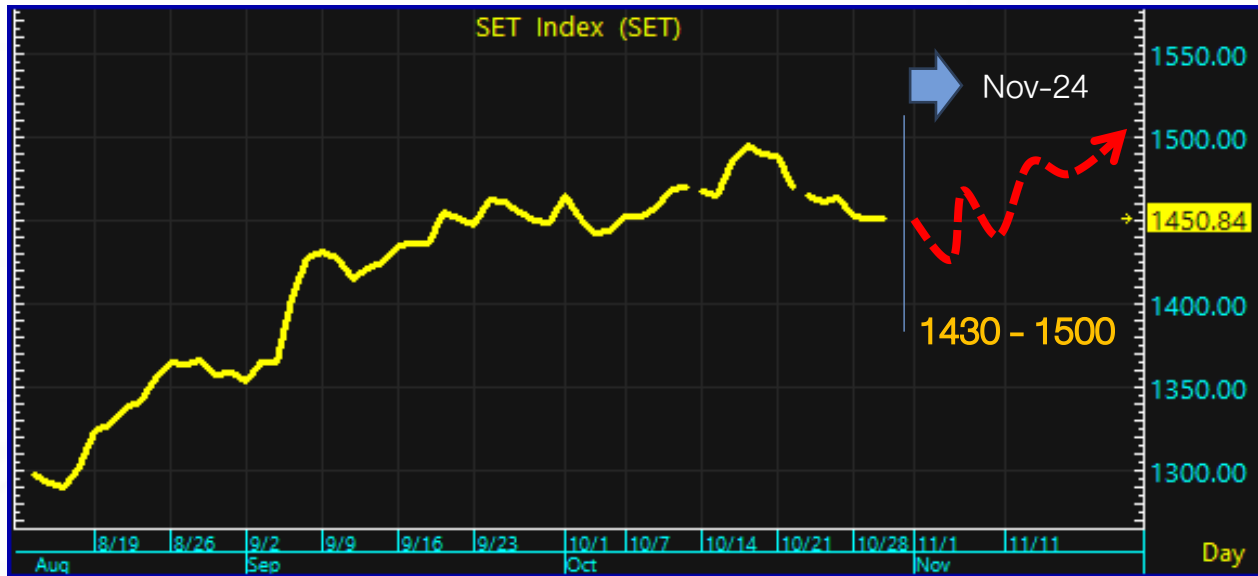




# Monthly Insights

November 2024



- We expect the SET Index to trade within a range of 1,430 to 1,500 points in November.
- Key factor influencing the market include the US midterm elections on November 5<sup>th</sup>, the FOMC meeting on November 7<sup>th</sup>, and the anticipated announcement of China's economic stimulus package between November 4<sup>th</sup> and 8<sup>th</sup>. A potential risk to the market is an escalation of the Israel-Lebanon conflict.
- Investment strategy: Given the potential market volatility, we recommend taking profits on stocks that have experienced significant gains. Additionally, investors should closely monitor the upcoming 3Q24 earnings season.
- Top Picks: BEM, CBG, KTB, MOSHI, SCGP, SSIB, and SJWD

## KEY FACTORS



**(+) FOMC meeting:** The FOMC meeting on November 6<sup>th</sup>-7<sup>th</sup> is expected to result in a 25-bps rate cut to 4.5-4.7%, following September's 50-bps cut. A potential Trump midterm victory could introduce inflationary pressures due to trade protectionist policies and increased tariffs on Chinese imports, influencing the Fed's monetary policy decisions.



