

Economic and Financial Outlook

t**t**b analytics

April 2026





Global Economy

- Global economic data, including PMIs and CPI readings, are beginning to reflect the impact of Middle East tensions. While the tensions show early signs of easing through a ceasefire, uncertainty remains elevated. The key focus continues to be vessel traffic through the Strait of Hormuz.
- In major economies, the US shows softer momentum with inflation starting to pick up, while the labor market remains solid. In China, recent data suggests softening, though Q1 GDP still beat expectations.
- On monetary policy, most central banks are adopting a wait-and-see approach, likely keeping rates steady at their April meetings, particularly across the G10, although markets still price a more hawkish tilt later this year. In Asia, most central banks tend to follow G10 policy direction.



Thai Economy

- In February 2026, overall economic activity continued to decline from the previous month, as reflected by lower private consumption indicators. The external demand also marked a slowdown, led by lower number of tourist arrivals and merchandised trade. Meanwhile, private investment indicators increased thanks to higher import of machinery and equipment as well as higher investment in construction.
- Rising Middle East geopolitical tensions trigger 'structural supply shock'. Initially, a first-round energy supply shock—lifting oil and naphtha prices—and a second-round supply-chain shock, pushing up chemical mid-stream products and other energy-intensive materials, with cost pressures cascading into construction materials and industrial metals.
- Supporting government measures in handling the tensions implemented so far total THB 7.7 billion covering cost-of-living relief for households and transportation service providers, and partial energy price subsidies during periods of exceptionally high global energy prices, on one hand, emergency borrowing of THB 500 billion would expand short-term fiscal capacity while maintaining public debt within the 70%-of-GDP ceiling.



Financial Markets

- In global financial markets, sentiment has turned positive as volatility eases after the US–Iran ceasefire announcement, despite ongoing uncertainty over negotiations. US Treasury yields declined across the curve; however, yields remain elevated relative to pre-conflict levels. Meanwhile, Thai bond yields are influenced by fiscal concerns.
- FX markets are driven by Middle East tension headlines. The dollar pared some earlier gains as sentiment improved, prompting corrections in major and regional currencies, including the Thai baht. Looking ahead, with uncertainty over the conflict still elevated, the dollar is expected to remain resilient in Q2, leaving the baht exposed to depreciation risks over the coming months.

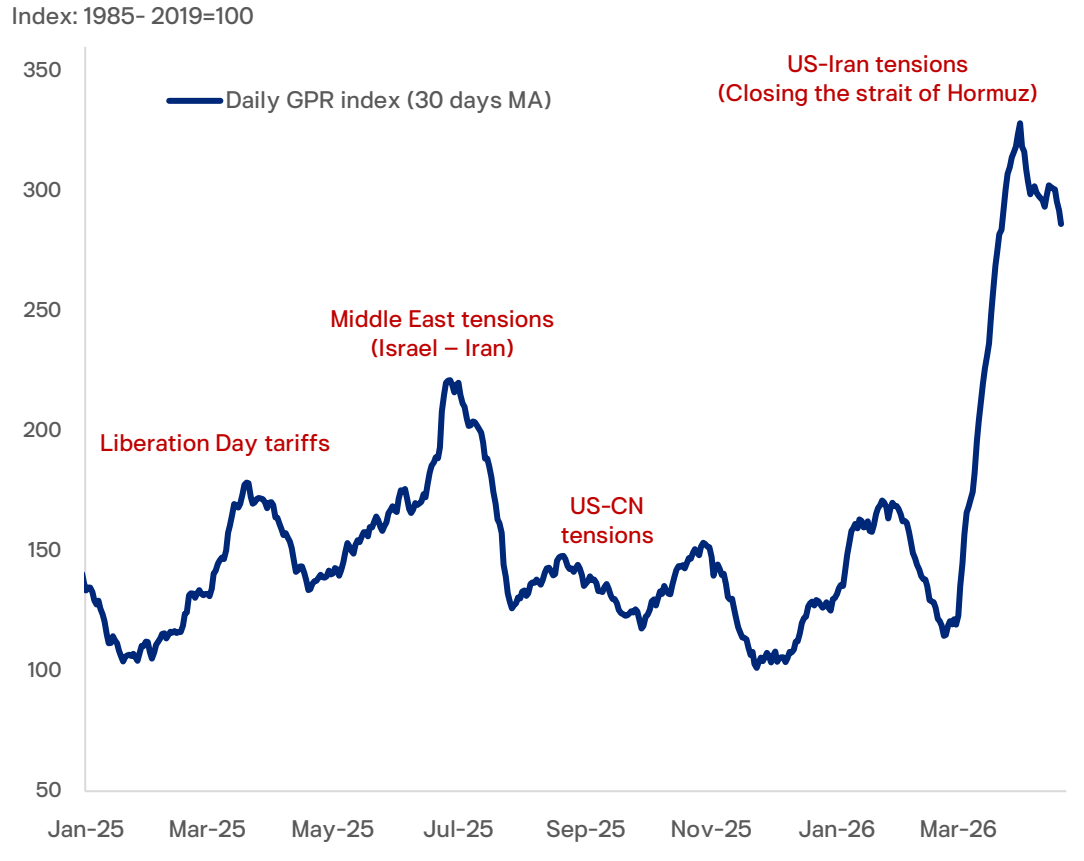
PART 1

Global Economy

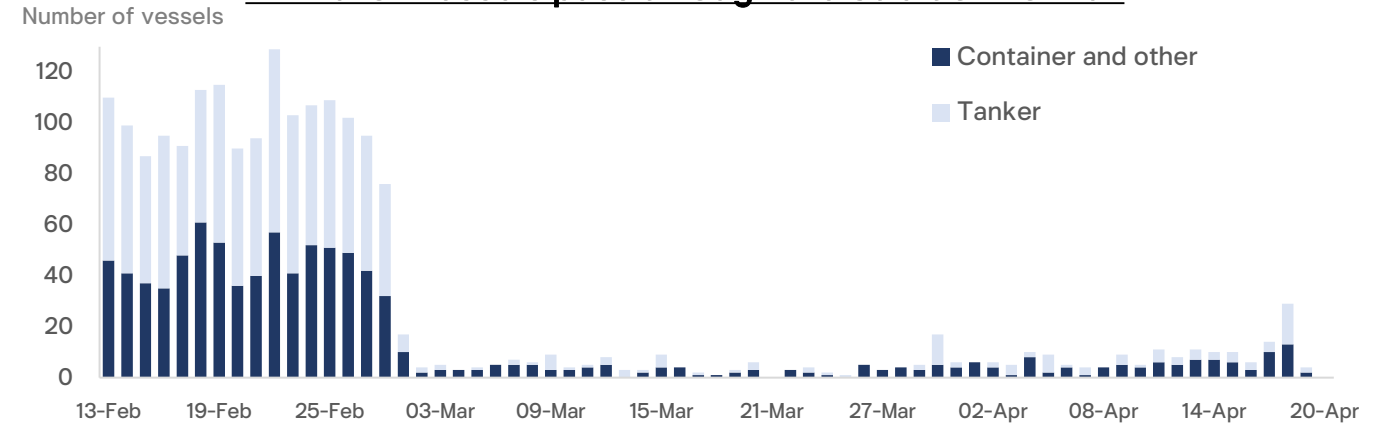


Middle East tensions ease slightly, but uncertainty remains high

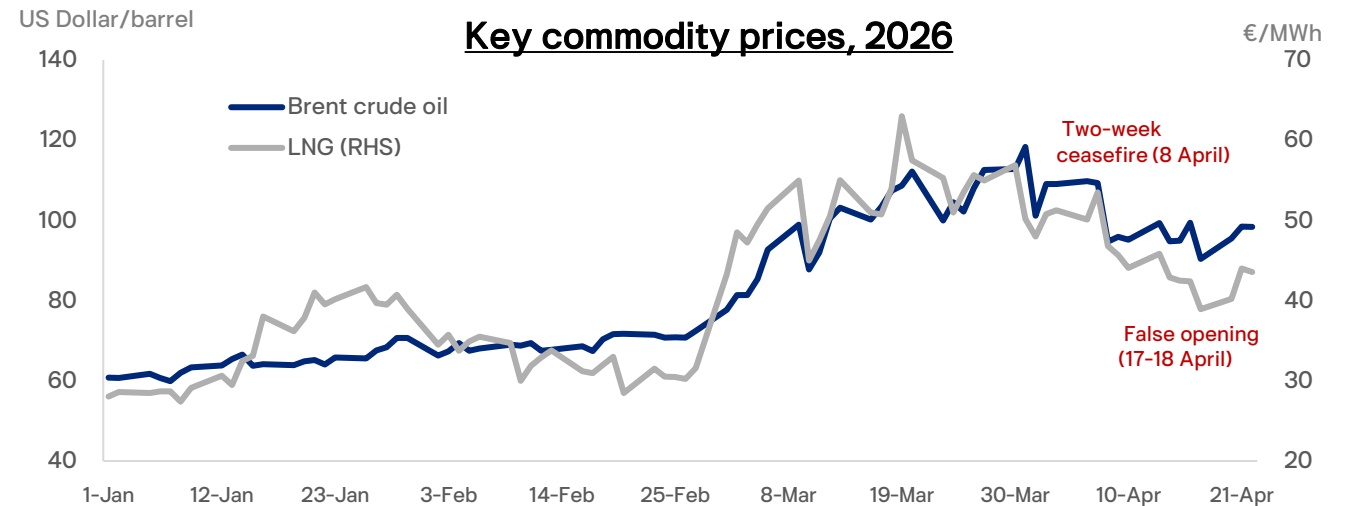
Geopolitical Risk Index (GPR)



Arrival of vessels pass through the Strait of Hormuz

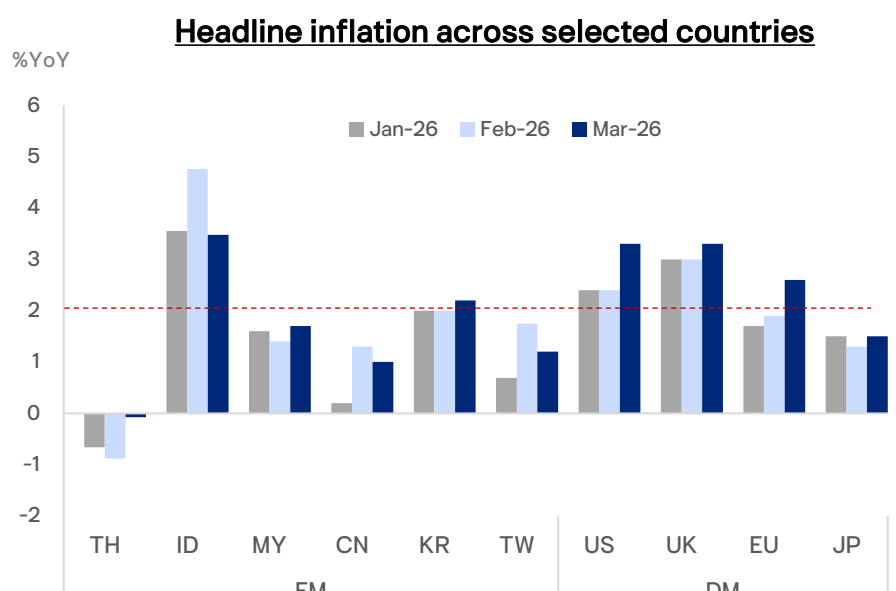
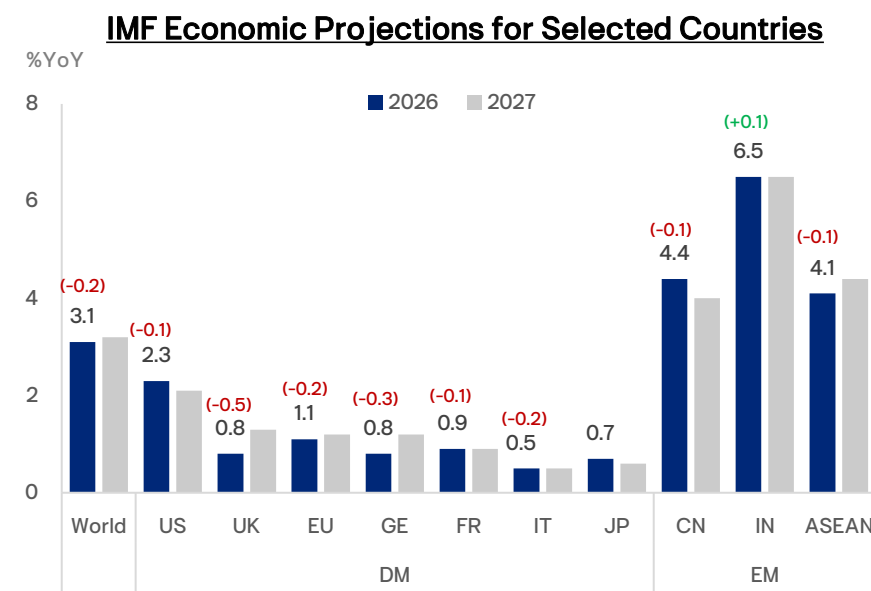
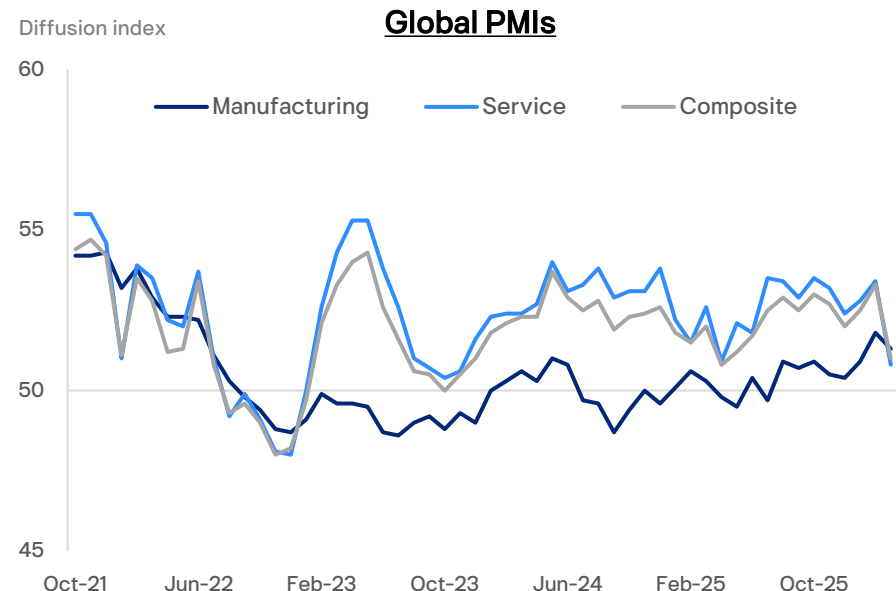
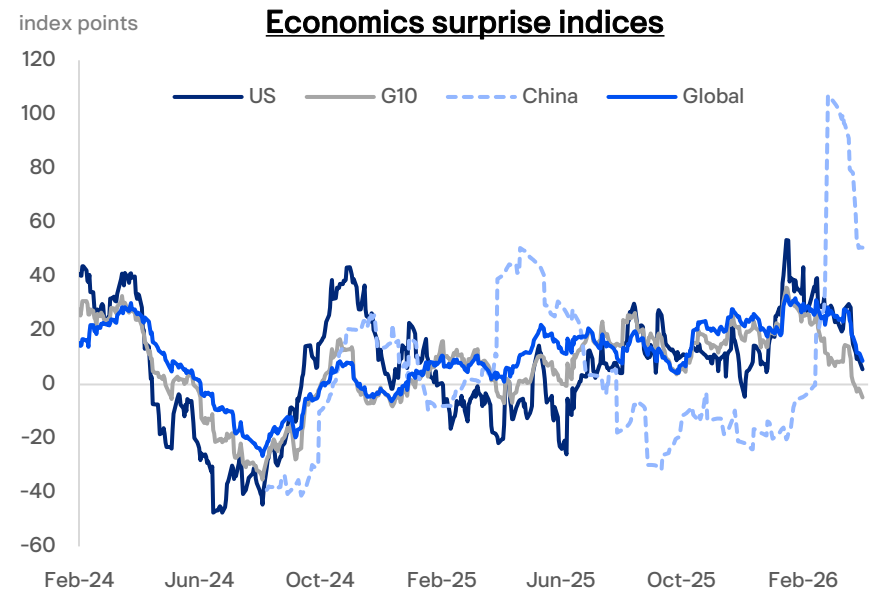


Key commodity prices, 2026



- Middle East geopolitical tensions show some signs of easing, reflected in a lower GPR index, though levels remain elevated amid hopes of de-escalation following a ceasefire and potential negotiations. Shipping through the Strait of Hormuz remains disrupted amid reports of possible reopening and a US blockade on Iranian flows. Recent oil and gas prices have eased slightly on improved sentiment; however, with the Strait of Hormuz remaining closed and war-related supply disruptions persisting, prices are expected to stay elevated in the coming months.

