

THAI ECONOMIC AND FINANCIAL UPDATE

for July 2023

Highlight:

Thailand's economic recovery remained on track. Private spending continued to grow from both consumption and investment. Public spending also expanded due to higher current and capital expenditure. The number of foreign tourists continued to grow, while exports have not yet recovered well.

LH BANK

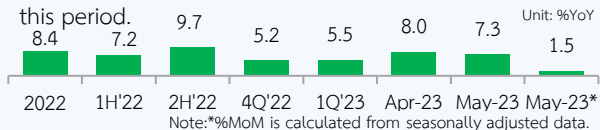


BUSINESS RESEARCH



Private Consumption

Private consumption indicators after seasonal adjustment increased from the previous month, mainly due to spending on non-durable goods, especially in consumer goods. This was partly attributed to activities during the election period, a postponement of the income transfer for the state welfare cardholders from the previous month, as well as a long holiday in this period.



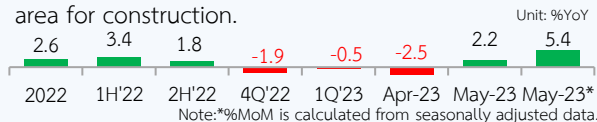
Farm Income

Total farm income declined in May, mainly due to low durian production and weak rubber, palm kernel, and livestock prices.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Apr-23	May-23	Apr-23	May-23	Apr-23	May-23
Agriculture	3.4	-9.0	-7.4	-2.6	11.7	-6.6
Paddy	31.9	34.2	16.9	12.4	12.8	19.3
Rubber	-20.4	-32.3	-29.3	-27.9	12.6	-6.1
Durian	20.3	-17.1	-40.8	42.5	103.3	-41.8
Palm kernel	-45.0	-46.3	-42.3	-47.7	-4.5	2.8
Swine	0.9	-10.0	-4.3	-16.5	5.5	7.8

Private Investment

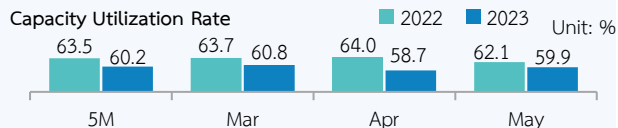
Private investment indicators after seasonal adjustment rose from the previous month, in line with rising investment in machinery and equipment. In addition, there was a high level of imports of computers, related equipment, and aircrafts as well as an increase in investment in construction, both in terms of sales of construction materials and permitted area for construction.



MPI and Capacity Utilization (Cap-U)

MPI continued to decline in response to lower demand from trading partners. The production of petroleum products declined due to the temporary refinery shutdown for maintenance.

MPI (%YoY)	2022	1Q'23	Apr-23	May-23	%MoM
Overall MPI	0.4	-3.7	-8.7	-3.1	14.2
Petroleum	8.7	7.4	1.9	-2.0	-2.0
Food	2.2	1.0	-6.6	-1.3	13.8
Electrical appliances	-5.9	-9.2	-19.8	-12.1	26.0



Exports

- In May, exports dropped for the eight consecutive month as economic uncertainty among trading partners weighed on trade. Shipments of agricultural products contracted 27%YoY, while shipments of industrial products expanded 1.5%YoY.
- In 5M23, Thai exports fell by 5.1%YoY to USD 116.3 bn. Shipments to China registered a decline of 5.5 %YoY, in line with signals that the Chinese economy has begun to lose its recovery momentum.

Market	Share (%) Jan-May 23	Jan-May 2023		May-23	
		USD Mn	%YoY	USD Mn	%YoY
Total	100.0	116,344	-5.1	24,341	-4.6
ASEAN	24.0	28,044	-7.4	5,832	-7.8
U.S.A.	17.4	18,916	-3.3	4,237	4.2
China	11.8	14,314	-5.5	2,878	-24.0
EU	9.7	11,212	0.9	2,361	9.0
Japan	8.8	10,360	-2.0	2,134	-1.8
Australia	4.1	4,281	-3.9	1,001	15.8

Commodity Price & Exchange Rate	Jan-May 2023		May-23	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	79.5	-20.5	75.1	-30.7
Gold price (USD/troy oz)	1,931.4	2.7	1,992.1	7.8
Exchange rate (THB/USD)	34.1	1.7	34.3	-0.5
NEER index	120.2	3.1	120.6	3.7

Domestic Vehicle Sales

In May, new passenger car sales rose by 29.4%YoY to 25,985 units, thanks mainly to the continued demand for eco-cars. On the other hand, sales of commercial vehicles declined by 12.4%YoY to 39,103 units, while sales of 1-tonne pickups fell by 23.3%YoY to 22,427 units, due to tighter lending standards. Banks and non-banks are concerned about consumer purchasing power, worrying that buyers of commercial vehicles and pickup trucks will not be able to pay off debt.

