Economic and Financial Outlook

ttb analytics

October 2026



Executive Summary

Global Economy

- The global economy continued to expand in September, with the Global Composite PMI reaching its highest level since December 2021. The IMF slightly upgraded its 2026 growth forecast to 3.1%, supported by AI investment and resilient domestic demand. However, geopolitical tensions and higher energy prices continue to weigh on the outlook. Meanwhile, rising energy costs are intensifying inflationary pressures and may limit central banks' scope for monetary easing.
- US inflationary pressures are intensifying, while the labor market shows clearer signs of cooling. Meanwhile, China's August data gained momentum as strong external demand which offsetting weak domestic demand. For monetary policy, central banks signal diverging rate paths amid rising inflation risks.

Thai Economy

- Overall economic activities remained firm compared to the previous month. Moreover, exports and private investment continued to expand, driven primarily by technology-related products. Industrial production activities also rose slightly across several sectors. While private consumption indicators persisted, partly supported by government stimulus measures.
- The headline inflation (CPI) in September 2026 continued to accelerate from the previous month. The increase was mainly driven by elevated domestic fuel prices as higher global crude oil prices and intensified Middle East energy-security risks while fresh food prices increased as adverse weather conditions constrained some agricultural output. Meanwhile, core inflation edged up, suggesting a modest broadening in underlying price pressures
- The Monetary Policy Committee (MPC) voted unanimously to maintain the policy rate at 1.00% in the meeting of 5/2026 for the nine consecutive months, judging the accommodative stance appropriate to support a modest and uneven recovery. However, a more hawkish global monetary policy backdrop and associated THB depreciation pressures warrant close monitoring.

Financial Markets

- US Treasury yields fell across the curve, led by the front end as softer labor data and benign inflation eased Fed tightening expectations, while safe-haven demand pushed the 10-year yield below 5%. Meanwhile, Thai bond yields remained tracking the global moves at the long end, while short-term yields stayed anchored on expectations that the BOT will keep rates unchanged through year-end amid an improving growth outlook.
- The U.S. dollar strengthened, with the DXY rising to an 18-month high as political and fiscal concerns in France weighed on the euro. While the Thai baht traded sideways alongside regional peers, pressured by the stronger U.S. dollar. Looking ahead, seasonal patterns and an improving domestic growth outlook could support baht appreciation toward year-end, although further declines in gold prices remain a key depreciation risk.

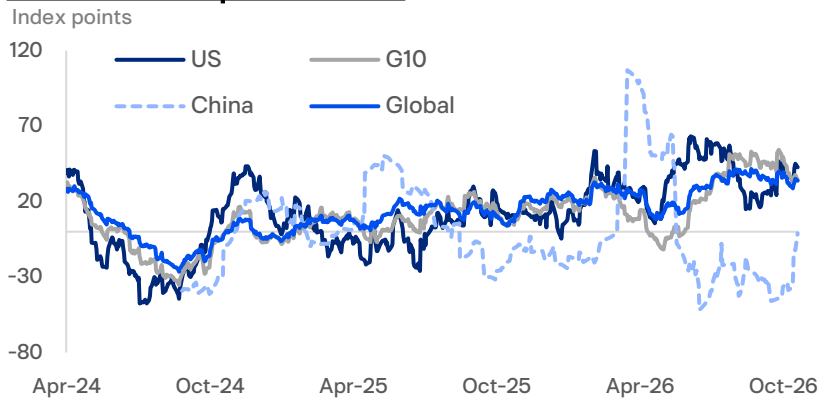
PART 1

Global Economy

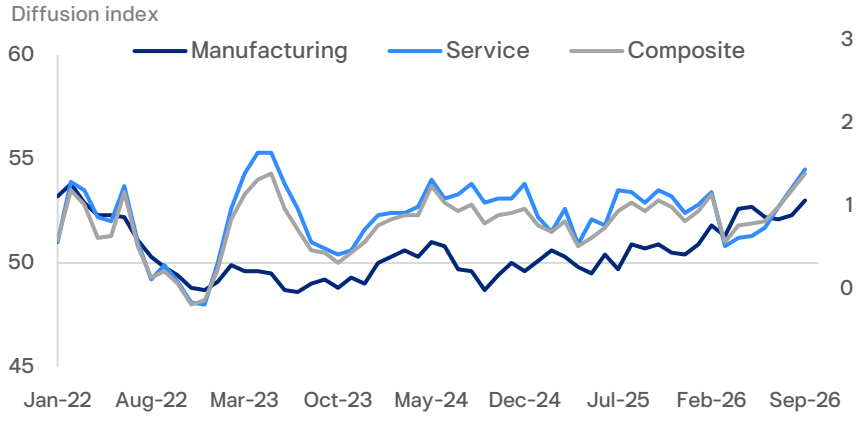


Global economy remains resilient amid rising inflation risks

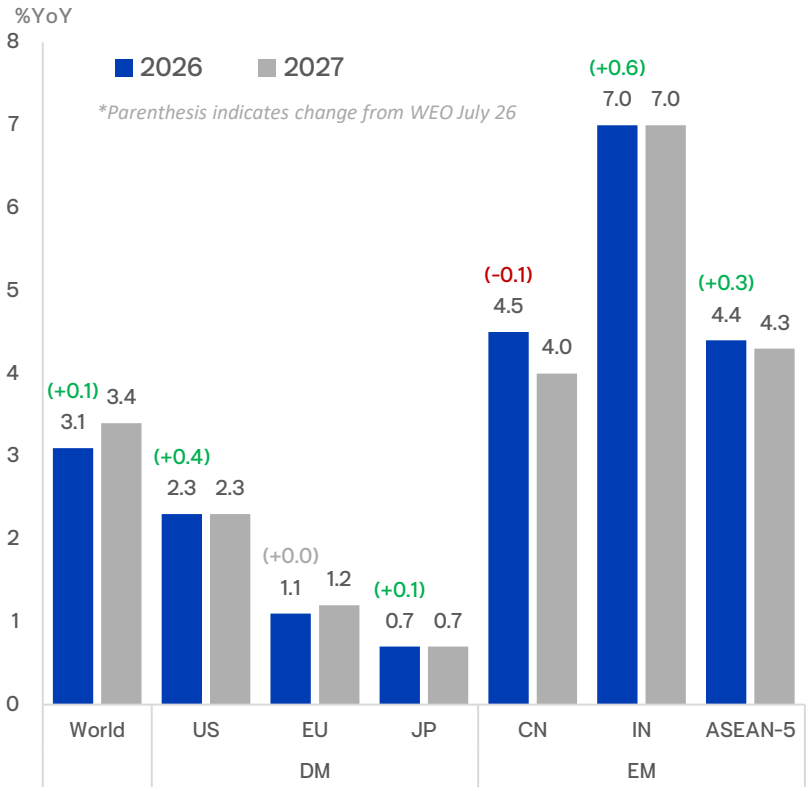
Economics surprise indices



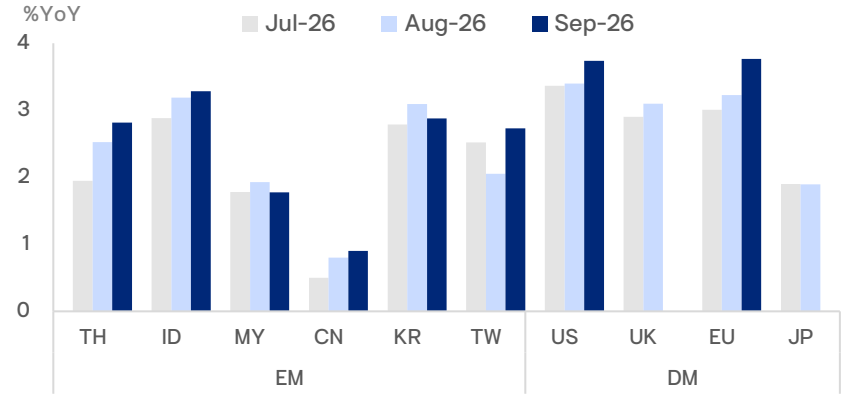
Global PMI Index



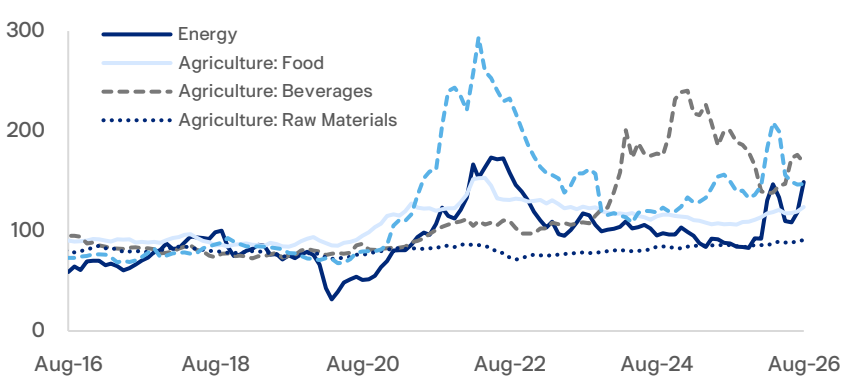
IMF economic projections for selected countries



Headline inflation across selected countries



Global Commodity Prices Index

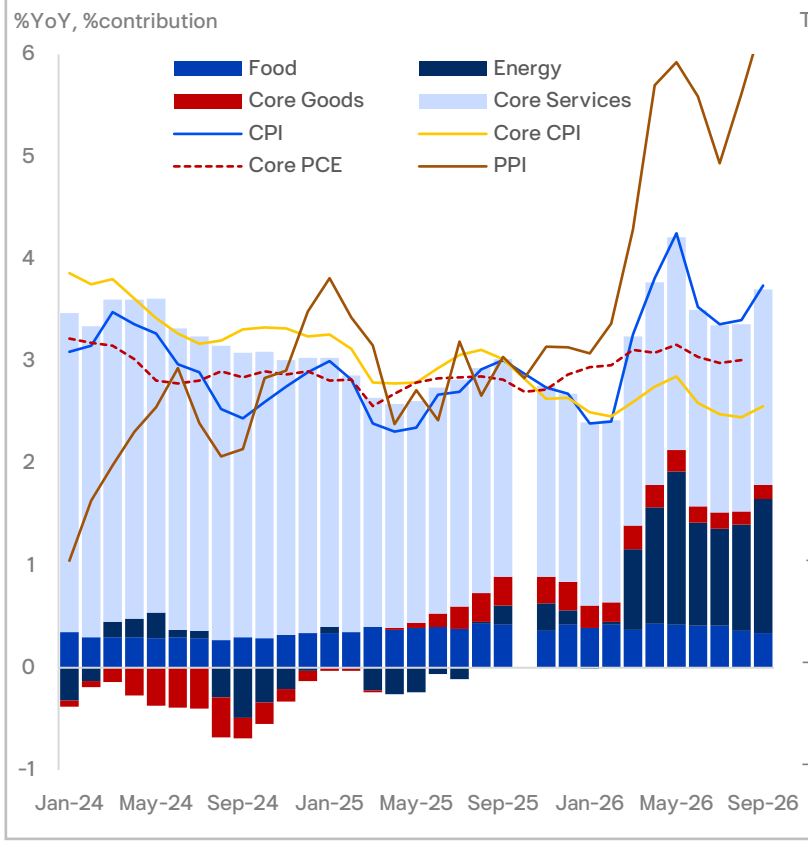


- Global economic activity continues to expand at a solid pace, as reflected in the Global Composite PMI, which rose for a sixth consecutive month to 54.3 in September, its highest level since December 2021. Overall, the global economy remains on a growth trajectory, although performance across regions remains uneven and downside risks persist.
- The IMF slightly upgraded its 2026 global growth forecast to 3.1% in its October 2026 World Economic Outlook, compared with the July WEO Update. The revision reflects sustained investment in technology and AI, robust private consumption in the US, and resilient domestic demand in India. ASEAN-5 is also expected to maintain solid growth, supported by data center activity and the global technology cycle. However, geopolitical tensions and elevated energy prices continue to pose risks to economic growth, particularly in China and Europe.
- On the inflation front, rising commodity and energy prices are intensifying price pressures, particularly in the US and euro area. Escalating tensions in the Middle East have heightened the risk of energy supply disruptions, potentially sustaining inflationary pressures and limiting central banks' scope for monetary easing.

