

### Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	49241.0	(0.3)	0.5	1.8	2.5
S&P 500	6917.8	(0.8)	(0.9)	0.9	1.1
FTSE 100	10314.6	(0.3)	1.0	3.7	3.9
AS30	9149.3	0.9	(1.3)	1.2	1.4
CSI 300	4660.1	1.2	(1.0)	0.7	0.7
FSSTI	4944.1	1.1	0.4	6.2	6.4
HSCEI	9053.1	(0.3)	(2.1)	(1.3)	1.6
HSI	26834.8	0.2	(1.1)	1.9	4.7
JCI	8122.6	2.5	(9.6)	(7.2)	(6.1)
KLCI	1748.3	0.4	0.2	4.7	4.1
KOSPI	5288.1	6.8	4.0	22.7	25.5
Nikkei 225	54720.7	3.9	2.6	8.7	8.7
SET	1336.1	1.1	0.1	6.1	6.1
TWSE	32195.4	1.8	(0.4)	9.7	11.2
BDI	2028	(4.5)	1.5	7.8	8.0
CPO (RM/mt)	4222	1.0	2.3	5.1	7.3
Brent Crude (US\$/bbl)	68	2.4	0.5	11.8	11.6

Source: Bloomberg

### Corporate Events

	Venue	Begin	Close
ASEAN Conference	Taipei	10 Mar	11 Mar

### Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Jan. Consumer Confidence	Thailand	8-12 Feb
4Q GDP	Thailand	16 Feb
Jan. Customs Trade Balance (Export-Import)	Thailand	27 Feb

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### Top Stories

**Strategy | People's Party Set To Win Election, Bhumjaithai Poised To Form Government**

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## Strategy

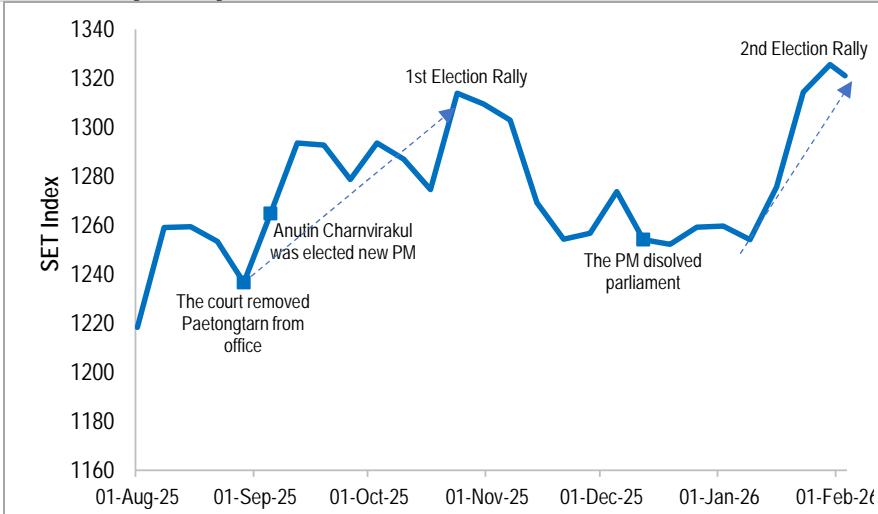
### People's Party Set To Win Election, Bhumjaithai Party Poised To Form Government

#### Highlights

- The Bhumjaithai Party is expected to form a coalition government with the Pheu Thai Party.
- As the election rally has largely been priced in (+8.2% vs historical average of +6.9%), a key post-election catalyst would be the stability of the new government.
- External plays are expected to outperform amid a weak domestic outlook and potential delays in government spending during the first year after the election. Defensive stocks remain as effective hedges. Top picks: BCP, IVL, PTTGC, PTT, PTTEP, MINT, GULF, RATCH, EGCO.