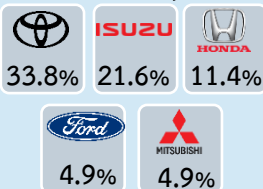
Domestic vehicle sales, 5M2023

Total Vehicle Sales



341,691 Units
-4.9%YoY

Market Share By Brand



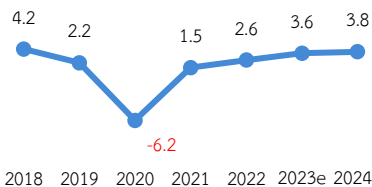
By Model

- 1 Isuzu D-Max 20.3%
- 2 Toyota Hilux 16.4%
- 3 Toyota Yaris 7.6%
- 4 Honda City 6.5%
- 5 Ford Ranger 4.2%

In the first five months of 2023, domestic car sales fell by 4.9% YoY to 341,691 units, as a result of sales of commercial vehicles, including pickup trucks, that have continued to decline following tighter controls on financing. By model, Isuzu D-Max commanded the largest market share at 20.3%, followed by Toyota Hilux (16.4%) and Toyota Yaris (7.6%).

Domestic Vehicle Sales by Body Type	Jan-May 2023		May-23	
	Unit	%YoY	Unit	%YoY
Passenger car	123,754	6.4	25,985	29.4
Commercial car	217,937	-10.3	39,103	-12.4
Pickup 1 ton	127,546	-22.6	22,427	-23.3
SUV	45,490	32.2	8,411	21.4
Other	44,901	2.5	8,265	-2.6
Overall	341,691	-4.9	65,088	0.5

Thai GDP Forecast by BOT (%YoY)



%YoY	2021	2022	2023e	2024e
Private Consumption	0.3	6.3	4.4	2.9
Government Consumption	3.2	0.2	-2.8	1.1
Private Investment	3.3	5.1	1.7	4.9
Public Investment	3.8	-4.9	2.5	6.8
Value of Merchandise Exports	18.8	5.5	-0.1	3.6
Headline Inflation (%)	1.2	6.1	2.5	2.4

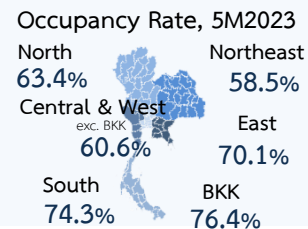
Tourism

Nearly 11 million foreign tourists visited Thailand from January to May, with the majority of visitors coming from Asian nations such as Malaysia, China and Russia. During this period, despite China relaxing its strict Covid-19 measures earlier this year, Malaysia surpassed China as Thailand's largest tourism source market, accounting for more than 15.9% of foreign visitors to Thailand.

International tourist arrivals, 5M2023

No. of Foreign Arrivals	Total Revenues	Top 5 Nationalities Visiting Thailand
10,673,490 Persons +713.6%YoY	457,738 THB Mn +588.7%YoY	
		Malaysia 15.9% China 10.6% Russia 6.9% S.Korea 6.0% India 5.7%

The average hotel occupancy rate nationwide was 69.3% in the first five months of 2023, driven by the significant increase in both Thai and foreign tourists. In May, the region with the highest occupancy rates was the Southern part as the sea was cited as the most popular attraction among foreign tourists.



