorate

We believe that US and global economic momentum will slow further in 4Q22 due to 1) tight monetary policy, 2) risk from the three European economic crises and 3) a slowdown in China. However, the reopening of Chengdu and continued accommodative policy will stabilize China’s economy.

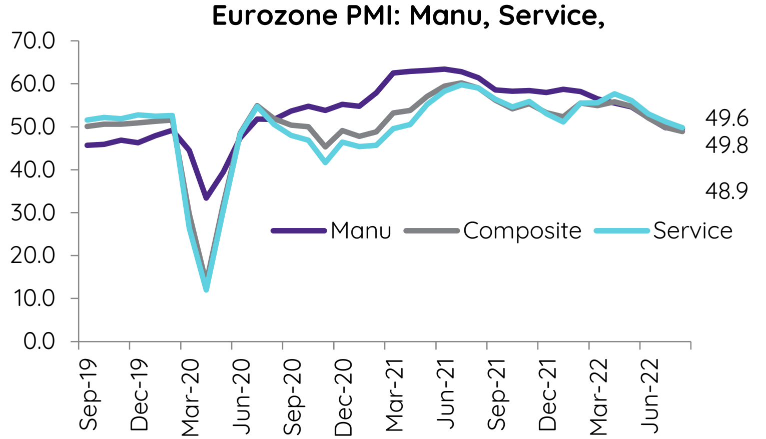
The US labor market has signaled a slowdown



US retail sales have stabilized



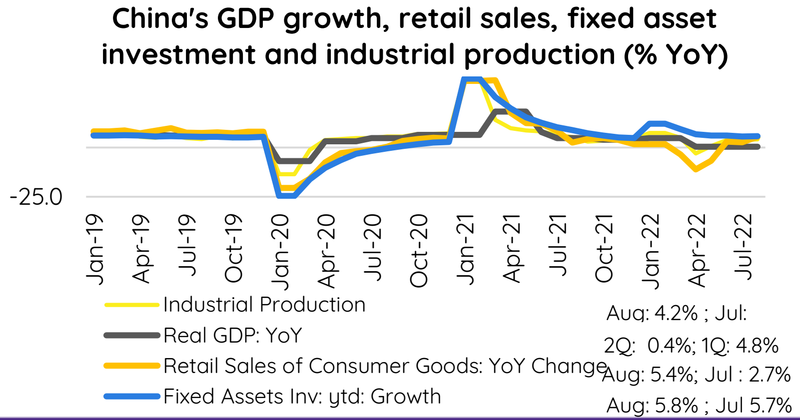
European PMI index enters contraction zone



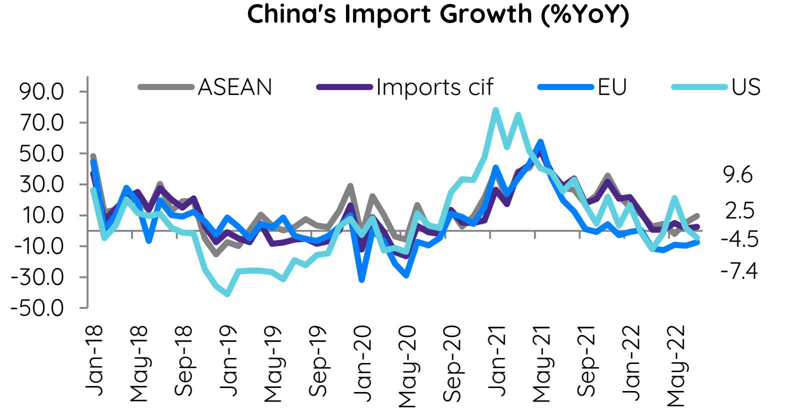
ECB expects a slowdown and high inflation from the energy crisis

	GDP (Old)	GDP (New)	Inflation (Old)	Inflation (New)
2022	2.8	3.1	6.8	8.1
2023	2.1	0.9	3.5	6.5
2024	2.1	1.9	2.1	2.3

China's economy recovered somewhat in August



Chinese import contraction affecting exports worldwide



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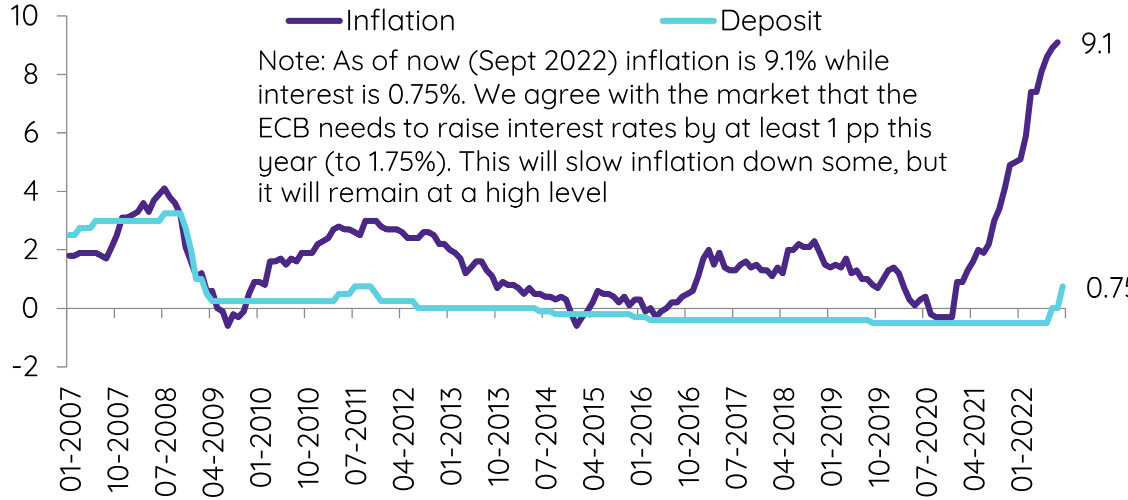
Europe is facing three crises at once: energy, inflation and fiscal.

Natural gas prices in Europe are now more than 10 times higher than the previous decade's average after Russia stopped supplying gas to Europe

This increases the risk of inflation, meaning the ECB is behind the curve and needs to raise interest rates strongly

Euro inflation and ECB deposit rate Proj. (%)



Interest rates need to be raised quickly, high public debt and the new energy subsidies make Europe more prone to a fiscal crisis.

Country	Measures	Size (Euro bn)	Size (% of GDP)	Current public debt (% of GDP)
Germany	Energy subsidies, tax breaks, public transport support	95	1.80%	72.50%
France	Energy subsidies, price ceiling, freeze electricity and gas prices until the end of the year.	64	2.20%	115.80%
Italy	Alleviate energy costs by subsidizing alternative energy such as waste	25	5.00%	150.60%
Czech Republic	Alleviate energy costs	72	3.00%	45.00%

Interest rate stabilizing

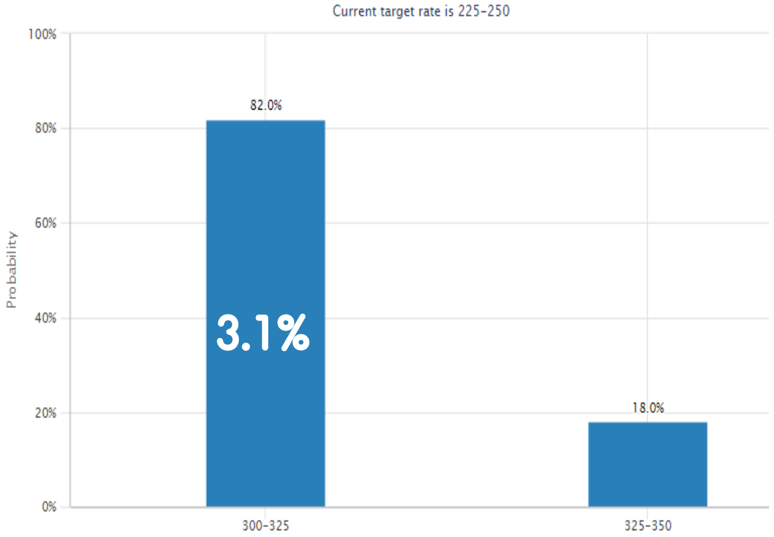
FOMC monetary policy forecasts (Sep 2022)

- The higher-than-expected US inflation rate in August has led the market to see the possibility of a 100 bps rate hike at the Sept. 20-21 meeting. However, we believe the market forecast is too harsh because: 1) we believe that inflation is still in a comfortable range for the FOMC. (Christopher Waller, a member of the FOMC, said he would be pleased if headline inflation rose by ~0.2% per month for five or six months, at which rate the FOMC could hike interest rate up to 4%.) 2) Inflation rate of 8.3% in August is still below its peak of 9.1% in June, and the majority of the components were down. 3) In July, June inflation was announced at 9.1%, leading the market to expect a 100 bps hike, but later FOMC members (including Chairman Powell) managed the market expectations down. This time inflation rate is decelerating, while inflation expectations continue to decline, leading us to believe the FOMC will raise interest rate by 75 bps this time.

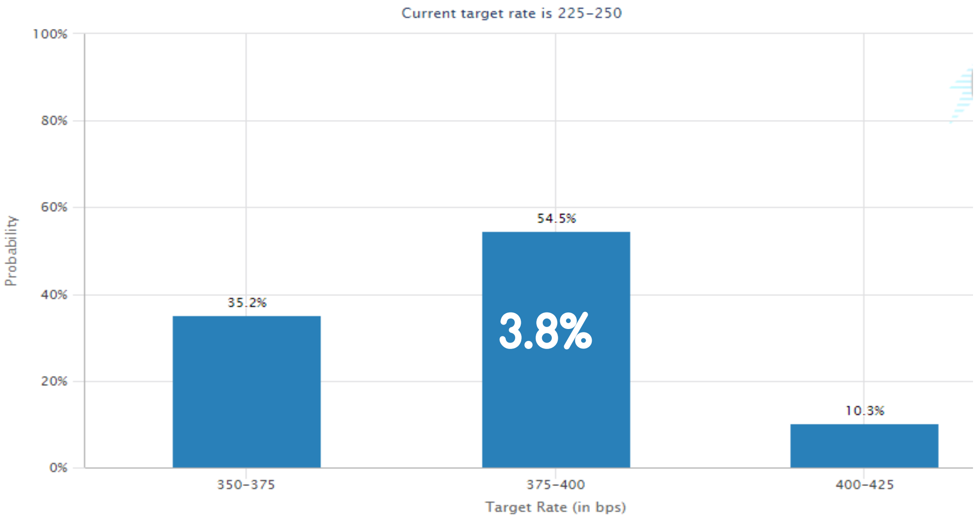
InnovestX's 2022 US inflation and policy interest forecasts

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (f)	Oct (f)	Nov (f)	Dec (f)
CPI	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.6	8.1	7.8	7.5
FFR	0.13	0.13	0.38	0.38	0.88	1.63	2.38	2.38	3.13	3.13	3.63	3.88
Chg	-	-	0.25	-	0.50	0.75	0.75	-	0.75	-	0.50	0.25

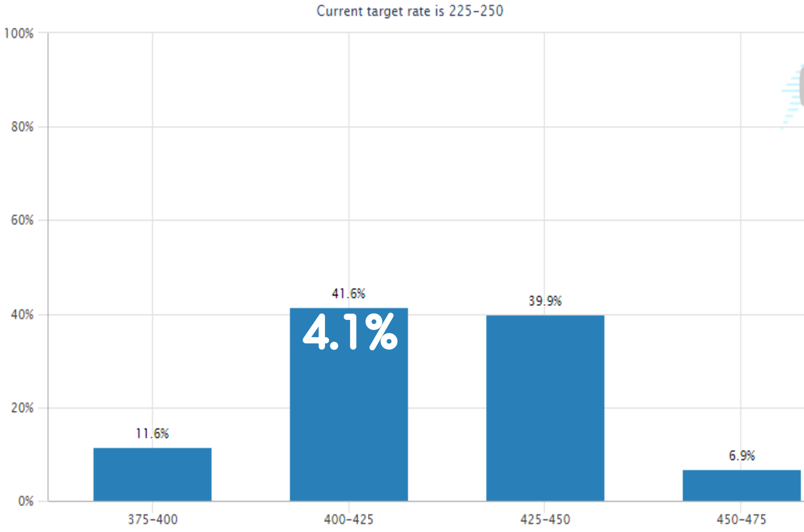
The CME Fedwatch tool indicates a chance of a 3.00-3.25% (+75bps) FFR at the Sept. 20-21 meeting at 81%, while giving it a chance to rise to 3.4% at 19%.



The CME Fedwatch tool indicates a chance of a 3.75-4.00% (+75bps) FFR in the Nov 1-2 meeting at 55%, while giving it a chance to rise 50 bps at 35%.