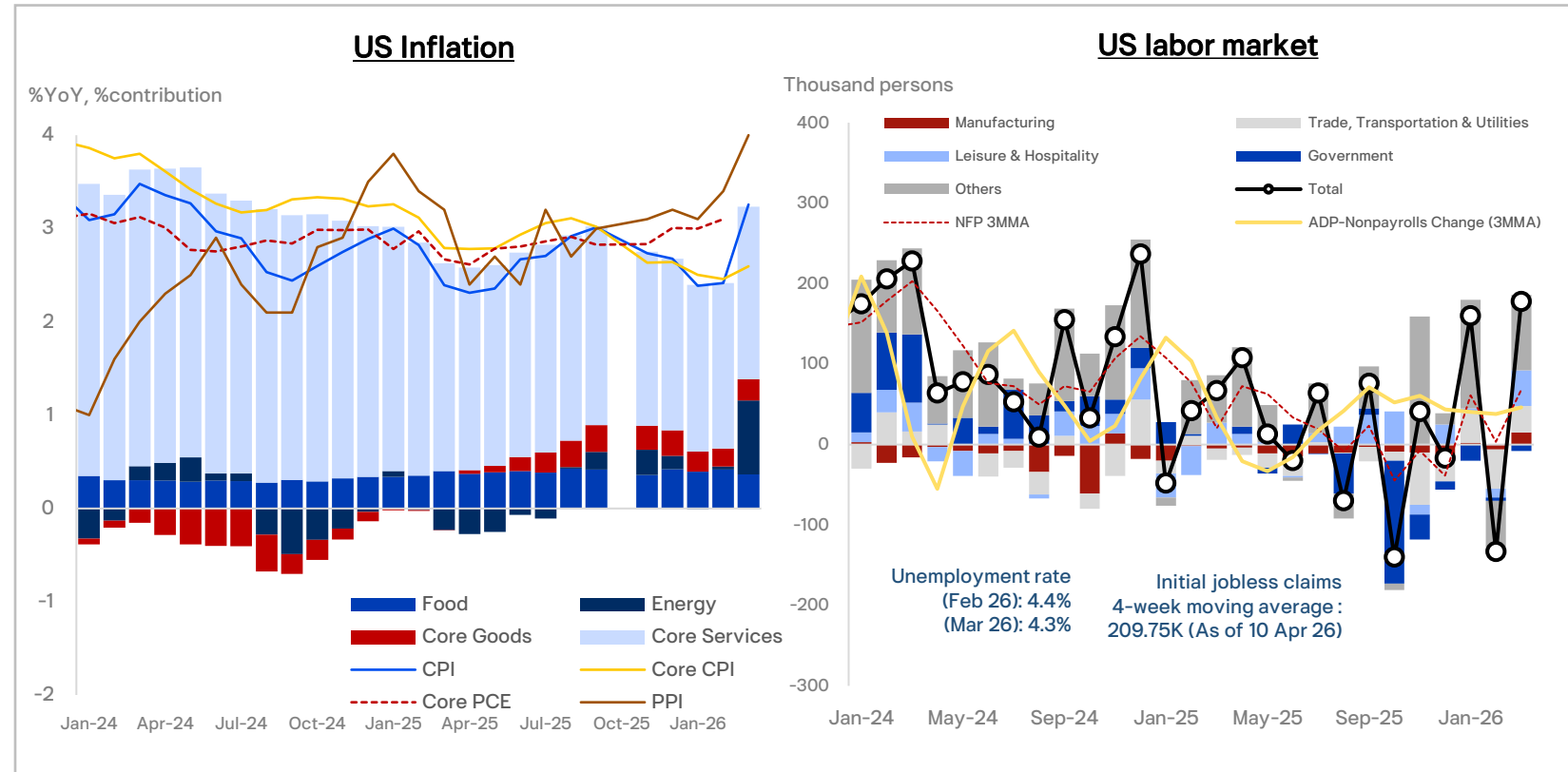
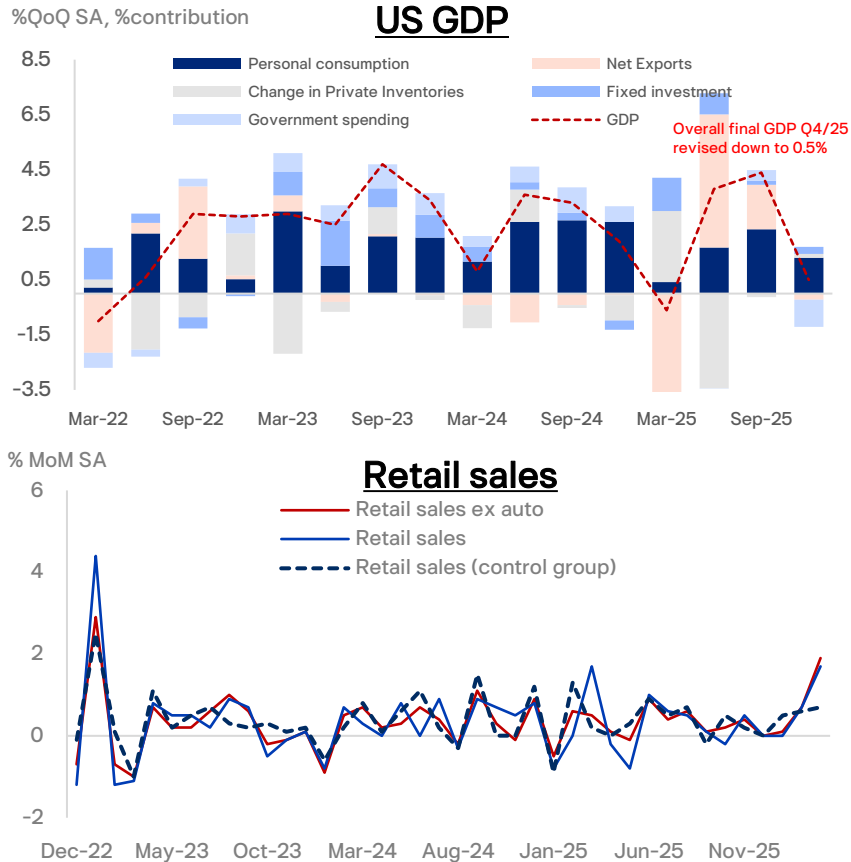
Global economy shows growing signs of slowdown as Middle East tensions weigh on activity



- Global data point to a clearer economic slowdown, reflected in recent moves in economic surprise indices. Leading indicators such as global PMIs also show the impact of Middle East tensions, with activity cooling sharply across both manufacturing and services in March.
- Amid ongoing uncertainty, the IMF has cut its 2026 global growth forecast to 3.1% from 3.3%, citing the impact of the US–Iran conflict. The baseline assumes the conflict remains contained, with energy prices rising about 19% this year before easing by mid-2026. However, growth could fall to around 2% in 2026–27 if tensions escalate and prompt further rate hikes.
- On inflation, PMI subcomponents show global input costs rising at the fastest pace since January 2023. This is consistent with trends in both developed markets and emerging Asia, where CPI has accelerated on the back of higher energy prices. Together, slowing growth and rising inflation are fueling concerns about stagflation.

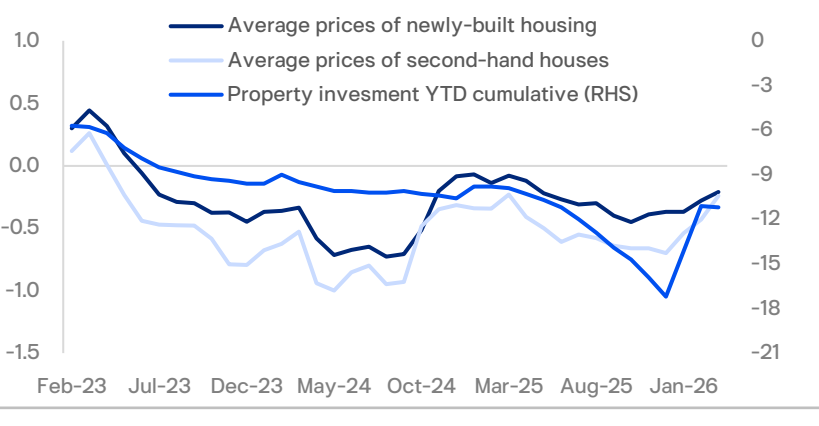
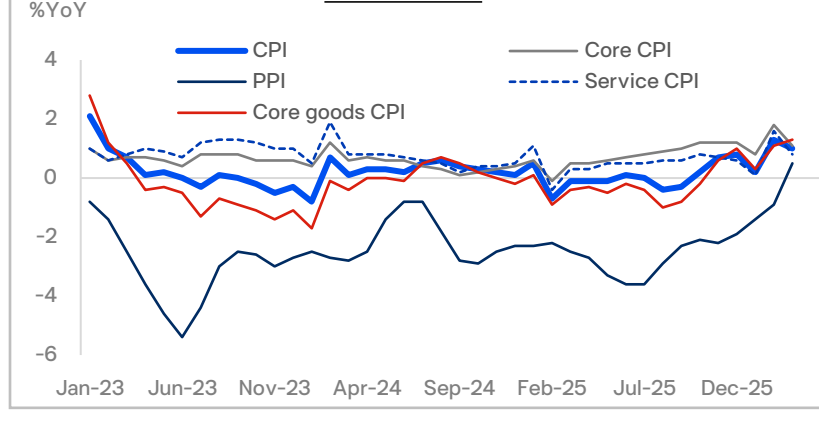
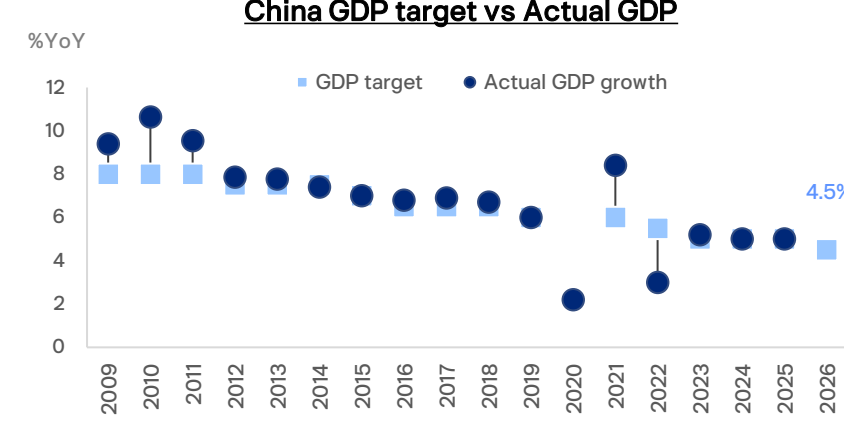
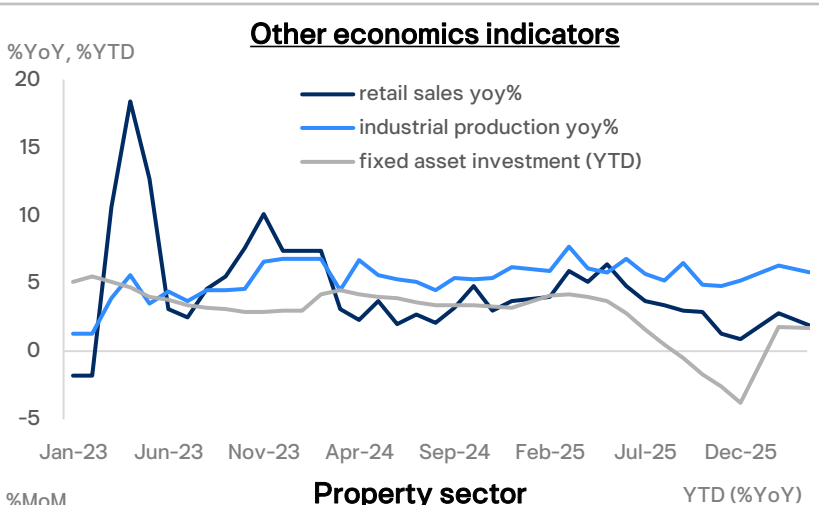
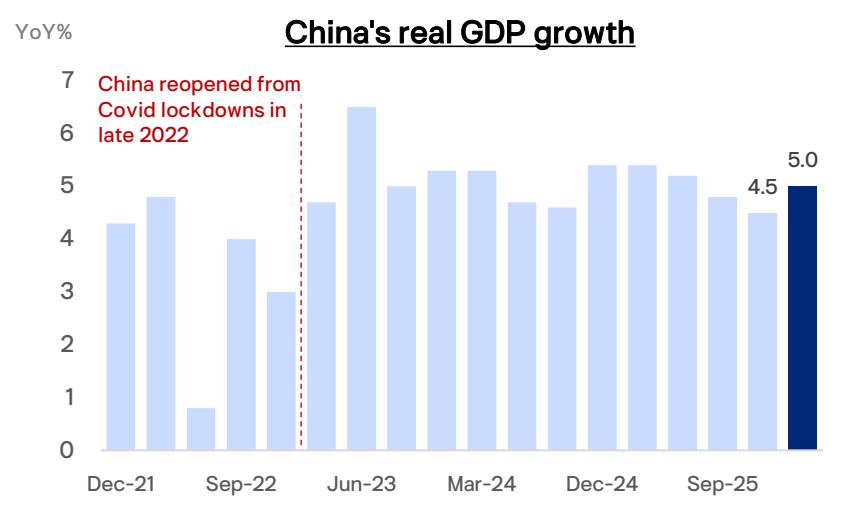
Remark: () projection rate difference comparison between Apr 2026 and Jan 2026 IMF projection
 Source: Bloomberg, CEIC, IMF WEO April 2026, and ttb analytics

The US economy shows softer momentum, with inflation picking up



- US Q4 GDP was revised down to 0.5% annualized from 0.7% reflecting weaker business investment inventories and slightly softer consumer spending at 1.9% pointing to slower momentum into 2026. Still activity remains relatively firm as retail sales continue to rise and beat expectations partly supported by higher fuel costs and temporary factors such as tax refunds though real spending is slowing.
- Looking at Fed-watch indicators, the labor market remains resilient. Nonfarm payrolls rose by 178,000 in March, beating expectations, while the unemployment rate unexpectedly declined to 4.3%, with broad-based gains led by healthcare. Inflation has picked up with CPI rising 0.9% month on month and 3.3% year on year the strongest since 2024 driven largely by higher fuel prices linked to the Iran conflict. Core CPI was more moderate at 0.2% monthly and 2.6% annually while PPI increased 0.5% on the month and 4.0% year on year.

