Economic and Financial Outlook

ttb analytics

Mar 2025

Executive Summary

Global Economy

- In February 2025, ongoing uncertainty is weighing on the global PMI. The pace of expansion in the service sector slowed. Meanwhile, the manufacturing PMI rose to an 8-month high, likely due to the front-loading effect ahead of US tariff impacts. Inflationary pressures eased modestly in February; however, soft data survey indicate input costs have begun to rise again especially in DMs.
- The US economy is exhibiting more signs of slowdown, especially in soft data; However, fundamental economic data remains robust, particularly in consumption, as seen in retail sales from the control group exceeding expectations. Industrial production also outperformed expectations.
- In China, Economic data from the first two months showed some recovery, with consumption, investment, and industrial production exceeding expectations. However, new-home prices fell faster in February, despite government efforts, and exports were weaker than expected, reflecting the early impact of US tariffs.

Thai Economy

- In January 2025, Thai economic activities improved from previous month from both internal and external factors, supported by increasing activities in the tourism sectors, and partly benefited from the government stimulus measure. Manufacturing production and private investment increased in several categories.
- On the economic stability front, headline inflation in February 2025 remained moved within the official target. Notably, trade balance (Custom basis) marked a deficit while the current account balance slightly dropped from previous month due to smaller gain in trade balance (BOP basis).
- The MPC voted non-unanimously to cut the policy rate 0.25 percentage point to 2% in the 1/2025 meeting. It was pointed that the Thai economy showed rising downward pressure from structure challenges, particularly manufacturing sector. Moreover, inflation rate remained low driven by supply factors and expected to stabilize around the lower bound of the target range.

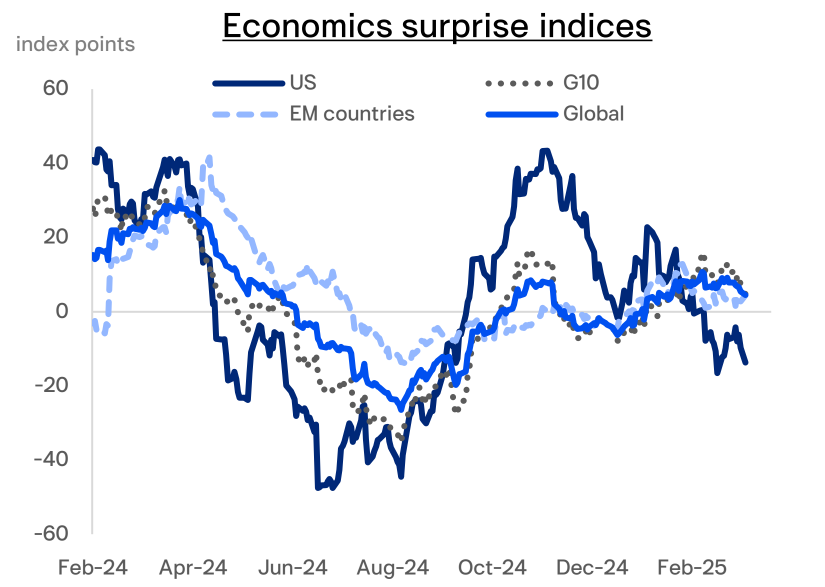
Financial Markets

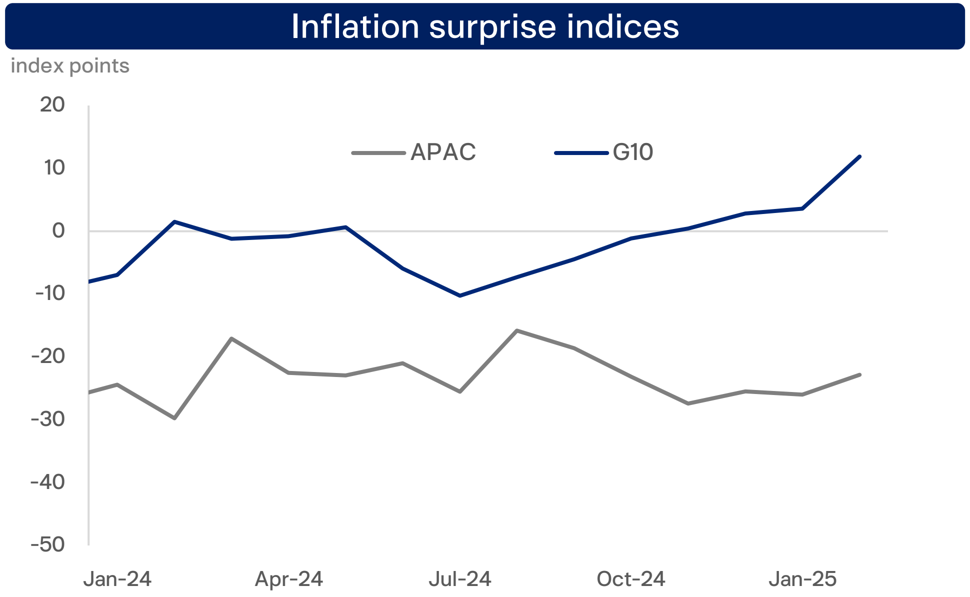
- US Treasury yields dropped across the curve, driven by concerns over a potential US economic slowdown and expectations of Fed rate cut, while Thai bond yields fell further on expectations of policy easing amid weak economic outlook.
- The dollar reversed its gains due to concerns about an economic slowdown and the rise of the Euro and Yen. At the same time, the Thai baht gained strength along with the region, boosted by dynamics in gold price movement. Looking ahead, the dollar's downtrend could reverse due to tariff uncertainty and the end of the US economy's correction, while the Thai baht may see slight depreciation from seasonal factors in Q2.

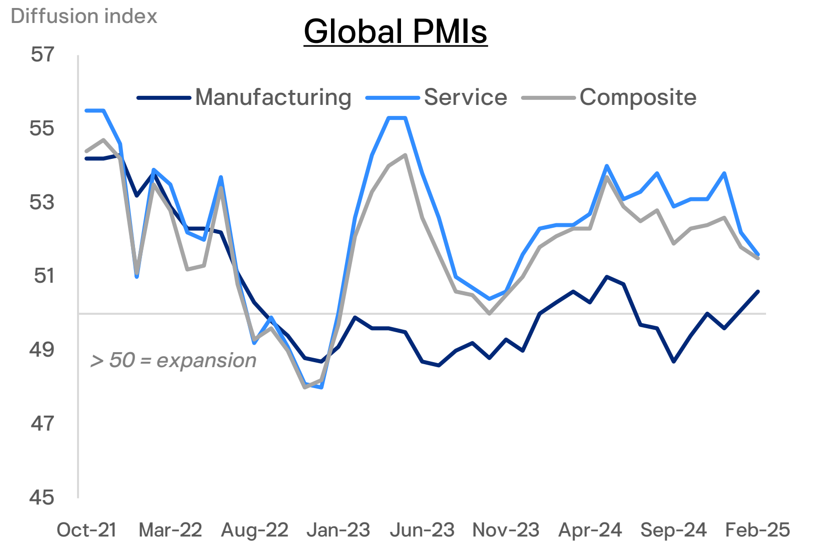
PART 1

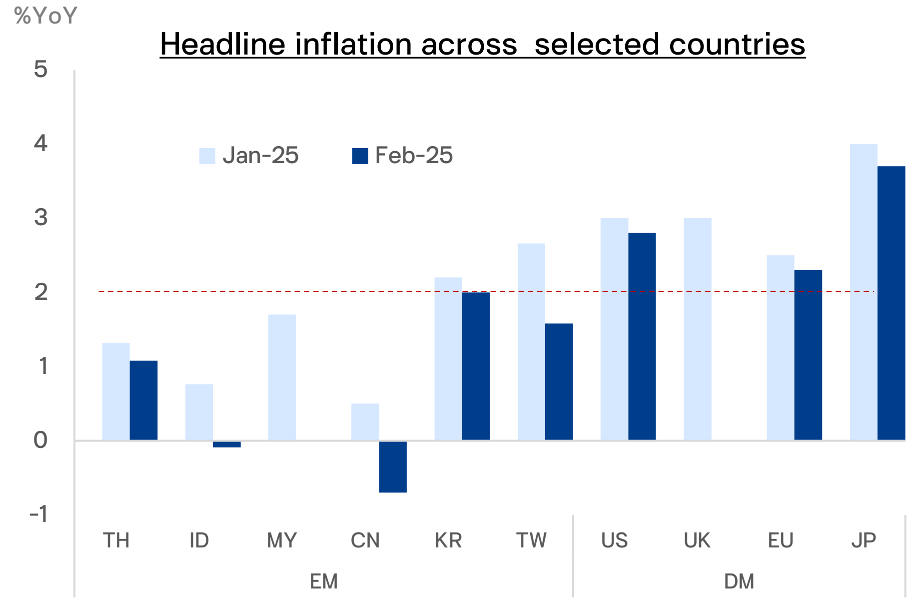
Global Economy

Uncertainty continues to weigh on the global economic outlook. Meanwhile, global inflation has eased recently but remains elevated in DMs, with the tariff impact yet to materialize







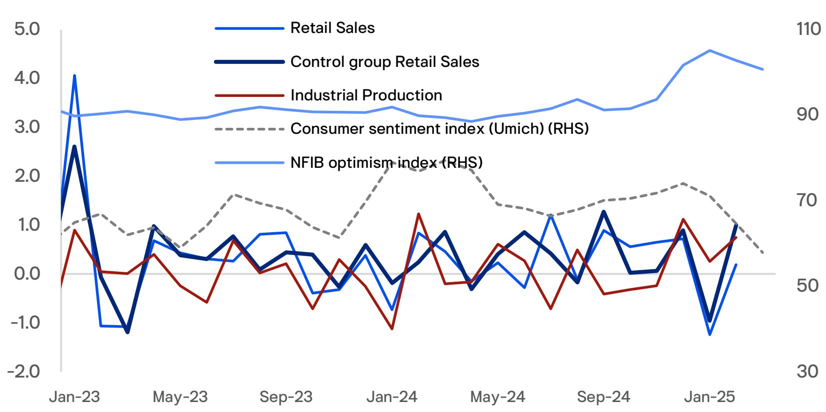


- Recent economic surprise indices have highlighted a clearer view, showing that the U.S. economy is decelerating more than expected relative to the global economy.
- Ongoing uncertainty is weighing on the global PMI. The pace of expansion in the service sector slowed, partly due to US data. Meanwhile, the manufacturing PMI rose to an 8-month high, likely due to the front-loading effect ahead of US tariff impacts, as evidenced by an increase in new orders and output. The report also showed that input costs have begun to rise again in both the service and manufacturing sectors, particularly in developed markets.
- Inflationary pressures eased modestly in February; however, the CPI in developed markets remains much higher than both the target and that in emerging markets.

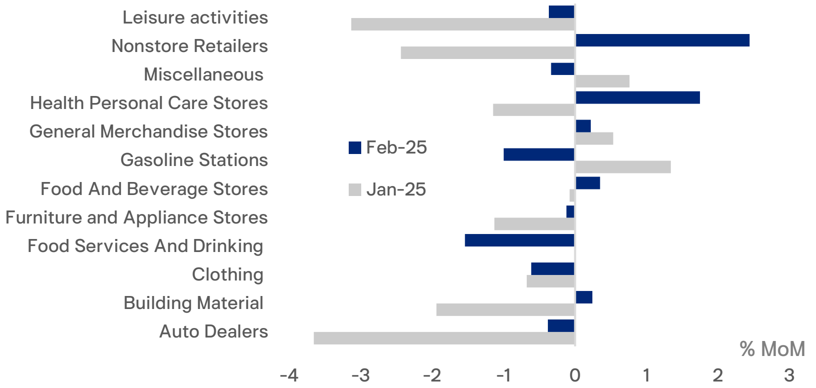
Source: World Bank, Bloomberg, CEIC, ttb analytics
Remark: *Economics surprise indices updated as of 17 Mar 25

The US economy is exhibiting more signs of slowdown, especially in soft data, while the Fed's economic indicators continue to justify its decision to pause

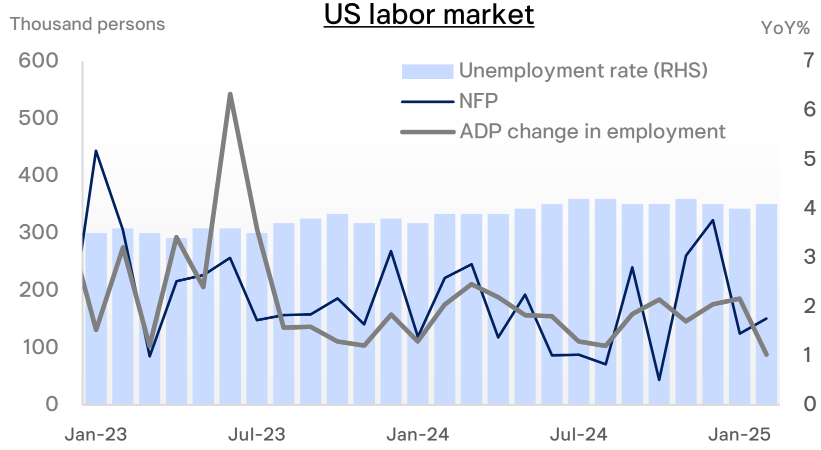
Retail Sales and other sentiment indices



