

Governmentt has no choice except to Re-open
BOT Says Economy Bottomed Out in Sep
Regional markets are in Green – Thailand may follow

Thailand has no choice except to reopen

Chartchai Parasuk, PhD, is a freelance economist, who is often critical of the present government's policies, says that with the Thai government running out of money to support the economy, the reopening is a necessity and not a matter of choice.

This is so because with the government debt at record, worsening floods in country which may require Bt288bn of gov't support, Thai gov't has no more choice except to focus on tourism which accounts for nearly 14-17% of the GDP.

He says the great floods in '11 caused Thailand GDP to shrink 6.4% and estimated damages of Bt1.44trn. For Thailand, 66% of GDP comes from exports (54%) and tourism (12%) leaving very little room for domestic consumption to help the economy, he estimates.

Enquistock flagged earlier this week that re-opening, though launched with good intent, is flawed in execution because China and Singapore, 2 of the 5 chosen eligible countries for quarantine free entry in Thailand for vaccinated travelers, have travel restrictions on outbound travel, and mandatory quarantine for inbound travelers.

Further nearly 79% of international carriers and 40% of domestic routes operators have cancelled their slots at the airports for Oct'21 to March '22 period.

BOT Cautioned Gov't to Open on Reopening

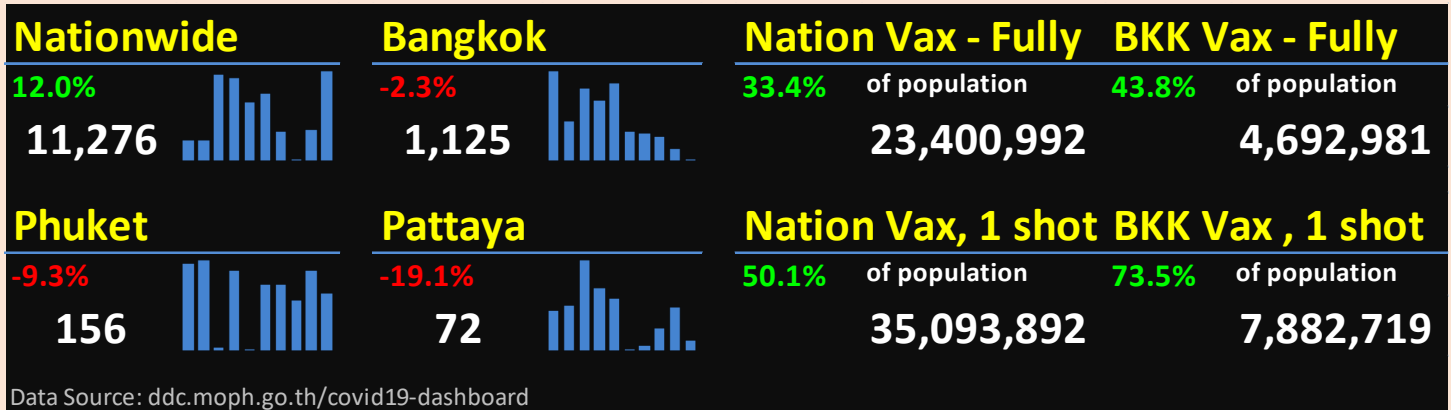
Bank of Thailand released minutes of its last meeting of Monetary Policy Board on 29th September when it agreed to hold interest rate at 0.5%. Here are some of the important points it made

1. Thai economy would remain subject to significant uncertainties in future
2. Thai economy had bottomed out in the third quarter of 2021 and would continue to recover but with uncertainties remain high.
3. The Committee viewed fiscal policy as the main driver to provide relief and to support economic recovery.
4. Government measures and policy coordination among government agencies would be critical to support the economic recovery.

In short, tread with caution, things are not as rosy as the bull market enthusiasm may want us to believe. [You can access the minutes here.](#)

New Covid cases Rise again, sadly

We have often said that infections reported on Monday and Tuesday are skewed due to the weekend effect, and reported infections rise on Wednesday onwards. Today's new covid cases are above 11k for the nation. Infections in Bangkok, Phuket and Pattaya remain stable – see the dashboard below.



Tax Collections below target – blame the pandemic

- Tax collections for Oct20-Sep21 were Bt1.87trn, below budgeted Bt2.09trn. This year target is Bt1.88trn.
- Shortfall came from excise – Bt540bn vs target of Bt630bn mainly due to reduced oil excise and consumption. This year target is Bt550bn.
- Others such as Customs revenue was Bt102bn vs target of Bt104bn. Target for fiscal year 22 is Bt100bn.

Regional Markets are Up

Regional markets started off in green except Singapore and Hong Kong. Singapore has unexpectedly tightened its monetary policy by changing the currency band, which can lead to appreciation of Singapore dollar vs its peers, and attempt to reduce the impact of imported inflation.