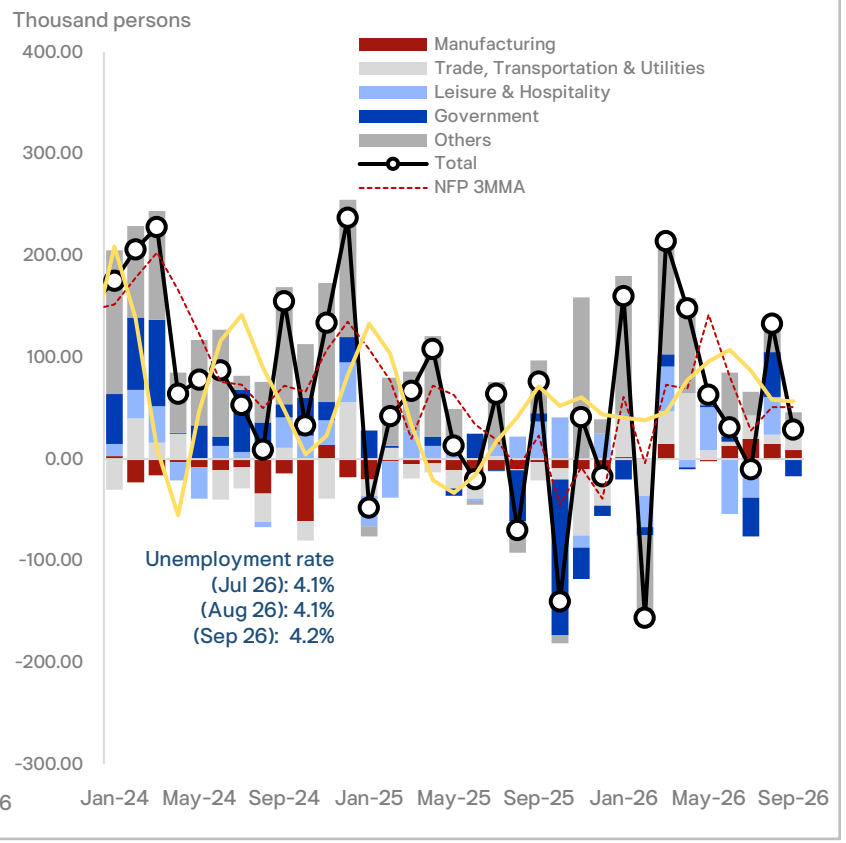
Source: Bloomberg, CEIC, IMF, and ttb analytics (Data as of 19 Oct 26)

US inflation accelerates, while the labor market shows increasingly clear signs of cooling

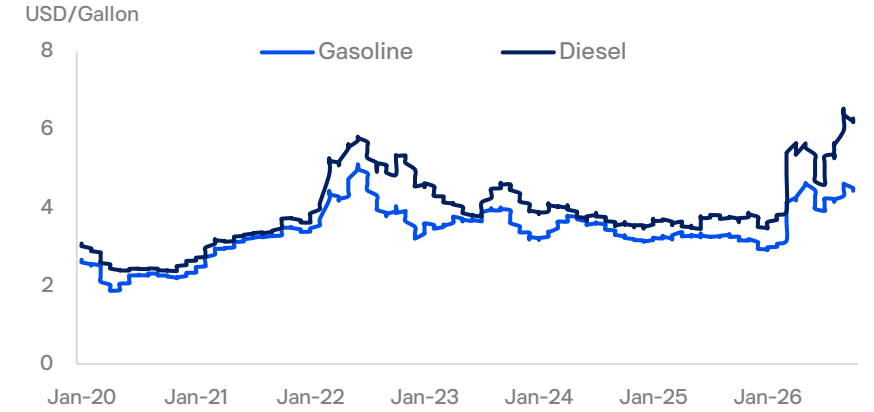
US Inflation rate



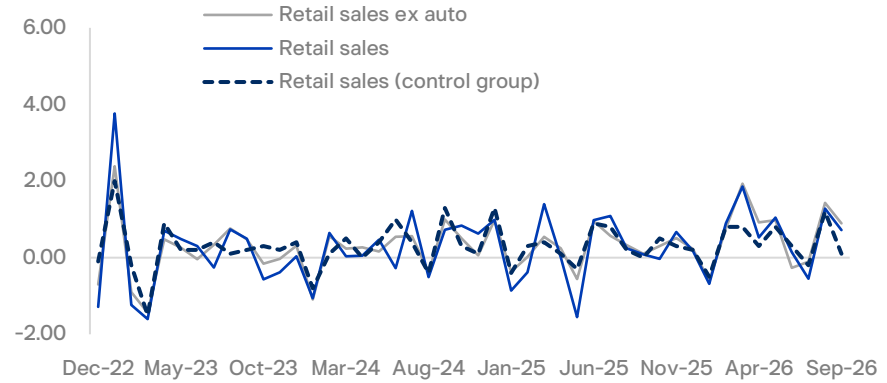
US labor market



US retail oil price



Retail sales index

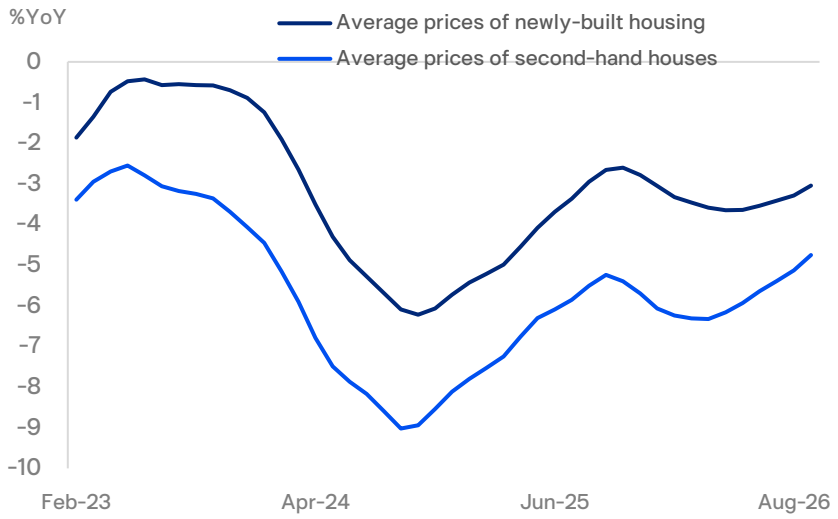


- US inflationary pressures intensified in September, with headline CPI rising to 3.74% YoY from 3.40% in August, while core CPI edged up to 2.56% from 2.45%, reflecting higher energy prices and housing-related services costs. Diesel prices also surged to a record high, prompting President Donald Trump to consider restricting diesel export to curb domestic fuel costs. Meanwhile, PPI climbed to 6.34%, its highest level since January 2023, signaling mounting cost pressures on businesses that could feed through to consumer prices in the coming months.
- At the same time, the labor market showed further signs of cooling, with nonfarm payrolls adding just 29,000 jobs in September, down from 133,000 in August, while the unemployment rate edged up slightly to 4.2% from 4.1%. Although the three-month average of payroll growth remained unchanged at 51,000, weaker employment in the government and manufacturing sectors points to a more cautious hiring environment amid rising costs. Overall, persistent inflationary pressures alongside softening labor market conditions present a growing challenge for the Federal Reserve (Fed), complicating its efforts to contain inflation while supporting employment.

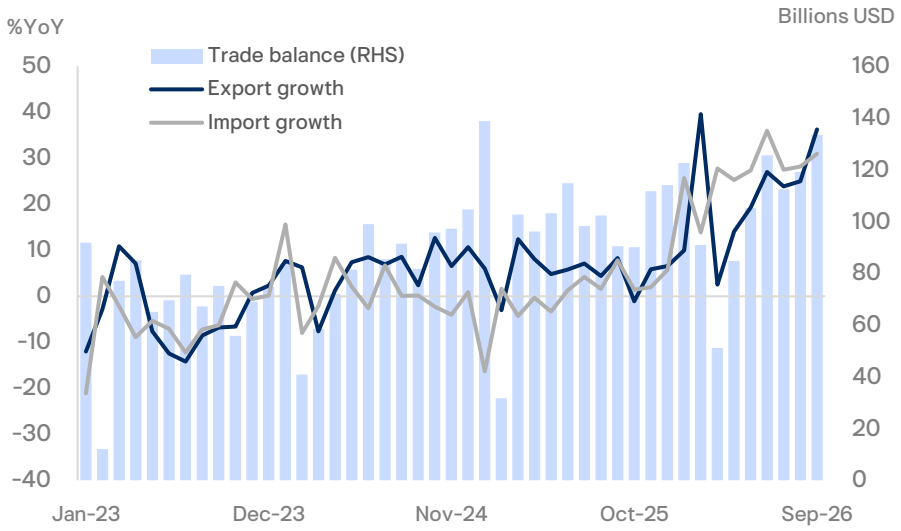
Source: Bloomberg, CEIC, and ttb analytics

China's economy gained momentum supported by innovation-led manufacturing, services and robust exports, while domestic demand continued to highlight an uneven recovery

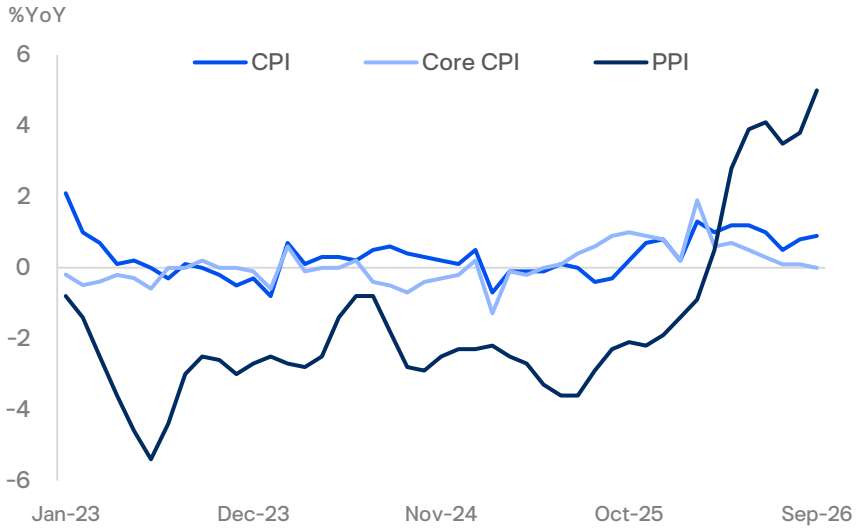
Property sector indicators



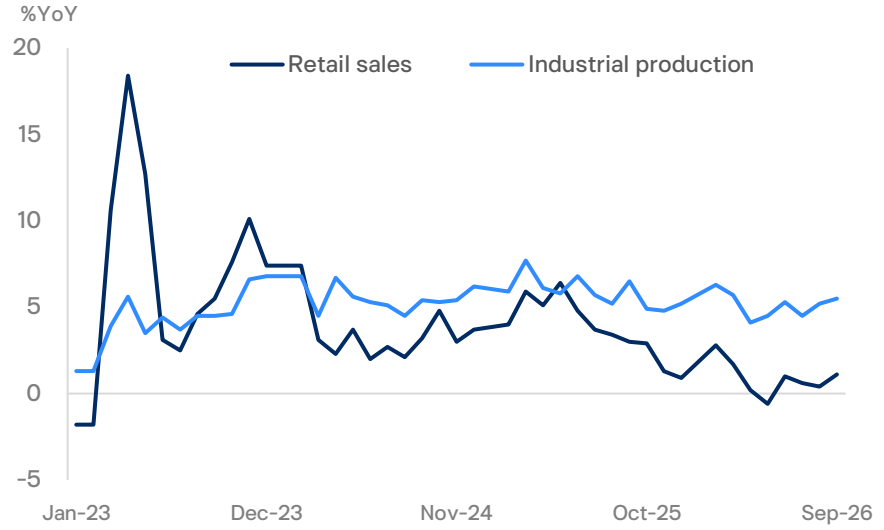
China's export and import, trade balance



Consumer and producer price index



Other economics indicators

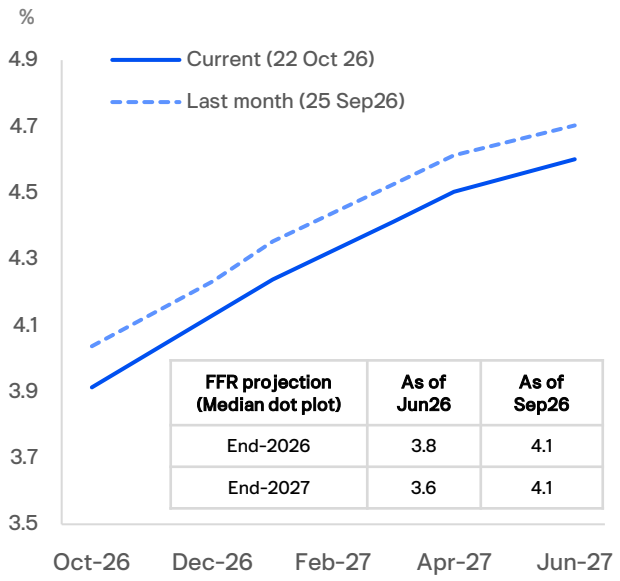


- China's economy gained momentum in the third quarter of 2026, with GDP growth accelerating to 4.5%YoY from 4.3% in Q2. The improvement was supported by stronger innovation-led manufacturing and services. Export growth also remained robust, rising 36.3%YoY, bringing rising trade balance. However, domestic consumption remained relatively subdued, with retail sales of consumer goods increasing just 1.1% while industrial production also remained flat, aligning with slow real estate price, highlighting continued unevenness in the recovery.
- On inflationary pressures, which remained strengthened in September, with PPI inflation jumping to 5.0%YoY, its fastest pace in more than four years due to higher energy and coal prices, while consumer inflation remained relatively subdued amid falling food prices.