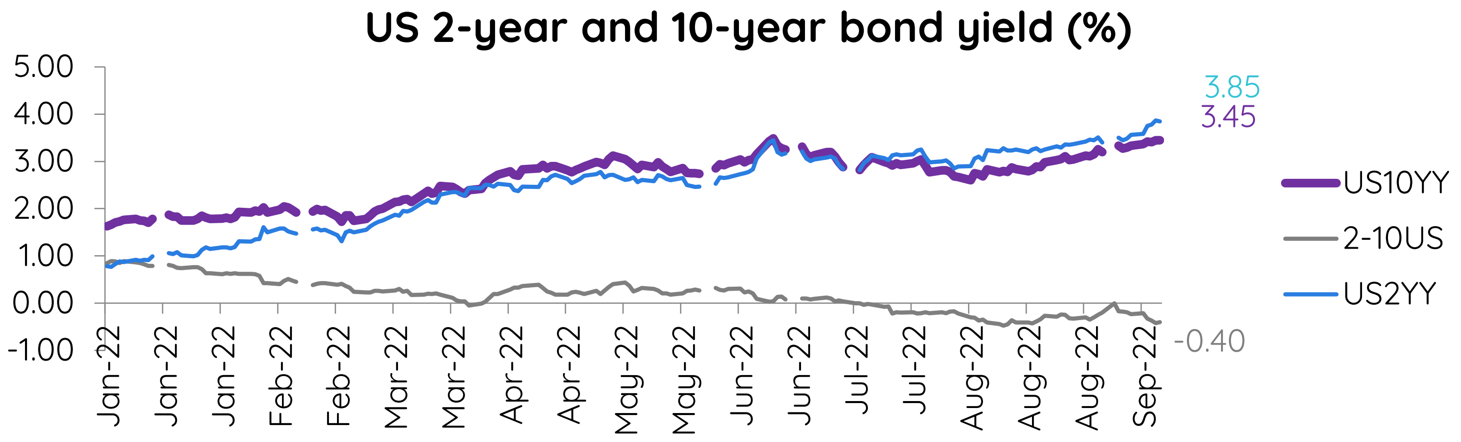


The CME Fedwatch tool indicates a chance of 4.00-4.25% (+25bps) FFR in the Dec 13-14 meeting at 42%, while giving it a chance to rise 50 bps at 40%.



(Extra) US bond yield projection for 4Q22

- **Bond yield will continue to rise to reach a new equilibrium. The picture will be clearer after the FOMC meeting.**



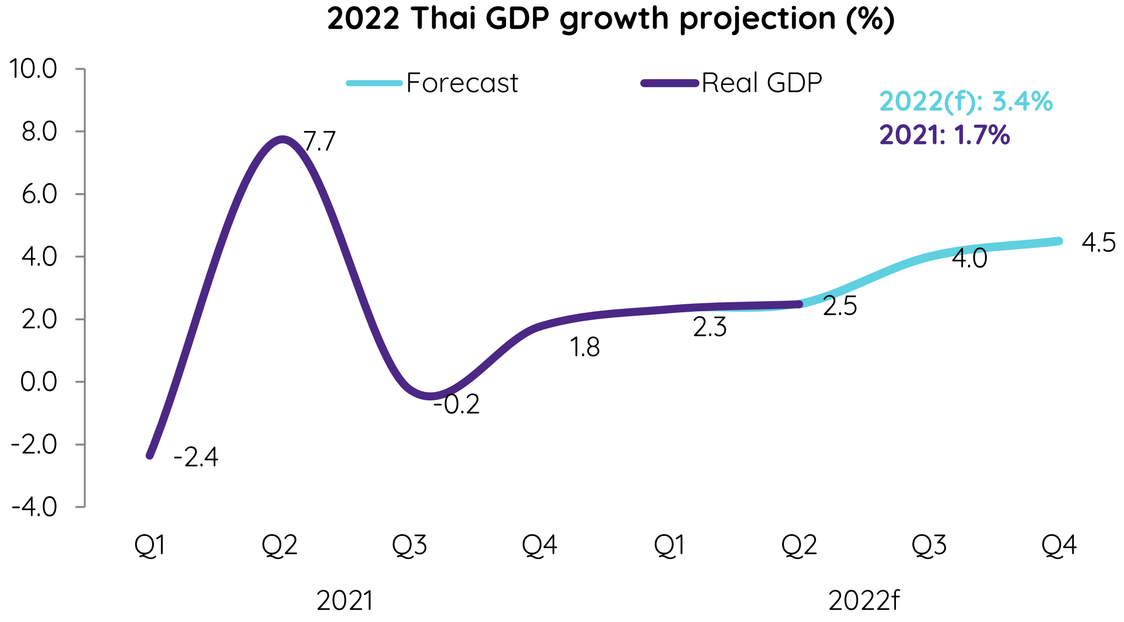
Asset	3 Jan	2 Sep	16 Sep
US2YY	0.78	3.40	3.85
US10YY	1.63	3.20	3.45
2-10	0.85	-0.20	-0.40

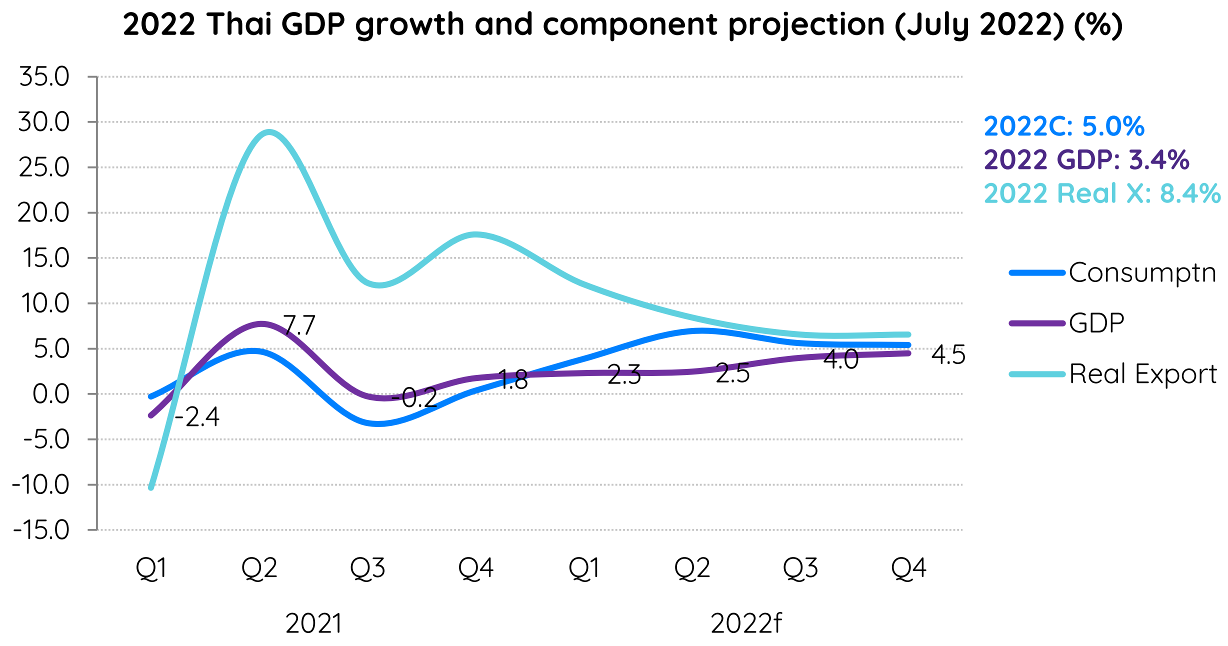
FFR and US bond interest rates projection (%)

Timing	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1H24	2H24
FFR	0.33%	1.63%	3.13%	3.88%	3.88%	3.50%	2.75%	2.50%	2.0%	2.0%
2YY (1/3FFR)	2.28	2.92	3.62	3.96	4.00	3.65	3.50	3.45	3.00	3.00
10YY (+30bps/$300bn)	2.32	2.98	3.20	3.50	3.70	3.50	3.75	4.00	3.75	4.00
2-10	0.04	0.04	-0.42	-0.46	-0.30	-0.15	0.25	0.55	0.75	1.00

Thai economy

Our economic outlook after 2Q22 GDP announcement



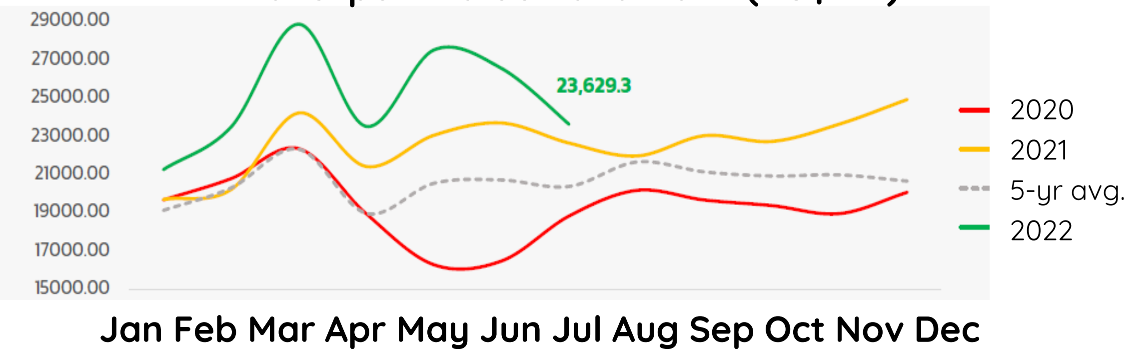


- We maintain our forecast of economic growth at 3.4% this year, but adjust the composition of the growth. The consumption forecast was revised up to 5.0%, but private and government investment were revised down to 3.8% and 3.5%; exports were maintained at 6.0%.
- We now believe that the Thai economy will expand at a slower rate due to production costs and that monetary policy remains accommodative to support economic recovery. In our view, monetary policy direction is for two more steps up in interest rates this year to end the year at 1.25%.

Exports form a downside risk to growth

- Thai exports in July was at +4.1% YoY, braking from 11.8% in June, as a result of a slowdown in exports of industrial products, especially that related to semiconductors. This is the result of the lockdowns of China's major industrial cities that curtailed production and delivery. There are also signs of slowing growth in export markets in response to high inflation pressure at trading partners. This urges us to keep an eye on a possible slowing in expansion in line with the global economic direction.

Thai export value 2020-2022 (US$mn)



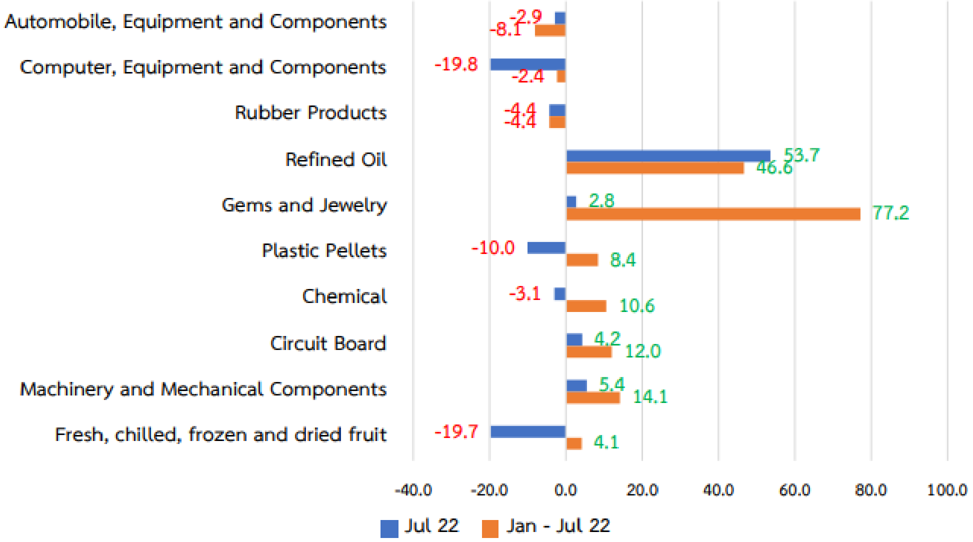
Exports	Growth rate (%YoY)	
	Jul 2022	Jan-Jul 2022
Total exports	4.3	11.5
US	4.7	18.1
China	-20.6	-2.6
Japan	-4.7	0.5
ASEAN-5 (Indo, Mal, Ph, SG, Brunei)	21.3	24.4
CLMV	24.2	11.8
Europe 27	8.1	6.0

International trade value in July

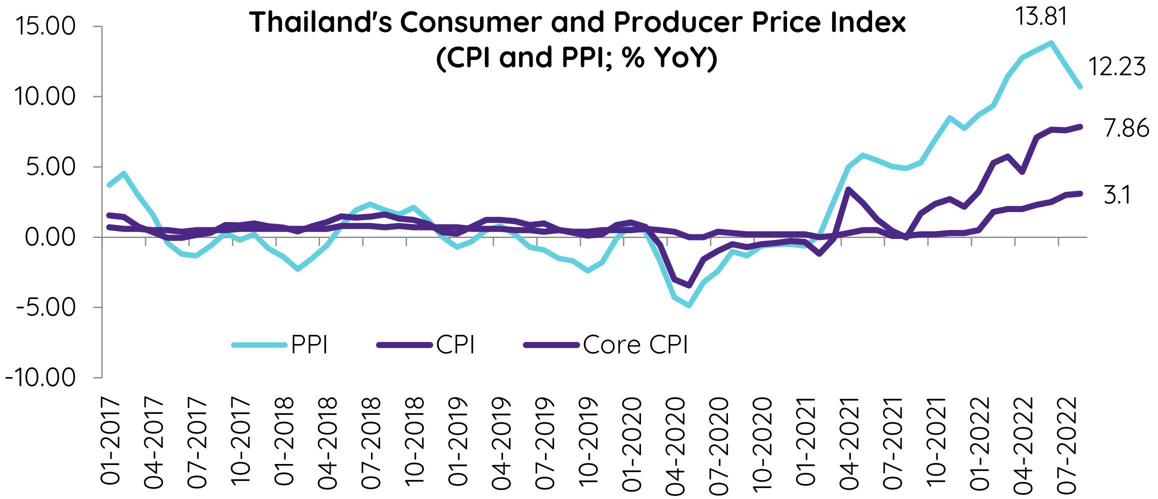
Unit: Million USD

	Jul 2022	Jan – Jul 2022
Trade Value	50,919.1 +14.0%	355,544.5 +16.4%
Export value	23,629.3 +4.3%	172,814.1 +11.5%
Exports of real sector	20,306.0 +4.1%	147,451.1 +8.3%
Import value	27,289.8 +23.9%	182,730.4 +21.4%
Trade Balance	-3,660.5	-9,916.3

