

Economic and Financial Outlook

t**tt**b analytics

November 2024





Global Economy

- In October 2024, the global economy showed signs of slowing, but outperformed expectations. Price pressures eased, falling below central bank targets in EM Asia, while inflation remained persistent in developed markets. The composite PMI showed modest growth, bolstered by progress in Asia. The service sector remained robust, while manufacturing experienced a slight improvement but continued to contract. However, following the U.S. election result, the global economic outlook has become more uncertain.
- U.S. economic data reflects strength, as shown by the resilience of third-quarter GDP. However, October economic data slowed, partly due to hurricanes and labor strikes. Regarding price pressures, the progress of inflation seems to have stalled.
- China's October economics data indicated positive momentum, particularly in goods consumption. However, the recovery in the property sector remains uncertain. The market anticipates further stimulus to strengthen the economy.



Thai Economy

- In September 2024, Thai economic activities slowed down from preceding period. Private consumption declined, particularly in durable goods, as well spending on service, consistent with number of domestic visitors and foreign tourists. Manufacturing production also declined, aligning with export growth while private investment was stable.
- Headline inflation continued to accelerate in October 2024. The major increase in price pressures was primarily due to energy price as well as raw food price. Besides that, core inflation remained stable. Overall, Thailand's inflation still below the central banks' target range and below the peers and major economies.
- Thailand GDP growth in quarter 3 of 2024 rose more than expected, thanks to general government final consumption expenditure and investment, as well as exports of goods and services. On the contrary, private final consumption expenditure slowed down.



Financial Markets

- U.S. Treasury yields continued to rise due to strong economic growth and Trump's election win, while Thai government bond yields showed little response to movements in U.S. Treasury yields.
- The dollar has rallied, mostly fueled by the Trump trade, while The Thai baht experienced the largest depreciation, leading the decline of other regional currencies. Looking ahead, the future movement of the Thai baht remains highly uncertain. Typically, the baht appreciates towards the end of the year, but following the election, the dollar often strengthens.

PART 1

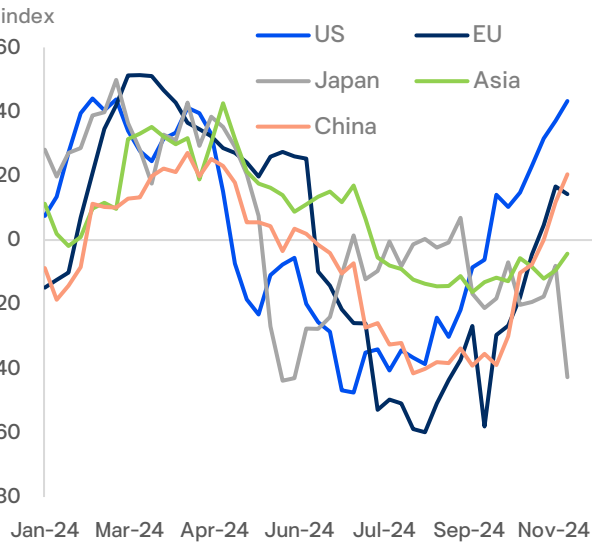
Global Economy



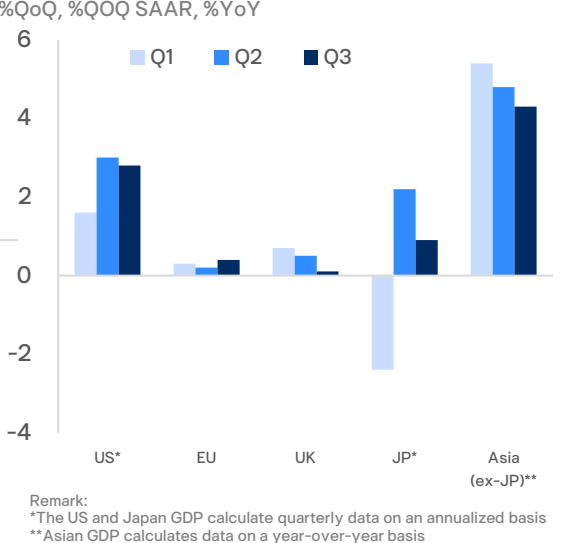
Recent economic data surpassed expectations; however, outlook remain uncertain



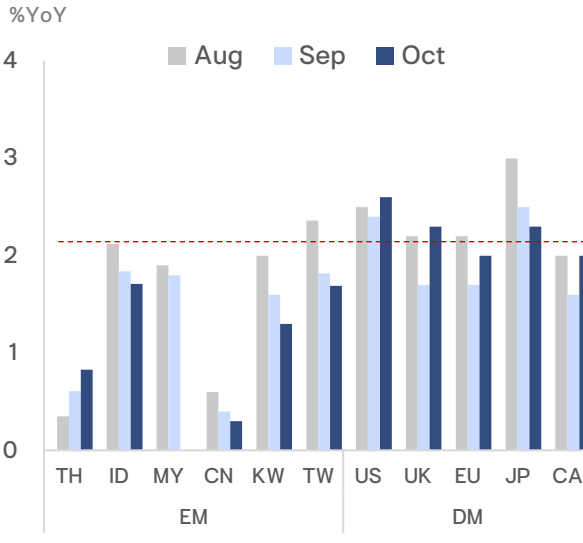
Economics surprise indices



GDP in selected countries

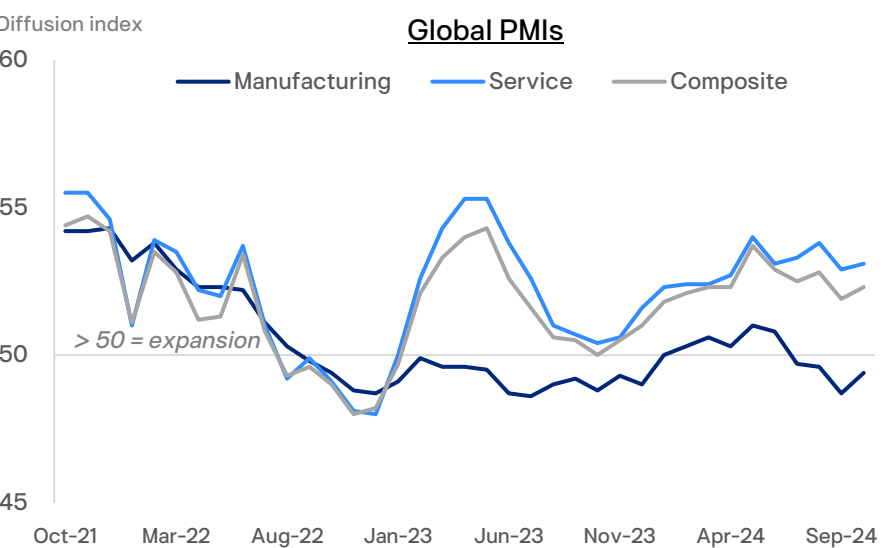


Headline Inflation



- Recent economic data indicates some improvement, except for Japan. However, the broader economic trend remains slow, as seen in the third-quarter GDP of major countries, which, while mostly aligning with market expectations, still pointed to a slowdown.
- Price pressures are showing signs of moderating and falling below the targets of many central banks, particularly in EM Asian countries. However, inflation in developed markets remains persistent, especially core inflation.

Global PMI by selected countries

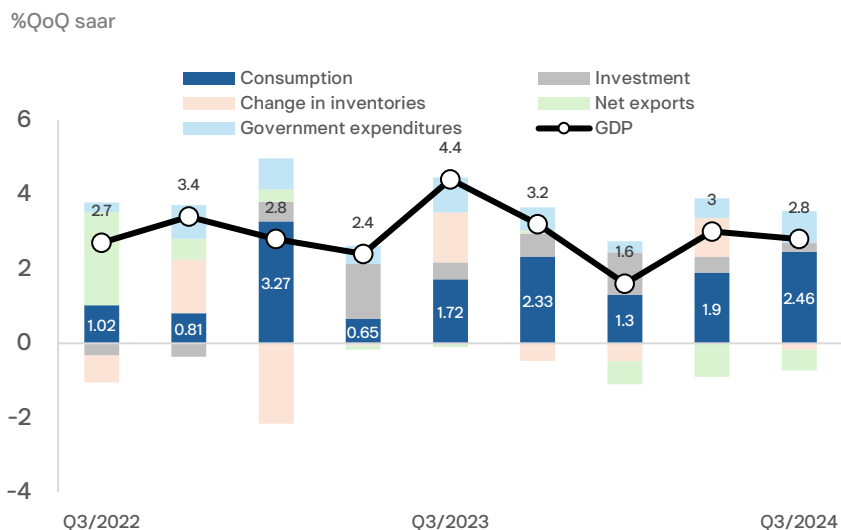


	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Euro Area	50.9	50.2	51.0	49.6	50.0
Asia	52.8	52.4	52.5	51.3	52.0
Australia	50.7	49.9	51.7	49.6	50.2
China	52.8	51.2	51.2	50.3	51.9
France	48.8	49.1	53.1	48.6	48.1
Germany	50.4	49.1	48.4	47.5	48.6
India	60.9	60.7	60.7	58.3	59.1
Italy	51.3	50.3	50.8	49.7	51.0
Japan	49.7	52.5	52.9	52.0	49.6
UK	52.3	52.8	53.8	52.6	51.8
US	54.8	54.3	54.6	54.0	54.1

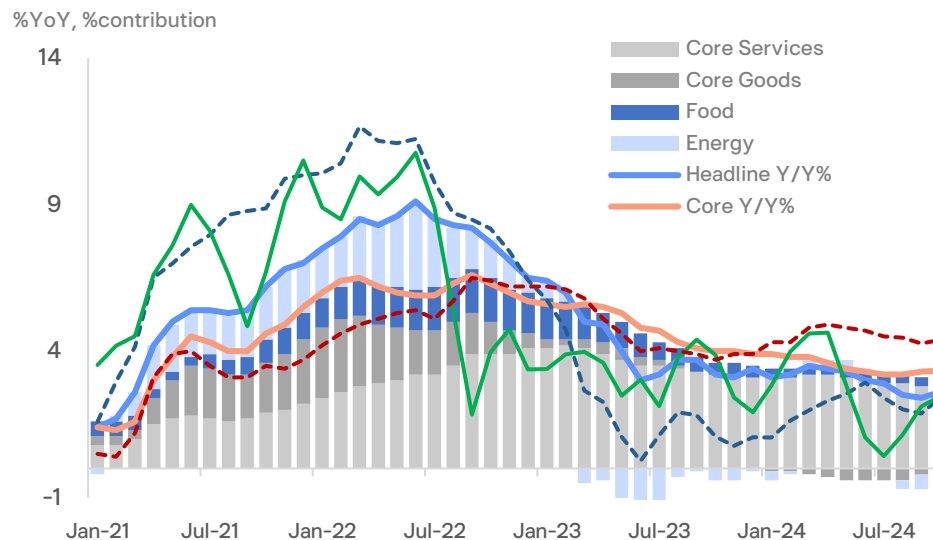
- The composite PMI showed a modest increase, partially supported by progress in Asian countries. The service sector stayed resilient, while the manufacturing sector saw a slight rise but still remains in contraction. Looking ahead, global economic uncertainty persists, largely due to risks associated with US trade policy.

US GDP in the third quarter remained robust, though October economic data showed a slowdown, partly due to hurricanes and labor strikes