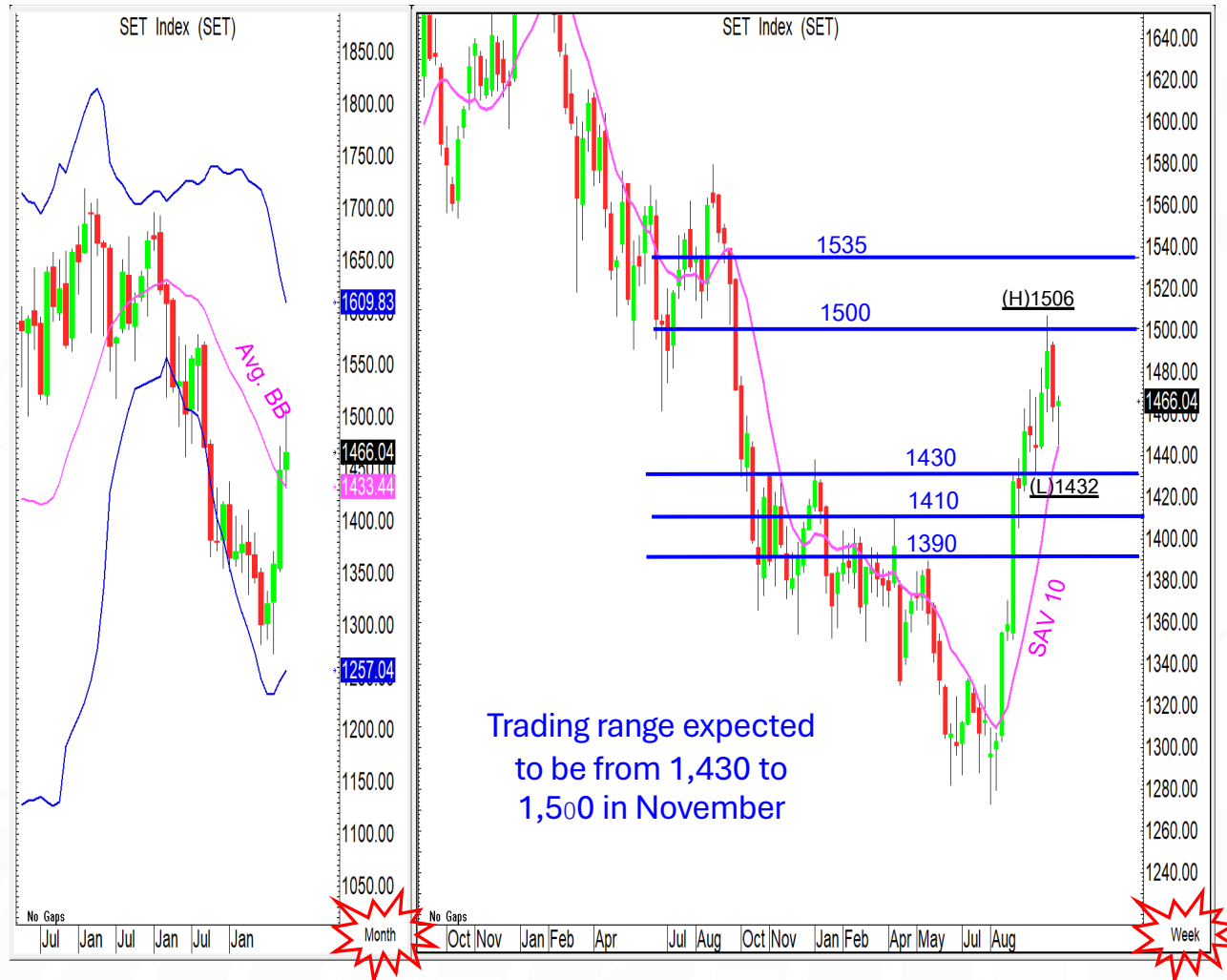
**(+/-) US presidential election:** The US presidential election on November 5 could lead to volatility in global risky assets. Both parties are targeting China, which benefits industrial estate stocks due to investment shifts from China to Thailand and ASEAN. However, a Trump victory might accelerate US inflation in the medium to long-term, potentially impacting the Fed's rate decision.



**(+) China economic stimulus:** Following a 10% surge after China's major economic stimulus package in September, the CSI 300 Index has pulled back. Market participants eagerly await the November 4<sup>th</sup>-8<sup>th</sup> meeting, anticipating additional stimulus measures.



**(-) Escalating geopolitical conflict:** While Lebanon-Israel conflict has escalated, Iran has not yet made an official statement regarding potential retaliation against Israel. Meanwhile, Hezbollah has appointed Naim Qassem as its new leader following the assassination of its former leader. This geopolitical instability is affecting market sentiment and poses a significant downside risk to investment.



**Support: 1,430/1,410-1,390**

**Resistance: 1,500-1,535**

## October recap

The SET Index was volatile in October, fluctuating between 1,432 and 1,506. After a pullback in the first week of the month, the index found support at 1,430 and subsequently rebounded, even reaching a one-year high of 1,506. However, a subsequent sharp decline of 63% tested the 10-week moving average, bringing the index to 1,443 points.

## November outlook

The SET Index is expected to maintain its fluctuations in November. A break above the 1,470 resistance could pave the way for further upside, with targets at 1,500 and 1,535. Conversely, a failure to breach the 1,470 level may trigger a correction toward the 1,430 support level, which coincides with the midpoint of the monthly Bollinger Bands.

