



Thailand

August 14, 2012

## Highlight

### Advanced Info Service (ADVA.BK/ADVANC TB)\* 2Q12 earnings review: In line with estimate

The overall tone of ADVANC's conference last Friday was very positive. The company's 2Q12 result came out strong as we had expected with earnings growth of 42.5% YoY. With the stellar result, the firm lifted its revenue guidance both on service revenue and handset sales. However, we are ahead of the company's guidance and its new guidance is quite in line with our expectation. Therefore, we maintain our earnings estimate at Bt36.0bn, up 62.3% YoY. Despite its outperformance compared to the overall market since the beginning of the year, we reiterate our Outperform rating on the stock due to the superior earnings growth compared to the market (62.3% vs. 15% for the market) and high dividend yield. We also rolled our target price over to 2013, raising it to Bt233.00, from Bt210.00.

## Upcoming Visit

14/08	Charoen Pokphand Foods Plc. (CPF.BK/CPF TB)	ST
14/08	Modernform Group Plc. (MODE.BK/MODERN TB)	NP
15/08	STP&I Plc. (STPI.BK/STPI TB)	ST
15/08	Land and Houses (LH.BK/LH TB)	
15/08	Tirathai Plc. (TRT.BK/TRT TB)	NP
16/08	PTT Global Chemical Plc. (PTTG.BK/PTTGC TB)	IS
16/08	Shin Corporation Plc. (INTU.BK/INTUCH TB)	PN

Please see page 09 for analysts' name

## Recent In-depth Reports

Date	Company	Analyst
20/06	Bumrungrad Hospital (BH.BK/BH TB)	PN
21/05	Electricity Generating (EGCO.BK/EGCO TB)	PV
30/04	Monthly economic tracker	PP
04/04	Consumer sector	UP
21/03	Banpu (BANP.BK/BANPU TB)	PV
10/02	Siam Makro (MAKR.BK/MAKRO TB)	UP
31/01	Home Product Center (HMPR.BK/HMPRO TB)	UP
31/01	Monthly economic tracker	PP

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**TH** Energy Earth Plc. (EART.BK/EARTH TB)

**TH** Surapon Foods Plc. (SSF.BK/SSF TB)

**TH** Union Mosaic Industry Plc. (UMI.BK/UMI TB)

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\*The Company may be issuer of Derivative Warrants on these securities.



## Advanced Info Service (ADVA.BK/ADVANC TB)\*

2Q12 earnings review: In line with estimate

<b>Bt206.00</b>	<b>Outperform</b> Maintained	<b>Results analyzed</b>
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- **2Q12 earnings of Bt8.71bn, in line with our estimate**
- **Driver was ongoing strong momentum in non-voice**
- **Announced interim DPS of Bt5.9, implying 2.9% yield**
- **Maintain Outperform with a target price of Bt233.00**

### Positive message from the conference

The overall tone of ADVANC's conference last Friday was very positive. The company's 2Q12 result came out strong as we had expected with earnings growth of 42.5% YoY. With the stellar result, the firm lifted its revenue guidance both on service revenue and handset sales. However, we are ahead of the company's guidance and its new guidance is quite in line with our expectation. Therefore, we maintain our earnings estimate at Bt36.0bn, up 62.3% YoY. Despite its outperformance compared to the overall market since the beginning of the year, we reiterate our Outperform rating on the stock due to the superior earnings growth compared to the market (62.3% vs. 15% for the market) and high dividend yield. We also rolled our target price over to 2013, raising it to Bt233.00, from Bt210.00.

### 2Q12 earnings of Bt8.71bn in line with estimates

ADVANC posted 2Q12 earnings of Bt8.7bn, down 2.4% QoQ and but up almost 42.5% YoY. The result was in line with our and the market's expectation. This was the second consecutive year that ADVANC showed no seasonality in service revenue (ex. IC) in 2Q, posting flat revenue QoQ in 2Q12. The driver was still the ongoing momentum in non-voice revenue (up 5.8% QoQ). For YoY, service revenue (ex. IC) surged 12.0% underpinned by voice (up 6.4%) and non-voice services (up 35%). While most major operating costs were still well managed (going in line with revenue growth), EBITDA margin was squeezed in 2Q12. This was attributed to the low-margin handset sale. Not only did the portion of revenue to total revenue increase (from 11.0% in 2Q11 to 11.5% in 2Q12), its gross margin continued to be squeezed further (from 11.5% in 2Q11 to 7.8% in 2Q12).

