

ANALYST TOUTS HEMP STOCKS

An analyst at Yuanta Securities suggests the hemp business remains "interesting" as related stocks continue to make advances. **B2**



A hemp plant is displayed at the Ministry of Public Health's Institute of Cannabis.

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Analyst backs joining hemp stock surge

FDA decision on licences soon

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Sri Trang Argo Industry (STA) led other hemp-related business stocks on a healthy price uptick ahead of the government's decision on whether to allow hemp oil in food

and beverage products.

The share price of many stocks related to hemp have continued to rise since the beginning of the year, as investors are bullish on the future of the hemp industry in Thailand following its legalisation last year, said an analyst at Yuanta Securities.

He said the Food and Drug Administration (FDA) is preparing to announce regulations and licences for the private sector to use hemp oil in food and beverages this

SHARE PRICES - COMPANIES ENTERING THE HEMP BUSINESS (2021)

Stock	Share price increase (%) Trading year-to-date
STA	81.13
RBF	51.61
RS	48.84
DOD	43.18
ICHI	26.49
TACC	25.41
SAPPE	19.69
TPG	15.09
JKN	11.04

As of Feb 22, 2021

Source: The Stock Exchange of Thailand

BANGKOK POST GRAPHICS

month, resulting in speculation on companies poised to blend hemp oil into existing products.

The analyst suggests investing in laggard stocks such as Ichitan and T.A.C. Consumer (TACC) — food and beverage companies that could potentially ride this trend to higher share value.

“The hemp business remains interesting as it is a new business in Thailand,” the analyst said.

The FDA announced it would allow the private sector to use hemp seed oil in cosmetics in January and this month it is expected to open use to food and beverage.

“We expect companies will start producing hemp products in the second half of 2021,” the Yuanta analyst said.

Research conducted by KTBST Securities also has positive view on the FDA’s decision and businesses related to hemp. KTBST predicts plantation and refinery businesses will be among the first beneficiaries, with the potential to be licensed as growers and extractors of cannabidiol (CBD). These include a group of entrepreneurs with hemp processing machines, including R&B Food and Supply, DOD Biotech, STA and Inter Pharma.

Food and beverage firms will likely use the extract for the production of products. Stocks that benefit will likely include Carabao Group, Osotspa, TACC, Charoen Pokphand Foods, Sappe, Malee Group, Ichitan, PTG Energy and Global Consumer.

Dietary supplement firms like RS, JKN Global Media, Mega Lifesciences and Inter Pharma can also capitalise on the trend.