LH BANK

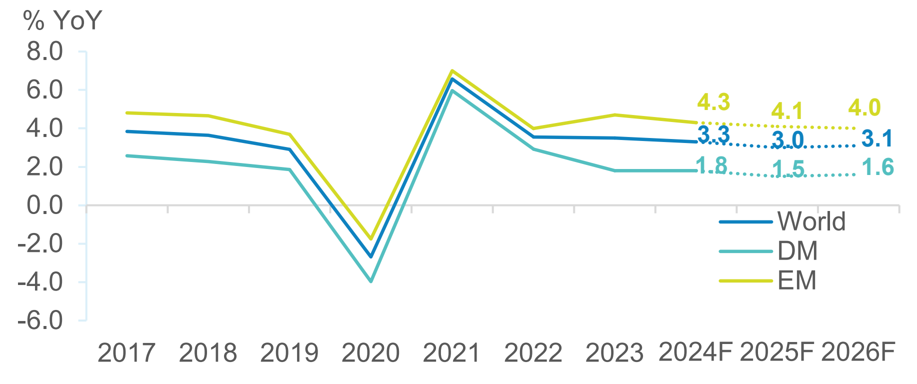
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

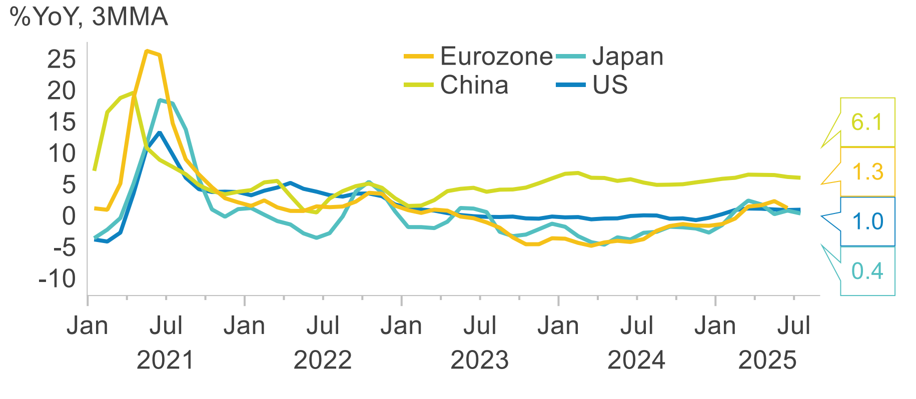
FOR September 2025

Global Economy – The IMF projected a slowdown in 2025, followed by a slight increase in 2026.

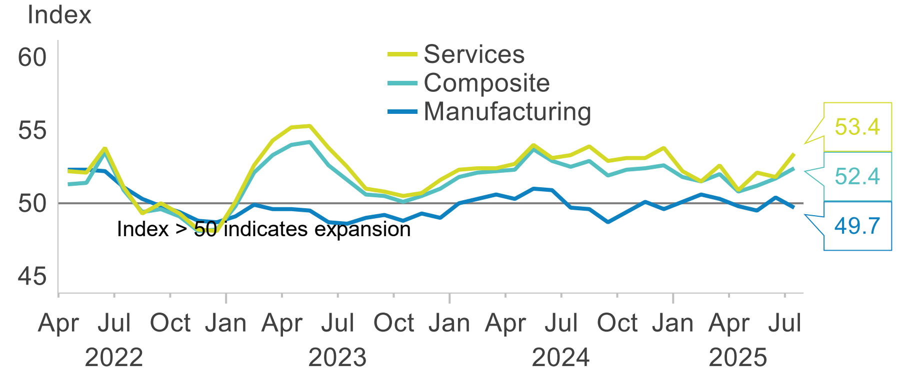
Global GDP Growth (as of Jul 2025)