- **BEM:** Record-breaking profits expected in 3Q24E driven by ridership growth
- **CBG:** 3Q24E earnings expected to hit 13-quarter high
- **KTB:** Superior asset quality, upside potential from lower provisions
- **MOSHI:** Substantial recovery anticipated in 3Q24E despite low season
- **SCGP:** 3Q24 soft patch, 4Q24E recovery on the horizon
- **SISB:** Riding the wave of new academic year growth
- **SJWD:** Strong 3Q24E earnings recovery outlook led by freight, dangerous goods and cold storage

Stock	Rec	Price 31-Oct-24	Target price	Upside (%)	Net profit gwth (%)		Core profit gwth (%)		PER (x)		PBV (x)		Div. yield (%)	
					24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
BEM	BUY	7.90	11.40	44.3	7.7	5.8	7.7	5.8	32.2	30.5	3.1	2.9	1.9	1.9
CBG	BUY	79.75	88.00	10.3	52.7	19.3	52.7	19.3	26.5	22.2	6.1	5.4	1.9	2.2
KTB	BUY	20.50	23.00	12.2	14.8	4.9	14.8	4.9	6.9	6.6	0.7	0.6	4.8	5.0
MOSHI	BUY	45.25	58.00	28.2	21.1	23.4	21.1	23.4	27.5	22.2	5.5	4.4	0.3	0.3
SCGP	BUY	25.50	33.00	29.4	-3.3	16.1	-0.8	15.4	21.2	18.2	0.9	0.9	2.2	2.4
SISB	BUY	34.50	40.00	15.9	46.3	32.5	37.6	32.5	34.0	25.7	9.3	7.4	0.9	1.2
SJWD	BUY	11.80	14.50	22.9	49.6	-12.6	3.0	24.2	18.3	20.9	0.9	0.8	2.6	2.4



Record-breaking profits expected in 3Q24E driven by ridership growth



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	14,029	16,374	17,409	18,050
EBITDA	7,205	9,076	9,127	9,903
Net profit	2,436	3,479	3,748	3,964
EPS (Bt)	0.16	0.23	0.25	0.26
EPS growth	141.2%	42.8%	7.7%	5.8%
Core EPS (Bt)	0.16	0.23	0.25	0.26
Core EPS growth	141.2%	42.8%	7.7%	5.8%
DPS (Bt)	0.12	0.14	0.15	0.15
Dividend yield	1.5%	1.8%	1.9%	1.9%
PER (x)	49.6	34.7	32.2	30.5
Core PER (x)	49.6	34.7	32.2	30.5

HIGHLIGHTS

- **Profits expected to reach record high in 3Q24E:** BEM is poised to deliver record-high quarterly profits in 3Q24E, driven by robust quarterly ridership growth at an average of 440,000 trips per day due to the high travel season.
- **Farebox subsidy fund:** The potential establishment of a fund to support the Bt20 farebox policy could provide a positive boost to BEM’s earnings, especially in the first 1-2 years when the government is expected to provide subsidies.

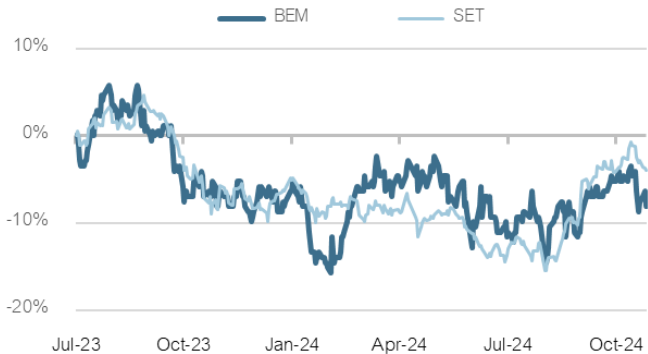
EARNINGS OUTLOOK

- **Strong 2024-25E outlook:** Despite investments in the Orange Line project, BEM’s core profits are projected to grow at a healthy pace of +8% to Bt3.7bn in 2024E and a further +6% to Bt4.0bn in 2025E. This

optimism is underpinned by the recovery in tourism and the opening of the One Bangkok complex.