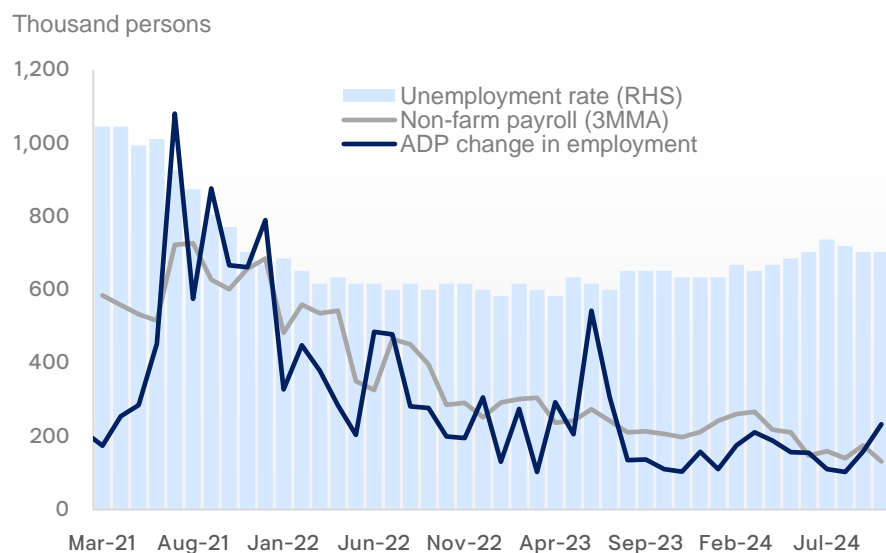
GDP contribution



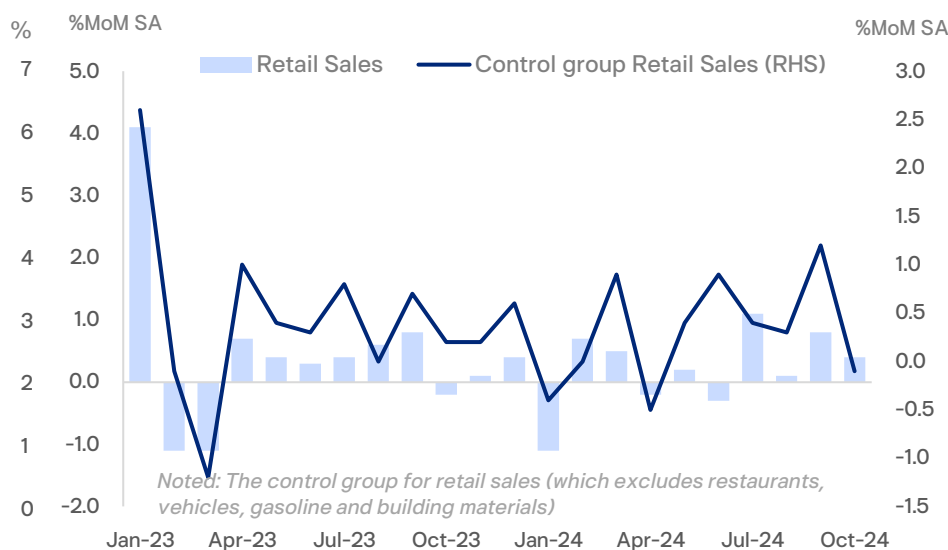
US Inflation



US labor market



Retail Sales

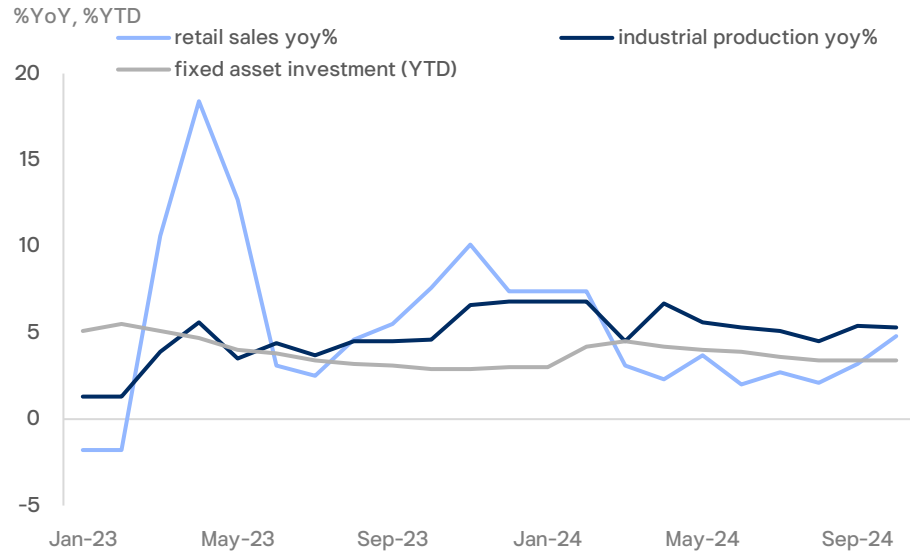


- US Real GDP in Q3 grew 2.8% QoQ SAAR, driven by strong private consumption.
- October's headline and core CPI rose compared to the same period last year, in line with expectations. Core services remained steady, mainly driven by shelter costs. Given recent price trends, the PCE is expected to accelerate this month.
- Payrolls grew by just 12k in October, affected by strikes and hurricanes. Revisions for August and September were down by 81k and 31k, respectively. The unemployment rate held steady at 4.1%, reflecting a 368k drop in household employment and a lower participation rate of 62.6%.
- Retail sales in October surpassed expectations, with prior figures revised upward. While consumer spending slowed in most controlled products, especially in health, personal, and miscellaneous stores. Still, the data suggests sustained private consumption in this quarter.

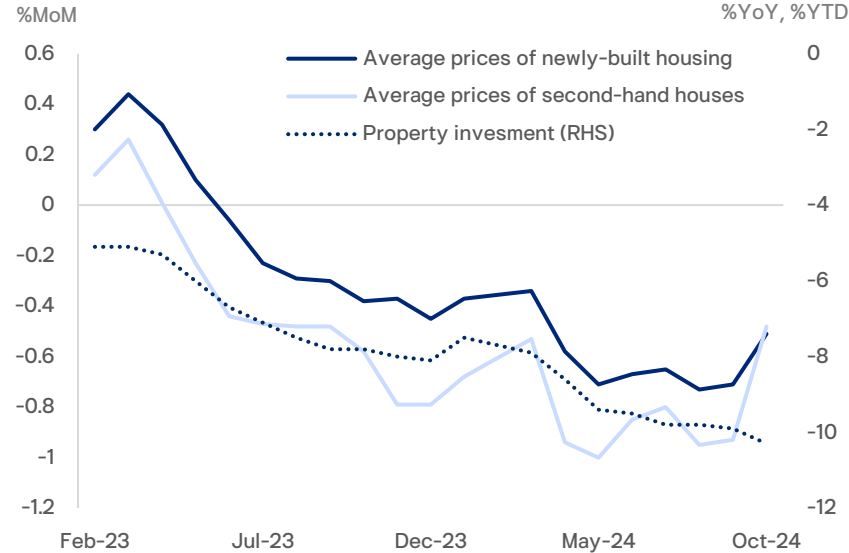
China's October data showed positive momentum, especially in goods consumption



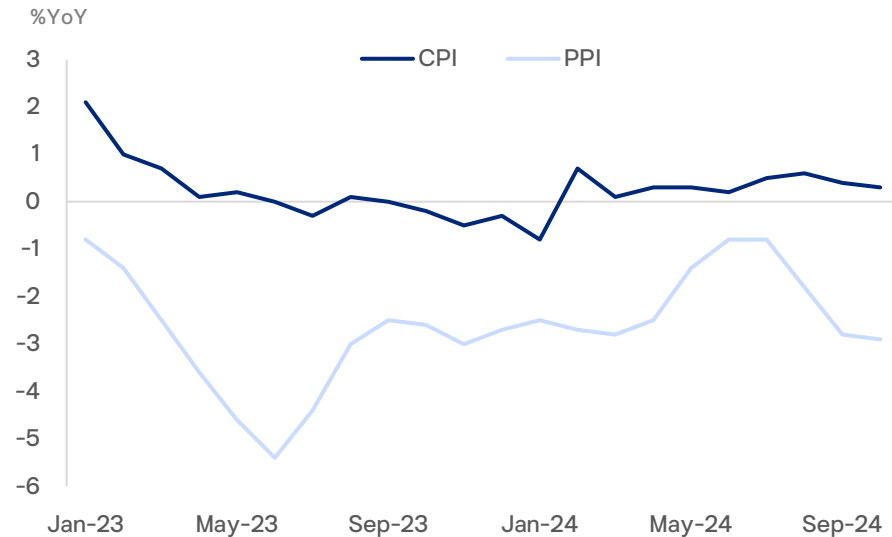
Other economics indicators



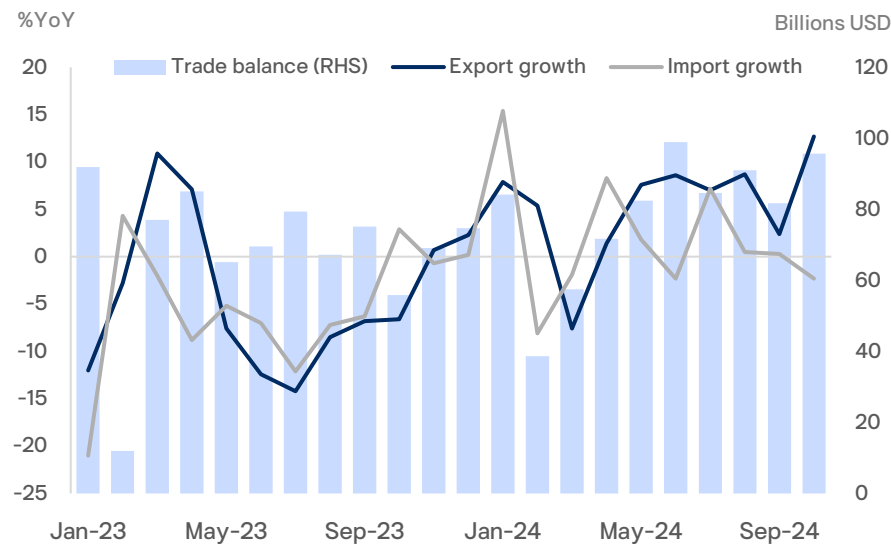
Real estate sector



CPI and PPI



China's Export and import, trade balance

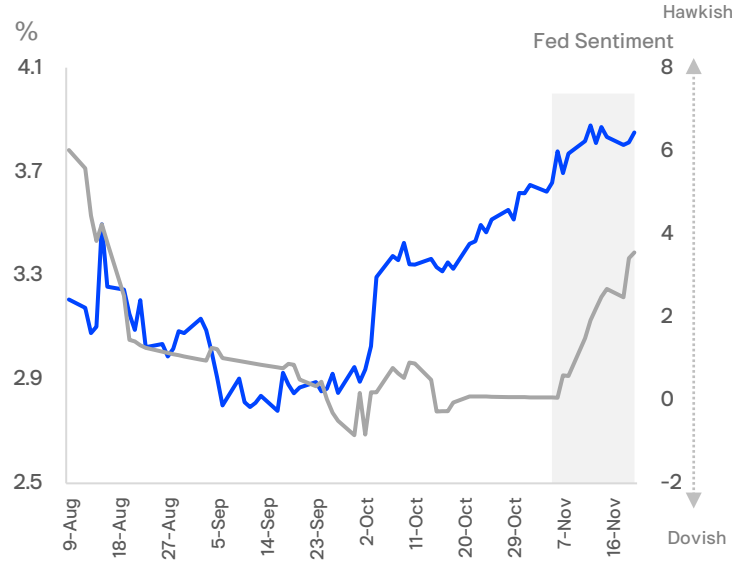
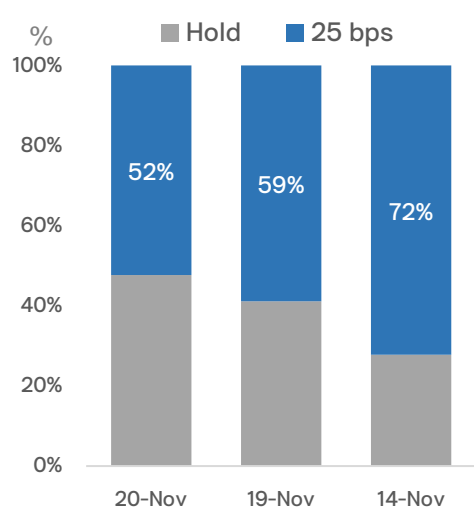


- Retail sales rose by 4.8% YoY in October, a significant increase from September's 3.2% growth. This boost was driven by trade-in subsidies and the Golden Week holiday, but services consumption moderated
- Industrial output rose 5.3%, slower than last month's 5.6% and below the 5.6% forecast. While fixed-asset investment up 3.4% in the first 10 months of 2024 compared to the same period in 2023, matching the January-September pace.
- Property investment fell 10.3%, worsening from 10.1% in the first nine months, despite a housing sales recovery. Home-price declines eased in October, helped by recent policy support.
- China's trade surplus surged to \$95.27 billion in October, above expectations. Exports rose 12.7%, driven by strong global demand, while imports fell 2.3% due to weak domestic demand.

The US election has created uncertainty regarding the trajectory of global policy rates

Fed Watch tools

Market expectation on Dec meeting



Asian countries' expectations

Country/Region	Current Policy Rate	Changes in policy rate in 2024 (bps)	Forecast policy rate at the end of 2024 (%)
Malaysia	3.0		3.00
South Korea	3.25	-25	3.23
Indonesia	6.0	-25	5.75
India	6.50		6.40
Philippines	6.0	-50	5.80
Taiwan	2.0		2.00
China	2.0	-50	
Vietnam	4.5		4.50

Latest Monetary Policy development

DM

- Despite expectations of a 25bps cut, the market now sees a higher chance of the FOMC holding rates steady, influenced by recent data and Powell's hawkish stance. With Trump's election win, the terminal rate is also expected to be higher.
- Traders expect a series of ECB rate cuts driven by weakening growth and uncertainty about the outlook. However, the likelihood of a 50bps cut is low, as ECB officials are not eager to reduce the policy rate at a rapid pace.
- BOJ keeps markets guessing about rate hikes as Governor Kazuo Ueda reiterated that the central bank would continue raising rates if economic and inflation trends follow its forecasts, but did not indicate whether a hike would come in December.
- With CPI surpassing the BOE's target and persistent services inflation, the market expects the BOE to keep rates unchanged. Additionally, the recently announced UK budget could push inflation higher, leading to an expectation of a higher terminal rate.

EM

- China's central bank chief committed to keeping an accommodative monetary policy and intensifying countercyclical measures to boost the country's economic growth.
- US financial changes after the "red wave" election will influence EM monetary policy, as policymakers weigh financial stability concerns against growth risks from weaker sentiment and slower global trade.

