Tight Money, Selective Thailand

- Global monetary tightening raises the hurdle for SET foreign flows as bond yields and the dollar remain elevated.
- Oil scarcity sustains inflation risk, while Thailand's THB4/litre diesel intervention creates a new domestic policy overhang.
- We recommend **KBANK, BBL, BGRIM, PTTGC,** and **BDMS.**

Global Tightening Resets the Foreign-Flow Hurdle

SET ended last week at 1,584.15, down 1.27% w-w, as the global rate backdrop hardened. The Fed raised rates 25bps to 3.75–4.00%, with 16 of 18 policymakers expecting at least one more 2026 hike, while the BOJ lifted rates to 1.25% and U.S. 10Y yields moved above 5%. Thailand remains an outlier with the policy rate at 1.00%, leaving the baht and foreign flows sensitive to a stronger dollar. This week's Fed speakers and September flash PMIs will test whether tightening cycle extends further.

Oil Scarcity Meets Domestic Price Intervention

Brent ended Friday at US$104.87/bbl while Asian diesel cracks exceeded US$87/bbl, keeping energy inflation and geopolitical risk elevated. Thailand adds a domestic policy complication: the Energy Policy Administration Committee cut ex-refinery diesel prices by THB4/litre for B7 and B20 from 16 Sep to 31 Oct. The measure helps contain local fuel costs but creates near-term earnings and sentiment pressure for refiners, limiting the sector's ability to fully capture extraordinary diesel margins. Hormuz traffic, Saudi infrastructure repairs and Middle East diplomacy remain the key swing factors.

Power Investment Remains a Structural Offset

Thailand's power-investment story remains despite tighter global financial conditions. PDP2026 targets a major expansion in generation, storage and grid capacity, while the government has doubled the public solar programme to 10GW. Data-centre and AI investment continue to increase electricity demand, reinforcing the need for reliable generation, Direct PPA, grid reinforcement and storage. This creates a structural domestic capex theme that is less dependent on near-term global demand, although higher yields and LNG prices remain important valuation and margin risks for utilities.

US-China Talks Add a Regional Event Risk

President Trump and President Xi are scheduled to meet in Washington on 24 September, with tariffs, AI, critical minerals and the existing trade truce on the agenda. The meeting matters for Thailand through regional supply chains, electronics exports and FDI sentiment. A stabilisation in trade relations could support Asian risk appetite and manufacturing investment, while renewed tariff or technology restrictions would reinforce selective positioning. With U.S. flash PMIs also due 23 September and durable-goods orders on 25 September, global growth expectations remain another important driver of yields and cyclical sentiment.

Strategy and Recommendations: Own Catalysts

We recommend **KBANK** for stronger fee and non-interest income, improving corporate-loan momentum and contained credit costs; **BBL** for corporate-loan growth from Thailand's FDI and investment cycle; **BGRIM** for data-centre electricity demand, PDP2026 and Direct PPA optionality; **PTTGC** for selective petrochemical-margin upside from regional supply disruptions and longer-term specialty-chemical and cost-efficiency improvements, despite domestic diesel-intervention risk; and **BDMS** for defensive earnings visibility, improving 3Q26 revenue momentum and recovering international-patient demand.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Assistant Analyst

Peerayu Sirivorawong

GENERAL DISCLAIMER
Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

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.