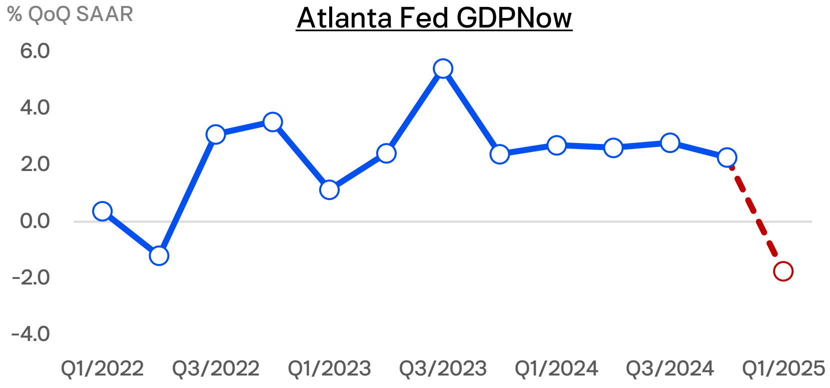
Changes in retail sales by component



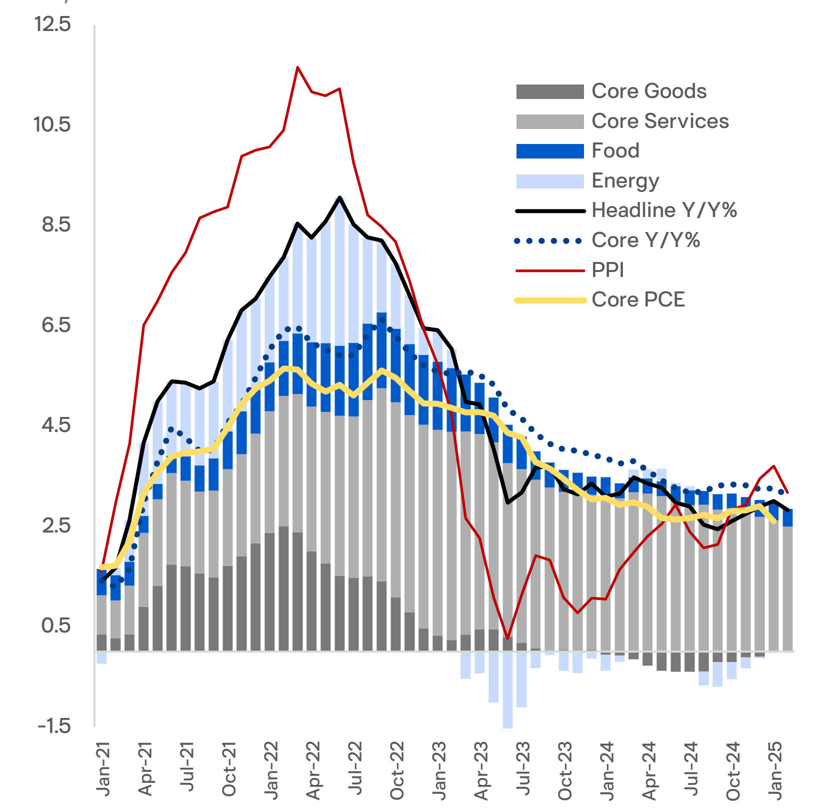
US labor market



Atlanta Fed GDPNow



US inflation

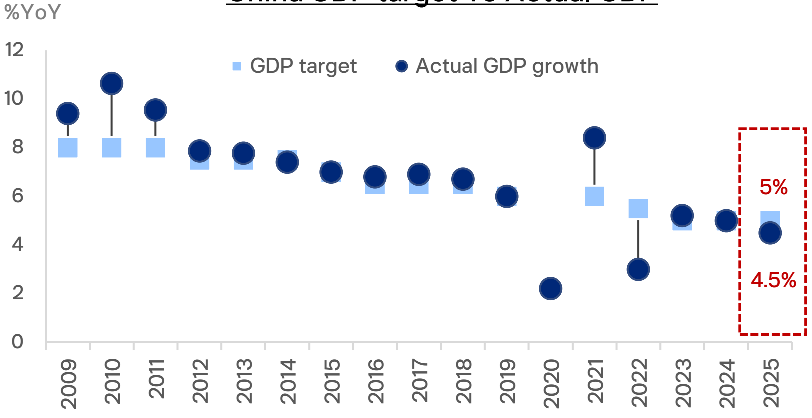


- Due to the high uncertainty surrounding future tariffs, recent US soft economic data has broadly declined, contributing to the nowcast of a Q1 GDP contraction. However, fundamental economic data, or hard data, remains robust, particularly in consumption, as seen in retail sales from the control group exceeding expectations. Industrial production also outperformed expectations.
- Considering the key factors behind the Fed's decision, the current data support the pause, consistent with the March FOMC decision. Non-farm payrolls showed a slight rebound but fell short of expectations, with declines in federal government and retail employment suggesting potential further softness ahead. Meanwhile, disinflation in both CPI and PPI continues, though at a gradual pace, with the risk that inflation may rise in the coming months due to tariff hikes.

Source: Bloomberg, CEIC, ttb analytics

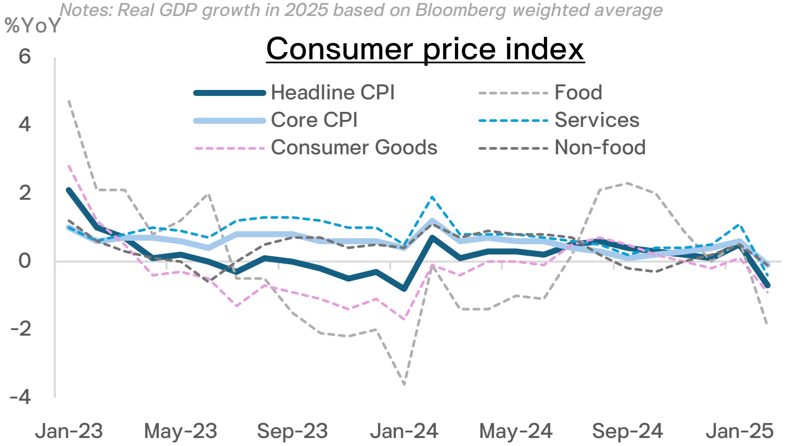
Recent Chinese economic data reveal a mixed recovery, emphasizing the ongoing significance of the stimulus package

China GDP target vs Actual GDP

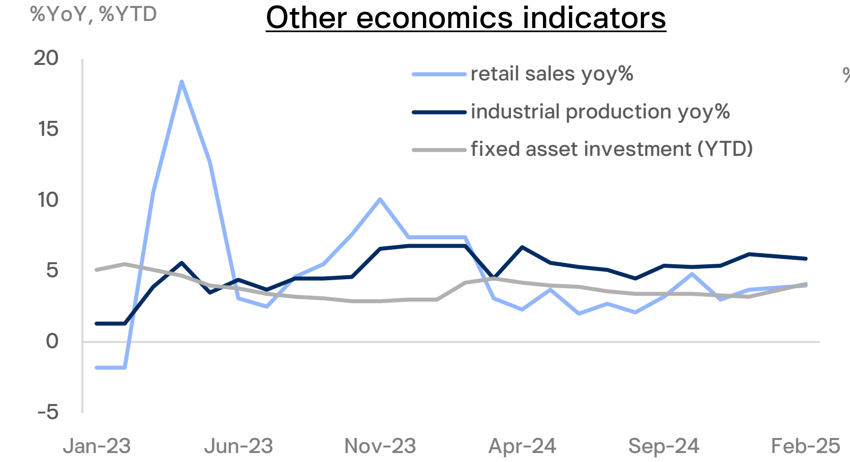


Notes: Real GDP growth in 2025 based on Bloomberg weighted average

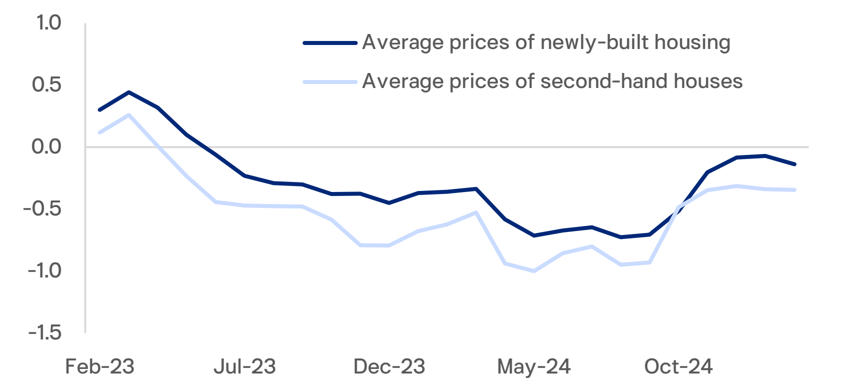
Consumer price index



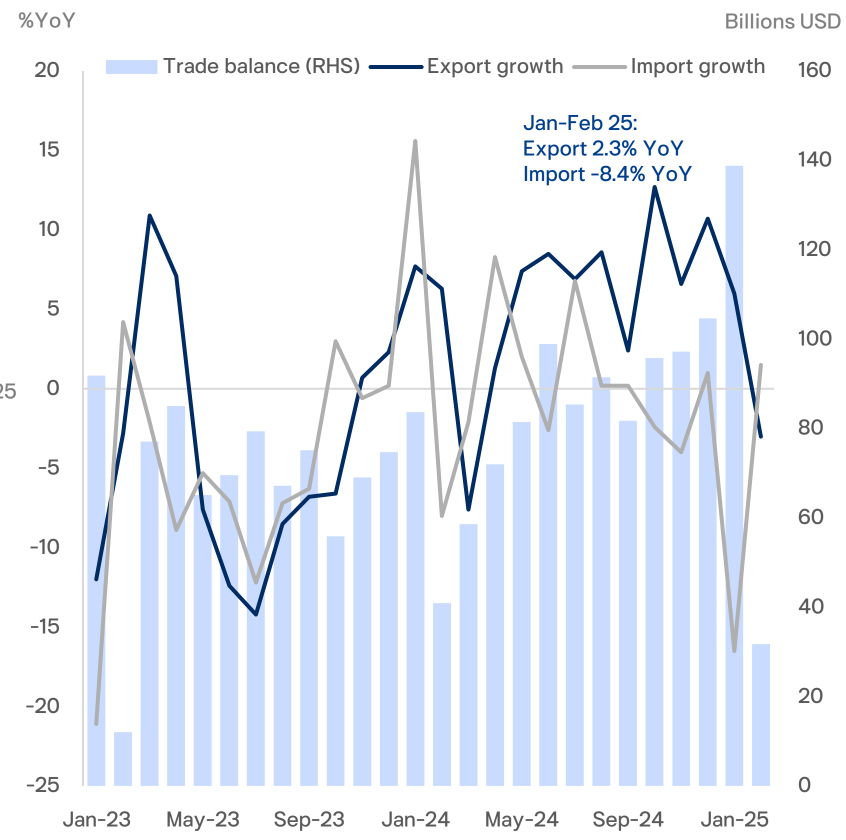
Other economics indicators



Property sector



China's Export and import, trade balance

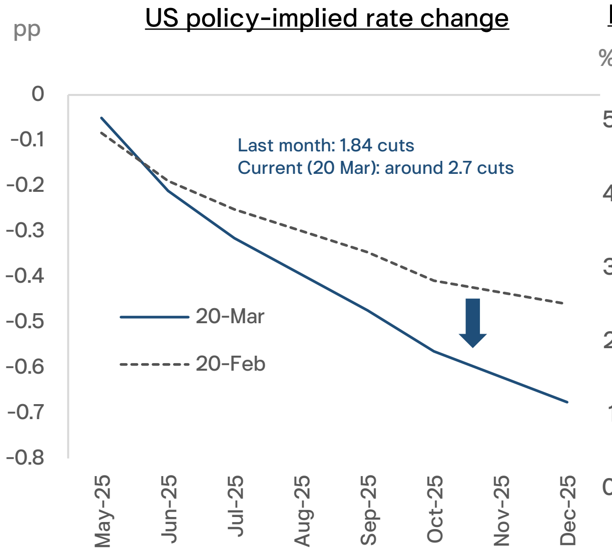


- China set a 5% GDP growth target for 2025 with focus on domestic consumption, unchanged from last year. Recently China's State Council announced a plan to boost consumption, including income increases and childcare subsidies, but offered little optimism by focusing on sector support rather than income improvement.
- Economic data from the first two months show some recovery, with consumption, investment, and industrial production exceeding expectations, especially in retail sales due to government support. However, new-home prices fell faster in February, despite government efforts, and exports were weaker than expected, reflecting the impact of US tariffs. Imports remain weak due to low domestic demand. Going forward, rising US tariffs and global uncertainty are likely to affect Chinese exports. Regarding price pressures, the CPI fell more than expected, partly due to the Chinese New Year effect, but a broad-based decline in key components also contributed.