Notes: Indonesia increased the policy rate by 25 basis points in April 2024
 Source: BOT, Bloomberg, CEIC, ttb analytics (Data as of 21 Nov 24)

PART 2

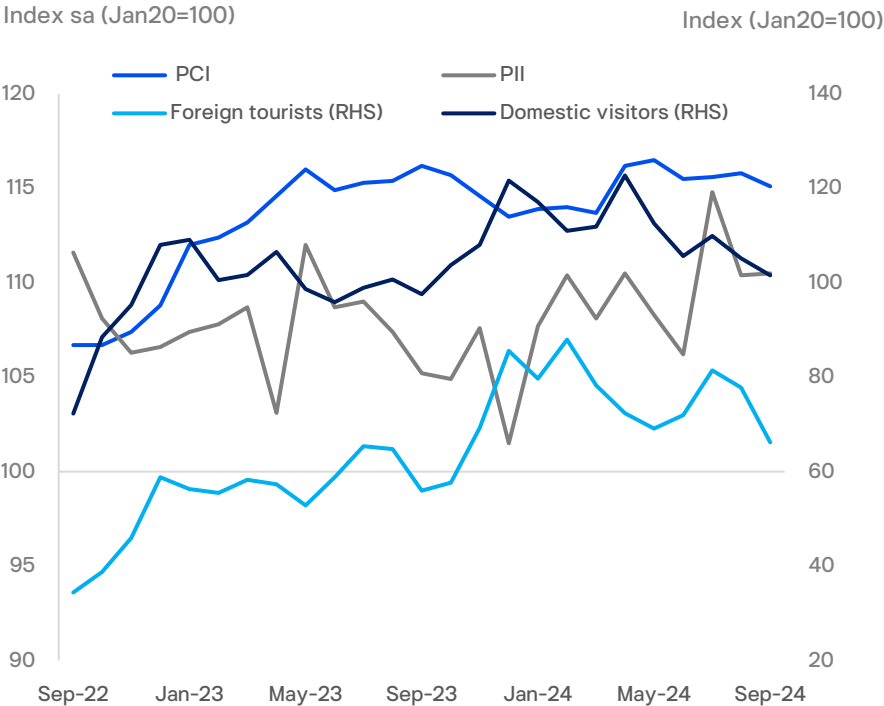
Thai Economy



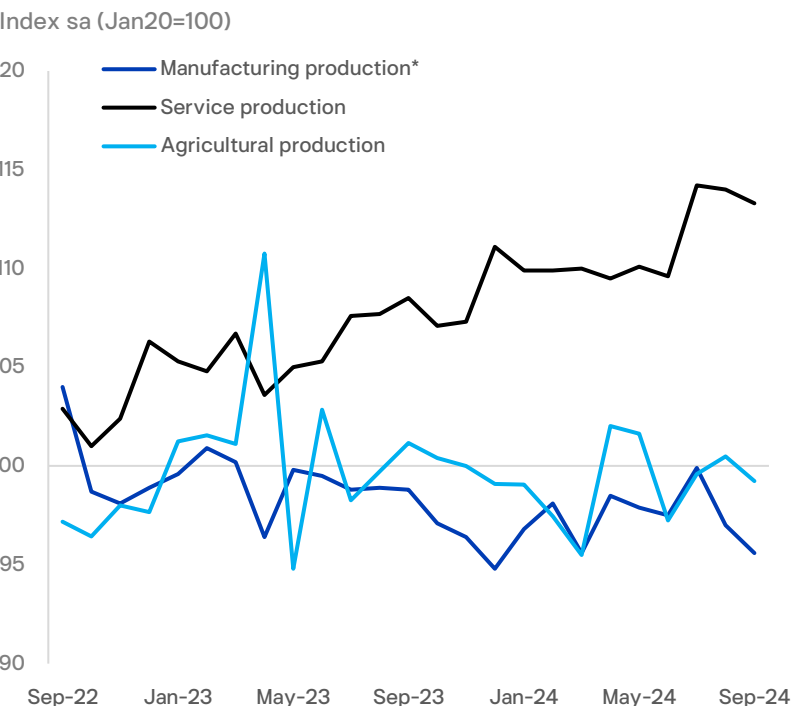
In September 24, overall economic activities marked a slowdown



Demand-side indicators



Supply-side indicators



- In Sep24, Thai economic activities slowed down from preceding period. Private consumption declined, particularly in durable goods, as well spending on service, consistent with number of domestic visitors and foreign tourists. Manufacturing production also declined, aligning with export growth while private investment was stable.
- On the economic stability front, the October's headline inflation continued to rise as mainly from impact of energy price due to low-base effect and raw food prices; in terms of trade balance, it remained surplus.

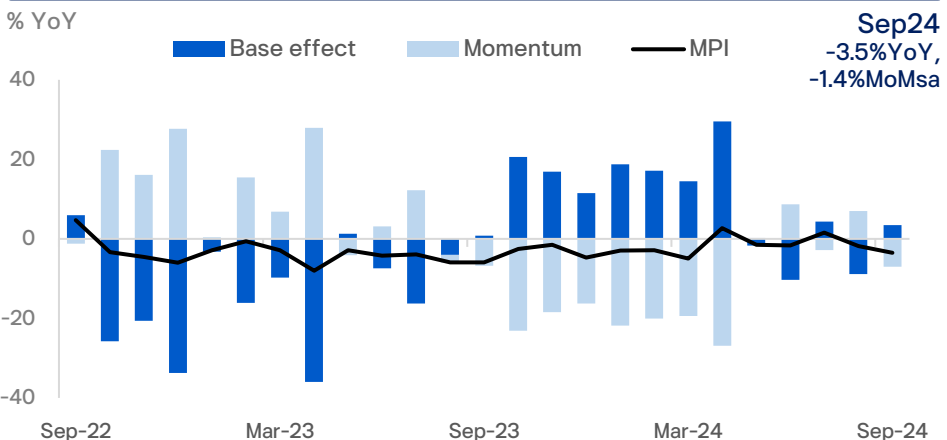
Leading Economic Index (sa) (Jan2020=100)

Leading Economic Index and Components (SA)	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Authorized Capital of Newly Registered Companies (Million Baht)	138.2	155.8	144.5	89.3	145.7	116.5	126.8	155.5	124.3	159.8	135.1	100.5	129.5
Construction Areas Permitted (1000 sq. m)	110.9	115.7	108.7	110.5	112.8	113.2	116.2	116.4	111.6	107.8	108.9	105.9	102.3
Export Volume index (exclude Gold)	113.1	110.5	110.1	109.4	109.8	106.8	109.0	113.8	113.4	113.1	115.0	119.4	115.3
Business Sentiment Index (3 months)	106.1	104.5	101.8	102.2	102.1	101.7	103.2	101.5	104.0	101.7	100.2	98.2	100.3
SET index	97.2	91.3	91.2	93.5	90.1	90.5	91.0	90.3	88.9	85.9	87.2	89.8	95.7
Oil Price Inverse Index (Dubai)	1.1	1.1	1.2	1.3	1.3	1.2	1.2	1.1	1.2	1.2	1.2	1.3	1.4

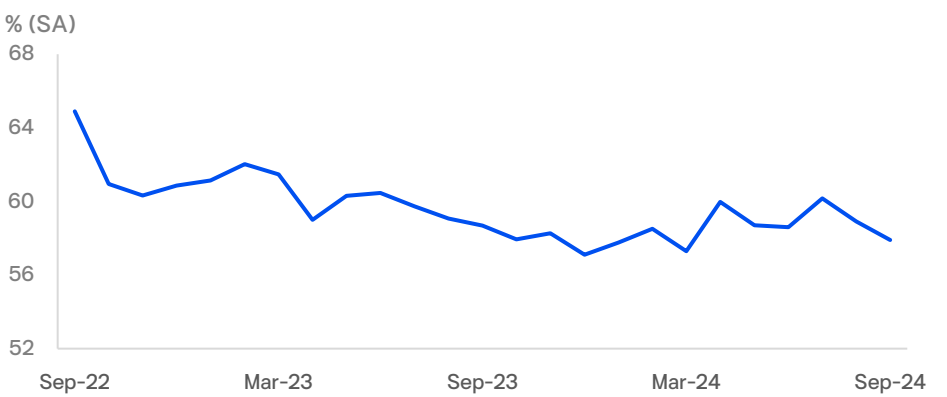
Source: Bank of Thailand and ttb analytics
 Remark: *rebase Jan21 due to OIE new rebase data

Manufacturing production declined further in September

Manufacturing Production Index (MPI)



Capacity Utilization (CapU)



MPI by sector (base year 2021)

Contribution	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Food products (16.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Beverages (3.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Tobacco products (0.7%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Textiles (1.9%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Wearing apparel (1.6%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Leather products (0.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Paper products (2.1%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Coke and refined petroleum products (10.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Chemicals (8.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Pharmaceutical products (1.2%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Rubber and plastics products (8.9%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other non-metallic mineral products (5.4%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Basic metals (3.5%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Fabricated metal products (2.3%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Computer and electronic products (8.8%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Electrical equipment (3.5%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Machinery and equipment (2.9%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Motor vehicles (11.3%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other transport equipment (1.1%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Furniture (0.9%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Others (2.3%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
MPI (%YoY)	-5.9	-2.5	-1.5	-4.7	-2.9	-2.8	-4.9	2.7	-1.5	-1.6	1.6	-1.8	-3.5

As of Sep24, Manufacturing Production Index (MPI) contracted 3.5YoY, compared to the month earlier of 1.8%YoY contraction, aligning with the decrease of Capacity Utilization (CapU) of 57.9%. The major attributed was in lower production of passenger cars and pickup trucks for the domestic market. Food and beverages production also declined. However, petroleum production increased as inventories were restocked from a low level in the previous month.

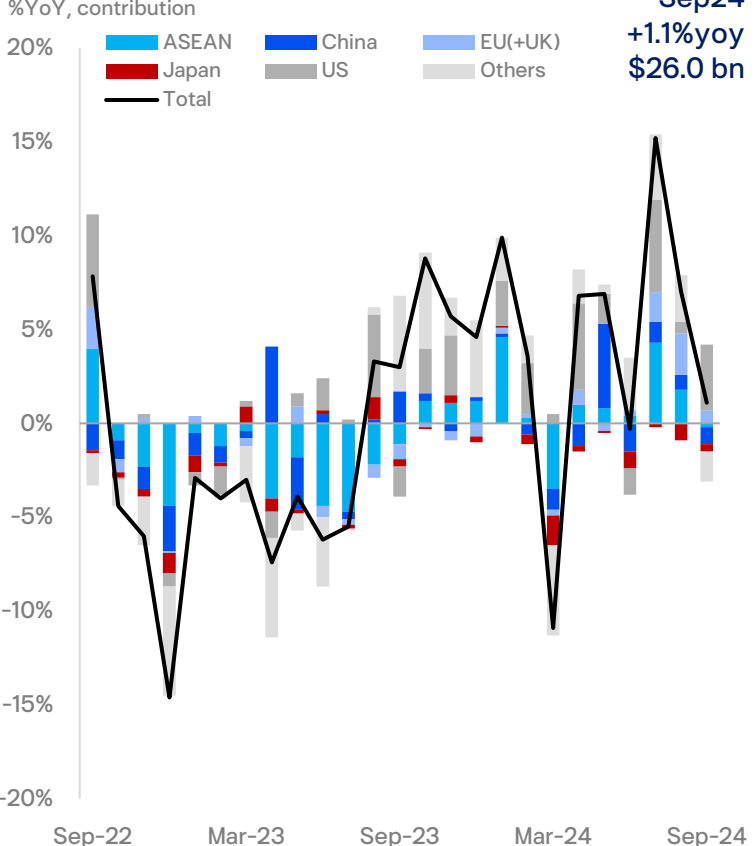
Export growth experienced a broader deceleration



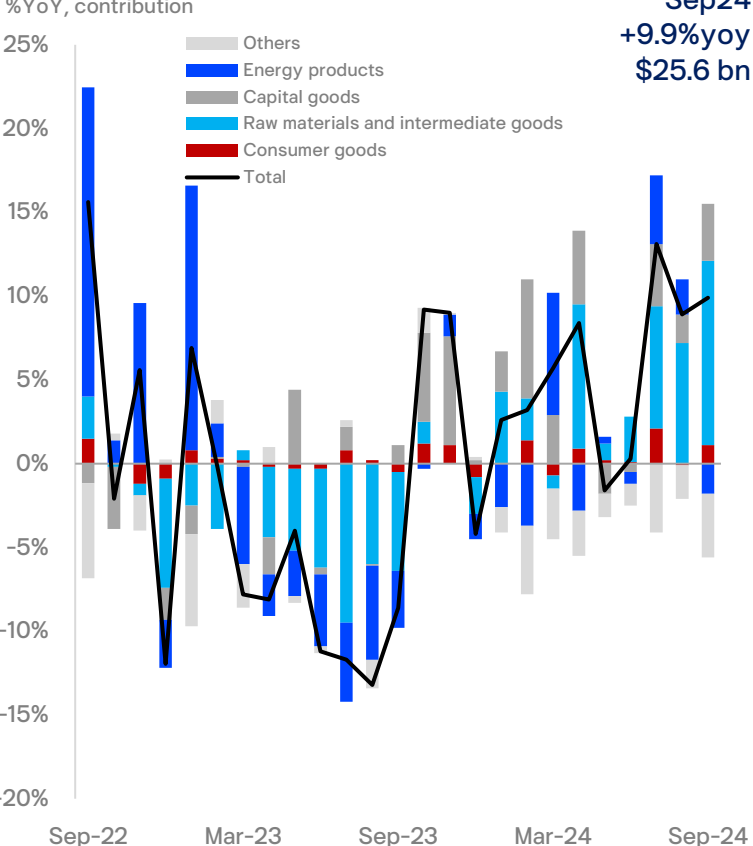
Exports value by product and destination