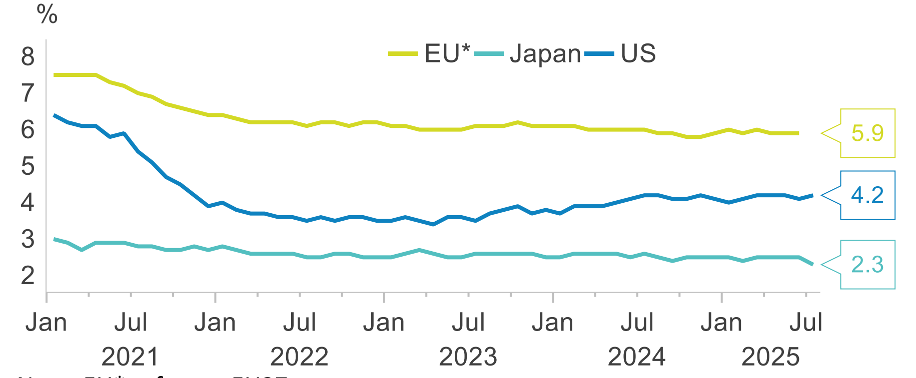
Global Industrial Production



Global PMI



G3 Unemployment Rate

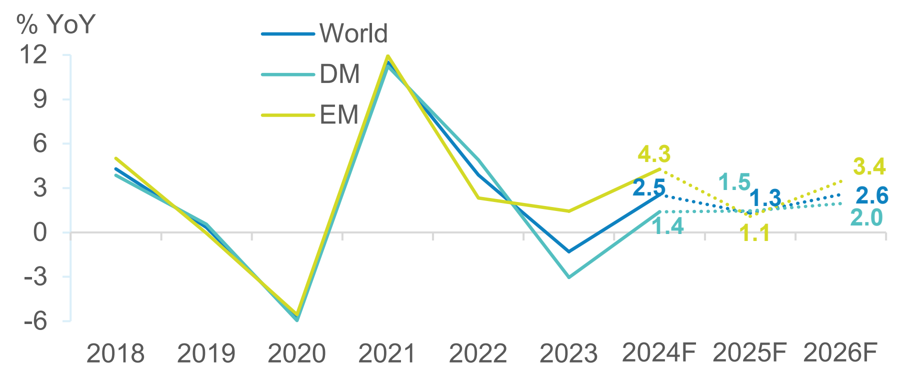


Note: EU* refers to EU27

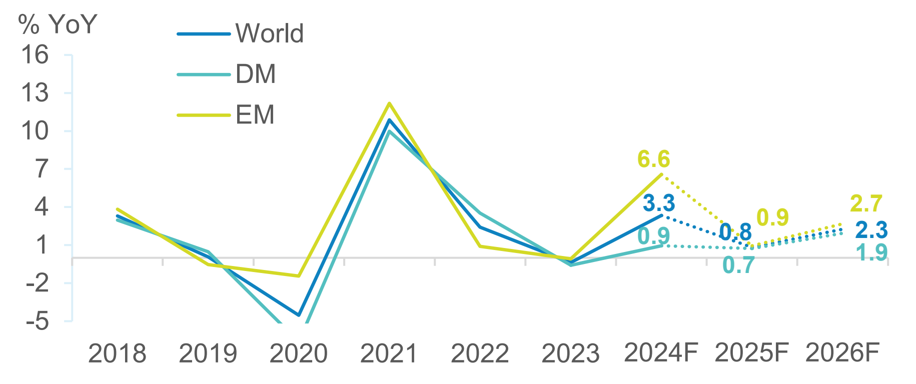
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 September 2025)

Global Trade and Inflation – Inflation is beginning to increase in some countries, particularly in DMs.