China Q1 GDP beats forecasts but momentum shows signs of softening

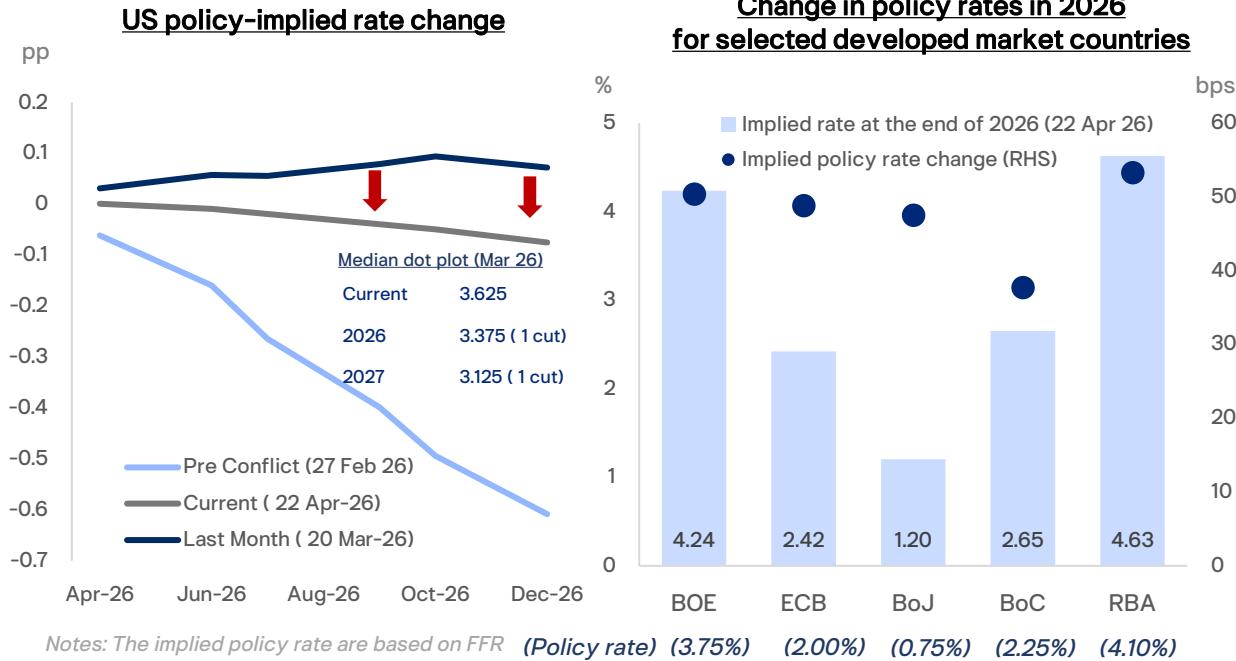


- GDP grew 5% year on year, above expectations and up from 4.5% previously. Quarterly growth rose 1.3%. Gains were driven by manufacturing and exports, while weak consumption and investment signaled an uneven recovery. Meanwhile, March data showed slowing momentum in late Q1, with investment, retail sales, and industrial output slowing. Export growth slowed to 2.5%, while imports surged, narrowing the trade surplus to \$51 billion as chip-related imports jumped. China's home prices are still falling, but at the slowest pace in about a year, raising hopes the market may be nearing a bottom.
- For inflation, China's PPI rose 0.5% in March, beating forecasts and rebounding from a 0.9% fall in February, their first annual gain since September 2022 amid higher oil prices. CPI eased more than expected to 1.0%, with core CPI at 1.1%, as holiday-driven spending faded.

Source: Bloomberg, CEIC, and ttb analytics

Most central banks are taking a wait-and-see approach amid uncertainty from Middle East tensions

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



Latest Monetary Policy development

DM

- USA:** The FOMC is expected to hold rates at its April meeting, with most Fed officials viewing policy as well positioned and preferring to assess the impact of Middle East tensions. Meanwhile, incoming Fed Chair Kevin Warsh stressed central bank independence.
- ECB:** ECB is expected to hold rates in April despite potential hikes later this year. While Eurozone inflation rose sharply to its highest since 2022 on energy costs, Christine Lagarde said more data is needed on the Iran conflict's economic impact.
- BoJ:** The BOJ is likely to hold rates at its April meeting despite remaining in a hiking cycle, amid a highly uncertain economic and price outlook.
- BoE:** The BoE is expected to hold rates in April, as policymakers seek more clarity on the conflict. Despite an oil-driven rise in CPI, the UK labor market is soft and domestic demand remains weak.

EM

- PBOC:** PBOC is set to maintain its easing stance, emphasizing policy continuity despite steady 1Y and 5Y LPRs and a softer growth target this year. Inflation shows divergence, with PPI rising on oil prices while CPI stays muted amid weak domestic demand.
- EM Asian:** EM Asian central banks are mostly waiting and keeping rates unchanged. Inflation is rising unevenly across countries due to fuel costs. However, other parts of the Asian economy—especially exports linked to the AI sector—are still holding up well.

Asian countries' expectations

Country	Current Policy Rate	Changes in policy rate in 2026 (bps)	Current Headline CPI (Mar 2026)
MY	2.75	0	1.7%
KR	2.50	0	2.2%
ID	4.75	0	3.5%
IN	5.25	0	3.4%
PH	4.25	+25	4.1%
TW	2.00	0	1.2%

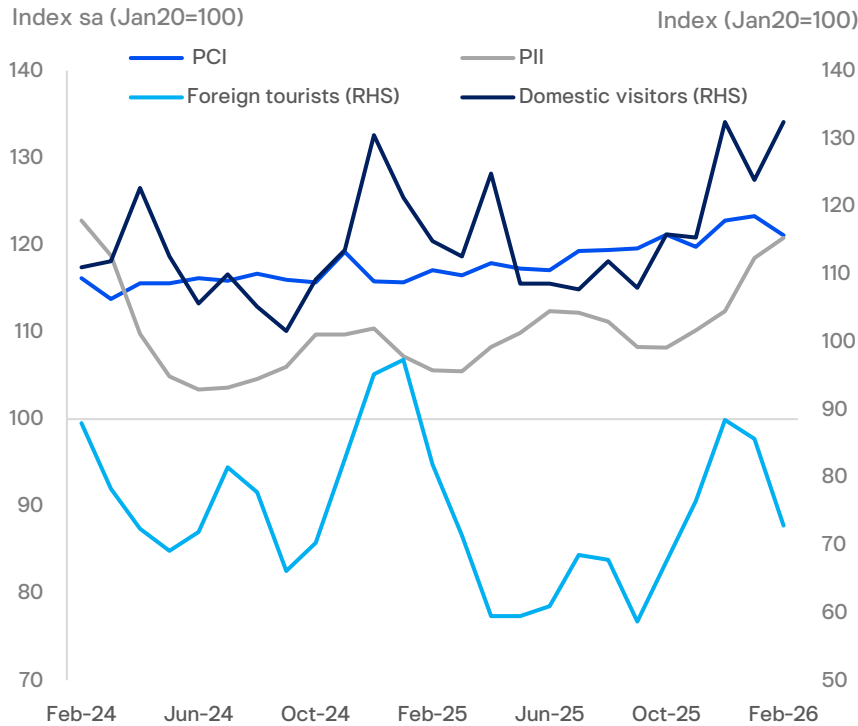
PART 2

Thai Economy

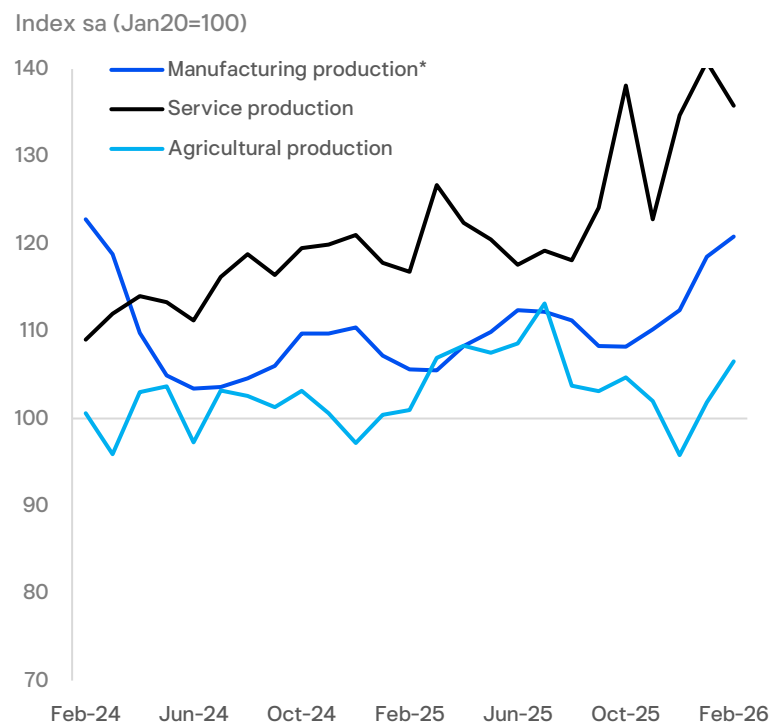


In February 2026, Thailand economic activities continued to decline from the previous month, while momentum may weaken ahead of Middle East tension

Demand-side indicators



Supply-side indicators



- In February 2026, overall economic activity continued to decline from the previous month, as reflected by lower private consumption, driven by the end of EV 3.0 incentive scheme. The external demand also marked a slowdown, led by lower number of tourist arrivals and merchandised trade.
- Middle East tensions are leading to Thailand's Structural Cost Shock, which reinforcing input-price volatility, squeezing margins, and increasing inflation persistence to industry supply chain.
- Supporting measures in handling the tensions implemented so far total THB 7.7 billion, while emergency borrowing of THB 500 billion would maintain current public debt ceiling.

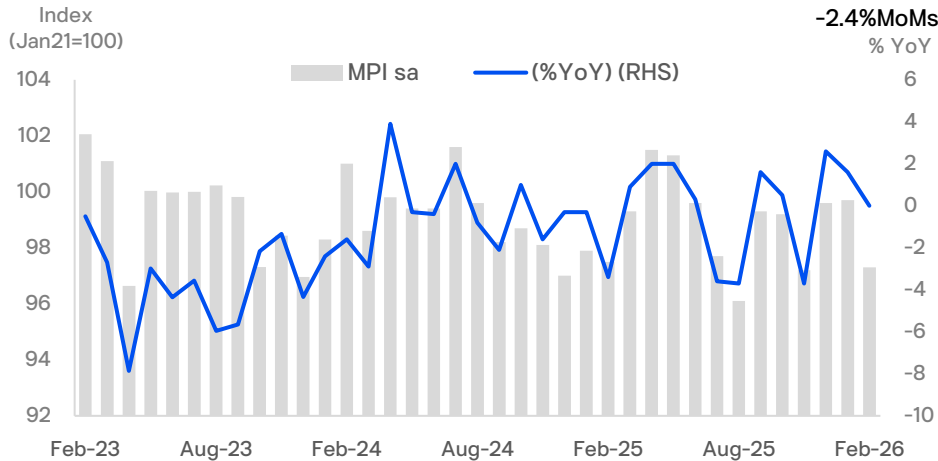
Leading Economic Index (sa) (Jan2020=100)

Leading Economic Index and Components (SA)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Authorized Capital of Newly Registered Companies (Million Baht)	92.6	219.4	183.5	108.0	103.3	125.8	132.6	126.1	124.5	84.8	76.1	139.1	84.1
Construction Areas Permitted (1000 sq. m)	83.1	100.3	83.9	99.7	97.4	94.3	106.9	114.1	114.6	103.5	120.5	92.5	100.1
Export Volume index (exclude Gold)	126.8	123.9	121.2	132.5	125.8	126.3	126.7	128.4	129.6	132.3	133.5	142.9	139.6
Business Sentiment Index (3 months)	99.6	101.6	97.1	98.6	98.2	96.6	100.4	100.2	100.6	101.7	102.6	98.9	84.0
SET index	79.5	76.5	79.1	75.9	72.0	82.6	84.5	85.4	86.5	83.0	83.2	87.5	100.9
Oil Price Inverse Index (Dubai)	1.3	1.4	1.5	1.6	1.5	1.4	1.4	1.4	1.5	1.6	1.6	1.7	1.6

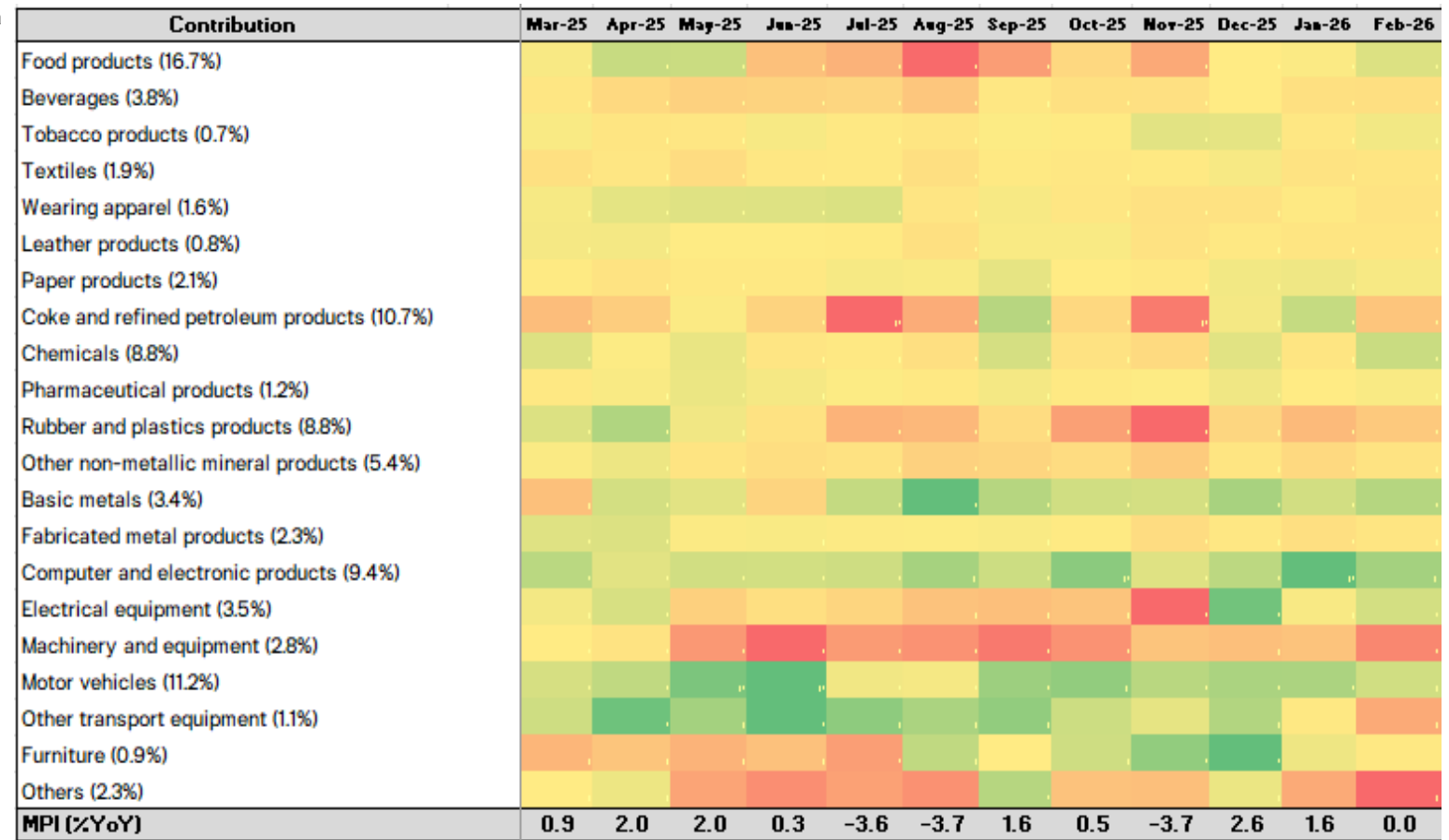
Source: Bank of Thailand and ttb analytics
 Remark: *rebase Jan21 due to OIE new rebase data

