How to trade Thai stocks
Introduction to The Stock Exchange of Thailand

SET has been operating for almost four decades, and has enjoyed a record of steady achievements and ongoing platform enhancement. SET is a key preferred choice in matching investors with listed companies because it has consistently developed a diverse variety of financial products and services that are suited to the rapidly changing financial world. The Exchange is positioned competitively compared to its international peers. Today, SET has become a one-stop marketplace of financial products, including:

- **Equities** products, such as common stocks, preferred stocks, non-voting depository receipts (NVDRs), unit trusts, warrants, derivative warrants, depository receipts, and exchange-traded funds (ETFs).
- **Fixed-income** products, including corporate and government bonds, and Asian bond funds traded on the Bond Electronic Exchange (BEX).
- **Derivatives** products traded on the Thailand Futures Exchange (TFEX), such as index futures and options, single stock futures, commodity futures, interest-rate futures, and currency futures.

Despite the country’s having experienced difficult times recently, a closer look will show that the Thai market can recover quickly, as proven by the resilience of most listed companies with strong fundamentals. It was significant that in 2012, SET was upgraded to “advanced emerging market” status by FTSE Group, a world-leader in providing global indices and analytical solutions.

SET has increasingly become more attractive to local and foreign investors, resulting in higher liquidity. Thus, SET is becoming one of the more reliable leading exchanges in this region, offering plenty of opportunities for investment.
SET trading channels

SET has offered a fully-computerized, highly-advanced trading platform since 1991, enabling trading to be more efficient, equitable and smooth. To support ever-increasing market liquidity and an improved trading experience, in 2012, SET introduced the “SET Connect” trading platform, which again brought SET to among the regional front-runners in terms of reliability, security and speed. SET will continuously develop its trading channels for better reliability and efficiency to satisfy investors.

Currently, trading access to SET and its other bourses can be divided into three main channels.

- Investors can place their orders through the Exchange’s members.
- The Exchange has developed a direct market access system (DMA) This enables investors to directly connect their trading applications with their broker’s front-end system, enabling orders to be routed automatically to the exchange, resulting in greater trading efficiency, fast and accurate executions, and higher security while lowering operational costs.
- SET provides an internet trading platform (Online Trading) which has become popular to many retail investors, lowering trading costs.
### Introduction to The Stock Exchange of Thailand

#### SET trading hour

<table>
<thead>
<tr>
<th>Trading Session</th>
<th>Trading Method</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-opening I</td>
<td>9:30 - T1</td>
<td>Auction</td>
</tr>
<tr>
<td>Morning Trading Session</td>
<td>T1 - 12:30</td>
<td>AOM, Trade Report</td>
</tr>
<tr>
<td>Intermission</td>
<td>12:30 - 14:00</td>
<td>Intermission</td>
</tr>
<tr>
<td>Pre-opening II</td>
<td>14:00 - T2</td>
<td>Auction</td>
</tr>
<tr>
<td>Afternoon Trading Session</td>
<td>T2 - 16:30</td>
<td>AOM, Trade Report</td>
</tr>
<tr>
<td>Pre-close</td>
<td>16:30 - T3</td>
<td>Auction, Trade Report</td>
</tr>
<tr>
<td>Off-hour Trading</td>
<td>T3 - 17:00</td>
<td>Trade Report</td>
</tr>
<tr>
<td>Market Close</td>
<td>17:00</td>
<td>Market close</td>
</tr>
</tbody>
</table>

**Pre-opening I**

T1 is the random opening time between 9:55 - 10:00 for calculating the opening price for the morning trading session. Auction method is used to determine opening price.

**Morning Trading Session**

T1 - 12:30 Morning trading session

**Intermission**

12:30 - 14:00

**Pre-opening II**

T2 is the random opening time between 14:25 - 14:30 for calculating the opening price for the afternoon trading session. Auction method is used to determine opening price.

**Afternoon Trading Session**

T2 - 16:30 Continuous order matching stops at 16:30 hrs.; however orders may still be sent for queuing until closing auction is performed in T3.