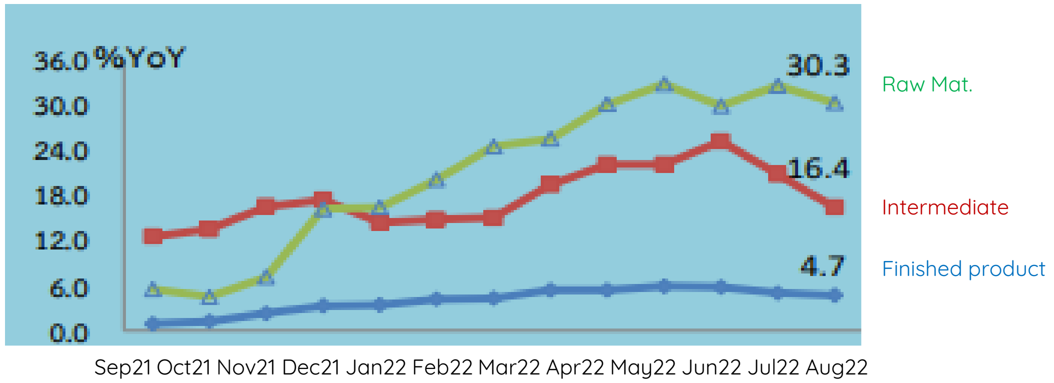
Top 10 Thai Export Products – July 2022



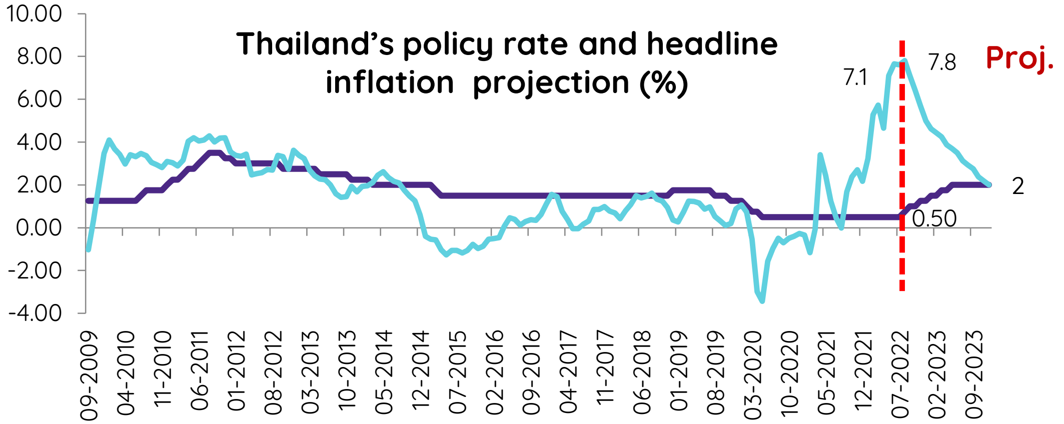
Thai Aug inflation was at 7.86%, above expectation of 7.6%, but we believe inflation has peaked



Producer Price index inflation categorized by production process (%)



- We expect inflation to begin to decelerate soon, while the economy will also show signs of a slowdown in both exports and consumption. However, the signal from the BoT governor suggests that the Bank of Thailand is ready to raise interest rates at its meeting on Sept 28.



Inflation and policy interest forecasts in 2022 (%)

2022	Aug	Sep (f)	Oct (f)	Nov (f)	Dec (f)
CPI	7.8	7.1	6.4	5.7	5.0
RP	0.75	1.00	1.00	1.25	1.25
Chg	0.25	0.25	-	0.25	-

Latest government agency Thai economic projections compared to InnovestX

Macro growth projection	Actual 2020	Actual 2021	FPO (Jul'22) 2022f	BOT (Jun'22) 2022f	NESDC (Aug'22) 2022f	InnovestX (May'22) 2022f	InnovestX (Aug'22) 2022f
GDP growth	-6.2	1.6	3.5	3.3	3.0	3.4	3.4
Private investment	-8.2	3.2	5.7	5.4	3.1	4.5	**3.8**
Public investment	5.1	3.8	4.6	3.5	2.0	4.1	**3.5**
Private consumption	-1.0	0.8	4.8	4.9	4.4	3.5	**5.0**
Public consumption	1.4	3.2	-0.2	-1.9	-0.2	2.5	**2.0**
Export value in US$ terms (%)	-6.5	18.8	7.7	7.9	7.3	6.0	6.0
Import value in US$ terms (%)	-13.8	15.0	17.5	13.8	12.4	10.8	**12.4**
Current account to GDP (%)	4.2	-2.2	-1.6	-1.5	-1.6	-0.5	**-1.5**
Headline inflation (%)	-0.8	1.2	6.5	6.2	6.5	5.1	**6.1**
USD/THB	31.3	32.0	34.8	N/A	35.0	34.0	34.0
Policy rate (%)	0.50	0.50	1.00	N/A	N/A	1.00	1.25
No. of inbound tourists (mn)	6.7	0.43	8.0	6.0	7.0	8.0	8.0

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

Strategy

Our 3Q22 recommendations
Underperformed the SET by 5%

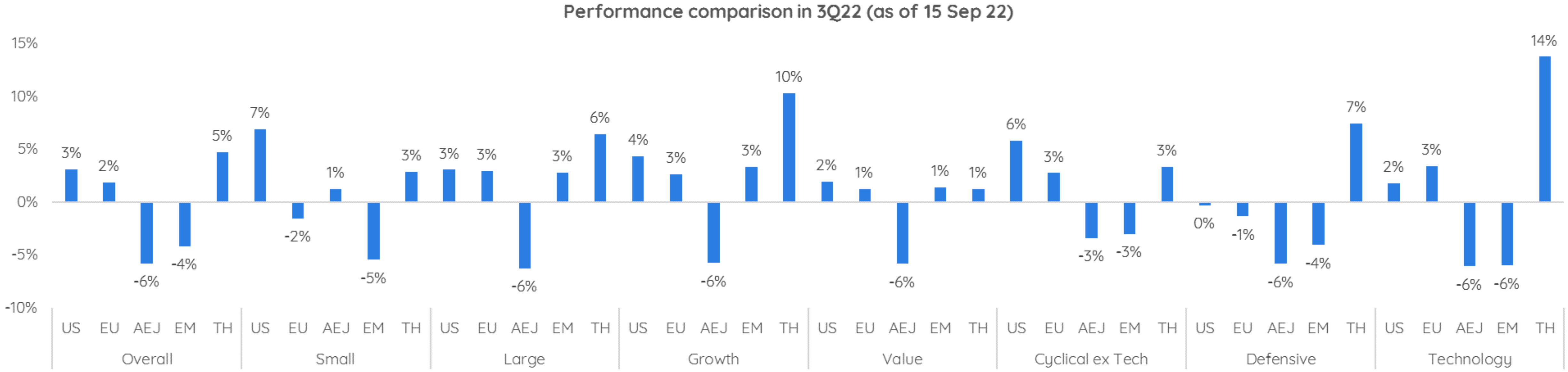
We are nearing the end of 3Q22, and the Thai stock market is up 4%, outperforming regional peers by 10% and the global market by 3%. The rapid rise in interest rate, risk of recession and dollar strength continues to dominate the macro landscape. For much of 3Q22, the key dynamic in equity markets has been a steady tightening in financial condition delivered through higher interest rates or risk premium. The current backdrop raises the risk of earnings downgrades and valuation pressure. Thailand managed to outperform due to a more rapid recovery in tourism than anticipated plus strong domestic consumption.

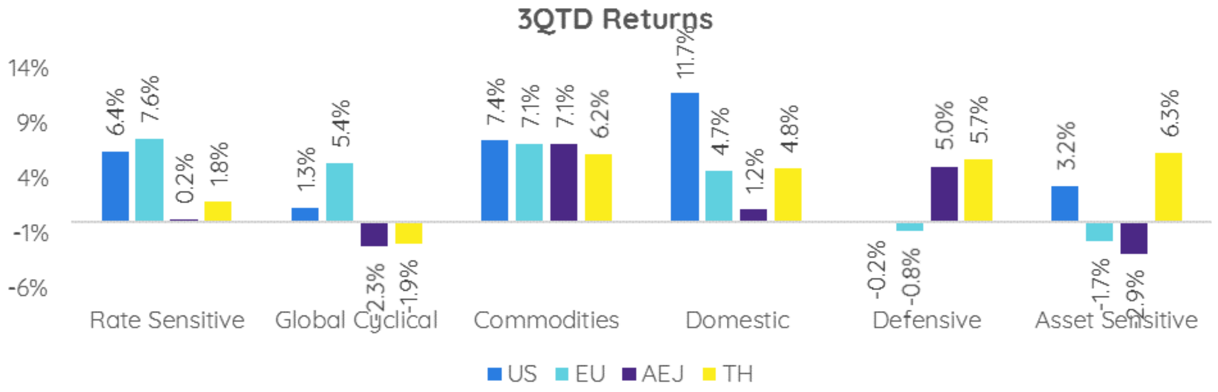
In 3Q22, we saw an uneven recovery after a correction in 2Q22. We saw global cyclical sectors such as Financials, Consumer Discretionary, Industrials and Energy outperform defensive sectors such as Healthcare, Communication and Consumer Staples despite persistent worries of a recession and monetary policy overtightening. Domestic baskets outperformed global cyclical baskets as domestically-focused firms offer shelter in a regional selloff.

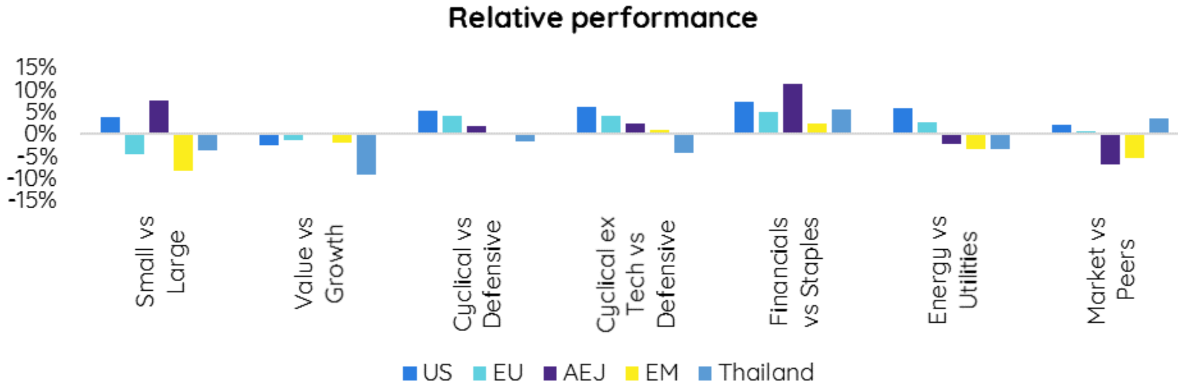
The Thai stock market offered positive returns in 3Q22 and one of the best performers. Index contribution has been concentrated in four sectors: Electronics (DELTA), Utilities (GULF), Healthcare (BH, BDMS) and Property (AWC, CPN), while Petrochemical (IVL), Construction Materials (SCC), Food and Beverage (MINT, OSP) disappointed. Foreign investors have bought a net US$1,328mn in Thai equities QTD, continuing from the strong inflow in 2Q22 of US$72mn. Foreign flows have been similar in ASEAN peers: Indonesia with US$789mn, Malaysia with US$417mn and Vietnam with US$35mn.

Our top picks that focused on reopening were unduly punished in the downturn, despite easing supply chain disruption and improving earnings momentum, offering average returns of -0.5%, underperforming the SET by 5% as all of our stock picks except BJC underperformed.

Price performance in 3Q22
Growth, Commodities, Domestic outperformed

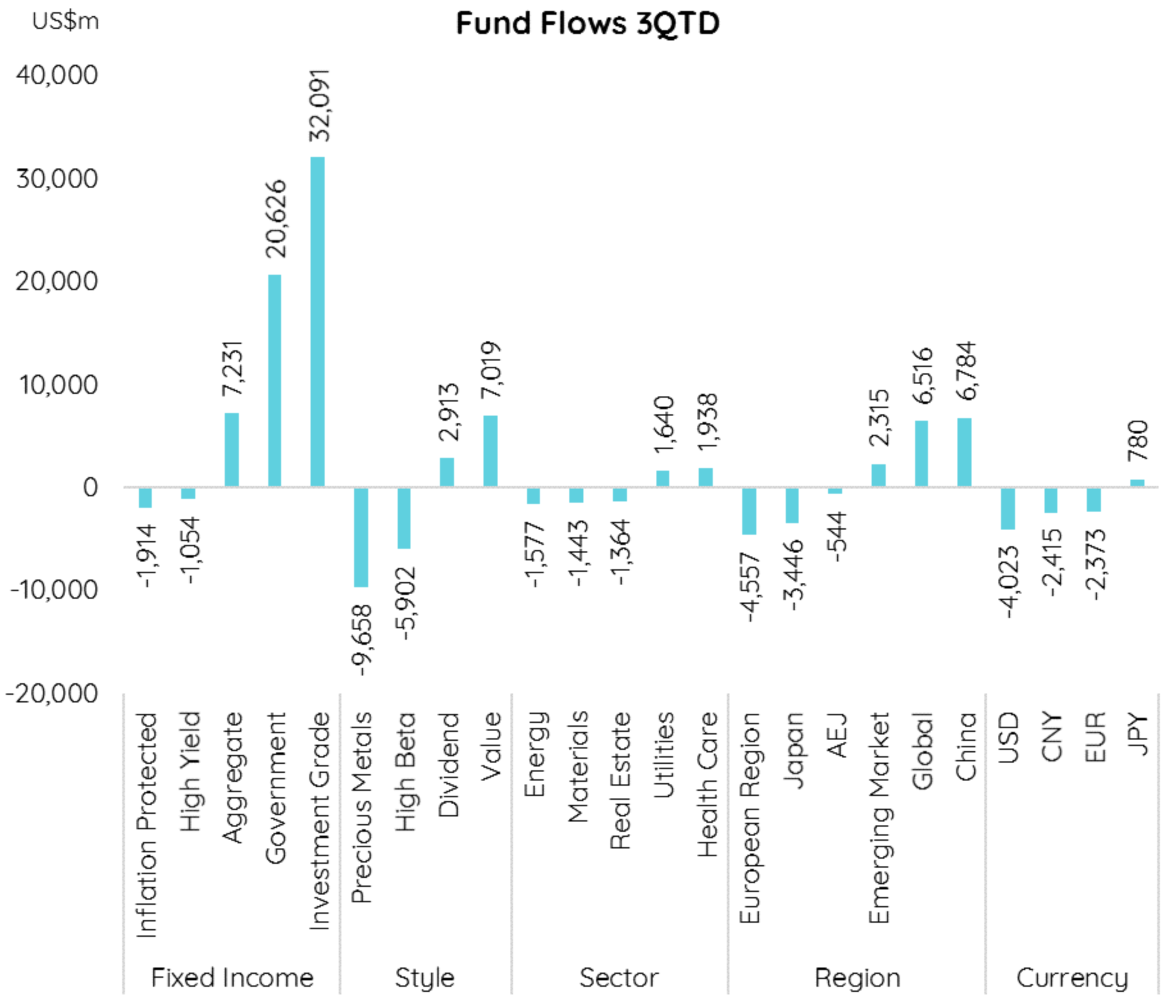






Fund flows

Defense and Income on the front line of flows



Flows into mutual funds and related investment products show a net selling across equities in 3Q22, while flows into fixed income funds are diminishing, especially government bonds and investment-grade.

