UOBKayHian

Country Daily Thailand

Thursday, 19 March 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	46225.2	(1.6)	(2.5)	(6.9)	(3.8)
S&P 500	6624.7	(1.4)	(2.2)	(3.7)	(3.2)
FTSE 100	10305.3	(0.9)	(0.5)	(3.6)	3.8
AS30	8847.7	0.3	(1.4)	(5.0)	(1.9)
CSI 300	4658.3	0.5	(1.0)	(0.0)	0.6
FSSTI	5002.2	1.3	2.8	0.0	7.7
HSCEI	8835.5	0.1	1.5	(2.6)	(0.9)
HSI	26025.4	0.6	0.5	(2.5)	1.5
JCI	7106.8	1.2	(4.5)	(14.6)	(17.8)
KLCI	1729.8	1.1	1.2	(1.3)	3.0
KOSPI	5925.0	5.0	5.6	4.4	40.6
Nikkei 225	55239.4	2.9	0.4	(3.9)	9.7
SET	1440.9	0.5	2.4	(3.6)	14.4
TWSE	34348.6	1.5	0.7	2.2	18.6
BDI	2064	2.0	7.2	0.0	10.0
CPO (RM/mt)	4540	0.1	4.2	12.3	15.4
Brent Crude (US$/bbl)	107	3.8	16.7	52.6	76.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing of Singapore Strategy by Adrian Loh	Thailand	24 Mar	25 Mar
Post-results Virtual Meeting with Horizon Robotics (9660 HK)	Hong Kong	27 Mar	27 Mar
Malaysia Gems Conference	Malaysia	09 Apr	09 Apr

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Feb. Customs Trade Balance (Export-Import)	Thailand	31 Mar

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Investors exhibited moderate interest in Thai equities as a compelling commodity proxy and defensive play. This "safe haven" status is underpinned by attractive valuations, with 55% of stocks trading below P/B and a 4.45% dividend yield. Massive forex reserves and favourable financial conditions further encourage a reallocation from bonds to equities. While the Middle East conflicts favour commodity picks like BCP, PTT, and IVL, short-term tourism volatility offers strategic entry points for quality names like AOT and CENTEL.

Strategy

Feedback From Taipei Conference 2026

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Highlights

- There was a moderate show of interest in Thai equities. Investors see the Thai market as a compelling commodity proxy and a resilient defensive play.
- Thai equities offer a defensive "safe haven" with attractive valuations (55% below P/B) and high dividend yields (4.45% vs 10-year yield at 2.05%), supported by massive forex reserves. Favourable financial conditions encourage reallocation from bonds to equities.
- Based on the Middle East conflict that is positive to commodities proxies, key picks are BCP, PTT, and IVL. Tourism may be affected, but it will offer opportunities to buy quality names such as AOT and CENTEL.

What's New

- **Moderate interest in Thai equities.** During our recent participation in the ASEAN Gems Conference 2026 in Taipei, we showcased BDMS, IVL, and TFG to Taiwanese institutional investors, all of which received robust reception. In our collaborative strategy sessions with regional analysts, Malaysia emerged as the preferred market due to its high pre-election liquidity, political stability, and strong FDI momentum driven by the data centre boom. Singapore also attracted significant interest, supported by its high market liquidity, pension fund inflows, and "Value Unlock" initiatives mirroring the Japanese and Korean models. Conversely, Thailand garnered moderate attention as a commodity proxy and defensive play, while Indonesia saw the least interest due to the ongoing MSCI weighting reviews and concerns regarding transparency and low free-float.
- **Robust external momentum to underpin the economy in 1H26; domestic activity to gain traction in 2H26 following the formation of new administration.** We expect robust external momentum to underpin the Thai economy in 1H26, fuelled by a recovery in tourism and exceptional export growth (+24.4% in January). While the formation of a new administration may cause a temporary lull in domestic activity during 1H26, we anticipate a clear recovery in 2H26 as government stimulus measures and spending gain traction.
- **A shelter from global conflicts.** Historically, global conflicts have acted as a net positive for Thai equities, given that the energy sector, which typically sees improved earnings during such periods, accounts for 30-35% of the market's total profits. While high-cost sectors like petrochemicals and construction materials may face margin pressure, the broader market remains resilient, with healthcare and tourism expected to recover after any initial travel-related volatility.
- **Favourable financial conditions are supportive for Thai equities.** From a valuation perspective, Thai equities currently offer a highly compelling risk-reward profile. With 55% of stocks trading below their P/B value and an attractive 4.45% dividend yield (significantly outpacing the 10-year bond yield of 2.05%), the market serves as a strategic "safe haven." Furthermore, Thailand's substantial foreign reserves of US$237b (ranked 16th globally) provide a formidable buffer against global uncertainty. We believe the current environment of negative real interest rates and a bull-steepening yield curve will continue to support equity investment, encouraging a tactical reallocation from bonds to the Thai stock market.

