GUNKUL Surges 2% on Positive Outlook over Renewables and Government Policy Boost

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On Thursday at 4:04 PM (Bangkok time), the share price of Gunkul Engineering Public Company Limited (SET: **GUNKUL**) rose by 2.13% or THB 0.04 to THB 1.92, with a trading value of THB 29.81 million.

Brokerage firms expect Thailand's power sector to benefit from the Ministry of Energy's continued drive to develop community solar farm projects with a combined capacity of 1,500 megawatts, along with the acceleration of Direct Power Purchase Agreements (Direct PPAs) for another 2,000 megawatts.

According to **Globlex Securities,** listed power producers including Gulf Energy Development (SET: **GULF**), Global Power Synergy (SET: **GPSC**), B.Grimm Power (SET: **BGRIM**), Electricity Generating (SET: **EGCO**), and Ratch Group (SET: **RATCH**) are likely to be particularly interested in these developments.

Renewable energy firm Gunkul Engineering (SET: **GUNKUL**) is also set to gain, while STP&I (SET: **STPI**) stands to benefit as it is expected to participate in the construction of new power plants, which are anticipated to complete swiftly within four months.

In a separate analysis, **Krungsri Securities (KSS)** has turned more positive on GUNKUL, identifying three main catalysts. First, the approval of Power Purchase Agreements (PPAs) for Phase 2 of the wind power procurement, where GUNKUL was awarded projects totalling 284 MW.

The brokerage firm's scenario analysis, based on a conservative view where GUNKUL divests a 50% stake in the wind farm project to GULF, suggests an upside risk to earnings forecasts of 1.8% in 2028, 7.4% in 2029, and 11% in 2030. This represents an additional target price of THB 0.4 per share.

Second, Krungsri highlighted GUNKUL's long-term prospects in bidding for engineering, procurement, and construction (EPC) contracts for transmission lines stretching to neighbouring Laos.

Lastly, Krungsri noted government policies, particularly from the Bhumjaithai Party, in support of solar rooftops and the use of industrial hemp for medical purposes, represent further upside that is yet to be reflected in their forecasts. The analyst reiterated its 'Buy' rating on GUNKUL, maintaining a target price of THB 2.40 per share.

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