Flows into USD turned negative, a reversal from 2Q22, while demand for defensives such as Utilities and Healthcare showed modest net inflows. Investors continued de-risking and searching for income due to rising recession fears that led to a large inflow into stocks offering high dividend yield and value. Sectors linked to more economically sensitive sectors such as Industrials, Materials, Energy and Real Estate all registered outflows in 3Q22.

Net inflows into quality stocks with reliable earnings, defensive characteristics and high dividend yield with USD outflows hint at positive correlation with worries. Thus, we recommend investors accumulate more high-growth stocks as market sentiment is expected to gradually improve after a height of hawkishness and inflation; risks have been partially priced in as well.

Key points of our 4Q22 strategy

		Our summary views
Macroeconomic outlook		The global economy is shifting into the new equilibrium that the market perceived will be (1) inflation has peaked, (2) the US interest rate will peak at level incrementally above 4% and (3) the economy will slow down. US economy is expected to slowdown, China is expected to stabilied, while EU is on the blink. Thai economy is trending upward, due mainly to the merits of tourism revival.
Economic bright spots		Domestic demand, tourism related sectors and high pricing-power sectors
Macro relief but not a greenlight		There are some signs of progress toward macro risks relief including i) growth and inflation has been soft rather than consistently threatening, ii) the outlook on the monetary policy side looks more balanced, iii) falling on energy price, surelief and strong consumer confidence has already started to provide some support for growth and relief to inflation expectations, and likely has room to do more.
Peak of hawkishness		We are moving closer to a slowdown in the Fed's aggressive rate hike campaign. Path of falling inflation remains unclear, but it will probably take until early next year before inflation slows sufficiently to make the Fed to stop hiking that could be positive to risky assets and weak dollar in 2023 rather than 4Q22.
Recession not fully priced		We believe rising interest rates are mostly priced in. It seems the recession is inevitable in 2023, we think the current market price performance is within the historical soft-landing episodes that means market hopes for a soft landing. Meanwhile, we think the market has yet priced that hard landing. We expect to see an inflection point for soft and hard landing in 2Q23.
Two conditions for ending bear market		We expect rising volatility and bumpy markets before a decisive bottom is clearly made. Either an economic trough, or a shift in Fed policy, is generally a precondition for a market turnaround and bottom out. Monetary-policy-driven equity corrections have bottomed when the Fed has shifted towards easing.
Bottom out?		We see four reasons why the market is bottom out including i) inflation and Fed's hawkishness peaked out, ii) economic growth is likely to improve as the supply is a problem not demand iii) recession has partially priced-in and earnings downgrade is underway, iv) valuations are not at extremes.
4Q22 strategy		Going forward, as growth slows, rates increase and credit spreads widen, we would expect strong balance sheet, strong earnings growth and high and stable margin companies to outperform. In 4Q22, we suggest investors to accumulated stocks as we believe the market is bottomed out or limited downside. While the upside is gradually more room to go from 4Q22 onward.
SET Index target		Our calculations put our 2022 SET Index target based on fundamentals at 1,675. Our key entry point is 1,600, while the take-profit level is above 1,750
Sector weighting 4Q22	**Overweight**	Bank, Residential and Industrial Estate, Finance, Commerce, Tourism
	Neutral	Energy, Airline, Property, Healthcare, Automotive, Electronics and Telecom
	Underweight	Agribusiness, Building Materials, Entertainment/Media, Petrochemical
Recommendations		We look at stocks that 1) high pricing power and good balance sheet, 2) are gaining momentum from domestic demand appeal reopening, 3) are showing continuous earnings growth momentum, 4) have reasonable valuations. Our top picks in 3Q22 are AMATA, AP, CRC, KTB, and MTC

Key risks and our views

	Current situation	Outlook	Implication
Russia-Ukraine conflict	No new positive development. Russian and Ukrainian forces continue to fight in key cities.	We are concerned about escalating geopolitical conflicts. Russia will impose further retaliatory sanctions. Economics in EU is starting to hurt consumption and capex plans.	Energy prices, especially for gas, are expected to stay high. A food crisis is another concern. The ECB will use aggressive monetary policy in order to curb inflation.
Inflation	Hotter-than-expected US and EU inflation even as oil and food prices fell. Improving supply chain and strong dollar are supporting disinflation ahead.	We expect inflation to remain high but see signs of it slowing and likely to peak out. Inflation is hitting consumer purchasing power and prompting a pullback in spending	As long as inflation is well above target and the labor market still extremely tight, the logic of tighter financial conditions and slower growth is hard to avoid. However, the degree of hawkishness is declining
Recession	Given the deceleration in global activity, a further hawkish-policy-driven shift in financial conditions would likely see the market revisit its growth worries.	Global economies are progressing toward a soft landing. Probability that a (mild) recession will start in the next year is increasing. We expect the Fed to lower the degree of hawkishness in 4Q22 as demand is weakening	We think the economy remains on a narrow path to a soft landing, and that a recession, if any, would be mild. Defensive and quality factors are expected to outperform.
China's lockdown	China is implementing its “Zero COVID-19” goal by using tight restrictions to control new daily cases. China is focusing on testing and quarantines.	We expect China to lift its Zero-COVID policy in 4Q22 after 70% of its population is boosted. CAAC estimates international flights will reach 10% of pre COVID-19 level in 4Q22 vs 3% in 3Q22	China's reopening would support global economic recovery and reduce growth concerns. However, if the Zero-COVID policy remains in place in 2023, the impact of the US and EU slowdown could pressure Asia's economies. Reopening stocks are in focus.
Energy crisis in EU	The State of the Union focused on the policy response to the energy crisis, including a reduction of EU energy consumption, with the aim to cut overall electricity demand by 10%, and the introduction of a windfall tax on incremental profit collected by energy companies	The outlook for European industry is significantly more concerning with more timely data indicating falling output in gas-intensive industries and collapsing German business expectations	Aggressive tightening monetary policy in EU is expected to continue. Europe’s energy crisis is nonetheless likely to push the region into recession. Earnings estimates need to fall. We continue to recommend companies with high pricing power and strong balance sheets.
Geopolitical risks	U.S.-China relations are worsening with immediate response from both sides. Ban on AI chip exports, SEC investigating Chinese accounting standards are the latest moves by the US	This is unlikely to ease soon amid deep suspicion and limited engagement between the US and China that is escalating from a trade war to technology and financial wars	Economic challenges are more immediate, and global outlook has clouded considerably

Investment roadmap from macro perspective

<table>
<tr><th></th><th>3Q22</th><th>4Q22</th><th>1Q23</th><th>2Q23</th></tr>
<tr><td>US</td><td>Bonds over stocks
Style - Secular growth, quality, low beta
Sector - Utilities, Tech, Energy
Fixed Income - Long duration, TIPS</td><td colspan="3">4 Recession
Bonds over stocks
Style - Low beta, quality, defensive, dividend yield
Sector - Consumer Staples, Utilities, REIT, Healthcare, Telecom
Fixed Income - Long duration, IG</td></tr>
<tr><td>EU</td><td colspan="2">3 Stagflation
Bonds over stocks
Style - Secular growth, quality, low beta
Sector - Utilities, Tech, Energy
Fixed Income - Long duration, TIPS</td><td colspan="2">4 Recession
Bonds over stocks
Style - Low beta, quality, defensive, dividend yield
Sector - Consumer Staples, Utilities, REIT, Healthcare, Telecom
Fixed Income - Long duration, IG</td></tr>
<tr><td>China</td><td>Bonds over stocks
Style - Secular growth, quality, low beta
Sector - Utilities, Tech, Energy
Fixed Income - Long duration, TIPS</td><td colspan="2">2 Reflation
Stocks over bonds
Style - Secular growth, high beta, small cap, cyclical growth
Sector - Tech, Discretionary, Industrials, Financials
Fixed Income - HY</td><td>1 Goldilocks Stocks over bonds
Style - Secular growth, high beta, mid caps
Sector - Tech, Discretionary, Industrials, Telecom, Materials
Fixed Income - HY, EM Debts</td></tr>
<tr><td>Thailand</td><td colspan="2">2 Reflation
Stocks over bonds
Style - Secular growth, high beta, small cap, cyclical growth
Sector - Tech, Discretionary, Industrials, Financials
Fixed Income - HY</td><td colspan="2">1 Goldilocks
Stocks over bonds
Style - Secular growth, high beta, mid caps
Sector - Tech, Discretionary, Industrials, Telecom, Materials
Fixed Income - HY, EM Debts</td></tr>
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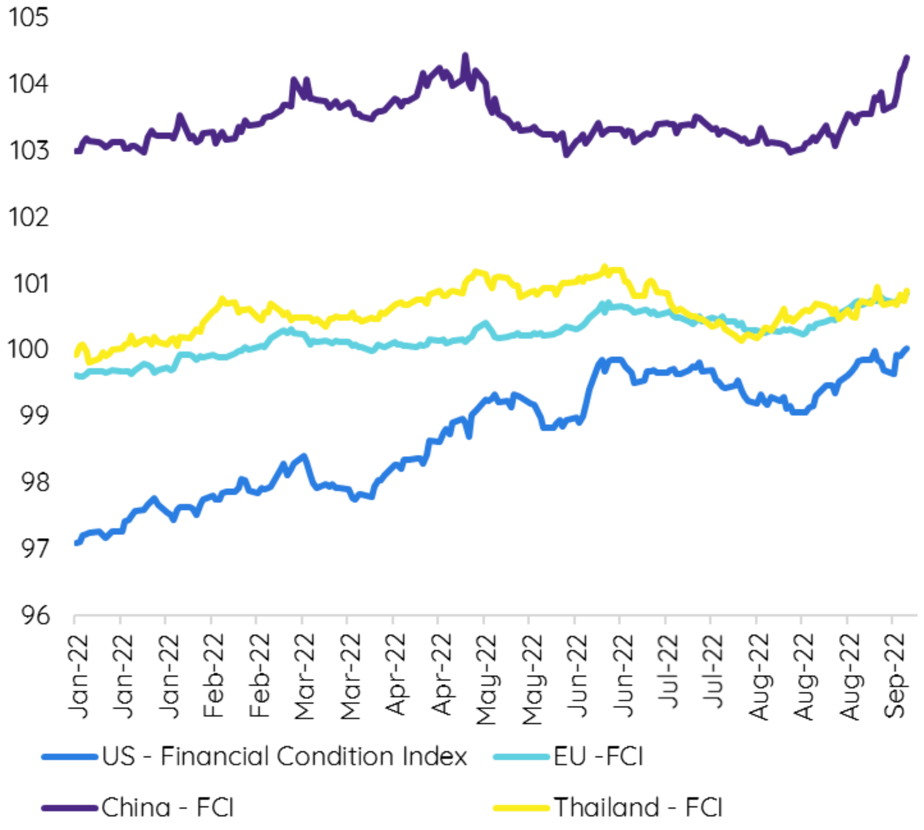
Macro relief but not a green light
Financial condition and risks are key

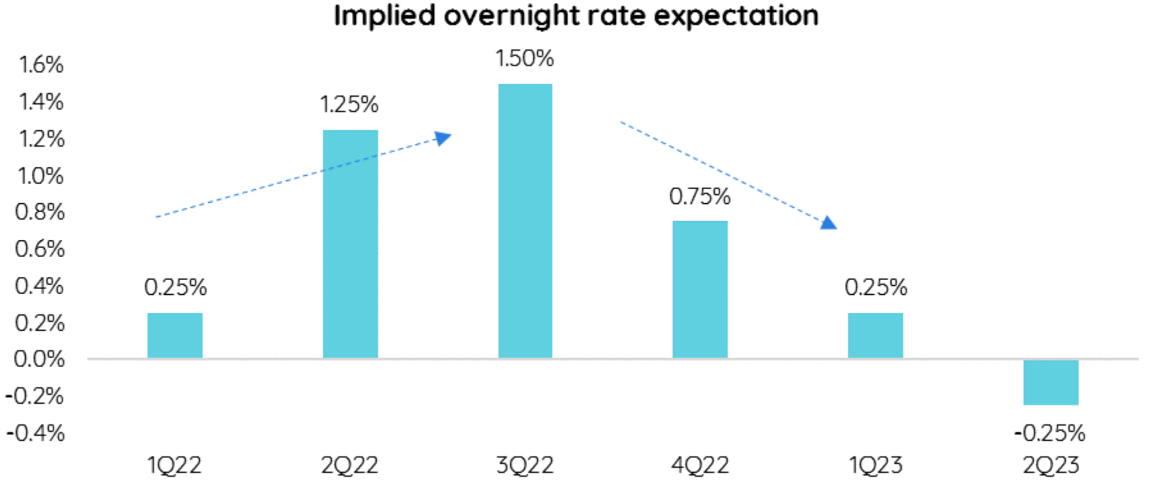
Financial conditions has tightened past recent peak