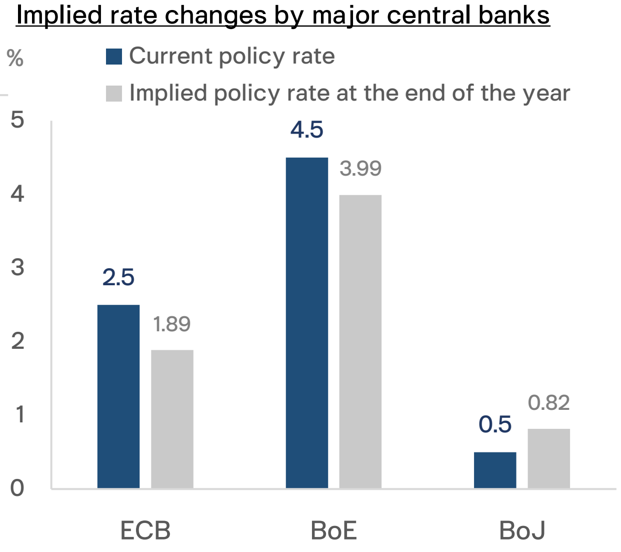
Source: Bloomberg, CEIC, ttb analytics

Trump's policies are creating uncertainty for central banks, compounded by domestic factors, leading them into a period of pause

Expected policy rate changes by selected major central banks by the end of 2025



Notes: The implied policy rate are based on OIS



Notes: The implied policy rate are based on OIS
ECB policy rate is deposit facility rate

Asian countries' expectations

Country	Current Policy Rate	Changes in policy rate in 2025 (bps)	Forecast policy rate at the end of 2025 (%)
MY	3	0	3.05
KR	2.75	-25	2.25
ID	5.75	-25	5.20
IN	6.25	-25	5.75
PH	5.75	0	5.10
TW	2	0	2.00
CN	2	0	
VN	4.5	0	4.50

Notes: Forecast policy based on Bloomberg weighted average

Latest Monetary Policy development

DM

- **The Fed kept rates between 4.25% and 4.50%, as expected and maintained its median dot plot, which still forecasts two rate cuts in 2025.** Projections for 2025 and 2026 growth were lowered, with higher unemployment and PCE forecasts. Powell reiterated a wait-and-see approach.

- **The ECB cut interest rates as expected, hinting that the rate-cutting phase may end as inflation cools, and the economy adjusts to geopolitical shifts.** It lowered its 2025 GDP growth and core inflation forecasts while raising headline inflation for 2025. President Lagarde stressed that policymakers won't commit to a specific path for borrowing costs.

- **The BoJ kept its short-term interest rate at 0.5%, as expected.** Governor Ueda emphasized multiple times that domestic data largely aligned with the outlook, with wages slightly stronger than expected but still within the anticipated range.

- **The BoE kept interest rates steady at 4.5%, as anticipated, and emphasized its "gradual and careful" approach to easing.** The central bank recognized progress in disinflation but stated that there wasn't sufficient new data to warrant another rate cut. Like other central banks, they highlighted considerable uncertainty.

EM

- **Chinese banks kept their benchmark lending rates unchanged for the fifth month in a row**, with no further monetary easing, as officials leave the door open for potential stimulus in the event of a substantial rise in US tariffs.

- **Most Asian central banks recently kept policy rates steady**, as policymakers need to balance domestic economic growth with the risks posed by Trump's policies and concerns about financial stability.

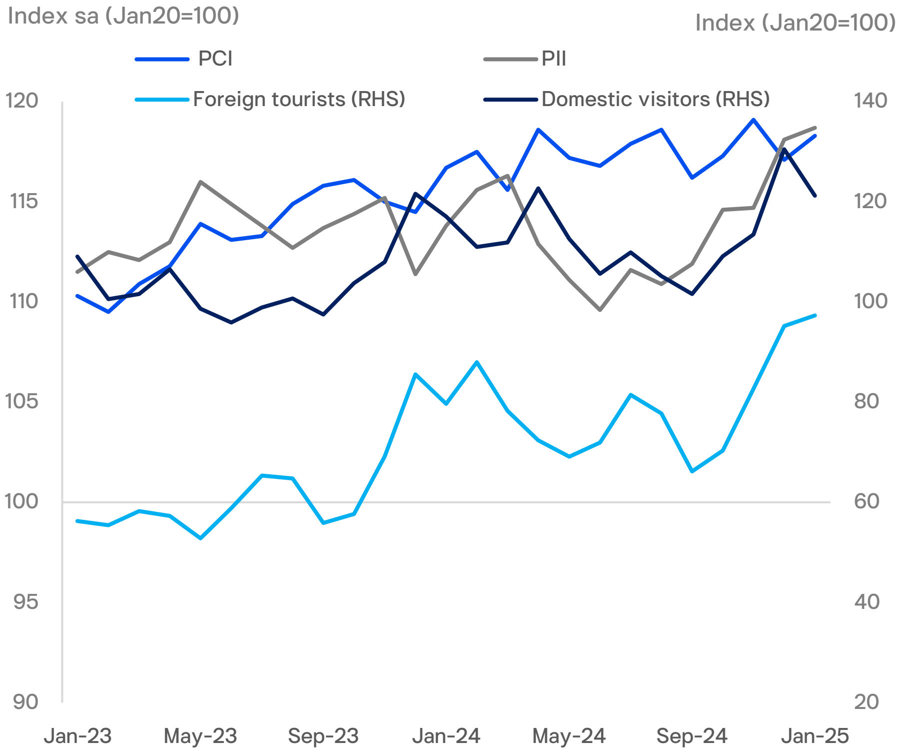
Source: Bloomberg, CEIC, ttb analytics (Data as of 21 Mar 25)

PART 2

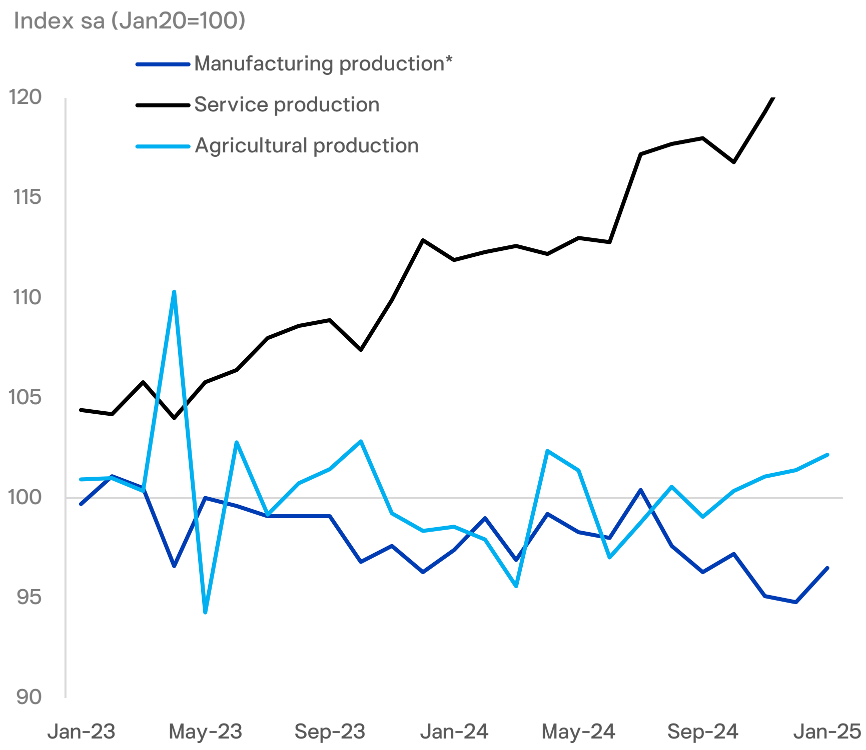
Thai Economy

In January 2025, Thailand economic activities improved from both internal and external demand

Demand-side indicators



Supply-side indicators



- In Jan25, Thai economic activities improved from previous month from both internal and external factors, supported by increasing activities in the tourism sectors, and partly benefited from the government stimulus measure. Manufacturing production and private investment increased in several categories.
- On the economic stability front, headline inflation in Feb25 remained moved within the official target. Notably, trade balance (Custom basis) marked a deficit while the current account balance slightly dropped from previous month.

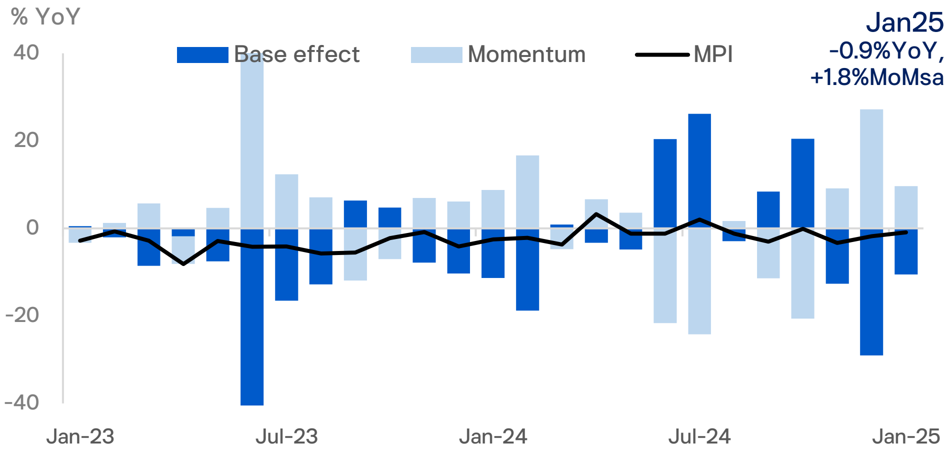
Leading Economic Index (sa) (Jan2020=100)

Leading Economic Index and Components (SA)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Authorized Capital of Newly Registered Companies (Million Baht)	146.0	116.7	126.8	155.4	123.9	159.3	134.6	100.2	125.3	171.4	137.5	129.6	141.3
Construction Areas Permitted (1000 sq. m)	118.7	117.4	117.7	117.7	112.0	108.0	106.7	105.5	101.4	103.3	101.5	98.9	102.7
Export Volume index (exclude Gold)	110.8	107.6	109.4	113.8	113.3	112.5	114.8	119.5	115.3	115.0	119.0	118.0	119.7
Business Sentiment Index (3 months)	102.4	101.9	103.7	101.8	104.7	101.7	100.2	97.4	99.9	102.4	99.5	97.6	97.6
SET index	90.1	90.5	91.0	90.3	88.9	85.9	87.2	89.8	95.7	96.8	94.3	92.5	86.8
Oil Price Inverse Index (Dubai)	1.3	1.2	1.2	1.1	1.2	1.2	1.2	1.3	1.4	1.3	1.4	1.4	1.2

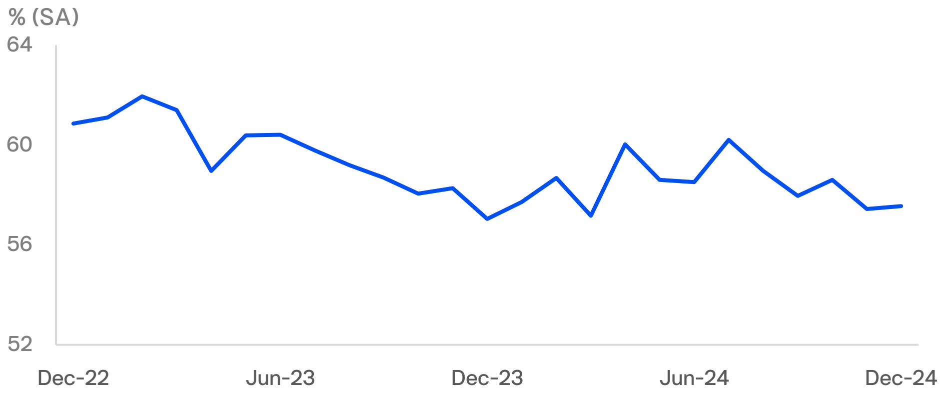
Source: Bank of Thailand and ttb analytics
Remark: *rebase Jan21 due to OIE new rebase data

Manufacturing production slightly picked up after a slowdown in preceding periods

Manufacturing Production Index (MPI)



Capacity Utilization (CapU)



MPI by sector (base year 2021)

Contribution	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Food products (16.7%)													
Beverages (3.8%)													
Tobacco products (0.7%)													
Textiles (1.9%)													
Wearing apparel (1.6%)													
Leather products (0.8%)													
Paper products (2.1%)													
Coke and refined petroleum products (10.7%)													
Chemicals (8.8%)													
Pharmaceutical products (1.2%)													
Rubber and plastics products (8.8%)													
Other non-metallic mineral products (5.4%)													
Basic metals (3.4%)													
Fabricated metal products (2.3%)													
Computer and electronic products (9.4%)													
Electrical equipment (3.5%)													
Machinery and equipment (2.8%)													
Motor vehicles (11.2%)													
Other transport equipment (1.1%)													
Furniture (0.9%)													
Others (2.3%)													
MPI (%YoY)	-2.5	-2.1	-3.7	3.3	-1.2	-1.2	2.0	-1.2	-3.0	-0.1	-3.3	-1.8	-0.9

- As of Jan25, Manufacturing Production Index (MPI) rose slightly from previous month. The major increase was due to higher production in automotives, driven by the production of passenger cars, especially hybrid cars, (2) petroleum, which increased for inventory buildup, (3) food and beverages, especially dairy products as well as chilled and frozen seafood products and (4) chemicals, following an inventory buildup of chemical fertilizers in preparation for the agricultural planting season.