#### What's New

##### Election Rally Mostly Priced In



Source: Bloomberg, UOB Kay Hian

- People's Party: Likely to win election but may not win in Parliament.**

According to the latest NIDA Poll, the People's Party leads in popularity with approximately 33-34% for the upcoming election on 8 Feb 26, driven primarily by strong support from the public and younger voters. While this positions the party to potentially secure the largest number of seats in Parliament, its ability to form a governing coalition remains limited. The key constraint lies in the People Party's structural reform agenda and uncompromising policy stance on several sensitive institutional issues. These positions, while popular among reform-oriented voters, create hesitation among other political parties, particularly those aligned with the existing power structure. As a result, coalition-building prospects are weak. In our assessment, the People's Party would need a decisive electoral victory, on the order of 200 seats (~40% of the House of Representatives), to realistically lead a government without relying heavily on reluctant coalition partners.

- Bhumjaithai Party: Higher probability of government formation.** Despite ranking second in popularity at 22-23%, Bhumjaithai has a higher likelihood of leading the next government. Its recent participation in government boosted credibility, particularly through the appointment of technocrats and

Analyst(s)

Kitpon Praipaisarnkit  
kitpon@uobkayhian.co.th

Krit Tanarattananon  
krit@uobkayhian.co.th

#### Top Picks

Company	Rec	Share Price (Bt)	Target Price (Bt)
BCP	BUY	30.50	40.00
EGCO	BUY	117.50	135.00
GULF*	BUY	47.75	70.00
IVL	BUY	19.90	27.00
MINT	BUY	24.90	38.00
PTT	BUY	34.50	38.00
PTTEP	BUY	122.00	136.00
PTTGC	BUY	24.40	28.00
RATCH	BUY	30.50	35.00

Source: Bloomberg, \*Coverage on our retail platform

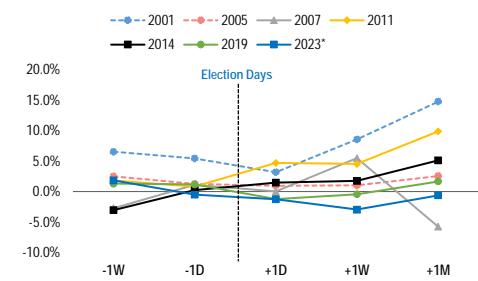
#### Election Results Expectation

	Constituency MP	Party List	Constituency MP**	Party List**	Total**
People's Party	33.6%	34.2%	134	34	168
Bhumjaithai Party	22.8%	22.6%	91	23	114
Pheu Thai Party	16.9%	16.2%	68	16	84
Democrat Party	12.8%	13.2%	51	13	64
Economic Party	3.4%	3.4%	14	3	17
Others	10.6%	10.4%	42	11	53
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>400</b>	<b>100</b>	<b>500</b>

\*\* = Implied MP from the percentage of the poll \* Total MP.

Source: NIDA Poll, UOB Kay Hian

#### The 2023 Election Was A Year That Did Not See A Post-Election Rally



Source: Bloomberg, UOB Kay Hian

#### The Situation Of The 2026 Election Is Quite Similar To The 2023 Election.

	2023	2026
People's Party	151	168
Bhumjaithai Party	141	114
Pheu Thai Party	71	84
<b>Total</b>	<b>363</b>	<b>366</b>
<b>% Of Total MPs</b>	<b>72.6%</b>	<b>73.2%</b>

Source: NIDA Poll, Local Public, UOB Kay Hian

professional managers. Declining support for Pheu Thai and former PM Thaksin Shinawatra has driven politician migration into Bhumjaithai, strengthening its constituency-based MP base. Importantly, polling data likely understates Bhumjaithai's district seat potential, as strong local networks may translate into a seat count exceeding headline popularity figures.

- **Legal and regulatory risks faced by People's Party.** We identify material downside risks that could reduce the number of MPs held by the People's Party, stemming from two ongoing legal and regulatory developments:
  - Ethics violation case related to Section 112 (Lèse-Majesté Law).** The People's Party faces allegations of violating ethical standards following its proposal to amend Section 112 in 2021. The case is currently under consideration by the Supreme Court. An adverse ruling could result in political bans for certain MPs, potentially reducing the party's parliamentary strength.
  - Electoral qualification review by Election Commission.** The Election Commission has referred 28 MP candidates to the Supreme Court for possible disqualification due to failure to vote in prior elections – an offense that carries penalties including fines, imprisonment, and political disqualification. While party affiliations have not been officially disclosed, we assess that inexperienced candidates, particularly those from the People's Party who are first-time entrants or non-career politicians, face a higher risk of procedural errors and subsequent disqualification.
- Taken together, these risks could materially weaken the People Party's seat count, thereby tilting the balance of power further toward established, professional political parties, most notably Bhumjaithai.
- **Bhumjaithai Party and Pheu Thai Party likely to form the government.** In our view, it is challenging for the People's Party to form a coalition with other parties to form the government as its policy approach differs from that of the Bhumjaithai Party and Pheu Thai Party. Based on our assessment of polling trends, policy positioning, political stance, and coalition bargaining flexibility, we identify the following government formation scenarios:
  - a) The Bhumjaithai Party leads the government with the Pheu Thai Party joining as a coalition – 60%
  - b) The People's Party leads the government with the Pheu Thai Party joining as a coalition – 30%
  - c) The People's Party leads the government with the Bhumjaithai Party joining as a coalition – 10%