Unit: %YoY

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Agri-agro products													
Rice	51.4%	37.7%	67.9%	27.4%	45.9%	53.6%	30.6%	91.5%	-4.5%	96.6%	15.2%	46.6%	15.2%
Rubber	-30.3%	-5.4%	14.5%	13.2%	5.5%	31.7%	36.9%	36.2%	46.6%	28.8%	15.6%	64.8%	47.4%
Tapioca products	3.7%	4.8%	-12.8%	-51.2%	-27.0%	-20.4%	-16.7%	-9.6%	-17.0%	-3.8%	55.4%	-11.5%	-29.2%
Fresh, Frozen & Dried vegetable and Fruit	86.8%	27.6%	-12.4%	-13.5%	27.2%	-10.0%	-20.0%	-25.1%	91.9%	-31.0%	-15.7%	2.9%	-14.0%
Poultry	-8.9%	1.5%	-2.6%	0.3%	5.0%	-0.5%	1.2%	12.1%	3.5%	-1.9%	13.6%	5.1%	-0.4%
Sugar	16.0%	-25.4%	-9.9%	43.0%	-16.6%	-35.2%	-45.4%	-10.4%	-44.3%	-52.1%	-38.9%	-13.6%	-8.9%
Animal feeding	-7.9%	0.8%	3.3%	8.5%	9.1%	21.5%	29.6%	52.9%	39.2%	13.1%	26.6%	25.0%	21.5%
Industrial products													
Motor Cars, Parts, Accessories	-0.8%	3.6%	-5.1%	2.1%	-4.7%	-8.2%	-6.7%	13.5%	-8.0%	-0.6%	-12.5%	-17.9%	-10.6%
Computer and parts	-24.3%	-4.1%	10.3%	2.5%	32.2%	24.9%	-11.8%	62.0%	44.5%	22.0%	82.6%	74.7%	25.5%
HDD	-33.7%	-29.0%	-0.9%	1.9%	39.7%	21.4%	-36.2%	85.2%	30.9%	4.4%	84.6%	112.2%	3.8%
Integrated Circuits	5.0%	-4.6%	-6.6%	3.1%	-1.9%	-13.2%	-18.2%	-9.2%	-11.9%	-21.4%	-8.7%	-33.2%	1.2%
Air Conditioning Machine	-27.6%	-34.2%	-25.1%	-12.2%	-10.5%	-14.3%	-12.7%	12.9%	-7.7%	-8.5%	27.8%	15.2%	22.5%
Refrigerating	-12.1%	34.7%	48.1%	71.0%	30.4%	-0.2%	-13.4%	2.2%	-14.1%	-1.9%	34.0%	11.6%	-17.8%
Electronic Machines	-4.7%	5.5%	10.9%	0.5%	18.0%	12.5%	-8.4%	25.5%	22.9%	8.3%	31.8%	13.9%	8.2%
Plastic pallet	-5.3%	3.1%	-10.7%	0.0%	-0.3%	-2.7%	-13.7%	0.5%	-0.4%	-6.3%	6.9%	-3.3%	-5.2%
Chemical Products	-18.1%	-10.6%	-0.6%	-6.5%	-1.6%	-14.2%	-10.9%	16.4%	-3.2%	-5.5%	38.2%	12.5%	4.4%
Machinery & Parts	4.1%	7.8%	15.3%	2.9%	7.6%	-2.5%	1.3%	58.8%	12.4%	7.2%	10.0%	23.0%	8.7%
Rubber Products	-5.5%	0.1%	0.7%	3.9%	3.7%	-4.1%	-6.9%	1.5%	-8.7%	-2.2%	13.8%	14.9%	15.7%
Refined oil	27.3%	65.1%	55.4%	42.6%	5.3%	-9.6%	-6.1%	-21.2%	-0.5%	2.8%	35.5%	1.0%	-29.8%
Jewelry ex gold	27.2%	8.7%	2.9%	6.8%	21.5%	6.5%	-3.1%	8.2%	3.9%	-4.3%	-6.5%	17.6%	-0.8%
Total export	2.1%	8.0%	4.9%	4.7%	10.0%	3.6%	-10.9%	6.8%	6.9%	-0.3%	15.2%	7.0%	1.1%



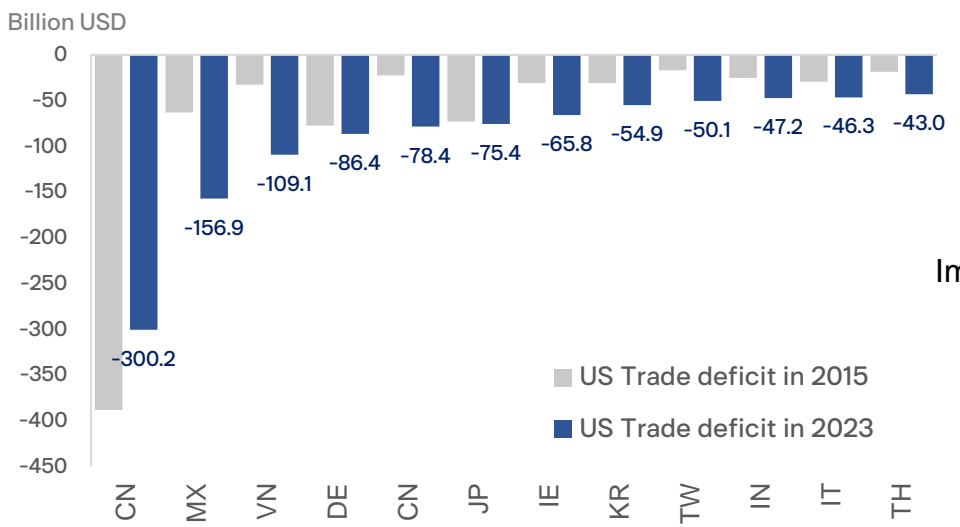
Imports value by groups



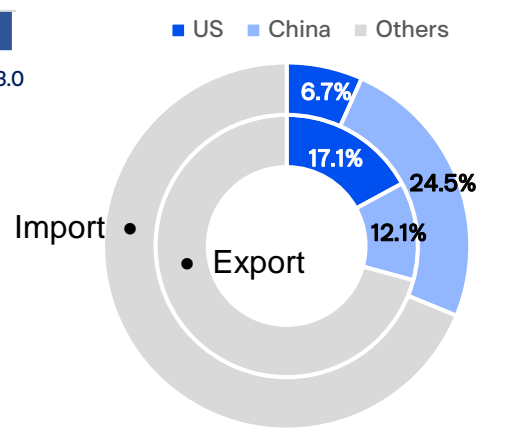
- Export value in Sep24 expanded 1.1%YoY, decelerated from previous month of 7.0%YoY. The value of merchandise exports, excluding gold declined in several categories, particularly in 1) automotive 2) agricultural and agro-manufacturing products (such as tapioca, fruits and sugar) and 3) chemicals and petrochemical products. Import value continued to rise of 9.9% increase, continuing its growth from the previous month, which was mainly attributed to the growth of raw materials and intermediate goods (e.g., gold, integrated circuit and electrical parts), including capital goods. As a result, the trade balance returned to a surplus of USD 394.2 million. (During first 9 months of 2024, trade deficit stood at USD 5.96 billion)

Source: Ministry of Commerce and ttb analytics Remark: Custom basis

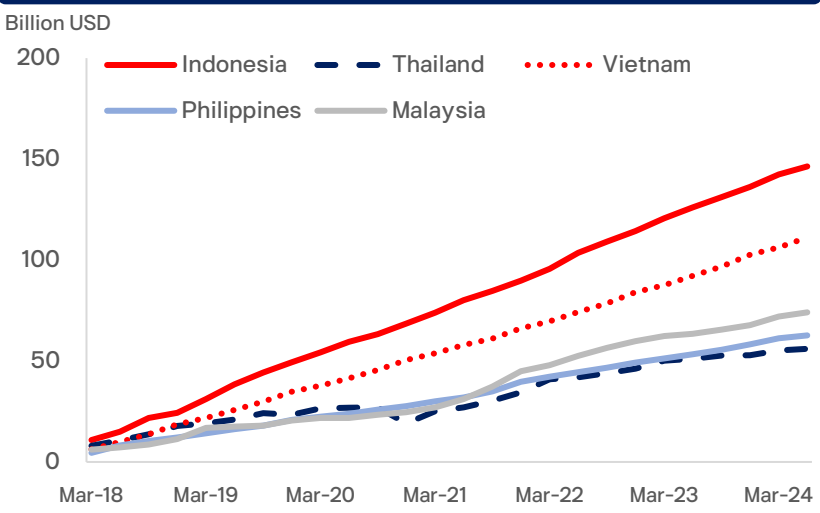
Top 12 countries of the most US trade deficit



Thailand's trade share, 2023



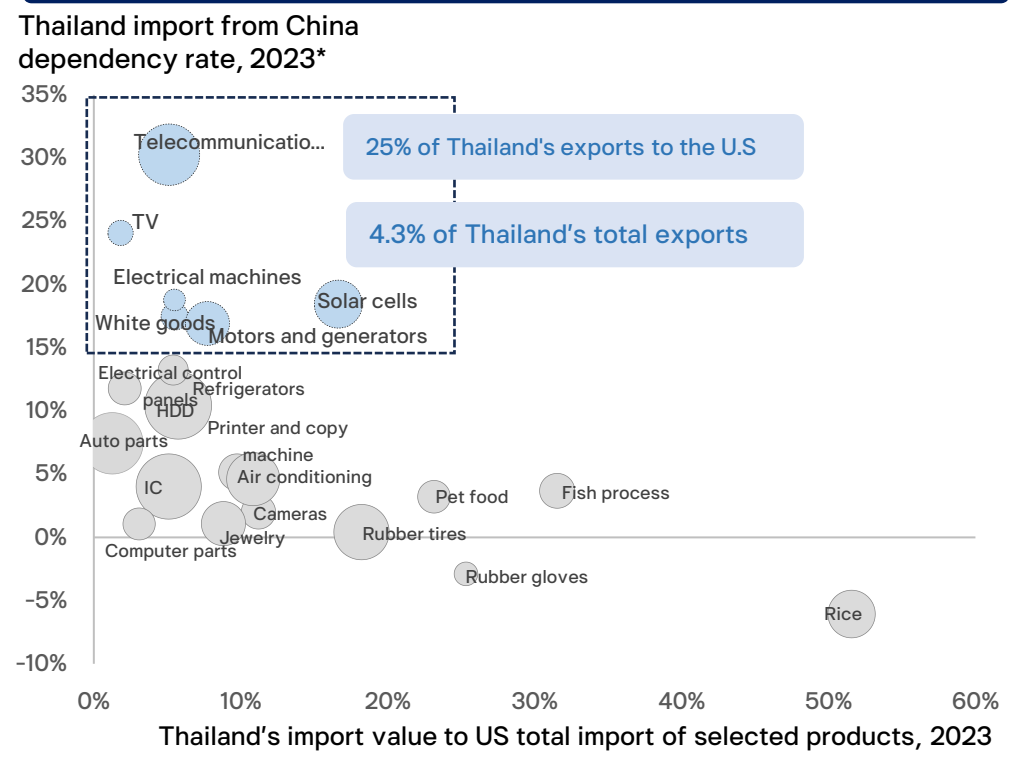
Accumulated net FDI since 2018



Trade agreement of selected ASEAN countries that differ from those in Thailand

Country	Bilateral FTAs	Multilateral FTAs
VN	<ul style="list-style-type: none"> EVFTA VN-EAEU FTA UKVFTA 	<ul style="list-style-type: none"> CPTPP
MY		<ul style="list-style-type: none"> CPTPP D-8 TPS-OIC
ID	<ul style="list-style-type: none"> IECEPA 	<ul style="list-style-type: none"> D-8 TPS-OIC

Thailand's US-China trade dependency

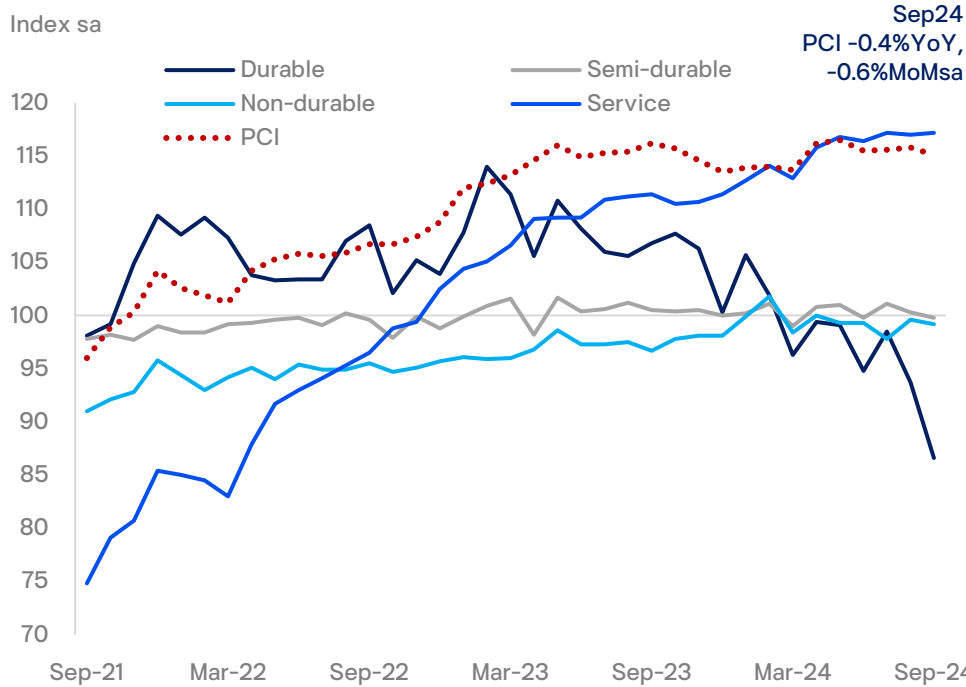


According to the president-elected Trump plans to impose a blanket tariff of 10-20% on imports and up to 100% on goods brought in from China. These sweeping tariff policies could possibly have high impacts on Thailand's export, as the US had high trade deficit with Thailand of USD 43 billion, particularly in products that have experienced trade diversion from China to be export to the US via Thailand such as solar panel, motor and generators, and general electrical appliance.