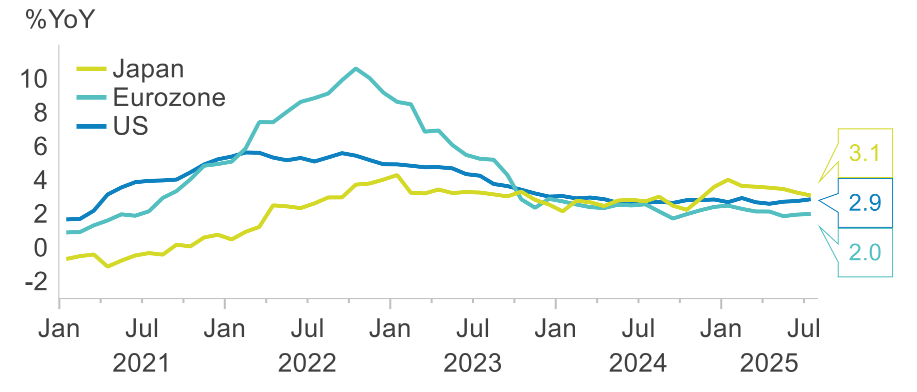
Volume of World Goods Imports



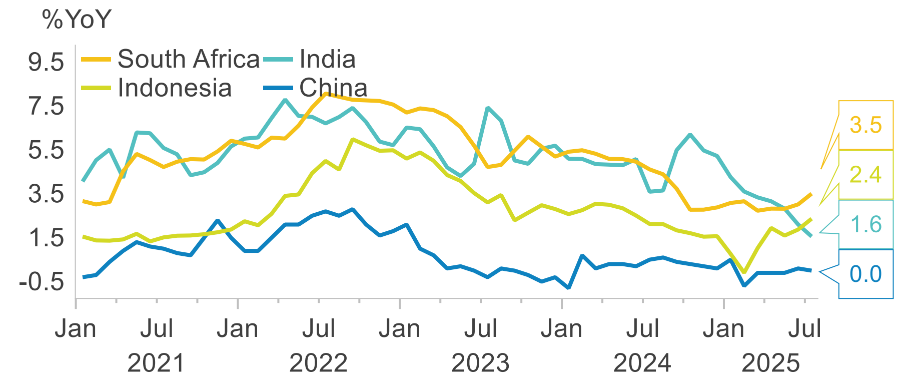
Volume of World Goods Exports



Inflation in major DM (G3)



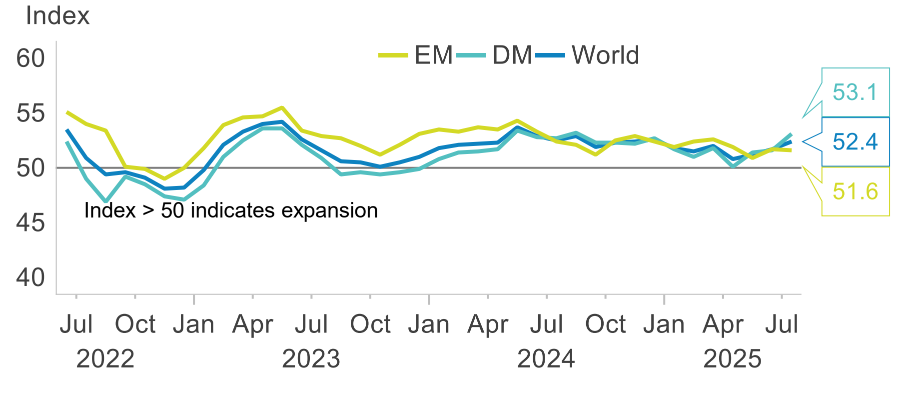
Inflation in major EM



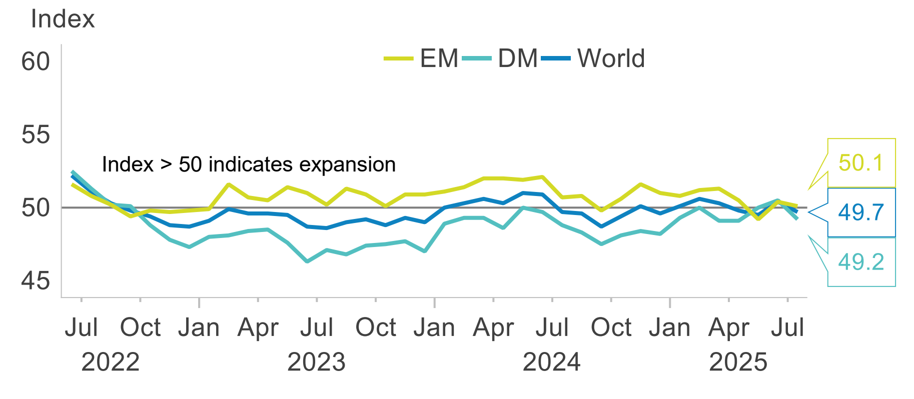
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 September 2025)

Global Activity Indicators – Manufacturing has declined, but services continue to expand.

