Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52553.0	(0.2)	0.1	1.1	9.3
S&P 500	7533.8	(0.5)	(0.1)	0.3	10.1
FTSE 100	10572.2	0.5	1.0	0.7	6.5
AS30	9036.9	0.0	0.8	(1.0)	0.2
CSI 300	4698.4	(1.8)	(3.6)	(3.8)	1.5
FSSTI	5539.4	(0.4)	1.9	8.3	19.2
HSCEI	8318.1	1.6	4.0	0.9	(6.7)
HSI	25008.6	1.3	4.1	2.1	(2.4)
JCI	6108.2	1.1	3.3	(2.3)	(29.4)
KLCI	1722.2	0.5	2.7	0.7	2.5
KOSPI	6820.6	(6.4)	(6.5)	(21.8)	61.8
Nikkei 225	66835.5	(2.8)	(1.3)	(3.7)	32.8
SET	1635.3	0.3	1.7	3.0	29.8
TWSE	45625.0	(0.0)	0.6	(0.4)	57.5
BDI	2840.0	(3.0)	(2.4)	6.4	51.3
CPO (RM/mt)	4497.5	0.0	0.3	0.6	14.4
Brent Crude (US$/bbl)	84.2	(0.8)	10.4	6.7	38.4

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
June. Customs Trade Balance (Export-Import)	Thailand	21-26 July

Please click on the page number to move to the relevant pages

Thailand

Strategy | Feedback From 2H26 Strategy & Healthcare Roadshow Page 2

2H26 Thai equity roadshow recap: Institutional feedback from Kuala Lumpur showed strong positive sentiment. Key investor interest focused on Thailand's burgeoning AI and data centre supply chain, driven by massive BOI applications. While doubts remain over a consumer recovery, cheap valuations make domestic plays compelling. A new copayment stimulus scheme is set to lift grassroots consumption, directly boosting banking and finance. Meanwhile, healthcare remains highly competitive, buoyed by specialised care, a robust Middle Eastern patient recovery, and superior margins.

Strategy

Feedback From 2H26 Strategy & Healthcare Roadshow

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Highlights

- Investors remain positive and are showing strong interest in Thailand's data centre and AI supply chain story, as well as the recovery potential of domestic sectors, which could serve as a catalyst for the banking, finance, retail, and tourism sectors.
- Thailand's healthcare sector outlook is improving as Middle East patients return ahead of the peak rainy season.
- We expect Thai equities to maintain a positive momentum in 2H26, driven mainly by favourable financial conditions that support market re-rating.

Analysis

- **Roadshow recap: Thai equity strategy for 2H26 and healthcare sector update.** We wrapped up our 2H26 strategy roadshow in Kuala Lumpur, Malaysia, engaging with fund managers and institutional clients. During the roadshow, we presented our 2H26 Thai equity market outlook alongside a comprehensive update on the healthcare sector, where we maintain a positive view on the Thai equity outlook in 2H26.
- **Favourable financial conditions to drive a market re-rating.** We expect the Thai market to maintain a positive momentum in 2H26, driven by favourable financial conditions which we believe would support market re-rating. We highlight three core investment themes: a) a new investment cycle driven by AI and data centres, b) recovery in domestic demand, and c) a negative real interest rate environment.
- **Strong external momentum and FDI underpinned the economy in 1H26.** The economy was resilient in 1H26 on the back of export growth of 18% in 4M26 and exceptionally strong FDI, with Thailand ranking among the four key countries in the global AI and semiconductor supply chain. Nearly 90% of BOI investment applications in 5M26 were for data centres, including an investment of over Bt100b by TikTok.
- **Domestic sectors to take the baton in 2H26.** We expect domestic sectors such as retail to recover and replace exports as the key growth driver. The El Niño drought should have a limited impact this year given still-high water levels in major dams, while farm income has turned positive for the first time in 13 months, which should support consumption.
- **Compelling valuations.** The Thai market is very cheap relative to domestic liquidity (M2). Excluding Delta Electronics, market PE fell to only 13.5x (vs the historical mean of 16x), while more than 60% of listed stocks are trading below book value.
- **Healthcare: Improving outlook after Middle East tension; BH and PR9 are our top picks.** The outlook is improving on the return of Middle East patients – flights have recovered to 105% of pre-war levels – while the 3Q rainy season is the sector's high season. BH is the biggest beneficiary of the return of foreign patient flow (22-24% of revenue from Middle East patients, costs locked in, ~40% premium margin), while PR9 is a growth stock following BH's strategy with a unique price position, with strength in specialised treatments such as diabetic wound and kidney diseases. Key headwinds: weak domestic consumption, rising drug and logistics costs (especially for BDMS) and competition for foreign patients.