Figure 1: 2Q12 earnings review

Bt mn	2Q12	2Q11	YoY (%)	1Q12	QoQ (%)	Comment
Service revenue excl. IC	26,677	23,910	11.6	26,593	0.3	
Revenue from sale of goods	3,971	3,429	15.8	4,636	(14.3)	
<b>Total revenues</b>	<b>34,488</b>	<b>31,110</b>	<b>10.9</b>	<b>35,177</b>	<b>(2.0)</b>	<b>Voice and non-voice revenues were key drivers</b>
Cost of rendering services and equipment rentals	16,537	15,901	4.0	16,654	(0.7)	
Cost of sale of goods	3,660	3,034	20.6	4,261	(14.1)	
<b>Total costs</b>	<b>20,196</b>	<b>18,936</b>	<b>6.7</b>	<b>20,915</b>	<b>(3.4)</b>	
<b>Gross profit</b>	<b>14,291</b>	<b>12,174</b>	<b>17.4</b>	<b>14,262</b>	<b>0.2</b>	<b>Strong revenue growth leads to higher gross profit</b>
Selling and administrative expenses	2,984	2,664	12.0	2,556	16.7	Cost control strategy is still going on
Pretax profit	11,317	9,281	21.9	11,662	(3.0)	
Tax expense	2,604	2,894	(10.0)	2,701	(3.6)	Corporate tax reduction was the reason for lower tax expense
<b>Net profit</b>	<b>8,713</b>	<b>6,116</b>	<b>42.5</b>	<b>8,926</b>	<b>(2.4)</b>	
EPS	2.95	2.07	42.5	3.02	(2.4)	
<b>Percent</b>	<b>2Q12</b>	<b>2Q11</b>	<b>YoY (%)</b>	<b>1Q12</b>	<b>QoQ (%)</b>	
Gross profit margin	41.4	39.1	2.3	40.5	0.9	
SG&A to sales	8.7	8.6	0.1	7.3	1.4	
Net profit margin	25.3	19.7	5.6	25.4	(0.1)	

Source: Company data; KGI Securities (Thailand)

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### Management lifted guidance, especially on revenue side

It's no surprise that management announced an increase in its revenue guidance. Service revenue (ex. IC) has been revised to 8-10% YoY growth, up from 5-6% previously. Revenue from voice service has been revised to mid-single digit growth, up from 0% growth previously, while revenue from non-voice has been revised to 30%, up from 25% previously. The guidance on handset sales has also been revised up to 20% from 10% previously. Despite the rise in the high-margin service revenue, the firm maintained the guidance on EBITDA margin at 44% as the firm believes in the portion of low-margin handset sales will weigh down the overall margin for the company. CAPEX guidance also remained unchanged at Bt8bn since the firm still employs the same strategy to expand 3G base stations in strategic locations (big cities), where the real demand for 3G usage lies. Overall, the new guidance from the company is in line with our current assumption. Thus, we maintain our earnings forecast for 2012.

### Retain 100% dividend payout ratio from 2012

With the strong earnings in 1H12, the firm announced an interim DPS of Bt5.9, implying a dividend yield of 2.9% for one-week holding period (XD date will be on this August 21). We expect the firm to maintain a 100% payout ratio even in the CAPEX cycle for 3G rollout during 2013-15. We expect Bt12.2 in 2012, implying a dividend yield of 5.9%. The lowest DPS should be in 2013 at Bt5.1, implying a high dividend yield of 5.3%.

### Valuation and Recommendation

We reiterate Outperform on the counter. We rolled our target price over to 2013, raising it to Bt233.00, from Bt210.00.

Year to Dec	Sales (Bt mn)	Sales growth (%)	EBITDA (Bt mn)	NP (Bt mn)	EPS (Bt)	EPS growth (%)
2009	102,452	(7.5)	46,041	17,055	5.77	3.9
2010	111,280	8.6	52,019	20,547	6.95	20.5
2011	126,437	13.6	56,659	22,218	7.52	8.1
2012F	140,920	11.5	64,756	36,059	12.21	62.3
2013F	143,165	1.6	61,362	32,345	10.95	(10.3)
Year to Dec	GM (%)	EV/EBITDA (X)	Dividends Yield (%)	PBV (X)	PER (X)	ROAE (%)
2009	35.3	13.5	5.5	8.5	34.7	24.3
2010	38.3	12.2	6.3	14.8	27.5	39.2
2011	39.7	10.8	4.1	15.5	25.7	59.0
2012F	41.8	9.3	5.9	13.6	16.9	85.9
2013F	39.3	10.0	5.3	14.2	18.8	73.9
<b>Sector</b>	<b>ICT</b>	<b>52-week trading range (Bt)</b>	<b>112.5 - 209</b>			
12M target price (Bt/shr)	233.0	Mkt cap-Bt bn/US\$ bn	612.5 / 20.4			
Upside/downside (%)	13.1	Outstanding shares (mn)	2,955			
The percentile of excess return (%)	50.6	Free floating shares (mn)	1,427			
Dividend yield-12/12F (%)	5.9	Foreign ownership (mn)	909			
Book value/shr-12/12F (Bt)	13.3	3M avg. daily trading (mn)	4.93			
P/B-12/12F (x)	13.6	Abs. performance (3,6,12M)(%)	14.1; 36; 77.6			
Net debt/equity-12/12F (%)	9.2	Rel. performance (3,6,12M)(%)	11.4; 24.1; 54.7			