Manufacturing output declined remarkably from previous month thanks to lower production of petrochemical and automotive sectors

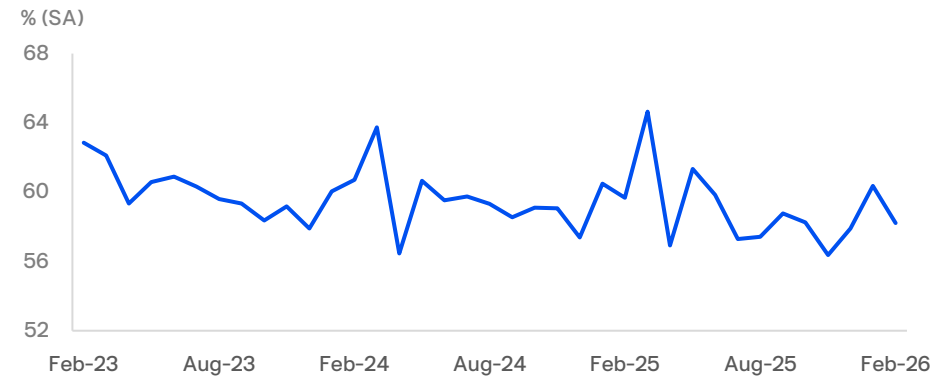
Manufacturing Production Index (MPI)



MPI by sector (base year 2021)



Capacity Utilization (CapU)



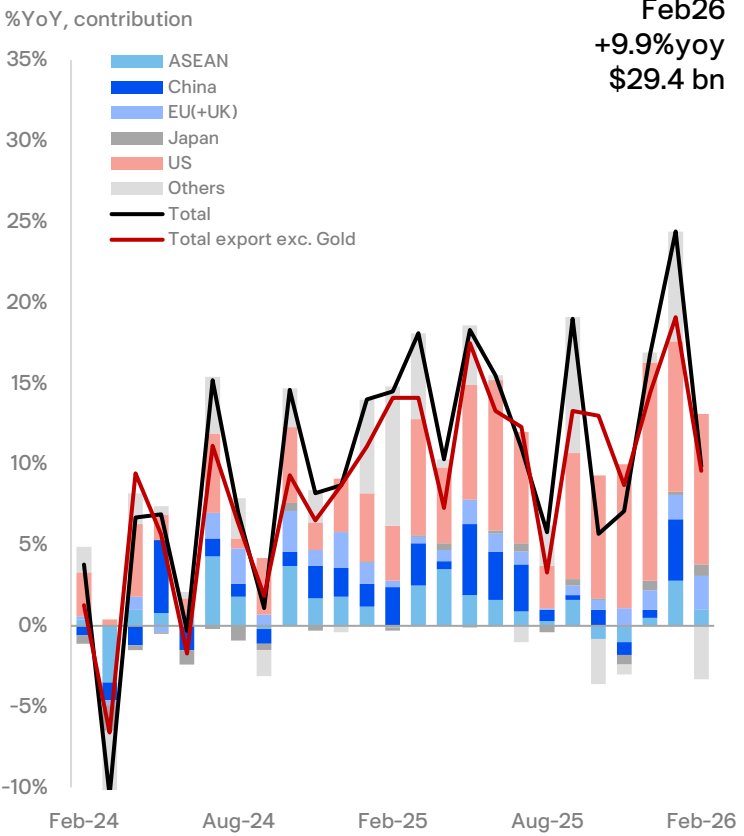
- As of February 2026, Manufacturing Production Index (MPI) was relatively stable from the previous month. This was driven by a weaker automotive production after ramping up production earlier to meet demand for electric vehicles. Moreover, the petroleum industry had contracted again due to some refineries temporarily shutting down for maintenance. However, the production of basic chemical and basic metal increased, benefited from higher demand in downstream value chain.

Merchandise export showed significant sign of slowdown in February, while import growth marked a new high growth in years

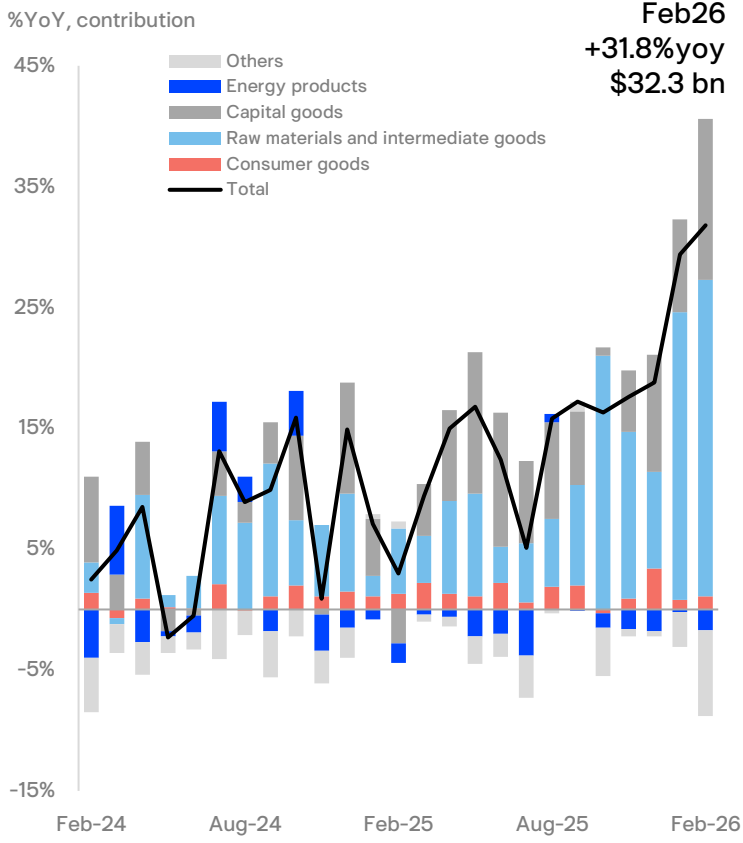
Exports value growth by major product and major destination

Unit: %YoY

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Agri-agro products													
Rice	-34.2%	-22.6%	-43.8%	-9.9%	-41.2%	-16.3%	-30.0%	-31.4%	-38.6%	-18.7%	-27.4%	-23.9%	-5.8%
Rubber	35.7%	19.5%	22.5%	-7.8%	-0.2%	-19.9%	-27.9%	-15.4%	-12.5%	-12.0%	-1.9%	-19.3%	-26.2%
Tapioca products	-14.7%	-15.0%	-2.4%	15.5%	5.7%	-12.6%	-5.6%	-9.8%	-19.2%	-28.8%	-4.0%	-21.4%	-19.1%
Fresh, Frozen & Dried vegetable and Fruit	8.3%	14.0%	-29.1%	11.8%	48.5%	74.0%	-11.0%	-35.6%	-16.4%	-24.5%	12.1%	34.5%	22.2%
Poultry	9.3%	5.1%	8.6%	9.3%	15.8%	9.8%	-3.8%	6.4%	1.2%	-7.4%	14.6%	1.0%	-0.7%
Sugar	32.8%	-25.8%	38.2%	-1.0%	37.2%	36.2%	-14.2%	43.4%	8.9%	-10.9%	-8.4%	-36.5%	-52.9%
Animal feeding	14.3%	12.5%	10.1%	6.7%	10.9%	9.1%	-5.6%	2.9%	7.7%	1.1%	18.4%	8.2%	4.7%
Industrial products													
Motor Cars, Parts, Accessories	5.8%	2.7%	-7.8%	15.2%	-8.5%	4.2%	1.3%	15.4%	14.9%	-5.9%	5.4%	11.3%	7.8%
Computer and parts	51.3%	80.2%	75.1%	103.9%	57.7%	61.0%	44.1%	57.9%	67.8%	59.9%	51.5%	68.2%	49.8%
HDD	45.2%	45.5%	40.4%	42.1%	13.0%	14.9%	-6.8%	-7.2%	15.3%	-16.2%	-14.5%	27.3%	-2.3%
Integrated Circuits	24.4%	41.5%	39.0%	41.4%	46.2%	54.9%	37.0%	8.1%	10.8%	17.1%	14.6%	10.9%	6.3%
Air Conditioning Machine	32.7%	19.0%	1.2%	8.0%	9.7%	6.8%	-14.0%	-5.9%	-2.9%	-14.6%	8.2%	3.8%	2.0%
Refrigerating	4.4%	-1.5%	35.5%	50.6%	40.8%	56.8%	22.4%	86.3%	69.9%	25.1%	45.1%	48.3%	24.6%
Electronic Machines	21.5%	47.8%	34.4%	53.2%	33.5%	35.2%	28.3%	42.6%	38.8%	46.2%	52.8%	67.0%	56.8%
Plastic pallet	1.3%	7.6%	-5.6%	-4.4%	0.7%	-7.1%	-8.7%	-4.3%	-6.6%	-11.4%	-12.2%	-7.5%	-4.4%
Chemical Products	19.5%	6.3%	8.6%	-1.3%	-4.3%	-15.2%	-8.5%	-0.6%	-5.0%	-13.6%	-4.2%	0.6%	-6.9%
Machinery & Parts	17.4%	17.2%	-12.2%	34.4%	16.3%	44.1%	10.2%	11.3%	2.5%	5.1%	22.8%	9.7%	28.4%
Rubber Products	16.9%	17.6%	15.9%	34.3%	22.4%	9.7%	-3.1%	7.4%	1.3%	-12.1%	-0.3%	-5.6%	0.6%
Refined oil	-3.4%	-8.0%	-3.6%	-20.1%	-20.1%	-43.5%	-23.7%	-30.4%	-22.1%	-31.8%	-15.2%	14.9%	-17.8%
Jewelry ex gold	106.3%	68.1%	42.1%	2.3%	8.4%	41.9%	24.4%	16.9%	25.8%	66.7%	-24.3%	4.5%	-30.0%
Total export	14.5%	18.1%	10.3%	18.3%	15.5%	11.0%	5.8%	19.0%	5.7%	7.1%	16.8%	24.4%	9.9%



Imports value by groups



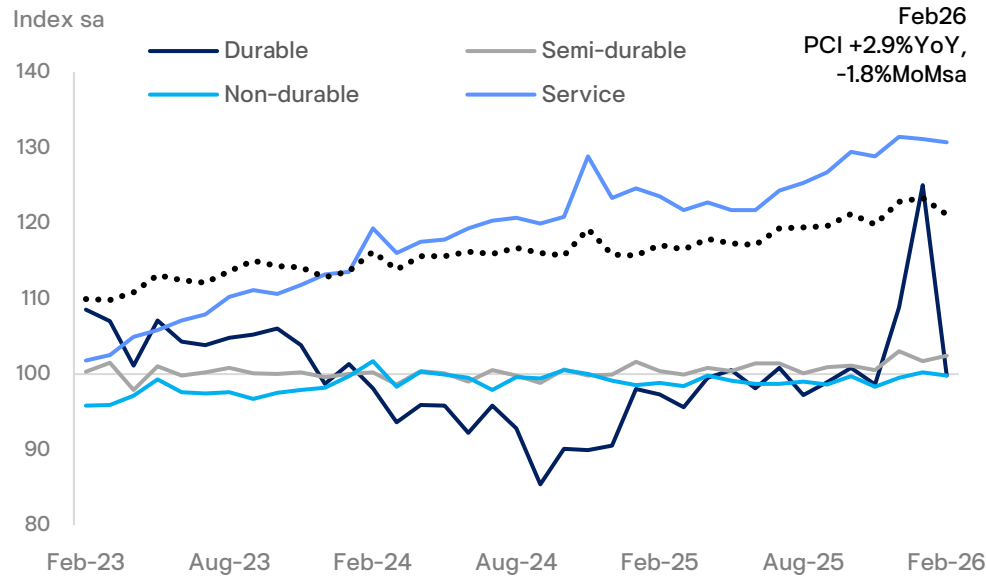
Thailand's exports in February 2026 slowed after peak periods earlier. Export to the US remained convincing the growth; while exporting to other partners such as CLMV, South Asian and Russian markets dragged the momentum. Ongoing growth of export of electronic products such as computer and parts, electronic machines and electrical appliance remained persisted. Meanwhile, export of agricultural-related products decelerated, particularly in rubber, sugar, tapioca, and wheat products. On the other hand, the import value growth continued to elevate, led by import of raw materials and intermediate goods such as jewellery and gold, plastic products, electrical circuit board coupled with capital goods, particularly in steel products and electronic machines and parts, resulting in the trade deficit of USD 6.1 billions.

