



THAI ECONOMIC AND FINANCIAL UPDATE

for June 2024

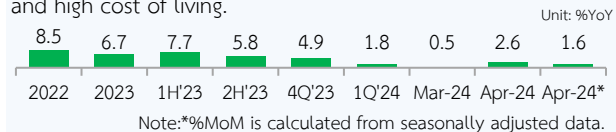
Highlight:

The Thai economy improved from the previous month with a continued expansion in the service sector. This was driven by an improvement in tourist arrivals. On the domestic demand side, both private consumption and investment picked up after a slowdown in the previous period. Exports of goods increased in several categories, in line with higher manufacturing production. However, government spending continued to contract due to the delay of the Budget Act, B.E. 2024.



Private Consumption

Seasonally adjusted private consumption indicators rose from the previous month, as spending on services increased in line with the recovery of the tourism sector, coupled with a long holiday. Non-durable goods increased in line with sales of consumer goods, while durable goods increased partly due to the delivery of car sales from the Motor Show. Consumer confidence has declined due to the slow economic recovery and high cost of living.



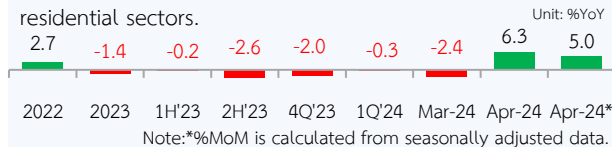
Farm Income

Farmers' incomes continued to grow, driven by the prices of agricultural products, particularly durian, rubber and sugarcane. This was partly due to tight global supply resulting from the impact of El Niño, which led to a decline in agricultural production.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Mar-24	Apr-24	Mar-24	Apr-24	Mar-24	Apr-24
	Agriculture	2.0	2.9	7.4	14.2	-5.0
Paddy	6.0	-1.8	10.6	5.9	-4.2	-7.2
Sugarcane	2.1	10.7	28.6	28.6	-20.6	-13.9
Rubber	67.7	67.3	70.7	71.8	-1.8	-2.6
Durian	-85.9	-33.7	-11.9	109.5	-84.0	-68.4
Palm kernel	-4.7	-0.6	-1.6	-16.3	-3.1	18.8

Private Investment

Seasonally adjusted private investment indicators increased from the previous month, in line with investment in machinery and equipment from domestic machinery sales and commercial vehicle registrations. Imports of capital goods declined, mainly in computers. Construction investment increased in line with sales of building materials and permitted building land in the industrial, factory and residential sectors.



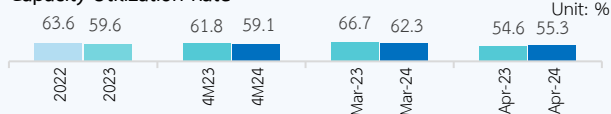
MPI and Capacity Utilization (Cap-U)

The industrial production index increased from the same period last year, with automobiles rising due to production for export, food and beverages due to tourism, and electrical appliances due to hot weather. Meanwhile, petroleum production declined due to exports.

MPI (%YoY)	2023	1Q24	Mar-24	Apr-24	%MoM
Overall MPI	-3.7	-3.5	-4.9	3.1	3.5*
Beverage	0.3	6.8	7.2	12.5	-11.7
Food Products	-2.4	-0.1	-0.6	9.8	-14.0
Electrical appliances	-14.5	-0.8	-5.6	19.0	-9.0

Note: %MoM Overall MPI is calculated from seasonally adjusted data.

Capacity Utilization Rate



Note: MPI stands for Manufacturing Production Index

Exports

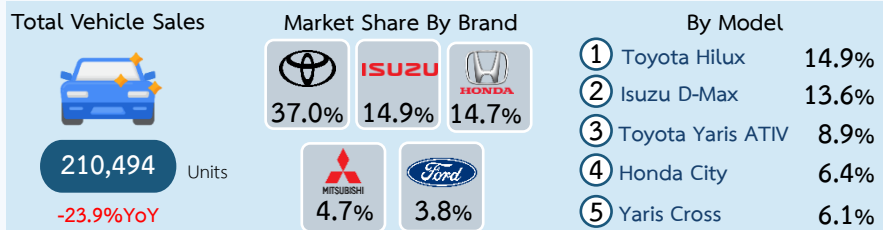
- In April, Thai exports grew by 6.8%YoY, driven by key markets such as ASEAN, the United States, Europe, and Hong Kong. Key export products included communication equipment, vehicles, rice, rubber, and steel. For the first four months, exports grew by 1.4%YoY.
- In 4M2024, exports expanded by 1.4%YoY, following growth in exports to major trading partners, including ASEAN, the United States, Europe, and Hong Kong. Products that performed well included rice, rubber, communication parts and equipment, and steel, among others.