Source: Bloomberg, CEIC, IMF, and ttb analytics (Data as of 26 Oct 26)

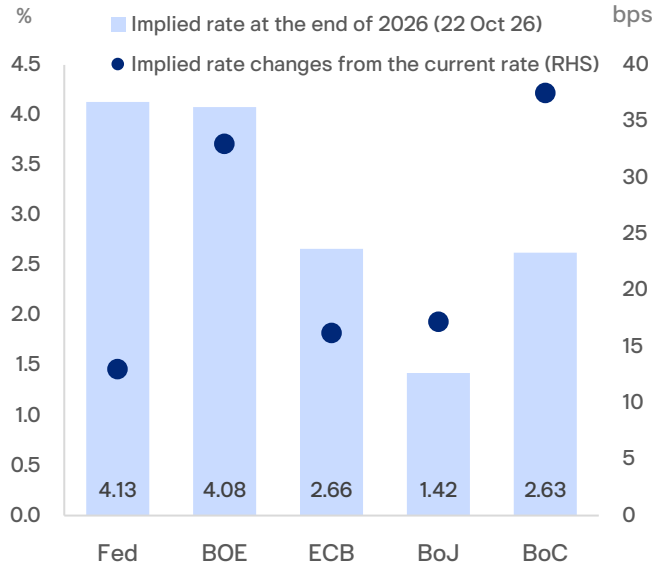
Central banks signal diverging rate paths amid rising inflation pressure

US policy-implied rate



FFR projection (Median dot plot)	As of Jun26	As of Sep26
End-2026	3.8	4.1
End-2027	3.6	4.1

Expected policy rates in 2026 for selected developed market countries



Notes: The implied policy rate are based on FFR

(Policy rate) (4.00%) (3.75%) (2.50%) (1.25%) (2.25%)

Asian countries' policy expectations

Country	Current Policy Rate (%)	Policy rate differential from FFR (RP-FFR) (bps)	Forecast policy rate at the end of 2026 (%)
Malaysia	2.75	-125	2.86
S.Korea	3.00	-100	3.19
Indonesia	5.75	+175	5.93
India	5.50	+150	5.75
Philippines	5.50	+150	5.31
Taiwan	2.00	-200	2.08
Thailand	1.00	-300	1.00

Notes: Forecast policy at the end of 2026 based on recent Bloomberg weighted average
Source: Bloomberg, CEIC, ttb analytics (Data as of 22 Oct 26)

Latest Monetary Policy development

DM

- **The Fed is expected to hold rates steady in October's meeting, amid softer recent data have reduced expectations for a hike** despite continued hawkish Fed commentary over inflation risks due to re-escalating Middle-east tension.
- **The ECB raised rates by 25 bps in September,** extending the tightening cycle that resumed in June. Markets expect further hikes at the remaining meetings amid rising inflation and stronger-than-expected economic data.
- **The BoJ raised the key rate 25 bps to 1.25% as expected,** reaching a 31-year-high, continue policy normalization, with markets anticipating another hike in Q4 amid elevated inflation and government support following yen weakness.
- **The BoE held rates steady in September,** amid rising inflation further over coming months, while firm labor and economic data. Markets expect 25 bps hike its benchmark bank rate in the upcoming meeting.

EM

- **The PBoC remains a regional outlier** despite holding the LPR unchanged for a 17th consecutive month, maintaining a moderately loose stance with stronger support for domestic demand and ample liquidity amid signaling the current seven-day rate as the new policy benchmark
- **Overall, Asian central banks remain cautious, balancing persistent inflation and currency risks against uneven growth.** Asian monetary policy remains mixed, as central banks respond differently to varying inflation pressures, currency risks, and growth conditions.

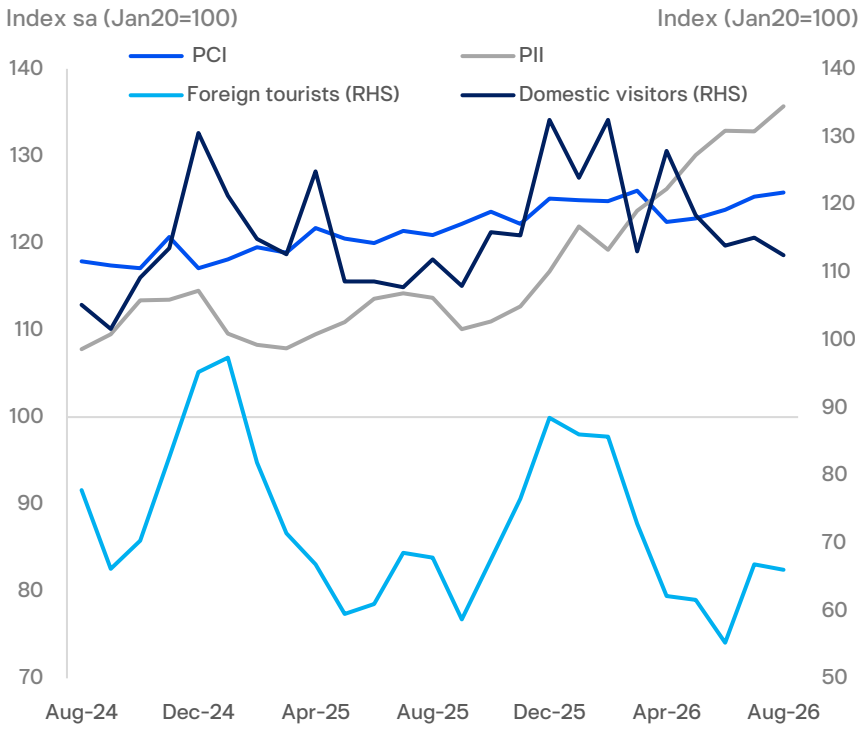
PART 2

Thai Economy

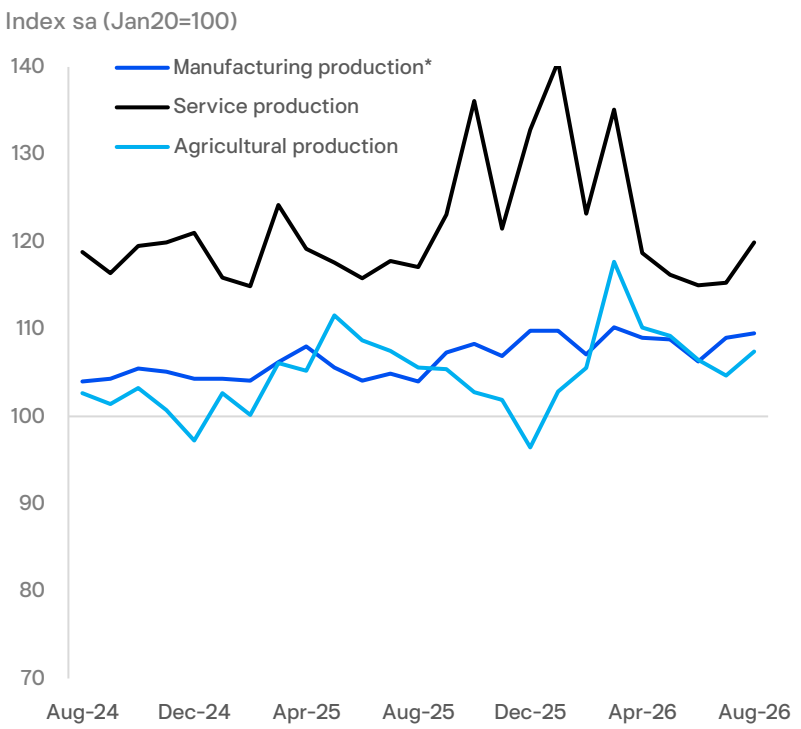


In August 2026, Thailand's economic activity remained firm, supported by continued government stimulus and robust export demand

Demand-side indicators



Supply-side indicators



- In August 2026, overall economic activities remained firm compared to the previous month. Merchandise export and private investment continued to expand, driven primarily by technology-related products. Industrial production activities also rose slightly across several sectors. While private consumption indicators persisted, partly supported by government stimulus measures.
- In the stability front, the headline inflation in September 2026 continued to accelerate due to elevated oil prices, while prepared food prices continued to rise broadly, which resulting in rising core inflation.

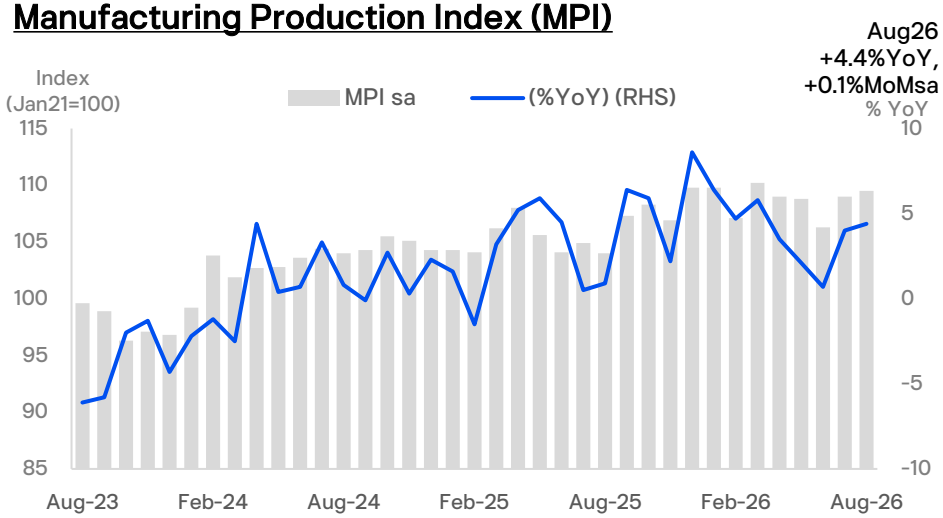
Leading Economic Index (sa) (Jan2020=100)

Leading Economic Index and Components (SA)	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Authorized Capital of Newly Registered Companies (Million Baht)	132.7	126.1	124.5	84.7	76.0	138.7	84.0	110.8	126.4	81.3	85.0	300.9	93.7
Construction Areas Permitted (1000 sq. m)	106.9	114.1	114.6	103.5	120.5	92.5	105.5	107.7	92.4	93.9	97.3	93.8	100.6
Export Volume index (exclude Gold)	126.6	127.7	128.6	132.3	133.7	143.8	140.7	143.7	145.1	143.9	148.8	152.8	152.7
Business Sentiment Index (3 months)	99.8	100.0	100.7	101.9	102.7	99.0	98.8	88.9	81.9	93.7	95.4	102.1	98.4
SET index	81.7	84.2	86.5	83.0	83.2	87.5	100.9	95.6	98.6	103.6	105.1	107.2	105.4
Oil Price Inverse Index (Dubai)	1.4	1.4	1.5	1.6	1.6	1.7	1.5	0.8	1.0	1.0	1.3	1.3	1.1

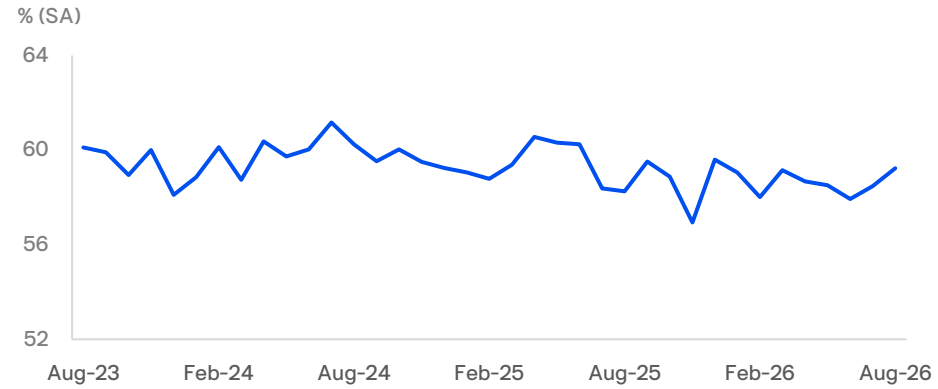
Source: Bank of Thailand and ttb analytics
*Remark: *rebase Jan21 due to OIE new rebase data*

New MPI indicated August's figures rebounded across major industries, led by communication equipment

Manufacturing Production Index (MPI)



Capacity Utilization (CapU)



MPI by sector (base year 2021)

Unit: % YoY

Contribution	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
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)	**0.9**	**6.4**	**5.9**	**2.2**	**8.6**	**6.4**	**4.7**	**5.8**	**3.5**	**2.1**	**0.7**	**4.0**	**4.4**

- As of August 2026, the New Manufacturing Production Index (MPI) (after including high-tech and modern industrial products) showed an improvement compared to the previous month, as reflected by higher communication equipment supported by AI/data center investment and export-oriented production. Production of electronic components and circuit boards including PCBA also rose due to higher US demand. Additionally, automotive production remained robust aligning with strong domestic demand. Meanwhile, production of computer and parts continued to slow after high demand in earlier period. Also, plastic and basic synthetic rubber production declined due to the impact of Middle East tension.