Export of Goods

For May 2023

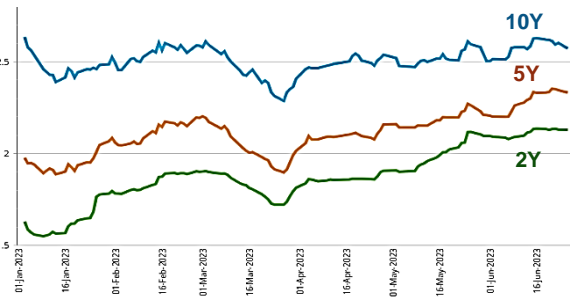
Major products	Share Jan-May 2023 (%)	Jan-May 23		May-23	
		USD million	%YoY	USD million	%YoY
Total exports	100.0	116,344	-5.1	24,341	-4.6
Agriculture	9.7	11,309	-2.1	2,312	-27.0
- Rice	1.6	1,896	30.6	460	84.6
- Rubber	1.3	1,485	-38.1	273	-37.2
- Tapioca	1.5	1,762	-19.1	295	-41.7
- Fruits	2.7	3,125	20.6	618	-54.8
- Fishery	0.5	619	-6.5	150	9.7
Agro-industrial	8.4	9,791	-0.4	2,134	-0.6
- Prepared or preserved seafood	1.2	1,410	-9.2	311	-7.6
- Cane sugar and molasses	1.7	1,942	28.4	470	43.7
- Wheat products and other food preparations	0.8	987	-4.0	211	0.8
- Beverages	0.8	875	4.8	204	10.3
Manufacturing	78.1	90,873	-5.4	19,012	1.5
- Automotive	13.6	15,778	3.6	3,314	7.2
- Electronics	15.3	17,827	1.8	3,753	5.5
- Electrical appliances	10.8	12,588	0.2	2,623	3.4
- Precious stones and jewelry	5.7	6,582	-13.6	1,043	2.8
- Unwrought gold	2.6	2,971	-30.9	247	-3.8
- Rubber products	4.8	5,626	-6.4	1,188	-6.0
- Petro-chemical products	3.2	3,734	-25.1	778	-21.4
- Chemicals	3.0	3,480	-18.7	789	-5.0
- Machinery & equipment	2.9	3,410	-7.5	708	-7.6
- Apparels & Textile	2.2	2,531	-13.6	549	-9.2
- Metal & steel	2.3	2,693	-11.7	602	-6.3
Mining & Fuel	3.8	4,372	-15.2	883	-39.9

Products	May-23	
	USD million	%YoY
Automotive	3,314	7.2
- Passenger car	964	3.9
- Pick up and trucks	675	14.7
- Motorcycle	334	22.9
- Spark-ignition reciprocating internal combustion	325	-11.6
- Parts & accessories	892	8.5

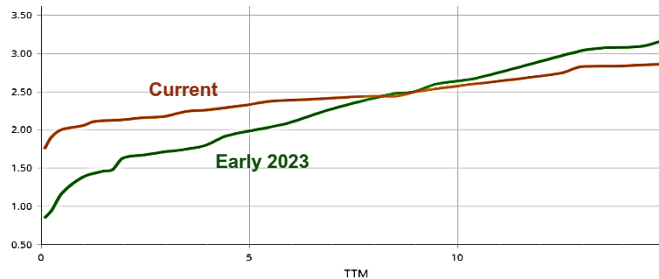
Products	May-23	
	USD million	%YoY
Electronics	3,753	5.5
- Computer parts	1,455	-4.8
- HDD	623	-28.8
- Electronic integrated circuits	817	4.5
- Telecommunication	403	-17.9
- Semi-conductor devices, transistors, diodes	469	87.7

Thai Fixed Income Market

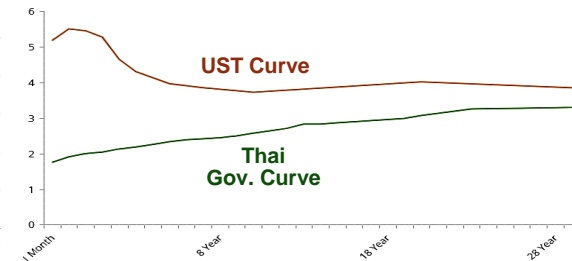
**YTD 2023
Movement of Thai Government Bond Yield**