Market	Share (%) Jan-Apr 2024	Jan-Apr 2024		Apr-24	
		USD Mn	%YoY**	USD Mn	%YoY**
Total	100.0	94,274	1.4	23,279	6.8
ASEAN	22.6	22,550	0.6	5,259	4.3
U.S.A.	17.6	16,692	13.4	4,089	26.1
China	14.8	10,790	-6.0	3,440	-7.8
EU	9.5	9,118	2.3	2,214	8.8
Japan	7.2	7,566	-8.0	1,681	-4.1
Hong Kong	3.7	3,962	23.0	852	21.2
Commodity Price & Exchange Rate	Jan-Apr 2024		Apr-24		
	USD Mn	%YoY	USD Mn	%YoY	
Dubai oil price (USD/bbl)	84.7	5.0	89.4	6.6	
Gold price (USD/troy oz)	2,216.0	15.6	2,331.5	16.6	
Exchange rate (THB/USD)	35.9	5.7	36.8	7.3	
NEER index	118.3	-1.5	116.8	-2.3	

Domestic Vehicle Sale

In April, car sales decreased by 26.1%YoY due to reduced sales of pickup trucks and passenger cars. This was influenced by the strict loan approval process imposed by financial institutions due to NPLs in the hire purchase group. Furthermore, the domestic economy and the purchasing power of consumers have not yet recovered. In addition, government spending and investment continued to shrink following delayed budget disbursement. Vehicles in the SUV group continued to expand well, while electric vehicle (BEV) registrations decreased from the same period last year. However, in 4M2024, BEV registrations continued to grow.

Domestic vehicle sales, 4M2024

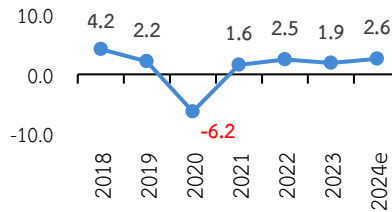


Domestic car sales in 4M2024 reached 210,494 units, which is a 23.9%YoY decrease due to lower sales of commercial and passenger vehicles. Toyota remains the market leader, followed by Isuzu and Honda, respectively. The Toyota Hilux pickup truck is the highest-selling model, with a market share of 14.9%, followed by the Isuzu D-Max with 13.6% and the Toyota Yaris ATIV with 8.9%.

Domestic Vehicle Sales by Body Type	Jan-Apr 2024		Apr-24	
	Unit	%YoY	Unit	%YoY
Passenger car	95,065	-2.8	29,450	-20.1
Commercial car	127,591	-28.7	29,450	-29.4
Pickup 1 ton	60,678	-42.3	14,067	-43.2
SUV	43,804	18.1	9,790	18.6
Other	23,109	-36.9	5,593	-39.3
Overall	210,494	-23.9	46,738	-26.1

Sources: NESDC, Toyota, FTI, and MOTs

Thai GDP Forecast by BOT (%YoY)



	%YoY	2021	2022	2023	2024e
Private Consumption		0.6	6.2	7.1	3.5
Government Consumption		3.7	0.1	-4.6	1.8
Private Investment		2.9	4.7	3.2	3.3
Public Investment		3.5	-3.9	-4.6	1.0
Value of Merchandise Exports*		19.2	5.4	-1.7	2.0
Headline Inflation (%)		1.2	6.1	1.2	0.6

*BOP Basis
Note: Data as of Apr 2024

Tourism

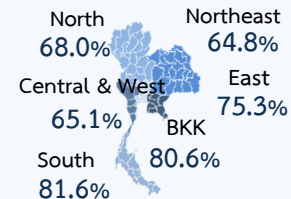
In April, the number of foreign tourists decreased by 7.6%MoM but increased 26.4%YoY following an increase in the number of tourists in almost every country group. There was a significant increase in the number of Chinese, European, Russian, Indian and South Korean tourists from the same period last year. Meanwhile, Malaysian tourists decreased slightly but increased from the previous month after the fasting in Ramadan ended. In 4M2024, there were 12.12 million tourists, an increase of 39.2%YoY, with the top five countries of arrival being China, Malaysia, Russia, South Korea and India, respectively.

International tourist arrivals, 4M2024



In April, the average hotel occupancy rate nationwide was 73.5%, increase from the previous month. This has resulted in an occupancy rate of 74.8% in the first four months, an increase from 47.9% last year. The region with the highest occupancy rate is the Southern Region, followed by Bangkok, the Eastern Region and the Central & Western Region, respectively. The occupancy rate increased as the number of both Thai and foreign tourists increased.