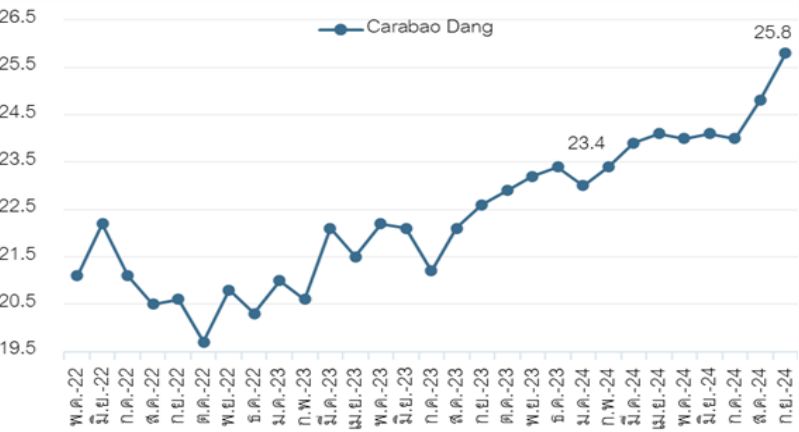
PERFORMANCE & VALUATION

- **A BUY rating with a Bt11.40 target price:** This valuation is derived from a SOTP analysis. Key catalysts include the double deck project, expected to conclude by 1H25E at the latest, and potential negotiations on the Purple Line South operations contract in 2025E.



Carabao Group (CBG): BUY, Target Bt88.00

3Q24E earnings expected to hit 13-quarter high



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	19,215	18,853	21,011	23,337
EBITDA	3,612	3,239	4,546	5,121
Net profit	2,286	1,924	2,939	3,507
EPS (Bt)	2.29	1.92	2.94	3.51
EPS growth	-20.6%	-15.8%	52.7%	19.3%
Core EPS (Bt)	2.29	1.92	2.94	3.51
Core EPS growth	-20.6%	-15.8%	52.7%	19.3%
DPS (Bt)	1.50	0.90	1.47	1.75
Dividend yield	1.9%	1.2%	1.9%	2.2%
PER (x)	34.1	40.5	26.5	22.2
Core PER (x)	34.1	40.5	26.5	22.2

HIGHLIGHTS

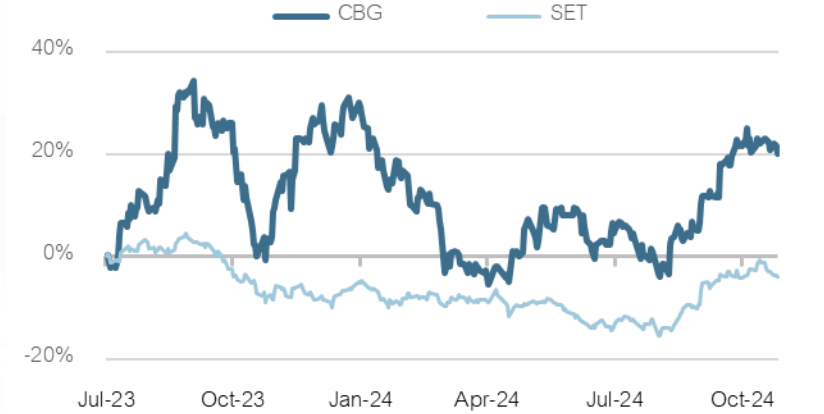
- **Profits expected to hit 13-quarter high:** CBG is poised to achieve its highest quarterly profits in 13 quarters, with an estimated Bt772mn (+46% YoY, +12% QoQ) in 3Q24E. The YoY growth is attributed to projected +14% revenue growth, with Carabao Dang’s market share hitting a record high of 25.8% (+100 bps) and the potential for strong performance in both distribution and overseas segments. Additionally, gross profit margin is poised for expansion, supported by the declines in both raw material and packaging costs. The QoQ profit increase is driven by an anticipated +25% rise in domestic energy drink sales.
- **Stronger earnings momentum expected in 4Q24E:** CBG is poised to deliver strong earnings momentum in 4Q24E, driven by the government’s Bt10,000 cash handout to people with state welfare cards.

EARNINGS OUTLOOK

- **Strong 2024-25E outlook:** We project net profit to grow +53% to Bt2.93bn in 2024E and a further +15% to Bt3.24bn in 2025E.

PERFORMANCE & VALUATION

- **A BUY rating with a Bt88.00 target price:** This valuation is based on a forward PER of 30x, which is -0.75 SD below the 5-year historical average. We anticipate that CBG will enter a new phase of growth, with the robust earnings outlook for 3Q-4Q24E serving as a key short-term catalyst.



