

Thailand Politics

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News Update

An election rally

- Thailand's election is on this coming Sunday
- The SET already enjoyed 5.2% YTD pre-election rally
- More to come if Bhumjaithai wins the most seats
- If People's Party wins, a temporary profit taking is expected

Thailand's general election is on this coming Sunday, Feb 8th. We recap our long-term view briefly here. We expect the first stage, broad-based SET recovery with the election being the main catalyst. This is because the election is expected to bring in a more stable government. We expect the Bhumjaithai party (BJT) to lead the new conservative-led coalition government. In a later stage we expect the SET recovery to be driven by the new government's policies, which are expected to be less populist and more investment focus, which in turn should bring back some buy-and-hold long-term investors back to the Thai market. The SET is also starting its recovery phase at a very low base of valuation with PE ratio having been de-rated back to the level seen 15 years ago. Our SET target for 2026F is 1,380. Please refer to *Siam Senses – Just as we were losing hope*, dated 7 January 2026.

In this note update, we highlight potential short-term market reactions to this Sunday's election results based on the scenarios below.

- If BJT wins the largest number of MP seats, we expect the SET to continue to go up next week.
- If its main rival the progressive People's Party (PP) wins the most seats, we expect a profit taking of the SET. This is because the market tends to view progressive-led government as an unstable government than a conservative-led one.
- However, we expect the profit taking to be temporary as we do not expect PP to find enough support from other parties to have a majority of over 250 seats in the 500-seat House. At the end, BJT will be able to form the government and the market will start going up again in our view.
- A recap of our estimation of MP seats to be won by each political party is in the right table. The estimation was done in the previous Siam Senses early in the year. Coming to this point, there is a potential upside to the Democrat Party (DEM)'s winning seats from our earlier 30-seat expectation. We also show our prediction of two most likely compositions of the coalition government in Exhibit 1-2 below. These two scenarios do not have much different market implications but the scenario that has DEM in the government mix is a better one. DEM has very strong track record of doing great opposition work, so having DEM in the coalition rather than on the opposition bench can imply a more stable government scenario.
- We maintain our top 10 picks as DELTA, TRUE, CPN, CPALL, GULF, GPSC, MTC, SAWAD, TIDLOR, and MOSHI.

Top Picks

	-EPS growth-		— PE —		Yield 26F (%)
	26F (%)	27F (%)	26F (x)	27F (x)	
CPALL	13.3	15.0	13.0	11.3	3.9
CPN	13.5	10.8	15.0	13.6	3.9
DELTA	51.4	43.0	69.0	48.3	0.5
GPSC	29.2	19.3	16.3	13.7	3.4
GULF	21.2	14.5	23.3	20.3	2.6
MOSHI	24.5	18.9	14.1	11.8	3.6
MTC	15.2	11.5	9.6	8.6	1.6
SAWAD	8.6	11.0	8.1	7.3	5.5
TIDLOR	15.1	13.8	8.7	7.6	4.6
TRUE	58.7	9.9	15.3	13.9	3.3

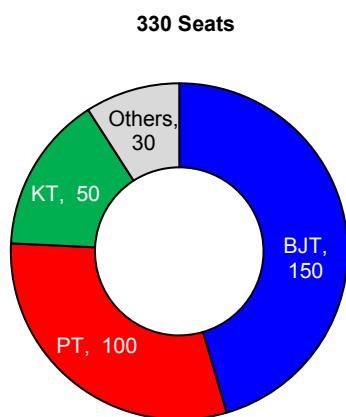
Source: Thanachart estimates

Based on 5 February 2026 closing prices

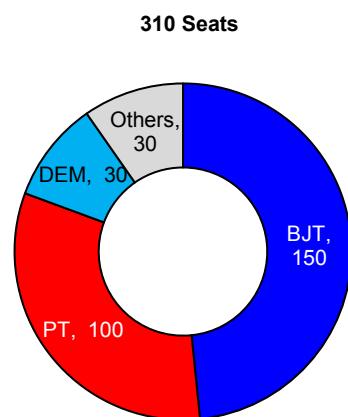
Estimated Number Of Seats

Parties	MP seats 2026F election
Bhumjaithai (BJT)	150
People's Party (PP)	140
Pheu Thai (PT)	100
Klathan Party (KT)	50
Democrat Party (DEM)	30
Others	30
Total	500

Source: Thanachart estimates

Ex 1: Scenario 1 – Estimated Coalition Seats

Source: Thanachart estimates

Ex 2: Scenario 2 – Estimated Coalition Seats

Source: Thanachart estimates

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