**Balance Sheet**

As of 31 Dec (Bt mn)	2009	2010	2011	2012F	2013F
<b>Total Assets</b>	125,025	97,458	86,672	83,562	91,303
<b>Current Assets</b>	33,571	25,903	33,178	30,200	30,660
Cash & ST Investments	25,211	16,837	22,614	19,253	19,253
Inventories	629	932	1,087	1,124	1,428
Accounts Receivable	5,773	5,610	7,037	7,104	7,217
Others	1,958	2,524	2,440	2,719	2,763
<b>Non-current Assets</b>	91,454	71,555	53,494	53,363	60,643
LT Investments	3,260	106	106	106	106
Net fixed Assets	69,714	55,544	44,121	42,928	50,044
Others	18,480	15,905	9,267	10,328	10,493
<b>Total Liabilities</b>	53,214	55,978	47,209	38,470	47,996
<b>Current Liabilities</b>	16,583	35,489	29,734	28,092	31,611
Accounts Payable	2,729	3,160	3,520	3,822	4,759
ST Borrowings	738	16,128	5,469	2,451	4,024
Others	13,117	16,202	20,745	21,819	22,828
<b>Long-term Liabilities</b>	36,632	20,489	17,474	10,378	16,384
Long-term Debts	36,620	20,478	16,537	9,333	15,323
Others	11	11	938	1,045	1,062
<b>Shareholders' Equity</b>	71,811	41,480	39,464	45,092	43,308
Common Stock	2,965	2,970	2,973	2,955	2,955
Capital Surplus	22,199	22,651	22,745	22,886	23,029
Retained Earnings	46,646	15,858	13,746	19,252	17,324
Preferred Stock	0	0	0	0	0

Source: Company data; KGI Securities (Thailand) estimates

**Key Assumptions & Ratios**

Year to 31 Dec	2009	2010	2011	2012F	2013F
Total subscriber '000	28.8	31.2	33.9	34.2	34.2
Postpaid subscriber'000	2.9	3.1	3.2	3.2	3.2
Prepaid subscriber'000	24.9	25.2	25.4	25.9	26.6
Blended ARPU (Bt/user/month)	178.8	178.3	178.3	178.1	178.4
<b>Growth (% YoY)</b>					
Sales	(7.5)	8.6	13.6	11.5	1.6
EBIT	(6.1)	25.9	19.4	20.5	(13.3)
EBITDA	(1.1)	13.0	8.9	14.3	(5.2)
NP	3.9	20.5	8.1	62.3	(10.3)
EPS	3.9	20.5	8.1	62.3	(10.3)
<b>Profitability (%)</b>					
Gross Margin	35.3	38.3	39.7	41.8	39.3
Operating Margin	25.3	29.3	30.8	33.3	28.5
EBITDA Margin	44.9	46.7	44.8	46.0	42.9
Net Profit Margin	16.9	20.0	18.9	25.7	22.7
ROAA	13.9	19.9	25.8	42.4	37.0
ROAE	24.3	39.2	59.0	85.9	73.9
<b>Stability</b>					
Gross Debt/Equity (%)	52.0	88.2	55.8	26.1	44.7
Net Debt/Equity (%)	18.2	63.1	9.2	(7.1)	10.0
Interest Coverage (X)	13.5	18.8	23.4	36.2	27.6
Interest & ST Debt Coverage (X)	24.1	28.6	38.9	43.4	40.7
Cash Flow Interest Coverage (X)	19.6	24.6	26.0	42.3	36.9
Cash Flow/Interest & ST Debt (X)	17.5	21.6	26.0	38.8	32.6
Current Ratio (X)	2.0	0.7	1.1	1.1	1.0
Quick Ratio (X)	1.9	0.6	1.0	0.9	0.8
Net Debt (Bt mn)	13,097	26,154	3,645	(3,216)	4,347
<b>Per Share Data (Bt)</b>					
EPS	5.8	7.0	7.5	12.2	10.9
CFPS	12.8	14.5	14.7	18.6	18.4
BVPS	24.2	13.9	13.3	15.1	14.5
SPS	34.7	37.7	42.8	47.7	48.5
EBITDA/Share	15.6	17.6	19.2	21.9	20.8
DPS	11.3	12.9	8.4	12.2	10.9
<b>Activity</b>					
Asset Turnover (x)	0.8	1.1	1.5	1.7	1.6
Days Receivables	20.6	18.4	18.4	18.4	18.4
Days Inventory	3.5	5.0	5.0	5.0	6.0
Days Payable	15.0	16.8	16.8	17.0	20.0
Cash Cycle	9.0	6.6	6.6	6.4	4.4