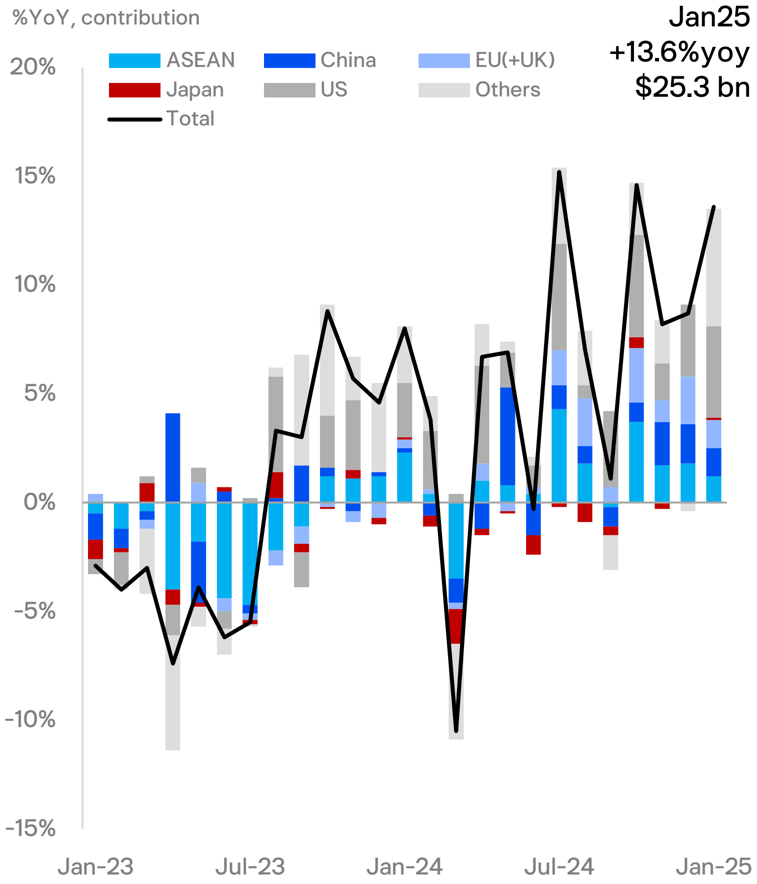
Source: BOT, The Office of Industrial Economics and ttb analytics.

Merchandise export in January shown the surprising growth led by exporting to the US thanks to front-load effect

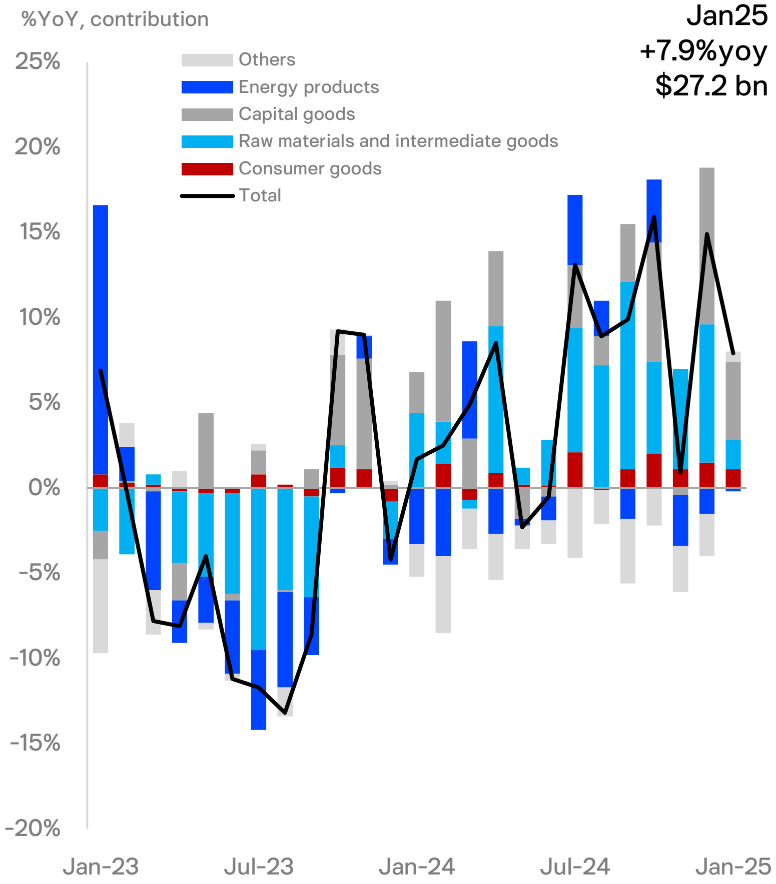
Exports value by product and destination

Unit: %YoY

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Agri-agro products													
Rice	45.9%	53.6%	30.6%	91.5%	-4.5%	96.6%	15.2%	46.6%	15.2%	10.1%	-20.6%	-8.5%	-32.4%
Rubber	5.5%	31.7%	36.9%	36.2%	46.6%	28.8%	15.6%	64.8%	47.4%	32.6%	14.1%	48.5%	45.5%
Tapioca products	-27.0%	-20.4%	-16.7%	-9.6%	-17.0%	-3.8%	55.4%	-11.5%	-29.2%	-30.5%	-6.3%	7.8%	-7.9%
Fresh, Frozen & Dried vegetable and Fruit	27.2%	-10.0%	-20.0%	-25.1%	91.9%	-31.0%	-15.7%	2.9%	-14.0%	7.3%	33.8%	10.7%	-2.8%
Poultry	5.0%	-0.5%	1.2%	12.1%	3.5%	-1.9%	13.6%	5.1%	-0.4%	12.4%	12.0%	7.1%	12.3%
Sugar	-16.6%	-35.2%	-45.4%	-10.4%	-44.3%	-52.1%	-38.9%	-13.6%	-8.9%	-11.8%	-21.3%	-29.9%	0.0%
Animal feeding	9.1%	21.5%	29.6%	52.9%	39.2%	13.1%	26.6%	25.0%	21.5%	18.2%	18.1%	9.7%	12.9%
Industrial products													
Motor Cars, Parts, Accessories	-4.7%	-8.2%	-6.7%	13.5%	-8.0%	-0.6%	-12.5%	-17.9%	-10.6%	-13.0%	-0.3%	-6.2%	-13.1%
Computer and parts	32.2%	24.9%	-11.8%	62.0%	44.5%	22.0%	82.6%	74.7%	25.5%	77.5%	40.7%	43.5%	45.0%
HDD	39.7%	21.4%	-36.2%	85.2%	30.9%	4.4%	84.6%	112.2%	3.8%	124.9%	47.8%	18.0%	36.7%
Integrated Circuits	-1.9%	-13.2%	-18.2%	-9.2%	-11.9%	-21.4%	-8.7%	-33.2%	1.2%	1.9%	3.9%	-2.6%	9.0%
Air Conditioning Machine	-10.5%	-14.3%	-12.7%	12.9%	-7.7%	-8.5%	27.8%	15.2%	22.5%	44.9%	35.8%	28.7%	33.2%
Refrigerating	30.4%	-0.2%	-13.4%	2.2%	-14.1%	-1.9%	34.0%	11.6%	-17.8%	-6.6%	16.0%	-15.5%	-20.9%
Electronic Machines	18.0%	12.5%	-8.4%	25.5%	22.9%	8.3%	31.8%	13.9%	8.2%	29.6%	9.6%	12.8%	17.3%
Plastic pallet	-0.3%	-2.7%	-13.7%	0.5%	-0.4%	-6.3%	6.9%	-3.3%	-5.2%	4.8%	2.2%	10.3%	4.1%
Chemical Products	-1.6%	-14.2%	-10.9%	16.4%	-3.2%	-5.5%	38.2%	12.5%	4.4%	18.7%	10.7%	20.1%	6.6%
Machinery & Parts	7.6%	-2.5%	1.3%	58.8%	12.4%	7.2%	10.0%	23.0%	8.7%	43.0%	16.7%	35.6%	28.1%
Rubber Products	3.7%	-4.1%	-6.9%	1.5%	-8.7%	-2.2%	13.8%	14.9%	15.7%	27.2%	24.8%	22.5%	19.9%
Refined oil	5.3%	-9.6%	-6.1%	-21.2%	-0.5%	2.8%	35.5%	1.0%	-29.8%	-21.4%	-16.3%	-33.7%	-4.3%
Jewelry ex gold	21.5%	6.5%	-3.1%	8.2%	3.9%	-4.3%	-6.5%	17.6%	-0.8%	-1.8%	24.3%	79.5%	148.8%
Total export	10.0%	3.6%	-10.9%	6.8%	6.9%	-0.3%	15.2%	7.0%	1.1%	14.6%	8.2%	8.7%	13.6%



Imports value by groups

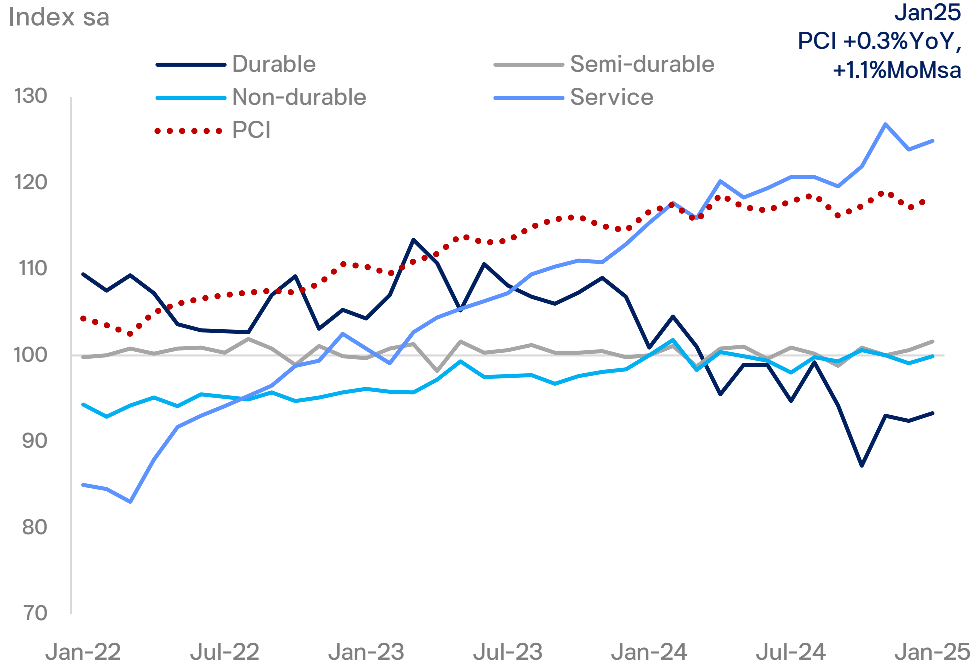


- Thailand's exports in Jan25 grew by 13.6%YoY, marking the seventh consecutive month of growth. Key export products that contributed to this expansion remained computer and parts, air conditioning machine and machinery products, while agri and agro-industry products registered a slowdown. Major export markets that experienced growth included US and China thanks to the continuing front-loading effect. Nonetheless, import value continued to expand by 7.9%YoY but slower pace, resulting from the notable growth of almost all categories except energy products. As a result, Thailand recorded a trade deficit of USD 1.9 billion.

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

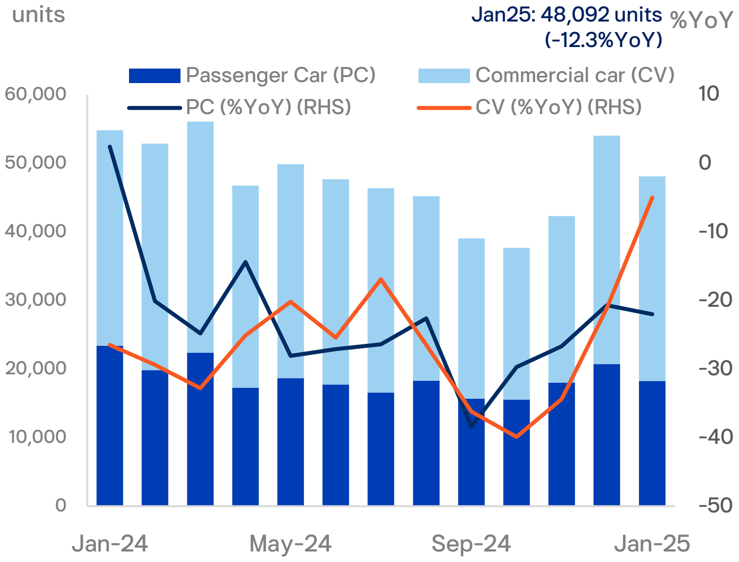
Private consumption indicators increased across all major categories

Private Consumption Indicators (SA)

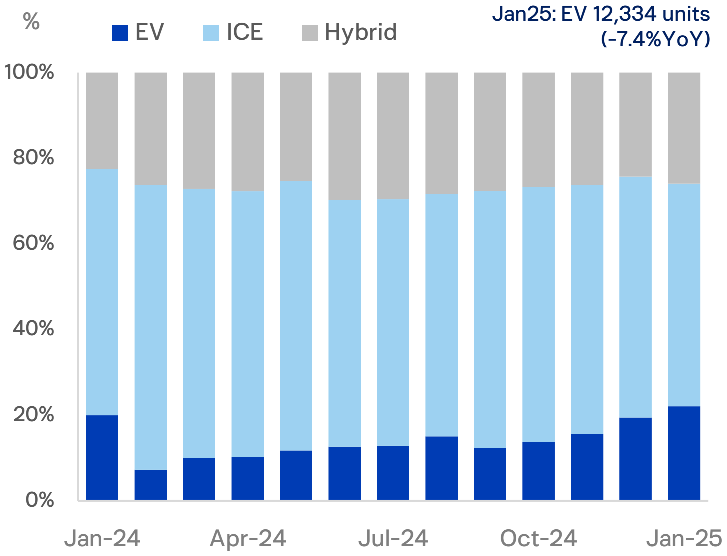


- Private consumption indicators slightly increased across all major categories. Spending in services increased, particularly in transportation, while activities in hotel and restaurant improved in line with higher numbers of foreign tourists and revenue.
- Consumption in durable goods also increased, especially in passenger cars sales thanks partly to a higher delivery after the Motor Expo. Spending in non-durable goods increased with higher sales of consumer goods and beverages.