EQUITIES AND COMMODITY DASHBOARD							
Name	Last	% Δ 1D	% Δ 5D	Name	Last	% Δ 1D	% Δ 5D
Straits Times Index Sti	3,142.2	-0.09%	+2.26%	Brent Crude Futr Dec21	83.5	+0.24%	+2.84%
All Ordinaries Indx	7,638.1	+1.12%	+2.14%	Wti Crude Future Nov21	80.7	+0.19%	+4.08%
Hang Seng Index	24,962.6	-1.43%	+3.56%	Natural Gas Futr Nov21	5.7	+2.09%	+0.56%
Nikkei 225	28,412.3	+1.01%	+3.26%	Dce Iron Ore Fut Jan22	723.5	-3.03%	+7.38%
Kospi Index	2,978.1	+1.24%	+0.64%	Generic 1St 'Xw' Future COA	243.4	+0.41%	+0.56%
Psei - Philippine Se Idx	7,068.9	+1.43%	+1.59%	Baltic Dry Index	5,206.0	-3.20%	-7.81%
Ftse Bursa Malaysia Klci	1,596.9	-0.49%	+2.13%	Baltic Handysize Index	2,017.0	-0.05%	+0.46%
Jakarta Composite Index	6,536.9	+1.37%	+3.26%	Lme Copper 3Mo (\$)	9,651.0	+1.97%	+6.69%
Taiwan Taiex Index	16,505.2	+0.06%	-0.62%	Cotton No.2 Futr Dec21	104.3	+1.52%	-5.06%
Nifty 50	18,161.8	+0.94%	+2.92%	Soybean Future Nov21	1,196.3	+0.40%	-3.38%
Stock Exch Of Thai Index	1,643.6	+0.18%	+1.38%	Sugar #11 (World) Mar22	19.9	-1.05%	+0.46%

DASHBOARD			
SET	Turnover	Jasmine Telecon	Siamgas & Pet
0.07%		9.57%	-5.81%
1,643.6	93.1bn	51.5	14.6
BRENT	COAL	BDI	BAHT
0.24%	0.41%	-3.20%	0.50%
83.6	243.4	5,378.0	33.27
RETAIL	BROKERS	LOCAL FUNDS	FOREIGNERS
-2,690.1m	99.4m	-2,478.5m	5,069.2m
Index in points, Commodity in USD, Investor data in Baht mil			12-Oct-21

Stocks In Play

Airports Of Thai ↑ Bt67.75(+3.5) 5.4%, 9.7% in 3M MCap Bt970bn PER: 0x P/B: 8.2x

Reopening of travel from 1 Nov ups hopes for return of business for AOT. Warning 79% of foreign carriers, and 42% of domestic route operators have cancelled their slots for Oct -21 to Mar '22

Kasikornbank Pcl ↑ Bt140.5(+2) 1.4%, 22.7% in 3M MCap Bt330bn PER: 9.9x P/B: 0.7x

Recovery on hopes of reopening of the economy. 3Q net is due any time - may cap the stock price rise

Stark Corp Pcl ↑ Bt4.72(+0.2) 4%, 19.8% in 3M MCap Bt60bn PER: 40x P/B: 11.9x

A recovery in last 1 hour of trading on Tuesday put the stock in green. No interest from the foreigners as yet, as only Bt4.4m of net buy in NVDRs on Tuesday.

Jasmine Telecom ↑ Bt51.5(+4.5) 9.6%, 17.7% in 3M MCap Bt40bn PER: 0x P/B: 0x

It rose again after falling for its 52W high of Bt61.75 in Aug. We have no faith in its fundamentals and find the stock overvalued - trading on historic PER of 380x

Synnex Thai Pcl ↑ Bt24.5(+0.1) 0.4%, -8.4% in 3M MCap Bt20bn PER: 26.9x P/B: 5.8x

SCB's subsidiary, SCB 10X, and Sunnex to jointly develop, SWOPMART, a secondhand IT retail platform. SYNEX is an IT products distributor which listed on SET in '08 at price of Bt2.4

Somboon Advance ↑ Bt19(+0.2) 1.1%, -12.8% in 3M MCap Bt10bn PER: 8.6x P/B: 1.1x

Toyota is optimistic of producing more vehicles in Dec has shortage of chips has eased off a bit

Eastern Polymer ↓ Bt10.9(-0.3) -2.7%, -14.2% in 3M MCap Bt30bn PER: 18.8x P/B: 2.7x

Share price continues to fall as more analysts warn of a soft 3Q. Its packaging business and exports for car accessories business is unaffected. Rising power cost increase its production cost

Central Plaza Ht ↓ Bt36.5(0) 0%, 10.6% in 3M MCap Bt50bn PER: 0x P/B: 2.6x

Hopes of a recovery in 4Q as it reopens 2 more hotels in Krab and Mae Sot in Nov, and another 2 in Dec though overall occupancy is still at 22% past few months.