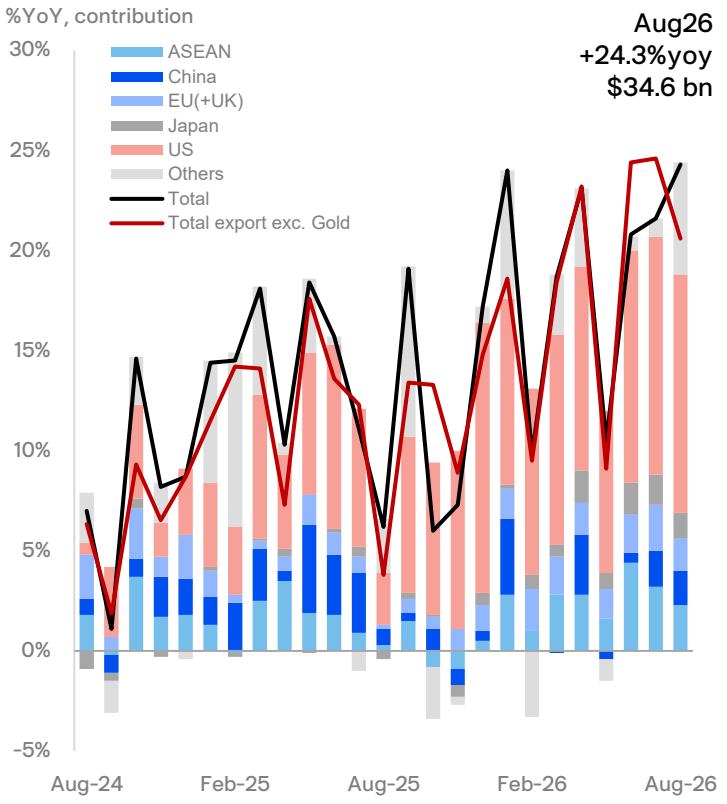
Source: Bank of Thailand, The Office of Industrial Economics and ttb analytics.

Thailand's export growth strengthened in August, led by robust U.S.-bound electronics and fruit exports to China, while weaker imports helped narrow the trade deficit

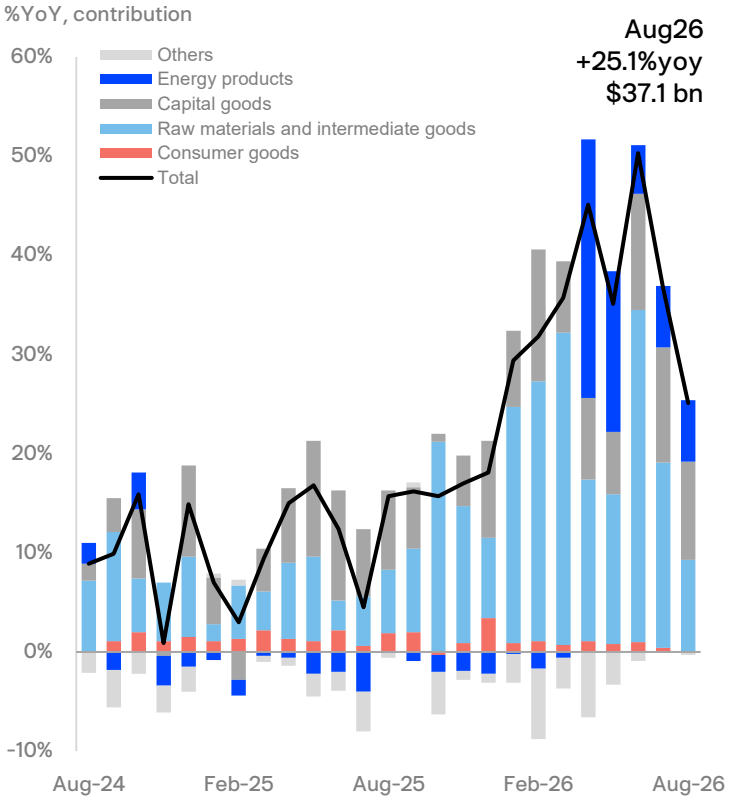
Exports value growth by major product and major destination

Unit: %YoY

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Agri-agro products													
Rice	-30.0%	-31.4%	-38.6%	-18.7%	-27.4%	-23.9%	-5.8%	-19.2%	-12.2%	-16.4%	-17.7%	5.3%	-13.9%
Rubber	-27.9%	-15.4%	-12.5%	-12.0%	-1.9%	-19.3%	-26.2%	-21.6%	-18.1%	-5.3%	12.5%	33.8%	23.2%
Tapioca products	-5.6%	-9.8%	-19.2%	-28.8%	-4.0%	-21.4%	-19.1%	-17.2%	-18.3%	-38.4%	-48.1%	-40.0%	-34.4%
Fresh, Frozen & Dried vegetable and Fruit	-11.0%	-35.6%	-16.4%	-24.5%	12.1%	34.5%	22.2%	-5.4%	52.1%	2.8%	-14.5%	-3.7%	15.4%
Poultry	-3.8%	6.4%	1.2%	-7.4%	14.6%	1.0%	-0.7%	-6.4%	-0.9%	-5.8%	0.6%	-3.3%	6.5%
Sugar	-14.2%	43.4%	8.9%	-10.9%	-8.4%	-36.5%	-52.9%	15.1%	-49.6%	-32.3%	32.7%	-35.1%	0.4%
Animal feeding	-5.6%	2.9%	7.7%	1.1%	18.4%	8.2%	4.7%	4.0%	6.4%	3.1%	22.3%	17.4%	17.5%
Industrial products													
Motor Cars, Parts, Accessories	1.3%	15.4%	14.9%	-5.9%	5.4%	11.3%	7.8%	0.9%	6.8%	-11.4%	6.1%	1.5%	-6.7%
Computer and parts	44.1%	57.9%	67.8%	59.9%	51.5%	68.2%	49.8%	34.2%	68.7%	26.8%	57.4%	63.2%	42.1%
HDD	-6.8%	-7.2%	15.3%	-16.2%	-14.5%	27.3%	-2.3%	-20.2%	37.3%	6.8%	31.7%	88.7%	14.5%
Integrated Circuits	37.0%	8.1%	10.8%	17.1%	14.6%	10.9%	6.3%	7.8%	19.4%	-0.5%	23.2%	35.2%	19.2%
Air Conditioning Machine	-14.0%	-5.9%	-2.9%	-14.6%	8.2%	3.8%	2.0%	1.7%	1.1%	-5.1%	2.2%	-4.9%	11.9%
Refrigerating	22.4%	86.3%	69.9%	25.1%	45.1%	48.3%	24.6%	33.3%	-10.9%	-14.5%	-14.6%	-22.6%	15.3%
Electronic Machines	28.3%	42.6%	38.8%	46.2%	52.8%	67.0%	56.8%	43.8%	64.6%	32.5%	66.0%	67.8%	54.2%
Plastic pallet	-8.7%	-4.3%	-6.6%	-11.4%	-12.2%	-7.5%	-4.4%	-12.9%	14.0%	17.4%	18.4%	16.4%	8.7%
Chemical Products	-8.5%	-0.6%	-5.0%	-13.6%	-4.2%	0.6%	-6.9%	9.7%	6.9%	9.8%	27.8%	14.4%	13.4%
Machinery & Parts	10.2%	11.3%	2.5%	5.1%	22.8%	9.7%	28.4%	16.6%	29.3%	-2.1%	22.6%	21.7%	-2.2%
Rubber Products	-3.1%	7.4%	1.3%	-12.1%	-0.3%	-5.6%	0.6%	5.7%	14.0%	-1.0%	11.4%	8.6%	11.3%
Refined oil	-23.7%	-30.4%	-22.1%	-31.8%	-15.2%	14.9%	-17.8%	24.6%	17.8%	30.1%	80.9%	120.1%	76.9%
Jewelry ex gold	24.4%	16.9%	25.8%	66.7%	-24.3%	4.5%	-30.0%	86.4%	29.5%	3.2%	16.2%	-5.8%	3.2%
Total export	5.8%	19.0%	5.7%	7.1%	16.8%	24.4%	9.9%	18.7%	23.1%	10.6%	20.8%	21.6%	24.3%



Imports value by groups

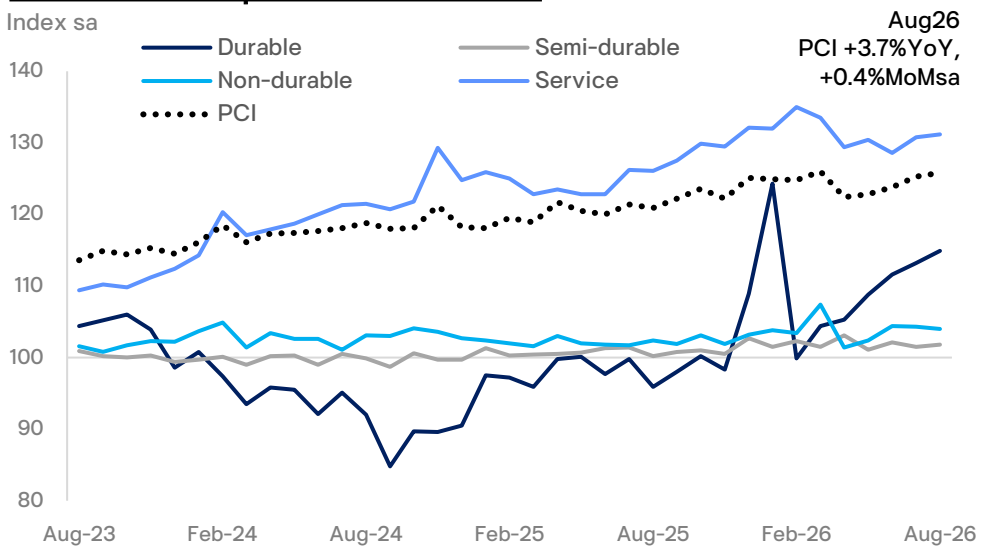


- Thailand's export growth elevated in August 2026. Export to the US remained convincing the growth. These included export of computer and parts and other electronic equipment. Export of agricultural products also elevated in several products, particularly in fruit exports to China, supported by the seasonal supply of produce from southern Thailand. While automotive exports continued to contract due to weaker passenger car shipments to the Oceania and ASEAN. On the other hand, the import growth decelerated across major categories, resulting in lower trade deficit of USD 2.5 billions. (First 8 months of 2026, trade deficit of USD 37.8 billions)

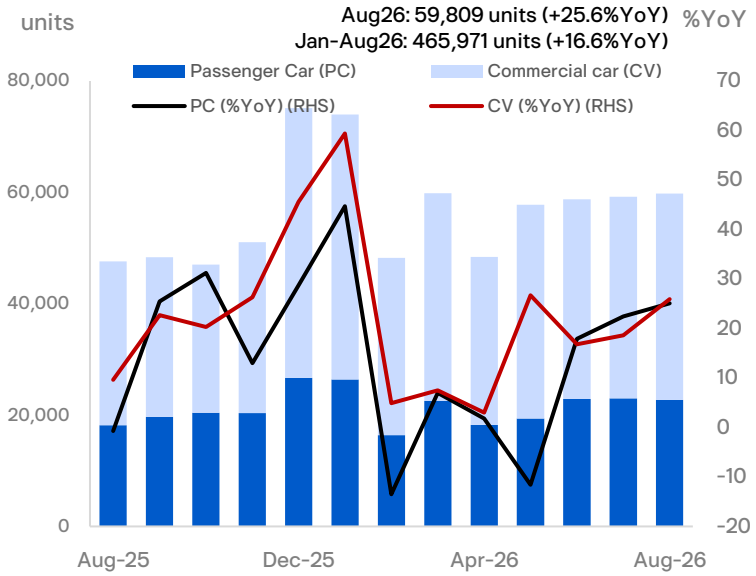
Source: Ministry of Commerce and ttb analytics Remark: Custom basis