Occupancy Rate, 4M2024



Export of Goods

For June 2024

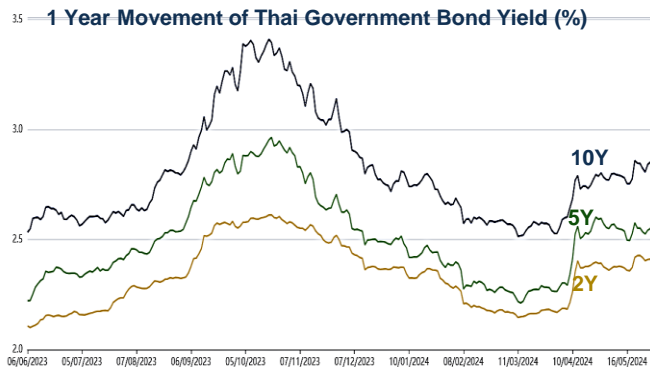
Major products	Share Jan-Apr 2024 (%)	Jan-Apr 24		Apr-24	
		USD million	%YoY*	USD million	%YoY*
Total exports	100.0	94,274	1.4	23,279	6.8
Agriculture	9.9	9,305	3.1	3,014	-3.8
- Rice	2.4	2,219	53.8	608	91.5
- Rubber	1.6	1,543	27.3	352	36.2
- Tapioca	1.3	1,210	-18.6	272	-9.6
- Fruits	2.0	1,875	-25.3	1,182	-29.8
- Fishery	0.6	519	10.4	122	-5.4
Agro-industrial	8.0	7,521	-1.8	1,933	12.7
- Prepared or preserved seafood	1.2	1,175	6.9	281	14.8
- Cane sugar and molasses	1.1	1,016	-31.1	241	-10.4
- Wheat products and other food preparations	0.9	846	9.1	200	16.8
- Beverages	0.8	720	7.1	176	10.5
Manufacturing	78.6	74,110	1.8	17,465	9.2
- Automotive	13.8	13,018	-2.7	2,961	13.5
- Electronics	16.4	15,450	9.8	3,901	25.6
- Electrical appliances	10.2	9,662	-3.0	2,278	4.1
- Precious stones and jewelry	5.2	4,916	-11.3	801	-37.8
- Unwrought gold	2.0	1,890	-30.6	289	-64.6
- Rubber products	4.6	4,358	-1.8	1,020	1.5
- Petro-chemical products	3.0	2,817	-4.5	727	0.5
- Chemicals	2.6	2,480	-7.9	610	-3.9
- Machinery & equipment	3.3	3,086	13.9	908	58.8
- Apparels & Textile	2.1	2,020	1.9	491	4.5
- Metal & steel	3.0	2,804	33.9	570	23.3
Mining & Fuel	3.5	3,337	-4.2	867	-9.2

Products	Apr-24	
	USD million	%YoY*
Automotive	2,961	13.5
- Passenger car	838	9.7
- Pick up and trucks	748	43.6
- Motorcycle	229	-12.9
- Spark-ignition reciprocating internal combustion	254	-5.1
- Parts & accessories	779	14.7

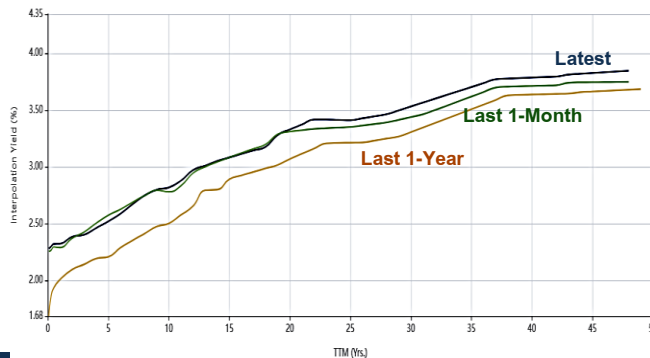
Products	Apr-24	
	USD million	%YoY*
Electronics	3,901	25.6
- Computer parts	1,603	62.0
- HDD	586	85.2
- Electronic integrated circuits	656	-9.2
- Telecommunication	713	46.3
- Semi-conductor devices, transistors, diodes	367	-15.9

Source: MOC (*Custom Basis)