Source: Company data; KGI Securities (Thailand) estimates

**Profit & Loss**

Year to 31 Dec (Bt mn)	2009	2010	2011	2012F	2013F
<b>Sales</b>	102,452	111,280	126,437	140,920	143,165
Cost of Goods Sold	66,316	68,703	76,220	82,057	86,848
<b>Gross Profit</b>	36,136	42,577	50,217	58,863	56,317
Operating Expenses	10,206	9,925	11,234	11,880	15,579
<b>Operating Profit</b>	25,930	32,652	38,983	46,983	40,738
Net Interest	-1,921	-1,735	-1,666	-1,297	-1,476
Interest Income	0	0	0	0	0
Interest Expense	1,921	1,735	1,666	1,297	1,476
Net Investment Income/(Loss)	0	0	0	0	0
Net other Non-op. Income/(Loss)	687	679	887	1,327	1,349
Net Extraordinaries	-222	-1,682	-1,622	-141	-143
Pretax Income	24,474	29,914	36,583	46,872	40,467
Income Taxes	7,419	9,367	14,365	10,813	8,122
<b>Net Profit</b>	17,055	20,547	22,218	36,059	32,345
EBITDA	46,041	52,019	56,659	64,756	61,362
<b>EPS (Bt)</b>	5.77	6.95	7.52	12.21	10.95

Source: Company data; KGI Securities (Thailand) estimates

**Cash Flow**

Year to 31 Dec (Bt mn)	2009	2010	2,011	2012F	2013F
<b>Operating Cash Flow</b>	37,747	42,726	43,297	54,825	54,455
Net Profit	17,055	20,547	22,218	36,059	32,345
Depreciation & Amortization	20,111	19,367	17,675	17,773	20,624
Change in Working Capital	580	2,812	3,404	993	1,486
Others	0	0	0	0	0
<b>Investment Cash Flow</b>	(10,520)	(6,383)	1,987	(17,534)	(28,229)
Net CAPEX	(8,636)	(5,197)	(6,252)	(16,580)	(27,740)
Change in LT Investment	(2,684)	(2,201)	2,217	0	(341)
Change in Other Assets	801	1,015	6,022	(954)	(148)
<b>Free Cash Flow</b>	27,227	36,343	45,284	37,291	26,226
<b>Financing Cash Flow</b>	(9,175)	(64,215)	(2,582)	(23,711)	(41,836)
Change in Share Capital	(18,367)	(51,070)	(24,788)	(30,572)	(34,273)
Net Change in Debt	9,193	(13,145)	22,206	6,861	(7,563)
Change in Other LT Liab.	0	0	0	0	0
<b>Net Cash Flow</b>	18,052	(27,872)	42,702	13,580	(15,609)

Source: Company data; KGI Securities (Thailand) estimates

**Rates of Return on Invested Capital**

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= <b>Operating Margin</b>
2009	65.0%	17.1%	10.1%	7.8%
2010	64.7%	19.6%	10.0%	5.7%
2011	61.7%	17.4%	8.9%	11.9%
2012F	60.6%	16.9%	9.2%	13.2%
2013F	60.5%	17.2%	9.0%	13.3%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= <b>Capital Turnover</b>
2009	0.1	0.7	0.2	1.0
2010	0.2	0.7	0.2	0.9
2011	0.1	0.5	0.1	1.4
2012F	0.1	0.4	0.1	1.8
2013F	0.0	0.2	0.1	2.3
Year	<b>Operating Margin</b>	x <b>Capital Turnover</b>	x <b>Cash Tax Rate</b>	= <b>After-tax Return on Inv. Capital</b>
2009	7.8%	1.0	69%	5.4%
2010	5.7%	0.9	70%	3.7%
2011	11.9%	1.4	70%	12.0%
2012F	13.2%	1.8	70%	16.2%
2013F	13.3%	2.3	70%	21.6%

Source: Company data; KGI Securities (Thailand) estimates

\*The Company may be issuer of Derivative Warrants on these securities.