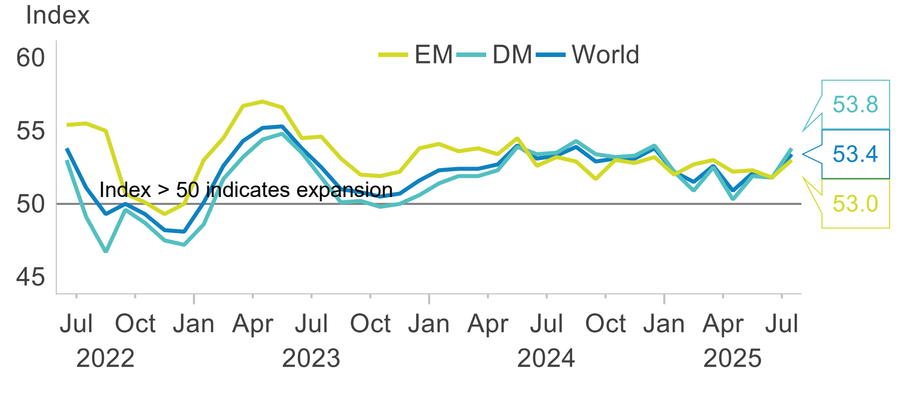
Global Composite PMI



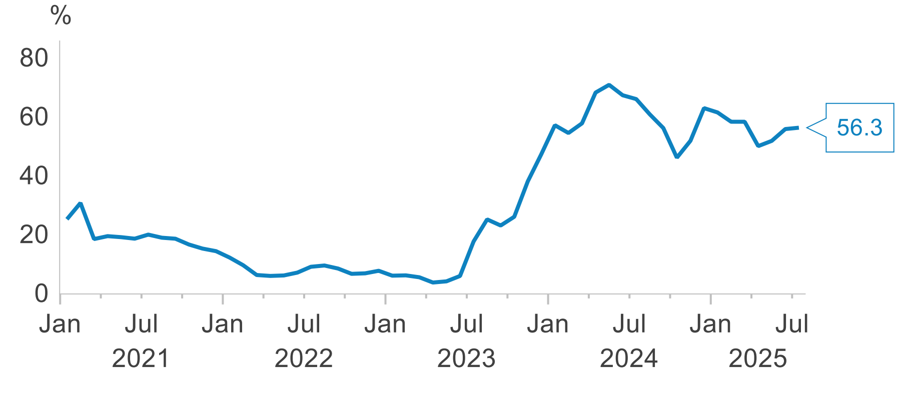
Global Manufacturing PMI



Global Services PMI



Probability of US Recession

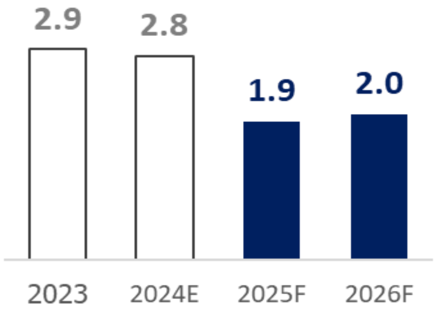


Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 1 September 2025)

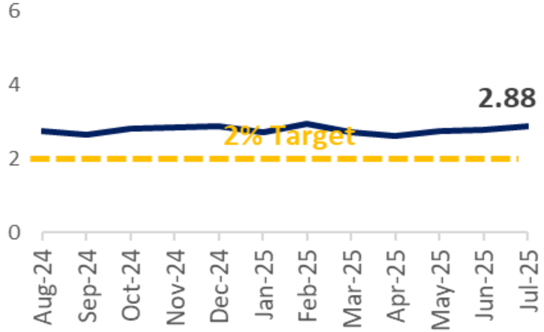
Global Economic Dashboard: United States

Data as of: 1 Sep 2025

US GDP (%YoY, IMF)



US Core PCE (%YoY)



US PMI

US Key Economic Indicators

Red dots in sparklines chart indicate "Negative value"

Economic Activity	Unit	Period	12M Trend	Latest	▲ MoM
Industrial Production	%YoY	Jul-25		1.4	↑
Durable Goods	%YoY	Jul-25		3.3	↓
Retail Sales	%YoY	Jul-25		3.7	↓

