

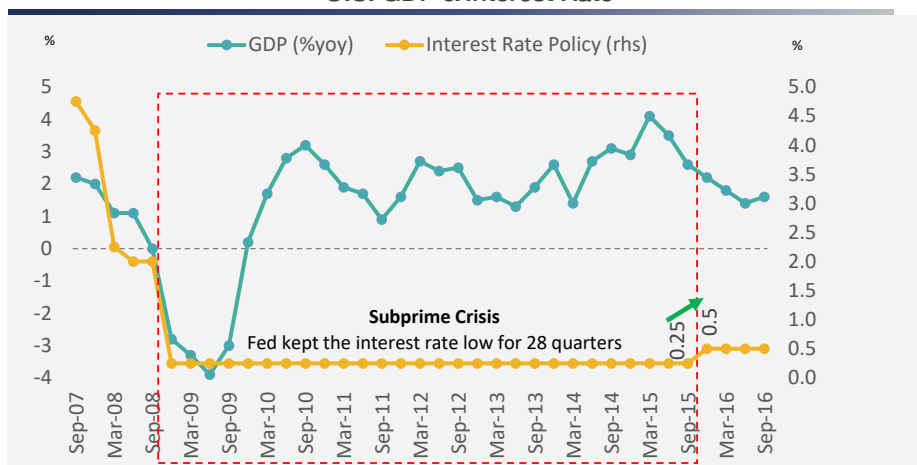


World GDP forecast has limited downside as many institutions revise up GDP forecasts. Interest rates are projected to stay low for the next 1-2 years. Economic stimulus measures would boost overall economy but hardly benefit listed companies. Today we partly cut investment in CRC and BEM and switch to PTT. Top picks are PTT and STGT.

SET Index testing 1,300 pts but breakout unlikely

Fed expects U.S. interest rate to be kept low at least until 2023. World GDP forecast has more limited downside as many institutions have revised up GDP forecasts. The CESA approved two economic stimulus worth B51bn, 1) additional B500 welfare card allowance for 14 million people for three months (totaling B21bn) and 2) Half-Half co-payment of up to B100/day or B3,000 in total for 10 million people aged over 18 (totaling B30bn). The CESA is also encouraging foreigners to buy condominiums or property funds, provided that they do not transfer or mortgage such assets in five years; this would boost sell-off of freehold condominium inventories. SET Index is expected to test 1,300 pts, but a bullish breakout is unlikely. For our portfolio today, we cut CRC and BEM by 5% each and switch to PTT. Top picks are PTT and STGT.

U.S. GDP & Interest Rate



Source: Bloomberg

SET Index	1,293.48
Change (pts)	7.30
Market Cap (Million B)	52,709

Net Trading Value by Investor Type (Million B)

Foreign	-1,184.29
Proprietary	-382.65
Institutional	1,111.83
Retail	455.11

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GDP growth forecast has more limited downside

The global economy already bottomed out in 2Q20. World GDP growth forecasts have more limited downside. Since early-September, economic institutions and central banks worldwide have revised up 2020 GDP growth forecasts, having positive sentiment on global stock markets.

GDP Forecasts by Financial Institutions (September estimates)