Private consumption indicators continued to rise, driven by strong support of service-related activities and domestic vehicle sales

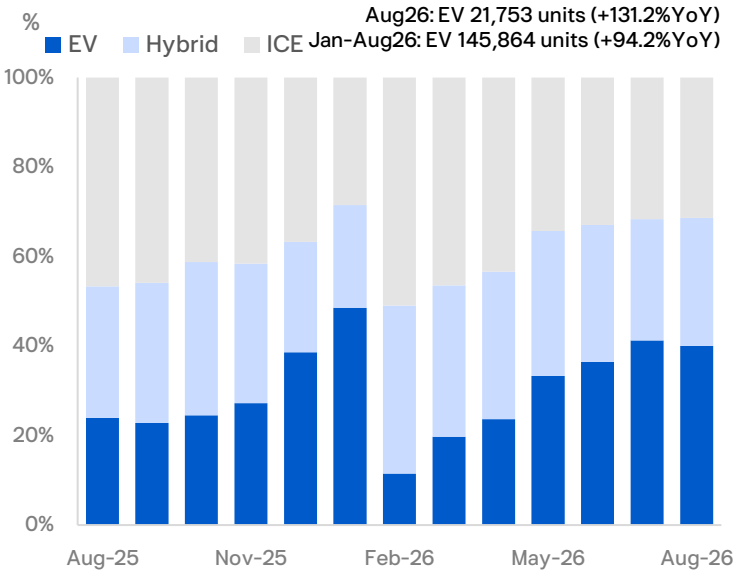
Private Consumption Indicators (SA)



Domestic car sales**

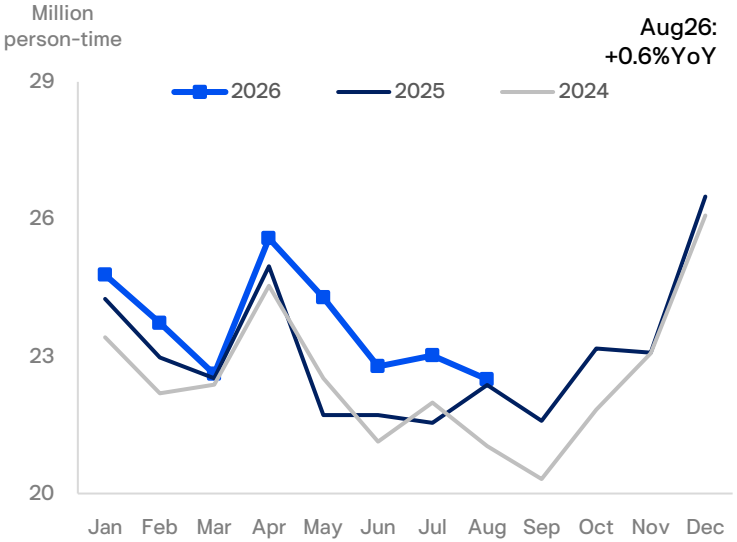


EV penetration of type 1 registration

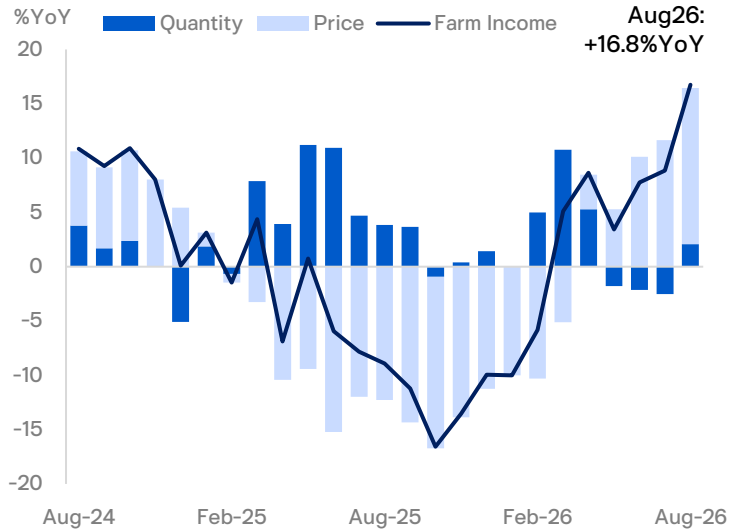


- Private consumption indicators continued to rise but at a slower pace compared to the preceding periods, driven mainly by persistently high spending on durable products, reflecting strong sales of passenger cars and motorcycle. Service spending also increased from revenue of foreign arrivals in contradict with lower domestic visitors aligning with long holidays in earlier month. While non-durable purchase persisted due to continuing government support measures.
- Farm income growth in August accelerated to reach its highest level since November 2022, as mainly from price effect. Specifically, prices of palm oil increased remarkably as supported by prolonged drought conditions limited supply availability in the market amid strong demand from both energy and food industries. Cassava prices also increased as domestic supply remained tight.

Thai domestic visitors*



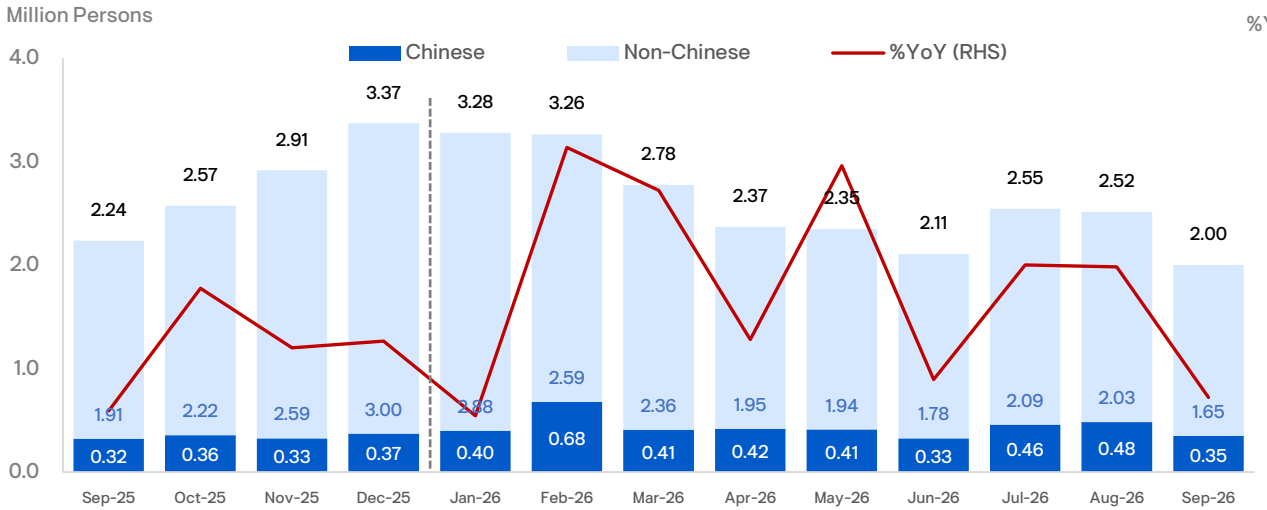
Farm Incomes



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,*

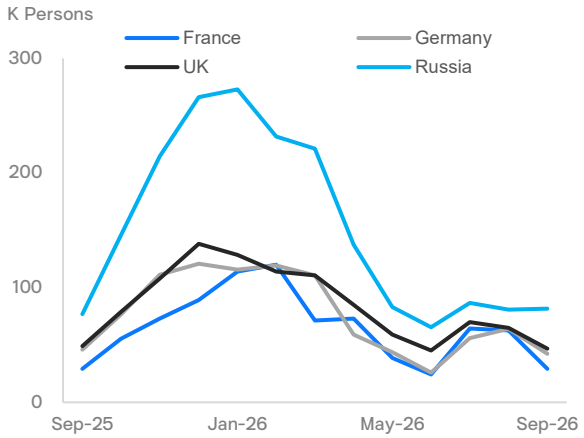
Tourist arrivals declined remarkably compared to previous month

Total Foreign Tourist Inbounds

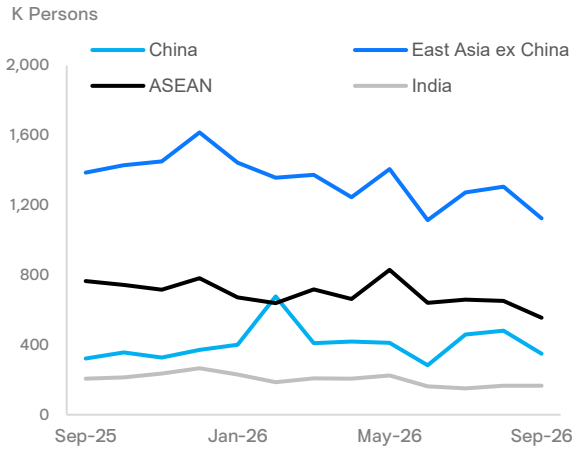


Foreign Tourist Inbounds by key regions

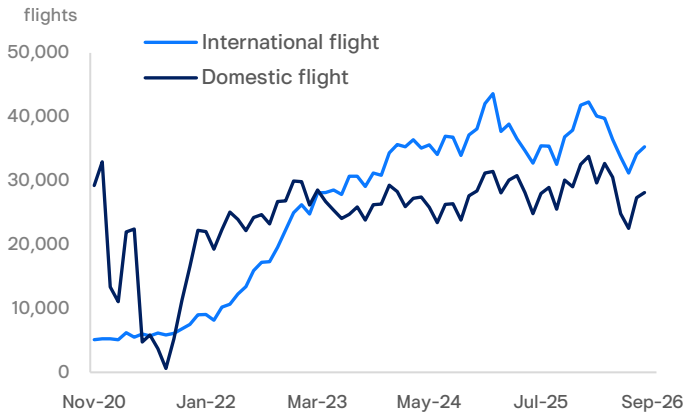
Europe



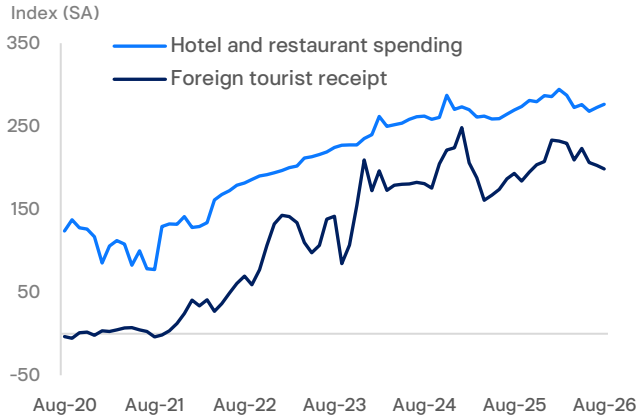
East Asia and India



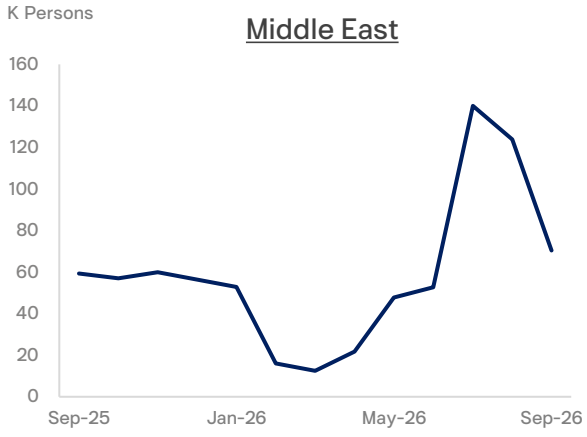
Number of flights via Thailand's airports (total)