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	Jul-25		73.0	↓
Unemployment Rate	%	Jul-25		4.2	↑
Avg Hourly Earning	%YoY	Jul-25		3.9	↑

Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	Jul-25		2.6	↑
Core PCE	%YoY	Jul-25		2.9	↑
PPI	%YoY	Jul-25		3.3	↑

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Jul-25		652	↓
Existing Home Sales	MoM k	Jul-25		4010	↑

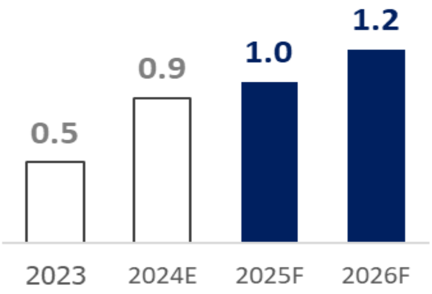
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Jul-25		31.4	↓
Import from US	%YoY	Jul-25		-7.5	↓
Tourist Arrivals	%YoY	Jul-25		-0.3	↑

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	31-Aug-25		0.64	↑
VIX Index	Index Level	31-Aug-25		15.36	↓
Econ. Surprise Index	Index Level	31-Aug-25		26.2	↑

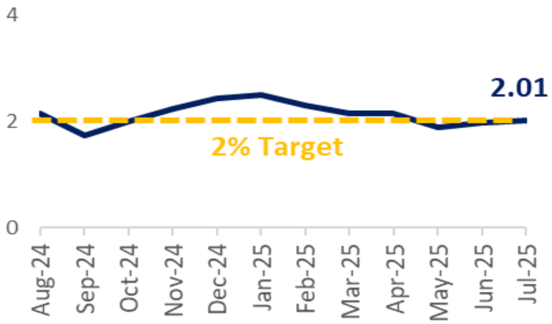
Global Economic Dashboard: Europe

Data as of: 1 Sep 2025

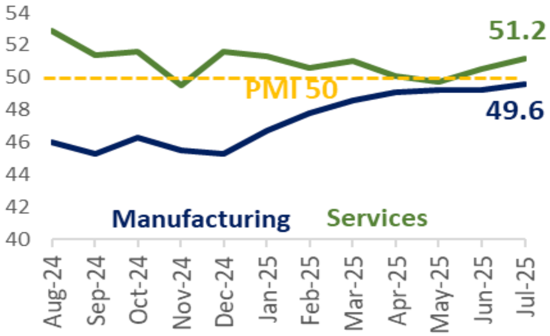
Euro Area GDP (%YoY, IMF)



HICP Headline Inflation (%YoY)



EU PMI



Europe Key Economic Indicators

Red dots in sparklines chart indicate "Negative value"

Economic Activity	Unit	Period	12M Trend	Latest	▲ MoM
Euro Area 20, Industrial Prod.	%YoY	Jun-25		0.2	
Euro Area 20, Retail Trade	%YoY	Jun-25		3.2	

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Jul-25		5.0	
M3	%YoY	Jul-25		3.4	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
EU* Unemployment Rate	%	Jun-25		5.9	
Euro Area, Wage Growth	%YoY	Jul-25		2.6	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Jul-25		8.3	
Import from EU*	%YoY	Jul-25		-8.1	
Tourist Arrivals	%YoY	Jul-25		7.8	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
EU* HICP Headline Inflation	%YoY	Jul-25		2.0	
EU* Core HICP	%YoY	Jul-25		2.3	

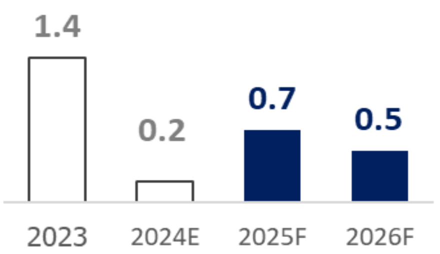
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	31-Aug-25		0.79	
UK Gilt 10Y-2Y	%	31-Aug-25		0.77	
VSTOXX	Index Level	31-Aug-25		17.56	
Econ. Surprise Index	Index Level	31-Aug-25		25.2	

