



Shareholder Newsletter

16th ISSUE 4, 4th Quarter of 2024

Thai Economy Projected to Accelerate during the Rest of 2024 Despite Increased Internal and External Risks



Thai Economy Projected to Accelerate during the Rest of 2024 Despite Increased Internal and External Risks

Data as of October 25, 2024

Top largest economies in the world, particularly China, show signs of a slowdown while the US presidential election remains a key issue to watch

- **The US economy** remains robust, supported by steady growth in consumer spending, although it is expected to slow in the second half of 2024 amid the sluggish labor market and risk from hovering debts. Nevertheless, the US economy is heading towards a “soft landing”, thus avoiding a recession. In September 2024, the US Federal Reserve (Fed) made its first policy rate cut in four years by 0.50 percent to a range of 4.75 - 5.00 percent, exceeding expectations. Additionally, the Fed has signaled the potential for another 0.50-percent rate cut before the end of 2024.

- **The Eurozone economy** is gradually recovering, although it faces challenges, particularly from Germany’s weakening manufacturing and service sectors. While consumer spending is expected to improve due to easing inflation and lower interest rates, the European Central Bank (ECB) has already cut the policy rate three times this year, bringing it down to 3.25 percent, with another cut likely in December 2024. However, ongoing manufacturing issues in the Eurozone and the potential for inflation to accelerate again could hinder its economic recovery. Overall, the Eurozone economy is projected to record almost static growth for 2024.

- **China’s economy** grew at a slower rate of 4.6 percent YoY in the third quarter of 2024 with the real estate sector continuing to be a key drag. Although China’s economy is expected to accelerate in the final quarter of 2024 due to the gradual implementation of new economic stimulus measures, it still faces significant risks. These include potential escalations in trade barriers, continuing pressure on domestic investment from the real estate sector, and low consumer confidence. As a result, China’s overall economic growth in 2024 is likely to fall below the government’s target of 5 percent.

The US presidential election in November 2024, regardless of which party wins, is expected to see the continuation of trade protectionism against China. If Donald Trump were to return to office with plans to raise taxes, it could drive up US inflation, potentially leading to higher household expenses. Additionally, the US fiscal deficit will likely increase while a new round of the US-China trade war may prompt another wave of production shifts out of China, with Thailand potentially benefiting from some of these relocations.



Thailand's economy is expected to accelerate in the remaining months of 2024 despite facing heightened risks from flooding, a slowing global economy, and weak domestic demand

KResearch maintains its forecast for Thailand's economic growth in 2024 at 2.6 percent. The Thai economy is expected to pick up during the rest of 2024, driven by continuing export growth and improved consumption supported by tourism and government economic stimulus measures.

- Thailand's export growth for 2024 is projected at 2.5 percent, an increase from the previous estimate of 1.5 percent, with exports in the first eight months expanding by 4.2 percent YoY. This growth has been supported by higher exports of electronics products in line with the upturn in the global IT cycle, and soaring gold exports due to rising gold prices. However, Thai exports still face challenges, including the global economic slowdown, reduced competitiveness, and potential impacts on agricultural outputs from flooding. Additionally, fluctuations in the Thai Baht against the US dollar could affect export revenues.

- Private consumption is expected to be pressured by a decline in durable goods consumption, while spending on non-durable goods is supported by recent government stimulus measures introduced in late September. Additionally, the high season in tourism may further boost spending in the service sector during the fourth quarter of 2024.

- In 2024, approximately 36 million international tourists are expected to visit Thailand, with around 7 million from China, which is lower than the earlier forecast of 8 million. The decline in the number of Chinese tourist arrivals in Thailand may be due to three key factors: China's economic slowdown, intense competition in international tourism, and changing travel preferences among Chinese tourists. However, Thailand's tourism industry remains supported by visitors from other countries such as India and the Middle East.

- Thailand's headline inflation rate is expected to fall to around 0.5 percent in 2024. It is anticipated that inflation in Thailand will accelerate during the rest of this year due to the low base of the fourth quarter of 2024 in line with the government measures, aimed at reducing the cost of living, including a cap on electricity prices and the retail diesel fuel prices. Meanwhile, global crude oil prices are projected to increase to around USD 80 per barrel due to the renewed tensions in the Middle East.

- The economic impact of the 2024 floods could amount to at least Baht 30 billion and the figure could rise if the situation persists or expands to more locations. It is expected that flood-prone areas will shift from the northern and central regions to the central and southern regions by the end of 2024. However, this situation is expected to be less severe than in 2011.



In summary, KResearch maintains its growth projection for the Thai economy in 2024 at 2.6 percent. The Thai economy is expected to perform better during the rest of 2024, thanks to exports, tourism, and government spending. However, close attention must be paid to the flood situation.

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MONTHLY STRATEGY

Rising Tide Lifts all Boats

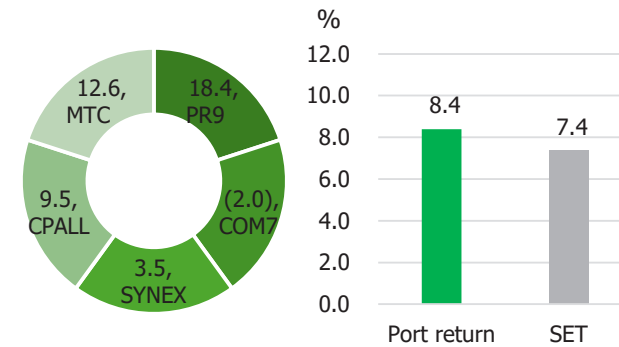




We expect the SET Index will continue to enjoy a bullish trend supported by an improving political and economic outlook, particularly with tailwinds from a Fed easing cycle, government stimulus measures, and liquidity injections from TESG and VAYU. We roll forward our SET target to end-2025 at 1,610 based on our FY2025 EPS projection of Baht 100.7 pegged to a valuation of the average long-term PER 16x. Our monthly top picks are PR9, MOSHI, AAV, GPSC and KTB.

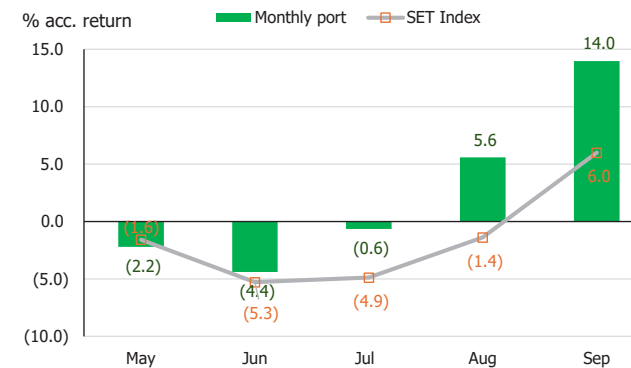
Our investment portfolio registered a gain of 8.4 percent, outperforming for a rise of 7.4 percent in the SET Index.