Brokers' Picks

Bangkok Dusit Md ↑ Bt22.7(+0.7) 2.9%, -2.6% in 3M MCap Bt360bn PER: 47x P/B: 4.4x

Analysts expect strong profit recovery from 4Q onwards. 3Q profit to rise QoQ and YoY

Bangkok Chain Ho ↑ Bt20.6(+0.1) 0.5%, -13.8% in 3M MCap Bt50bn PER: 14.7x P/B: 6.4x

3Q profit perhaps rose over 300% YoY and 50% QoQ to a record. Stock price rise may be capped however as profit to ease up in 4Q from falling Covid infections

Scg Packaging Pc ↓ Bt60.25(-1) -1.6%, -6.2% in 3M MCap Bt260bn PER: 28.8x P/B: 2.8x

3Q should mark the bottom of the earnings cycle, a recovery led by reopening of economies in the region to show 4Q profit growth

Absolute Clean E ↑ Bt3.7(+0) 0.5%, -5.1% in 3M MCap Bt40bn PER: 19.1x P/B: 3x

Investors are overly negative on its future prospects

Central Pattana ↑ Bt55.5(+1) 1.8%, 8.8% in 3M MCap Bt250bn PER: 27.8x P/B: 3.5x

Upgrading '21F forecasting on faster than expected traffic in the malls, and contribution from newly acquires SF

Investors Trading Flow

TRADING FLOW BY INVESTOR TYPE						12-Oct
Investor Type	12-Oct	11-Oct	08-Oct	07-Oct	06-Oct	5D Sum
Local Institutions	-2,478.5	-1,951.1	1,840.5	-487.1	-181.1	-3,257.3
Foreign Institutions	5,069.2	-193.8	481.4	3,133.5	-1,263.1	7,227.3
Retail Investors	-2,690.1	1,524.4	-3,013.0	-5,123.2	1,896.8	-7,405.0
Brokers' Portfolio	99.4	620.5	691.1	2,476.8	-452.7	3,435.0
SET Index	1,643.6	1,633.4	1,639.4	1,633.7	1,619.5	

Amount in million baht, Index in points

Top 10 and Top down

TOP 10 MOST TRADED					
Name	Last	%Ch	Turnover	%vs 5ADT	52W Hi
Stock Exch Of Thai Index	1,643.6	0.62	93.1bn		1,658.1
Thai Set Total Val Trds		12.17	93.1bn	-0.5	175.3bn
Airports Of Thai	67.8	5.4	7,753.4	197.8	70.0
Cp All Pcl	64.0	0.8	3,353.6	118.9	70.3
Sun Vending Tech	6.6	17.0	3,187.0	-7.5	7.5
Kasikornbank Pcl	140.5	1.4	2,961.2	-41.9	153.0
True Corp Pcl	4.3	0.0	2,721.4	-21.8	2.4
Siam Cement Pcl	397.0	-0.3	2,164.4	34.7	474.0
Pan Asia Footwr	3.1	21.4	1,970.0	160.4	3.1
Scg Packaging Pc	60.3	-1.6	1,728.5	148.3	71.5
Banpu Pub Co Ltd	13.6	0.0	1,696.4	-58.7	14.9
Ptt Pcl	40.0	0.0	1,613.4	-19.7	45.0

Price in baht, Turnover in million baht, Index in points

12-Oct

TOP 10 - MOST UP / DOWN*						12-Oct
Name	Last	%Ch	Name	Last	%Ch	
Jasmine Telecom	51.5	+9.57	Siamgas & Petro	14.60	-5.81	
Grand Canal Land	2.3	+8.49	Eastern Polymer	10.90	-2.68	
Vanachai Group	9.7	+6.59	Khon Kaen Sugar	4.20	-2.33	
Amata Corp Pub	20.7	+6.15	Intouch Holdings	73.75	-2.32	
Airports Of Thai	67.8	+5.45	Tqm Corp Pcl	105.50	-2.31	
Asset World Corp	4.8	+4.37	Tpi Polene Pcl	1.76	-2.22	
Wha Corp Pcl	3.4	+4.27	Kce Electronics	77.25	-2.22	
Stark Corp Pcl	4.7	+3.96	Hana Microelectr	72.00	-2.04	
Ramkhamhaeng Hos	167.0	+3.73	Lh Financial	1.49	-1.97	
Bumrungrad Hospi	145.0	+3.57	Polyplex Pcl/Tha	26.50	-1.85	

Price in baht, Turnover in million baht, Index in points, mkt cap > \$500m

12-Oct

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