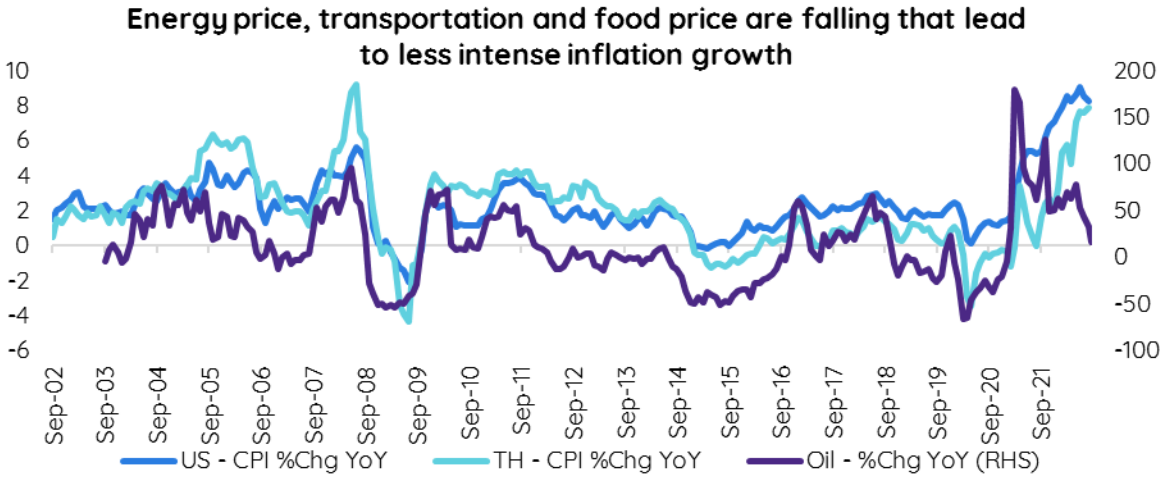


Periods of relief in growth or financial condition have essentially sowed the seeds of their own demise, given the ongoing challenge of bringing inflation lower. Although we think the market is moving towards fears of an imminent recession, we believe relief from fear will eventually set the stage for a return to higher yield and beta. There are some signs of progress toward macro risk relief including 1) growth and inflation have been soft and slowing rather than consistently threatening, 2) the outlook on the monetary policy side looks more balanced and the risk of Fed overtightening has eased, 3) falling energy prices, supply chain relief and strong consumer confidence has already started to provide some support for growth and relief to inflation expectations, and likely has room to do more. Small-caps, Materials, Energy, and high-growth typically outperform when FCI is improving.

To move out of the tightening financial condition will probably require more convincing evidence of a peak in underlying inflation and a clear enough shift into recession that allows the market to be confident about the limits of the Fed hiking cycle. Thus, defensive stocks should be the portfolio core in highly uncertain environments. Defensive sectors and quality factors (strong balance sheet, high margins) typically outperform when FCI tightens. Cyclical relief still not persistent as long as inflation stays sticky with growth worries.

Peak of hawkishness
Demand is weakening, inflation has peaked





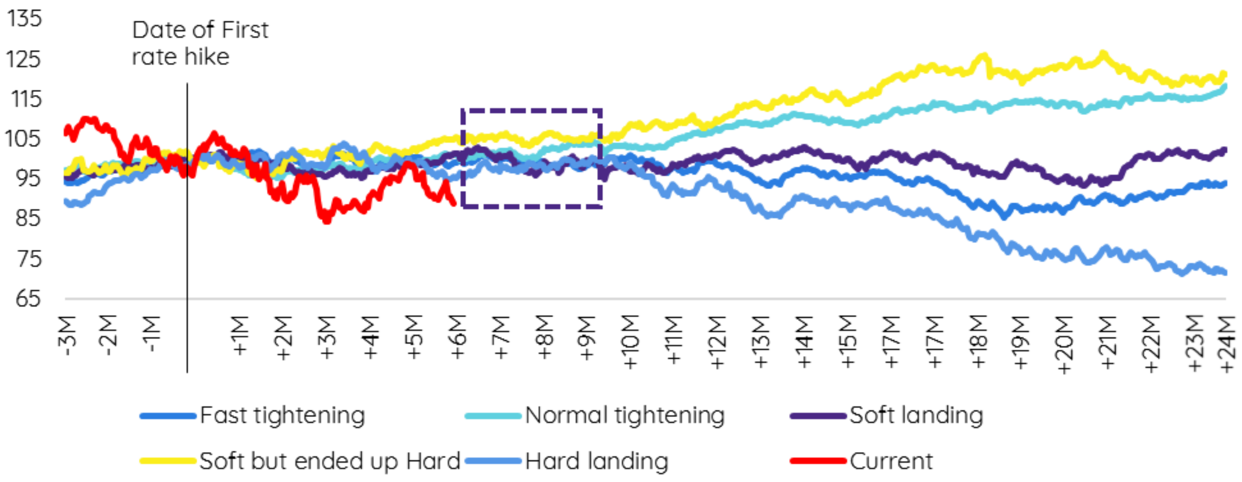
In the fight to combat high inflation since the beginning of 2022, the Fed and ECB have embarked on aggressive tightening paths. However, sharply lower oil and food prices (down 10-20% QTD), a stronger dollar (+5%), and large improvements in supply-chain disruptions that are slowing PPI inflation via falling transportation costs as well as normalized wage growth all suggest that goods price inflation will continue to abate. Increasing signs of adjustment in growth, labor markets and inflation suggest that aggregate demand is weakening with stabilized supply chain problems. Market forecast of a 50bps hike in Nov 2022 followed by 25bps moves in Dec 2022 and 1Q23 have fallen from 150bps in 3Q22, suggesting the Fed hawkishness peaked in Sep 2022.

Thus, we are moving closer to a slowdown in the Fed's aggressive rate hike campaign. The path of falling inflation remains unclear, but it will probably take until early next year before inflation slows sufficiently to make the Fed stop its rate hikes, which would be positive for risky assets and weaken the dollar in 2023 rather than 4Q22.

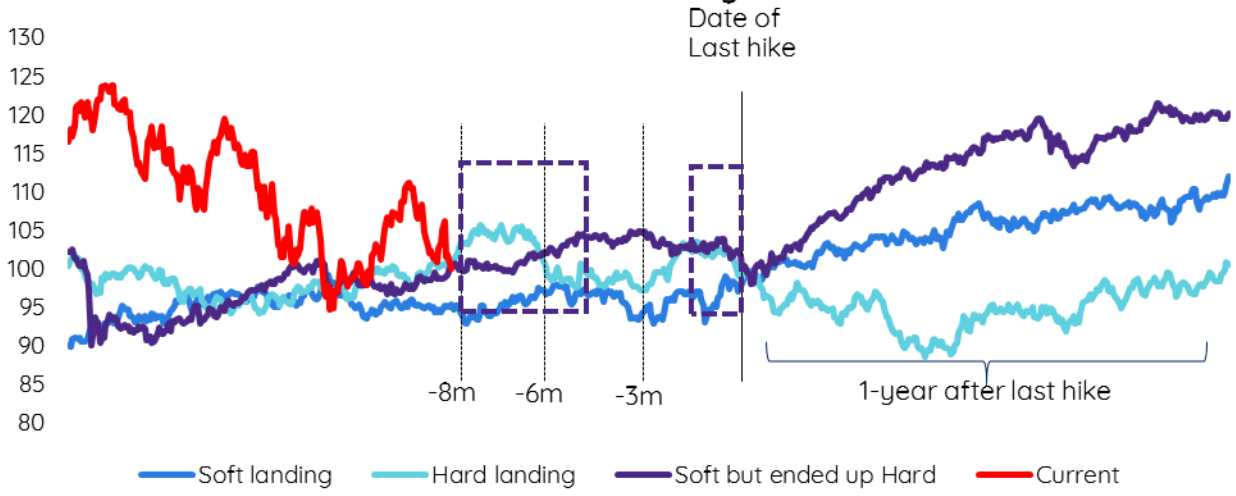
Recession not fully priced in
Market hopes for a soft landing

Note:
Fast tightening – 1968, 1973, 1990, 1984
Normal tightening – 1977, 1988, 1994, 1999, 2004, 2015
Soft landing – 1984, 1995, 2000
Hard landing – 1974, 1980, 1981

S&P500 and MSCI All Countries reaction after the first rate hike in both tightening cycle and economic cycle



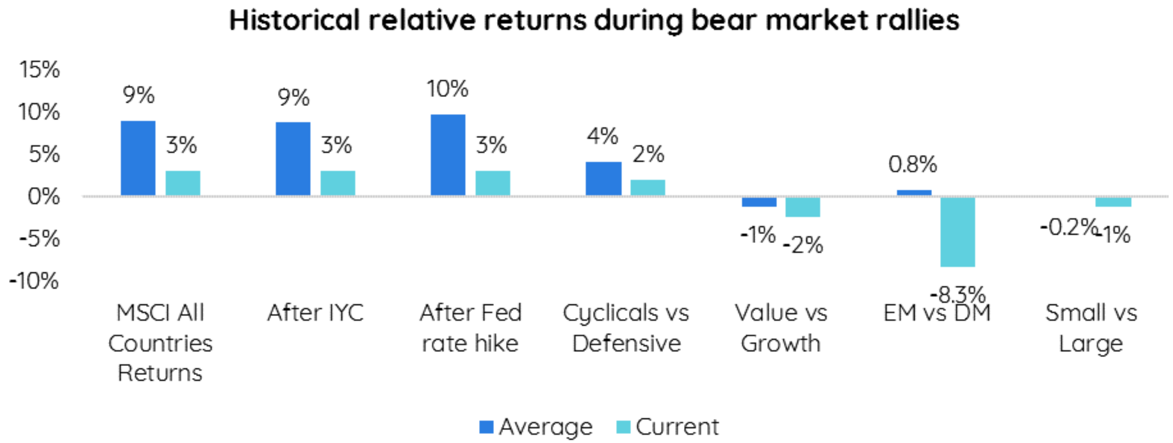
Profile of S&P500 and MSCI All Countries performance around historical landings



The stock market usually remains in negative territory during a rapid tightening cycle. This time, the market reacted faster than in previous episodes. Thus, we believe rising interest rates are mostly priced in. We think the SET will face limited impact from interest rate hikes, though returns may be small relative to previous episodes. The Thai economy is sturdy enough to absorb two rate hikes, in our view. Our analysis of price movement in both a tightening and economic cycle showed that low valuations and complete earnings downgrades are necessary for a market recovery. Getting close to the worst point in the economic cycle, reaching a peak in inflation and interest rates are also important. We find the bear markets around soft landings are likely to end around the perceived peak in the policy cycle, while a hard landing could face growth pressure and depressed valuations. We have not yet met these conditions, suggesting further bumpy road for markets before a decisive trough is established; we expect to see the inflection point in 2Q23.

Bear market bounce; not yet a new bull market

Two conditions for ending a bear market

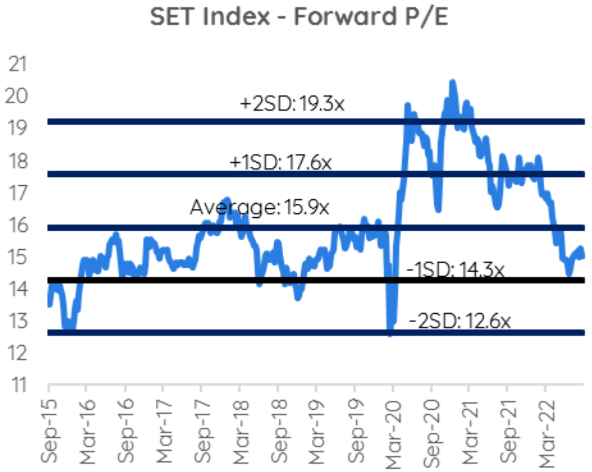


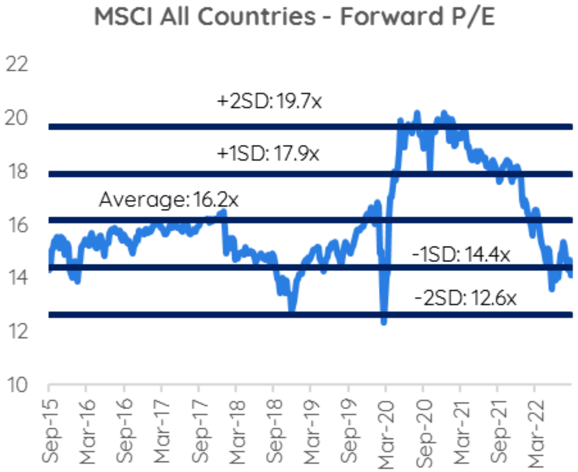
	Source	Drawdown	Recession	ISM bottom	Easing	3M after Bottom	6M after Bottom
1970	Monetary	-36%	Yes	No	Yes	17%	24%
1974	Monetary / Oil	-48%	Yes	Yes	Yes	14%	31%
1978	Monetary	-19%	No	Yes	No	15%	21%
1980	Monetary / Oil	-17%	Yes	Yes	Yes	16%	29%
1982	Monetary	-27%	Yes	Yes	No	36%	45%
1990	Monetary / Oil	-20%	Yes	Yes	Yes	6%	31%
1998	Monetary	-19%	No	No	Yes	22%	34%
2002	Deleveraging	-49%	Yes	Yes	No	19%	13%
2009	Deleveraging	-57%	Yes	Yes	No	39%	54%
2010	Growth	-16%	No	Yes	No	14%	25%
2011	Fiscal	-19%	No	Yes	Yes	17%	24%
2018	Monetary	-20%	No	No	Yes	21%	26%
2020	Pandemic	-34%	Yes	Yes	Yes	36%	47%
2022	Monetary / Oil	-24%				6%	

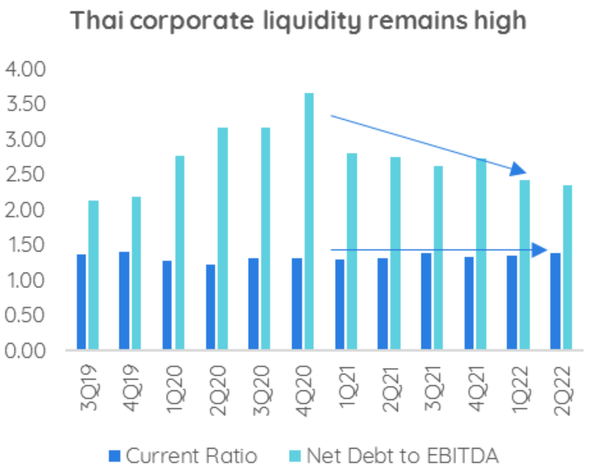
Bear market rallies are common and we see a repeated pattern of rebounds before the market reaches a trough. According to historical data on a bear market rally in the US, i) ~80% of bounce cyclicals outperform defensives by 4% on average, ii) ~70% EM outperform DM, iii) there is no difference between value vs growth and small vs large caps. We believe the direction this time will not be unusual relative to previous episodes. We expect rising volatility and a bumpy market before a decisive bottom is clearly found.