**Pre-close**

16:30 - T3 The trading system allows the following actions to be performed:
1. Enter a trade report transaction
2. Send a request to bust/cancel the trade report
3. Update some information in the trade i.e. ownertype (Investor type)

**Off-hour Trading**

T3 - 17:00

**Market Close**

17:00 Market close
Introduction to The Stock Exchange of Thailand

Services to foreign investors

- To facilitate foreigners wishing to invest in Thai-listed companies, SET has established a foreign trading board, where foreigners can register their investment holdings, while receiving the same benefits as local investors.
- However, listed companies still face foreign holding limits. In 2001, SET created non-voting depository receipts (NVDRs) to stimulate trading and help eliminate barriers of foreign holding limits. NVDRs automatically carry the same prices and financial benefits as their underlying securities, the only difference being that NVDR holders do not have voting rights.

Stock benefits for foreign investors

<table>
<thead>
<tr>
<th>Trading channels type</th>
<th>Capital-gain rights</th>
<th>Dividend rights</th>
<th>Voting rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main trading board</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Foreign trading board</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>NVDR</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
## Introduction to The Stock Exchange of Thailand

SET divides listed companies into 28 sectors, under eight industries:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sector</th>
</tr>
</thead>
</table>
| Agro & Food Industry (.AGRO) | AGRI: Agribusiness  
                       | Food: Food & Beverage                      |
| Consumer Products (.CONSUMP) | FASHION: Fashion  
                       | HOME: Home & Office Products  
                       | PERSON: Personal Products & Pharmaceuticals |
| Financials (.FINCIAL) | BANK: Banking  
                       | FIN: Finance & Securities  
                       | INSUR: Insurance                      |
| Industrials (.INDUS) | AUTO: Automotive  
                       | IMM: Industrial Materials & Machinery  
                       | PAPER: Paper & Printing Materials  
                       | PETRO: Petrochemicals & Chemicals  
                       | PKG: Packaging  
                       | STEEL: Steel                                    |
| Property & Construction (.PROPCON) | CONMAT: Construction Materials  
                       | PROP: Property Development  
                       | PF&REITS: Property Fund & REITS  
                       | CONS: Construction Services               |
| Resources (.RESOURC) | ENERG: Energy & Utilities  
                       | MINE: Mining                               |
| Services (.SERVICE ) | COMM: Commerce  
                       | HELTH: Health Care Services  
                       | MEDIA: Media & Publishing  
                       | PROF: Professional Services  
                       | TOURISM: Tourism & Leisure  
                       | TRANS: Transportation & Logistics            |
| Technology (.TECH) | ETRON: Electronic Components  
                       | ICT: Information & Communications Technology |
How to invest in Thai Stock from Malaysia

Option 1
Trade with Local Brokers

Contact your local broker and request for off-shore trading information, specifically, trading in Thai stock market. Please note that this service may not be offered by your broker.

Document needed:
1. (i) Copy of Malaysian NRIC/Passport/Armed Forces or Police Personnel/Authority Card (both sides); or (ii) Non-Malaysian Passport
2. Copy of latest Bank Statement/Pay slip/EA Form/Income Tax Return Form

Option 2
Trade with SET members

SET has 39 securities companies who are members. The easiest way to open a brokerage account with them is in person.

Document needed:
1. Passport
2. Work permit (to open resident account)
3. Notary public/ proof of your foreign address such as bank statement or utility bills
4. Bank account in Thailand
How to invest in Thai Stock from Malaysia

Option 1 Trade with Local Brokers

3 easy steps to complete your investment

1. Open a brokerage account
   - Open Account
   - Funding Account

   Contact your local or current brokerage firms for offshore trading information. Most brokers will offer ‘Cash Balance’ account which is a securities trading account in which investors are required to deposit the full amount prior to trading. Minimum amount of fund might be required in order to start. Please note that there are exchange rate and conversion fees because Thai stock trading is in Baht currency. Therefore, investors should ask if the offered brokerage account accepts multicurrency to avoid any extra charge that might occur.

2. Start trading
   - Buy
   - Sell
   - Clearing & Settlement

   Stock price update and placing your order can be done through various methods:
   1. Placing order by yourself via the internet trading system (cheaper commission rate)
   2. Through Investment Consultants via email or telephone.

   Trading hours are based on Thai time zone. If you are living in different time zone then check time lagging before.

   Once order is made, clearing and settlement will be t+3 where t is the date you made an order.

