Auto Sector – Overweight

News update

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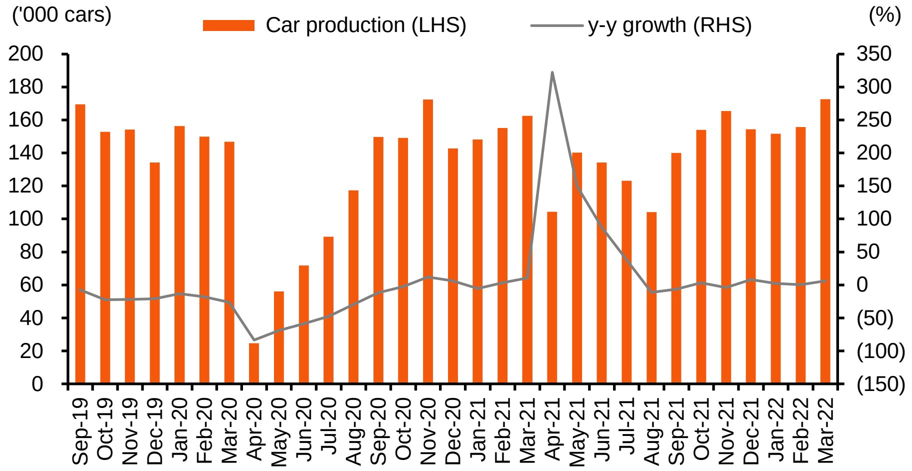
Decent auto production, as we'd expected

- **1Q22 auto production grew 3% y-y and q-q, despite…**
- **… chip shortage impact on some passenger car models**
- **We expect better momentum h-h and y-y in 2H22F**
- **SAT is our top pick**

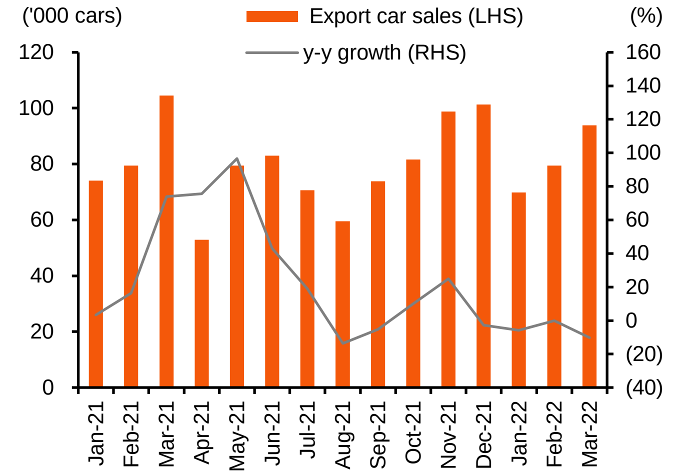
- Production of new vehicles grew 6% y-y and 11% m-m to 172,671 units (87% of 2019's level) in March 2022. This was despite the chip shortage that has lingered on from the COVID crisis and which affected some passenger car models. Production of domestic vehicles rose by 32% y-y but those for export dropped by 11%. As for full-1Q22, auto production was up by 3% y-y and q-q, and this accounted for 27% of our full-year production forecast of 1.8m units. 2Q is the normal low season. We expect better auto production momentum h-h and y-y in 2H22F.
- As for sales, due to the reason above, exports volume in March dropped 10% y-y (but rose 18% m-m on seasonality) to 93,840 units (80% of 2019's level). As we'd expected, 1Q22 export sales dropped 6% y-y and 14% q-q. Domestic sales recovered by 17% y-y and m-m on the low base effect to 82,245 units (85% of 2019's level). 1Q22 registered growth of 23% y-y and 4% q-q.
- STANLY (BUY; TP Bt270) is more exposed to passenger cars at 35% of revenue vs. our top pick SAT (BUY; TP Bt27) at 7%.

Ex 1: Vehicle Production



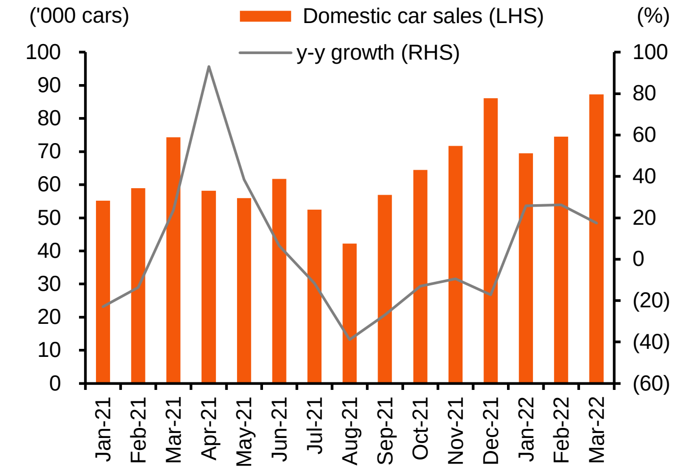
Source: Thai Automotive Industry Association

Ex 2: Car Export Sales



Source: Thai Automotive Industry Association

Ex 3: Domestic Car Sales



Source: Thai Automotive Industry Association

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