Fig 1 Portfolio registered solid gains of 8.4% in September which outperformed a rise of 7.4% for the SET Index.



Source: KS Research, Bloomberg

Fig 2 Monthly portfolio notched a total gain of 14.0% since inception.

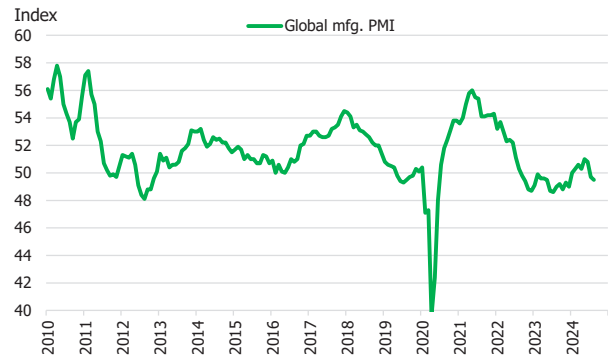


Source: KS Research, Bloomberg



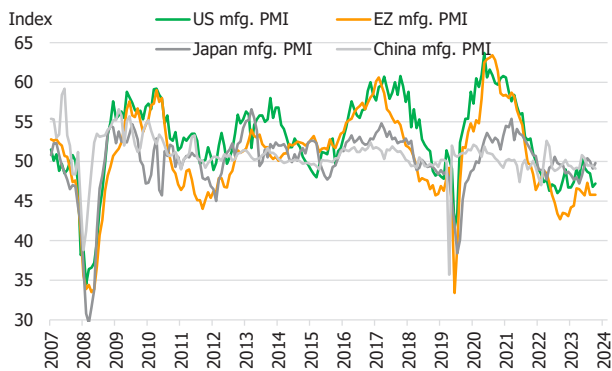
Global economic momentum is slowing in DMs, while EMs remain relatively resilient.

Fig 3 Global manufacturing activity is cooling...



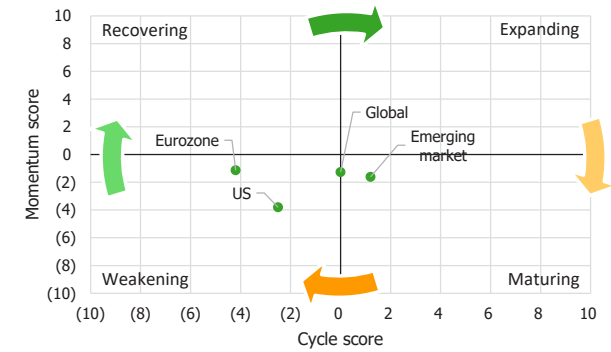
Source: KS Research, Bloomberg

Fig 4 ...and slowdown is pronounced in major economies.



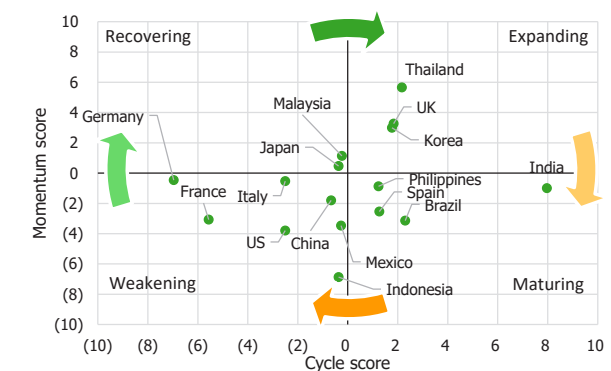
Source: KS Research, Bloomberg

Fig 5 Meanwhile, EMs remain relatively resilient...



Source: KS Research, Bloomberg

Fig 6 ...especially in South Asia including Thailand.



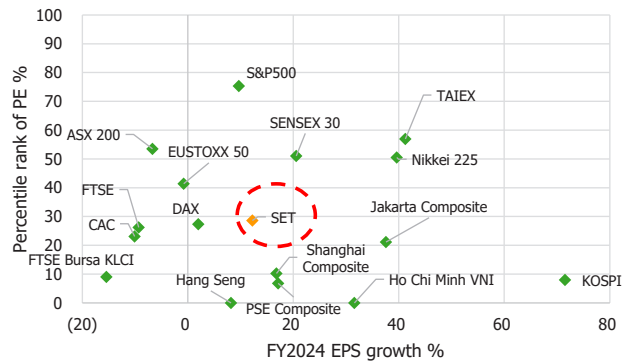
Source: KS Research, Bloomberg





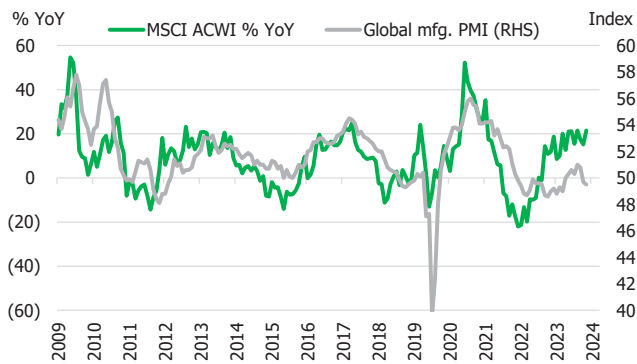
We maintain a cautious view of DM equities given lofty valuations and a weakening macro environment.

Fig 7 Growth and valuations diverging between tech and value.



Source: KS Research, Bloomberg

Fig 8 Global equity markets are already ahead of the curve.

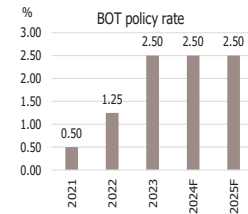
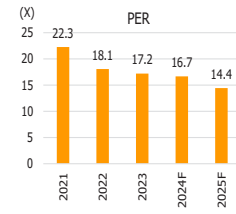
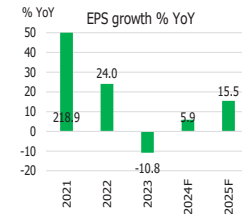
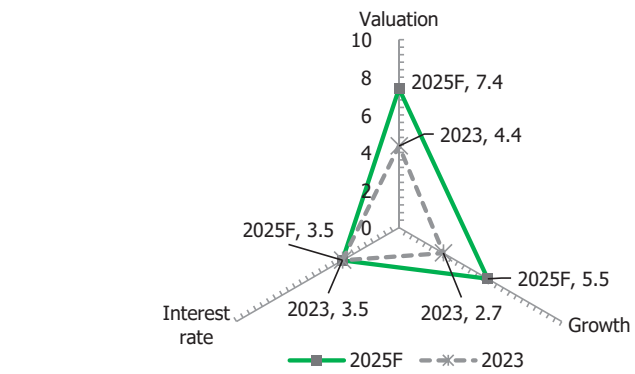


Source: KS Research, Bloomberg



SET surged following a quick transition to a new PM and better economic momentum, and we expect the SET to continue to rise on liquidity injection and foreign fund flows.