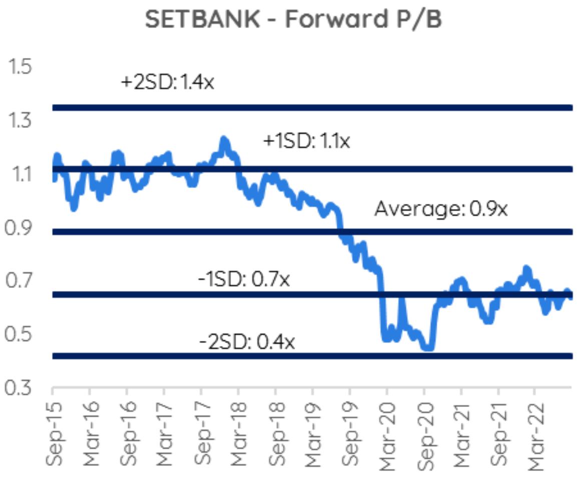
US and global equities will remain under pressure until the cyclical rot stops or the Fed comes to the rescue, which seems to occur relatively close to the market trough. Either an economic trough or a shift in Fed policy is generally a precondition for a market turnaround and bottoming. All 15 occasions saw the market bottom close to either the economic nadir, decisive Fed loosening, or a combination of both (5). Monetary-policy-driven equity corrections have bottomed when the Fed has shifted towards easing, regardless of whether activity has troughed. In addition, a shift to Fed easing is unlikely without a clear move into recession.

Not out of the woods, but bottomed
Why we think the market has bottomed.







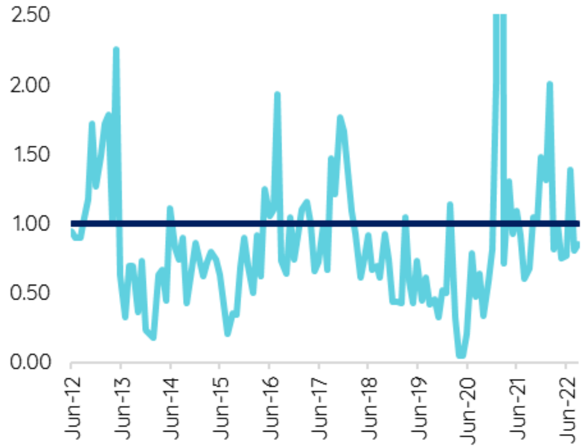


Despite weaker data in various areas, markets are off their relative lows. As flagged by our economists, this is a market where bad news is good news. The current market pricing on the macro backdrop seems to assume no further declines, which we think is optimistic. A cyclical rebound is still vulnerable to earnings downgrades. On the other hand, there are reasons to think medium-term equities can be resilient and we see modest potential upside. Corporate balance sheets are not stretched, banks are well capitalized and valuations are below the long-term average. While these will not prevent a recession, it may help to moderate the worst second-round effects of any economic downturn and limit downside. Bull markets typically start during a recession, around 6-9 months before trough earnings and around 3-6 months before trough PMIs.

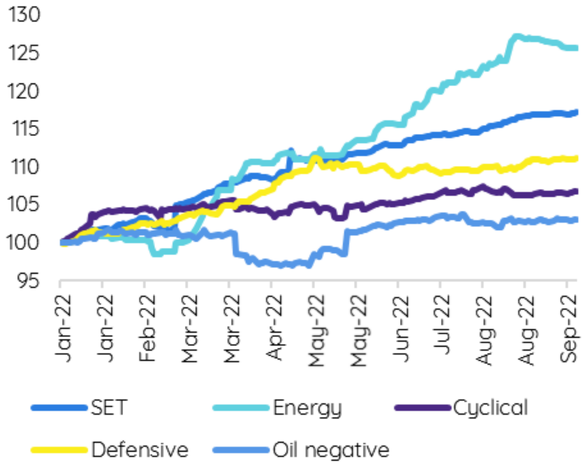
We see three indications the market has bottomed: 1) inflation and Fed hawkishness has peaked, 2) economic growth is likely to improve as supply is the problem rather than demand, 3) a recession is partially priced in and earnings downgrades are underway, 4) valuations are not at extremes.

Consensus worries about outlook
Earnings being upgraded, recommendations downgraded

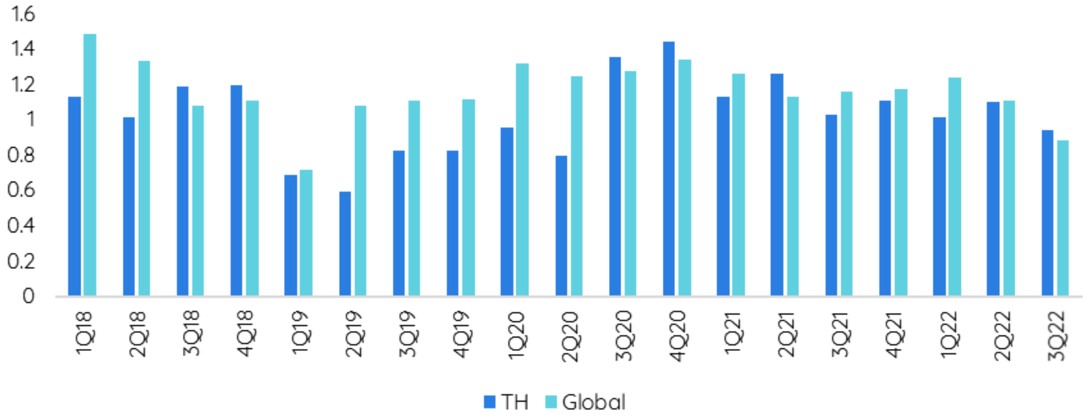
Earnings Revision Ratio



Thai market - Earnings revision



Most bearish from analysts since COVID-19



Consensus 2022 EPS estimates have been upgraded 3.6% after a strong recovery in domestic activities in 3Q22, with high contribution from upward revisions of earnings in Bank, Transportation, Healthcare and Tourism thanks to eased entry quarantine and lifting of domestic restrictions. The Electronics sector is gaining earnings momentum after strong growth in 2Q22. These sectors outperformed the market, indicating that earnings growth still matters for returns. We expect this trend to continue for the rest of the year. As more than of 45% of earnings by weight are hurt by higher oil price, there could be a period of earnings relief as oil price is down 11% from 2Q22. However, we have not yet seen earnings upgrades, because consensus is concerned about slowing revenue growth.

Most analysts are pessimistic, anticipating an economic downturn and seeing a risk of a recession despite the stronger-than-expected earnings growth in 2Q-3Q22. Consensus is most bearish on recommendations since COVID-19 in 2Q20. Thus, upside is limited until current risks diminish, while strong earnings growth offers a cushion against the downside.

Year-end SET Index target is 1,675
Using bottom-up P/B Approach

		Target P/B		Market Cap	
	Book value (2022)	SD band	Justified PB	SD band	Justified PB
Energy	2,798,031	1.2	1	3,462,119	2,798,031
Utilities	198,260	2.3	2	458,786	396,521
Bank	2,671,358	0.8	0.7	2,048,688	1,869,950
Transportation	450,699	3.5	3.2	1,595,586	1,442,236
Telecommunication	609,854	3.8	3.5	2,317,445	2,158,883
Food & Beverage	600,553	2.4	2.2	1,439,196	1,321,216
Commerce	742,368	5.7	5.2	4,231,500	3,860,315
Petrochemical	593,612	1.3	1.1	745,429	652,973
Healthcare	214,238	5.5	5.5	1,173,753	1,178,309
Electronics	101,102	3.5	2.6	353,856	262,864
Property	734,808	1.5	1.3	1,078,725	955,250
Tourism	57,994	3	2.2	173,982	127,361
Media	99,399	3.2	2.6	318,075	258,436
Construction Materials	528,188	1.7	1.5	921,681	792,281
Finance	306,351	3	2.9	919,053	888,418
Construction Services	101,906	1.3	0.8	132,478	80,556
Others	1,084,594	1	1	1,084,594	1,084,594
Implied target				1,800	1,675

Key entry level and profit-taking level
Trading range is between 1,600-1,750 in 4Q22

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	17.8	17.4	1,643	-2%	18.8	1,775	6%	16.3	1,539	-8%
P/B and ROE	1.7	1.7	1,659	-1%	1.9	1,813	8%	1.6	1,551	-8%
Equity Risk Premium	ERP 7% / Rf 0.5%	ERP 7% / Rf 1%	1,656	-1%	ERP 6% / Rf 1.25%	1,749	4%	ERP 7.5% / Rf 0.5%	1,600	-5%
Earnings Yield Gap	330	320	1,632	-3%	245	1,851	10%	370	1,530	-9%
Hopes and Dreams	22%	24%	1,670	-1%	32% (Percentile 90%)	1,745	4%	20% (Percentile 20%)	1,535	-9%
		Average	**1,652**	**-2%**		**1,786**	**6%**		**1,551**	**-8%**
		Median	**1,656**	**-1%**		**1,775**	**6%**		**1,539**	**-8%**

			EPS FY2022		
	-5%	-1%	Base (EPS 99)	1%	5%
Yield Gap					
3.10%	1,645	1,714	1,731	1,749	1,818
3.70%	1,472	1,534	1,550	1,565	1,627
4.40%	1,341	1,398	1,412	1,426	1,482
Forward P/E					
-1SD	1,355	1,412	1,427	1,441	1,498
Avd	1,600	1,667	1,684	1,701	1,768
+1SD	1,844	1,921	1,941	1,960	2,038

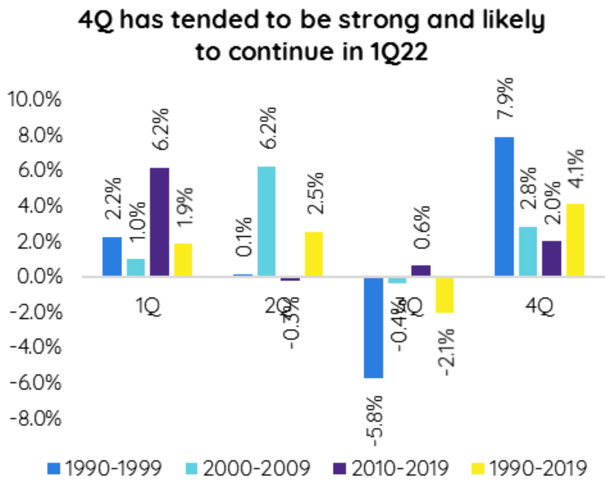
Combining various approaches points to limited valuation upside even in the bull case scenario. We quantify potential base and bear case scenarios which point to median 6% valuation upside and 4% valuation downside from current levels.

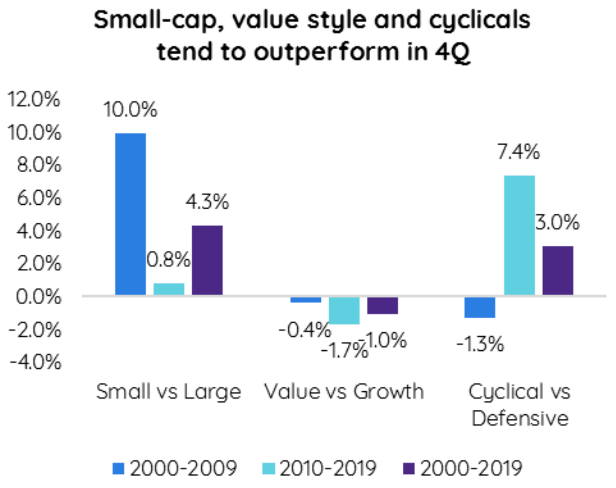
Compared against our SET fundamental target of 1,650 and the current economic environment, we use bear case valuations as a key entry point with a 3-4% margin of safety from current level or below 1,600. We recommend taking profit at an index level of above 1,750. The Thai market is expected to be a trading market in 4Q22 in the range of 1,600 to 1,750.

