

Auto Sector – Overweight

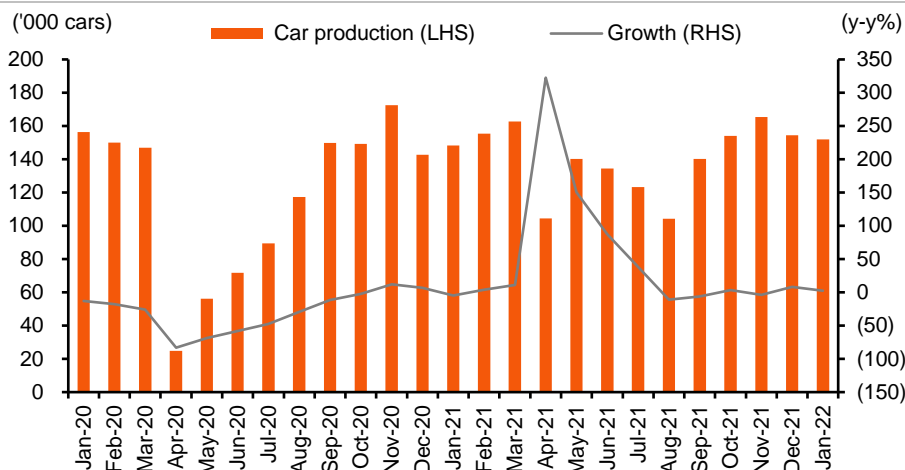
Rata Limsuthiwanpoom | Email: rata.lim@thanachartsec.co.th

News Update

Some chip shortage hit to auto production in January

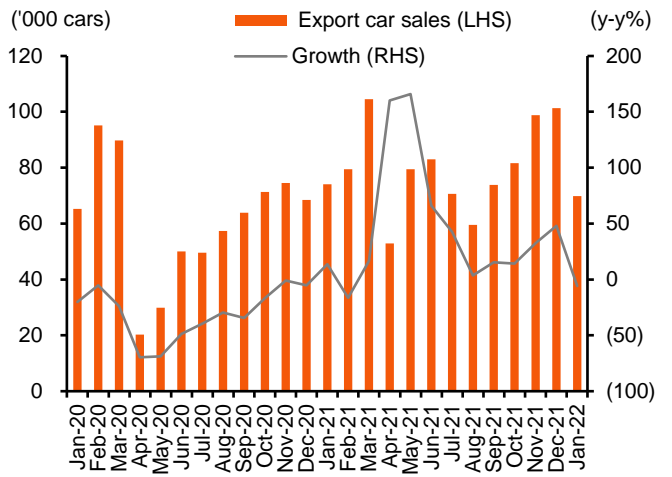
- January auto production was flattish (-2% m-m and +2% y-y) ...
- ... due to the chip shortage impact on passenger car exports
- We keep our full-year auto production growth forecast at 6%
- Maintain OVERWEIGHT
- The Federation of Thai Industries (FTI) reported production of new vehicles of 151,747 units in January 2022, flattish at +2% y-y and -2% m-m. There was an impact from the chip short shortage on passenger car exports. We maintain our full-year production assumption growth forecast of 6% to 1.8m cars, on par with the FTI's target this year.
- As for sales, exports dropped by 6% y-y and 31% m-m to 69,833 units (86% of 2019's level) due to the chip shortage impacting passenger car production. Falls were seen in all markets except Australia and Central and South America.
- Domestic sales recovered by 26% y-y on the low base effect but dropped 19% m-m to 69,455 units (89% of 2019's level). Note the decline m-m was due the high base effect from the motor expo being held in December.
- We maintain our OVERWEIGHT stance on the automotive sector. We like SAT (BUY, TP: Bt29), followed by STANLY (BUY, TP Bt270) and NYT (BUY, TP: Bt5.3).

Ex 1: Vehicle Production Continued To Improve In October



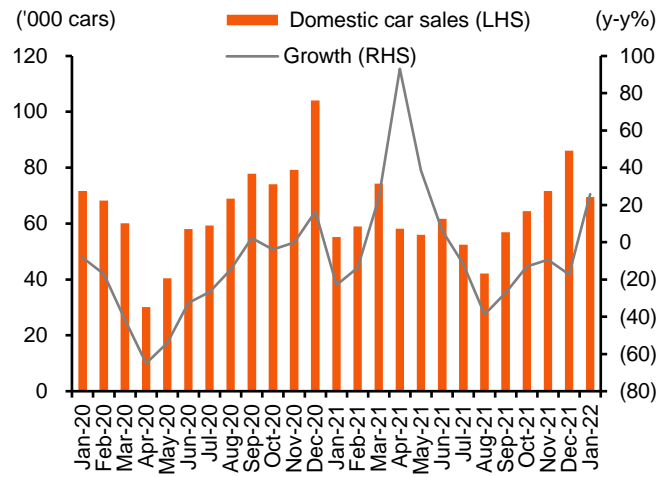
Source: Thai Automotive Industry Association

Ex 2: Car Export Sales



Source: Thai Automotive Industry Association

Ex 3: Domestic Car Sales



Source: Thai Automotive Industry Association

Ex 4: Title xx

Sources: Company data; Thanachart estimates

Ex 5: Title xx

Sources: Company data; Thanachart estimates

Ex 6: Title xx

Sources: Company data, Thanachart estimates