Fig 9 Score out of 10 in each market aspect



Source: KS Research, Bloomberg



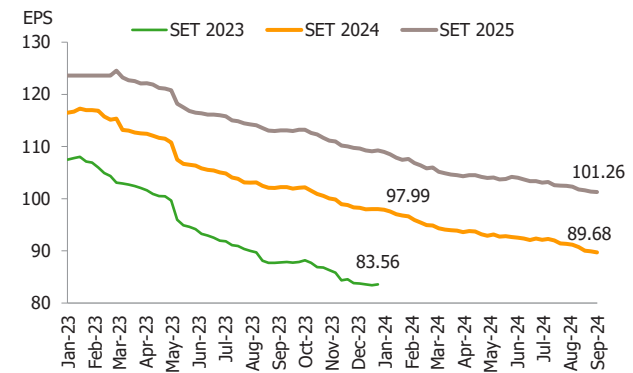
- **Earnings recovery expected to accelerate.** After earnings dropped 10.8 percent in 2023, we expect the Thai equity market will grow by 5.9 percent and 15.5 percent in 2024 and 2025, respectively.

- **SET valuation looks attractive.** Despite the recent rally, we believe the market's valuation looks attractive trading at around 14x FY2025F EPS of Bt100.7, which is below its long-term average of 16x.

- **Key positive catalysts.** We believe the SET will continue to benefit from favorable conditions in 4Q2024 such as 1) a Fed monetary cycle easing; 2) liquidity injection to capital market via VAYU as well as TESG; and 3) consumption stimulus measures including cash handout and minimum wage hike.

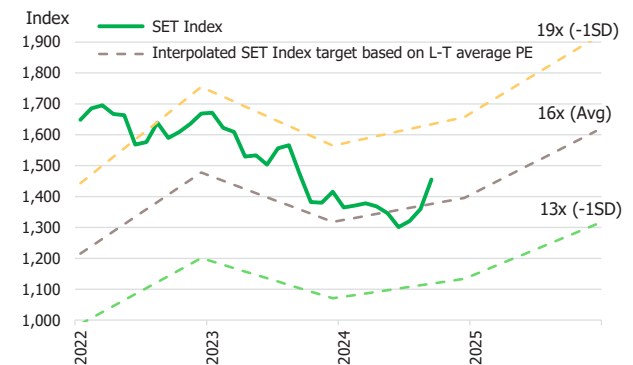
We roll forward our SET target to 1,610 for end-2025, based on our FY2025 EPS forecast of Baht 100.7 at a long-term average PER of 16x.

Fig 10 Market has cut FY2024 market EPS forecast by 8% so far this year.



Source: KS Research, Bloomberg

Fig 11 We roll forward our SET target to the end of 2025 at 1,612 points.

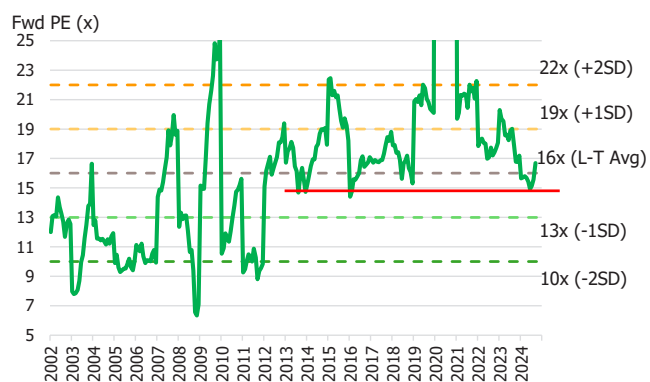


Source: KS Research, Bloomberg



SET rebounded from key support levels in 2014/ 2016/ 2018, and we expect the upward trend will continue.

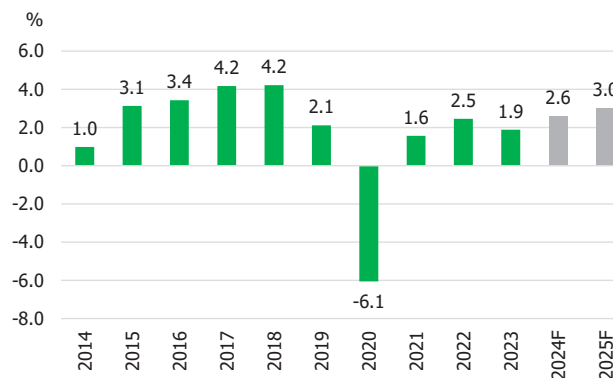
Fig 12 SET rebounded from key support valuation as expected.



Source: KS Research, Bloomberg

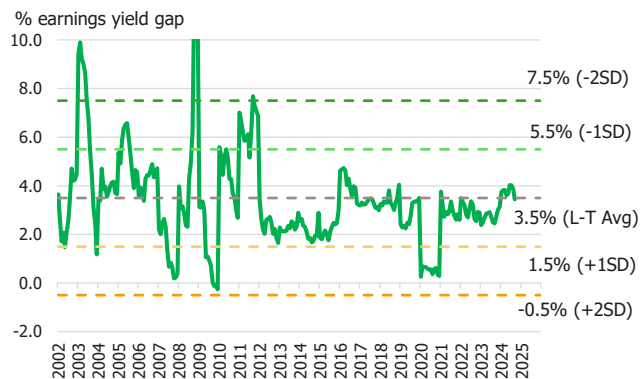
Improving political and economic landscape should be major positive catalysts for a market re-rating and valuation.

Fig 14 Momentum is likely to continue through at least 1H2025.



Source: KS Research, Bloomberg

Fig 13 Valuation upside on EYG approach from falling bond yield



Source: KS Research, Bloomberg

Fig 15 Sector earnings sensitivity by minimum wage +1%



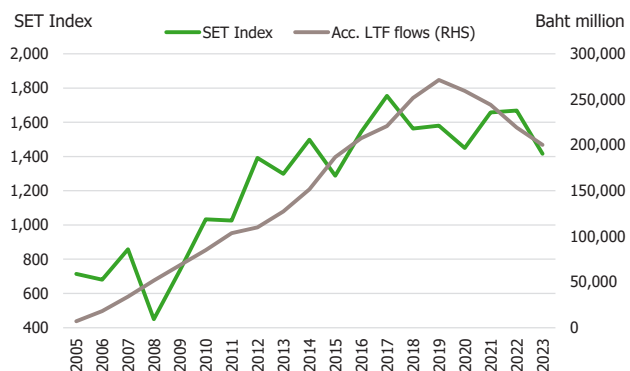
Source: KS Research, Bloomberg



Liquidity injection from new tax-saving funds TESSG and VAYU and easing monetary policy from major central banks could be domestic drivers.