## Home Products Center

(HMPR.BK/HMPRO TB)\*

Expansion and better GPM to boost earnings growth

**Bt11.80**

**Outperform**  
Maintained

**Company update**

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- Revised down 2012 net profit by 6.0%
- Bright outlook for Thai home improvement market continues
- Store expansion and better GPM to drive 2011-14 earnings at 21.1% CAGR
- Rate Outperform with a rolled over target price of Bt14.20

### Stock price should reflect good earnings outlook

HMPRO's management reiterated its bright earnings outlook for 2012. Despite concerns about another flood delaying and softening demand for home improvement, store expansion in provincial areas, where there is strong demand for home improvement, and an improved gross profit margin (GPM) should help boost earnings growth this year. In addition, the market still has more room to grow, especially in replacing the traditional store market. This offers HMPRO the opportunity to expand and capture that strong demand, which could drive 2011-14 earnings at 21.1% CAGR as we expected. With the bright outlook ahead, the stock should regain investor interest after the share price dropped 18% since 1Q12. We maintain a rating Outperform and rolled our target price over to 2013 at Bt14.20.

### Revised down 2012 net profit by 6.0%

We revised down our 2012 earnings forecast for HMPRO by 6% to Bt2.5bn, from 2.6bn, as we trimmed this year's same store sales growth (SSSG) assumption from 12.5% to 7.5%. This is due to the slower than expected rise in post-flood home repair as homeowners want to make sure there is not another flood this year and the impact of cannibalization among new stores in Mega Bangna and Had Yai 2 resulted in a short term drop in sales volume at Paradise Park, Suwannabhumi and Had Yai 1. Nevertheless, the new stores helped capture new clients which helped keep SSSG at 12.6% in 1H12. This was better than our conservative forecast of 0%. With four more stores in 2H12, a better GPM and benefit from the tax cut to 23.0%, we anticipate 2012 net profit to rise 25.1% YoY to Bt2.5bn.

Figure 1: Sales volume assumptions

	2012F		2013F		2014F	
	Previous	New	Previous	New	Previous	New
SSSG (%)	12.5	7.5	7.0	6.0	7.0	6.0
New store sale growth (%)	0.0	5.0	0.0	5.0	0.0	5.0
Sales (Bt bn)	36.4	34.4	42.7	40.7	47.6	45.4
Gross profit margin (%)	26.1	26.1	26.5	26.5	26.9	26.9
Net profit (Bt bn)	2.6	2.5	3.2	3	3.7	3.6

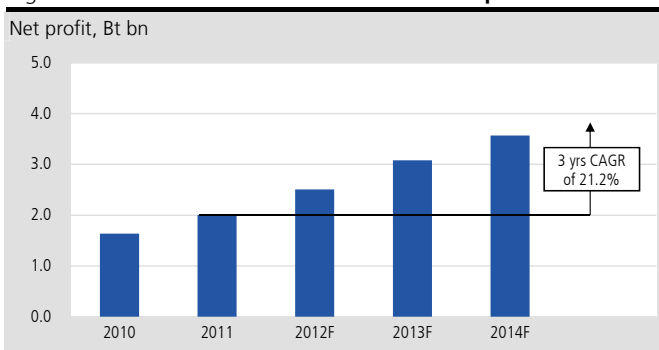
Source: Company data; KGI Securities (Thailand) estimates

### Bright outlook for Thai home improvement market continues

The Thai home improvement market, estimated at around Bt151bn in 2010, is fragmented. Even with HMPRO's large network, it commands just roughly a 16% share. The company reckons that

altogether modern trade makes up 40-45% of the market, while the remaining 55-60% still belongs to traditional trade. This means modern trade has more room to grow as consumers invariably grow more sophisticated and demand more product selection, after-sales services and overall convenience that traditional stores may not be able to match.