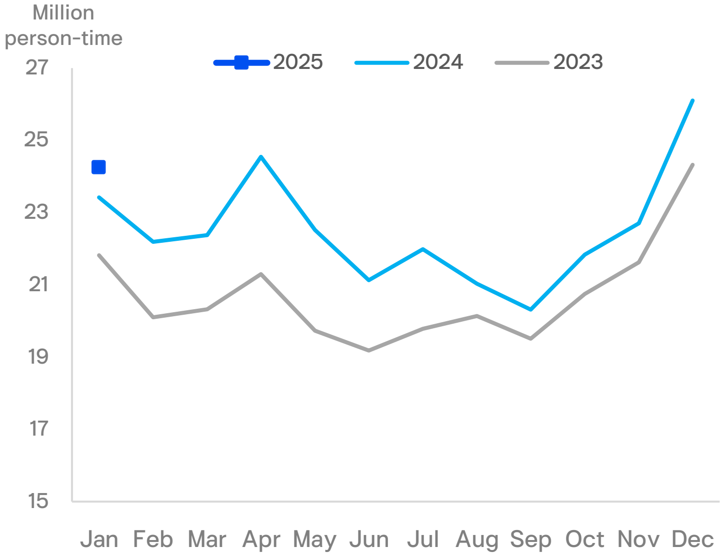
Domestic car sales**



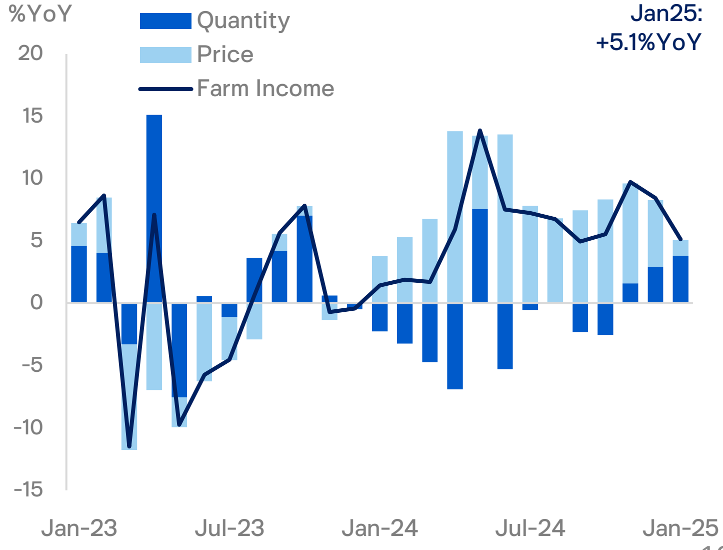
EV penetration of type 1 registration



Thai domestic visitors*



Farm Incomes

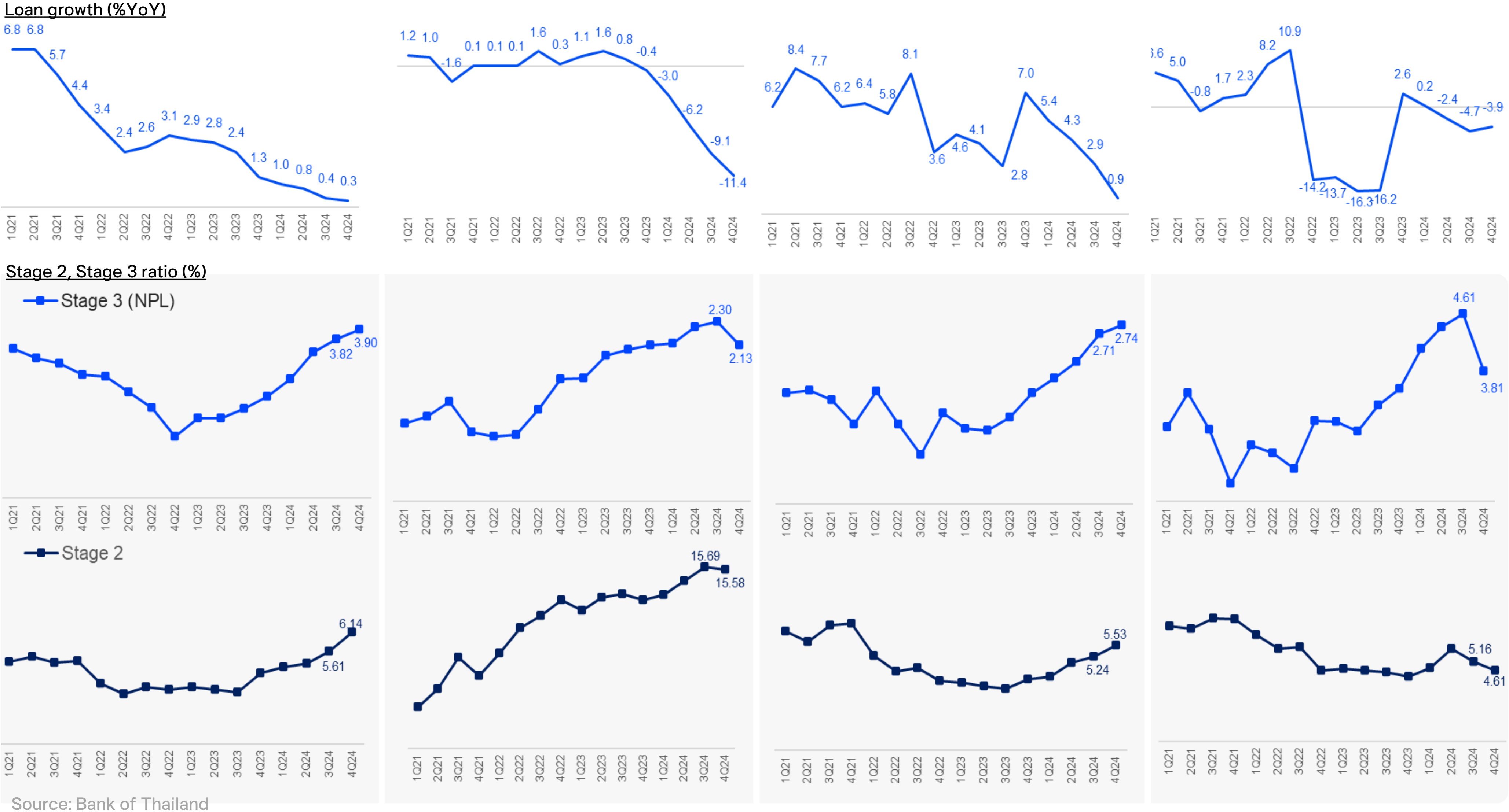


Source: Bank of Thailand, The Federation of Thai Industries, CEIC and ttb analytics
Remark: *Data not include replication in number of visitors **Commercial Vehicle (CV) * covering pickup, PPV and others commercial car, Passenger Car (PC) ** covering sedan and SUVs,

Overall 2024 consumer loan slowed down further; Hire purchase loans growth remained its lowest level since 2007

Retail loan outstanding of Thai CBs

Mortgage (2.73 TB) | Hire Purchase (1.05 TB) | Personal Loan* (1.35 TB) | Credit Card* (0.23 TB)

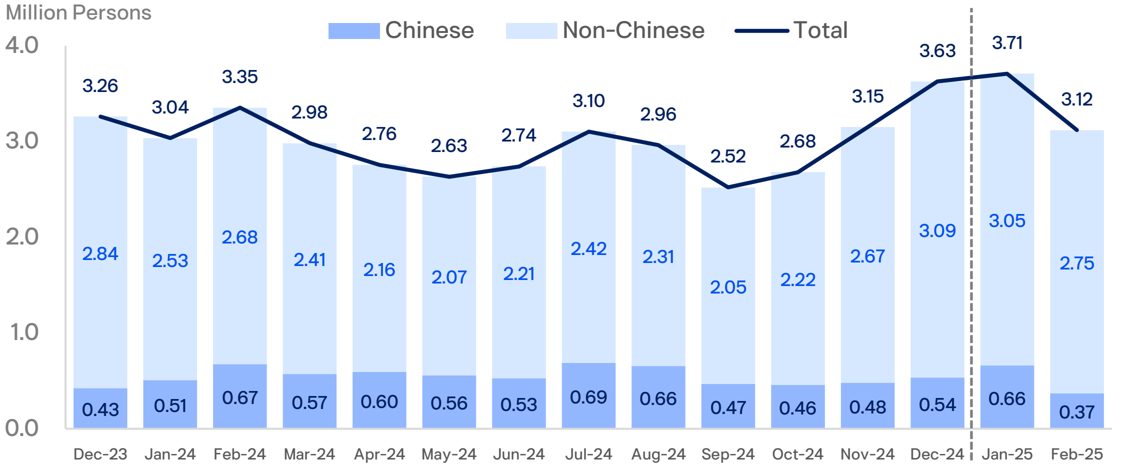


- In 2024, consumer loans of Thai commercial banks continued to decline of 1.9%YoY contraction, particularly auto loans, which was reached its lowest level since 2007. This was affected by structural issues and slow income recovery among vulnerable groups.
- Overall Stage 2 loans partly increased, while Stage 3 outstanding and the Stage 3 (NPL) ratio decreased across almost all portfolios. This decline was partly due to loan portfolio management and the ability of some debtors to resume repayments.

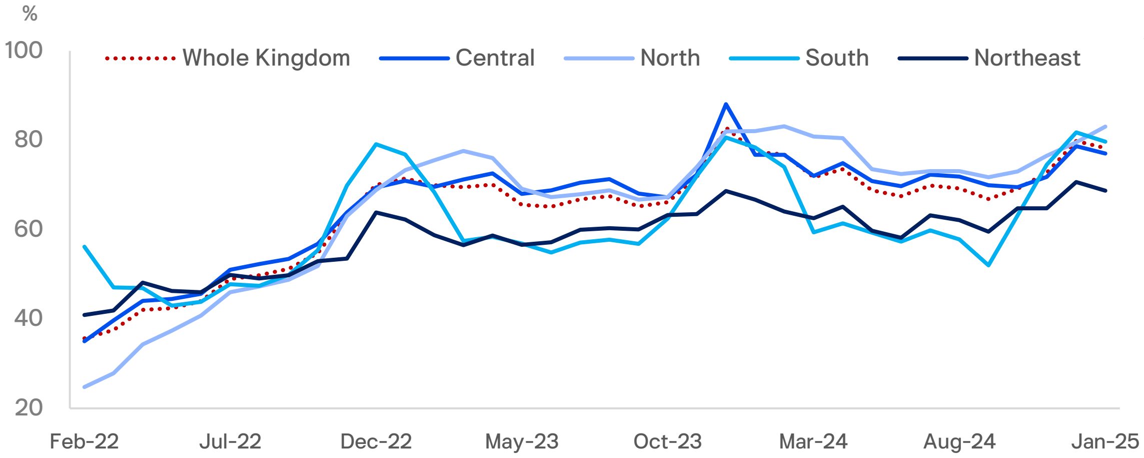
Source: Bank of Thailand
Remark: *the impact of bank's subsidiary transfer