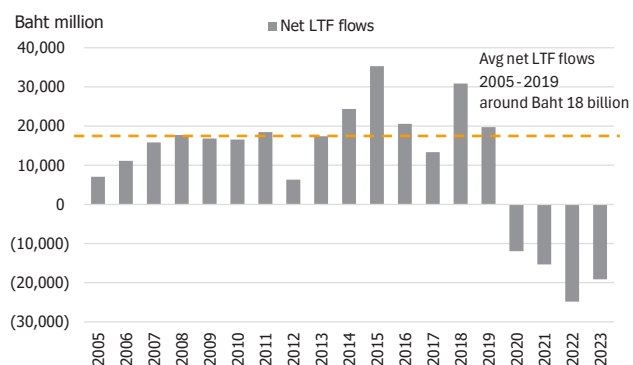
Fed easing cycle is dragging the USD, which tends to boost EM equities, notably the SET.

Fig 16 Fund outflows from LTFs put pressure on the SET since 2020.



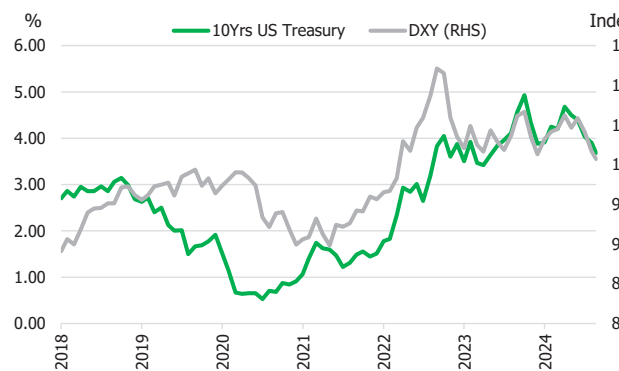
Source: KS Research, Bloomberg, SET, SEC

Fig 17 LTFs registered avg net inflows of around Baht 18 billion in 2005 - 2019.



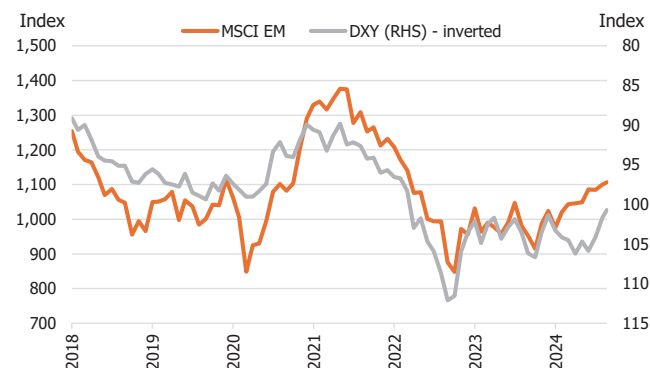
Source: KS Research, Bloomberg, SET, SEC

Fig 18 Fed easing policy is likely to drag USD lower...



Source: KS Research, Bloomberg

Fig 19 ...and weakening USD tends to boost EM equity.



Source: KS Research, Bloomberg



SET is likely to register gains following Fed's first rate cut if there is no recession in Thailand. S&P 500 also tends to generate a positive return after a first Fed rate cut, but magnitude is much lower.

Fed easing cycle is likely to trigger global fund flow rotations to a value-play investment theme.

Fig 20 On average, over the past five Fed easing cycles, we find that the SET yielded a positive return 1 - 2 months following the Fed's first rate cut, and the positive return tends to be more pronounced if there is no recession in Thailand.

Start	End	Duration (month)	Fed fund rate		Total cuts (bps)	Accumulated return of the SET Index			During whole Fed rate cut cycle
			Start	End		after Fed first rate cut for 20 days	after Fed first rate cut for 40 days	after Fed first rate cut for 60 days	
Jul-95	Jan-96	7	6.00	5.25	75	-1.6	-7.9	-9.3	-1.2
Sep-98	Nov-98	2	5.50	4.75	75	23.0	42.5	42.1	34.7
Jan-01	Jun-03	30	6.50	1.00	550	19.7	17.0	10.4	66.9
Sep-07	Dec-08	15	5.25	0.25	500	7.6	14.0	3.6	-44.5
Jul-19	Mar-20	8	2.50	0.25	225	-5.0	-2.4	-4.4	-38.9
Simple avg	12	5.15	2.30	285	8.7	12.6	8.5	3.4	
Median	8	5.50	1.00	225	7.6	14.0	3.6	-1.2	
Simple avg ex recession	16	6.00	2.88	313	21.4	29.7	26.2	50.8	
Median ex recession	16	6.00	2.88	313	21.4	29.7	26.2	50.8	

Note: Thai recession period in red

Source: KS Research, Bloomberg

Fig 21 The S&P 500, on average over the past five Fed easing cycles may also generate a positive return 1 - 2 months after the Fed's first rate cut. Nonetheless, the magnitude of the positive return is clearly much lower compared to that of the SET, even if there is no recession afterward.

Start	End	Duration (month)	Fed fund rate		Total cuts (bps)	Accumulated return of the S&P500 Index			During whole Fed rate cut cycle
			Start	End		after Fed first rate cut for 20 days	after Fed first rate cut for 40 days	after Fed first rate cut for 60 days	
Jul-95	Jan-96	7	6.00	5.25	75	1.4	0.8	1.8	14.8
Sep-98	Nov-98	2	5.50	4.75	75	1.3	7.7	10.9	8.6
Jan-01	Jun-03	30	6.50	1.00	550	1.0	-1.3	-7.9	-27.6
Sep-07	Dec-08	15	5.25	0.25	500	2.5	1.4	-5.7	-39.9
Jul-19	Mar-20	8	2.50	0.25	225	-2.7	-0.1	-0.1	-19.9
Simple avg	12	5.15	2.30	285	0.7	1.7	-0.2	-12.8	
Median	8	5.50	1.00	225	1.3	0.8	-0.1	-19.9	
Simple avg ex recession	16	6.00	2.88	313	1.1	3.2	1.5	-9.5	
Median ex recession	16	6.00	2.88	313	1.1	3.2	1.5	-9.5	

Note: US recession period in red

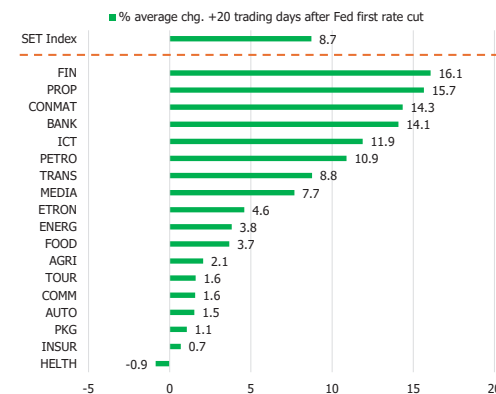
Source: KS Research, Bloomberg

Fig 22 Rate-sensitive sectors are likely to outperform.