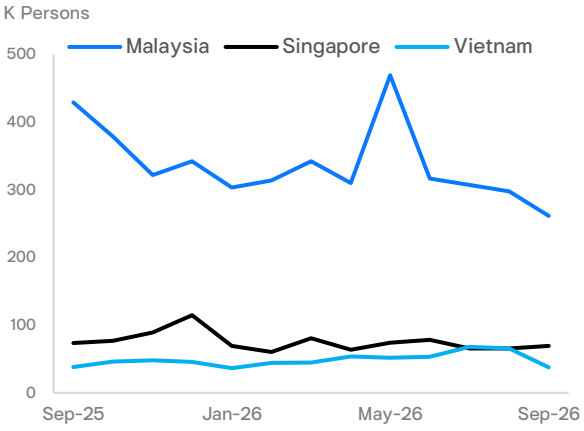


Tourism spending indicators



Middle East



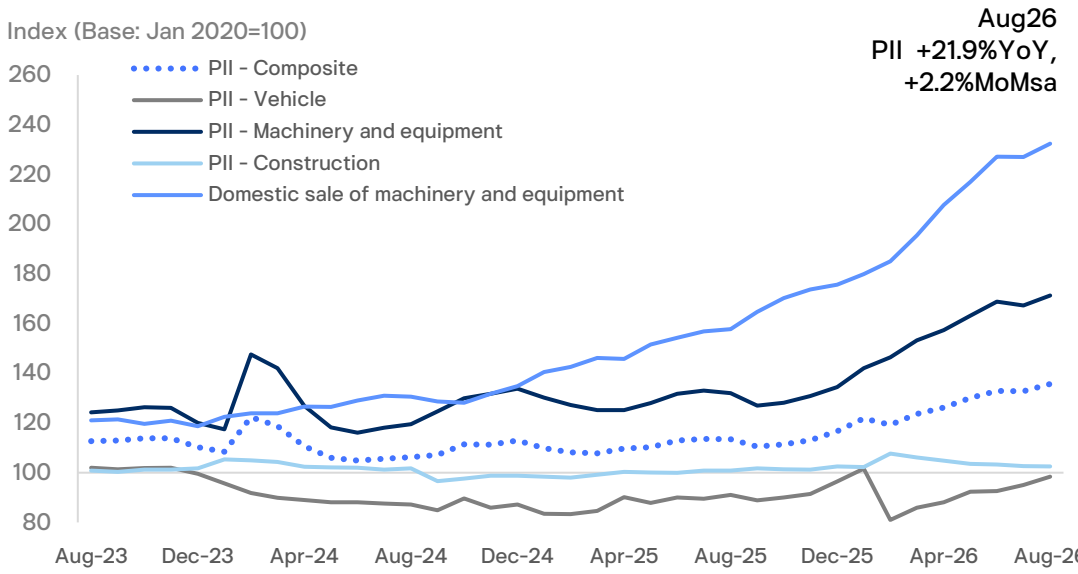


- In September 2026, foreign tourist arrivals dropped remarkably compared to the previous month due to both long-haul and short-haul tourist arrivals. Long-haul markets declined after accelerating in the previous month particularly in European and Middle East countries. Tourists from China also declined while tourists from neighboring countries remained contained.

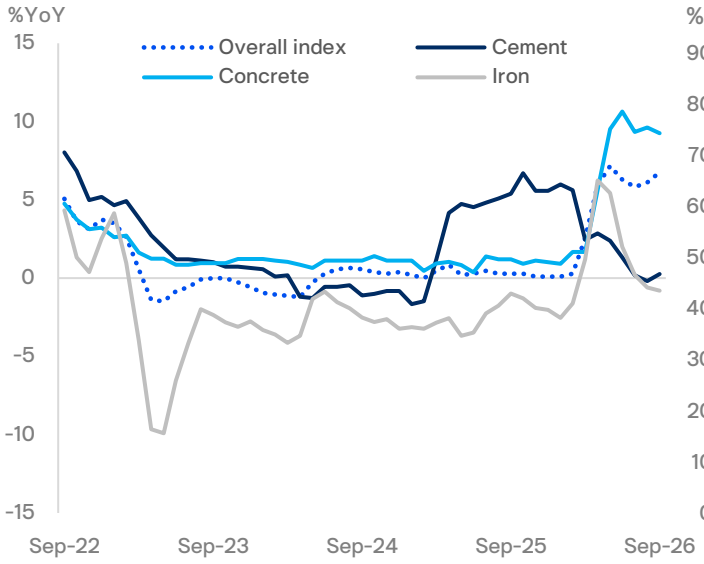
Source: CEIC, TAT Intelligence Center and ttb analytics Remark: 1/ Preliminary data due to an error in the foreign tourist statistics data collection system during 22–25 June 2026

Private investment remained robust across several categories, supported by AI-related investment alongside easing Middle East tensions reinforcing BSI confidence

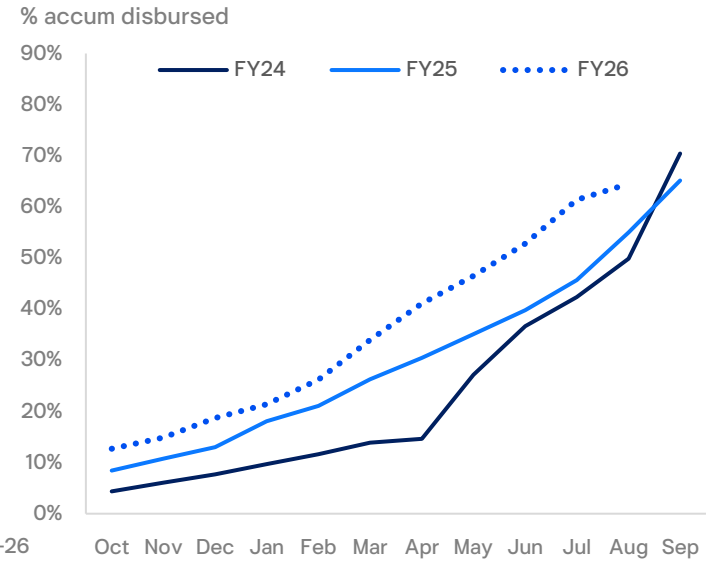
Private Investment Indicators (SA)



Construction Material Price Index (CMI)

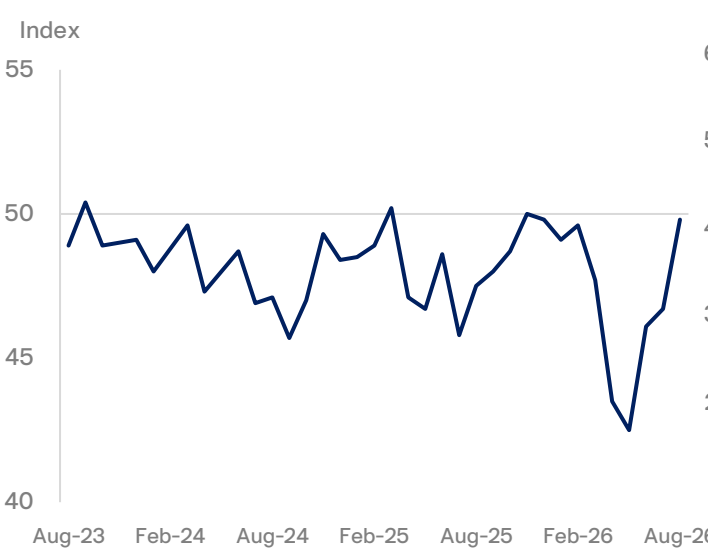


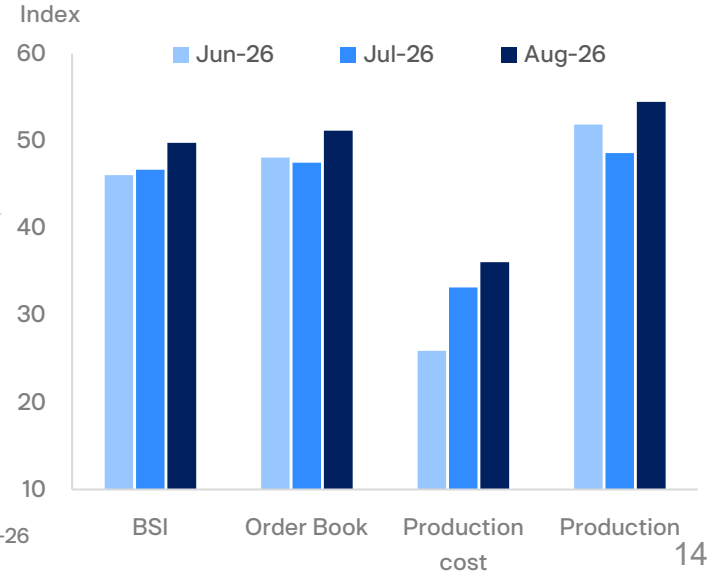
Accumulated govt capital budget disbursement



- Private investment indicators increased from the previous month, driven by higher investment in machinery and equipment, particularly for electrical machinery and equipment, and medical equipment, while imports of capital goods increased, led by computers and office equipment. Investment in vehicles also increased. Meanwhile, construction investment edged down, reflecting weaker non-residential construction.
- BSI in August 2026 showed an improvement in several sub-categories led by non-manufacturing sectors due to the return of foreign tourist arrivals, supported by the coming of high-season and easing of tensions in the Middle East. While indices from manufacturing sector edged down from US tariff concern.

Business Sentiment Index (BSI)

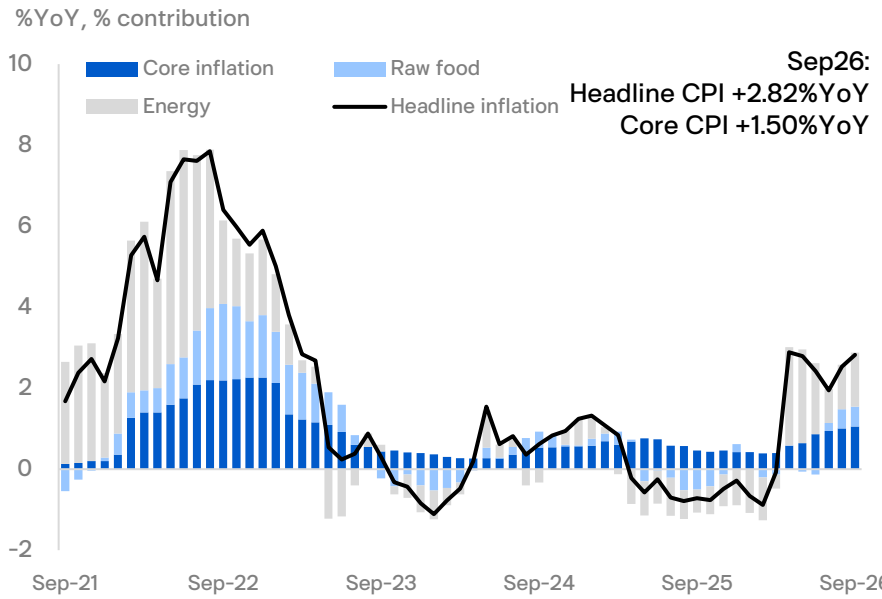




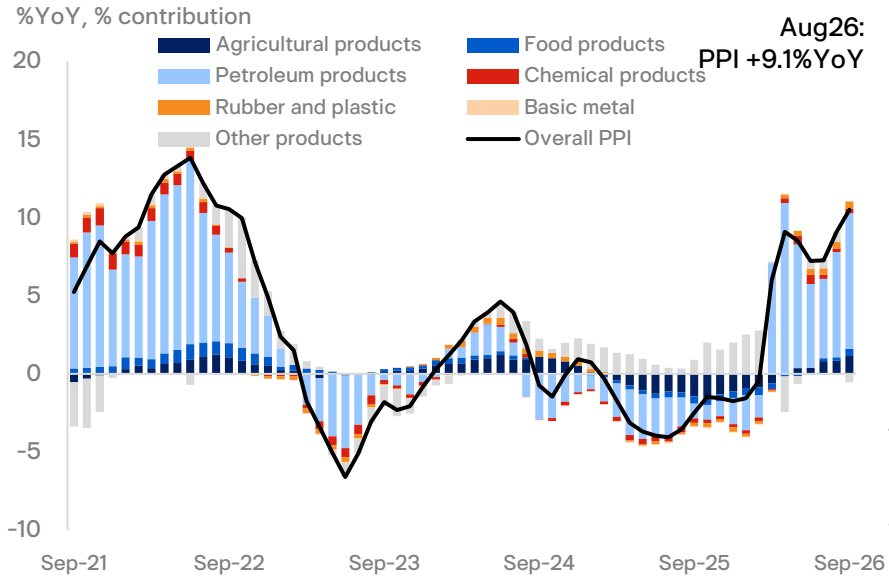
Source: Bank of Thailand and ttb analytics.