Note: EU* refers to EU27

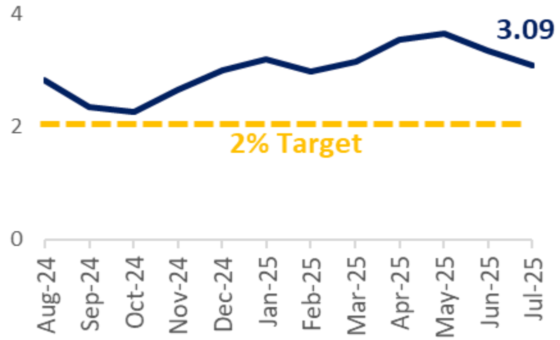
Global Economic Dashboard: Japan

Data as of: 1 Sep 2025

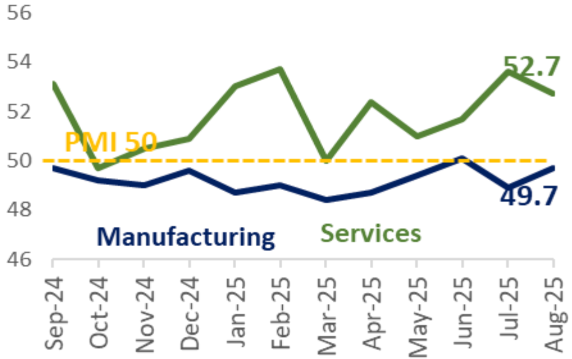
Japan GDP (%YoY, IMF)



Core CPI (%YoY)



Japan PMI



Japan Key Economic Indicators

Red dots in sparklines chart indicate "Negative value"

Economic Activity	Unit	Period	12M Trend	Latest	▲ MoM
Industrial Production	%YoY	Jul-25		-0.9	
Durable Goods	%YoY	Jul-25		-3.9	
Wholesales and retail trade	%YoY	Jul-25		-0.3	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Jul-25		-9.7	
Construction Finances	%YoY	Jun-25		3.5	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Jul-25		2.4	
Establishments with ≥5 Employees	%YoY	Jun-25		-0.4	
Employed, Monthly Average	%YoY	Jul-25		-0.3	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Jul-25		7.1	
Import from Japan	%YoY	Jul-25		7.8	
Tourist Arrivals	%YoY	Jul-25		-1.2	

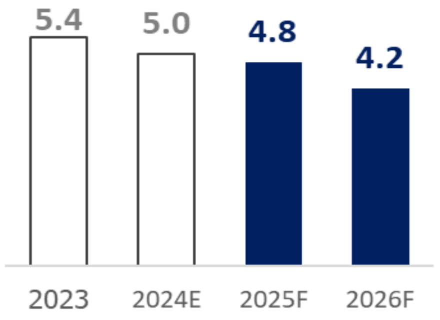
Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Jul-25		3.1	
Core CPI	%YoY	Jul-25		3.1	
PPI	%YoY	Jul-25		2.6	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	31-Aug-25		0.74	
Econ. Surprise Index	Index Level	31-Aug-25		22.90	

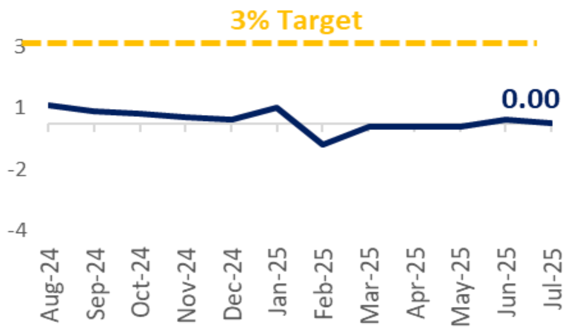
Global Economic Dashboard: China

Data as of: 1 Sep 2025

China GDP (%YoY, IMF)



Headline Inflation (%YoY)



China PMI

China Key Economic Indicators

Red dots in sparklines chart indicate "Negative value"