Figure 2: Solid 21.1% CAGR over 2011-14 net profit



Source: Company data; KGI Securities (Thailand) estimates

### Store expansion and better GPM to drive 2011-14 earnings at 21.1% CAGR

We expect network expansion coupled with decent SSSG to continue to drive sales over the next few years. This is based on three new stores in 2013 and four new stores in 2014 and SSSG sustained at 6.0%. HMPRO has consistently managed to raise its GPM over the last five years and we anticipate it to increase 40bps from 26.1% in 2012 over 2012-14 thanks to an increased proportion of house brand products from the current 20.0% of total sales to a target of 25.0% and more bargaining power with suppliers as network and sales volume grow. In addition, similar to most retailers, the benefit from the corporate tax cut to 23.0% in 2012 and 20.0% onward should help drive 2011-14 earnings at 21.1% CAGR.

### Valuation and Recommendation

Investors should regain interest in HMPRO after the share price dropped 18.0% since 1Q12, reflecting the concern of slower demand in 2H12. However, expansion and better GPM would allow HMPRO to post good earnings CAGR of 21.1% over 2011-14. Given the bright outlook ahead, we maintain a rating of Outperform with a rolled over target price to 2013 of Bt14.20.

Year to Dec	Sales (Bt mn)	Sales growth (%)	EBITDA (Bt mn)	NP (Bt mn)	EPS (Bt)	EPS growth (%)
2010	24,073	18.4	3,267	1,638	0.3	43.8
2011	28,363	17.8	4,075	2,005	0.3	21.8
2012F	34,421	21.4	4,744	2,509	0.4	24.9
2013F	40,687	21.4	5,637	3,084	0.5	22.5
2014F	45,372	18.2	6,409	3,570	0.6	15.4

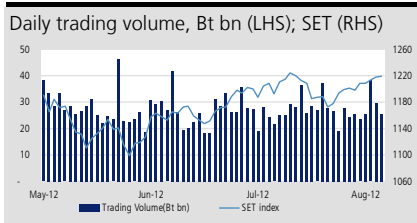
  

Year to Dec	GM (%)	EV/EBITDA (X)	PBV (X)	PER (X)	Dividend Yield (%)	ROAE (%)
2010	25.0	22.4	10.8	41.0	2.2	28.6
2011	25.7	17.9	8.3	33.7	2.5	27.9
2012F	26.1	16.0	7.6	27.0	2.6	29.5
2013F	26.5	13.4	6.8	22.0	3.2	32.6
2014F	26.9	11.7	14.3	19.1	3.7	33.5

Sector	Consumer	52-week trading range (Bt)	8.8 - 14.4
12M target price (Bt/shr)	14.20	Mkt cap-Bt bn/US\$ bn	69,212.2
Upside/downside (%)	20.3	Outstanding shares (mn)	5,865.7
The percentile of excess return (%)	70.9	Free floating shares (mn)	2,483.5
Dividend yield-12/12F (%)	2.6	Foreign ownership (mn)	1,759.7
Book value/shr-12/12F (Bt)	1.5	3M avg. daily trading (mn)	10.1
P/B-12/12F (x)	7.6	Abs. performance (3,6,12M)(%)	-11.3; 3.5; 30.4
Net debt/equity-12/12F (%)	44.3	Rel. performance (3,6,12M)(%)	-13.4; -5.6; 13.6

\*The Company may be issuer of Derivative Warrants on these securities.


**SET performance**


Source: SET

**Market turnover Bt26bn**

Bt bn	Buy	%	Sell	%
Retail	13.6	62.3	14.7	65.3
Foreign	6.7	30.9	5.4	24.1
Institutional	1.5	6.8	2.4	10.6

**Most active sectors**

	Bt bn	Chng (%)	% of total
Banking	4.3	-0.5	16.9
Ict	4.0	-0.2	15.8
Energy	3.7	0.8	14.4
Food	2.1	-0.1	8.3
Comm	1.9	0.4	7.4

**Most active stocks**

	Close (Bt)	Chng (%)	Bt bn
KTB	16.60	-2.4	1.7
CPALL	33	-	1.2
JAS	3.46	3.6	1.1
PTTGC	64	2.4	1.0
PTT	342	1.8	1.0

**Daily NVDR report**
**Increase**

Stock	9-Aug-12 mn shares	10-Aug-12 mn shares	Value Bt mn
SCC	128.6	129.8	395.7
BANPU	26.2	26.7	240.1
INTUCH	157.4	159.7	148.7
TISCO	97.1	98.3	47.9
IVL	141.9	142.9	32.2
HEMRAJ	859.5	870.2	31.3
EARTH	63.8	69.1	27.2
AOT	56.4	56.9	26.3
PTTEP	74.6	74.7	23.2
BAY	1,066.1	1,066.8	21.3