# Krung Thai Bank (KTB): BUY, Target Bt23.00

Superior asset quality, upside potential from lower provisions



End-December (Bt mn)	2022A	2023A	2024E	2025E
Net interest income	90,404	113,419	118,666	123,749
Net fees income	20,316	20,872	21,297	21,766
Pre-provision profit	70,620	87,309	89,672	92,252
Provision	24,338	37,085	32,490	32,490
Net profit	33,697	36,616	42,040	44,104
EPS (Bt)	2.41	2.62	3.01	3.15
EPS growth (%)	56.1%	8.7%	14.8%	4.9%
NIM (%)	2.7%	3.3%	3.3%	3.2%
BVPS (Bt)	26.9	28.8	30.9	33.1
DPS (Bt)	0.7	0.9	1.0	1.0
PER (x)	8.6	7.9	6.9	6.6

## HIGHLIGHTS

- **Asset quality outperforms peers with strong 2024E profit growth outlook:** KTB stands out among its peers with superior asset quality and a strong outlook for 2024E profit growth. The bank's focus on low-risk state loans, which require no provisions, minimizes risks in a slowing economic environment.

## EARNINGS OUTLOOK

- **Low-risk state loans:** KTB has shifted focus on state loans, which are poised to accelerate in 4Q24E. With state loans requiring no provisions, this strategy will minimize risks amid a slowing economic environment.

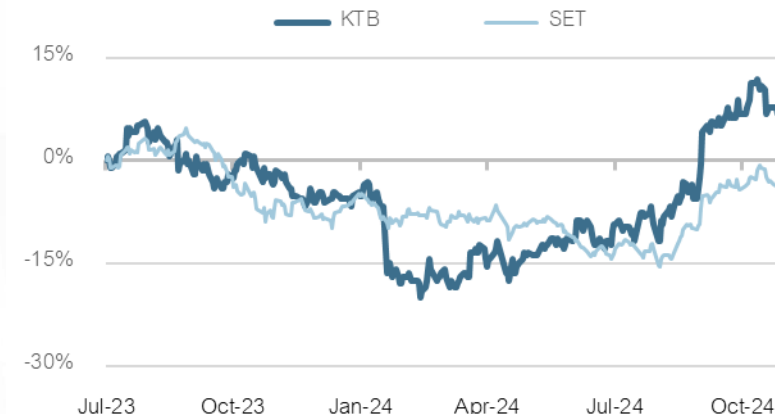
- **Profits expected to grow YoY in 4Q24E:** While 4Q24E is expected to see YoY profit growth due to reduced provisions, a QoQ decline is likely due to seasonal opex. However, potential expansions in state loans offer upside potential.

- **2024E earnings forecast:** KTB is projected to lead the sector in profit growth, with a net profit of Bt42bn (+15% YoY) as provisioning

levels normalize following high reserves in 2023 due to ITD.

## PERFORMANCE & VALUATION

- **A BUY rating with a Bt23.00 target price:** This valuation is based on a 2025E PBV of 0.68x, which is positioned at -0.75 SD below the 10-year historical average. The current valuation of 0.7x PBV represents -0.5 SD below its 10-year historical average, and the stock has yet to fully reflect its strong quarterly profits above Bt11bn for the third consecutive quarter.





Substantial recovery anticipated in 3Q24E despite low season



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	1,890	2,530	3,123	3,699
EBITDA	637	871	1,031	1,046
Net profit	253	402	486	600
EPS (Bt)	0.84	1.34	1.62	2.00
EPS growth	44.6%	58.6%	21.1%	23.4%
Core EPS (Bt)	0.84	1.34	1.62	2.00
Core EPS growth	44.6%	58.6%	21.1%	23.4%
DPS (Bt)	0.25	0.10	0.12	0.15
Dividend yield	0.6%	0.2%	0.3%	0.3%
PER (x)	52.7	33.2	27.5	22.2
Core PER (x)	52.7	33.2	27.5	22.2

HIGHLIGHT

• **Same-store sales growth expected for 3Q24E:** MOSHI is expected to deliver strong same-store sales growth of approx. +5% in 3Q24E, recovering from inventory shortage in 2Q24. Coupled with the introduction of new products, revenue is projected to grow both YoY and QoQ. Gross profit margin is forecast to expand by +30-50 bps, driven by a higher mix of Chinese products. As a result, profits are expected to surge more than +30% YoY and QoQ in 3Q24E.

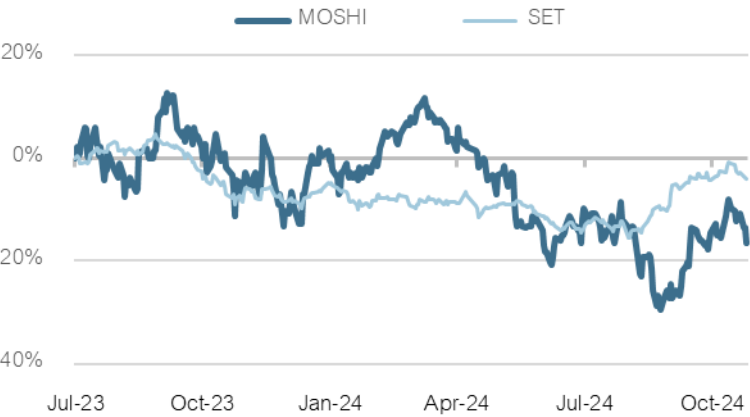
EARNINGS OUTLOOK

• **Solid profit growth expected for 2024-25E,** with net profit projected to increase by +21% to Bt486mn in 2024E and a further 23% to Bt600mn in 2025E. 4Q24E is expected to benefit from the high season and contributions from newly opened stores. MOSHI currently operates 151 Moshi Moshi stores and 3 flagship stores, with 28 stores opened in 9M24