We believe the current macro backdrop without signs of a positive development between the US and China could pull the SET Index to lower than 1,600 in 4Q22. On the other hand, the peak of hawkishness, falling inflation and rapid China border reopening and domestic election speculation could lead market sentiment to the upper bound of 1,750.

Seasonality looks good for the Thai market

4Q has tended to be strong, growth matters





Over the past decade, 4Q has been the year's strongest with average returns of 4%, rising almost 60% of the time. Based on historical data, 4Q has tended to be strong and returns positive, reversing from a seasonally weak 3Q. Fourth quarter is also the best quarter for high beta stocks such as small-cap and cyclical stocks. Growth stocks generally outperform value stocks, suggesting that strong growth is required for superior returns. Statistically, more than 65% of positive returns in 4Q occurred after negative returns in the first nine months.

Although the market faces a poor macro backdrop with limited choices, stocks have priced in much of the tightening monetary policy and some part of an earnings growth slowdown given a 2% correction in the SET Index and 20% for global equities. Despite limited upside, we suggest maintaining exposure in large cap and domestic defensive sectors that have strong momentum, while those with strong growth and solid balance sheets could be a cushion for unpredictable events in 4Q22.

Earnings outlook 2022-2023

Macro backdrop makes earnings growth challenging

	Net Profit (Btm)			Growth (%)		
	21A	22F	23F	21A	22F	23F
Agribusiness	209	1,723	1,865	-84.5	723.2	8.2
Automotive	4,001	4,626	5,100	118.2	15.6	10.3
Banking	184,404	207,185	231,036	30.2	12.4	11.5
Commerce	39,101	44,433	56,098	15.6	13.6	26.3
Construction Materials	54,719	42,891	50,085	34.7	-21.6	16.8
Energy & Utilities	209,893	277,036	303,271	360.6	32	9.5
Finance & Securities	28,316	30,939	36,140	9.9	9.3	16.8
Food & Beverage	14,139	23,453	32,495	-21.2	65.9	38.6
Health Care Services	21,214	24,221	21,042	94	14.2	-13.1
Information & Communication Technology	28,850	28,612	35,183	-14.1	-0.8	23
Insurance	12,222	15,015	18,523	18.1	22.8	23.4
Media & Publishing	179	145	158	-42.6	-19	8.4
Packaging	8,294	7,565	8,717	28.4	-8.8	15.2
Paper & Printing Materials	917	973	1,021	-9.3	6	5
Personal Products & Pharmaceuticals	119	138	174	-29	16.2	25.9
Petrochemicals & Chemicals	71,601	61,094	71,077	2,155.80	-14.7	16.3
Property Development	25,753	29,873	30,699	17.2	16	2.8
Tourism & Leisure	-3,784	-167	1,318	-15.7	-95.6	-889.5
Transportation & Logistics	-18,089	-13,011	19,875	-338.4	-28.1	-252.8
InnovestX Universe	**682,060**	**786,744**	**923,880**	**70.7**	**15.3**	**17.4**

Strong earnings growth for Thai corporates of 15% HoH and 8% YoY in 1H22 was impressive thanks to strong earnings growth of 38% HoH and 22% YoY but we see more challenges in 2H22 after rapid changes in the macro environment. We believe top-line growth remains strong in 3Q22 from a low base effect, while we are concerned about margin pressure, which is a key focus given rising costs and falling purchasing power. We believe growth is achievable in 2022, as growth in service sectors will offset the lower growth in manufacturing sectors, ushering in a sequential service sector recovery from 2021. On this basis, we expect earnings for companies under InnovestX coverage to grow 15.8% YoY in 2022 (vs consensus of +2%). EPS growth in 2022 will be driven by Energy, F&B, Insurance and Agribusiness. Tourism and Transportation are expected to report lower losses in 2022. In 2023, overall net profit is expected to grow further at 17.5% YoY, with most sectors showing robust earnings growth, driven by Commerce, Construction Materials, F&B, Telecom, Insurance, Tourism and Transportation. However, Healthcare, Energy and Property are expected to slow down in 2023.

Sector outlook for 4Q22

Uneven recovery

Air Transportation	Automotive	Bank	Commerce	Construction Materials
YoY and QoQ better operations and earnings in 4Q22 (lower losses) boosted by accelerating international tourist arrivals and rising international flight capacity. AOT (airport) is in a better position than AAV (airline) as we are concerned over pressure on AAV's margin from high jet fuel cost and weakening baht.	Auto production in 4Q22 will soften QoQ on seasonality. Chip shortage problems are still there but expected to ease in 2H22; however as demand for discretionary goods such as automobiles is typically tied to the status of the economy, we flag concern on economic uncertainty, increasing cost of living and rising interest rates that may derail auto demand.	On a YoY basis, we expect most banks to report continued recovery in 2H22, fueled by lower provisions and better NIM. On a HoH basis, we expect 2H22 earnings to be stable for SCB, KBANK, BAY and TISCO, lower for KTB, TTB and KKP due to back-loaded provisions, and higher for BBL due to front-loaded provisions. We expect a stronger NII in 2H22 due to seasonal acceleration in loan growth and better NIM as a plus from the expected interest rate hikes.	Sector earnings to grow YoY in 2H22F, backed by revived SSS growth off last year's low base from lockdowns and revived economic activities as COVID-19 fades, product price adjustment and more tourists, together with accelerated store expansion and margin improvement. 4Q22 is set to be this year's best from seasonality and revived economic activities.	Expect sector earnings to be under pressure in 2H22F from a fast rise in energy costs. More price adjustment to cover costs, amid slightly better demand, will be a factor to monitor.
Electronics	**Energy**	**Finance**	**Food & Beverage**	**Healthcare**
Growth remains strong from technology transformation, while we are concerned about supply growth from disruption and new supply in 4Q22. In addition, a global economic slowdown could pressure short-term growth alongside continuous cost pressure. Rising inventory level is the key challenge for sector growth.	Higher oil price will continue to benefit E&P and integrated oil and gas companies while oil refiners will be adversely affected by the uncertainties of the government's measures to contain high oil price for domestic consumption. In the power business, IPPs remain protected from higher energy cost while SPPs will continue to shoulder higher gas and coal costs for electricity sold to industrial users, though this will be offset by upward revision of Ft rate. We expect 4Q22 to be better than 3Q22 due to high season and the settling of the government's measures to subsidize domestic oil price.	We expect most finance companies to continue exhibiting robust loan growth, easing NIM and rising credit cost with rising NPLs in 2H22.	Expect sector earnings growth YoY in 2H22F, boosted by wider margin YoY at livestock players (a faster rise in local livestock prices than in feed costs) and better swine prices overseas (China and Vietnam) on revived demand and supply adjustment. 3Q22 is set to be this year's best from seasonality.	Earnings outlook is mixed in 4Q22. We expect strong earnings for BDMS and BH on strong non-COVID-19 services, especially revenue from international patients. The high base of revenue from COVID-19 services in 2H21-1H22 will lead to an earnings downtrend for BCH and CHG in 2H22-1H23. The sector is fortunate that it can pass through rising costs given the high pricing power inherent in the healthcare business.
Hotel	**ICT**	**Land Transportation**	**Petrochemicals**	**Property**
YoY and QoQ better operations and earnings in 4Q22 boosted by accelerating international tourist arrivals. This will bring upside to our forecast of 8mn international tourist arrivals in 2022 and support our view of a strong recovery to 25mn in 2023.	We should see a mild recovery in mobile revenue following rising tourism-related income and stable mobile competition. Revenue from the enterprise segment and fixed broadband should continue to grow. In addition, the amalgamation of DTAC and TRUE will cool the competition in the sector; we expect to see more clarity on this in 4Q22. However, is remains subject to NBTC approval.	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. We now see more clarity on the West Orange line bidding, which will be the catalyst for the sector in 4Q22 especially BEM. For BTS, the Administrative court ruled that the BMA has to pay the O&M debt to BTS, but this does not mean that we will see Green Line concession extension soon.	Cost pressure on naphtha-based producers is expected to decline but this may not translate into wider margin given bearish sentiment in the market. Gas-based producers will remain under pressure from higher gas feedstock cost and gas supply shortfall during the transition to a new operator for the new PSC in the Gulf of Thailand. We expect market concern on the sector to continue in 3Q22 and 4Q22.	We expect most stocks under coverage to achieve their presales targets in 2022 with total growth of 26% YoY, particularly after 1H22 achieved 47% of target. 2022 new launches will be the highest in terms of value in four years, and will be predominantly in 4Q22. 4Q22 will also be the highest quarter for earnings, growing both YoY and QoQ.

Summary of 4Q22 sector outlook

	Analyst score 4Q21	1Q22	2Q22	3Q22	4Q22	Catalysts	Risks
Energy	6	7	8	7	8	Higher seasonal demand, mainly diesel and fuel oil for power generation and jet fuel for recovering air travel. This could boost GRM in 4Q22 while power producers, mainly SPP, will continue pressured by higher fuel cost.	Wider crude premium and weaker demand growth than expected due to high oil price and fears of an economic slowdown.
Commerce	7	8	8	7	7	Expect solid same-store sales growth on revived economic activities and limited impact from COVID-19 with a high mass vaccination rate, off last year's low base from lockdowns, less stimulus excluding modern trade retailers, robust farm income and more tourists.	Key risks are changes in purchasing power, higher costs from inflationary pressure and higher interest rate.
Healthcare	7	7	7	7	7	Growing non-COVID-19 services and improving international patient services from Thailand's reopening. The ability to pass through rising costs given the high pricing power inherent in the healthcare business.	Unpredictable events such as another pandemic that will interrupt patient traffic, intense competition, workforce shortage and regulatory risk.
Tourism	6	6	7	8	8	Accelerating international tourist arrivals through the rest of the year after Thailand's reopening.	Economic slowdown. Slow recovery of China market.
Bank	6	6	6	6	6	NIM benefits from interest rate hike	Asset quality risk from high inflation
Insurance	7	6	6	6	7	Benefit from rising bond yield on ROI, VNB and EV	Downside risk on premium growth as a result of lower purchasing power from high inflation
Property	6	7	6	7	7.5	LTV easing until Dec 31, wait to see if there will be an extension.	Higher labor cost.
ICT	7	7	6	6	6	Conclusion of deal between TRUE-DTAC	Mobile competition and a thumbs down by the NBTC on the TRUE-DTAC deal
Food	4	6	6	7	6	4Q22 earnings tend to soften QoQ from seasonality but grow YoY from wider margin.	Key risks are weaker product prices from fragile purchasing power caused by inflationary pressure and seasonally softer demand from the vegetarian festival, higher feed and labor costs.
Beverage	6	6	5	7	7.5	Increase in minimum wage in 4Q22 will create higher pricing power. Falling raw material costs.	Intense competition
Land Transport	7	6	5	7	6	Conclusion of West Orange Line bidding for BEM and BMA debt for BTS	Slower than expected traffic recovery for BTS, MRT and expressway
Chemical	6	6	5	5	4	China's reopening and lower naphtha cost.	China's COVID lockdown could affect demand from time to time. Capacity additions, mainly from China will increase pressure on supply while high oil price will hinder trade flow and demand. More difficult to pass on higher feedstock cost to buyers, hence margin could be squeezed.
Automotive	3	5	5	5	5	Easing chip shortage. Lower steel price.	Economic uncertainty, rising cost of living and higher interest rates that may derail auto demand.
Finance	5	5	5	5	5	Robust loan growth	Asset quality risk from high inflation and rising competition from banks
Con Mat	3	5	4	4	4	Higher fuel costs (coal and natural gas), amid moderate rise in demand.	Key risks: changes in purchasing power and higher costs from inflationary pressure

Navigating for positive earnings momentum

SECTOR	3Q22		4Q22		Reason
	YoY	QoQ	YoY	QoQ	
Energy	+	-	+	+	Energy – profit to soften QoQ in 3Q22 from high base in 2Q22 as market GRM eased to more normal level. Lower oil price could lead to inventory loss. This could turn more positive in 4Q22. Utilities – higher Ft and contribution from hydropower are key earnings drivers in 3Q22.
Tourism	+	+	+	+	Accelerating international tourist arrivals through the rest of the year after Thailand's reopening.
Insurance	+	+	+	+	Better combined ratio (lower COVID claims and PAD release on matured policies for BLA), weak premium growth and benefit from rising bond yield on ROI
Petrochemicals	-	=	-	=	High oil price volatility could pressure inventory restocking. Raw material costs are expected to soften but this may not translate into wider margin on weak demand.
Commerce	+	=	+	+	Low base effect, improving rental income, stimulus are growth drivers. Inflation is our key earnings risk.
Automotive	+	+	+	-	Rising production and selling price and new orders that could reduce the impact from steel price surges.
Healthcare	=	=	=	-	Earnings outlook is mixed: BDMS and BH are strong from growing international patient services while BCH and CHG will enter into an earnings downturn in 3Q-4Q22 due to high base from COVID-19 services.
ICT	+	+	+	-	Revenue from international tourism is expect to grow thanks to more reopening activities and stable mobile competition in 2H22
Land Transport	+	+	+	+	Benefits from returning domestic activities.
Food	+	+	+	-	Low base effect from lockdown in Thailand/Vietnam; rising costs are the key risks in 2H22
Property	+	+	+	+	Low season from rainy season will lower presales and delay transfers; 4Q22 will recover and will be backed by extra demand from the final period for LTV easing and ahead of interest rate hikes in 2023.
Bank	+	=	+	=	Accelerating loan growth, NIM expansion from rate hike, YoY ease in credit cost, seasonal rise in opex
Media	+	=	+	+	Low base effect. We are concerned about lower ad spending in 3Q22 but expect this to recover in 4Q22
Conmat	-	=	=/-	=	Outlook is stable. Companies are rapidly working to pass through the higher costs, but demand growth remains fragile
Finance	+	=	+	=	Robust loan growth, easing NIM and rising credit cost with rising NPLs