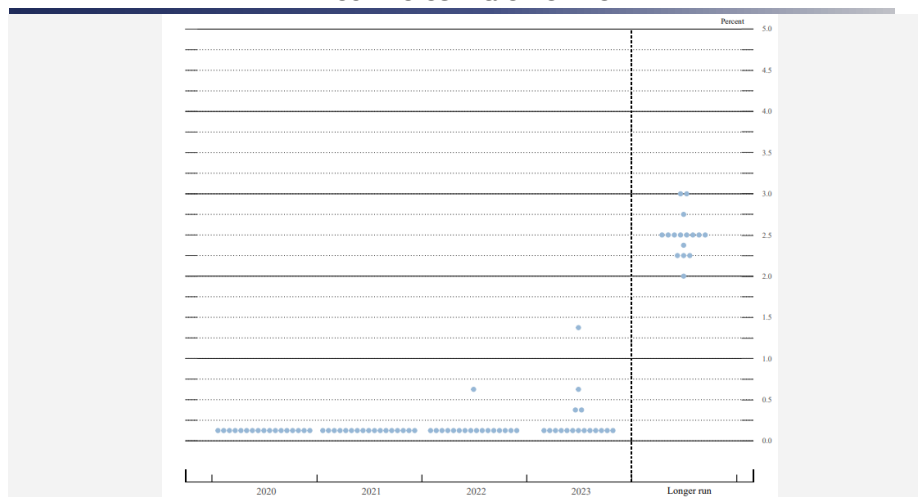
Economic Institution	GDP 2020F		Note
	New	Old	
 ECB	-8.0%	↑ -8.7%	EU's GDP
 OECD	-4.5%	↑ -6.0%	World's GDP
 Fed	-3.7%	↑ -6.5%	US's GDP
 UTCC	-8.0%	↑ -9.0%	Thailand's GDP

Source: ASPS Research

Fed meeting yesterday was as expected. U.S. interest rate was held at 0-0.25%, while there are other notable issues:

- 1) Fed fund rate will be kept low for at least four years, probably until 2023 (see dot plot below). During the Subprime crisis, Fed kept the interest rate low for 28 quarters or seven years. As Fed is clearly keeping the interest rate low, USD is expected to weaken from now on, boosting commodity prices (gold and crude oil).

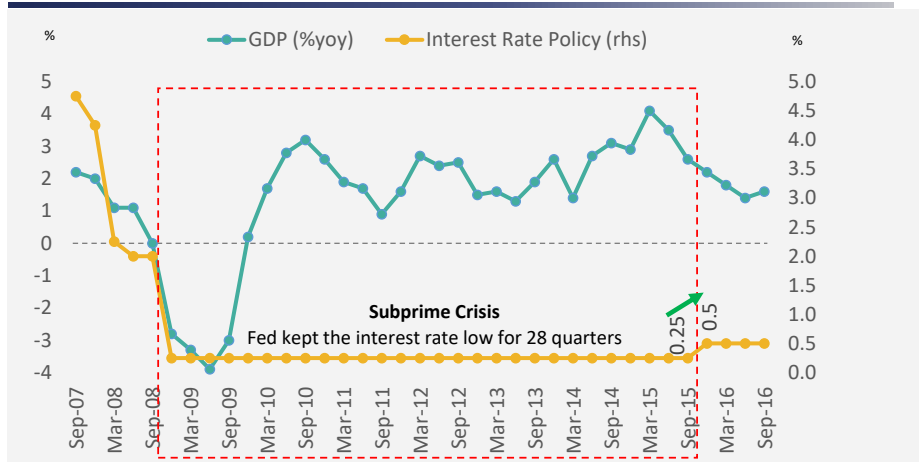
Fed Interest Rate Dot Plot



Source: Fed (September 17, 2020)

- 2) Fed has better economic outlook:
 - 1) 2020 GDP is anticipated to improve.
 - 2) The inflation rate is projected to increase.
 - 3) The unemployment rate is expected to decrease continuously.

U.S. GDP & Interest Rate



Source: Bloomberg

U.S. GDP, Inflation Rate & Unemployment Rate

Variable	Median ¹			
	2020	2021	2022	2023
Change in real GDP	-3.7	4.0	3.0	2.5
June projection	-6.5	5.0	3.5	
Unemployment rate	7.6	5.5	4.6	4.0
June projection	9.3	6.5	5.5	
PCE inflation	1.2	1.7	1.8	2.0
June projection	0.8	1.6	1.7	
Core PCE inflation ⁴	1.5	1.7	1.8	2.0
June projection	1.0	1.5	1.7	
Memo: Projected appropriate policy path				
Federal funds rate	0.1	0.1	0.1	0.1
June projection	0.1	0.1	0.1	