out of the target of 34 stores for the year.

PERFORMANCE & VALUATION

• **A BUY rating with a Bt58.00 target price:** This valuation is based on a 2024E PER of 36x, in line with its historical average. The stock is expected to outperform the SET Index, driven by strong earnings growth and ongoing store renovations and network expansions. Despite projected EPS growth of 14.3% CAGR from 2023-2025E, the current share price trades at a relatively low 27.5x 2024E PER.





SCG Packaging (SCGP): BUY, Target Bt33.00

3Q24 soft patch, 4Q24E recovery on the horizon



HIGHLIGHTS

- **Earnings likely bottomed out:** SCGP’s 3Q24 net profit of Bt677mn slumped by -56% YoY and -60% QoQ. The YoY decline was primarily due to increased costs of recycled paper (RCP), while the QoQ decrease reflected softer sales and greater losses from PT. Fajar Surya Wisesa Tbk. (Fajar).
- **A QoQ recovery in sales volumes is anticipated for 4Q24E,** supported by China's recent economic stimulus package. Additionally, gross profit margin is expected to improve due to potential cost reductions from a lag effect.

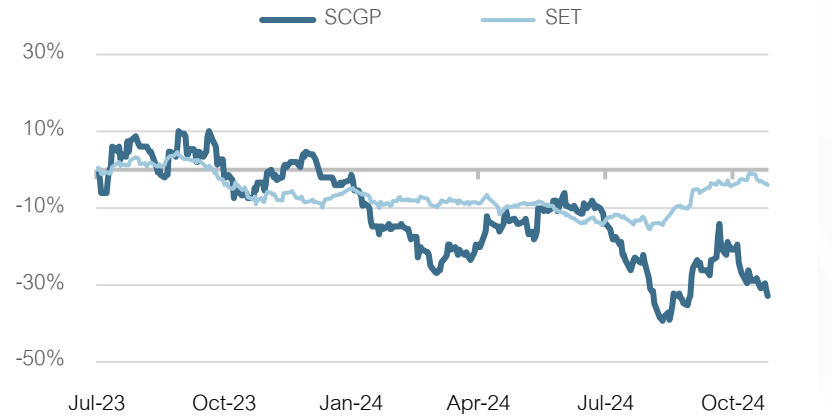
EARNINGS OUTLOOK

- **A setback before the recovery:** We project a slight decline in 2024 net profit to Bt5.1bn, reflecting a -3% YoY decrease primarily due to elevated costs. Looking

ahead to 2025E, we expect a significant recovery to Bt5.9bn, driven by a +16% YoY increase, as higher average sales volumes and enhanced profitability take effect.

PERFORMANCE & VALUATION

- **A BUY rating with a Bt33.00 target price:** This valuation is derived from a 2025E PER of 24.1x, which is positioned at -1.0 SD below the long-term historical average. Given the current 2025E PER of 18.1x, the stock is trading at a significant discount of -1.9 SD.



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	146,068	129,398	129,876	132,685
EBITDA	19,402	17,769	18,020	19,599
Net profit	5,801	5,248	5,073	5,892
EPS (Bt)	1.35	1.22	1.18	1.37
EPS growth	-30.1%	-9.5%	-3.3%	16.1%
Core EPS (Bt)	1.32	1.20	1.19	1.38
Core EPS growth	-29.1%	-8.6%	-0.8%	15.4%
DPS (Bt)	0.60	0.55	0.55	0.60
Dividend yield	2.4%	2.2%	2.2%	2.4%
PER (x)	18.5	20.4	21.2	18.2
Core PER (x)	19.0	20.8	20.9	18.1

