

Markets

Thai Baht, Travel Stocks Surge as Nation Eases Tourism Curbs

By [Lilian Karunungan](#) and [Melissa Cheok](#)

October 12, 2021, 8:43 AM GMT+7

Updated on October 12, 2021, 11:00 AM GMT+7

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- Thailand relaxes quarantine rules for visitors from 10 nations
 - Year-end view for baht most bullish in Southeast Asia: survey
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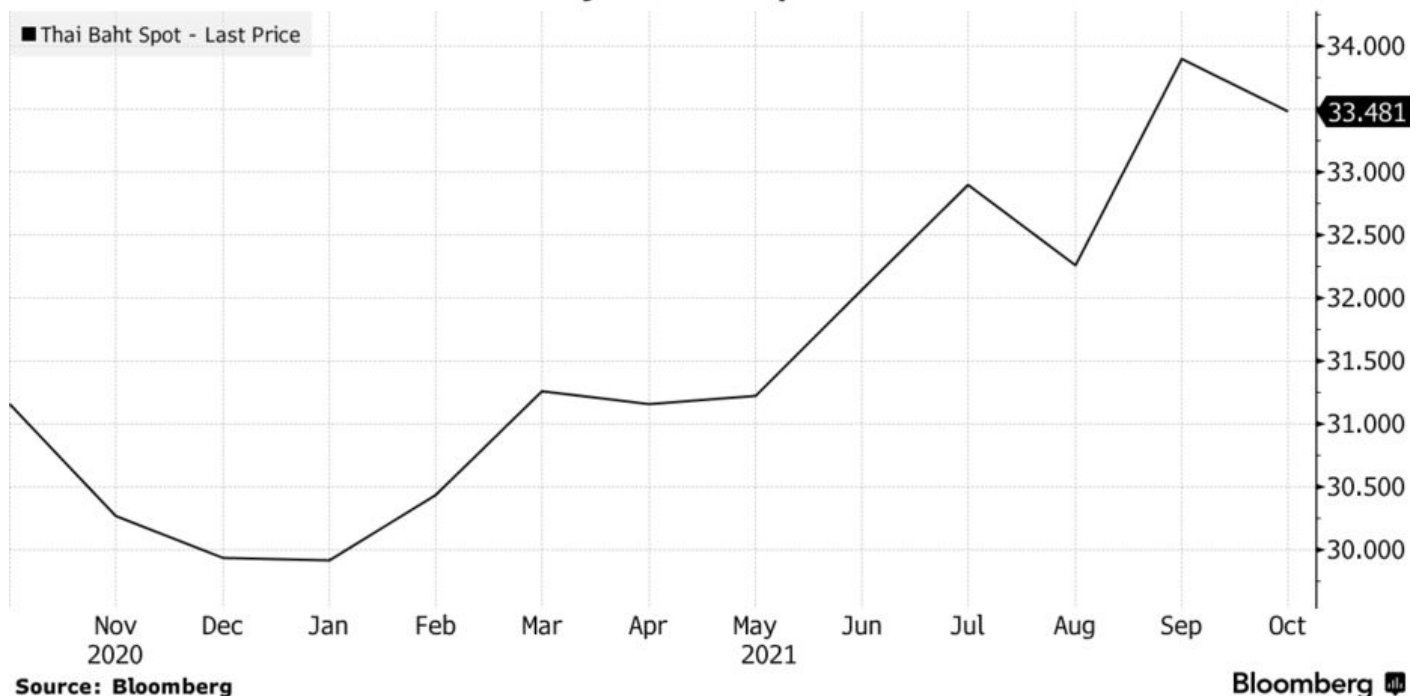
Exclusive**THAI HOTELS GROUP: TRAVEL
REMAINS VOLATILE, RISKS ABOUND****Thailand Ends Quarantine for Visitors From Five Countries**

Thailand's baht rallied the most since August as an easing of travel requirements for vaccinated visitors brightened the outlook for the tourist-reliant economy.

The baht jumped as much as 1.4% to 33.426, the biggest gain since Aug. 24. Visitors from 10 low-risk countries will not be required to undergo isolation on arrival from Nov. 1, Prime Minister Prayuth Chan-Ocha said Monday. Thai stocks were poised for their highest close since Sept. 6.

Analysts are ramping up bullish bets on the baht after it fell to the bottom of Asia's currency rankings with a loss of nearly 11% this year.

"We do expect the reopening to surprise market expectations positively into the year-end leading to a recovery in the baht," said Divya Devesh, head of Asean and South Asia FX research at Standard Chartered Plc in Singapore. The bank's year-end target for the currency is 32.50 per dollar.

Looking Up**Thailand's baht is set to see some year-end reprieve**

Thailand is pushing ahead with a “living with Covid-19” strategy after foreign tourist arrivals plunged to 73,932 in the first eight months of this year, from almost 40 million visitors who generated more than \$60 billion in revenue in 2019.

The benchmark SET Index climbed 0.7% to 1,644.93 as of 10:15 a.m. in Bangkok. Asia Aviation Pcl, which controls the nation’s biggest budget airline, surged 9.8%. Airports of Thailand Pcl, the state-controlled airport operator, climbed 3.9%. Bumrungrad Hospital Pcl, which earned most of revenue from overseas patients before the Covid-19 outbreak, jumped 5%.

With the nation opening up for tourists and a pick up in vaccination rates, the economy will start to rebound in the last three months of the year, Bank of Thailand Assistant Governor Titanun Mallikamas said late last month. At least 70% of the country’s population will receive two doses of vaccines by the end of December, according to the government.

“The reopening of Thailand to international travel is key to the economy and limits the negative impact of the recent turn from a surplus to a deficit position in the current account,” said Irene Cheung, senior strategist in Singapore at Australia & New Zealand Banking Group Ltd.

Bullish Forecasts

The baht is forecast to rally to 32.6 per dollar by year end, according to a Bloomberg survey, a gain of more than 2% from current levels. In comparison the Philippine peso and Malaysian ringgit are forecast to rise 1% and 0.5% respectively while the rupiah is seen declining 0.6% from current levels.

However, it’s unlikely to be a straight path ahead for the baht.

“The initial pick-up in tourism revenues could be slow,” said Yanxi Tan, foreign exchange strategist at Malayan Banking Bhd. A boost to the currency may only materialize more discernibly after a few quarters but the baht may end the year at 33 per dollar, he added.

– *With assistance by Anuchit Nguyen*

(Updates with Thai stock moves in second and last paragraphs)