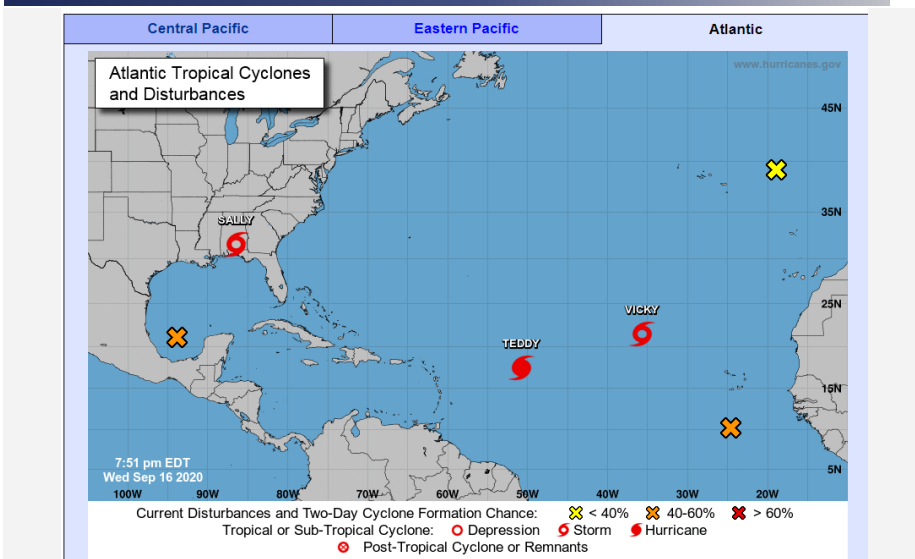
Source: Fed (September 17, 2020)

Oil price rises 4% from Hurricanes. Boosting oil plays: PTT

Global crude oil price rallied yesterday, especially Brent price that rose 4% to US\$42.2, thanks to the following factors:

- Oil supply is decreasing. Reported by U.S. EIA yesterday, crude oil inventories decreased 4.3 million barrels (versus 1.2 million barrels gain expected). There were many hurricanes recently. After Hurricane Laura last week came Hurricane Sally earlier this week and then Teddy and Vicky. They are approaching Gulf of Mexico that makes up 17% of U.S. oil production, forcing oil facilities to shut down and decreasing supply for the short term. September is normally a hurricane season in Gulf of Mexico.

Hurricane Sally, Teddy & Vicky Approaching Gulf of Mexico



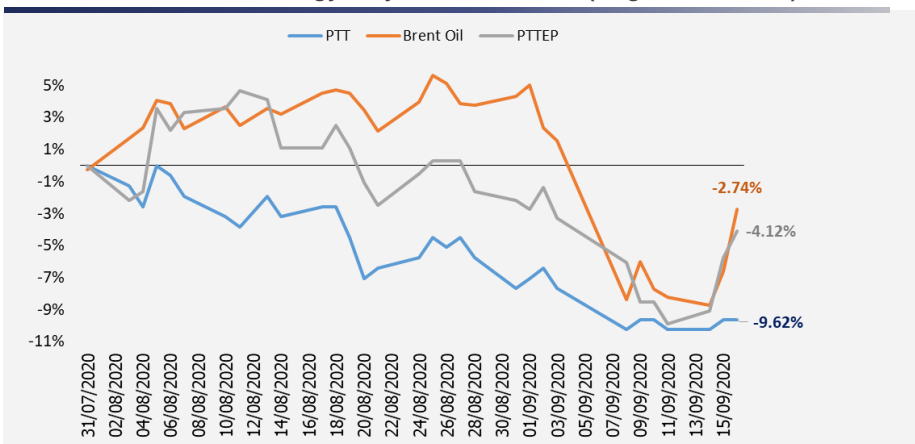
Source: National Hurricane Center (September 16, 2020)

- Oil demand has rebounded as 2020 GDP forecasts are revised up even amid the COVID-19 pandemic. Notably, worldwide new COVID-19 case count averaged 300,000 cases/day and accumulated case count was 30 million.