Source: ITC, CEIC, Bloomberg and ttb analytics
 Remark: * Thailand's import less export value from China divided by total trade from all countries

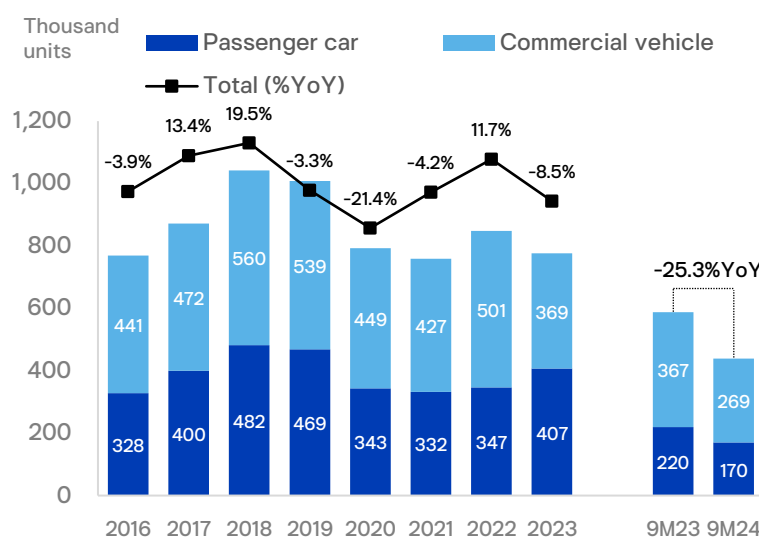
Despite the partial benefit of stimulus scheme, private consumption indicators had declined across several categories

Private Consumption Indicators (SA)

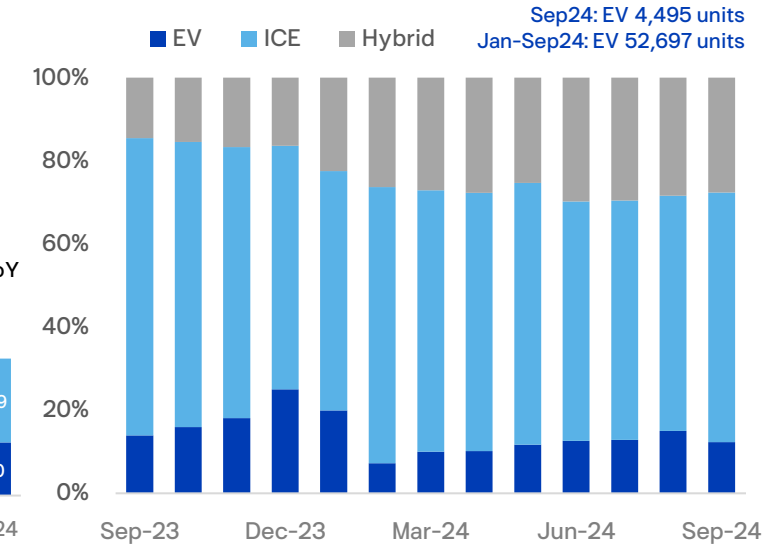


- Private consumption indicators declined across several categories particularly in spending on durables goods as well as spending on non-durables, which primarily in fuel consumption. On one hand, spending in the services category remained stable.
- However, sales in consumer goods excluding alcoholic beverages increased, partly benefiting from the stimulus program (THB 10K cash handouts to 14.55 million persons).

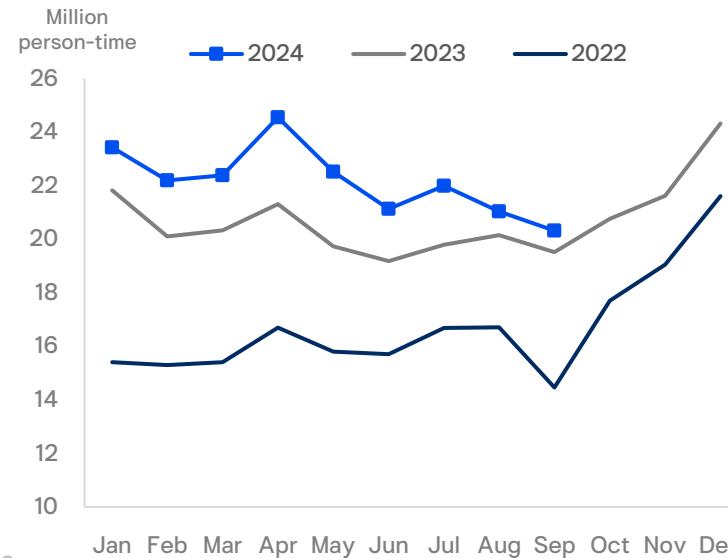
Domestic car sales**



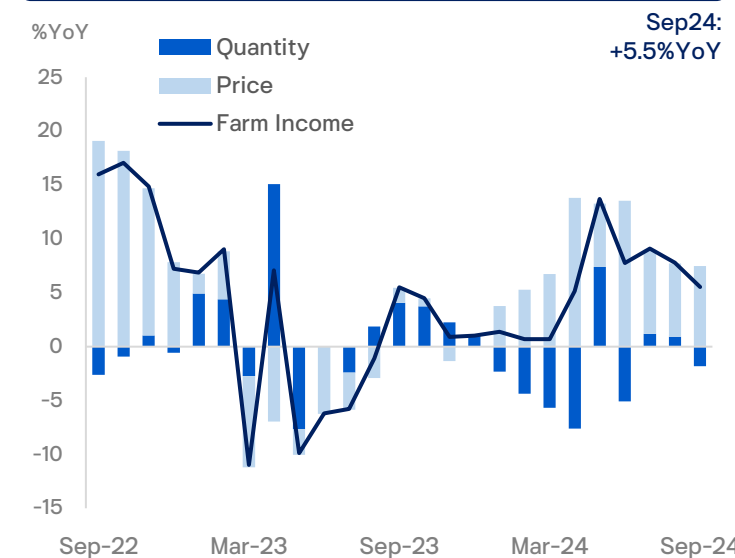
EV penetration of type 1 registration



Thai domestic visitors*



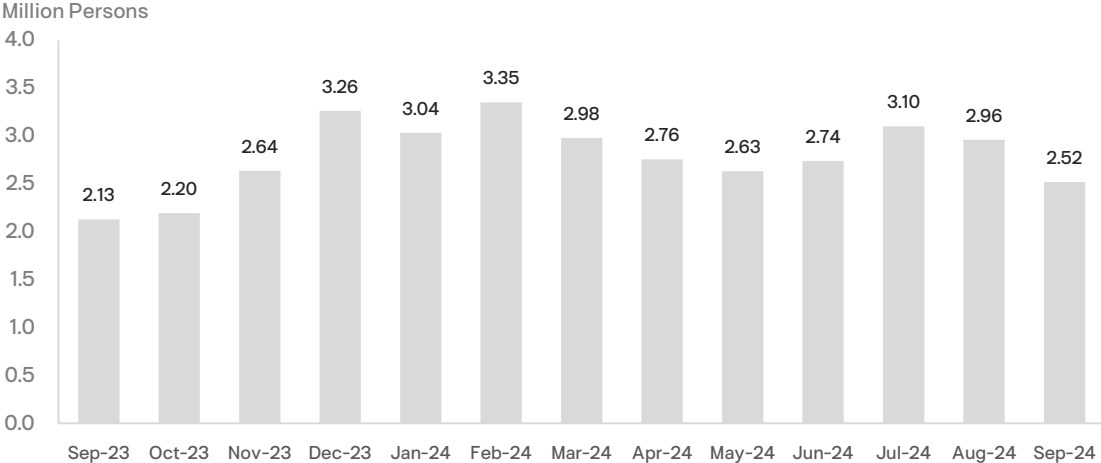
Farm Incomes



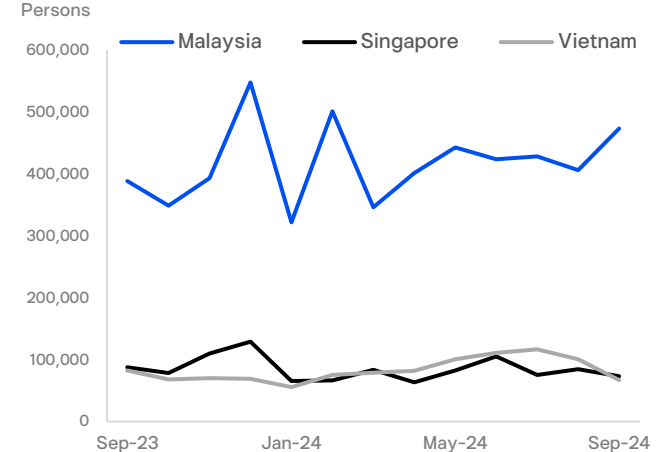
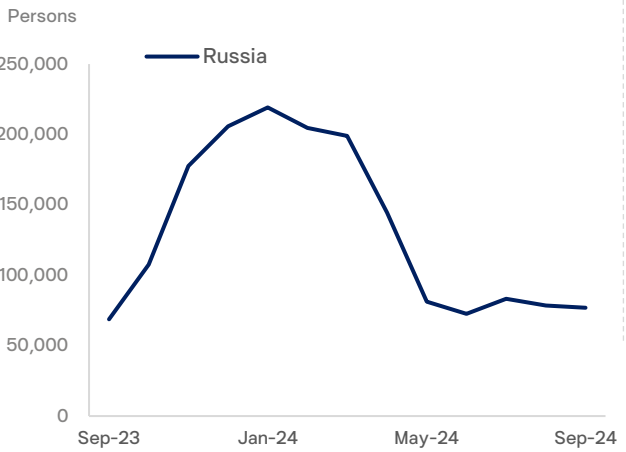
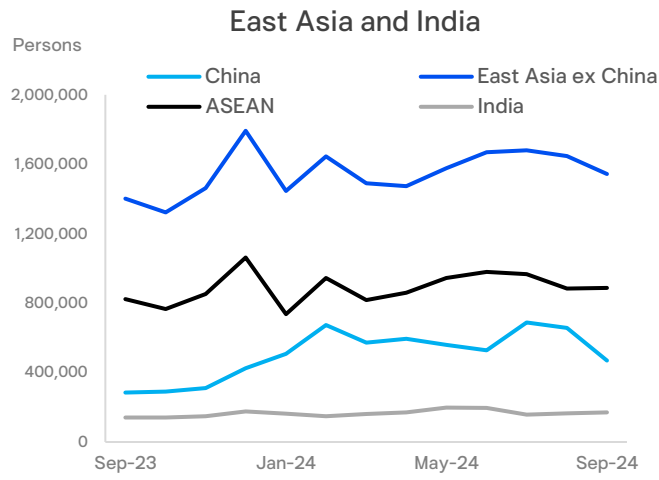
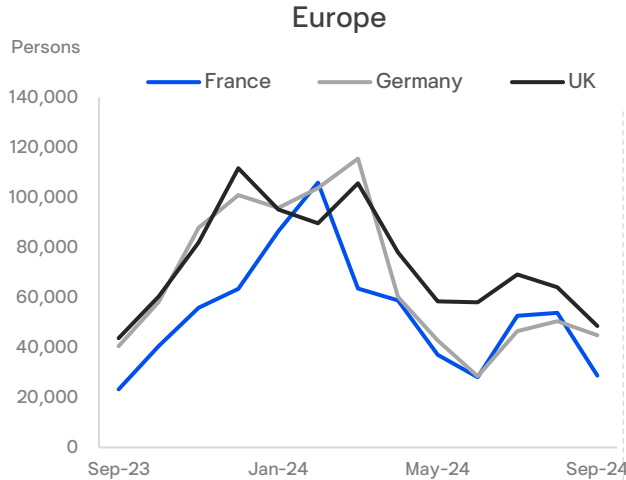
Foreign tourist arrivals dropped for third consecutive month in September



Total Foreign Tourist Inbounds



Foreign Tourist Inbounds by key regions



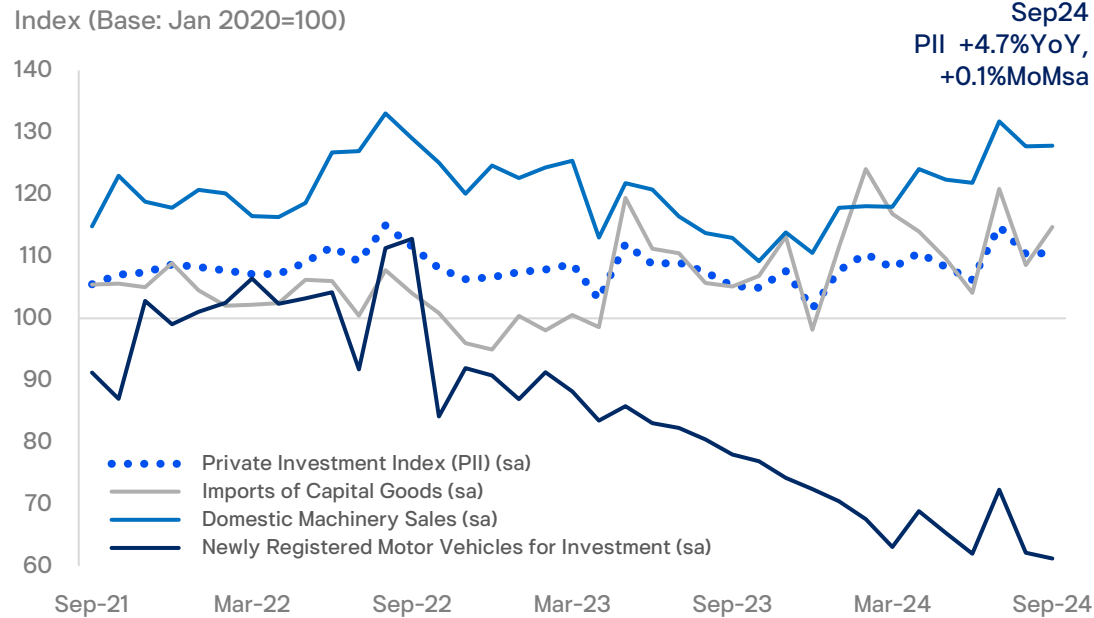
Foreign tourist inbounds recovery from pre-covid level

Unit: k persons	Jan-Sep			%YoY (24/23)	Recovery rate (2019=100)
	2019	2023	2024		
Total	29,466	20,004	26,089	30%	89
China	8,518	2,494	5,255	111%	62
ASEAN	7,760	7,089	8,021	13%	103
Europe	4,698	4,055	4,967	22%	106
India	1,471	1,162	1,536	32%	104
Americas	1,159	883	1,006	14%	87
Russia	971	992	1,160	17%	119
Middle East	541	462	578	25%	107

As of Sep24, foreign tourist arrivals was at 2.52 million, dropped for third consecutive month. Tourists from Europe, US and some of East Asia countries marked a slowdown in this month, except tourists from Malaysia. During first 9 months, number of foreign arrivals reached 26.1 million persons or 89% recovery from pre-covid level.