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

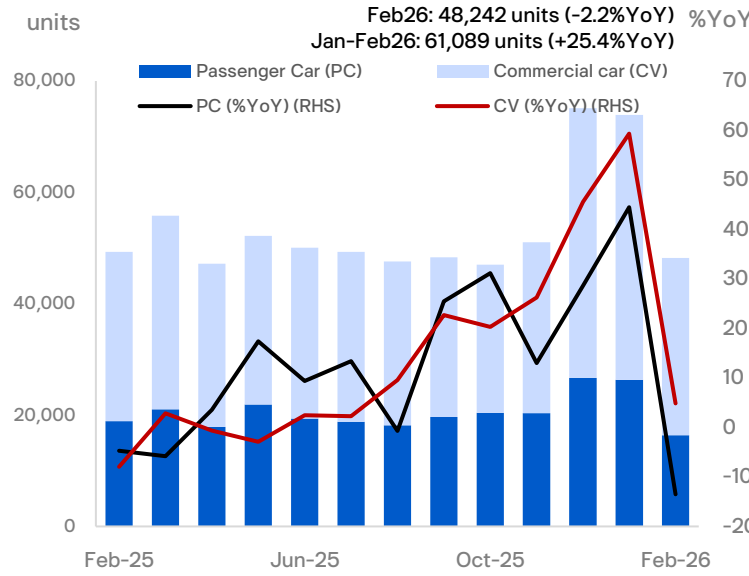
Private consumption indicators shrank after EV purchase acceleration before the end period of government price subsidy campaign, other consumption indicators also subdued



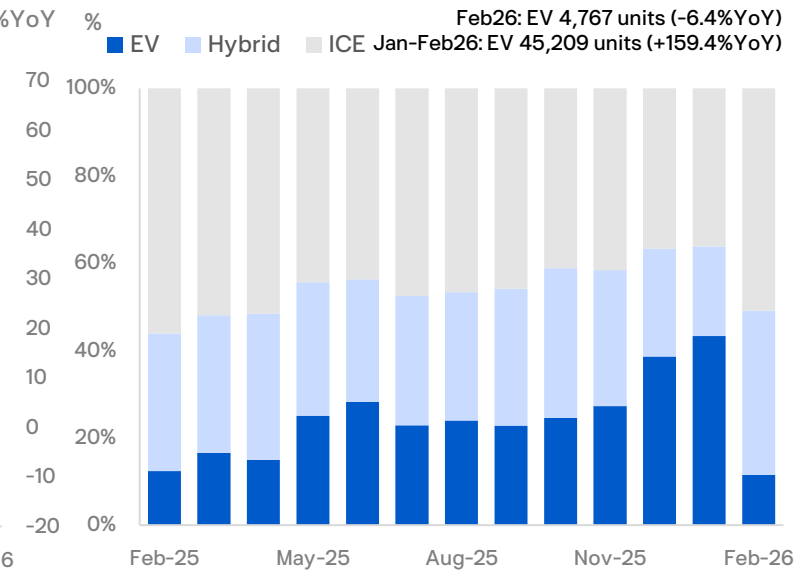
Private Consumption Indicators (SA)



Domestic car sales**

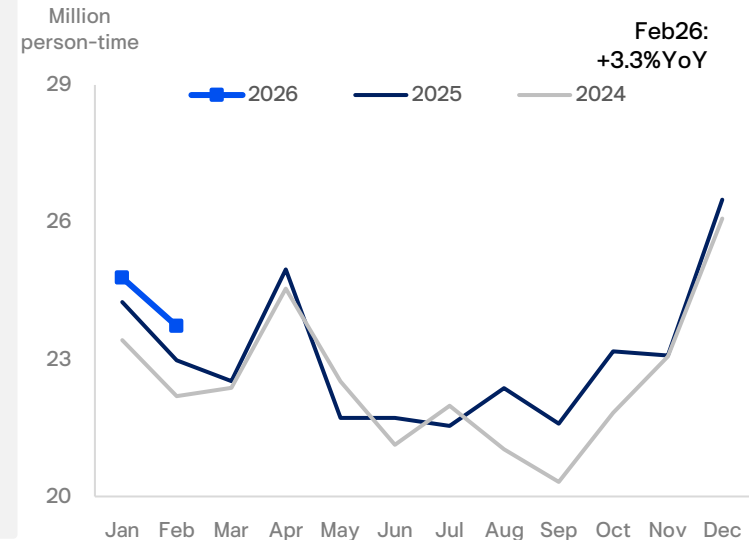


EV penetration of type 1 registration

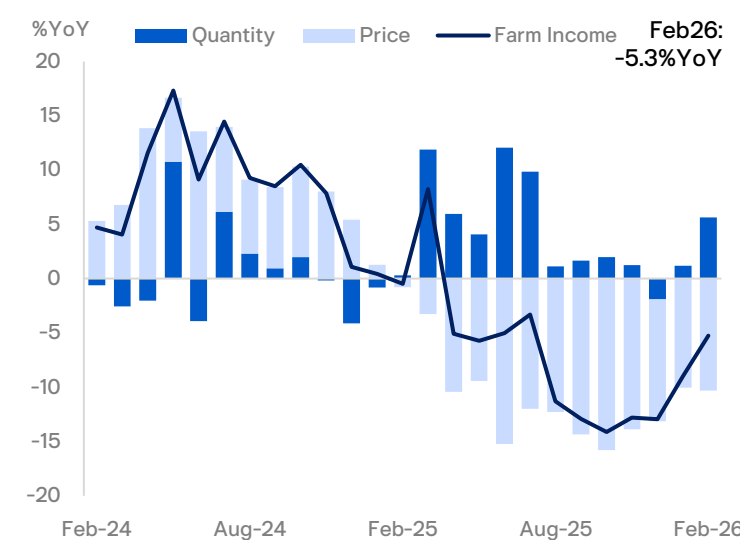


- Private consumption indicators declined from the previous month, mainly due to decreased spending on durable goods. This was driven by declining passenger car sales after the acceleration of EV purchases before the end of the EV 3.0 incentive program.
- In addition, the services sector saw a decline, particularly in hotels and restaurants, in line with lower foreign tourist revenue. The non-durable goods sector also declined, mainly due to decreased purchases of consumer goods. However, the semi-durable goods sector increased, driven by increased imports of textiles and apparel.
- Farm income indicator showed less contraction, reflected by higher output in oil palm and sugarcane, while continuing global excess supply pressured on prices of rubber and rice.

Thai domestic visitors*



Farm Incomes

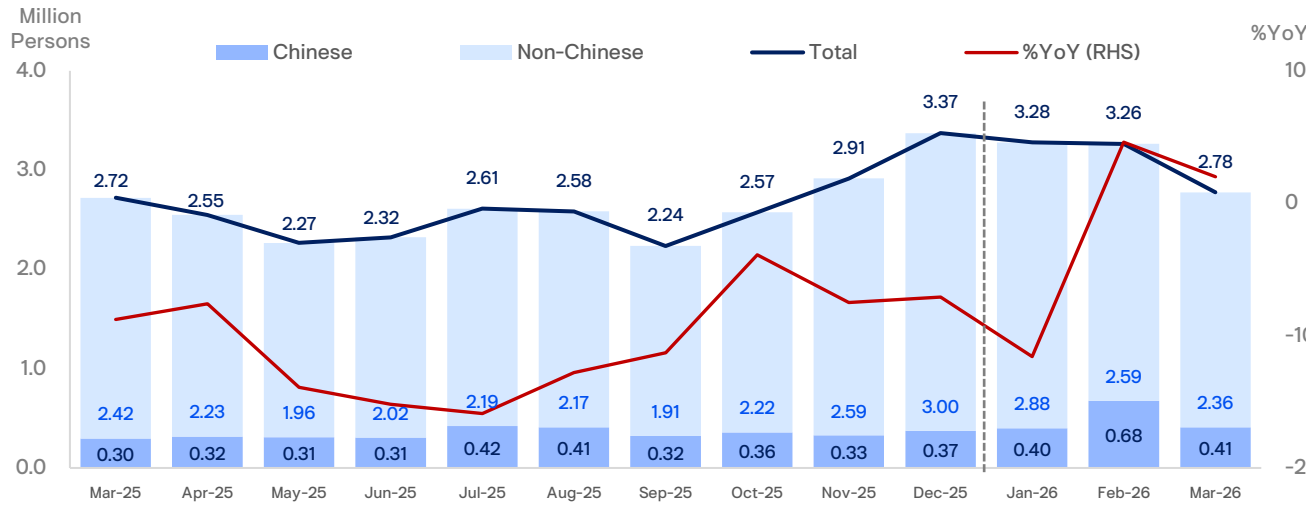


Source: Bank of Thailand, The Federation of Thai Industries, CEIC and ttb analytics

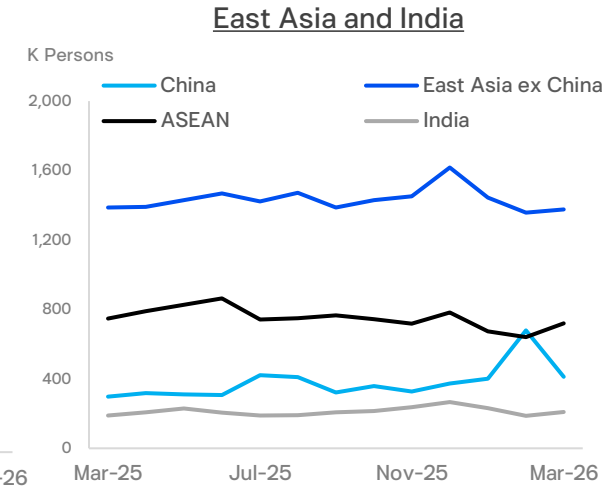
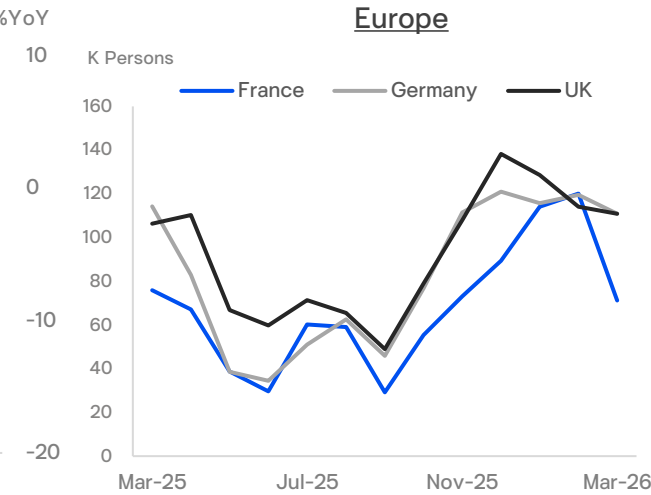
Remark: *Data not include replication in number of visitors **Commercial Vehicle (CV) * covering pickup, PPV and others commercial car, Passenger Car (PC) ** covering sedan and SUVs,

Escalating tension triggered a hard hit to tourist arrivals from Middle East and European countries due to safety concerns, lower flight available and airspace closure

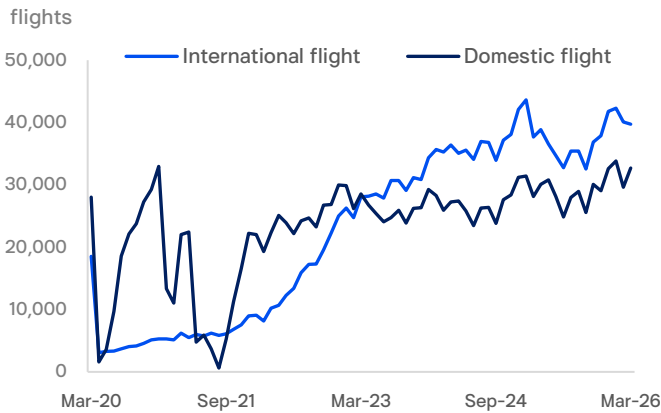
Total Foreign Tourist Inbounds



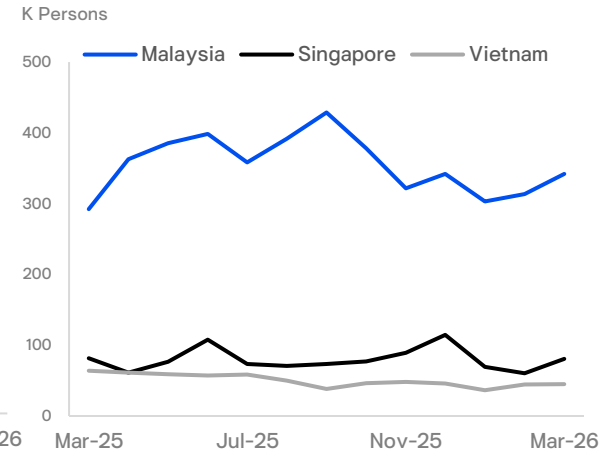
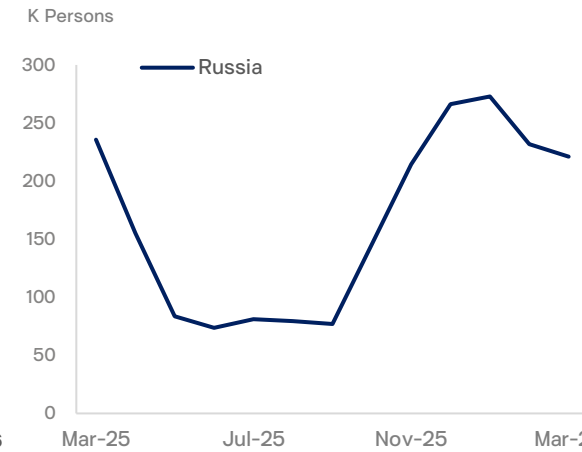
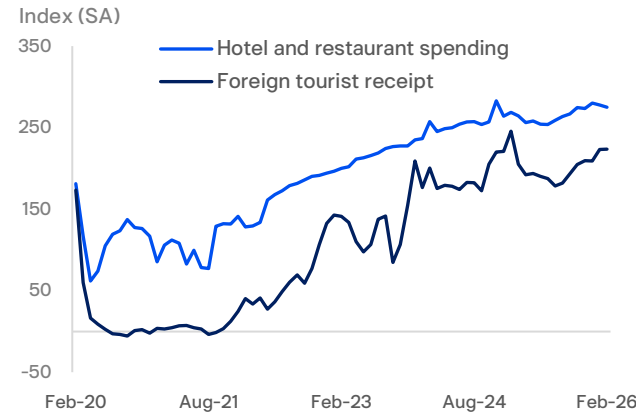
Foreign Tourist Inbounds by key regions



Number of flights via Thailand's airports (total)



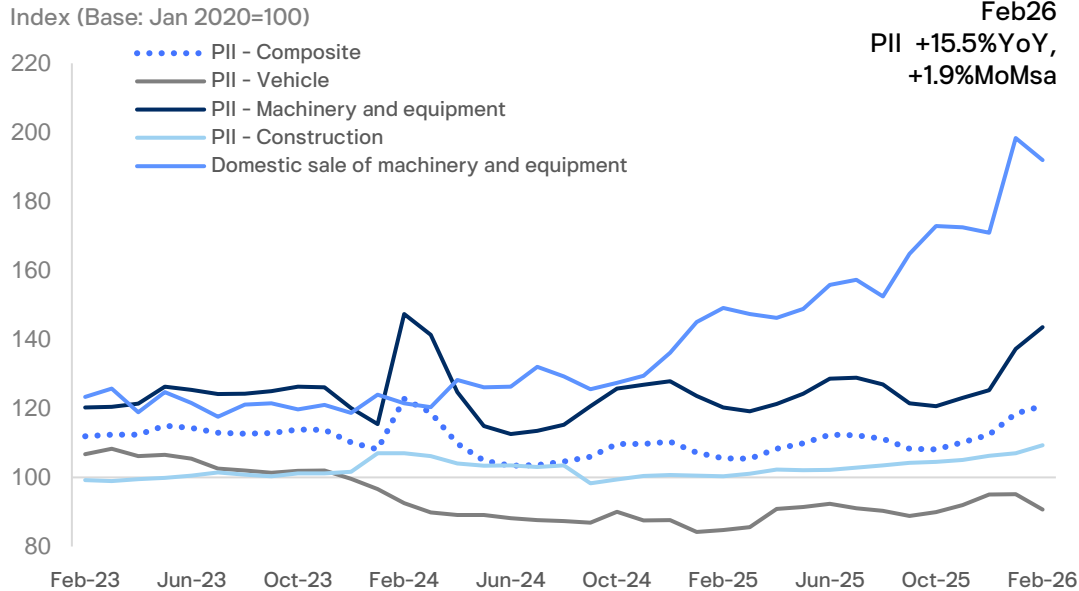
Tourism spending indicators



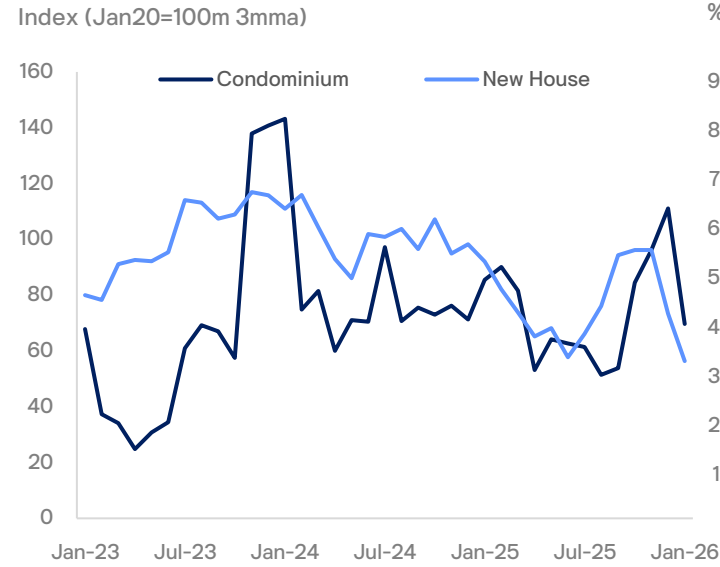
- In March 2026, the number of foreign tourist arrivals was declined remarkably compared to the previous month. Escalating tension in the Middle East sparking the safety concerns, together with lower flight available and airspace closure in the conflict zone pressured on number of tourist arrivals from European and Middle East countries. Chinese tourist arrivals also dropped remarkably after a peak period in last month. Meanwhile, tourists from ASEAN and south Asian countries edged up.