A rapid rise in crude oil has positive sentiment on energy plays, especially our top picks IVL(BUY:FV@B32) and PTT(BUY:FV@B41) with BUY recommendation.

PTT(FV@B41.00) - Many economic institutions have more positive outlook, while oil supply is pressured by hurricanes in Gulf of Mexico, so crude oil prices are rising rapidly in the short term, benefiting energy plays. However, PTT hardly rose in the past one month, laggard from Brent oil price by 7%. PTT also has upside from the listing of its subsidiary OR. Yesterday, the Securities and Exchange Commission (SEC) approved OR's initial public offering (IPO) and issuance of up to 3 billion newly-issued IPO shares (25% of paid-up shares after IPO).

Returns of Energy Plays vs Brent Price (August – Present)



Source: ASPS Research

B51bn economic measures hardly benefits major players

Yesterday, the Center for Economic Situation Administration (CESA) approved economic stimulus measures worth B51bn (0.46% of 2019 GDP) focusing on grassroots consumption, effective in October-December 2020. These measures will be submitted to the cabinet for approval on September 22, 2020.

- Under the Half-Half package worth B30bn, the government will help pay 50% (co-payment) of spending on food, beverage, and general goods (excluding lottery ticket, alcoholic beverage, tobacco, and service) for 10 million people with a cap of B100/day or B3,000/month via Pao Tung app, focusing on general shops and small vendors but not including registered commercial shops, convenience stores (e.g. 7-11), and franchise stores.
- State welfare card allowance is raised by B500 to B700-800/month for 14 million people, totaling B21bn.

Major retail and convenience store players would not directly benefit from this Half-Half package but indirect benefit from it. They would benefit more directly from additional welfare card allowance. These measures have positive sentiment on CPALL(FV@B75.5).

Returns of Energy Plays vs Brent Price (August – Present)

Economic Stimulus Measures (Aug 12 - Present)	
SMEs	• Soft Loan for small-sized SMEs, Tourism, and Supply Chain (B114bn in total)
Farmers	• 2020/2021 Price Guarantees for Agricultural Products (Rubber, Cassava)
Tourism	• We Travel Together (extended) : 1) Hotel subsidy of 40% for ten nights (up from five), 2) Air ticket subsidy of B2,000, 3) B900/day food voucher, 4) Two extra day-off for state employees.
Airlines	• Soft loan for Airlines (B24bn in total)
Consumption and Household Cost Cut	• Farmer Support (extended) - One-time B15,000 cash handout for 155,000 farmers, extended to September 15, 2020 (B2.25bn in total) • Toll waiver for Motorway 7 and 9 during long weekend (Sep 4-7, 2020) • Employment Boost helping employers pay 50% of salary for 200,000 new graduate for 12 months (Oct 1, 2020 - Sep 30, 2021) • Half-Half Co-Payment via Pao Tung app for spending on small stores with a cap of B100-200/day or B3,000/month for 10 million people (B30bn in total) • Raising welfare card allowance by B500 to B700-800 (B21bn in total)
Investment	• B2,771m budget for road safety improvement (approved)
Tax	• Maintaining VAT at 7% for one more year (until Sep 30, 2021)
Covid-19	• Funding B1bn for Covid-19 vaccine development at Chulalongkong & Oxford
Political	• Extending Emergency Decree by one more month, ending Sep 2020

Source: ASPS Research

Moreover, the CESA will broaden options for foreign condominium buyers, benefiting condominium plays focusing on foreign customers. The CESA will consider additional options for foreigners proposing to buy condominiums and property funds based on value - provided that buyers does not mortgage, sell, or transfer these assets in the next five years - and exempt the requirement that foreigners must live in Thailand for at least three years before proposing.