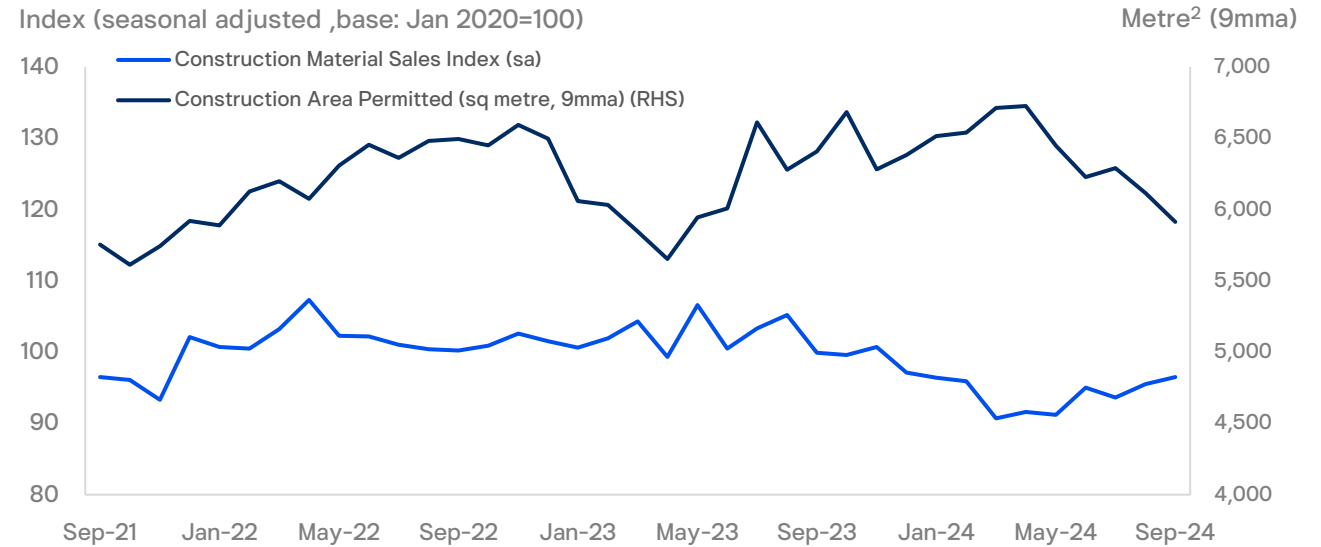
Private investment remained stable from the previous month, while business sentiment indicators marked the lowest point in years

Private Investment Indicators (SA)

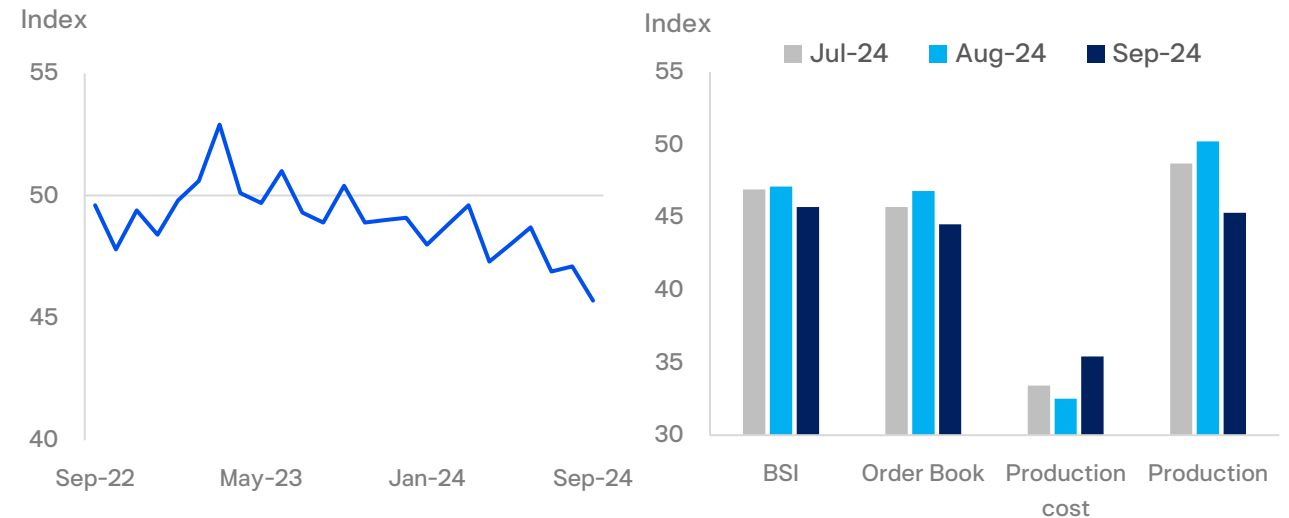


- Private investment indicators remained stable from the previous month. Domestic sales of machinery and equipment were stable, while commercial vehicle registrations slightly declined. Investment in construction also decreased primarily due to a lower permitted area for residential construction, while sales of construction materials increased, particularly in cement and sanitary ware products.
- However, investment in machinery and equipment increased, driven by higher imports of capital goods, including cell phones, computers, and general-purpose machinery.

Construction sector (SA)



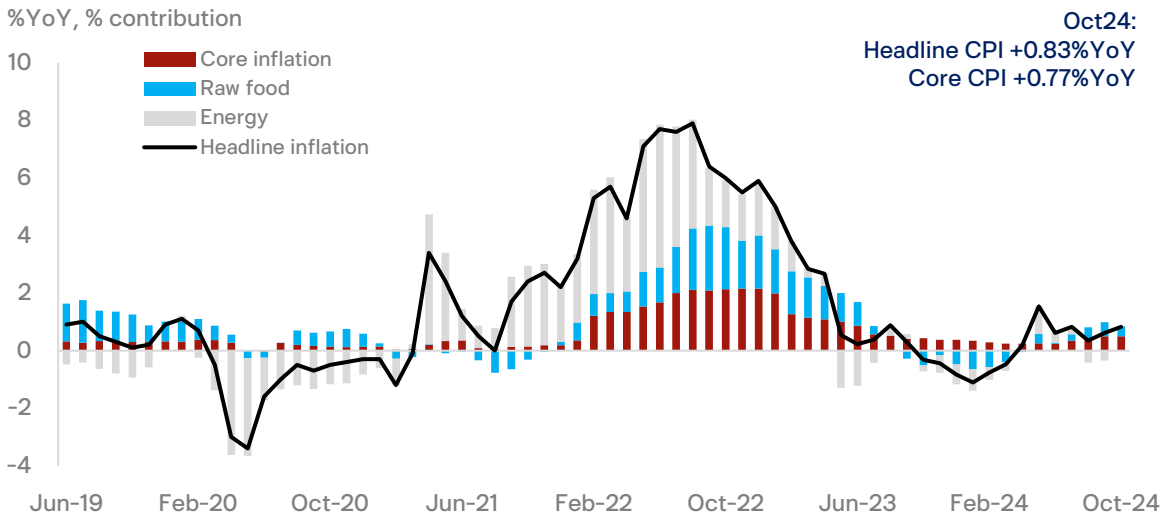
Business Sentiment Index (BSI)



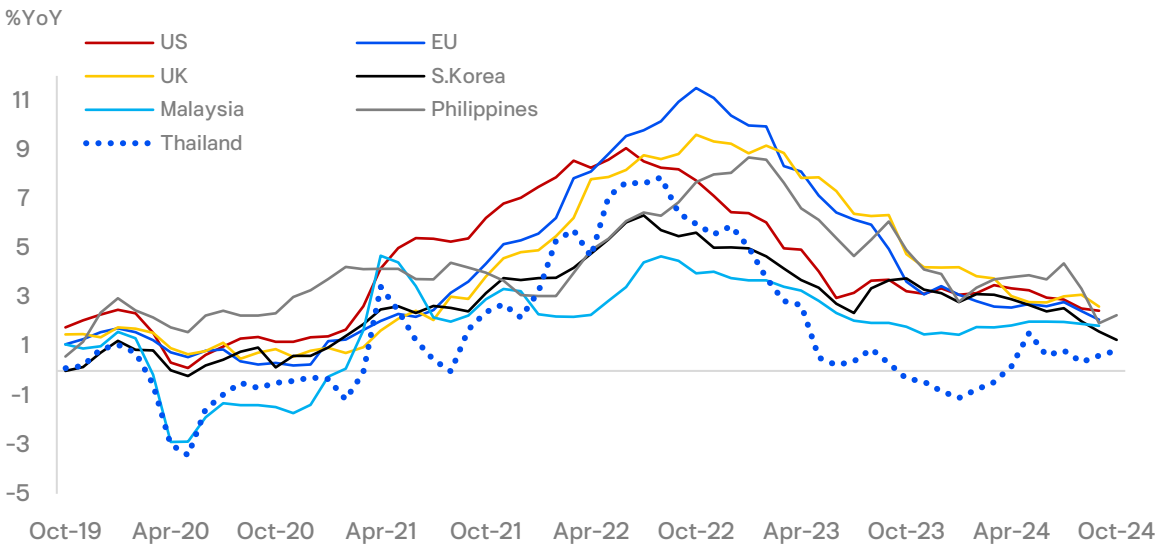
Headline inflation accelerated in October, while core inflation remained flat



Thailand's inflation contribution to growth



Headline inflation in selected countries



Price change in top categories

%YoY	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Headline inflation	-0.31	-0.44	-0.83	-1.11	-0.77	-0.47	0.19	1.54	0.62	0.83	0.35	0.61	0.83
Raw food	-2.45	-0.76	-2.30	-3.07	-2.71	-1.91	-0.20	1.51	0.19	1.10	1.93	2.31	1.63
Prepared food	1.44	1.30	1.18	1.02	0.75	0.69	0.64	0.61	0.67	1.54	1.81	2.38	2.33
Poultry	0.13	1.00	2.83	1.74	0.98	1.16	1.27	0.18	-0.52	-0.04	0.62	0.31	-0.66
Eggs and dairy products	6.70	6.65	6.97	4.85	2.88	3.81	2.64	3.48	4.07	2.89	1.67	1.43	1.44
Meats	-17.85	-17.69	-16.32	-15.39	-14.55	-12.32	-11.29	-8.09	-7.18	-5.16	-2.91	-2.07	0.11
Utilities	-3.15	-3.15	-3.14	-3.13	-3.11	-3.43	-3.44	8.42	-3.29	-3.29	-3.31	1.45	1.46
Energy	-1.55	-4.52	-5.12	-5.53	-3.33	-2.25	-0.09	7.15	2.43	1.78	-3.10	-2.55	-0.08
Core inflation	0.66	0.58	0.58	0.52	0.43	0.37	0.37	0.39	0.36	0.52	0.62	0.77	0.77

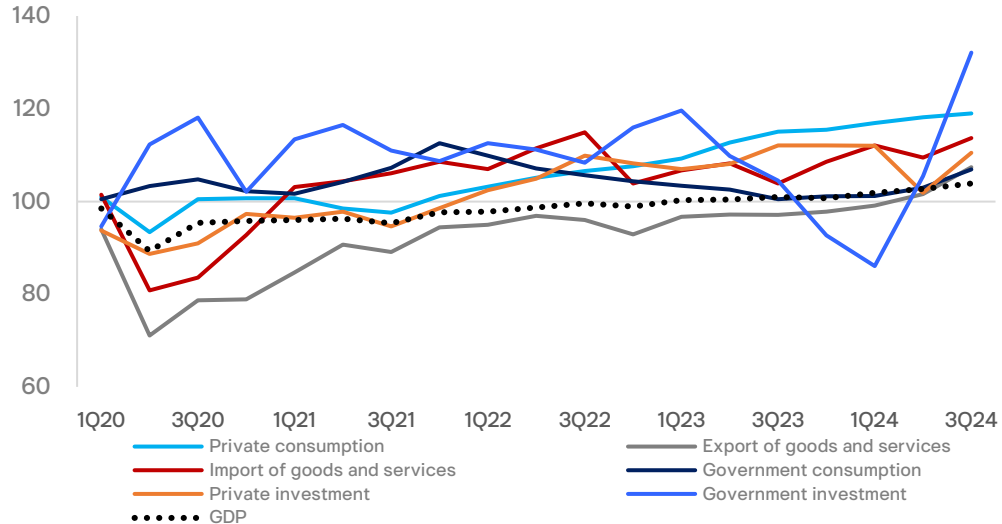
- The headline inflation (CPI) rose 0.83%YoY in Oct24, edged up from previous month of 0.61%YoY. The major increase in price pressures was primarily due to energy price from low-base effect as well as raw food price. Besides, core inflation remained stable at 0.77%YoY in Oct24. During first 10 months of this year, headline and core inflation stood at 0.26%YoY and 0.52%YoY respectively.
- Overall, Thailand's inflation still below the central banks' target range of 1-3%, and below the peers and major economies.