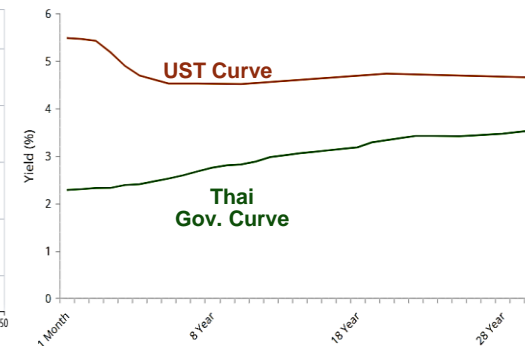
Fixed Income Market



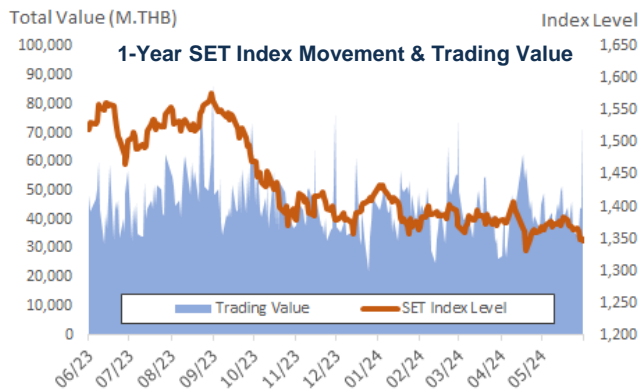
Shift in Thai Government Yield Curve Current vs Last Month vs Last 1 Year



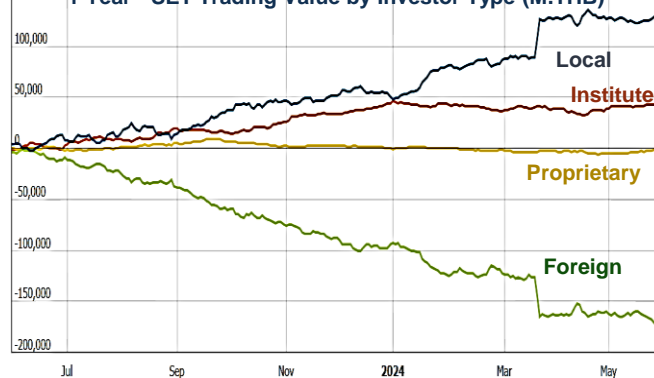
Thai Government Yield Curve versus US Treasury Yield Curve



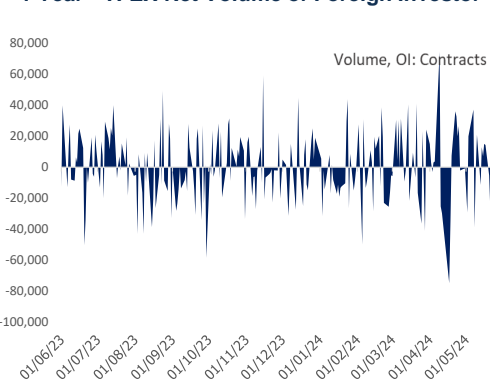
Equity Market



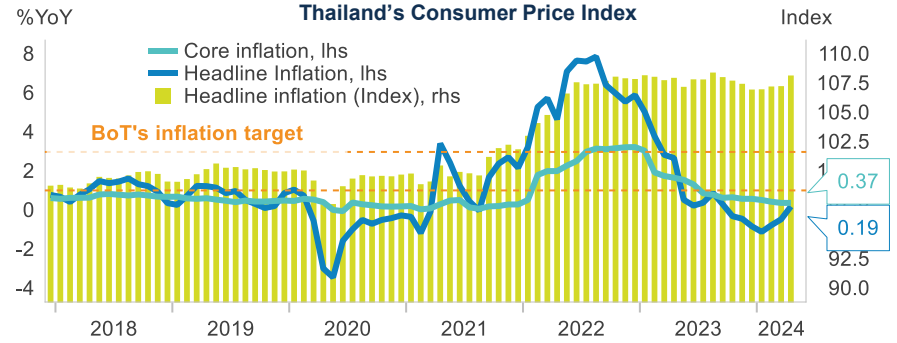
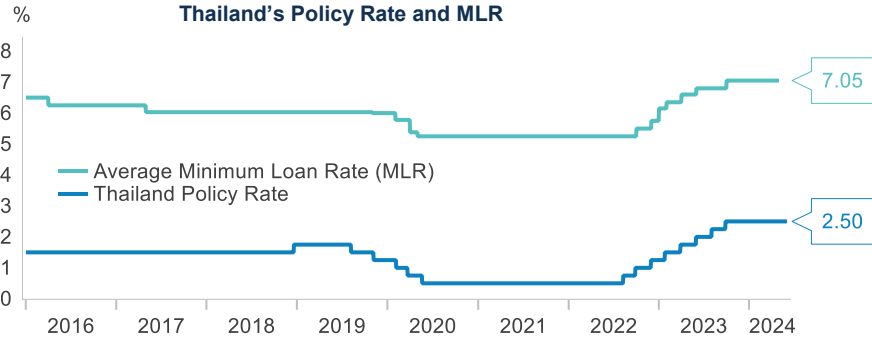
1 Year - SET Trading Value by Investor Type (M.TH.B)