Private investment indicators increased in both the machinery and equipment, and the construction

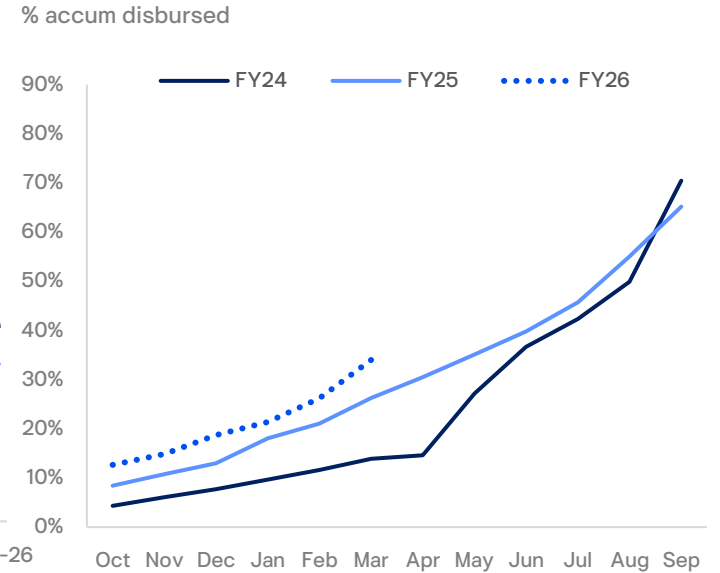
Private Investment Indicators (SA)



Unit of housing registration (Nationwide)

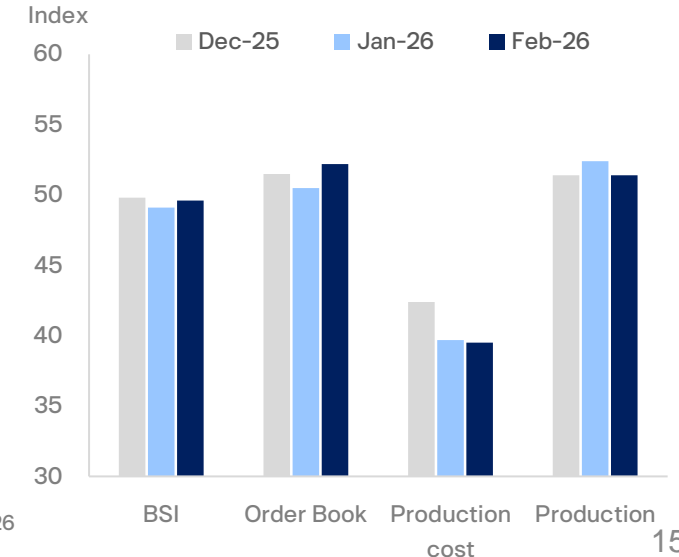
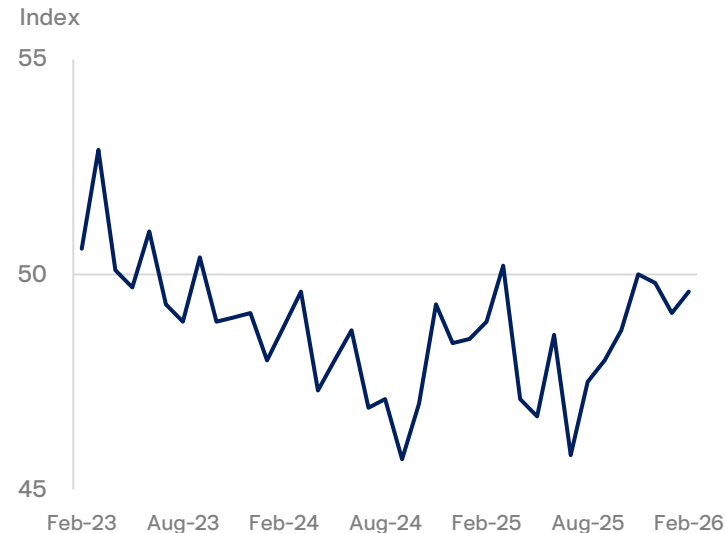


Accumulated govt capital budget disbursement



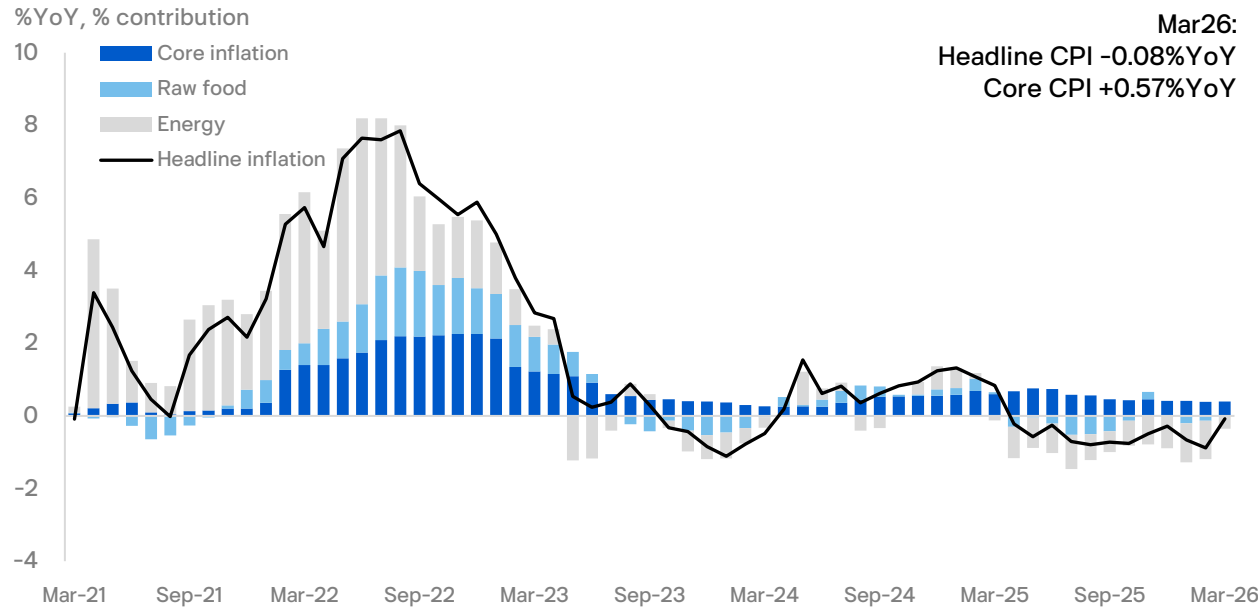
- Private investment indicators increased from the previous month. The machinery and equipment category increased, driven by net imports of capital goods, particularly computers. Investment in the construction sector also increased, including both non-residential buildings (office and commercial buildings) and residential buildings (especially condominiums and houses). However, investment in the vehicle category decreased due to lower vehicle registration values, particularly electric vehicles which saw accelerated growth previously, coupled with a decline in imports of aircraft and ships.
- The BSI index edged up slightly, driven by manufacturing sectors in almost all business categories, led by the steel manufacturing sector, driven by demand from both domestic and international markets.

Business Sentiment Index (BSI)

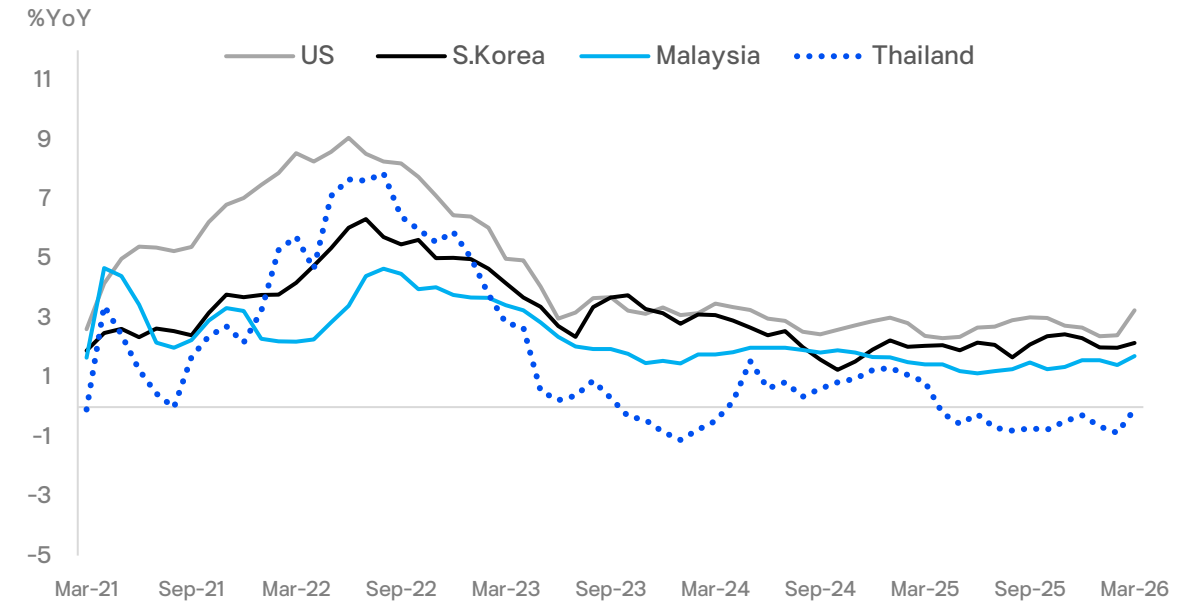


Despite the dramatically higher oil prices, March's inflation edged up only slightly due to government subsidy on energy prices

Thailand's inflation contribution to growth



Headline inflation of selected countries



Price change in top categories

%YoY

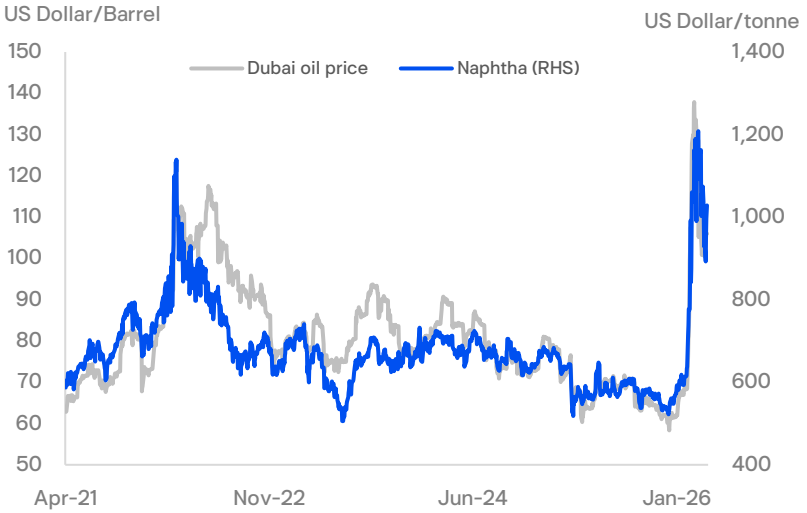
	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Headline inflation	0.84	-0.22	-0.57	-0.25	-0.70	-0.79	-0.72	-0.76	-0.49	-0.28	-0.66	-0.88	-0.08
Raw food	1.90	0.30	-1.76	-0.23	-1.23	-2.99	-2.89	-2.44	-0.78	1.19	0.01	-1.18	-0.78
Prepared food	2.37	2.61	3.41	3.40	2.53	2.54	1.99	1.67	1.74	1.96	1.73	1.54	1.68
Meat and Poultry	3.04	5.04	5.39	4.98	4.18	3.36	1.71	-0.05	0.09	0.83	0.72	-0.72	-0.58
Eggs and dairy products	-0.46	-1.94	-1.52	-3.94	-3.46	-3.72	-3.78	-3.74	-3.79	-2.14	-1.73	-2.92	-0.49
Utilities	0.06	-2.84	-1.42	-1.41	-1.36	-1.36	-2.09	-2.11	-2.11	-3.15	-4.67	-4.66	-3.14
Energy	-0.93	-6.73	-6.58	-6.31	-7.33	-5.55	-4.46	-5.40	-6.11	-6.98	-8.41	-8.29	-2.76
Core inflation	0.86	0.98	1.09	1.06	0.84	0.81	0.65	0.61	0.66	0.59	0.60	0.56	0.57

- The headline inflation (CPI) in March 2026 remained in the negative territory, marking the twelve consecutive month, and lower than market expectation. Government subsidies on fuel cost (particularly in diesel price subsidy during the first half of the month) and electricity tariff, remained pressuring on the negative headline figure. In addition, unchanged prices of key goods exhibited due to in-stock products. Meanwhile, the prices of fresh meats had increased due to rising feed and transportation costs, as have the prices of fresh vegetables and chicken eggs, which have risen due to hotter weather resulting in reduced supply entering the market.
- On the other hand, the core inflation was relatively stable but slightly dropped from previous month due to lower prices of non-food and alcohol products (e.g., clothing, residential, personal care).