GDP in Q3/2024 expanded 3.0%yoy, accelerated from previous quarter, which mainly attributed to increase in government spending, and export of goods and services

Growth path development from pre-covid level

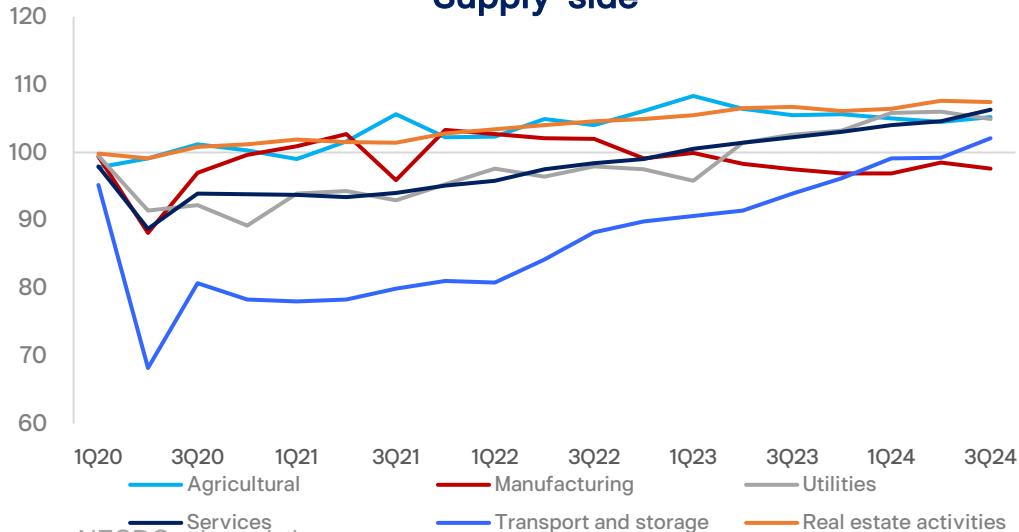
Index 2019Q4 = 100, (sa)

Demand-side



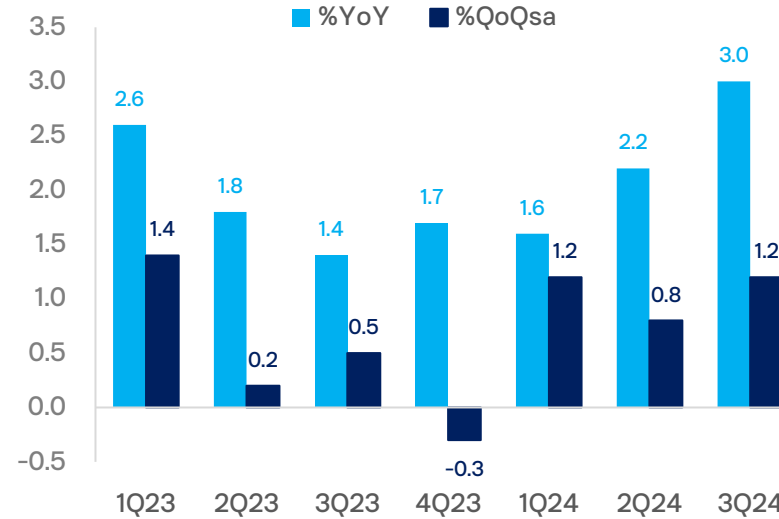
Index 2019Q4 = 100, (sa)

Supply-side



Real GDP growth

%YoY, %QoQsa



- Thai economic growth in the Q3/24 rose by 3.0%yoy, compared to a rise of 2.2%yoy in Q2/24 or +1.2%QoQsa, which better than market expectation, thanks to general government final consumption expenditure and investment, as well as exports of goods and services. On the contrary, private consumption slowed down. In addition, NESDC projected GDP growth in 2024 to grow 2.6%, and 2.3-3.3% (mid-range of 2.8%) in 2025.

GDP growth composition (%yoy)

% compared to previous year	2022	2023	2023				2024		
			Q1	Q2	Q3	Q4	Q1	Q2r	Q3
GDP	2.5	1.9	2.6	1.8	1.4	1.7	1.6	2.2	3.0
Private consumption (59%)	6.2	7.1	5.9	7.3	7.9	7.4	6.9	4.9	3.4
Private investment (18%)	4.7	3.2	2.8	1.4	3.5	5.0	4.6	-6.8	-2.5
Government consumption (17%)	0.1	-4.6	-6.0	-4.3	-5.0	-3.0	-2.1	0.3	6.3
Public investment (8%)	-3.9	-4.6	4.2	-2.1	-3.4	-20.1	-27.7	-4.0	25.9
Export of goods (54%)	1.1	-2.8	-5.6	-5.3	-3.0	3.4	-2.0	1.9	8.3
Import of goods (50%)	1.2	-3.8	-3.6	-4.8	-10.4	5.0	4.3	-1.0	8.3
Export of Service (5%)	59.9	38.3	66.9	53.7	30.6	14.9	24.7	19.6	21.9
Import of Service (9%)	13.6	4.2	14.5	6.4	-5.2	2.1	9.1	10.8	15.2

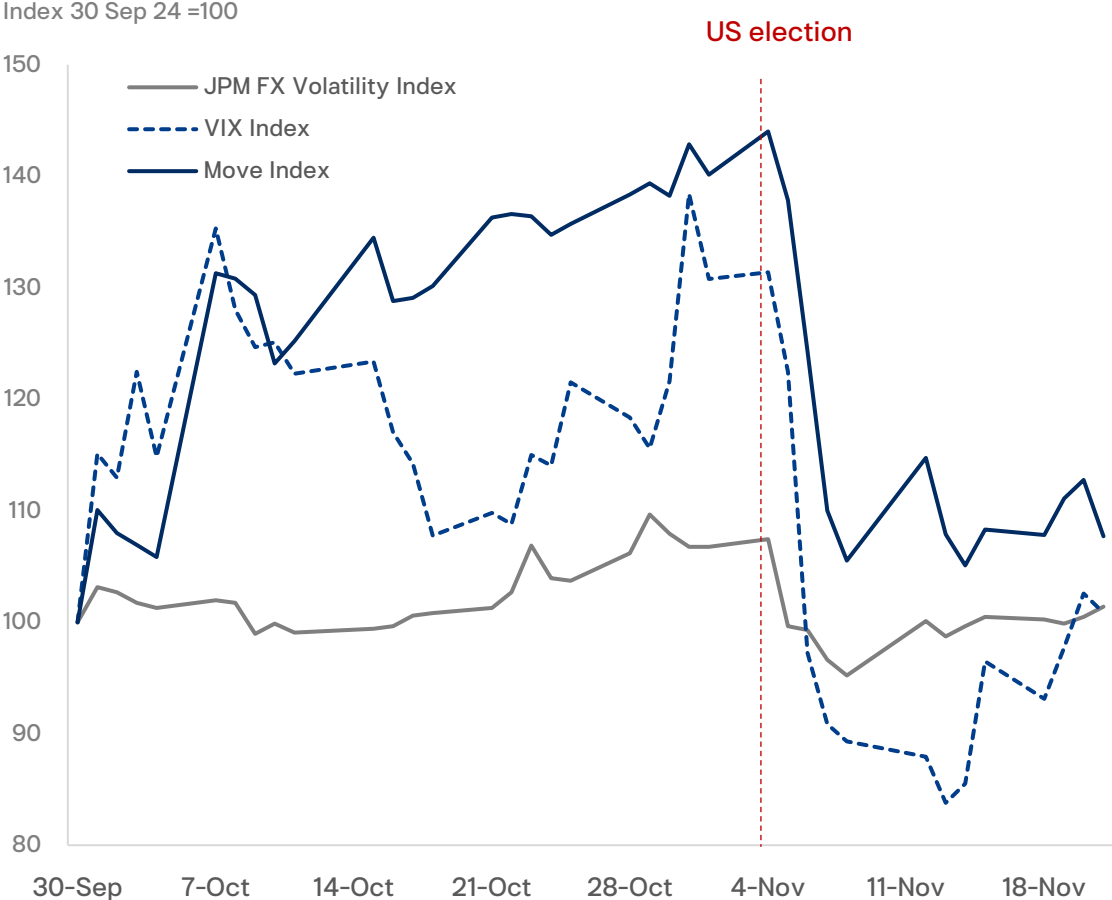
Remark: (.) indicates share to GDP

PART 3

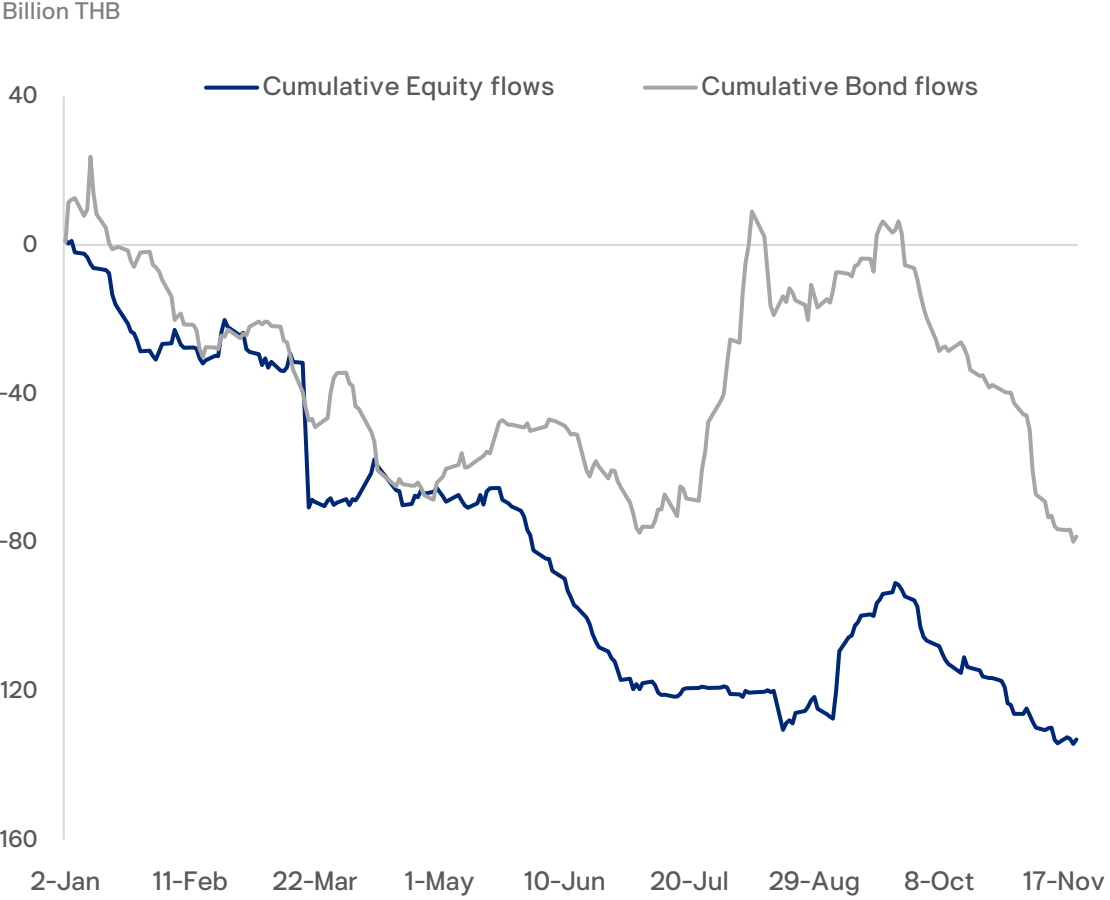
Financial Market



Market Volatility Indicators



TH Cumulative foreign portfolio flows (YTD, 2024)

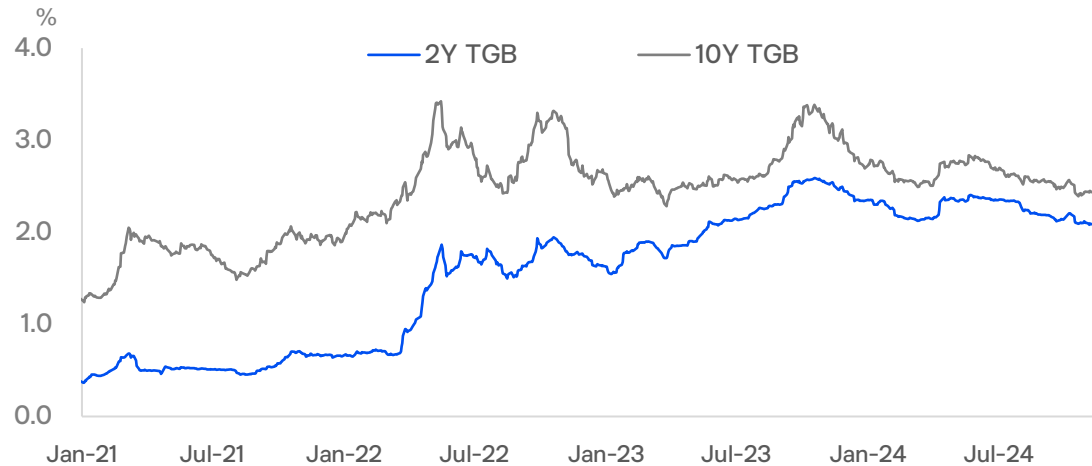


- Market volatility started to calm after the US elections, which had escalated in the weeks prior. Regarding fund flows, US exceptionalism and the Trump trade theme continue to drive outflows from emerging markets in Asia, affecting both bonds and equities. Even with the FOMC rate cut in November, the potential for reflationary policies under Trump creates uncertainty around the future direction of the Federal Reserve's interest rate policy.