Top Picks

Company	Rec	Share Price (Bt)	Target Price (Bt)
BBL TB	BUY	198.50	220.00
BGRIM TB*	BUY	18.40	17.00
BH TB	BUY	183.50	236.00
CENTEL TB	BUY	36.50	45.00
CPN TB	BUY	66.75	73.50
CRC TB	BUY	23.30	25.50
GULF TB	BUY	63.50	70.00
KTC TB	BUY	38.25	44.00
MINT TB	BUY	23.20	38.00
MTC TB	BUY	32.25	50.00
PR9 TB	BUY	18.00	24.60
WHA TB	BUY	5.45	5.00

**Coverage on our retail platform*
Source: UOB Kay Hian

Feedback and Key Takeaways

- **Investors are positive, with strongest interest in data centres and AI supply chain.** Investors asked in-depth questions on who is investing, investment values and the tax incentives the government will grant. We noted that 20-25% of Thai exports go to the US and 15-20% to China (mostly semiconductors), while nearly 90% of BOI applications in 5M26 were for data centres, led by TikTok's investment of over Bt100b. On power supply, Thailand's headline reserve margin appears high at 40%, but counting only the stable capacity that data centres require, the effective margin is just 1%. We expect new power plant auctions within the next 1-2 years, while direct PPA legislation is being pushed forward, which is positive for the industrial estate and utilities sectors.
- **New copayment scheme and government stimulus measures will be positive for financial sector initially.** Investors were keen to know what the handout can be spent on. The scheme will provide Bt4,000 per person, disbursed at Bt1,000 a month over four months through a mobile application to prevent fraud. Spending is restricted to small merchants and grocery stores only. As the scheme cannot be used at large convenience store chains such as 7-Eleven or at department stores, its direct benefits to modern trade operators will be limited. However, it should support the recovery of the grassroots economy and overall economic activity, which would benefit the banking sector through stronger loan demand and the finance sector through improved loan quality.
- **Strong investor interest in domestic consumption despite recovery doubts.** Despite lingering scepticism over the pace of recovery after more than two years of underperformance in the consumer sector – particularly retail – active inquiries regarding SSSG turnaround, government stimulus measures, drought impacts, and the influence of foreign tourist spending signal strong investor interest in the space. In our view, while the de-rating over the past two years was triggered by declining ROE, the correction in PER has been excessive, creating a compelling entry point for domestic-oriented plays across retail, finance, healthcare, transportation, and tourism.
- **Positive reception for Thai healthcare's specialisation and competitiveness.** Investors were positive on the growth and market expansion of Thai hospitals, particularly their expertise in complex treatments – PR9's kidney transplant capability and diabetic wound care drew such strong interest. Questions from investors mainly revolved around the impact of the war on the outlook of Middle East patients which alleviate their worries as the recovery momentum has been robust. Investors were also impressed by Thailand's competitiveness vs Malaysia: Valuations are cheaper, foreign patients contribute 13-66% of revenue vs Malaysia's 6-12% (supporting higher margins), and Thai hospitality is preferred by foreign patients. We also noted that the sector paid special dividends around end-25 to early-26 to compensate and attract investors after foreign selling in Thai healthcare, while AI adoption has begun in X-ray interpretation and blood glucose reading to ease doctors' preliminary diagnostic workload, though it is not yet widely used in patient monitoring.
- **Healthcare concerns centre on cost pressure and regional politics.** Investors are worried that rising logistics and medical supply costs, driven by higher energy prices, could pressure margins at hospitals that have not locked in costs, such as BDMS. Questions were also raised on the Cambodian boycott of Thai goods; we see limited impact, as Thai products and healthcare remain the cheapest and most accessible options for Cambodian patients, leaving them with little alternative but to continue relying on Thai services.

Top Picks

- We expect the Thai market to improve in 2H26, driven by favourable financial conditions. Our three key investment themes are: a) a new investment cycle driven by AI and data centres (industrial estates, utilities); b) recovery in domestic demand (banking, finance, retail); and c) a negative real interest rate environment (tourism, healthcare, transport). Our top picks are BBL, BH, CENTEL, CRC, CPN, GULF, BGRIM, KTC, MINT, MTC and WHA. For healthcare, our recommendation is OVERWEIGHT and our top picks are BH and PR9.

Valuation Of Our Top Picks

Company	Ticker	Rec	Price 15 Jul 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)
Bangkok Bank	BBL TB	BUY	198.50	220.00	10.83	12/25	8.2	8.5	8.1	5.6	7.6	11,344	0.6
B.Grimm Power	BGRIM TB*	BUY	18.40	17.00	(7.61)	12/25	28.6	25.1	19.1	2.4	4.0	1,436	1.3
Bumrungrad Hospital	BH TB	BUY	183.50	236.00	28.61	12/25	21.2	20.8	19.4	2.6	24.9	4,368	4.9
Central Plaza Hotel	CENTEL TB	BUY	36.50	45.00	23.29	12/25	24.7	24.6	21.9	1.8	8.6	1,475	2.1
Central Pattana	CPN TB	BUY	66.75	73.50	10.11	12/25	15.9	15.7	14.9	3.7	15.4	8,969	2.5
Central Retail Corporation	CRC TB	BUY	23.30	25.50	9.44	12/25	19.0	18.2	16.9	4.8	11.0	4,207	2.2
Gulf Development	GULF TB	BUY	63.50	70.00	10.24	12/25	11.2	27.2	26.6	2.1	8.7	28,404	2.6
Krungthai Card	KTC TB	BUY	38.25	44.00	15.03	12/25	12.7	12.0	11.8	4.9	17.9	2,953	2.1
Minor International	MINT TB	BUY	23.20	38.00	63.79	12/25	14.6	12.7	11.5	3.7	9.1	3,938	1.2
Muangthai Capital	MTC TB	BUY	32.25	50.00	55.04	12/25	10.2	9.0	8.1	1.0	16.3	2,047	1.4
Praram 9 Hospital	PR9 TB	BUY	18.00	24.60	36.67	12/25	17.2	16.1	14.3	3.1	14.4	424	2.2
Wha Corporation	WHA TB	BUY	5.45	5.00	(8.26)	12/25	15.9	15.7	14.8	n.a.	12.4	2,439	2.1

**Coverage on our retail platform*
Source: UOB Kay Hian

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