Sector	% sector weight	Type	% chg +20 days	% chg +40 days	% chg +60 days
AGRI	0.5	Cyclical	2.1	1.9	1.0
FOOD	5.5	Cyclical	3.7	3.9	5.9
BANK	11.1	Value	14.1	30.0	28.2
FIN	3.2	Value	16.1	24.7	24.1
INSUR	1.4	Value	0.7	2.3	3.9
AUTO	0.4	Cyclical	1.5	1.8	5.4
PETRO	1.6	Cyclical	10.9	12.6	9.5
PKG	1.0	Cyclical	1.1	0.4	0.1
CONMAT	2.9	Cyclical	14.3	17.6	17.8
PROP	5.5	Value	15.7	23.6	27.5
ENERG	19.4	Cyclical	3.8	5.8	0.1
COMM	9.8	Value	1.6	3.0	7.4
HEALTH	5.4	Value	-0.9	0.1	-4.4
MEDIA	0.8	Cyclical	7.7	7.2	5.2
TOUR	1.6	Cyclical	1.6	2.2	2.3
TRANS	7.8	Cyclical	8.8	8.9	3.4
ETRON	8.1	Cyclical	4.6	-2.1	-3.8
ICT	10.2	Value	11.9	12.2	1.2

Source: KS Research, Bloomberg

Fig 23 Value play theme include finance, property, banking and ICT.

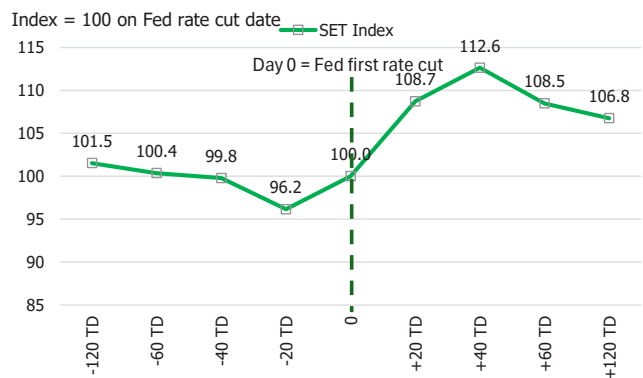


Source: KS Research, Bloomberg

Impact of Fed's first rate cut on SET Index, S&P 500, USD Index and USD-Baht

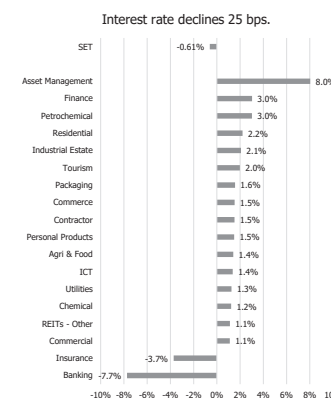
Sector earnings sensitivity analysis of interest rates and Baht

Fig 24 SET performance and Fed's first rate cut



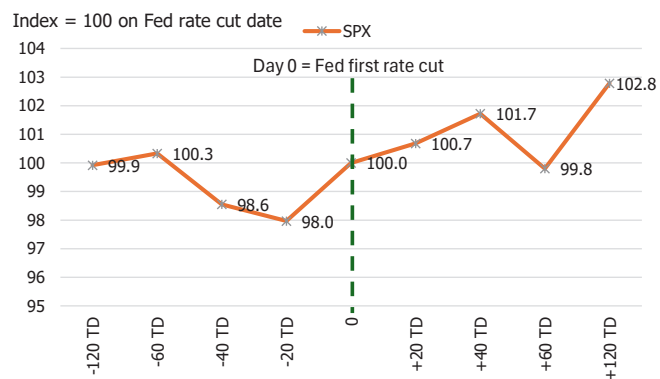
Source: KS Research, BIS, Bloomberg

Fig 26 Sector earnings sensitivity to interest rate



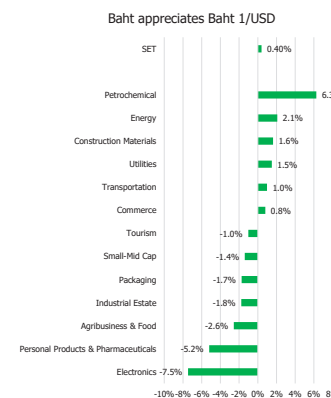
Source: KS Research

Fig 25 S&P 500 performance and Fed's first rate cut



Source: KS Research, BIS, Bloomberg

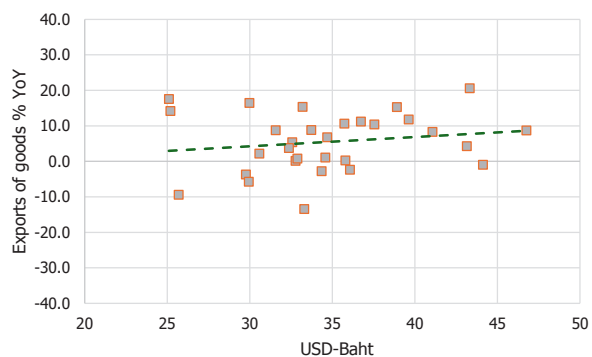
Fig 27 Sector earnings sensitivity to Baht appreciation



Source: KS Research

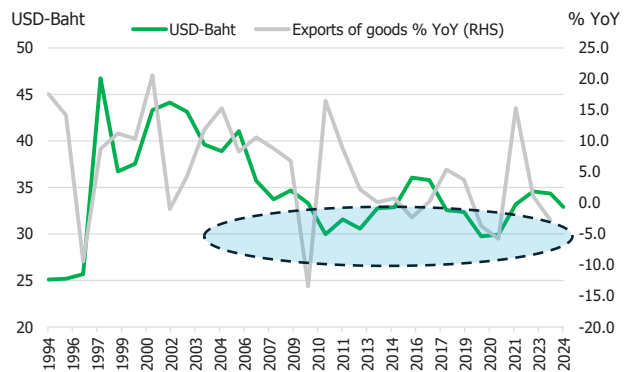
No magic number, but USD-Baht below 30 often results in a contraction of exports.

Fig 28 There is no magic number on USD-Baht to have negative impact on Thai exports...



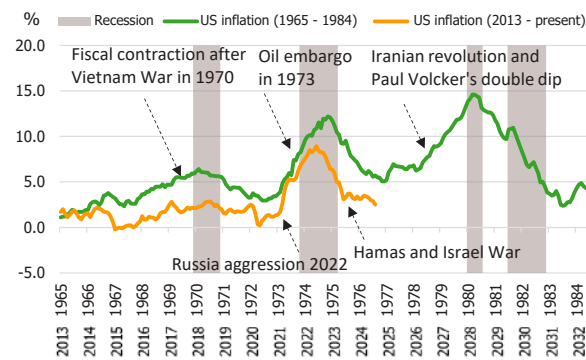
Source: KS Research, BOT, Bloomberg

Fig 29 ...but below 30 often induces contraction in exports.