   Contact your broker for more information on
   1. Trading process and system
   2. Commission rate
   3. Minimum balance and minimum order
   4. Clearing and Settlement process

3. Repatriation of Funds
   - Capital Gain
   - Dividend

   Malaysian Individual investors get tax exempted from Thailand double tax treaty, therefore, you will only pay one side tax only. There is no tax for profit you made on capital gain, however 10% of your dividend will be deducted in Thailand.

   Contact your broker for more information on
   1. Benefit from capital gains
   2. Dividend payment
### How to invest in Thai Stock from Malaysia

#### Option 2 Trade with SET members

**With 5 easy steps**

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Open a brokerage account with SET members</strong></td>
<td>Bring the necessary documents with you and contact SET members for account opening when you are in Thailand. Subsequently, your trading can be done from anywhere. Local bank account are required for any financial transaction. SET members will treat you as Thai citizens. Usually, SET members will only offer ‘cash balance’ account and minimum balance requirement for foreigners.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Bring in your Money</strong></td>
<td>You may fund your account via bank transfer or hand carry money. Bank could charge for international money transfer with no limitation while carry in cash could be charged a fee not exceeding 20,000 USD</td>
</tr>
<tr>
<td>3</td>
<td><strong>Start Trading</strong></td>
<td>There are 2 ways to trade Thai stock – online trading or investment consultant via email or telephone. Self trading online will have a cheaper commission rate. SET provides ‘Streaming’ trading program that allows the trading of Thai stocks online. Investors can login via a computer or any device from anywhere around the world. Please note the different in time zone. Clearing and settlement fall under t+3, where ‘t’ is the trading date.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Taking Profit</strong></td>
<td>Malaysian individual will get tax exempted from capital gain and profit will be transferred to your broker account directly. Under double tax treaty, dividend will be 10% deducted in Thailand. If you want to receive a bank transfer then you should apply for e-dividend but in general, investors will receive a cheque sent to their billing address</td>
</tr>
<tr>
<td>5</td>
<td><strong>Repatriation of Funds</strong></td>
<td>There will be a fee to transfer money back to Malaysia</td>
</tr>
</tbody>
</table>
## How to invest in Thai Stock from Malaysia

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Trade with Local Brokers</strong></td>
<td><strong>Trade with SET members</strong></td>
</tr>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>• Account opening is more convenient for the first time</td>
<td>• More understanding on the Thai Market</td>
</tr>
<tr>
<td>• Can use your current broker – less document needed</td>
<td>• More information on Thai Stock</td>
</tr>
<tr>
<td>• No language barrier</td>
<td>• Cheaper commission</td>
</tr>
<tr>
<td>• Easier to contact staff</td>
<td>• No minimum requirement or less</td>
</tr>
<tr>
<td><strong>Obstacles</strong></td>
<td><strong>Obstacles</strong></td>
</tr>
<tr>
<td>• Higher commission</td>
<td>• Difficulty on account opening</td>
</tr>
<tr>
<td>• Some difficulties in processing your order</td>
<td>• There may be a language barrier</td>
</tr>
<tr>
<td>• Lack of information on Thai stocks</td>
<td>• Cost of money transfer</td>
</tr>
<tr>
<td>• Minimum requirement to start</td>
<td>• Exchange rate fee</td>
</tr>
<tr>
<td>• Exchange rate fee</td>
<td></td>
</tr>
</tbody>
</table>
Leading the way into regional prominence

SET is well-recognized for both the quality of the products and the reliability of the services. The Exchange continues to fulfill its key role in pushing Thailand’s economic growth and development. SET’s primary goals are to strengthen its capital market platform and to further enhance regional connectivity.

The Exchange is also revising its rules to facilitate financial product development, promote savings, improve the regulatory environment, and continue to reduce the costs of funds and intermediary and transaction services to prepare for financial liberalization in Thailand.

Most importantly, to be ready for the ASEAN Economic Community and reinforce the regional economy, SET’s vision is to bring the regional exchanges closer to each other, under the ASEAN Trading Link concept. As an initial step, Thailand, Malaysia and Singapore have connected their trading platforms since October 2012 and encouraged listings from Indochina. This cross-border trading and listings will enable the Thai capital market to be an Indochina gateway that meets international standards.