In February, foreign tourist arrivals declined sharply after the tourism tragedy

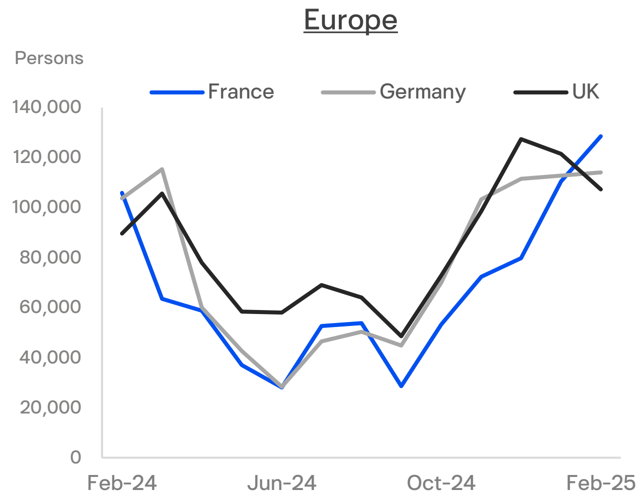
Total Foreign Tourist Inbounds

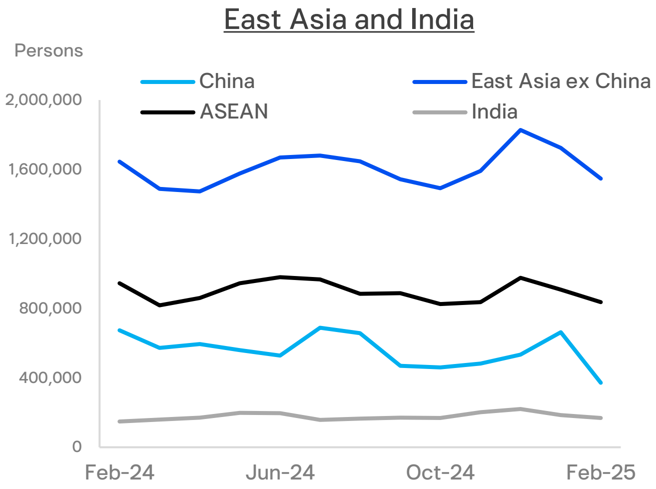


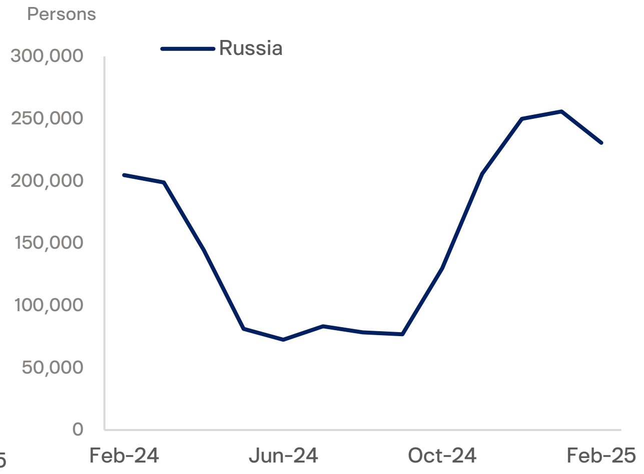
Accommodation Occupancy Rate by region

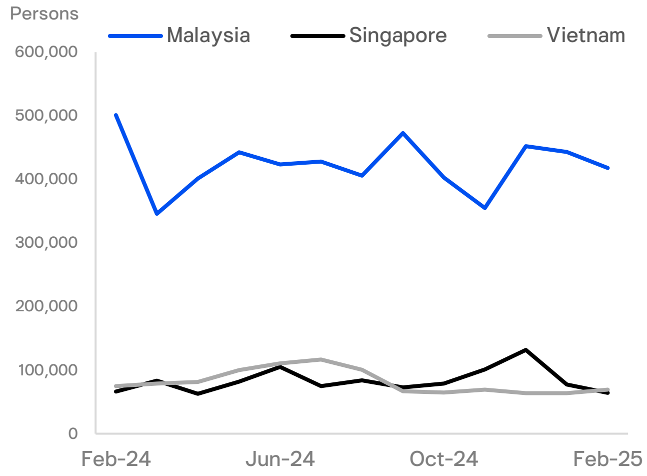


Foreign Tourist Inbounds by key regions







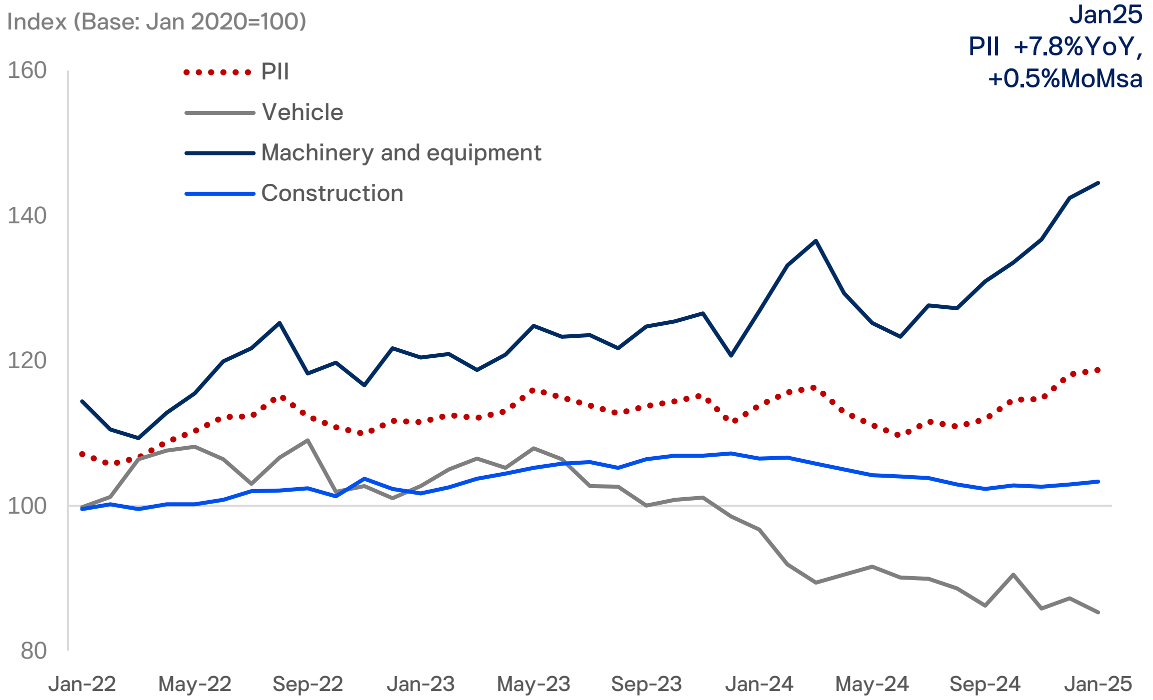


- In Feb25, foreign tourist arrivals was at 3.12 millions, dropped significantly from its peak or 6.9%YoY contraction. This figure showed a sharp decline in tourists from China as some Chinese travellers are opting to suspend or postpone their trips due to a kidnapped Chinese actor, putting a tourism sentiment at risk. Meanwhile, tourists from other nations also declined after a good expansion in the preceding periods.

Source: CEIC, TAT Intelligence Center and ttb analytics

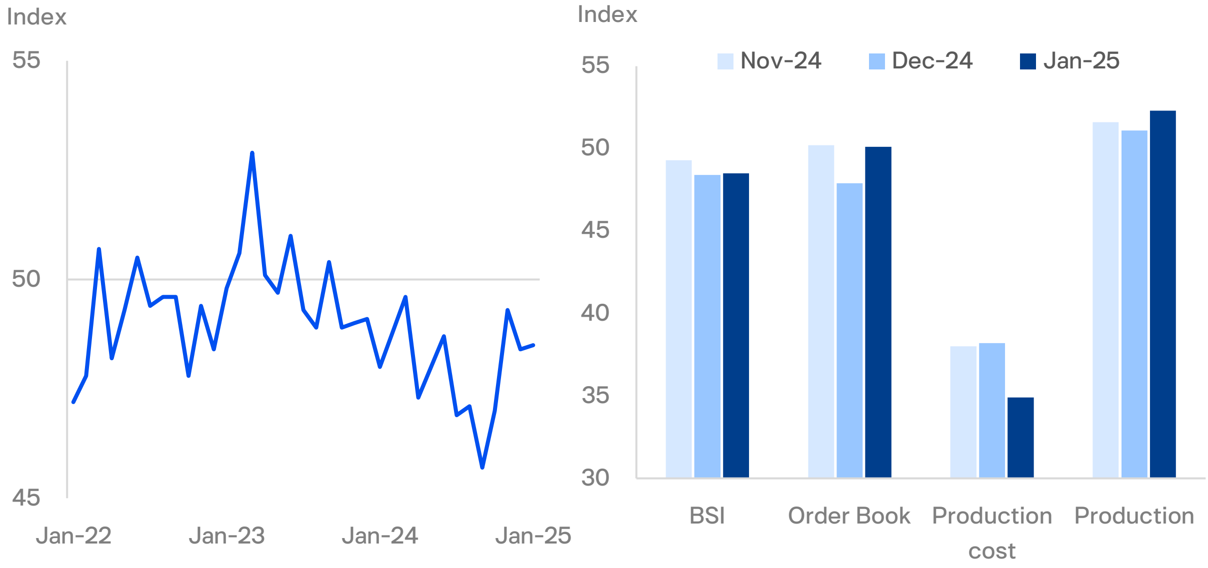
Private investment indicators increased slightly

Private Investment Indicators (SA)

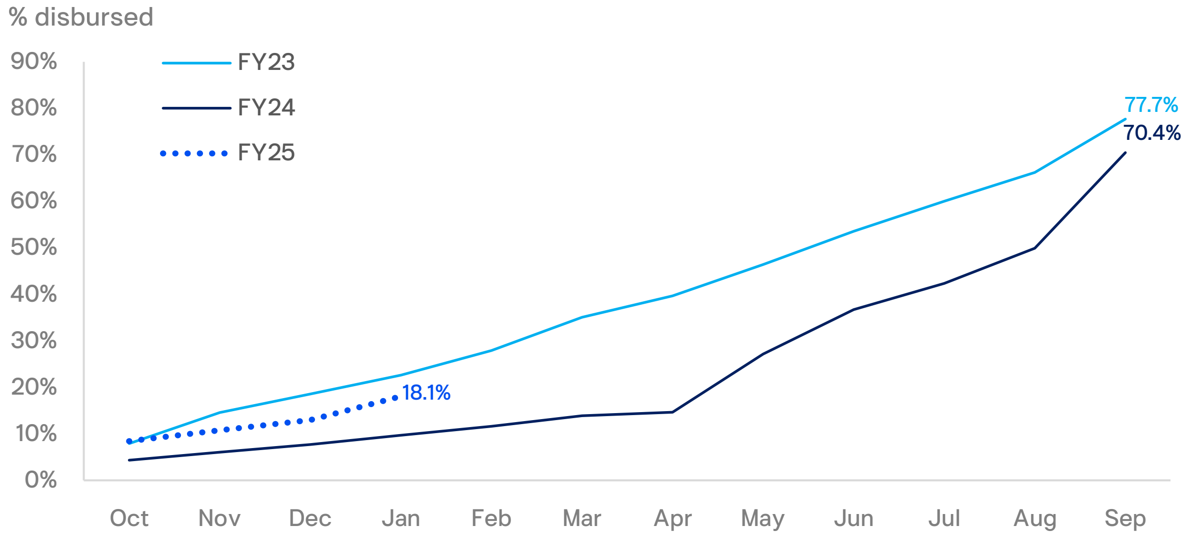


- Private investment indicators in Jan25 continued to climb from the previous month. Investment in machinery and equipment slightly increased, driven by higher domestic machinery sales, as well as higher imports of capital goods.
- On the other hand, investment in vehicles marked declined regarding to lower import of aircrafts, ships and locomotives.
- Accumulated disbursement of government capital investment gradually rose.