**Shift in Thai Government Yield Curve
Beginning of 2023 versus Current**

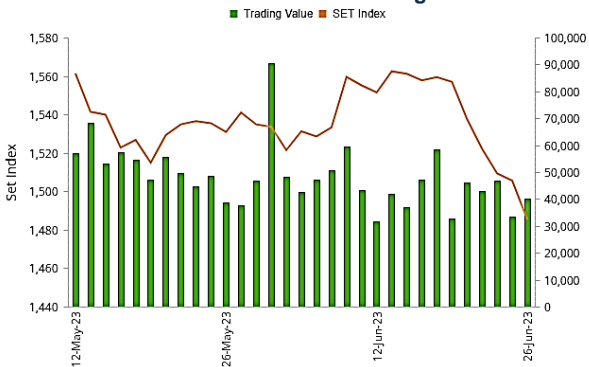


**Thai Government Yield Curve versus
US Treasury Yield Curve**

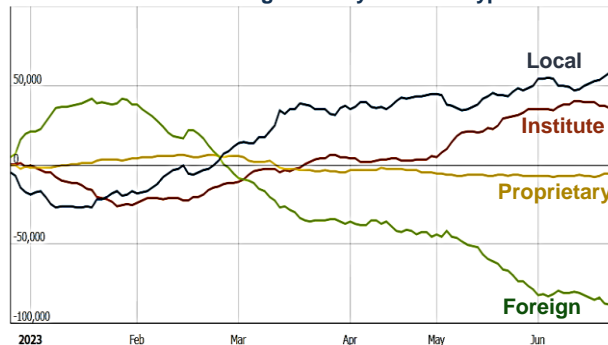


Thai Equity Market

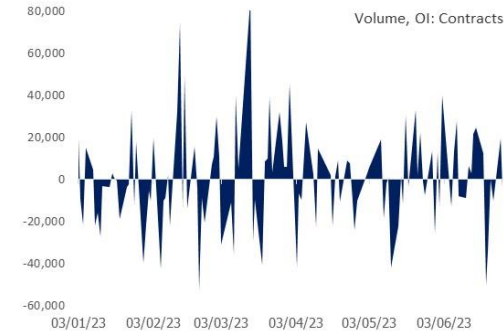
SET Index Movement & Trading Value



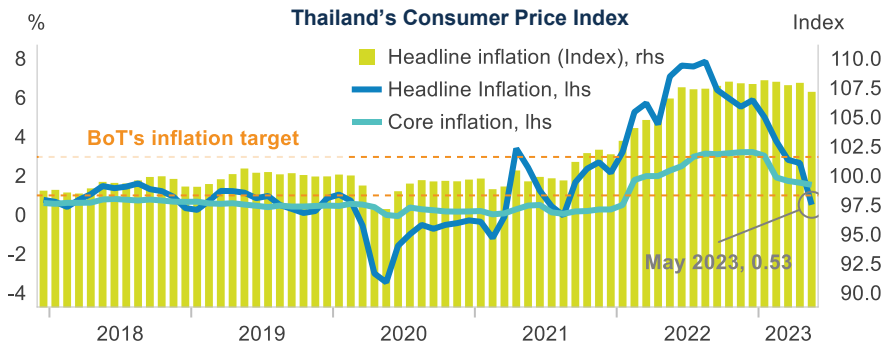
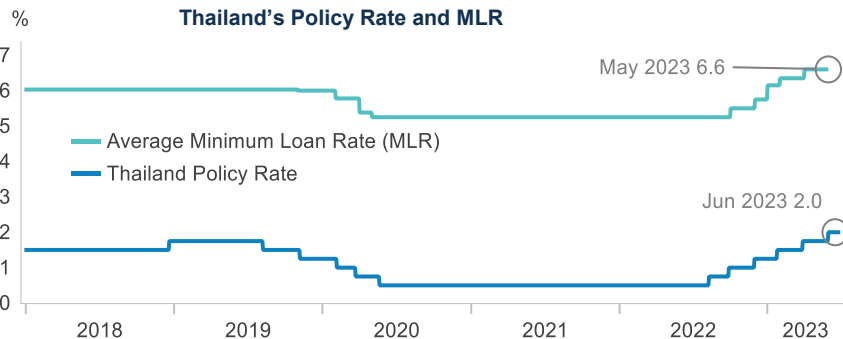
YTD - SET Trading Value by Investor Type



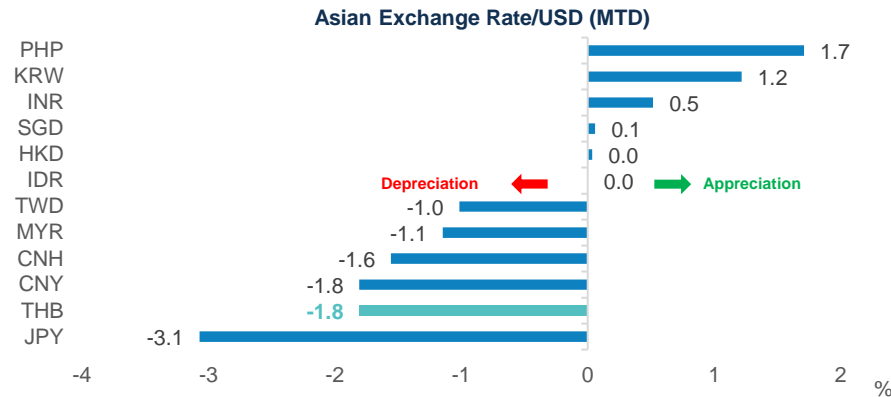
YTD - TFX Net Volume of Foreign Investor



Policy Rate and Inflation



Exchange Rate



End of Presentation

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