It is significant that the fast-improving operating efficiency and the new forefront, trading platform reflect SET’s commitment on lowering transaction costs and promoting greater market volumes. The Exchange believes in promoting diverse financial products such as infrastructure funds, DW, ETF and REITs and risk management tools through derivatives. SET’s market access has improved as a result of direct market access and other ongoing efforts to enhance operational improvement.

SET will continue to be a leading exchange in a dynamic financial market environment, with an effective security infrastructure that meets international standards, and continue to play a key role in Thailand’s economic development.
Maybank Investment Bank

Maybank Investment Bank is one of Malaysia's leading investment banks with extensive dealing networks in the country, supported by one of the best research houses.

It has vast experience in undertaking large Initial Public Offerings of both domestic and international firms, executing primary/private placements and share buybacks, and advising on mergers & acquisitions. On the debt financing front, Maybank Investment Bank has a proven track record in advising and arranging both Islamic and conventional bond issuance. It also offers financial advisory services, specialising in energy, infrastructure and utilities sectors, as well as policy and strategy advisory services for both public and private sectors. Building up its capability in both equity and commodity solutions, Maybank Investment Bank also offers over-the-counter structured products and investment products on exchanges, and futures broking for institutional, corporate and retail investors. It was recently named Broker of the Year 2014 by The Finance Asia and The Asian Banker, Best Retail and Best Institutional Broker in Malaysia by Alpha Southeast Asia at its 8th Annual Best Financial Institution Awards 2014

Known globally as Maybank Kim Eng, it has presence in 10 countries across Asia, as well as the UK and the US. Maybank Kim Eng has won a multitude of awards and established itself as a financial powerhouse.

Website: [www.maybank-ib.com](http://www.maybank-ib.com)
CIMB Securities

Introduction to the CIMB Group:
A fully integrated regional universal banking group predicated on strong capital market capabilities leveraging on large commercial banking balance sheet and distribution platforms, serving over 14 million customers through 1,118 branches and over 40,000 staff worldwide.
Listed in Malaysia through CIMB Group Holdings Berhad (market capitalization\(^1\): USD17.5 billion).
We are currently the 2\(^{nd}\) largest banking group in Malaysia and the 5\(^{th}\) largest banking group in Southeast Asia by total assets.

About CIMB Securities:
A member of the Stocks Exchange of Thailand (SET) and Thailand Futures Exchange (TFEX).
One of the leading brokerage firm in Thailand providing a wide range of investment and securities services.
A member of CIMB Group with an extensive network spanning around the globe.

Promotion:
CIMB Rewards: The more you trade, the more you get
Every THB 50 commission is worth 1 point
Every 800 points will be redeemed for THB 200 Gift Voucher
Reach 2,500 points get 20% on top (500 points)
Reach 5,000 points get 40% on top (2,000 points)
Reach 10,000 points get 60% on top (6,000 points)
Boost you points at the end of the promotion by having accumulated points more than 20,000 points. The excess points will receive extra bonus points of 50%
*Term and Conditions apply

Contact: Cross Border Trading Team Tel. (66) 2670 8698 - 99
Website: www.cimbsecurities.co.th
RHB Investment Bank

RHB Investment Bank is one of the country’s largest investment banks after the merger with OSK Investment Bank in 2013. This has broadened our presence in ASEAN and China, presenting a spectrum of investment opportunities in the region. For the last 100 years, we have consistently strived to respond proactively to the needs of our clients with clear, efficient solutions, always delivering more to our valued clients. Moreover, we have the strong branches throughout ASEAN such as Thailand, Singapore, and Hong Kong.

- Equity Trading – Futures Trading – Discretionary Financing (T+7 Contra) – Share Margin Financing – EPF Investment Scheme – RHB Online Trading Portal – Other services –

Contact: Reon Su Senior Manager
KL Main Branch & Federal Territory

RHB Investment Bank Berhad
12th Floor, Plaza OSK, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
Tel: (603) 2333 8333 Ext. 2531
Fax: (603) 2162 2210

Email: reon.su@rhbgroup.com
Trading Website: http://www.osk188.com, http://www.osk188.co.th
Company Website: www.rhbgroup.com