Headline inflation accelerated in September 2026, driven mainly by higher fuel and food prices, while core inflation edged up on broader underlying price pressures

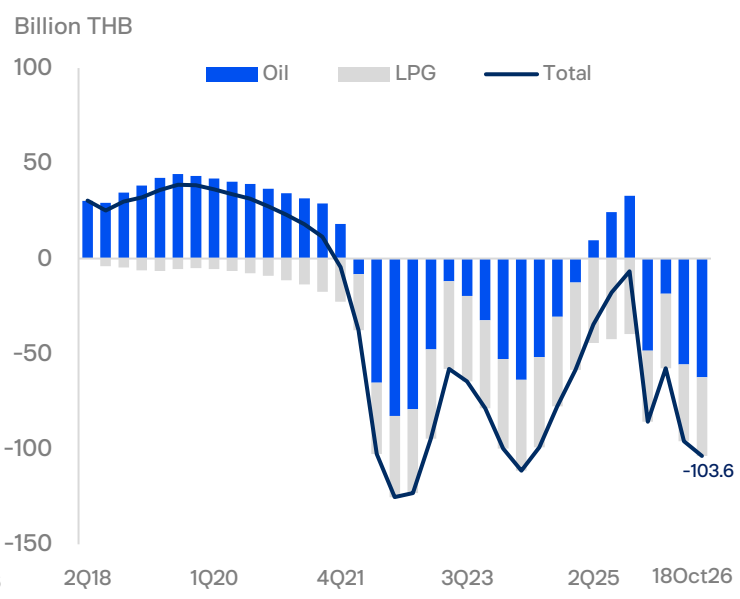
Inflation contribution to growth



Producer Price Index (PPI) contribution to growth



Estimated Oil Fund Position



Price change in top categories

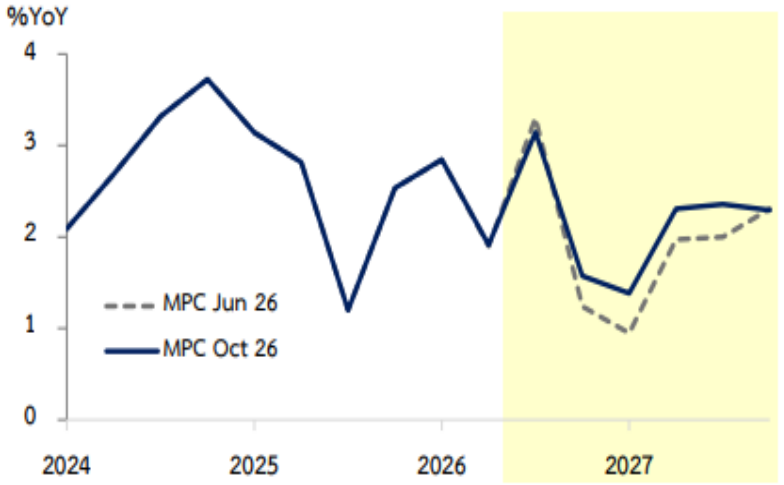
%YoY	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Headline inflation	-0.72	-0.76	-0.49	-0.28	-0.66	-0.88	-0.08	2.89	2.79	2.42	1.95	2.53	2.82
Raw food	-2.89	-2.44	-0.78	1.19	0.01	-1.18	-0.78	0.04	-0.34	-0.75	1.14	2.73	2.83
Prepared food	1.99	1.67	1.74	1.96	1.73	1.54	1.68	2.31	2.63	3.05	3.25	3.72	3.82
Meat and Poultry	1.71	-0.05	0.09	0.83	0.72	-0.72	-0.58	-1.62	-3.13	-3.24	-2.14	-0.30	1.47
Eggs and dairy products	-3.78	-3.74	-3.79	-2.14	-1.73	-2.92	-0.49	3.18	0.65	1.23	2.17	5.16	3.76
Utilities	-2.09	-2.11	-2.11	-3.15	-4.67	-4.66	-3.14	-0.16	-0.39	-0.39	-0.44	-0.44	-5.34
Energy	-4.46	-5.40	-6.11	-6.98	-8.41	-8.29	-2.76	18.87	18.09	13.70	6.54	8.59	10.45
Core inflation	0.65	0.61	0.66	0.59	0.60	0.56	0.57	0.83	0.92	1.23	1.34	1.44	1.50

- Headline inflation (CPI) continued to accelerate in September 2026, rising to 2.82%YoY from 2.53% in the previous month. The increase was mainly driven by elevated domestic fuel prices as higher global crude oil prices and intensified Middle East energy-security risks. Food inflation also remained firm, reflecting higher prepared food prices from rising production costs, while fresh food prices increased as adverse weather conditions constrained some agricultural output. Meanwhile, core inflation edged up, suggesting a modest broadening in underlying price pressures
- Producer Price Index (PPI) also elevated to its highest level since August 2022, supported mainly by higher prices of petroleum-related products (e.g., crude oil and natural gas) including prices of rubber and plastic products. Moreover, prices of agricultural and fishery products also edged up due to base effect and lower supply available in some products.

Source: Ministry of Commerce, CEIC and ttb analytics

The MPC unanimously held the policy rate steady, maintaining an accommodative stance to support the uneven recovery despite a broader hawkish shift among major central banks

GDP growth projection

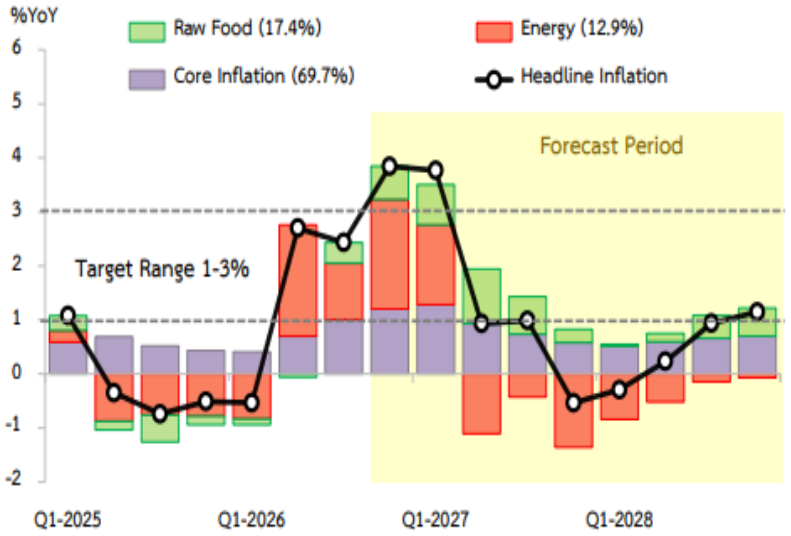


%YoY	2025	2026F	2027F
MPC Jun 26	2.4	2.3	1.8
MPC Oct 26		2.4	2.1

Note: F = Forecast

Source: NESDC; estimates by the Bank of Thailand based on historical GDP figures, which have not incorporated the latest Manufacturing Production Index (MPI) revision.

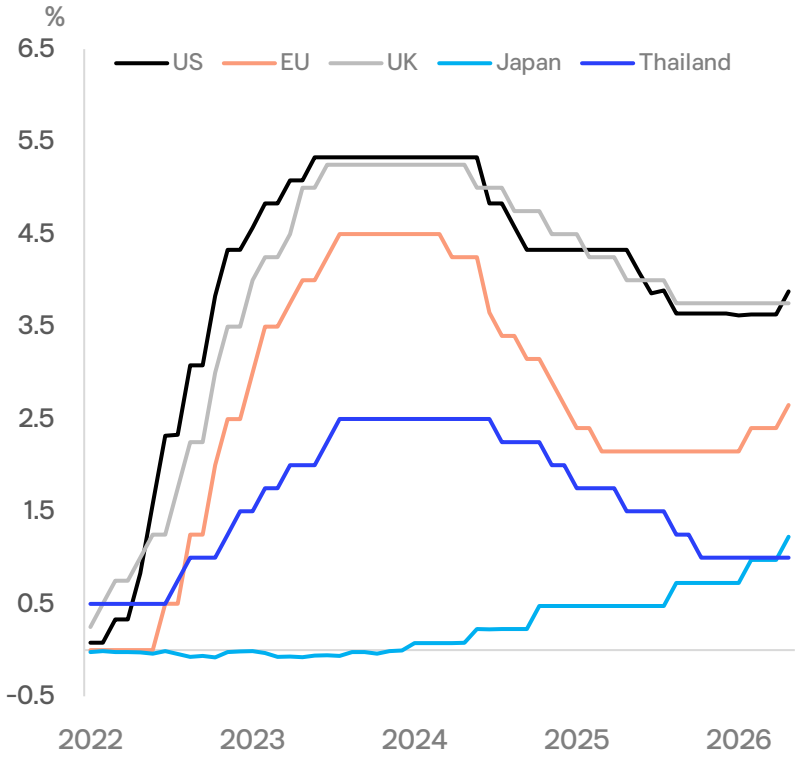
Inflation



Forecast (%YoY)	2026F	2027F
Headline Inflation	2.1 (2.8)	1.3 (1.4)
Core Inflation	1.2 (1.5)	1.3 (1.4)

Note: ( ) denotes the forecast as of Jun 2026 MPC

Key central banks' policy rate



- In the 5/2026 meeting, MPC held the policy rate at 1.00% for the nine consecutive months, maintaining an accommodative stance to support the uneven recovery despite the upward GDP growth revision, which projected at 2.4% in 2026 and 2.1% in 2027, driven by exports and AI-related investment, though growth remains below potential. Credit growth improved on large corporate lending, while SME loans continued to contract. On the other hand, headline inflation is projected at 2.1% in 2026, driven temporarily by energy prices and El Niño, before easing to 1.3% in 2027. The baht weakened amid a hawkish U.S. policy outlook and higher oil prices, while hawkish global monetary policy outlook raises capital-outflow and THB depreciation risks.

Source: BOT, CEIC and ttb analytics

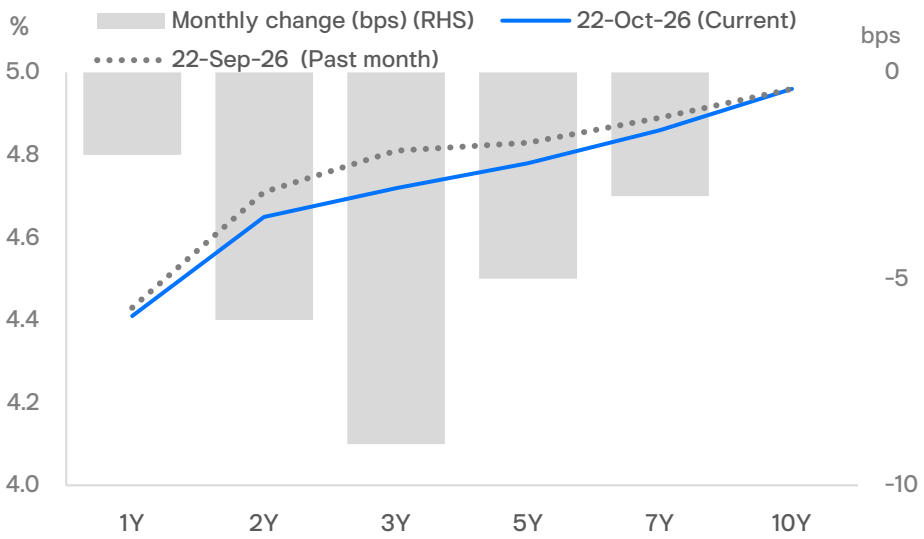
PART 3

Financial Market

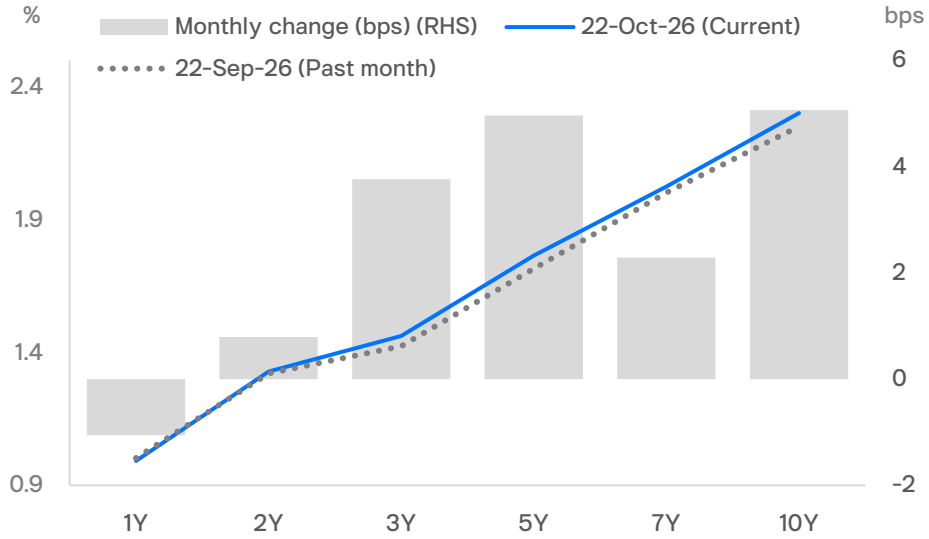


Global bond yields dipped across the curve amid escalating political and fiscal turmoil across European sovereign debt bourses

