"Romance of Three Parties" election mandates "A Few Good Men"

- We expect "Romance of Three Parties" in Thailand's coming election on 8 Feb-26
- 4-5 outsider experts for key ministries are key game changers for Thailand
- Large-cap picks: DELTA, AOT, ADVANC, GULF, KTB

A likely coalition government without a lop-sided majority vote party

Unlike the previous May-23 election with only two major parties People's Party and Phue Thai commanding for almost 2/3 of total voters, we think the upcoming election on 8 Feb-26 will see three parties vying for roughly equal number of voters (120-140) out of total 500. Key rational are 1) majority of "swing voters" (25-40%) remain reluctant to choose any candidate for PM; 2) the new government still requires a coalition structure with at least 2 out of top 3 parties with highest voters (People's Party, Phue Thai, Phumjai Thai); thereby having no absolute power to lead the government.

"Romance of Three Parties"

Under the circumstance of "Romance of Three Parties", we think Thailand will be better off, not worse off, given the no-absolute single majority party will create a "bargaining power" whereby both leading parties need to build their strengths in order to gain popularity. The three likely top 3 largest parties – People's Party, Phue Thai, and Phumjai Thai – will fight one another to from the government, with the mandate to appoint at least 3-5 "outsider experts" as parts of their "effective cabinet".

"A Few Good Men/Women" for Thailand and the new government's stability

Set as a highly effective example with four outsider experts in the cabinet by the 2-month-old, Phumjai Thai-led government, we believe it is highly likely that any one of three major parties will need to appoint 4-5 "outsider experts" as their respective cabinet members, aiming at creating "popular branding" to voters and gaining bargaining power against other parties in the coalition government. The likely Ministries for "outsider experts" include the Ministry of Commerce, Finance, Energy, and Foreign Affairs as we think the mandates for developments in economics and exports growths, reduction in cost of living, and stronger stance of Thailand's foreign affairs in global diplomacy, are of critical to stability of the new coalition government.

"Swing Votes" remain the game changer

Based on recent polls, there are increasing number of "swing voters" who have yet decided on any parties (25-40%), thanks to the poor management of Phumjai Thai government on Haad Yai's flood, the unforgiven support of People's Party for Phumjai Thai to be government, and the mismanagement of Thailand-Cambodia border conflict by Phue Thai ex-PM. We think the critical success factor to win the coming election is to win votes for Gen X (44-59 years old, 30% of votes) and Gen Y (28-43 years old, 28.3%) via effective social media platforms of Facebook and Youtube (Gen X) and Instagram and Tiktok (Gen Y) with "compromising, neutral" policies on foreign affairs and energy but with the progressive policies on commerce and economics/finance.

Three-pronged parties election scenario underlining SET index target to 1450

With key ministries likely led by "outsider experts" and the progressive policies on economics, finance, and commerce, we have SET index target of 1450 by end-2026. Large-cap stocks will lead the charge, including DELTA, AOT, ADVANC, GULF, and KTB while mid/small-cap stocks (BA, BGRIM, ITC, SCGP) will complement the rally.