**Decrease**

Stock	9-Aug-12 mn shares	10-Aug-12 mn shares	Value Bt mn
BTS	1,208.9	193.3	-5,382.6
ADVANC	170.5	169.7	-159.9
LPN	461.2	456.2	-82.5
CPALL	369.5	367.6	-64.6
PTTGC	261.0	260.3	-42.7
PF	96.3	66.7	-33.1
KTB	611.8	609.9	-31.9
SCB	202.9	202.7	-27.3
CPF	412.7	412.1	-22.4
RML	209.5	197.5	-18.9

**Trader Comments**

Rakpong Chaisuparakul (66.2658.8888 Ext. 8845)

We expect the SET Index to move down moderately on Tuesday for several reasons. First, the benchmark index last Friday closed about 3pts higher than it should have been given the technical effect at the close. Second, there has still been no progress on the ECB's bond buying plan. Third, investors are more worried about China's economic outlook following a set of much worse than expected data last week. Since late last week, at least two global houses have cut their GDP forecasts on China and more may come.

On the player analysis, we maintain the view that foreign inflows would continue to limit market downside but cannot help drive SET higher at the current high level. Local institutions seem to be on the sell side similar to what we saw late last week. The booking of profit from target funds should remain the major reason for local fund selling.

Traders should continue to stay sideline after reducing portfolios last week. Two key things to watch are i) US economic data sets on retail sales and inflation for July, and ii) developments in Europe after German Chancellor Merkel returns from her vacation this week.

**Quick Bullets**

Thai Research Team (66.2658.8888 Ext. 8859)

Thailand saw export growth of 8% in the first half to Asean markets with a total value of US\$28.625bn (Bt900bn), with Malaysia the leader followed by Indonesia and Singapore. Poom Sarapol, deputy commerce minister, said exports to Malaysia in the first half totalled \$6.218bn, up 2.7% YoY, while the largest expansion was to Cambodia at 46% or \$1.95bn. (Bangkok Post)

The Electricity Generating Authority of Thailand (Egat) will hold the first round of public hearings this month for a planned 800-megawatt coal-fired thermal power plant in Krabi. The plant is the first in a series of six coal-fired plants stipulated in the newly revised power development plan for 2010-30. Four of these will be operated by Egat and the other two by private operators. (Bangkok Post)

PTT Plc (PTT.BK/PTT TB)\*, Thailand's biggest company, said that its net profit declined 74% in the second quarter from the same period last year after lower crude oil prices slashed contributions from its energy and refinery units. Net profit was Bt8.51bn, or Bt2.98 a share, down from a revised Bt32.3bn (Bt11.32 a share) in the April-June period a year earlier, the company told the Stock Exchange of Thailand after trading ended on Friday. (Bangkok Post)

Hemaraj Land and Development Plc (HEMR.BK/HEMRAJ TB)\* has ridden the swell in automobile investment to remarkable first-half results, with revenue revving up 123% to Bt3.18bn. The boost in revenue helped the industrial estate developer return to the black, posting a net profit of Bt954.5mn versus a net loss of Bt1.85mn in the first half of last year. (The Nation)

CIMB Thai Bank (CIMB.BK/CIMBT TB), the local unit of Malaysia's CIMB Group, has restructured its deposit portfolio by shifting the focus from retail customers to larger individual and corporate customers to control costs better. (Bangkok Post)

\*The Company may be issuer of Derivative Warrants on these securities.

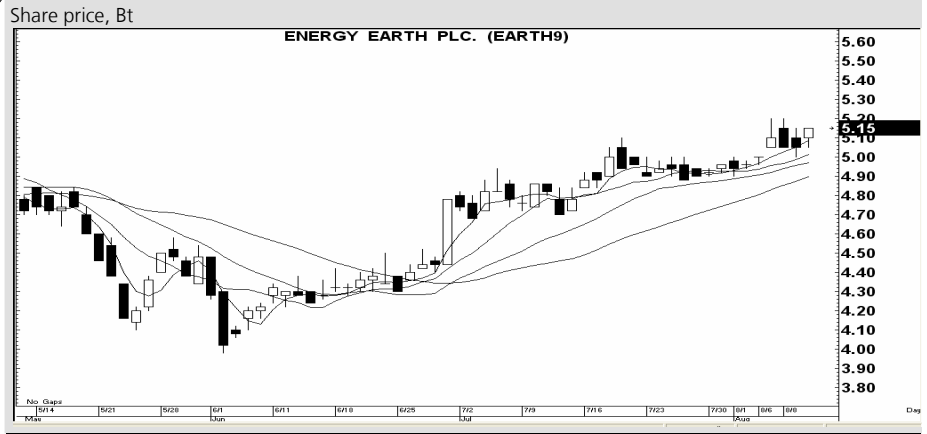


### Top 3 technical trade

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Note: The comments and views in this section are those of the Quantitative Strategy team and do not necessarily coincide with the views of the Fundamental Equities Research team.