Thai Corporates Joining Taipei Conf 2026

Company	Rec	Target Price (Bt)	Share Price (9 Mar)	Sharet Price (18 Mar)
BDMS	BUY	32.00	19.20	18.70
IVL TB	BUY	25.00	18.80	23.30
TFG TB	BUY	7.80	6.45	7.55

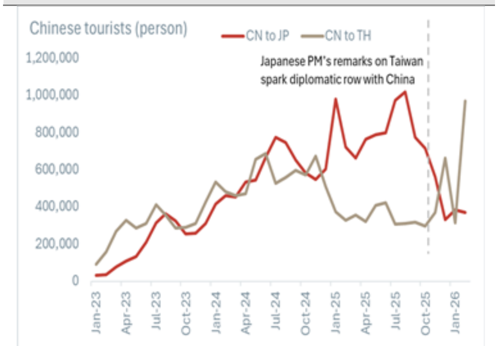
Source: Bloomberg, UOB Kay Hian

Results Track Record

	2023	2024	2025	2026			2027
Actual/Forecast by:	Actual	Actual	Actual	MOF	BOT	NESDC	BOT
GDP (%)	1.9	2.5	2.4	2.0	1.5	2.0	2.3
Private consumption	7.1	4.4	2.7	2.5	1.9	2.1	2.0
Government spending	-4.6	2.6	0.6	1.3	0.0	1.2	1.6
Private investment	3.2	-1.6	3.5	3.2	2.2	1.9	2.8
Government investing	-4.6	4.8	8.9	-1.7	0.8	1.7	5.7
Export (%)	-1.7	7.8	12.7	0.6	0.6	2.0	1.7
Inflation (%)	1.2	0.4	-0.1	1.1	0.3	0.2	1.0
Current account (% GDP)	1.3	1.2	3.1	2.0	n.a.	2.4	n.a.
Current account (bn USD)	7.0	11.6	17.7	12.1	n.a.	14.5	n.a.
International tourists (mn)	28.2	35.5	33.0	35.5	35.0	35.0	36.0
International receipt (tn THB)	1.1	1.4	1.5	1.6	1.5	1.7	n.a.
Forecast date	Actual	Actual	Actual	Jan-26	Jan-26	Feb-26	Jan-26