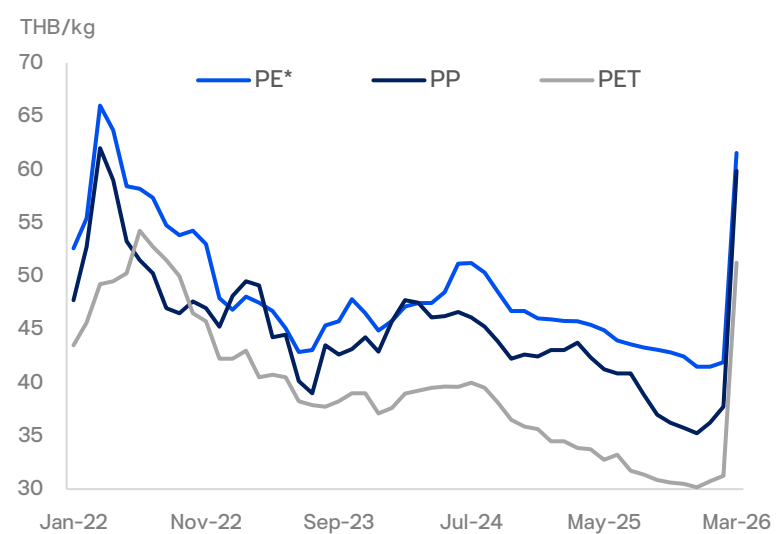
The US–Iran conflict reinforces a structural cost shock in Thailand, intensifying input-cost pressures across energy-dependent industries



Dubai crude oil price and Naphtha

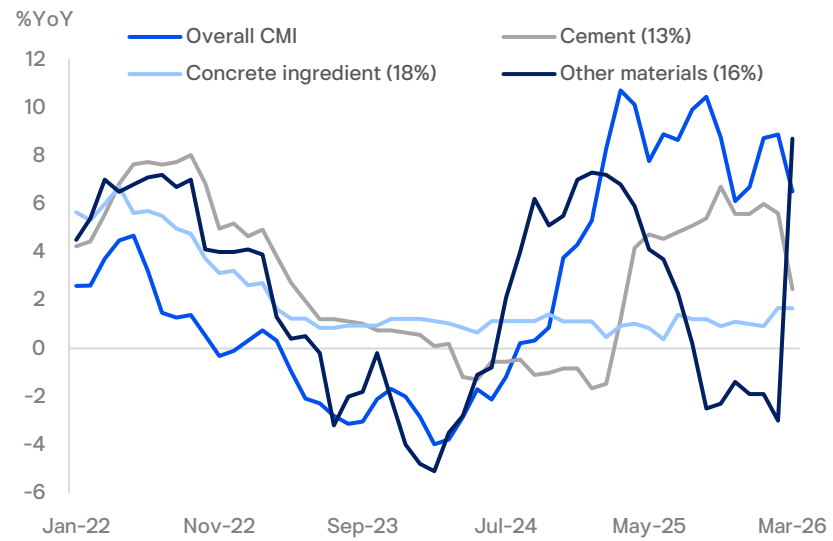


Domestic plastic pallet price classified by type

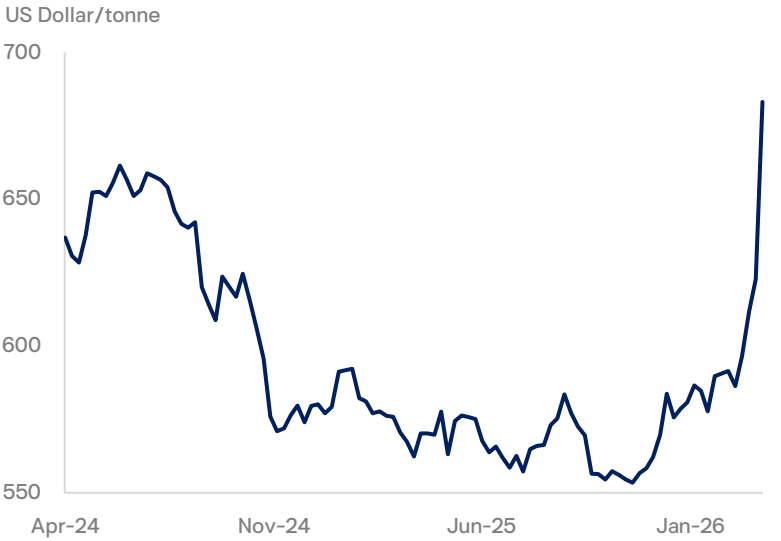


- Overall, the figures suggest that the Middle East conflict influences 'a Structural Cost Shock', reinforcing input-price volatility, squeezing margins, and increasing inflation persistence in Thailand's manufacturing and construction sectors.
- In the first-round impact called 'Supply Shock', rising geopolitical tension in the Middle East region has initially reinforced lower energy supply and energy price volatility, as reflected in persistent elevation of crude oil prices, including petroleum feedstock (e.g., naphtha).
- Moreover, the second-round impact so called 'Supply-chain Shock', the plastic products exhibit renewed spikes after 2022, particularly polypropylene (PP) consistent with naphtha feedstock vulnerability from Middle Eastern petrochemical routes. This divergence signals margin stress concentrated in food-grade packaging and high heat-resistant products.
- These energy inputs also feed directly into upstream materials, contributing to pronounced renewed upward momentum in the construction materials, particularly energy-intensive segments such as cement, concrete, and asphalts. Higher input costs are generally transmitted to tradable industrial metals, as evidenced by the rebound in hot-rolled coil prices.

Thailand's Construction Material Index (CMI)



Hot Rolled Coil price (in-warehouse) (Bangkok)

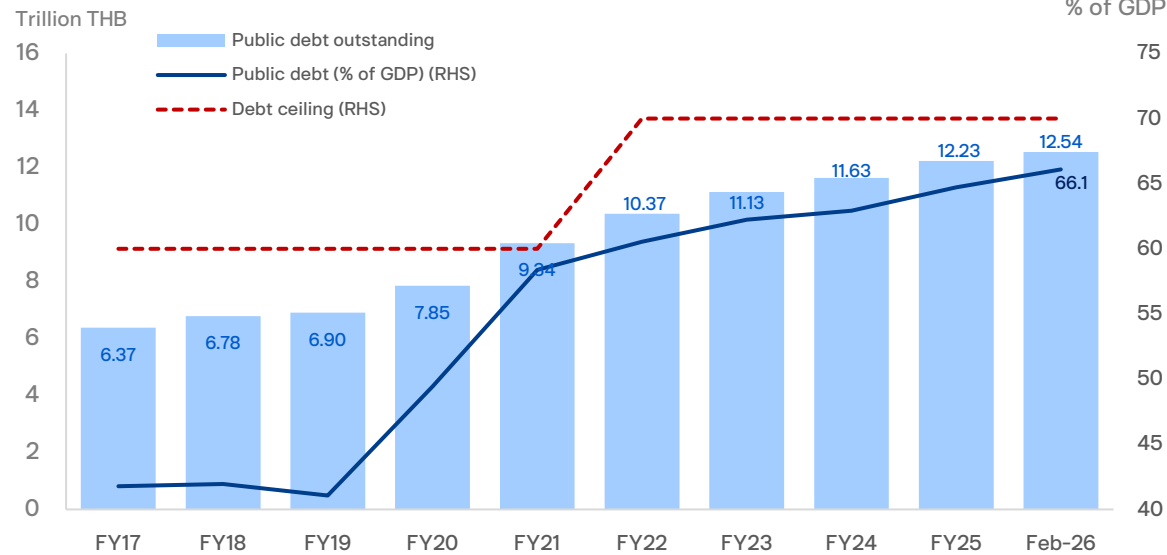


Source: Bloomberg, Ministry of Commerce, CEIC, Plastics Institute of Thailand and ttb analytics

Rising tensions in the Middle East have heightened public debt concerns, prompting proposals to raise the debt ceiling to accommodate greater economic support measures



Public debt outstanding



- Initially, the government budget would implement budget approximately THB 7.7 billion via the central contingency budget, covering the majority of the allocation, amounting to THB 6 billion, is earmarked for supporting vulnerable groups; 1) eligible beneficiaries under the State Welfare holders, and a further for relief measures targeting vulnerable groups in accordance with the Cabinet resolution dated 26 Mar 26 (e.g., transportation service operators, farmers, fisherman, government sub-contractors).
- The government expected to propose borrowing under an Emergency Decree on Public Borrowing of THB 500 billion prior to the preparation of the FY2027 budget, to be utilized during May–Oct 26. However, the public debt ceiling would remain below the 70%-to-GDP level, as current public debt stands at 66% of GDP. In addition, by managing remaining funds under the FY2026 budget, together with an additional central contingency budget, the government would have a maximum funding capacity of up to THB 125 billion available for further support measures.

Source: PDMO, Thai Cabinet and ttb analytics (Data as of 27 Apr 26)

Government supports to ease the impact of Middle East tension

	Measures
Fuel Price Support	<ul style="list-style-type: none"> Diesel price subsidies to cap retail diesel prices using compensation from the Oil Fuel Fund to oil retailers. Refinery-Level price adjustment will be reduced by THB 5 per liter, implementing 24 Apr - 9 May, and reduced by THB 3 per liter during 10 May–19 May 26. Initially 42-day fuel subsidy program (20 Apr–31 May 26) with a total budget of THB 2 billion covering across transportation operators over 468K vehicles. Temporary reductions or delays in diesel excise taxes Reducing the Ft (Fuel Tariff) for the May–Aug 26 period, resulting in an average electricity tariff of the first usage 200 kW to THB 3 per kWh and (from THB 3.88 per kWh previously).
Household support	<ul style="list-style-type: none"> Cost-of-living relief measures for 13.22 million beneficiaries through the State Welfare Card Scheme, by increasing the monthly allowance for essential consumer goods from THB 300 to THB 400 for a period of one month, effective from 13 Apr to 12 May 26. Thai-Help-Thai-Plus' scheme adjusting the cost-sharing ratio to one where the government covers 60% and participants pay the remaining 40%. The total budget is estimated at approximately THB 4,000 per person, disbursed monthly at THB 1,000 per month over a four-month period, targeting 20-30 million persons. (proposing) A low-interest soft loan program provided by GSB with a total credit line of THB 5 billion to support households in energy transition investments, such as solar rooftop installations and the purchase of EV. Offering preferential loan programs: 'Cool Living Home' Loan – for purchasing, constructing, renovating homes and renewable-energy equipment, applications open until 30 Dec 26. 'Solar Roof Loan' – for welfare-scheme customers to install solar rooftops, maximum loan THB 300K. An interest-sharing loan program provided by BAAC with a total credit line of THB 30 billion to help reduce production costs, including training, fertilizer-use optimization, and soil-crop analysis.
SMEs business	<ul style="list-style-type: none"> 'Thai Business Recovery' Soft Loan provided by GSB: THB 100 billion program to support SME transformation in green, digital, and technology-driven investments. 'SME Green Productivity Loan' provided by SME D Bank: Interest rate 3% per year for the first three years, credit limit THB 30 million per firm, supporting energy efficiency, renewable energy, EV-related industries, and low-emission technologies. 'EXIM Support Plus' provided by EXIM Bank, for working-capital support for exporters affected by higher transport costs and special risk premium rates.

PART 3

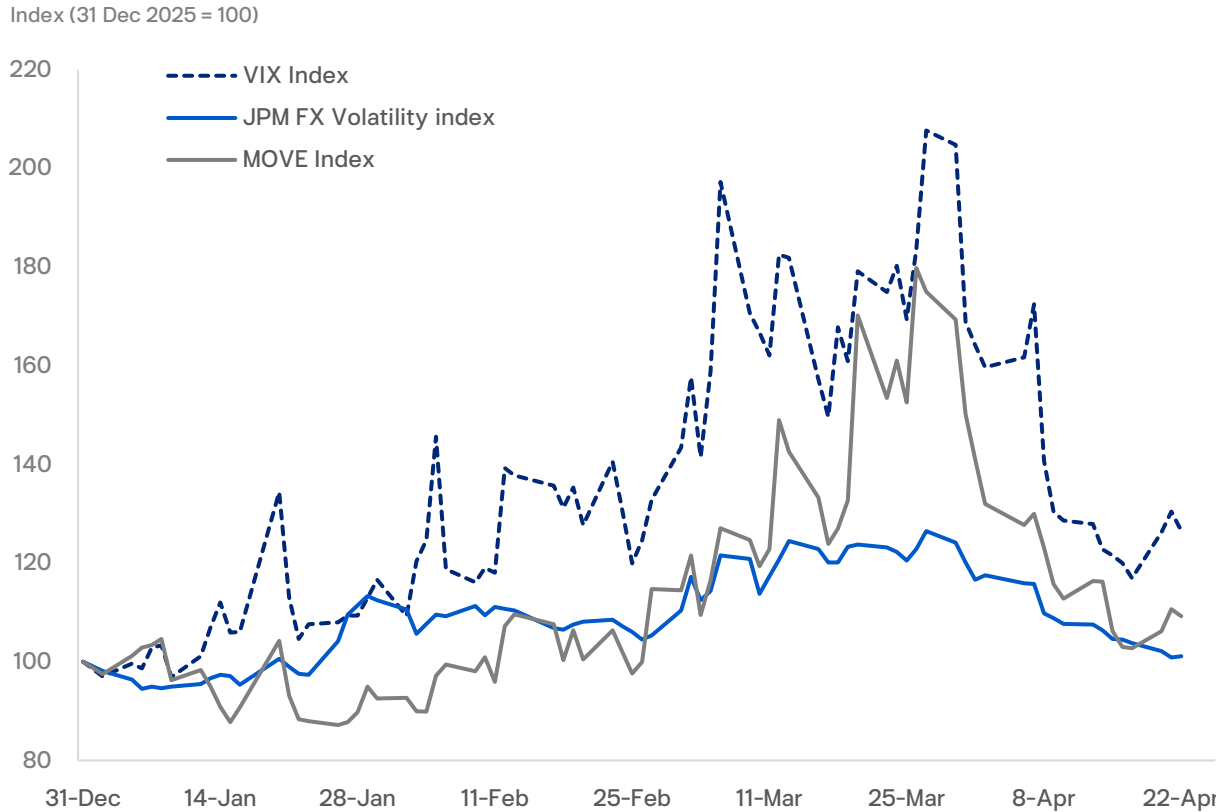
Financial Market



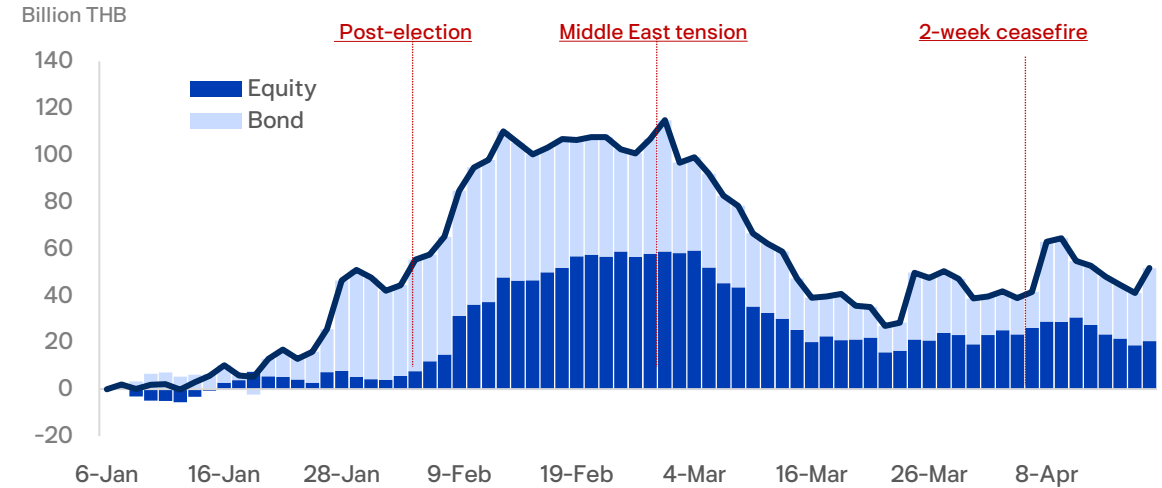
Global market sentiment is improving on de-escalation hopes, with fund flows gradually returning to emerging markets, including Thailand



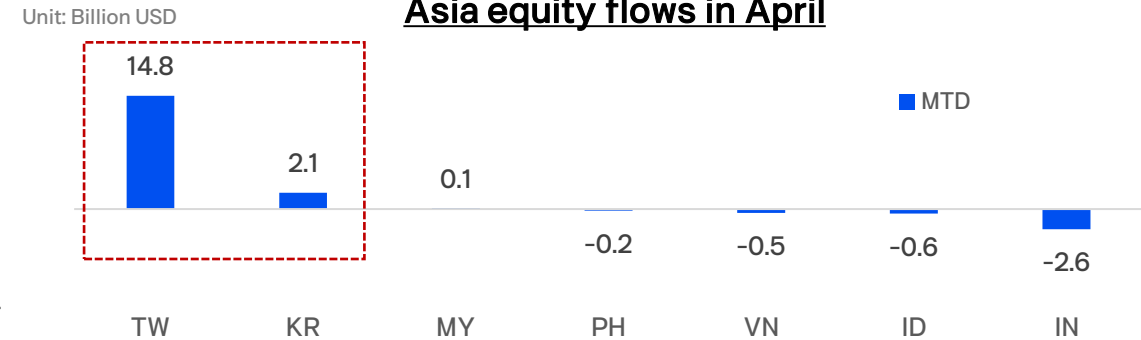
Market volatility across asset classes



Thailand: Cumulative foreign portfolio flows (2026)