Source: KS Research, BOT, Bloomberg

Fig 30 The US inflation has calmed down post pandemic and Russia aggression, but risk of full-blown Middle East war should not be ruled out.



Source: KS Research, Bloomberg, Fed St. Louis



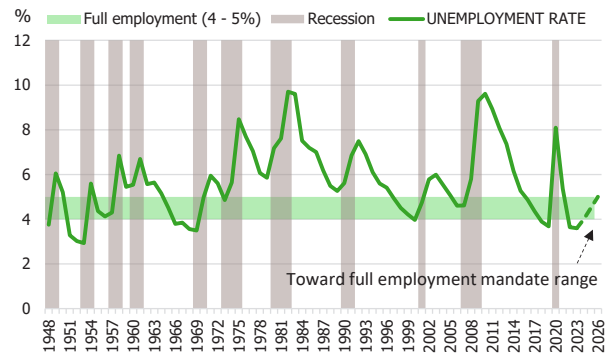
Sino-US trade war will likely continue no matter who wins the US election. Risk of a full-blown Middle East war should be monitored closely



Sahm's rule is now triggered, providing an early-warning sign of an economic recession in the US.

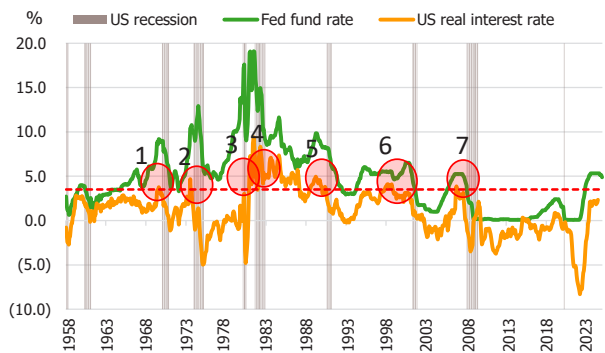
Floods could pose a downside risk to a Thai economic recovery, but the impact should be moderate.

Fig 31 When the 3-month average unemployment rate rises by 0.50% from its lowest level in the preceding 12 months, Sahm's rule indicates risk of recession.



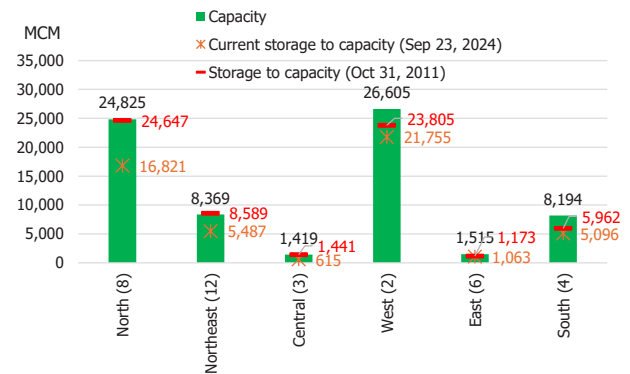
Source: KS Research, Bloomberg, Fed St. Louis

Fig 32 US real rate stood at 2.5%, below the stretched threshold of 3.0 - 3.5%, but a too high for too long interest rate environment could lead to an economic recession.



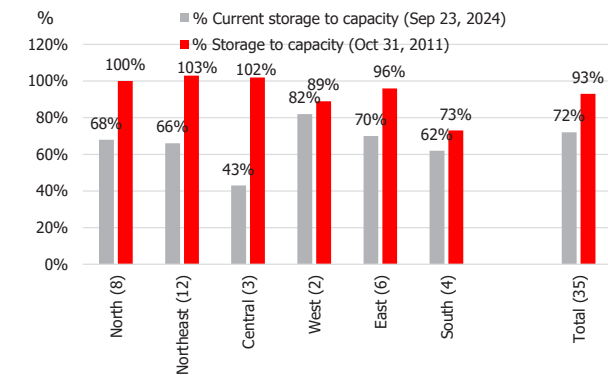
Source: KS Research, Bloomberg, Fed St. Louis

Fig 33 Storage to capacity in reservoirs across Thailand



Source: KS Research, NESDC, Thaiwater.net

Fig 34 Current flood situation is far from the great flood in 2011.



Source: KS Research, NESDC, Thaiwater.net





Investment Strategy and Top Picks

Still long-term call for Healthcare, tactical call for lower bond yield, oil price with Baht appreciation from fund inflows

Tactical call: When the sky is clear for Aviation sector

- Low-cost airline competition has stabilized since COVID-19, with aircraft supply dropping from 288 aircraft in 2017 to 205 in 2023 and with most operators running for profit, not market share.
- Avg. fare trends for AAV and BA bottomed out during COVID-19 and trended up since then.
- Labor strikes at Airbus and Boeing will impact aircraft supply chain
- Jet fuel price has declined from USD 100 per barrel to below USD 90 per barrel. We expect AAV and BA, whose fuel costs account for 40 percent and 25 percent of COGS, to be beneficiaries.
- The Baht appreciation will benefit cash flows by reducing fuel, rental, and maintenance costs, which are in US dollars, just as the high season arrives in 4Q2024.

- Awaiting consideration to increase the domestic excise tax from Baht 5.2 per liter to support airlines and promote domestic tourism.

• **Recommendation: AAV: Target price of Baht 3.22 and BA: Target price of Baht 26.87.**

- Risk factors: Intense competition, Baht depreciation, and rising jet fuel prices.

Tactical call: No jet fuel hedging positions for AAV and BA

Tactical call: Oil price outlook from various sources

What has happened to MOSHI? From Baht 60 to Baht 38 per share

Concerns: Competition from KKV – Will there be an impact? Yes! But how much?

How was the competition in the past?

Organic GPM improvement from...

Well maintained SG&A with healthy B/S and cashflow

Should MOSHI have higher multiple relative to other retailers?

Another proxy for falling bond yields: We choose Utilities

• The utilities sector is another group likely to see declining bond yields, with a negative correlation of -0.5 with Thai government bonds. Meanwhile, the non-bank sector has outperformed the SET, delivering an average return of approx. 26 percent, compared to the average return of 15 percent for traditional power plants since August 2024. We expect a shift from the non-bank sector to the utilities sector in the future.

• We ran a sensitivity analysis that showed every 10 bps change in WACC will generate upside for the Utilities sector of 2 percent.

• Positive impact from capping of downside of Ft despite both lower LNG price and Baht appreciation due to debt repayment scheme EGAT of around Baht 100 billion.





- GPSC is a prime beneficiary from the downward interest rate cycle in 4Q2024.

- Risk factor: Regulatory risk

KTB as a defensive and value play: Best opportunity in Banking sector

- We expect a re-rating of KTB's valuation multiple to bring it in line with peers, driven by the bank's strong ROE among large banks and its attractive dividend yield. We also expect KTB to benefit from new fund flows from both domestic and foreign investors.