Source: Bloomberg, UOB Kay Hian

Chinese Tourists Are Back In Thailand

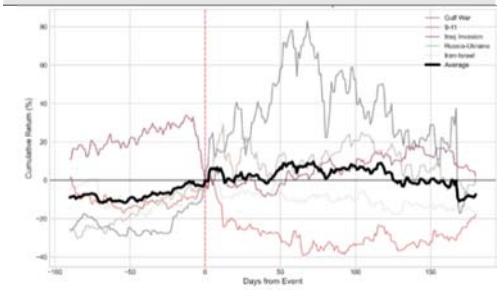


Source: SET SMART, UOB Kay Hian

Action

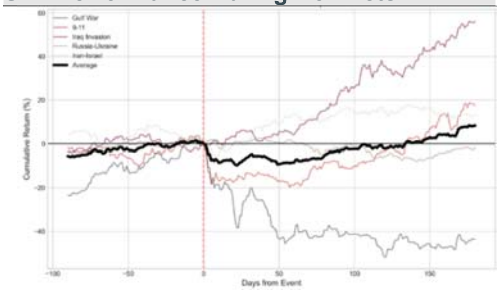
- **Bangkok Dusit Medical Services (BDMS TB/BUY/Target: Bt32.00).** Investors appreciate BDMS for its strong defensive qualities and attractive valuation. Management anticipates minimal earnings impact from the Middle East tensions, as patients from the region contribute only ~4% of revenue, and the period overlaps with Ramadan. Long-term growth will focus on slowing bed additions to improve utilisation rates (aiming for 70-75%), launching unique facilities like the Proton Center, and expanding the insurance payor mix to 40-45%, driven by more affordable copayment schemes.
- **Indorama Ventures (IVL TB/BUY/Target: Bt25.00).** Feedback was positive regarding IVL's "local-for-local" strategy, which effectively mitigates supply disruption risks from the Middle East tensions. Furthermore, geopolitical tensions and higher freight costs could actually support regional spreads and strengthen their pricing power. With Chinese capacity additions expected to peak in 2026, IVL is well-positioned for an earnings turnaround to a core profit of Bt5.2b in 2026, alongside a strong focus on deleveraging its balance sheet.
- **Thaifoods Group (TFG TB/BUY/Target: Bt7.80).** TFG received positive feedback for its strategic shift from a production-driven to a market-driven approach, reducing its exposure to commodity price volatility. A key growth driver is its retail business, which aims to expand from nearly 700 branches to 1,000 stores within 2-3 years, making up over 40% of total revenue. Additionally, TFG has completely discontinued live pig sales, pivoting to selling processed pork parts primarily through its own retail network to enhance profit margins and minimise disease risks.
- **Key investment themes.** a) Economic & earnings recovery (tourism), b) recovery of domestic demand & consumption boost (finance & retail), and c) commodity proxy (energy). **Top picks**: AOT, BCP, CENTEL, CPALL, KTC, MINT, MTC, PTT, SCGP, TFG. **Wild card:** AWC, BBL, BJC, IRPC, PTTGC, IVL.
- **Tactical picks.** The Middle East conflict favours commodity picks like BCP, PTT, and IVL, and the short-term tourism volatility offers strategic entry points for quality names like AOT and CENTEL.

Brent Oil Price Performance During Conflicts



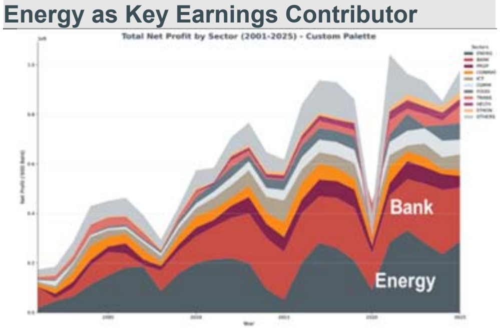
Source: SET SMART, UOB Kay Hian

SET Performance During Conflicts



Source: SET SMART, UOB Kay Hian

Energy as Key Earnings Contributor



Source: SET SMART, UOB Kay Hian

Stock Picks

Company	Ticker	Rec	Price 18 Mar 26 (Bt)	Target Price (Bt)	Upside To TP (%)	Last Year End	PE 2025A (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (US$m)	Price/ NAV ps (x)
Airports Of Thailand	AOT TB	BUY	49.50	80.00	61.62	3/25	39.0	36.5	24.4	1.6	14.1	21,758	5.1
Bangchak Corporation	BCP TB	BUY	38.00	40.00	5.26	12/25	18.2	5.1	4.7	3.9	11.3	1,722	0.7
Central Plaza Hotel	CENTEL TB	BUY	33.75	45.00	33.33	12/25	22.9	22.8	20.2	2.0	8.6	1,402	1.9
Cp All	CPALL TB	BUY	45.75	62.00	35.52	12/25	14.6	13.6	13.3	3.9	8.7	12,645	2.6
Krungthai Card	KTC TB	BUY	29.75	47.00	57.98	12/25	9.9	9.1	8.8	6.5	18.4	2,360	1.6
Minor International	MINT TB	BUY	22.30	38.00	70.40	12/25	14.0	12.3	11.1	3.9	9.1	3,890	1.2
Muangthai Capital	MTC TB	BUY	30.25	52.00	71.90	12/25	9.5	8.3	7.4	1.1	16.6	1,973	1.3
Ptt	PTT TB	BUY	34.00	41.00	20.59	12/25	10.8	9.4	8.2	6.5	8.7	29,881	0.8
Scg Packaging	SCGP TB	BUY	18.50	26.00	40.54	12/25	19.5	15.1	14.4	3.5	7.9	2,444	1.2
Thaifoods Group	TFG TB	BUY	7.55	7.80	3.31	12/25	6.1	6.7	6.5	4.5	30.2	1,263	1.8

Source: UOB Kay Hian