This would have positive sentiment on property plays, especially condominium plays with 10-30% of sales revenue from foreign customers. This measure would encourage foreigners to buy condominiums in Thailand and speed up sell-off of ready-for-transfer condominium inventories worth over B1tr. Condominium developers focusing on foreigners would mainly benefit from this, especially NOBLE that had over 34% of 1H20 presales from foreign buyers.

First trading day for SAWAD-W2

Today is the first trading day of SAWAD-W2; details are as follows:

- First trading day - September 17, 2020
- The number of remaining warrants - 54,923,477 units
- Exercise ratio - One unit of warrant to one ordinary share
- Exercise price - B100
- Remaining term - Five years
- First exercise date - February 28, 2023
- Last exercise date - August 29, 2025

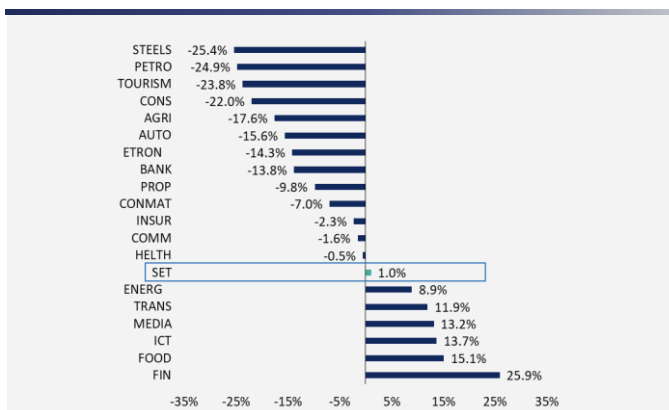
Theoretical Price Assumption of SAWAD-W2

SAWAD Price	Volatility*		
	6 Months	12 Months	18 Months
47.75	15.25	11.67	9.62
48.00	15.38	11.78	9.72
48.25	15.51	11.89	9.82
48.50	15.63	12.00	9.91
48.75	15.76	12.11	10.01
49.00	15.89	12.22	10.11
49.25	16.01	12.33	10.21
49.50	16.14	12.44	10.31
49.75	16.27	12.55	10.41

Based on volatility assumption of 65% for 12 months, 55% for 18 months, and 70% for 6 months