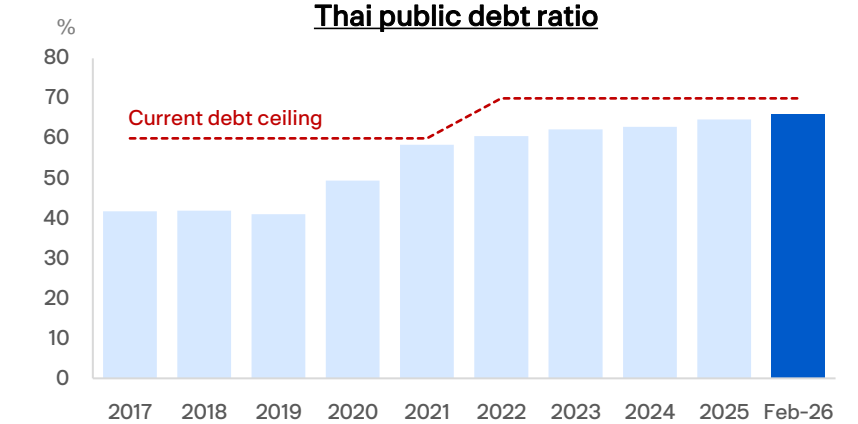
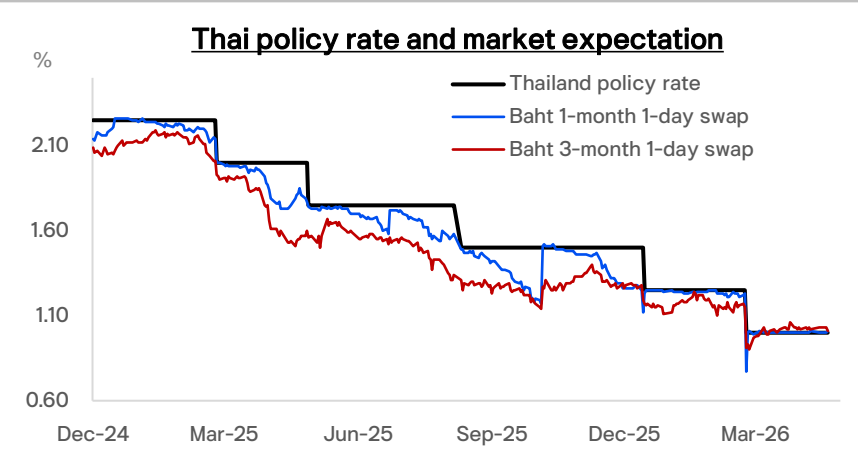
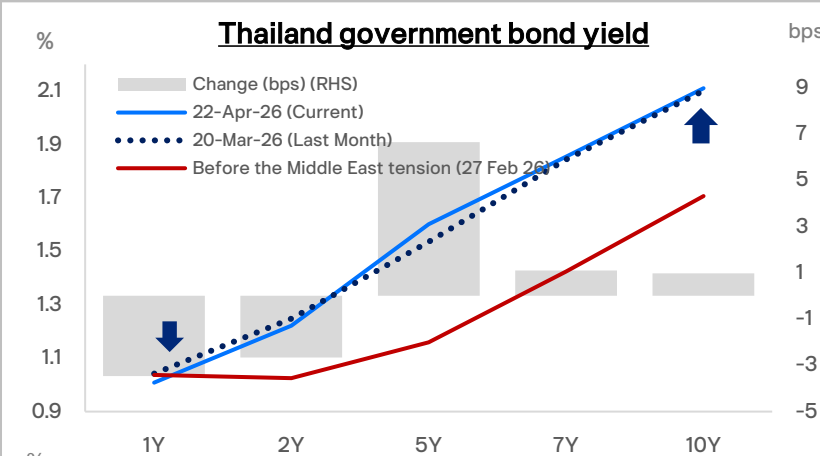
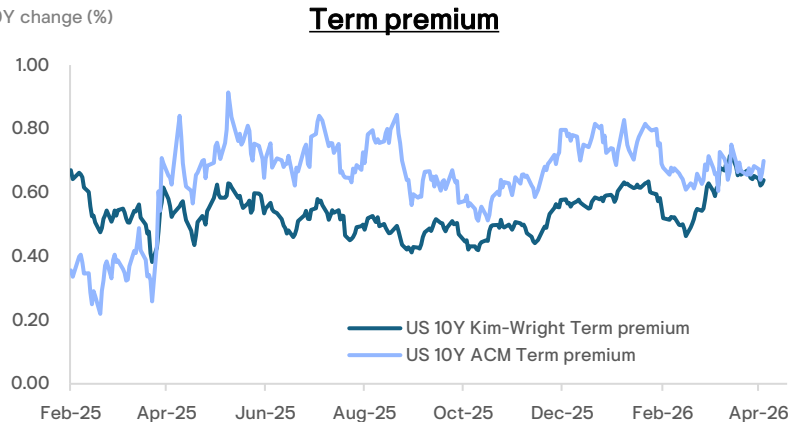
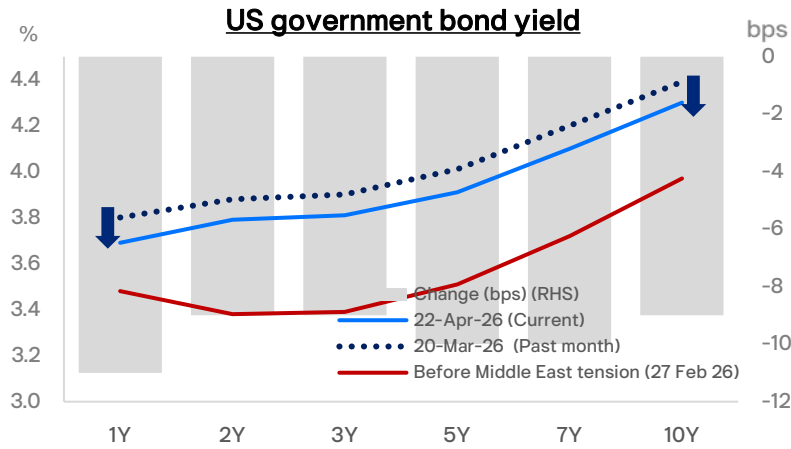
Asia equity flows in April



Note: Data as of 23-24 Apr 26

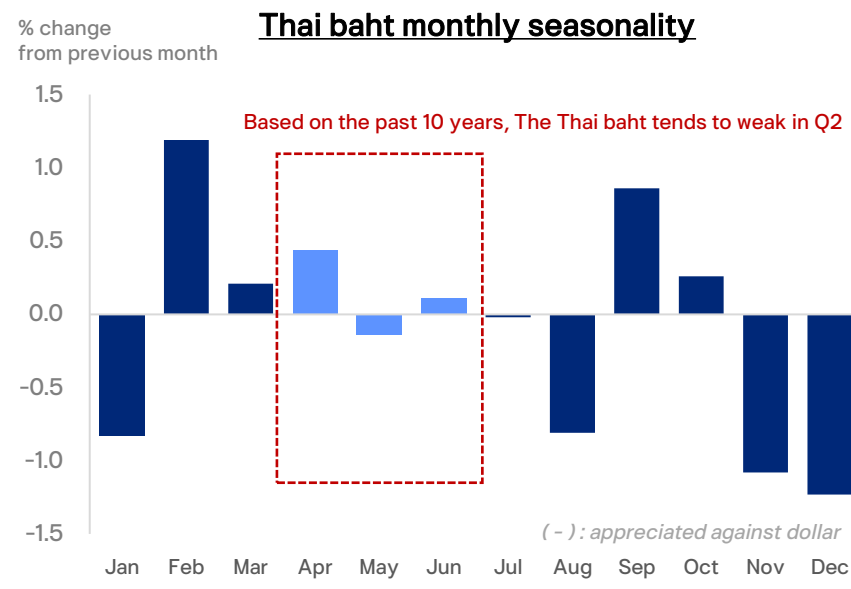
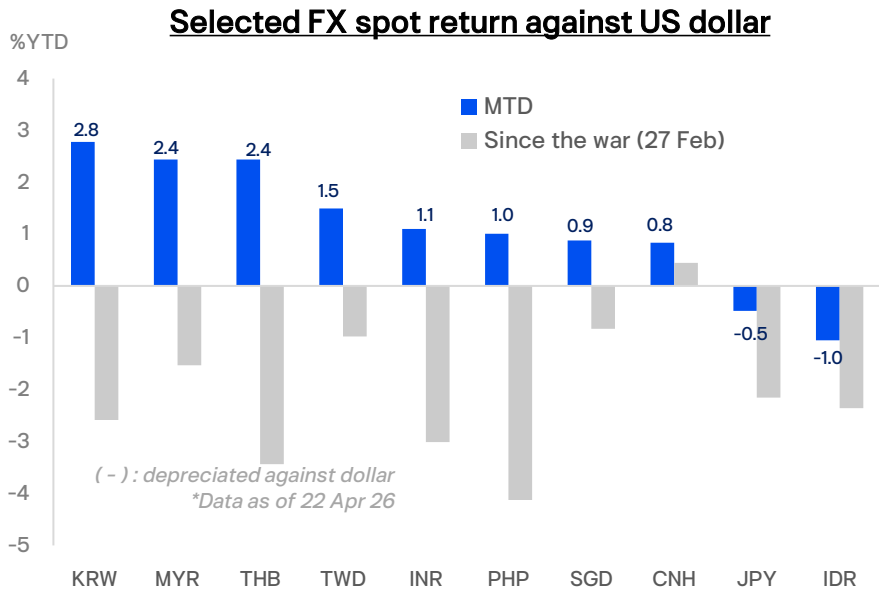
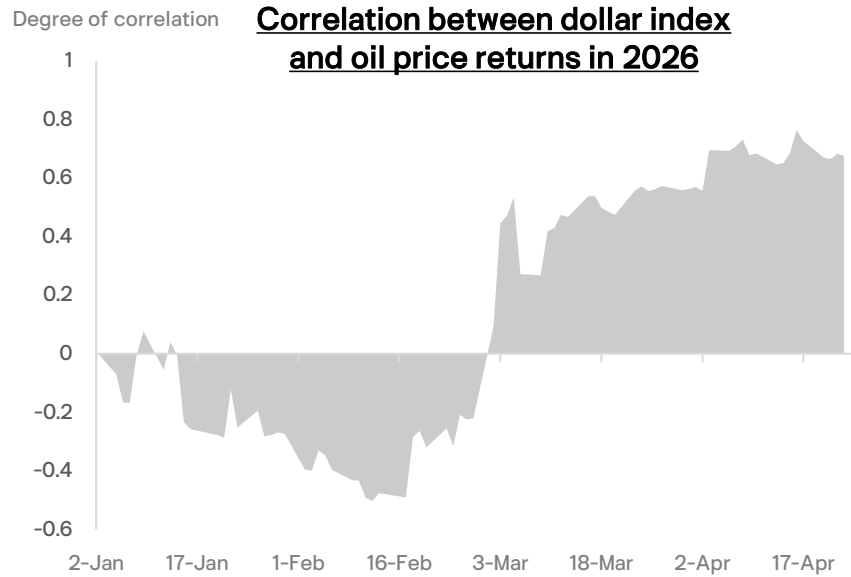
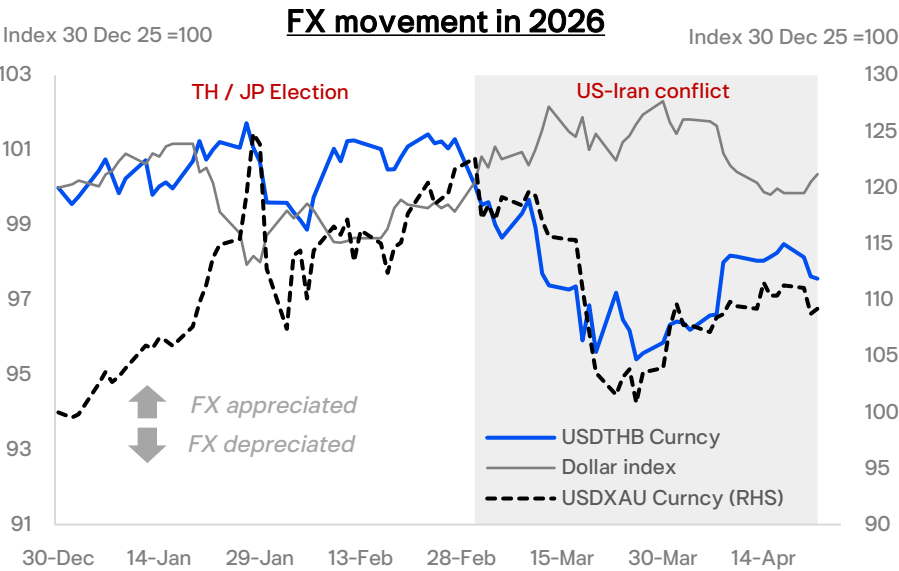
- Market sentiment has turned positive as volatility eases after the US–Iran ceasefire announcement, despite ongoing uncertainty over negotiations. US equities (S&P 500) have reached new all-time highs above 7,000, while bond yields appear to have peaked but remain sticky.
- In terms of fund flows, capital is returning to Asia as sentiment turns positive, particularly in East Asia, supported by the AI theme. For Thailand, fund flows are also showing signs of recovery in both equities and fixed income.

Global bond yields move on Middle East tension headlines. Meanwhile, Thai bond yields are influenced by fiscal concerns.



- US Treasury yields declined across the curve amid expectations of de-escalation following the announcement of a two-week ceasefire, alongside stronger-than-expected labor data and modestly hawkish FOMC minutes. However, yields remain elevated relative to pre-conflict levels. Looking ahead, bond yield movements will depend on developments in the Middle East, which could influence growth and inflation dynamics and, in turn, the Fed's policy path.
- Thai government bond yields showed a twist steepening, with short-term yields declining on expectations that the Bank of Thailand will keep its policy rate on hold in the near term following its recent communication. Long-term yields rose on fiscal concerns over a potential debt ceiling increase, before partially easing after Moody's revised Thailand's outlook to stable and affirmed its Baa1 rating, citing reduced tariff risks and improved political stability.

The dollar trims gains amid improved sentiment, while regional currencies correct modestly



- The dollar has drifted back toward the 98 level from above 100 as markets price in further de-escalation and potential negotiations, despite lingering uncertainty. The correlation between the dollar and oil prices remains strong, likely reflecting petrodollar dynamics, and is expected to persist until the Strait of Hormuz returns to normal operations. Meanwhile, resilient economic data, including strong NFP and rising CPI, reduces the likelihood of an imminent Fed policy shift.
- The Thai baht has strengthened overall compared to last month, broadly in line with regional currencies amid Middle East headlines. The currency has been volatile, swinging from around 33 to below 32 before partially retracing, reflecting its high sensitivity to the US dollar and lingering gold linkage. Looking ahead, the baht remains exposed to depreciation risks this quarter due to weak seasonality and a resilient dollar supported by Middle East tensions, with the magnitude of weakness dependent on further developments in the region.

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