

Thailand Politics

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News Update

A landslide election, a bull case for the SET

- **Bhumjaithai Party wins the election by a landslide**
- **A landslide implies the government's stability and...**
- **...a mandate to implement its investment-focused policies**
- **We see an upside to our 1,380 SET target**

According to the Election Commission's (EC) unofficial results, Bhumjaithai Party (BJT) won the Sunday election by a landslide of 194 seats, which are far distance to the second place People's Party (PP) at 116 seats and the third place Pheu Thai Party (PT) at 76 seats. Although BJT's winning is in line with our view, the number of the winning seats are far higher than our estimate of 150 seats. Our views are below.

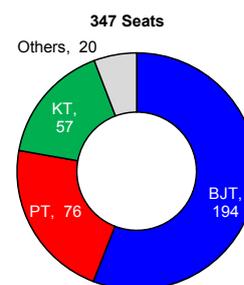
- BJT's landslide win is highly market positive and we expect SET to continue to go up this week. A landslide implies people's mandate, which in turn implies government's stability. The chance that the BJT-led government will stay throughout its four-year term is very high. Exhibit 3 shows the unofficial winning MP seats.
- The landslide win with a large seat gap to its coalition partners means that BJT will control much larger number of cabinet seats than its coalition partners. And this should result in a dominating policy direction with more effective policy implementations. Note that we like BJT's policies announced during its election campaign as they are less populist and more investment focused.
- BJT is a conservative party and it will form a conservative-led government. We believe the market perceives a conservative-led government to be more stable than the progressive one.
- Our view of the potential coalition partners in the next government remains the same. That is, it is likely to be a mix of BJT, Pheu Thai (PT), Klatham (KT), and other smaller parties. From Exhibit 1, the new government would potentially have 347 seats out of the total 500-seat House. A coalition of over 300 seats is considered a strong majority and a stable one. Also possible but less likely is a scenario in Exhibit 2 with a coalition mix of BJT, KT and smaller parties. This would form a coalition government with about 281 seats. We expect BJT to go for the choice of a higher majority coalition government.
- We expect the SET to continue its recovery path on four reasons. 1) The market likes stability and the new government is likely to be a highly stable one to complete its four-year term. 2) BJT's economic team is a high quality one and we like its policy direction of less populism and more investments. 3) The landslide win doesn't only increase the stability of the government, but it is also a people's mandate for BJT's policy direction. 4) We expect the new government's policy direction to bring back long-term, buy-and-hold investors back to Thailand.
- We expect a continued broad-based recovery of the SET this week. Our top 10 stock picks are shown in the right table. Apart from the stocks in the list, we expect STECON to outperform the market in a longer term due to the new government's policy to increase investment to GDP ratio from 23% to 30% over the next few years.

Top Picks

	-EPS growth-		— PE —		Yield
	26F (%)	27F (%)	26F (x)	27F (x)	
CPALL	13.3	15.0	13.2	11.5	3.8
CPN	13.5	10.8	14.8	13.3	4.0
DELTA	51.4	43.0	70.7	49.5	0.5
GPSC	29.2	19.3	16.7	14.0	3.3
GULF	21.2	14.5	23.1	20.1	2.6
MOSHI	24.5	18.9	13.9	11.7	3.7
MTC	15.2	11.5	9.6	8.6	1.6
SAWAD	8.6	11.0	8.0	7.2	5.7
TIDLOR	15.1	13.8	8.7	7.6	4.6
TRUE	58.7	9.9	15.5	14.1	3.2

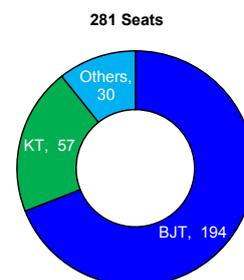
Source: Thanachart estimates
Based on 6 February 2026 closing prices

Ex 1: Most Likely Coalition Govt



Source: Thanachart estimates

Ex 2: Possible But Less Likely



Source: Thanachart estimates

- We see an upside to our 1,380 SET target in 2026F. The landslide election results imply people's mandate that should improve the degree of success of the government's policy implementations.

Ex 3: Estimated Number Of Seats

Parties	Members Elected On A Constituency Basis	Party List	Total
Bhumjaithai (BJT)	175	19	194
People's Party (PP)	85	31	116
Pheu Thai (PT)	60	16	76
Klatham Party (KT)	55	2	57
Democrat Party (DEM)	10	12	22
Others	15	20	35
Total	400	100	500

Source: Election Commission's unofficial election results

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