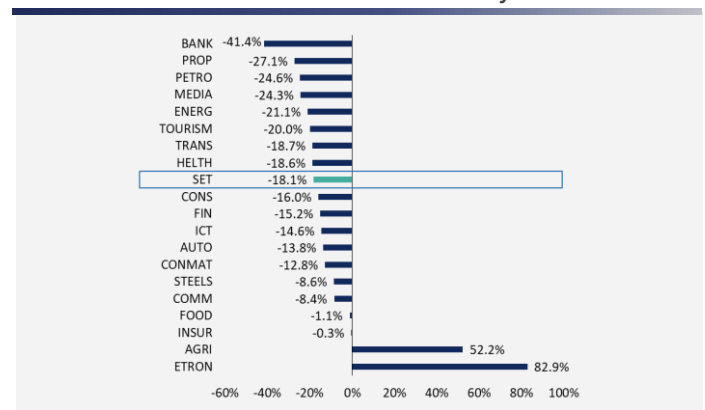
Source: ASPS Research

SET vs Sector Return 2019



Source: ASPS Research

SET vs Sector Return 2020ytd



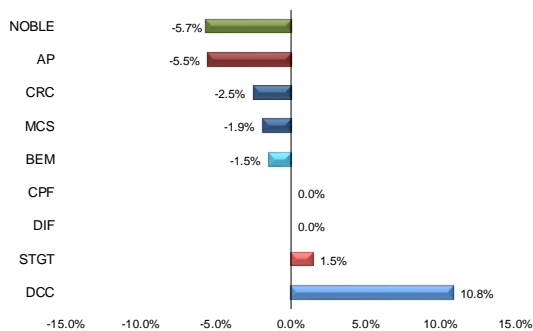
Source: ASPS Research

Market Talk Top Picks

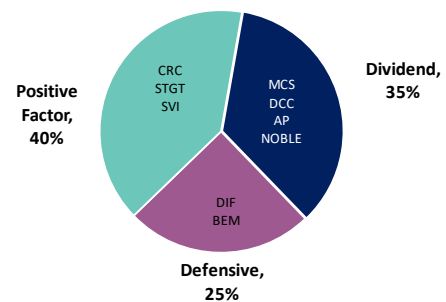
Stocks	Start Date	Weight	Accumulated Return	Price Avg. Cost	Price Last	Fair Value	PER 2020F	Dividend Yield	Cut Loss/ Stop Profit	Strategist Comment
DCC	19 Aug 20	10%	10.83%	2.40	2.66	2.85	15.20	5.46	2.58	DCC's profit is expected to grow further thanks to lower cost of natural gas and higher sales mix of premium large tile goods.
AP	8 Sep 20	10%	-5.51%	6.35	6.00	7.70	5.45	6.97	5.90	AP has low-rise and condominium products at all price ranges and backlog of B46bn. 2H20 profit would be driven by new low-rise and condominium products.
CPF	15 Sep 20	10%	0.00%	30.50	30.50	41.00	10.28	2.95	28.75	We revise up CPF's 2020-2021 forecast by 13.7% to reflect the acquisition of a pork business in China. CPF's normalized profit is estimated at grow 21.3%yoy in 2020 and 26.5%yoy in 2021.
CRC	18 Aug 20	15%	-2.50%	30.00	29.25	33.50	154.53	0.26	28.00	CRC's sales in June rebounded near pre-COVID-19 level, driven by online sales that stood high. Profit margin improved. CRC is likely to rally.
BEM	13 Aug 20	15%	-1.47%	9.08	8.95	10.00	60.56	1.07	8.60	BEM's profit is expected to rebound in a V-shaped pattern as traffic volume and passenger volume almost return to normal. Plus, it has positive sentiment from Orange Line.
DIF	9 Sep 20	15%	0.00%	14.80	14.80	N.A.	N.A.	7.05	14.00	DIF is a good safe haven amid SET fluctuation. Dividend yield expected over 6%p.a
MCS	16 Jul 20	10%	-1.87%	13.35	13.10	17.70	7.37	6.59	12.60	MCS's 2Q20 profit grew 71%yoy to B225m, mainly from delivery volume of 13,500 tons to Japan.
STGT	26 Aug 20	10%	1.45%	68.75	69.75	100.00	10.23	3.91	62.25	STGT's 3Q20 net profit is expected to jump 258.8%qoq and 2,965.8%yoy and make a new high for the second quarter thanks to a continuous rise in rubber glove selling price.
NOBLE	8 Sep 20	5%	-5.71%	14.00	13.20	N.A.	N.A.	15.15	12.90	NOBLE's 2H20 profit is expected to grow robustly from 1H20 thanks to transfers of three new condominiums and acquisition by a major shareholder.

Today we cut investment in CRC and BEM by 5% each and switch to PTT by 10%

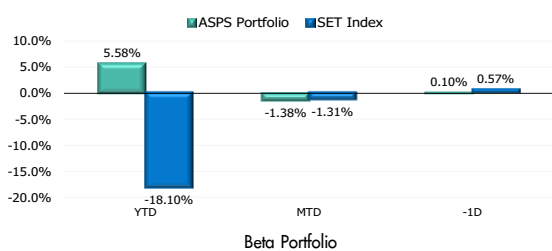
Accumulated returns since our recommendation