Business Sentiment Index (BSI)



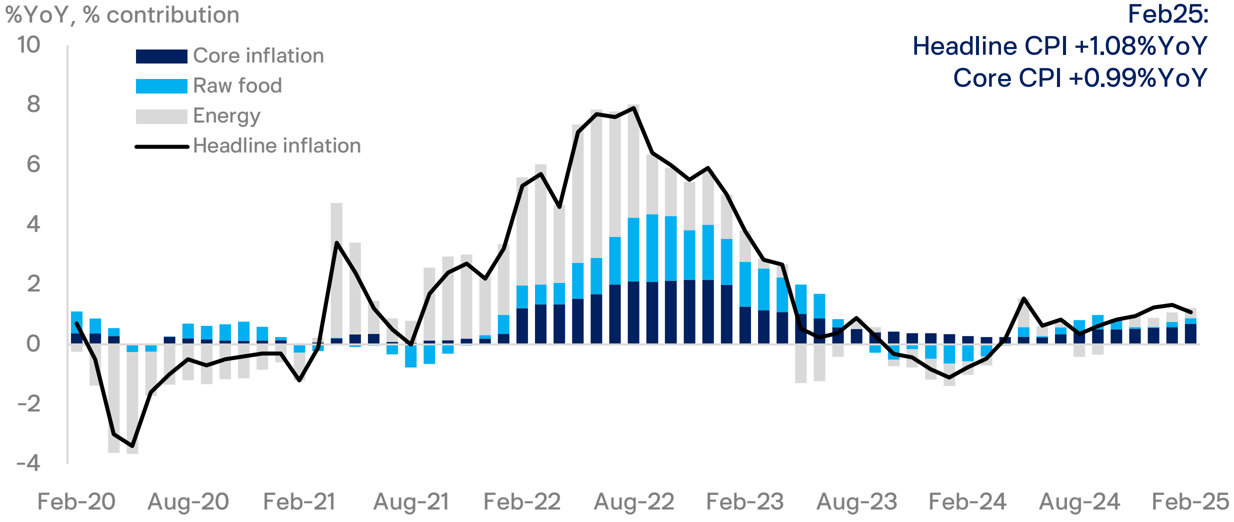
Accumulated government capital budget disbursement



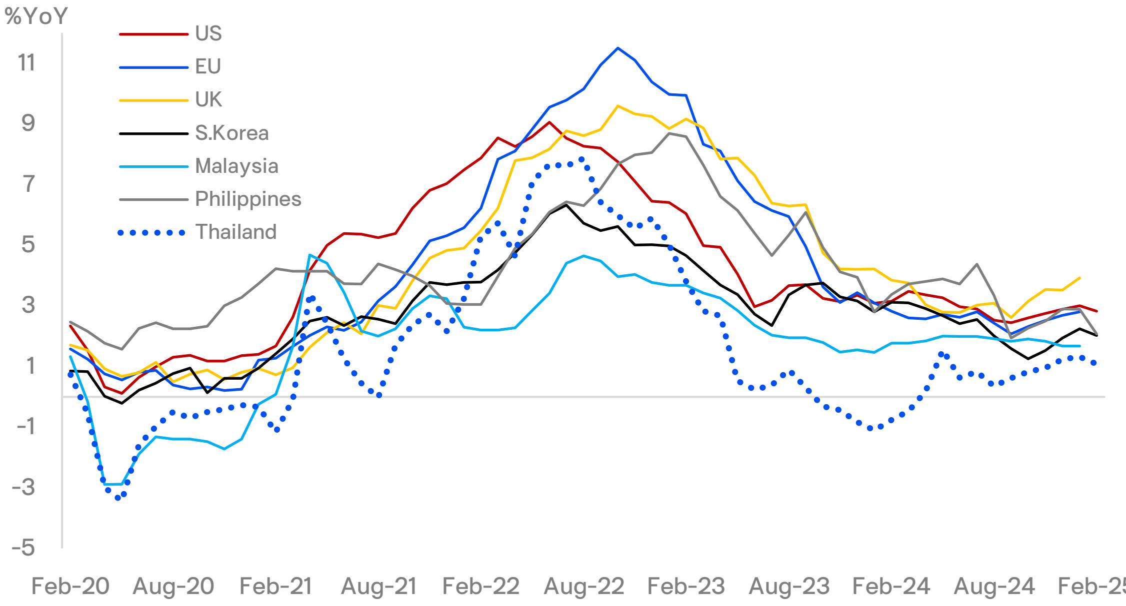
Source: Bank of Thailand and ttb analytics.

Inflation slowed in February, marking the third straight month stayed within the official target

Thailand's inflation contribution to growth



Headline inflation in selected countries



Price change in top categories

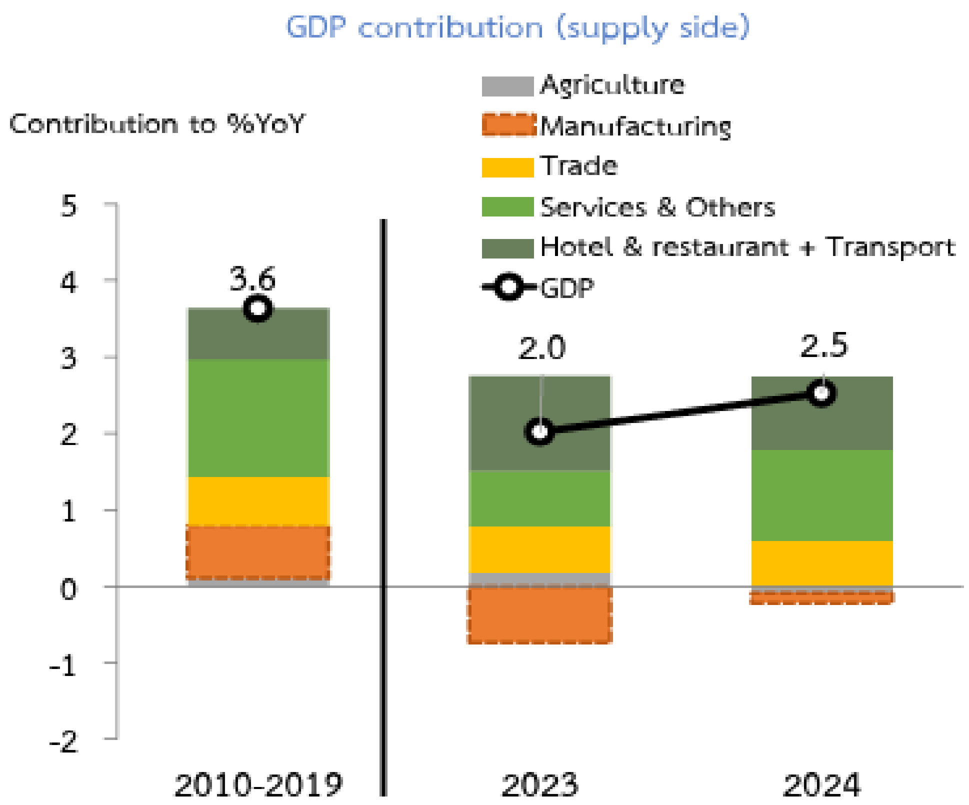
%YoY	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Headline inflation	-0.77	-0.48	0.19	1.54	0.62	0.82	0.36	0.62	0.83	0.94	1.24	1.32	1.08
Raw food	-2.70	-1.91	-0.20	1.51	0.19	1.10	1.92	2.32	1.64	0.24	0.17	0.97	1.13
Prepared food	0.75	0.69	0.63	0.60	0.68	1.54	1.81	2.38	2.33	2.27	2.33	2.53	2.68
Meat and Poultry	-6.43	-5.27	-5.04	-3.61	-3.34	-2.20	-1.16	-0.68	0.33	0.59	0.25	0.41	1.39
Eggs and dairy products	2.88	3.81	2.63	3.47	4.06	2.88	1.66	1.43	1.44	-0.50	-0.95	-0.53	0.45
Utilities	-3.11	-3.43	-3.44	8.42	-3.29	-3.29	-3.31	1.44	1.45	1.45	1.44	1.47	1.45
Energy	-3.33	-2.24	-0.09	7.14	2.43	1.77	-3.10	-2.56	-0.08	2.72	5.01	4.25	1.23
Core inflation	0.43	0.38	0.37	0.39	0.37	0.52	0.63	0.76	0.77	0.80	0.80	0.83	0.99

- The headline inflation (CPI) rose 1.08%YoY in Feb25, slowed down from previous month of 1.32%YoY increase. This decline was primarily driven by prices of fresh vegetable and non-food and beverage products, coupled with easing in price of food and non-alcohol beverage. On the other hand, core inflation climbed 0.99%YoY compared to 0.83%YoY in the preceding period.
- Overall, Thailand's inflation still below the peers and major economies. Meanwhile, Ministry of Commerce remained its projection of 2025 between 0.3% and 1.3% (Mid-range of 0.8%)

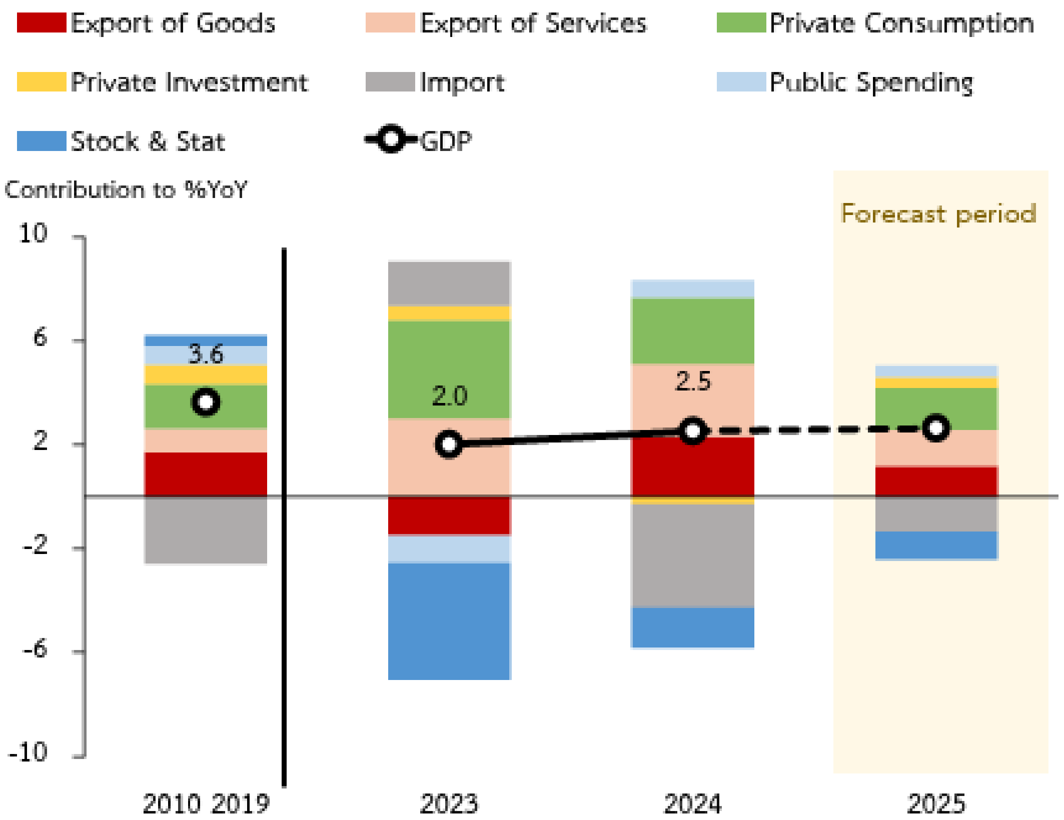
Source: Ministry of Commerce, CEIC and ttb analytics

MPC delivered a surprise cut in the first meeting of 2025 amid increasing headwinds

Manufacturing sector contracted in 2023 and 2024



GDP contribution on demand side



- In the 1/2025 meeting, the Monetary Policy Committee (MPC) voted 6:1 to cut the policy rate 0.25 percentage point to 2% effective immediately. It was pointed out that the Thai economy showed rising downward pressure, particularly manufacturing sector that faces structural problems and intense competition from imported goods. Moreover, inflation rate remained low driven by supply factors. Looking ahead, headline inflation is expected to stabilize around the lower bound of the target range due to supply factors. There are downside risks to inflation due to the global crude oil prices outlook and potential domestic energy price subsidies.

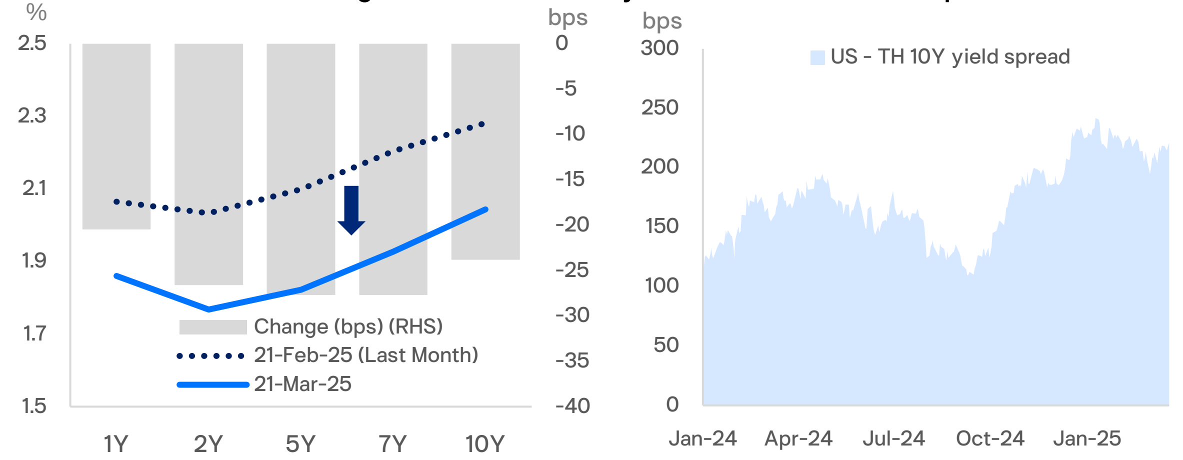
Source: Bank of Thailand and ttb analytics.