- KTB stands to benefit from government investments starting in 2025, and we expect the overall banking sector to experience improved loan growth and better asset quality following the fiscal budget stimulus in 2025.

- KTB has maintained strong asset quality, with the second-highest LLR/loans ratio in the industry. It primarily lends to government-related projects, while the majority of its personal and housing loans are secured through MOUs that allow for installment deductions from employees' salaries.

- Risks: BOT cuts rate, regulatory risk, over-investment in virtual banking

Banking sector is a target for new fund flows from domestic and foreign investors

Capital management to boost ROE and increase shareholder value

- Raising payout ratio/Expressed intention to raise payout at analyst meeting: SCB, KBANK, TTB, TISCO, KKP, KTB

- Share buyback: KKP (22 million shares with a budget of Baht 950 million)



Sectors and Top Picks

We have a positive view of the SET in 4Q2024 as the SET usually yields a positive return following the Fed's first rate cut, and the positive return tends to be more pronounced if there is no recession in Thailand. Meanwhile, we believe risk of a recession in Thailand is remote. We recommend investors gear up risk exposure in their investment portfolio. Our recommended investment portfolio in 4Q2024 comprises three investment themes: a Baht appreciation (MOSHI and AAV), value plays (KTB and GPSC) and medical tourism (PR9).

Fig 35 Top Picks

Stock	Rating	Price (Bt)	Target price	Upside	P/E (x)		P/BV (x)		Net profit grth (%)		Div. yield (%)		ROE (%)	
		Sep 26, 2024	(Bt)	(%)	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E
AAV	OP	2.64	3.22	22.0	10.6	8.3	2.9	2.1	583.3	31.0	0.0	0.0	31.8	30.5
GPSC	OP	47.00	55.00	17.0	26.5	19.9	1.2	1.2	35.5	33.1	1.9	2.5	4.6	6.0
KTB	OP	20.70	19.10	-7.7	6.7	6.5	0.7	0.6	17.9	3.9	5.2	5.4	10.0	9.7
MOSHI	OP	44.75	55.00	22.9	29.9	22.7	6.3	5.3	23.1	31.5	1.3	1.8	21.2	23.4
PR9	OP	22.50	23.10	2.7	28.0	25.7	3.2	3.0	13.4	8.9	1.6	1.7	11.6	11.7

Source: KS Research





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Investment Ratings

Outperform: Expected total return of 10 percent or more within a 12-month period.

Neutral: Expected total return between -10 percent and 10 percent within a 12-month period.

Underperform: Expected total return of -10 percent or worse within a 12-month period.

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2024 US Elections

Five Key Points

as the Race Enters its Final Stretch

With just a few days remaining until the US presidential election on November 5, 2024, the latest polls from reputable sources like The Wall Street Journal, Reuters, and NBC News indicate a neck-and-neck race between Harris and Trump, making it hard to predict a clear winner. For investors, this heightened uncertainty raises the question of how to best prepare. This article summarizes five key points that can help investors adjust their investment strategies accordingly.

1. US elections: Beyond the Presidential race...Control of Congress – the Senate and House of Representatives – is equally significant.

Investors often concentrate solely on who will win the Presidency. However, there are other crucial factors that influence policy direction. This election also includes races for all 435 seats in the House of Representatives and 34 seats in the Senate. A likely outcome is a divided government, where each party holds the majority in one chamber of Congress. This scenario would limit the ability to enact significant policy changes, reducing the risk of drastic shifts in direction.

2. Economic factors are more relevant to investment strategy than party policies.

We can summarize the key policy differences between the two candidates as follows:

	Harris Policy Agenda	Trump Policy Agenda
Taxes	Extend certain provisions of the Tax Cuts and Jobs Act (TCJA) Increase taxes on high-income individuals and large corporations	Fully extend the Tax Cuts and Jobs Act (TCJA)
Import tariffs	Maintain current trade policy stance	Increase tariffs to cover a broader range of imported products
Energy	Support clean energy	Support fossil fuels
Healthcare	Expand public healthcare coverage by building upon Obamacare (ACA) Promote reasonable drug pricing	Introduce a new healthcare bill – American Health Care Act (AHCA) Promote drug price transparency
Monetary policy	Uphold the Federal Reserve's independence in conducting monetary policy	More likely to attempt to influence the Federal Reserve's policy decisions

However, investors should not focus on adjusting their portfolios based on predictions of who will become President and what their policies will be, as the election result is very difficult to predict. The pre-election polls merely reflect the popularity that a candidate has among the public, known as the popular vote. However, this is not what determines who will assume the Presidency under the US electoral system. Instead, the Electoral College, which is based upon the popular vote winner in each state, makes the final decision. To win the Presidency, a candidate must receive at least 270 Electoral College votes, which will be formally cast on December 17, 2024.



Moreover, historical data shows that stock market movements sometimes defy our expectations. This is particularly evident in the energy sector. During Trump's presidency (2017 - 2020), despite his support for fossil fuels, clean energy stocks surged by 275 percent while oil stocks plunged by 40 percent. Conversely, under Biden, although he championed clean energy policies, clean energy stocks have dropped by 50 percent while oil stocks have soared by 200 percent. **Therefore, investors should adjust their investment strategies based on broader economic factors that have more significant impact on returns and show more discernible trends, rather than solely on political outcomes.**

3. Regardless of who becomes President, the US fiscal deficit is likely to widen.

The first key point to expect is that regardless of who takes office, government spending will tend to increase. Prior bond issuance at elevated interest rates has resulted in a heavier interest payment burden for the government. Moreover, the policies of both parties aimed at cutting taxes and increasing government spending are expected to drive the fiscal deficit higher in the future. Once the market becomes concerned about the US public debt issue, US bond yields will be pressured, preventing them from falling rapidly. The Congressional Budget Office (CBO) estimates that in the base-case scenario, the US public debt-to-GDP ratio will increase from 97.7 percent in 2024 to 122.4 percent in the next 10 years. If the Tax Cuts and Jobs Act (TCJA) is extended, the debt ratio could increase to 133.5 percent. Therefore, **bond yield volatility is likely to persist going forward.**

4. The US-China trade war is certain to persist.

A persistent trade war is a predictable outcome, regardless of who assumes the Presidency. However, if Trump were to win the election, the impact could be more pronounced given his previously announced policy agenda. This includes plans to raise import tariffs on Chinese goods to over 60 percent and impose a blanket 10-percent import tariff on all global imports. That said, the renewed trade war would likely trigger market volatility.

5. Don't wait until after the election to invest. Stay invested and diversify your portfolio!

Historically, the US stock market often yields positive returns following elections, especially when the economy is not in a recession. The bourse typically becomes more volatile leading up to the election, as investors speculate on the outcome. Once the election is over and uncertainty fades – regardless of the outcome – the market typically rebounds as investors shift their focus back to fundamentals. **Waiting to invest until after the election could cause investors to miss out on the opportunity to capitalize on any post-election market rally.** In some election years, the market moved upwards even before the election results were known. **Therefore, investors are recommended to stay invested and focus on diversifying their portfolios** across various asset classes, including stocks in various countries, bonds, and alternative assets such as gold and REITs. This approach helps you avoid missing out on potential returns while reducing risk from market volatility.