#### EARTH (EART.BK, Bt5.15) Price Chart

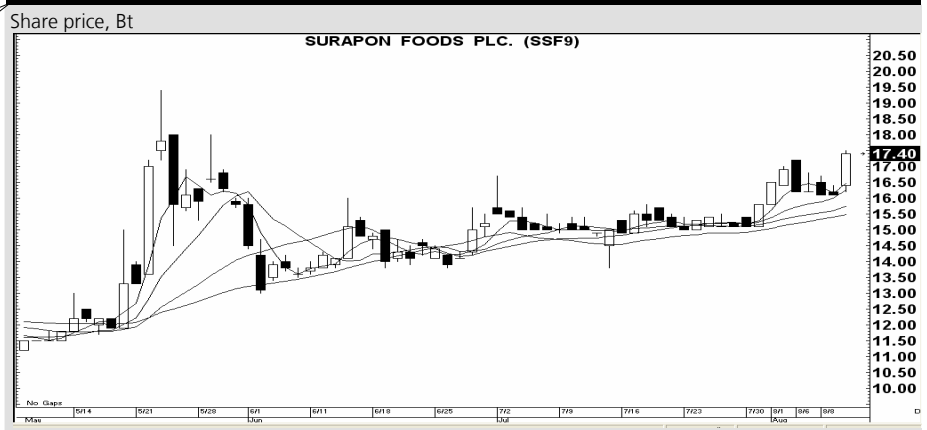


Source: Reuters

#### EARTH (Bt5.15)

Signal: Support buy  
 Indicator: Positive  
 Action: Quick trade  
 Comment: Momentum 5.30; cut the position if below 5.05.

#### SSF (SSF.BK, Bt17.40) Price Chart

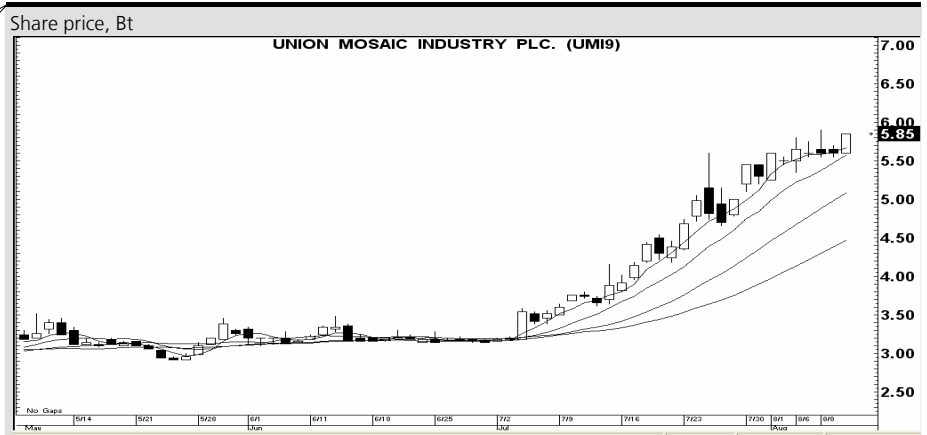


Source: Reuters

#### SSF (Bt17.40)

Signal: Buy  
 Indicator: Positive  
 Action: Quick trade  
 Comment: Momentum 18.20; cut the position if below 17.

#### UMI (UMI.BK, Bt5.85) Price Chart



Source: Reuters

#### UMI (Bt5.85)

Signal: Buy  
 Indicator: Positive  
 Action: Quick trade  
 Comment: Momentum 6.05; cut the position if below 5.75.

\*The Company may be issuer of Derivative Warrants on these securities.







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	Outperform (OP)	The stock's excess return* over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Thailand).
	Neutral (N)	The stock's excess return* over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Thailand).
	Underperform (U)	The stock's excess return* over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Thailand).
	Not Rated (NR)	The stock is not rated by KGI Securities.
	Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.
		<i>* Excess return = 12M target price/current price-1</i>
	Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.
	Source	KGI Securities and its subsidiaries and affiliates.

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