SISB (SISB): BUY, Target Bt40.00

Riding the wave of new academic year growth



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	1,319	1,803	2,304	2,795
EBITDA	556	828	1,132	1,444
Net profit	369	633	926	1,227
EPS (Bt)	0.39	0.67	0.99	1.30
EPS growth	77.3%	72.6%	46.3%	32.5%
Core EPS (Bt)	0.39	0.67	0.99	1.30
Core EPS growth	77.3%	72.6%	46.3%	32.5%
DPS (Bt)	0.10	0.20	0.30	0.39
Dividend yield	0.3%	0.6%	0.9%	1.2%
PER (x)	85.9	49.8	34.0	25.7
Core PER (x)	85.9	49.8	34.0	25.7

HIGHLIGHTS

- **Favorable industry conditions:** The international education landscape is experiencing a surge in demand, driven by a growing preference for quality education and the influx of expatriates, particularly from China. SISB's unique offering of a Chinese-focused curriculum positions it well to capitalize on this trend.
- **High season and enrollment growth:** SISB is entering its high season in 2H24, with a significant increase in student enrollment expected due to the start of the new academic term. The school is projected to reach approx. 4,580 students in 3Q24E, nearing its target of 4,600. Additionally, tuition fees are anticipated to increase by +5% for the new academic year.

EARNINGS OUTLOOK

- **2024E projection:** SISB's profits are

expected to grow by +35% YoY to Bt914mn in 2024E. This growth is primarily driven by the anticipated increase in student enrollment to 4,600 (+10% YoY) and the annual tuition fee adjustment (+5%).

PERFORMANCE & VALUATION

- **A BUY with a target price of Bt40.00:** This valuation is based on a DCF analysis, using a WACC of 7.2% and a terminal growth rate of 3%. Key catalysts include the expected increase in student enrollment and the annual tuition fee adjustment.





# SCGJWD Logistics (SJWD): BUY, Target Bt14.50

Riding the wave of new academic year growth



End-December (Bt mn)	2022A	2023A	2024E	2025E
Revenue	5,902	23,732	24,845	26,253
EBITDA	1,642	2,976	3,630	3,545
Net profit	504	761	1,139	995
EPS (Bt)	0.49	0.45	0.63	0.55
EPS growth	-11.8%	-8.0%	38.2%	-12.6%
Core EPS (Bt)	0.47	0.46	0.44	0.55
Core EPS growth	-6.5%	-2.2%	-4.7%	24.2%
DPS (Bt)	0.78	0.25	0.30	0.28
Dividend yield	6.8%	2.2%	2.6%	2.4%
PER (x)	23.3	25.3	18.3	20.9
Core PER (x)	24.2	24.8	26.0	20.9

### HIGHLIGHTS

- **Strong 3Q24E outlook for freight and DG:** The freight and dangerous goods (DG) segments are expected to deliver strong performance in 3Q24E. US tariff hikes on Chinese imports have accelerated shipments, while freight rates have remained stable, contributing to this positive outlook.
- **Cold storage recovery:** The cold storage segment is expected to experience improvement, driven by a combination of new orders and increased capacity utilization, especially for chicken and fish products.
- **Full-quarter SCG Inter Vietnam revenue:** The recent acquisition of SCG Inter Vietnam in June will contribute approx. Bt270mn in revenue to the company's quarterly earnings, starting from 3Q24E.

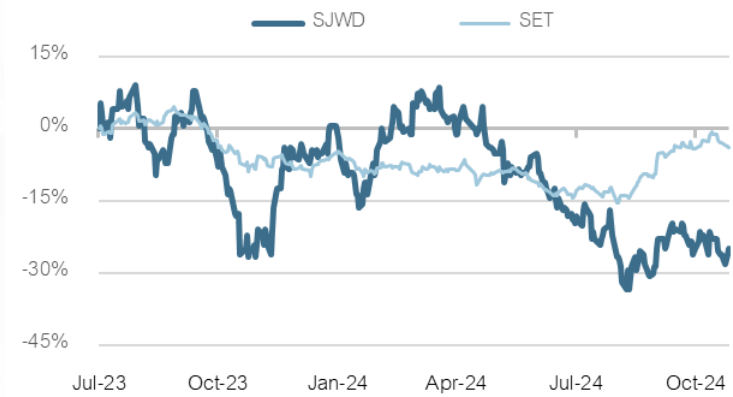
### EARNINGS OUTLOOK

- **Strong 3Q24E recovery anticipated:** We forecast a significant improvement in 3Q24E, with a core profit of Bt230mn pointing to a significant growth of +50% YoY and +30% QoQ. This recovery is driven by improved performance in the freight and DG segments, stronger cold storage operations, and the first full-quarter revenue

recognition from SCG Inter Vietnam. Additionally, the SG&A to sales ratio is expected to decrease to 8.1% (compared to 8.8% in 3Q23 and 10.3% in 2Q24). We anticipate stable profit margins in 4Q24E, leading to an estimated full-year 2024E core profit of Bt801mn, a +3 YoY increase.

