

Retail Sector – Overweight

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News update

A windfall in March

- Home improvement saw the largest improvement
- Consumer staples benefited from war-fear stocking
- Still softness in consumer discretionary
- Still limited negative impacts from the Middle East war

Companies under our coverage have observed improving same-store sales growth (SSSG) in Mar26F, with estimated SSSG at 0.2% following consecutive periods of decline. On a quarterly basis, we estimate the retail sector's SSSG at -2.0% in 1Q26F vs. -4.2% in 4Q25. Overall, demand hasn't improved much, but there has been some benefit from consumer staple stocking due to fears that the Middle East war could lead to product shortages. The only sector seeing a real demand increase is home improvement.

- **Home improvement companies** have observed a good improvement. We forecast SSSG of -5.7% in 1Q26F after -8.7% in 4Q25. On a monthly basis, SSSG has improved to -0.7% in March from -7.0% in 2M26F. We believe the key reason is improved demand from a very low base after years of weakness, while there is also better sentiment from a more stable government and an improved stock market, which has led to demand for large-ticket items like home improvement and renovations. There is also some stock-up demand from contractors for price-volatile products, e.g., steel, when the war started. **GLOBAL** and **DOHOME** have seen improvements. As for **HMPRO**, although its SSSG is still negative in Mar26F, customers' orders have already increased y-y. The negative SSSG is due to the delay in the transportation of some in-demand products, e.g., air conditioners that require scheduled installation, into the next month.
- **Consumer staples** companies also see improvements, with flat SSSG in 1Q26F vs. -3.3% in 4Q25, thanks to a 1.3% Mar26F SSSG. Consumer staple products, e.g., food and daily-use products, haven't seen much positive impact from early improvement in economic sentiment. The positive SSSG in March is mainly due to consumers' stocking of essential products like dry foods and personal-use items amid fears that the Middle East war could lead to product shortages. **CPAXT** has seen positive SSSG in Mar26F. **BJC** sees a smaller SSSG decline. **CPALL's** Seven-Eleven stores haven't benefited from consumer stocking due to the nature of their products being daily consumption items. Continued positive SSSG is due to the strength of its store model.

Ex 1: Stock Rating And TP

	Rating	Price Current (Bt)	Price Target (Bt)
BJC	SELL	15.10	12.50
COM7	BUY	22.60	34.00
CPALL	BUY	46.25	60.00
CPAXT	HOLD	16.20	16.00
CPN	BUY	63.50	75.00
CRC	BUY	19.10	23.00
DOHOME	SELL	3.38	3.20
GLOBAL	HOLD	5.85	7.30
HMPRO	BUY	6.30	9.50
MC	BUY	10.90	12.50
MOSHI	BUY	36.00	50.00

Sources: Company data, ttb wealth estimates

- Consumer discretionary** companies continue to see soft SSSG in Mar26F, partly due to the impact from the Middle East war. We expect sellers of non-essential products, e.g., MOSHI's lifestyle products, to see a flat SSSG, with some positive SSSG for key retail stores, while wholesale stores should decline from the disappearance of Middle East tourists, while demand from Thai B2B customers from upcountry regions also declined due to rising oil prices. MC's clothing product demand will also likely decline. CRC likely see positive SSSG in Mar26F due to good demand for its food and essential products, followed by the hardline products due to the aforementioned consumers' stocking case. Its discretionary-based fashion product will likely decline. We expect CPN to see increasing traffic and good tenant sales due to its successful strategy in improving the shopping mall experience and having new, better tenants.
- The Middle East war impact:** Aside from non-essential consumer discretionary operators, retail companies haven't seen much negative impact, while some companies, e.g., consumer staples and home improvement players, have enjoyed extra demand. Looking forward, companies expect some rising costs but still believe they are manageable. Home improvement players expect rising transportation costs from higher oil prices and product costs, e.g., steel and plastic-based products. Some operators plan to ask for discounts from suppliers and believe price increases to end consumers will not be significant. There hasn't been any product shortage yet. They are monitoring plastic-based products, which may face supply shortages. The inventory so far last into about June,

Ex 2: Mar26F SSSG

(%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Jan26F	Feb26F	Mar26F	1Q26F
BJC	(1.1)	(4.0)	(0.4)	2.2	2.1	(3.2)	(3.8)	(3.3)	(3.0)	(4.0)	(1.5)	(2.8)
CPALL	4.9	3.8	3.3	4.0	3.0	(0.8)	(0.5)	(1.5)	0.5	1.5	1.5	1.2
CPN	3.0	2.0	2.0	2.5	2.5	2.0	1.5	2.0	2.0	2.0	2.2	2.1
CRC	1.0	(1.0)	(3.0)	(1.3)	(4.0)	(6.0)	(4.0)	(4.0)	(4.5)	(3.5)	1.5	(2.2)
DOHOME	(9.8)	(5.3)	(4.5)	1.5	0.4	(9.3)	(11.2)	(10.4)	(7.5)	(5.0)	4.2	(4.2)
GLOBAL	(5.3)	(2.3)	(6.5)	(3.7)	(10.0)	(10.7)	(0.9)	(4.9)	(4.0)	(5.0)	1.2	(2.6)
HMPRO (HomePro)	(2.1)	(7.3)	(5.8)	(0.7)	(3.3)	(8.8)	(5.7)	(7.8)	(10.0)	(18.0)	(7.5)	(12.5)
HMPRO (Mega Home)	(4.1)	(1.3)	(3.9)	4.5	0.2	(1.6)	0.9	(6.9)	(1.5)	(5.0)	(0.5)	(3.5)
CPAXT (Makro wholesale)	3.4	1.8	1.8	3.0	1.0	(1.2)	0.3	(0.6)	(1.0)	(0.5)	4.0	2.0
CPAXT (Lotus's)	7.1	3.5	2.3	1.9	0.5	0.0	(0.5)	(7.6)	(2.0)	(0.5)	1.2	(0.4)
MC	0.0	0.0	(10.0)	(5.0)	(5.0)	(6.5)	(9.0)	(7.0)	(7.0)	(1.0)	(4.2)	(4.1)
MOSHI	0.4	(8.5)	5.7	15.4	7.9	15.2	6.0	1.6	8.5	0.0	0.0	2.8
Average	(0.2)	(1.6)	(1.6)	2.0	(0.4)	(2.6)	(2.2)	(4.2)	(2.5)	(3.3)	0.2	(2.0)
Consumer staples	3.6	1.3	1.8	2.8	1.7	(1.3)	(1.1)	(3.3)	(1.4)	(0.9)	1.3	(0.0)
Home improvement	(5.3)	(4.1)	(5.2)	0.4	(3.2)	(7.6)	(4.2)	(7.5)	(5.8)	(8.3)	(0.7)	(5.7)
Consumer discretionary	1.1	(1.9)	(1.3)	2.9	0.4	1.2	(1.4)	(1.9)	(0.3)	(0.6)	(0.1)	(0.3)
exc. Home improvement												

Sources: Company data, ttb wealth estimates

Note: Makro wholesale's SSSG from 3Q24 includes overseas business (Makro Int'l, food service)

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