Economic Activity	Unit	Period	12M Trend	Latest	▲ MoM
Retail Sales	%YoY	Jul-25		3.7	
Exports of Mechanical & Electrical Products	%YoY	Jul-25		8.0	
Industrial Production	%YoY	Jul-25		5.7	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Jul-25		-4.8	
Residential Price Index	%YoY	Jul-25		-3.6	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Jul-25		5.2	
Consumer Confidence Index	%YoY	Jun-25		87.9	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Jul-25		23.1	
Import from China	%YoY	Jul-25		37.2	
Tourist Arrivals	%YoY	Jul-25		-38.9	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Jul-25		0.0	
PPI	%YoY	Jul-25		-3.6	

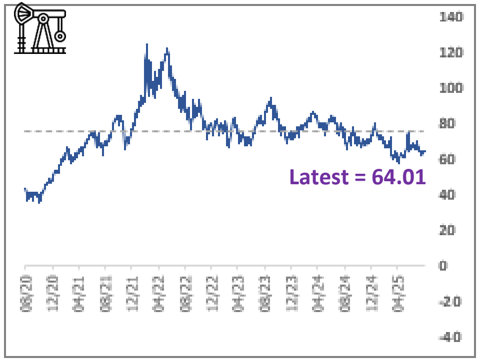
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	31-Aug-25		0.43	
Econ. Surprise Index	Index Level	31-Aug-25		-13.50	

Global Commodity – 5 Years Price Movement (Quoted in USD)

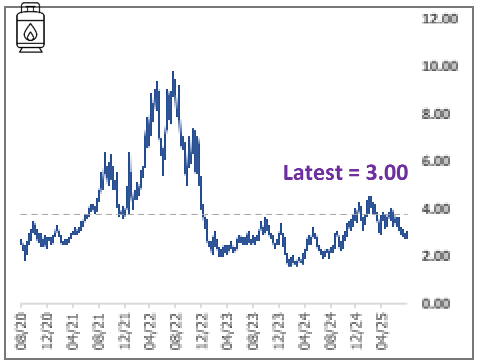
Data as of: 1 Sep 2025

------------ 5Y-Average

Energy - Crude Oil (WTI) $/bbl

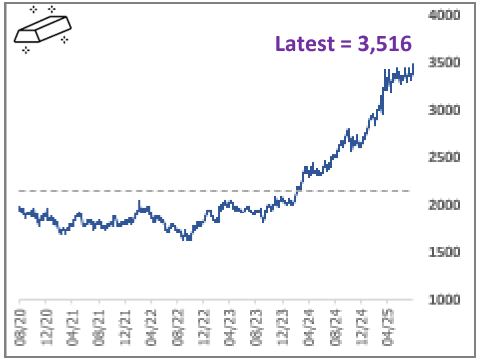


Energy - Natural Gas $/MMbtu.



Energy – Gasoline $/Gallon

Precious Metal - Gold $/t oz.

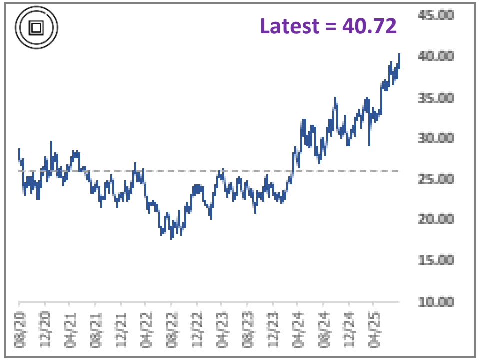


Agriculture - Wheat $/bushels

Agriculture - Corn $/bushels

Agriculture - Sugar $/lb.

Precious Metal - Silver $/t oz.



Trump's Tariff Update (as of Sep 1, 2025): US appeals court rules most reciprocal tariffs illegal; decision delayed until Oct 14 pending Supreme Court appeal.

Target: World

2/4/2025 — **Announce on the implement of Baseline tariff** (eff. 5 Apr) **and Reciprocal tariffs** (eff. 9 Apr); **For Thailand 36%**

3/4/2025 — **[Effective] 25% Tariff on import finished automotive**

5/4/2025 — **[Effective] 10% Baseline tariff on all import goods**

9/4/2025 — **Country-specific reciprocal tariffs was postponed for 90 days, except for China** (eff. 9 Jul)

3/5/2025 — **[Effective] 25% Tariff on import auto parts**

28-29 May 2025 — **The CIT blocked reciprocal tariff.** After the federal appeals paused CIT's Judgement, **reciprocal tariff temporarily stays for 30 days,** while other specific tariffs are not affected