Investors should study products' features, conditions and associated risks before making an investment decision. Please review fund policy and risk at www.kasikornasset.com.

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Data as of October 25, 2024



KBank Launches Kasikorn Vision Shanghai, Becoming the First Thai Bank Authorized to Register as a Chinese Private Equity Fund Manager





KASIKORN VISION (SHANGHAI) PRIVATE FUND MANAGEMENT CO., LTD. (Kasikorn Vision Shanghai), a subsidiary company in the KASIKORNBANK Group, has entered the Chinese private equity investment market. The company has been authorized to register as a private equity fund manager by the Asset Management Association of China (AMAC) and has received a Qualified Foreign Limited Partner (QFLP) investment quota of 1,500 million yuan. This provides a channel for foreign investors to invest in China's private equity market, which is the second-largest in the world. Kasikorn Vision Shanghai is the first company in the Group to receive such an authorization and quota. This success opens the door to investment opportunities in China for investors from Thailand and the AEC+3 region.

Mr. Pattarapong Kanhasuwan, KBank Executive Vice President, said, "Amidst global economic volatility and geopolitical tensions, China has adjusted its strategy towards greater self-reliance, focusing on maintaining economic stability through quality growth and sustainable development. It emphasizes the development of its own cutting-edge innovations and technologies, such as artificial intelligence (AI), robotics, advanced manufacturing, and clean tech. At the same time, China continues to expand its economic influence through these developed technologies abroad, as seen recently with examples like the relocation of electric vehicle (EV) production bases to Thailand, the expansion of Chinese e-commerce companies in the Thai market, and various consumer electronics products where China still maintains a strong supply chain advantage over many other countries. This private equity investment will support the growth of these technology businesses."

As a Regional Bank in AEC+3, KBank has pursued strategies to expand its business while also building a comprehensive financial ecosystem in the region, including connectivity to tap investment opportunities in China, a highly diverse and most promising market. Recently, KASIKORN VISION (SHANGHAI) PRIVATE FUND MANAGEMENT CO., LTD. (Kasikorn Vision Shanghai), a company in the KASIKORNBANK Group, was authorized by the Asset Management Association of China (AMAC) to register as a private equity fund manager, helping open the door to China's investment opportunities for investors from Thailand and the AEC+3 region.

"This entry into China's private equity market not only marks an expansion of our business, but also our commitment to offering investors diverse and high-potential investment opportunities in the Chinese market, allowing them to choose alternative asset classes, which can help them generate returns and diversify risks," said Mr. Pattarapong. The company plans to launch funds targeting investments in high-growth potential companies in China that align with China's macroeconomic policies and strategies, through the secondary private market or co-investments.

Mr. Pattarapong noted in closing, "This expansion into the private equity market builds on our success and strengthens our business network in China. The move reflects the capabilities of Thai financial institutions and signals the attractiveness of the Chinese capital market to foreign investors amid the changing global economic landscape."



**KBank and IRPC
pioneer innovative financial
instrument with Thailand's
first-ever Social-Linked THOR**

KASIKORNBANK (KBank) has partnered with IRPC Public Company Limited (IRPC) to create an innovative financial instrument aligned with ESG principles. This collaboration marks Thailand's first-ever interest rate swap using social management criteria, known as a Social-Linked THOR (Thai Overnight Repo Rate) swap. This groundbreaking financial instrument offers preferential interest rates if specified social impact targets are met, reinforcing both companies' commitment to advancing their businesses through ESG principles.



**KBank,
Orbix Tech, and PTT join forces to
launch Thailand's first Q-Bond**

KASIKORNBANK (KBank), in collaboration with Orbix Technology and Innovation Company Limited (Orbix Tech) and PTT Public Company Limited (PTT), announced the successful issuance and offering of PTT's Q-Bond, featuring a 1-year maturity and a fixed interest rate of 2.38 percent. The total value of bonds offered is Baht 500 million. KBank serves as the lead underwriter, registrar, and investor, while Orbix Tech has developed and maintained the application system under the Q-Bond project (Bond data on Quarix chain). This marks the first time in Thailand that Quarix Blockchain has been used for bond transactions.



**KBank awarded the Plaque
of Honor as a Climate Action
Leading Organization for 2024**

KASIKORNBANK (KBank) awarded the Plaque of Honor as a Climate Action Leading Organization (CALO) for 2024. KBank was one of 91 organizations to receive this honor, with only 23 organizations, including KBank, achieving the highest level in the financial business category for the second consecutive year. The accolade recognizes the Bank's clear goals and action plans in driving greenhouse gas reduction efforts, in both the management of and responsibility for the organization's greenhouse gas emissions to achieve the Net Zero target in line with the Paris Agreement.



KBank awarded HR Asia Best Companies to Work for in Asia 2024 – Thailand Region

KASIKORNBANK (KBank) won the HR Asia Best Companies to Work for in Asia 2024 – Thailand Region award for the third consecutive year, in recognition of the Bank’s excellent HR practices, high level of employee engagement, strong teamwork support, and distinctive corporate culture, underscoring its commitment to being the “Best Place to Work, Learn, and Lead”. The award presentation ceremony was organized by HR Asia, Asia’s most authoritative publication for HR professionals.



KBTG announces partnership to advance LLM development in Southeast Asia under Project SEALD

KXVC launches KX Horizon, a program designed to empower early-stage AI and Web3 startups, with the aim of collaborating and providing funding for new tech entrepreneurs

KASIKORN X VENTURE CAPITAL COMPANY LIMITED (KXVC) has introduced KX Horizon, a program designed to support early-stage (pre-seed and seed-stage) startups in the AI, Web3, and Deep Tech sectors. This initiative aims to attract promising founders, investors, and partners to join the program. Special emphasis is placed on startups developin infrastructure and applications so that their capabilities align with market demands and they have access to funding. KX Horizon also aims to help these startups enter the Southeast Asian market and compete successfully in the highly competitive global arena.

Beacon VC and GGGI join forces to boost climate tech startups and innovations in Thailand

Beacon Venture Capital Company Limited (Beacon VC), the venture capital arm of KASIKORNBANK (KBank), and the Global Green Growth Institute (GGGI) Thailand have signed a memorandum of understanding to promote startups and support the growth of climate technology innovations. The partnership aims to strengthen the ecosystem for climate tech innovations, preparing startups for fundraising, business expansion, and funding opportunities. Building upon their ongoing collaboration, Beacon VC and GGGI are now working on establishing a Climate Tech Equity Trust Fund, dedicated to investing in climate tech startups to combat climate change.





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