PART 3

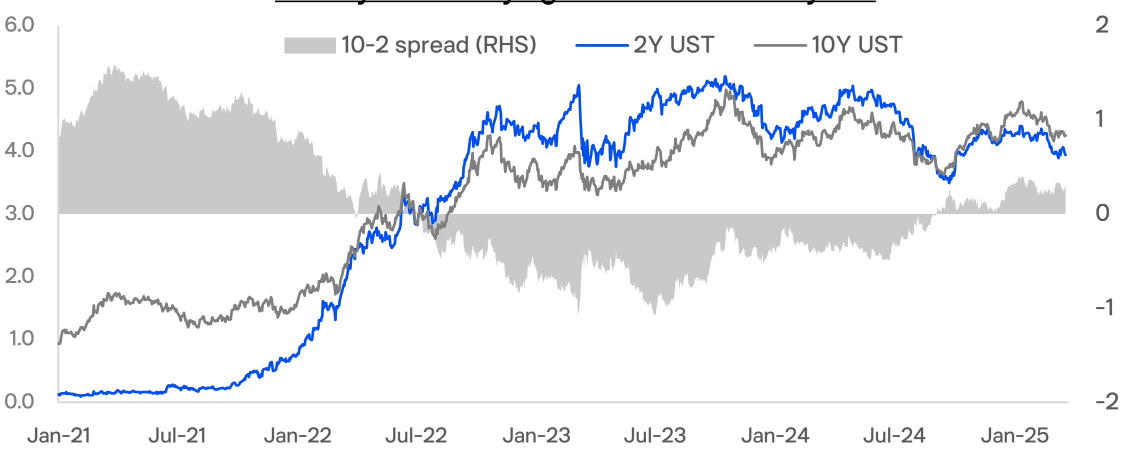
Financial Market

US Treasury yields dropped across the curve due to risk-off sentiment, while Thai bond yields fell further on expectations of policy easing amid weak economic outlook

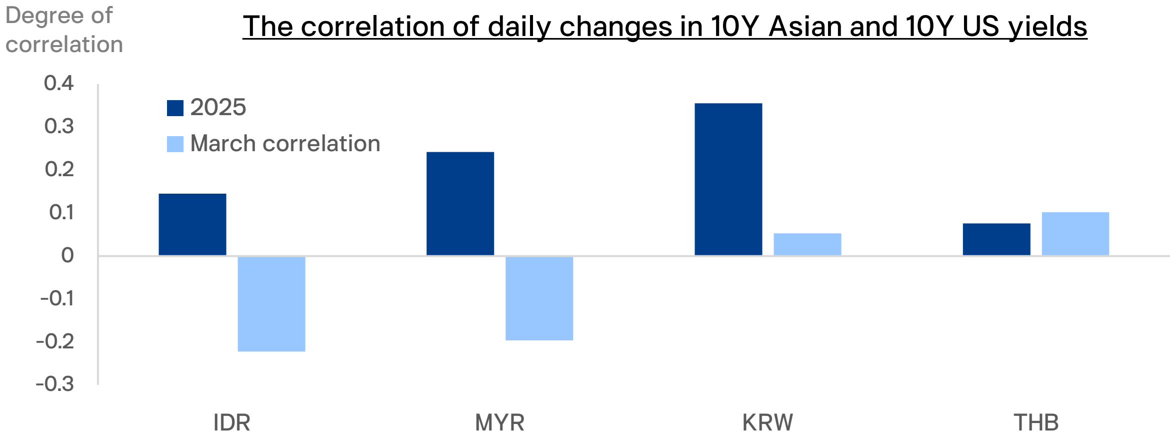
Thailand government bond yield and US-TH 10Y spread



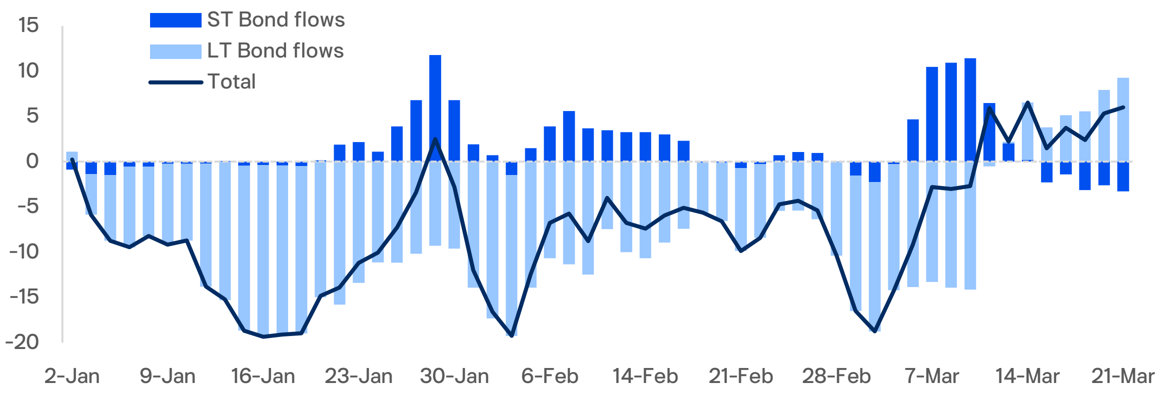
US 2-yr and 10-yr government bond yield



The correlation of daily changes in 10Y Asian and 10Y US yields



Foreign portfolio flows in Thai bond markets

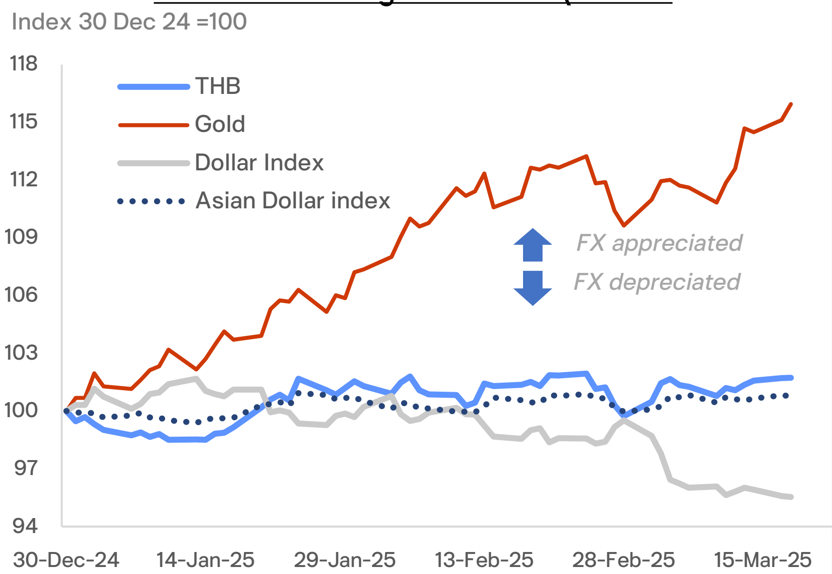


- US Treasury yields have continued their downward trend, partly fueled by safe-haven demand amid a risk-off sentiment. This is largely due to concerns over a potential US economic slowdown, as recent data showed negative surprises, raising expectations for further Fed rate cuts this year, despite the two cuts projected in the March FOMC dot plot.
- Thai government bond yields have generally fallen across the entire yield curve. Following the unexpected policy rate cut, investors anticipated further cuts due to the challenging economic outlook in Thailand, driven by risks from US tariffs and a recovery in tourism. This expectation aligns with the recent significant inflows into long-term bonds, which have turned the year-to-date performance positive. In comparison to long-term US Treasuries, the correlation between Thai and US bond yields has become positive as both countries experience a downward trend in yields.

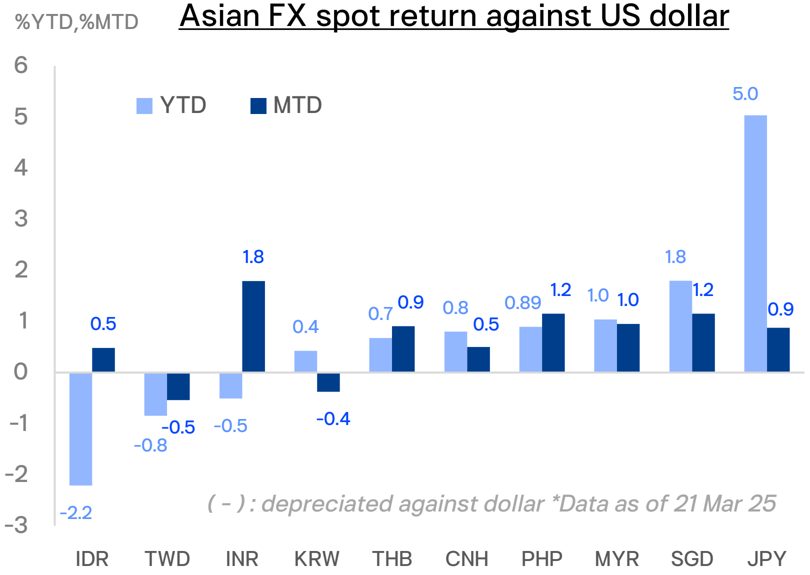
Source: Bloomberg CEIC and ttb analytics (Data as of 21 Mar 25)

The dollar lost gains amid economic slowdown concerns and a stronger Euro and Yen, while the Thai baht gained strength along with the region

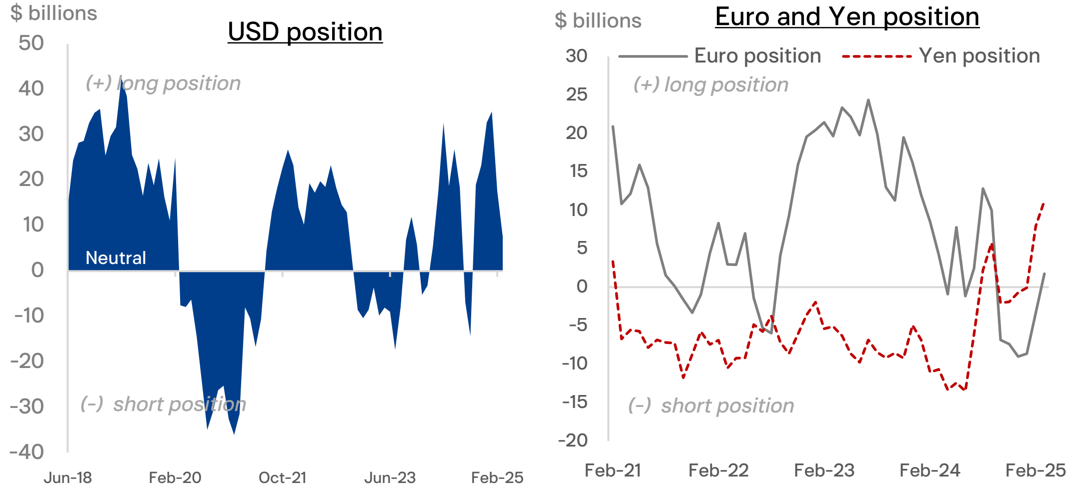
Movement in regional FX in Q1 2025



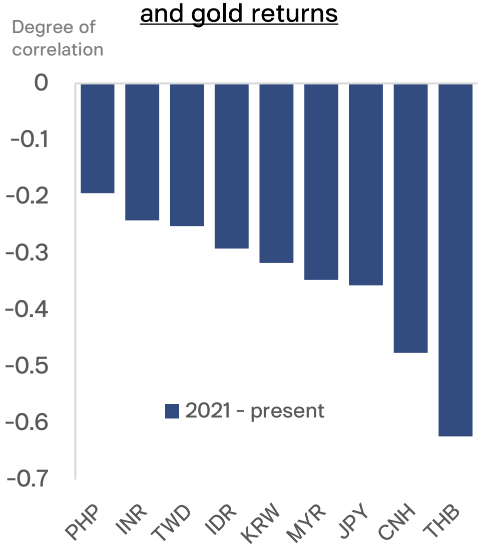
Asian FX spot return against US dollar



Aggregate position for non-commercial traders

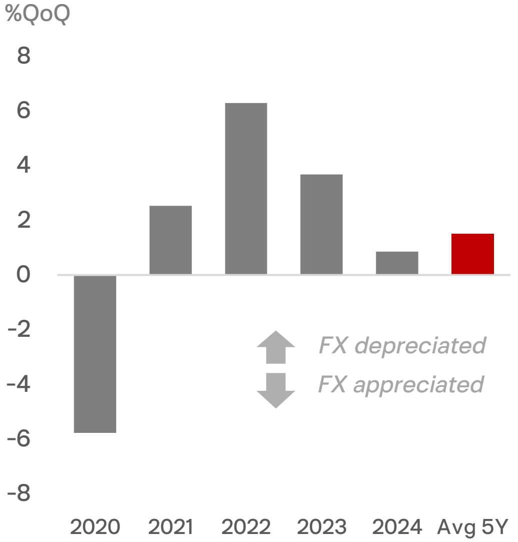


Correlation between weekly FX Asia and gold returns



Notes:
Negative correlation means FX appreciated against dollar and the gold price rose

THB Q2 seasonality



- The dollar index reached its year-to-date low around the 103 level as investors reassessed their outlook on the US economy. At the same time, major currencies gained strength due to domestic factors, with the euro boosted by optimism surrounding Germany's economic outlook fueled by fiscal reforms, and the Japanese yen rising due to its safe-haven status amid risk-off sentiment and downward trend in US yields.
- The Thai baht appreciated, in line with most regional currencies, largely due to the movement in gold prices, with which the baht is highly correlated. Meanwhile, economic fundamentals have had little impact on the currency's movement.
- Looking ahead, the dollar's downtrend could reverse, fueled by uncertainty surrounding the impact of reciprocal tariffs and the end of the US economy's correction following periods of excessive optimism. Meanwhile, the Thai baht could experience slight depreciation due to seasonal factors in Q2

Source: Bloomberg, CEIC and ttb analytics (Data as of 20 Mar 25) ttb | a·n·a·l·y·t·i·c·s