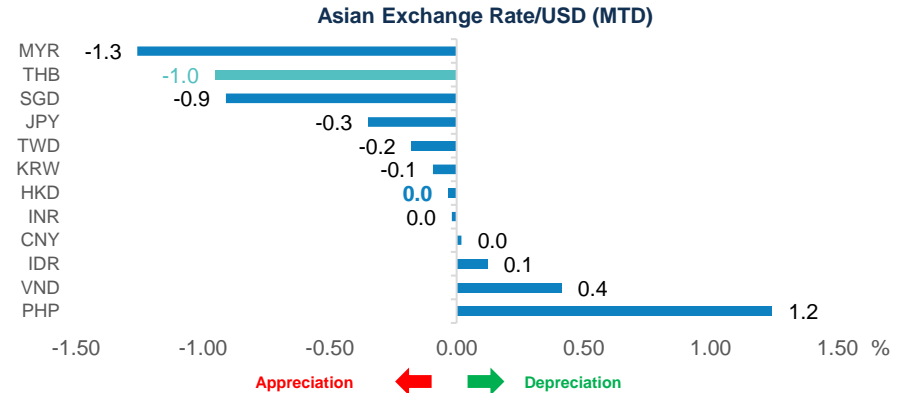
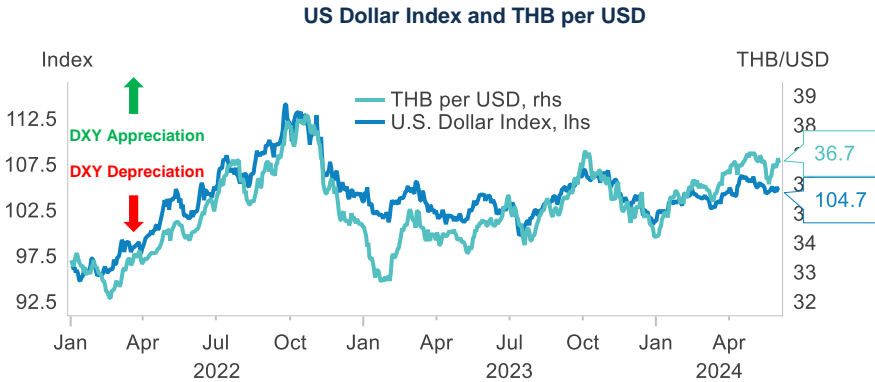
1 Year - TFXE Net Volume of Foreign Investor



Policy Rate and Inflation



Exchange Rate



End of Presentation

Disclaimer

ข้อมูล บทวิเคราะห์ และการแสดงความคิดเห็นต่างๆ ที่ปรากฏอยู่ในรายงานฉบับนี้ ได้จัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ได้รับมาจากแหล่งข้อมูลที่เชื่อถือได้ เพื่อใช้ประกอบการวิเคราะห์ภาวะเศรษฐกิจและอุตสาหกรรมซึ่งเป็นเอกสารภายในของธนาคารแลนด์ แอนด์ เฮาส์ จำกัด (มหาชน) เท่านั้น ทั้งนี้ธนาคารฯ จะไม่รับผิดชอบความเสียหายใดๆ ทั้งปวงที่เกิดขึ้นจากการนำข้อมูล บทวิเคราะห์ การคาดหมาย และความคิดเห็นต่างๆ ที่ปรากฏในรายงานฉบับนี้ไปใช้ โดยผู้ที่ประสงค์จะนำไปใช้ต้องยอมรับความเสี่ยง และความเสียหายที่อาจเกิดขึ้นเองโดยลำพัง

LH BANK BUSINESS RESEARCH



Thanapol Srithanpong, Ph.D.
Head of Business Research



Nantapong Pantaweesak
Senior Industrial Specialist



Cheawchan Srichaiya
Senior Industrial Specialist



Watcharapan Niyom
Senior Industrial Specialist



Sri-Ampai Ingkhakitti
Senior Industrial Specialist



Taratnon Sritongterm
Senior Economist



Wilanda Disorntetiawat
Senior Economist



Nawatch Hansuvech
Senior Thematic Specialist

LH Bank Business Research

ACTIVE

INCLUSIVE

DECISIVE



Scan Here

For More Articles

<https://www.lhbank.co.th/economic-analysis/>