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Sector weightings and valuations in 4Q22

Sector	Recommended sector weighting	Current SET weight	2021 returns	YTD returns	Growth		Net profit CAGR 21-23	P/E		P/B		Ev/Ebitda (x)		Dividend yield	
					22F	23F		22F	23F	22F	23F	22F	23F	22F	23F
Bank	Overweight	9%	23%	-8%	12%	12%	12%	8.5	7.6	0.7	0.6	-	-	3.9	4.4
Commerce	Overweight	10%	10%	-3%	14%	26%	20%	35.5	28.1	1.9	1.8	14.2	12.7	1.4	1.8
Hotel	Overweight	1%	23%	28%	-96%	-890%	n.m.	-481.8	61	3.3	3.2	19.4	13.6	-	0.6
Residential/IE	Overweight	6%	16%	6%	16%	3%	9%	14.9	14.5	1.3	1.3	15.5	14.1	3.6	3.9
Air Transportation	Neutral	0%	-16%	18%	27%	177%	n.m.	n.m.	83.6	9.7	8.7	n.m	31.8	-	0.3
Automotive	Neutral	0%	24%	-2%	16%	10%	13%	8.9	8.1	1	0.9	4.4	3.7	5.9	6.5
Electronics	Neutral	5%	7%	23%	55%	11%	31%	47.4	42.7	6	5.3	35.3	31.3	2.6	2.9
Energy	Neutral	22%	8%	4%	32%	9%	20%	10.8	9.9	1.1	1.1	4.6	4.5	4.4	4.9
Food & beverage	Neutral	6%	12%	-2%	66%	39%	52%	28.2	20.4	1.4	1.4	11.3	10.2	1.1	1.5
Healthcare	Neutral	5%	22%	29%	14%	-13%	0%	30.9	35.6	5.4	5.2	18	19.5	2.1	1.7
Land Transportation	Neutral	0%	-26%	3%	14%	21%	18%	46.3	38.1	2.1	2.1	34.4	29.1	2.6	2.7
REITs / PF / IF	Neutral	2%	-2%	-8%	-6%	34%	18%	10.9	8.1	1.9	1.9	10.2	9.3	10.1	12
Telecoms	Neutral	8%	42%	-10%	-1%	23%	10%	29.8	24.2	4.8	4.6	6.4	6.1	3.2	3.6
Utilities	Neutral	0%	25%	8%	2%	56%	26%	50.5	32.3	3.8	3.5	26.8	21.5	1.2	1.8
Agribusiness	Underweight	0%	23%	-16%	723%	8%	199%	11.4	10.5	1.2	1.1	8.9	8.3	1.8	1.9
Building Materials	Underweight	3%	7%	-8%	-22%	17%	-4%	12	10.3	1	0.9	8.2	7.1	4.5	4.8
Entertainment / Media	Underweight	1%	30%	-12%	-19%	8%	-6%	19.3	17.8	0.9	0.9	5.6	6	2	2.1
Petrochemical	Underweight	3%	10%	-11%	-15%	16%	0%	7.5	6.5	0.9	0.8	5.3	5	4.9	5.7

Our top picks in 4Q22 – AMATA, AP, CRC, KTB, MTC

Domestic growth

Based on our analysis, there are four stock characteristics that will aid to outperforming the market in 4Q22:

1) High pricing power and good balance sheets as a cushion in an environment with high cost pressure and external risks
2) Domestic demand appeal and benefits from reopening that will be amplified during the 4Q high tourism season.
3) Earnings momentum and visibility. In an environment where valuation risks from rates rises ease and the economy grows at a slower pace while a recession is avoided, stocks with high earnings growth benefit the most.
4) Defensive - maintain a somewhat defensive tilt until there is a clearer Fed pivot and confirmation that recession probability has declined

Going forward, as growth slows, rates increase and credit spreads widen, we expect companies with a strong balance sheet, stable earnings growth and high and stable margin to outperform. We prefer domestic exposure rather than global, given the inevitability of global vulnerability, while domestic is somewhat more resilient with limited FX volatility impact. Although cyclical sectors have bounced, we believe they are vulnerable.

Thus, our top picks in 4Q22 are AMATA (strong earnings growth momentum, EV and data center), AP (high pricing power, solid revenue growth), CRC (reopening, strong growth), KTB (benefits from rate hike, Lower-than-expected loan loss provisions), and MTC (earnings recovery, reasonable valuation).

Top picks valuation table

	Rating	Price	Target	ETR	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
		(Bt/Sh)	(Bt/Sh)	(%)	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F
AMATA	Outperform	19.70	25.0	29.2	16.2	11.2	14.2	27.1	48.5	(20.8)	1.3	1.2	1.1	8	11	8	1.5	2.3	1.8	11.39	8.55	9.47
AP	Outperform	10.00	13.9	44.9	6.9	5.9	5.6	7.5	17.7	4.6	1.0	0.9	0.8	15	16	15	5.0	5.9	6.2	9.3	7.3	7.0
CRC	Outperform	38.75	46.0	19.8	n.m.	37.0	28.2	n.m.	3,223.6	31.5	4.0	3.7	3.4	0	10	12	0.8	1.1	1.4	17.7	12.0	10.5
KTB	Outperform	16.80	18.0	11.6	10.9	7.8	7.1	29.0	39.5	10.1	0.7	0.6	0.6	6	8	9	2.5	4.5	4.9	-	-	-
MTC	Outperform	42.50	58.0	37.4	18.2	16.2	13.6	(5.2)	12.6	19.2	3.6	3.0	2.5	22	20	20	0.9	0.9	1.1	-	-	-
Average					**13.0**	**15.6**	**13.7**	**14.6**	**668.4**	**8.9**	**2.1**	**1.9**	**1.7**	**10**	**13**	**13**	**2.1**	**2.9**	**3.1**	**7.7**	**5.6**	**5.4**

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CG Rating 2021 Companies with CG Rating

Companies with Excellent CG Scoring

AAV, ADVANC, AF, AH, AIRA, AKP, AKR, ALT, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARIP, ARROW, ASP, AUCT, AWC, AYUD, BAFS, BANPU, BAY, BBL, BCP, BCPG, BDMS, BEM, BGC, BGRIM, BIZ, BKI, BOL, BPP, BRR, BTS, BTW, BWG, CENTEL, CFRESH, CHEWA, CHO, CIMBT, CK, CKP, CM, CNT, COM7, COMAN, COTTO, CPALL, CPF, CPI, CPN, CRC, CSS, DDD, DELTA, DEMCO, DRT, DTAC, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ETC, FPI, FPT, FSMART, GBX, GC, GCAP, GFPT, GGC*, GLAND, GLOBAL, GPI, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, ILM, INTUCH, IP, IRPC, ITEL, IVL, JSP, JWD, K, KBANK, KCE, KKP, KSL, KTB, KTC, LALIN, LANNA, LH, LHFG, LIT, LPN, MACO, MAJOR, MAKRO, MALEE, MBK, MBKET, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MTC, MVP, NCL, NEP, NER, NKI, NOBLE, NSI, NVD, NWR, NYT, OISHI, OR, ORI, OSP, OTO, PAP, PCSGH, PDG, PDJ, PG, PHOL*, PLANB, PLANET, PLAT, PORT, PPS, PR9, PREB, PRG, PRM, PROUD, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, RS, S, S & J, SAAM, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOIL, SE-ED, SELIC, SENA, SHR, SIRI, SIS, SITHAI, SMK, SMPC, SNC, SONIC, SPALI, SPI, SPRC, SPVI, SSSC, SST, STA, STEC*, STI, SUN, SUSCO, SUTHA, SVI*, SYMC, SYNTEC, TACC, TASCO, TCAP, TEAMG, TFMAMA, TGH, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIP[1], TIPCO, TISCO, TK, TKT, TMT, TNDT, TNITY, TOA, TOP, TPBI, TQM, TRC, TRU, TRUE, TSC, TSR, TSTE, TSTH, TTA, TTB, TTCL, TTW, TU, TVD, TVI, TVO, TWPC, U, UAC, UBIS, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER, ZEN

Companies with Very Good CG Scoring

2S, 7UP, ABICO, ABM, ACE, ACG, ADB, AEONTS, AGE, AHC, AIT, ALL, ALLA, ALUCON, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASEFA, ASIAN, ASK, ATP30, BA, BC, BEC, BFIT, BJCHI, BR, CBG, CGH, CHAYO, CHOTI, CI, CMC, CPL, CRD, CSP, DCC, ASAP, ASIA, ASIMAR, ASN, B, BAM, BCH, BEYOND, BJC, BLA, BROOK, CEN, CHARAN, CHG, CHOW, CIG, COLOR, CPW, CSC, CWT, DCON, DHOUSE, DOD, DOHOME, DV8, EASON, EFORL, ERW, ESSO, ESTAR, ETE, FE, FLOYD, FN, FNS, FORTH, FSS, FTE, FVC, GEL, GENCO, GJS, GYT, HEMP, HPT, HTC, HYDRO, ICN, IFS, IMH, IND, INET, INSET, INSURE, IRC, IRCP, IT, ITD*, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KEX, KGI, KIAT*, KISS, KOOL, KTIS, KUMWEL, KUN, KWC, KWM, L&E, LDC, LEO, LHK, LOXLEY, LRH, LST, M, MATCH, MBAX, MEGA, META, MFC*, MGT, MICRO, MILL, MITSIB, MK, MODERN, MTI, NBC, NCAP, NCH, NETBAY, NEX, NINE, NRF, NTV, OCC, OGC, PATO, PB, PICO, PIMO, PJW, PL, PM, PMTA, PPP, PPPM, PRIME, PRIN, PRINC, PSTC, PT, QLT, RBF, RCL, RICHY, RML, ROJNA, RPC, RT, RWI, S11, SA, SAK, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCN, SCP, SE, SFLEX, SFP, SFT, SGF, SIAM, SINGER, SKE, SKN, SKR, SKY, SLP, SMIT, SMT, SNP, SO, SORKON, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STGT, STOWER*, STPI, SUC, SWC, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TFG, TFI, TIGER, TITLE, TKN, TKS, TM, TMC, TMD, TMI, TMILL, TNL, TNP, TOG, TPA, TPAC, TPCS, TPS, TRITN, TRT, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UTP, VCOM, VL, VNT, VPO, VRANDA, WGE, WIIK, WP, XO, XPG, YUASA

Companies with Good CG Scoring

A, AI, AIE, AJ, AMC, APP, AQ, ARIN, AS, AU, B52, BEAUTY, BGT, BH, BIG, BLAND, BM, BROCK, BSBM, BSM, BYD*, CCP, CITY, CMO, CPT, CSR, EKH, EP, FMT, GLOCON*, GSC, HTECH, IHL, INGRS, JAK, JTS, KASET, KK, KWG, LEE, BTNC, CAZ, CGD, CMAN, CMR, CRANE, D, EMC, F&D, GIFT, GREEN, GTB, HUMAN, IIG, INOX, JR, JUBILE, KCM, KKC, KYE, LPH, MATI, M-CHAI, MCS, MDX, MJD, MORE, MUD, NC, NDR, NFC, NNCL, NOVA, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PPM, PRAKIT, PRAPAT, PRECHA, PTL, RCI[2], RJH, RP, RPH, RSP, SABUY, SF, SGP, SICT, SIMAT, SISB, SK, SMART, SOLAR, SPACK, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TNH, TNR, TOPP, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQR, TTI, TYCN, UKEM, UMS, UNIQ, UPA, UREKA, VIBHA, W, WIN, WORK, WPH, YGG, ZIGA

Corporate Governance Report

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

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

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 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

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทมีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข่าวดังกล่าวประกอบด้วย

Anti-corruption Progress Indicator

Certified (ได้รับการรับรอง)

2S, 7UP, ADVANC, AF, AI, AIE, AIRA, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AQUA, ARROW, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BE8, BEYOND, BGC, BGRIM, 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, GULF, GUNKUL, HANA, HARN, HEMP, HENG, HMPRO, HTC, ICC, ICHI, IFS, ILINK, INET, INSURE, INTUCH, IRC, IRPC, ITEL, IVL, JKN, JR, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWI, L&E, LANNA, LH, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NBC, NEP, NINE, NKI, NOBLE, NOK, NSI, NWR, OCC, OGC, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, RWI, S&J, SAAM, SABINA, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, 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, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TPP, TRU, TRUE, TSC, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVI, TVO, TWPC, U, UBE, UBIS, UEC, UKEM, UOBKH, UPF, UV, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนารมณ์)

AH, AJ, ALT, APCO, B52, BEC, CHG, CI, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, FLOYD, GLOBAL, III, ILM, INOX, JTS, KEX, KUMWEL, LDC, MAJOR, MEGA, NCAP, NOVA, NRF, NUSA, NYT, OR, PIMO, PLE, RS, SAK, SIS, STECH, STGT, SUPER, SVT, TKN, TMI, TQM, TSI, VARO, VCOM, VIBHA, WIN

N/A

3K-BAT, A, A5, AAV, ABICO, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, ALL, ALLA, ALPHAX, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCT, BA, BBGI, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLAND, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCI, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FMT, FN, FORTH, FTI, FVC, GENCO, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, J, JAK, JAS, JCK, JCKH, JCT, JDF, JMART, JMT, JP, JUBILE, JWD, KAMART, KC, KCC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWC, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NNCL, NPK, NSL, NTV, NV, NVD, OHTL, OISHI, ONEE, OSP, OTO, PACE, PACO, PAF, PEACE, PERM, PF, PICO, PIN, PJW, PLUS, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTC, PTECH, PTL, RAM, 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, SENAJ, 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, SSS, STANLY, STARK, STC, STEC, STHAI, STI, STP, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGE, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPH, TITLE, TK, TKC, TLI, TM, TMC, TMD, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSR, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UTP, UVAN, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG, YONG

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 9, 2022) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.