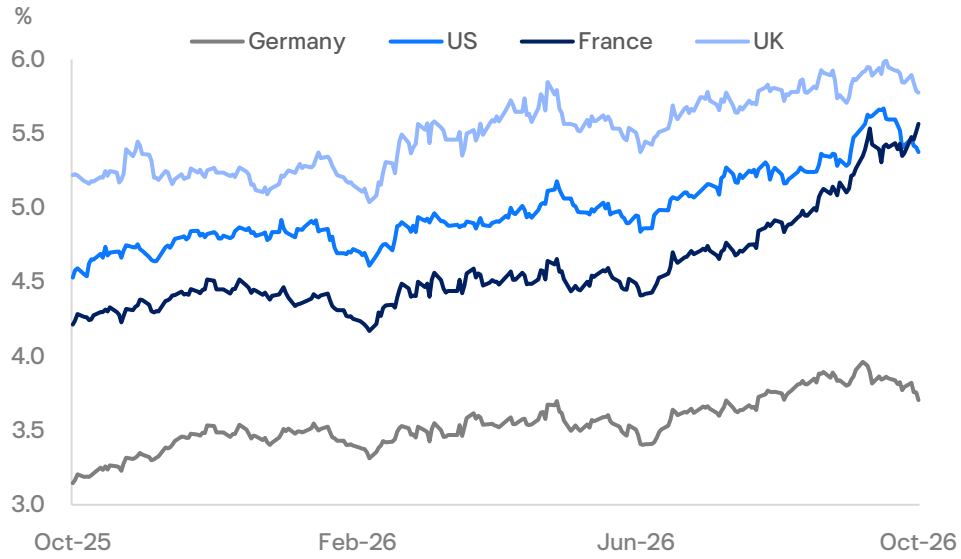
US government bond yield curve



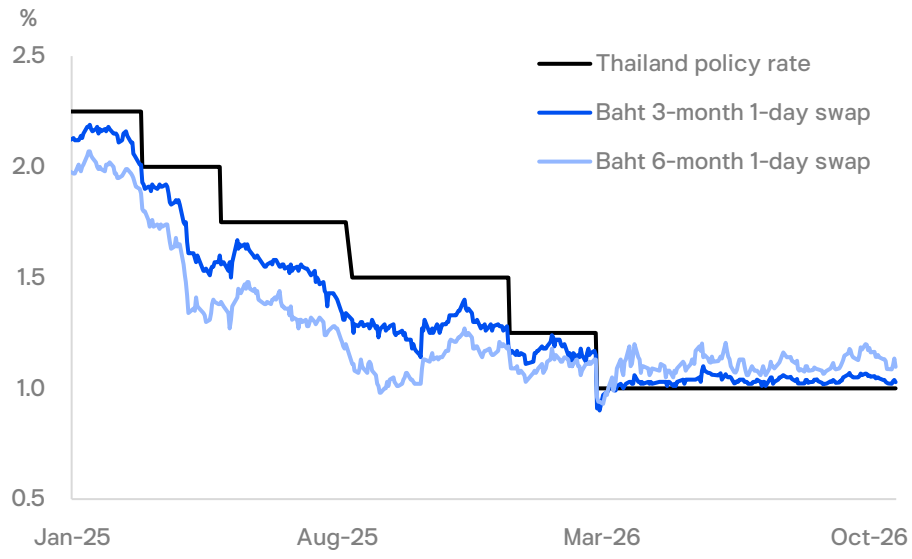
Thailand government bond yield curve



30-year bond yields of major countries



Thai policy rate and market expectation

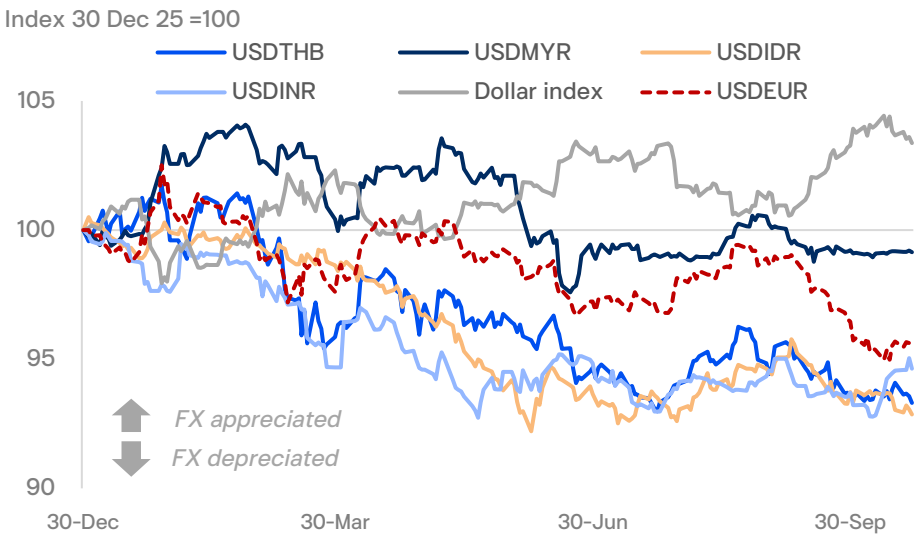


- US Treasury yield curve remained relatively steepening and fell across the curve compared to the previous month, with falling short-term yields after soften labor data and no upside inflation surprises reduced expectations for a Fed hike in October's meeting. Meanwhile, 10-year US yield also dipped below 5% mark due to safe-haven demand from elevated AI spending concerns and escalating political and fiscal turmoil across European sovereign debt bourses.
- Thai bond yields curve also tracked the global moves, particularly at the long end. Meanwhile, the front end remained relatively anchored as markets expect the central bank to keep rates steady for the rest of the year amid refreshing new MPI data supported upside GDP in the Q3, which will be released on mid-November.

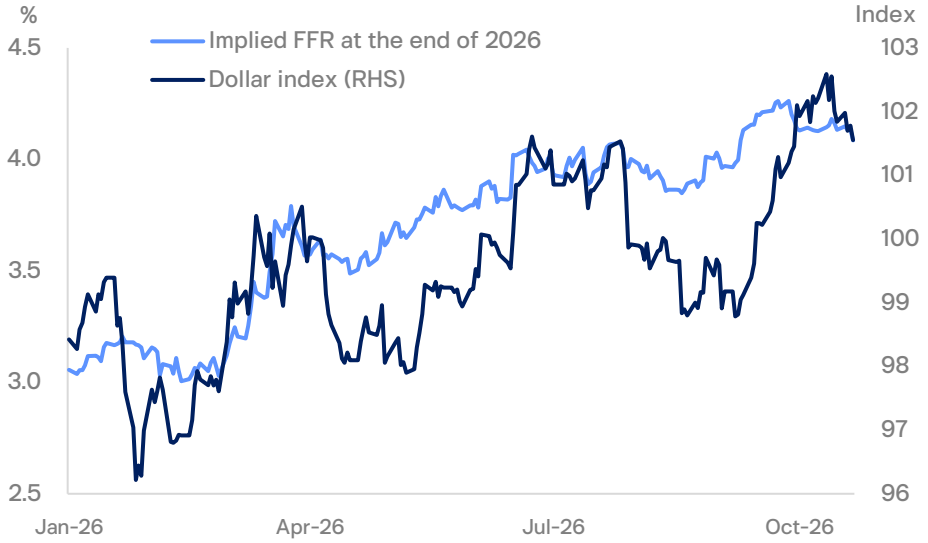
Source: Bloomberg, CEIC, and ttb analytics (Data as of 22 Oct 26)

The dollar strengthened as re-escalated Middle East tension and European sovereign debt concern, while the Thai baht edged lower among peers toward month-end, partly reflecting lower gold prices

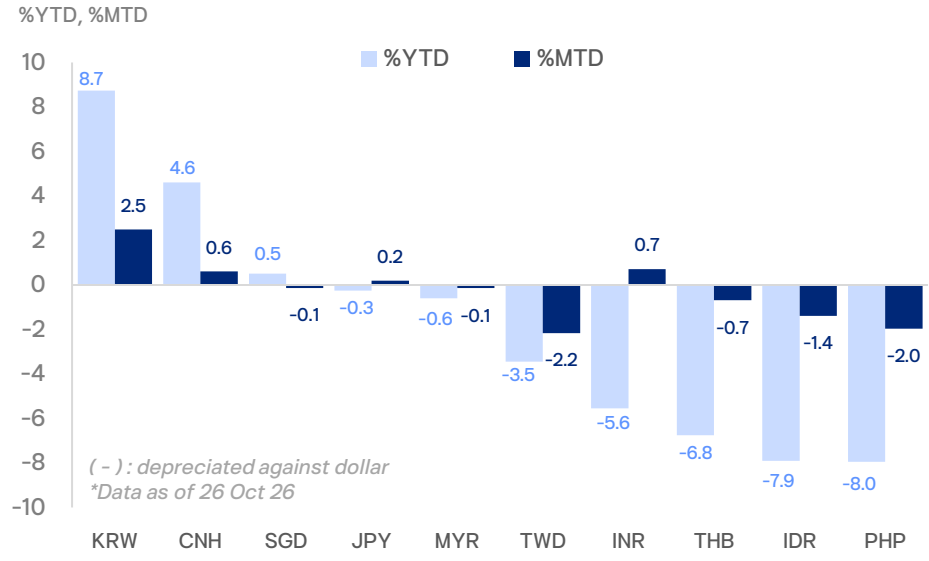
FX movement in 2026



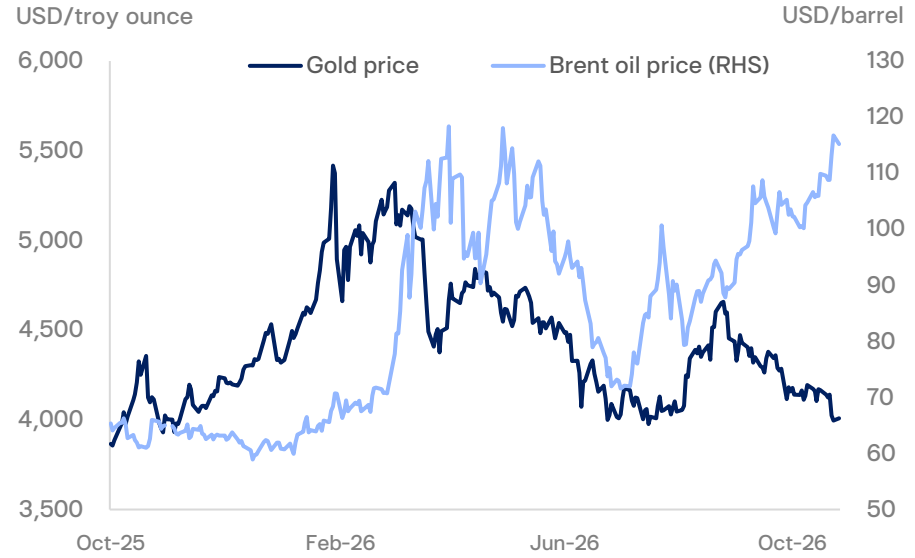
Dollar index and Fed expectations



Selected FX spot return against US dollar



Gold price and brent oil price movement



- The U.S. dollar strengthened, with the index climbing over 102 level, reaching 18-month high as supported by political turmoil and a mounting debt crisis in France continue to weigh heavily on the euro amid softer economic and labor data despite lingering inflation risks from Middle East tensions. Traders are pricing in more than 90% chance of the Fed standing path this month, up from 50% a month earlier, according to the CME FedWatch tool.
- The Thai baht turned sideway, alongside regional peers before drove weaker during end of the month. The depreciation was largely driven by rebounded US dollar, in contradict to decline in gold prices and safe-haven bond demand. Looking ahead, the baht remains exposed to appreciation moves toward the remaining of the year, in line with seasonal patterns and upside Thailand's economic backdrop. However, gold prices are likely to remain a key swing factor, with further declined potentially supporting baht depreciation.

Source: Bloomberg and ttb analytics (Data as of 26 Oct 26)


ttb
analytics