Analyst

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Exhibit 1: Poll for Thailand's coming general election on 8 February 2026
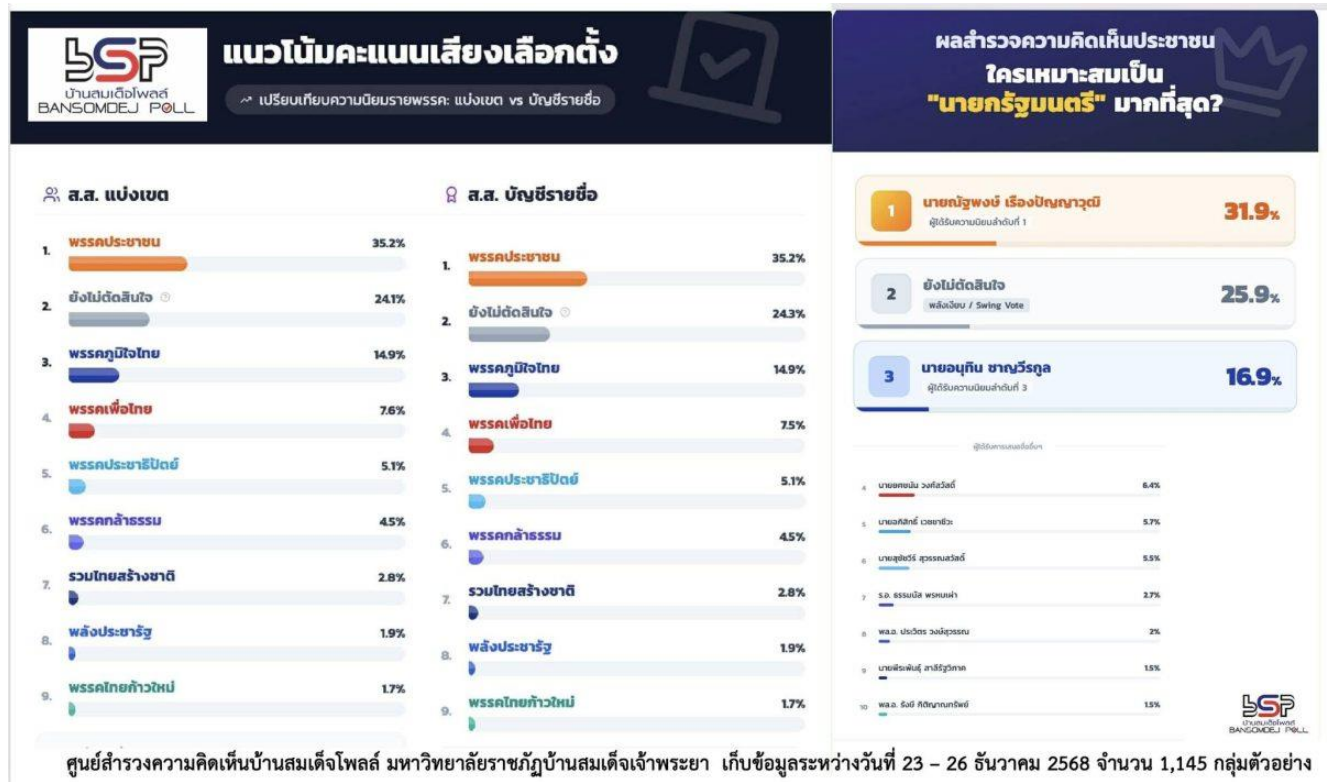
Sources: Bansomdej Poll (23-26 December 2025)

Exhibit 2: Thailand's voters by generations

Generation	Age	Number of voters	% voters
Gen X	44-59	15.92	30.0
Gen Y	28-43	15.00	28.3
Baby Boomer	60-78	11.90	22.4
Gen Z	18-27	8.12	15.3
Silent	79+	2.09	3.9
Total		53.03	100.0

Sources: ThanSetthakij

Exhibit 3: 2023 election result

Party	Electoral	Party List	Total	% total
People's Party	112	39	151	30.2
Phue Thai	112	29	141	28.2
Phumjai Thai	68	3	71	14.2
Palangpracharat	39	1	40	8
United Thai Nation	23	13	36	7.2
Democrat	22	3	25	5
Chart Thai Pattana	9	1	10	2
Prachachart	7	2	9	1.8
Thai Sang Thai	5	1	6	1.2
Phue Thai Rumphalang	2	0	2	0.4
Chartpattanakla	1	1	2	0.4
Others	0	7	7	1.4
Total	400	100	500	100

Sources: Infoquest

Exhibit 4: Election results in may 2023

Sources: Infoquest

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Analyst Certification

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RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.

Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.

Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.