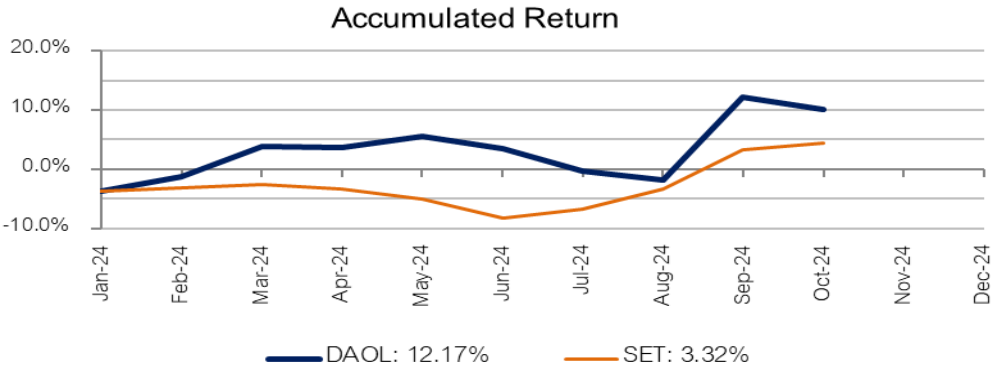
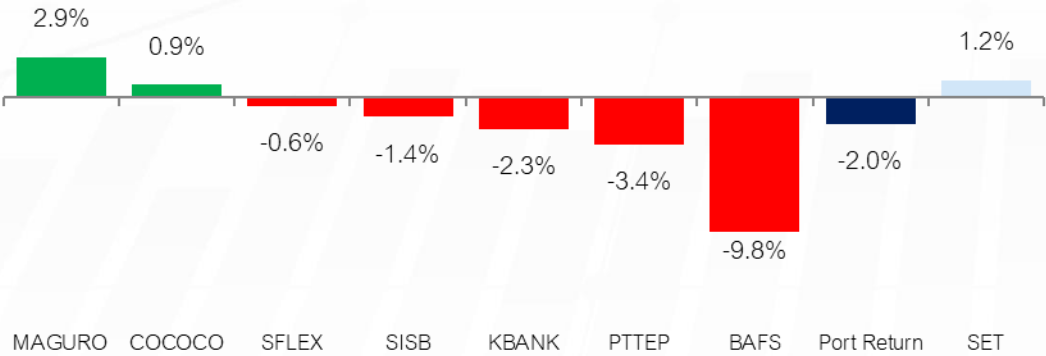
### PERFORMANCE & VALUATION

- **A BUY with a target price of Bt14.50:** This valuation is based on a 2024E core PER of 33x, aligning with its 5-year historical average. We believe that the company's performance has reached its trough in 1H24. There is also a potential upside to our 2025E forecast, particularly if new M&A deals materialize.



Last month performance					
Stocks	Action	Entry Price (30 Sep 24)	Exit Price (31 Oct 24)	XD	Monthly Return
MAGURO	BUY	17.30	17.80		2.89%
COCOCO	BUY	11.30	11.40		0.88%
SFLEX	BUY	3.18	3.16		-0.63%
SISB	BUY	35.00	34.50		-1.43%
KBANK	BUY	150.00	146.50		-2.33%
PTTEP	BUY	131.00	126.50		-3.44%
BAFS	BUY	16.30	14.70		-9.82%
Port Return					-1.98%
SET		1,448.83	1,466.04		1.19%
Port - SET					-3.17%

YTD performance					
Month	Monthly Return		Accumulated Return		DAOL - SET
	DAOL	SET	DAOL	SET	
Jan-24	-3.63%	-3.63%	-3.63%	-3.63%	-0.01%
Feb-24	2.29%	0.45%	-1.34%	-3.17%	1.83%
Mar-24	5.13%	0.53%	3.79%	-2.64%	6.44%
Apr-24	-0.05%	-0.72%	3.75%	-3.37%	7.11%
May-24	1.80%	-1.63%	5.55%	-5.00%	10.55%
Jun-24	-2.02%	-3.32%	3.53%	-8.32%	11.85%
Jul-24	-3.89%	1.53%	-0.36%	-6.79%	6.43%
Aug-24	-1.46%	3.50%	-1.82%	-3.29%	1.47%
Sep-24	13.99%	6.60%	12.17%	3.32%	8.85%
Oct-24	-1.98%	1.19%	10.19%	4.50%	5.68%





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# DAOL

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