Stock Classification



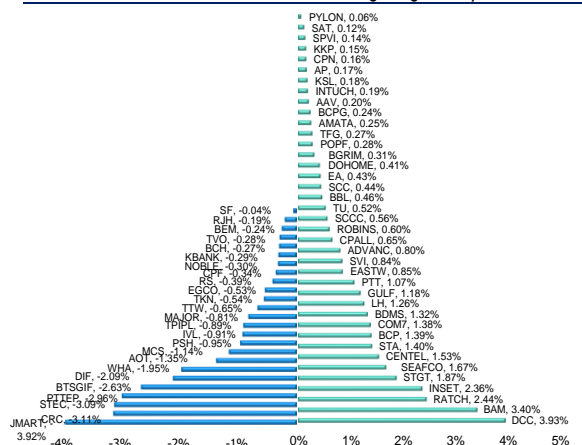
Accumulated returns



Beta Portfolio



Accumulated returns since beginning of the year



Source: ASPS Research

Equity Calendar

Research Division

September 17, 2020

September 2020					
Monday	Tuesday	Wednesday	Thursday	Friday	
14 XD GAHREIT @B0.30 HTC @B0.78 XR DIMET 1:2n @B0.10 XW DIMET 1.335 existing :1DIMET-W4 @free	15 New shares trading 7UP 136.240m shrs (pp)	16 New listing - Warrant SAWAD-W2 54.923m units, B1 par New shares trading TASC13C2011A 199m units TASC13C2012A 199m units	17 Par decrease SPRIME B9.382 par (from B9.519) XR AMATA 12.8554217:1n @tba	18	
21	22 XD ILM @B0.15	23	24 XR TSF 1:2n @B0.02 MPC meeting	25	
28	29 XD FNS @B0.15 TFMAMA @B2.70 Conversion APURE-W2 1.03582:1w @B4.827 BROOK-W5 1:1w @B0.25 BTS-W5 1.01:1w @B13.865 CHAYO-W1 1:1w @B6.50 CSC-P 1:1 GLOCON-W4 1:1w @B0.50 ITEL-W1 1:1w @B5.00 ITEL-W2 1:1w @B3.00 J-W1 1:1w @B2.00 JMART-W3 1:1w @B11.00 JMART-W4 1:1w @B15.00 JMT-W2 1.02031:1w @B18.62187 MACO-W2 1:1w @B2.10 MILL-W4 1.14:1w @B1.93 ORI-W1 1:1w @B13.3333 (final) PACE-W3 1:1w @B0.25 PERM-W1 1:1w @B1.80 PRIME-W1 1.3946:1w @B1.0752 PRIME-W2 1.3905:1w @B1.5273 SCB-P 1:1 SINGER-W1 1:1w @B7.00 SINGER-W2 1:1w @B14.00 TCC-W3 1.23886:1w @B0.807 TCC-W4 1.10801:1w @B0.903 TRITN-W1 1:1w @B5.00 TRITN-W3 1.00027:1w @B0.24993 U-W4 0.01:1w @B6.00 UREKA-W2 1:1w @B1.00 VIBHA-W3 1.00086:1w @B2.997 VGI-W2 1:1w @B10.00 ZMICO-W4 2:1w @B2.70 BOT : Aug-20 Trade	30			
October 2020					
Monday	Tuesday	Wednesday	Thursday	Friday	
			1	2	
					MOC : Sep-20 CPI
5 XD CHAYO @B0.0027777 CHAYO 20 existing : 1STD @free	6 XE SANKO-W1 1:1w @B1.00 ("SP", final) MPR Press Conference	7	8	9	
12	13 PUBLIC HOLIDAY (H.M. King Bhumibol Adulyadej The Great Memorial Day)	14 XD SSP @B0.11 XR BCPG 8:1n @B11.50 XW BCPG 1:1BCPG-W1 @free BCPG 1:1BCPG-W2 @free	15 XR NBC 5:2n @B0.53	16	
19	20	21	22	23 PUBLIC HOLIDAY (Chulalongkorn Day)	
26	27	28	29	30 Conversion SANKO-W1 1:1w @B1.00 (final) BOT : Sep-20 Trade	
November 2020					
Monday	Tuesday	Wednesday	Thursday	Friday	
2	3	4 XD MC 0.20	5	6	
MOC : Oct-20 CPI					MPC meeting
9 XW JMT @tba	10	11	12	13	