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4/6/2025 — **[Effective] 50% Tariff on import steel and aluminum**

10/6/2025 — **The Appeals court let Trump's government to continue the reciprocal tariff.** The case is on an expedited track and scheduled argument for 31 Jul

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1/8/2025 — **[Effective] 50% Tariff on import copper**

29/8/2025 — **A US appeals court ruled most of Trump's reciprocal tariffs illegal, giving the administration until Oct 14 to appeal to the Supreme Court**

Implication to Thailand

- **Thailand is <u>directly</u> impacted by increased tariff** on steel and aluminum, automotive, copper, solar panel, and the reciprocal tariff.
  - **Thai automotive industry** faces tariff on exports to the US, and this indirectly impacts to exports to Mexico and Japan.
  - **The surge of Chinese products into Thailand,** particularly steel and aluminum, appliances, and low-valued goods.
  - **Thai solar panel may lose almost exports** due to enormous tariffs.

Target: China

10/4/2025 — **China increased retaliation tariff to 125%, while US increased reciprocal tariffs to 125% (Total = 145%)**

12/5/2025 — **US and China concluded a temporary trade deal (1st round at Geniva)** until 12 Aug 2025

9-10 Jun 2025 — **US-China negotiation shows positive signs (2nd round at London).**

- **US tariff on Chinese goods at 30%**
- **China tariff on US goods at 10%**
- Rare earth control: China commits to supplying rare earth magnets and essential minerals to the US

28-29 July 2025 — **US-China trade deal remains unresolved (3rd round at Sweden).**

12/8/2025 — **US and China have extended the 90-day trade truce deadline** until 10 Nov 2025

Implication to Thailand

- **Thailand is <u>indirectly</u> impacted by US tariffs on China's imports.** It is possible that goods from China will surge into Thailand (China Flooding).
- **US-China trade deal is a temporary relief,** creating uncertainty for Thailand's export sector.
- **Thailand's China-related supply chain may restructure** as manufacturers pivot production away from US markets toward other destinations.

Target: CA, MX, EU, UK, VN, Others

2/4/2025 — **[Effective] 25% MFN tariffs on Canada's and Mexico's products,** exempt USMCA compliant good (0%).

8/5/2025 — **US and UK concluded a trade deal** (eff. 23 Jun)

2/7/2025 — **US-Vietnam reach their trade deal with 0%-20%-40% tariff approach** (eff. 9 Jul)

7-12 July 2025 — **US send letters to many countries, shifting deadline to Aug 1; Thailand 36%** (before negotiation) (eff. 1 Aug)

15-23 July 2025 — **US concluded trade deals with Indonesia (19%), Philippines (19%), and Japan (15%)** (eff. 1 Aug)

28-30 July 2025 — **US concluded more trade deals with EU (15%), India (25%), and South Koreas (15%);** Penalty tariffs at 40% has imposed to **Brazil (total 50%)** (eff. 1 Aug)

31/7/2025 — **US has announced new reciprocal tariff rates; Thailand 19%** (eff. 1 Aug)

6/8/2025 — Penalty tariffs at 25% has imposed to **India (total 50%)** (eff. 27 Aug)

Implication to Thailand

- **Thailand <u>experiences little or no impact</u> from US tariffs imposed on CA, MX, EU, UK.**
- **Thailand is <u>directly impacted by 19% tariff</u>.** Moreover, Thailand is expected to experience an influx of US agricultural products because of the market-opening market provision in the US-TH trade agreement.

Note: eff. = effective | AD = Antidumping Duty | CVD = Countervailing Duty | CIT = The US Court of International Trade

End of Presentation

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LH BANK BUSINESS RESEARCH

Thanapol Srithanpong, Ph.D.
Head of Business Research

Nuttachat Viroonhausava
Senior Industrial Specialist

Cheawchan Srichaiya
Senior Industrial Specialist

Watcharapan Niyom
Senior Industrial Specialist

Sri-Ampai Ingkhakitti
Senior Industrial Specialist

Taratnon Sritongterm
Senior Economist

Wilanda Disorntetiwat
Senior Economist

Nawatch Hansuvech
Senior Thematic Specialist

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