## Action

- **Election rally largely priced in; honeymoon period depends on majority.** With gains of +8.2% vs a historical average of +6.9%, near-term upside appears limited. Post-election market sentiment will hinge on government stability, ideally backed by an over 60% parliamentary majority and the government forming period.
- **A delay in government formation remains a key risk.** While this election cycle excludes Senate participation in the prime ministerial vote – removing a major source of delay seen previously – meaningful risks persist. These include: a) a closely split vote share among the three major parties, limiting any clear negotiating advantage; and b) potential delays in election result certification, which requires approval of results from at least 95% of constituencies (380 of 400 seats). The Election Commission's move to pursue the disqualification of 28 candidates heightens the risk that certification could be delayed, thereby postponing government formation.
- **Tactically UNDERWEIGHT domestic oriented sectors due to lack of short-term catalysts.** We believe that domestic oriented sectors are unlikely

to recover in the near term, due to concerns over delays in government spending which usually happens in the first year of the election. In our view, the implementation of economic stimulus measures may occur in 2Q26 at the earliest, and the impact of such stimulus measures would become visible only in July and August.

- **External and defensive plays are likely to outperform the domestic-oriented sector in early-26.** External plays are expected to outperform amid a weak domestic outlook and potential delays in government spending during the first year after the election. Defensive and high-dividend stocks remain effective hedges to domestic economy weakness in 1H26. Our top picks are BCP, IVL, PTTGC, PTT, PTTEP, MINT, GULF, RATCH, EGCO.

### Valuation Of Our Top Picks

Company	Ticker	Rec	Price	Target	Upside	Last	PE			Yield	ROE	Market	Price/
			3 Feb 26	Price	To TP	Last	2024A	2025E	2026E				
(Bt)	(Bt)	(%)	End	(x)	(x)	(x)	(%)	(%)	(%)	(US\$m)	(x)	(x)	(x)
Bangchak Corporation	BCP TB	BUY	30.50	40.00	31.15	12/24	15.6	4.1	3.8	4.9	10.4	1,382	0.6
Electricity Generating	EGCO TB	BUY	117.50	135.00	14.89	12/24	8.5	7.5	7.4	5.5	7.5	1,903	0.5
Gulf Energy Development	GULF TB*	BUY	47.75	70.00	46.60	12/24	8.3	24.6	22.7	2.8	6.9	21,950	1.9
Indorama Ventures	IVL TB	BUY	19.90	27.00	35.68	12/24	n.a.	13.1	9.0	4.0	6.4	3,438	0.9
Minor International	MINT TB	BUY	24.90	38.00	52.61	12/24	15.2	13.7	12.4	3.5	9.1	4,344	1.3
PTT	PTT TB	BUY	34.50	38.00	10.14	12/24	10.2	9.5	8.3	6.4	8.5	30,321	0.8
PTT Exploration And Production	PTTEP TB	BUY	122.00	136.00	11.48	12/24	8.2	8.1	7.5	7.0	10.7	14,903	0.8
PTT Global Chemical	PTTGC TB	BUY	24.40	28.00	14.75	12/24	n.a.	63.6	276.9	2.0	0.6	3,385	0.4
Ratch Group	RATCH TB	BUY	30.50	35.00	14.75	12/24	9.8	9.4	9.4	5.6	6.7	2,041	0.7

\*Coverage on our retail platform

Source: UOB Kay Hian

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