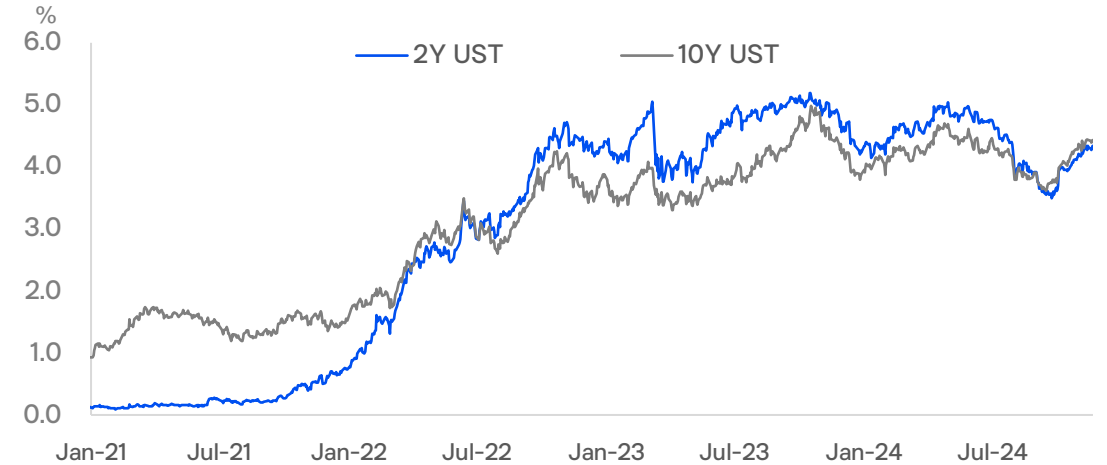
U.S. Treasury yields rose due to strong economic growth and Trump's election win, while Thai government bond yields showed little response to movements in U.S. Treasury yields.



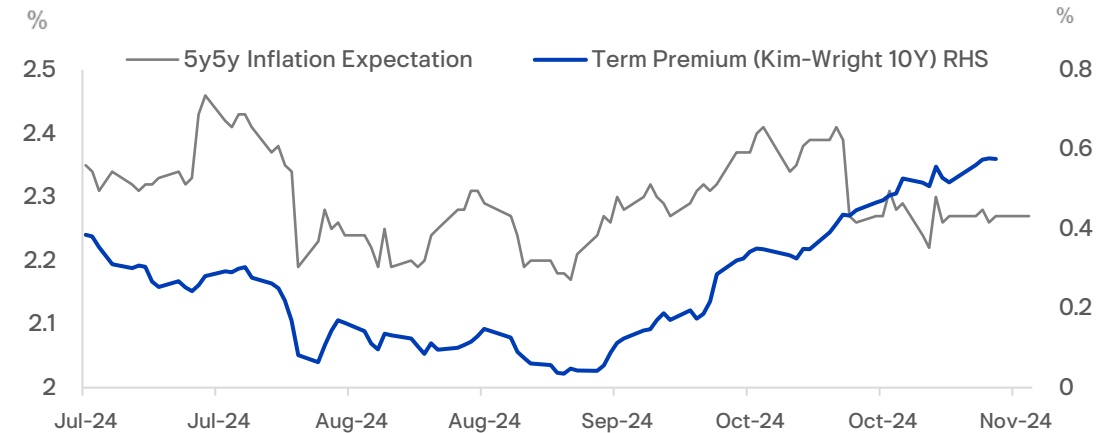
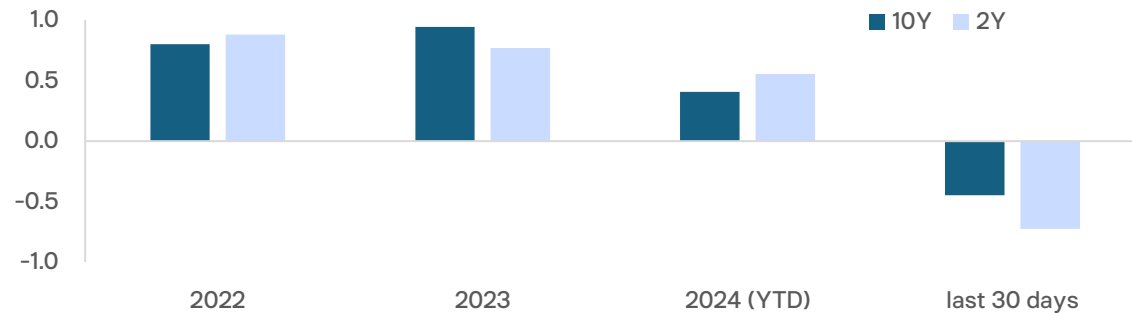
Thailand 2-yr and 10-yr government bond yield



US 2-yr and 10-yr government bond yield



Correlation of daily 10Y TH and 10Y US yields

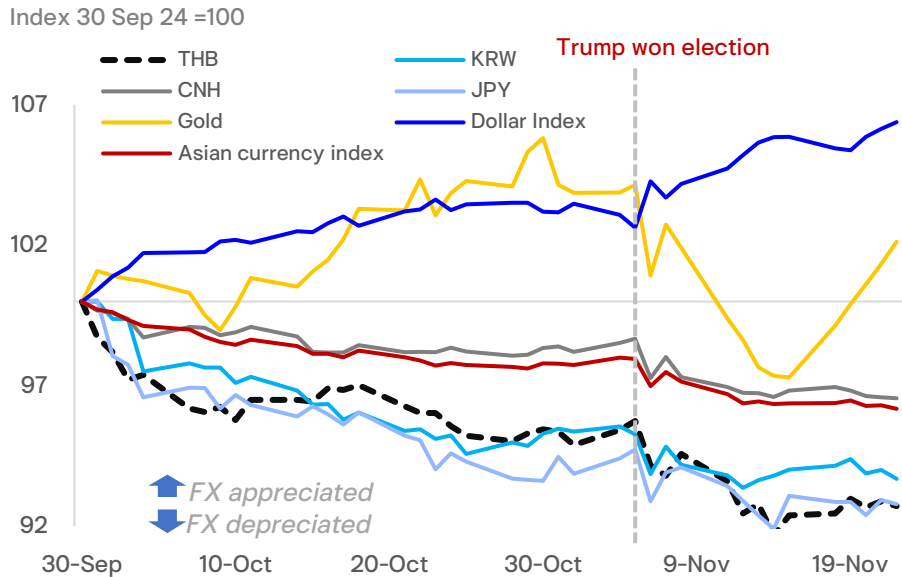


- U.S. government bond yields, including both the 2-year and 10-year Treasury yields, continued to rise, reflecting a combination of robust economic growth and the U.S. election, which led to a preemptive adjustment in market expectations regarding the Federal Reserve's monetary policy path, as the term premium increased. However, rising inflation expectations may not be the only factor, given the current 5Y5Y inflation forward.
- Thai government bond yields displayed low influence from US treasury movement, reflected by recent correlation. Looking ahead, Thai rates are expected to decline due to the fragility of the Thai economy and ongoing discussions between the government and central bank regarding the appropriate policy rate level.

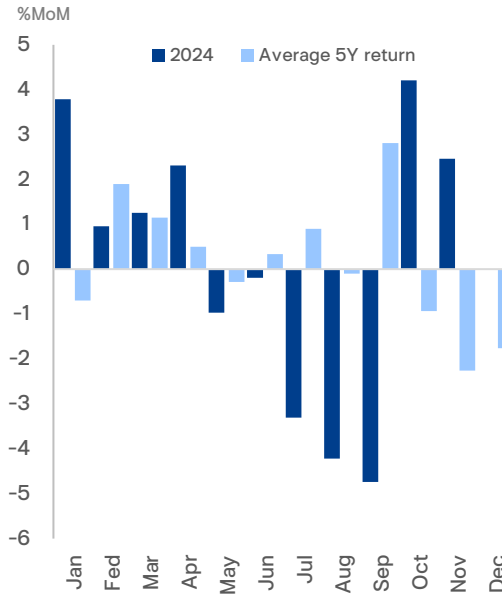
The dollar has rallied, mostly fueled by the Trump trade, while the Thai baht experienced the largest depreciation, leading the decline of other regional currencies



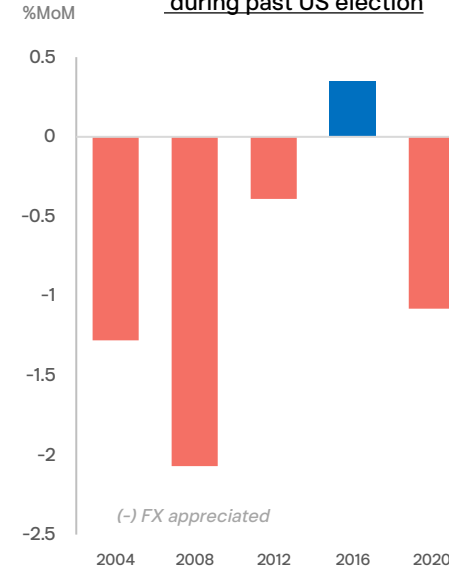
Movement in regional FX in Q4 2024



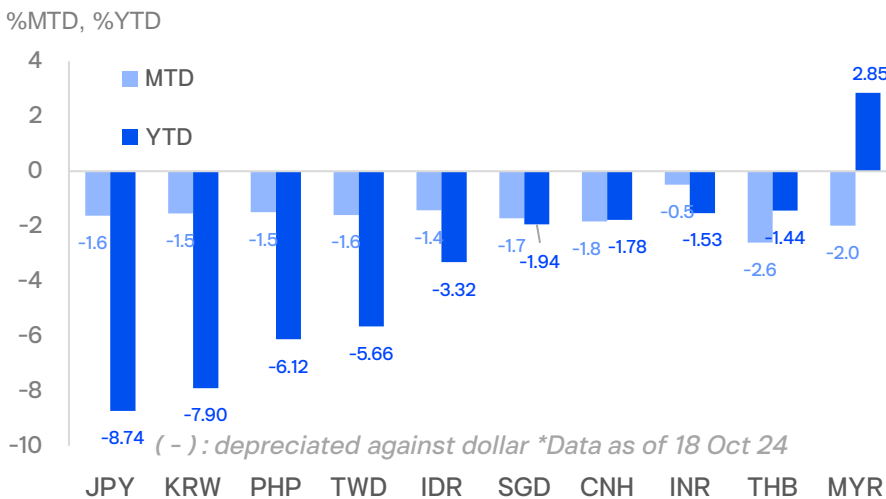
Thai Baht seasonality



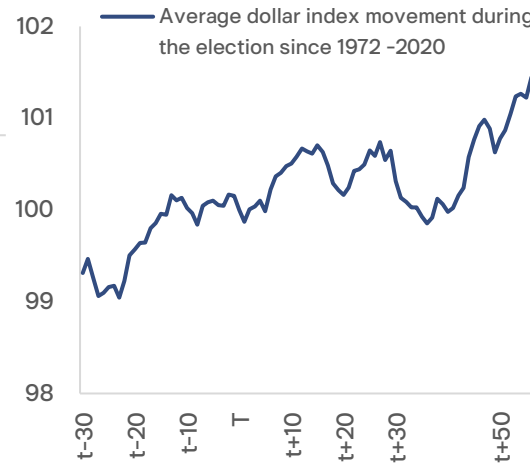
December USDTHB return during past US election



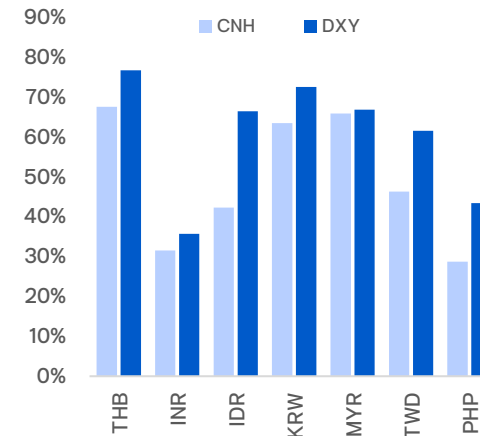
Asian FX spot return against US dollar



DXY movement during US election



Regional FX correlation



- The dollar has surged, primarily fueled by the Trump trade and strong US economic data. The dollar index climbed to a two-year high, reaching the 107 level.
- In November, the Thai baht experienced the largest depreciation, partly due to position adjustments following its strong performance in Q3. The currency hit its weakest point at around 35.00 baht per dollar before correcting downward. The correlation with gold did not play a role. Compared to the end of last year, the baht has depreciated by 1.44%.
- Looking ahead, the future movement of the Thai baht remains highly uncertain due to its strong correlation with the dollar and yuan. While the baht typically appreciates towards the end of the year, the dollar often strengthens following the election.

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