LH BANK

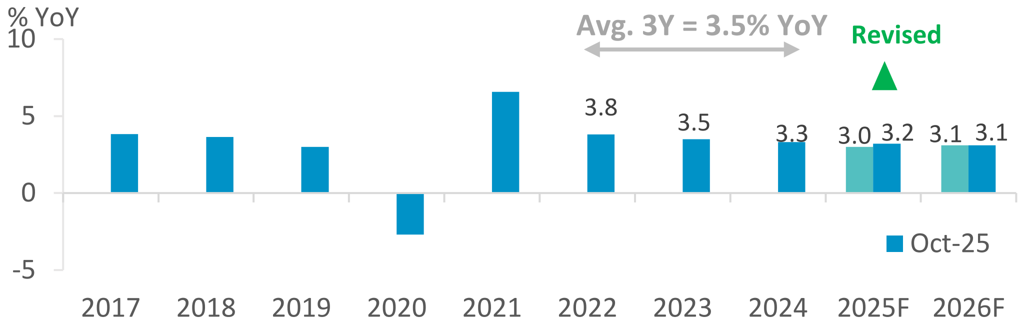
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

FOR November 2025

The IMF has revised up its 2025 global GDP forecast, as the impact of trade policy shocks has been smaller than expected. However, the IMF maintains its view that global economy will decelerate in 2026 due to multiple risks, including trade policy uncertainty, reduced fiscal spending and geopolitical conflicts.

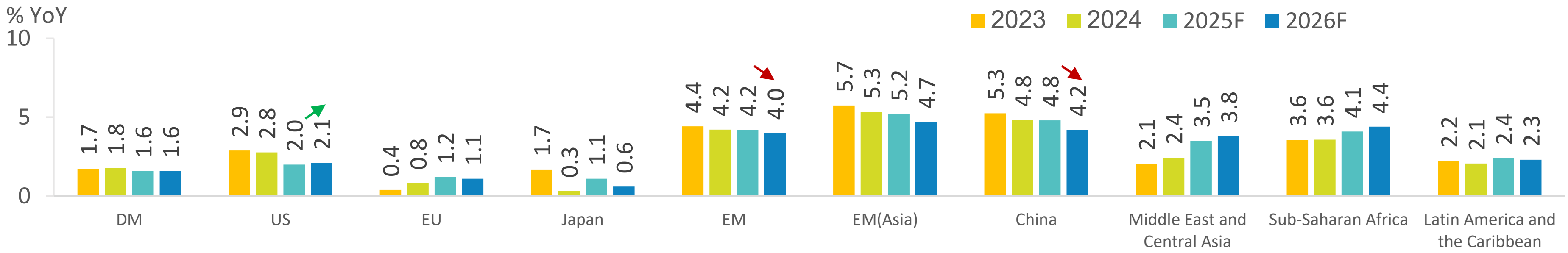
IMF Global GDP Forecast (as of Oct 2025)



Key Challenges in Global Economic Outlook

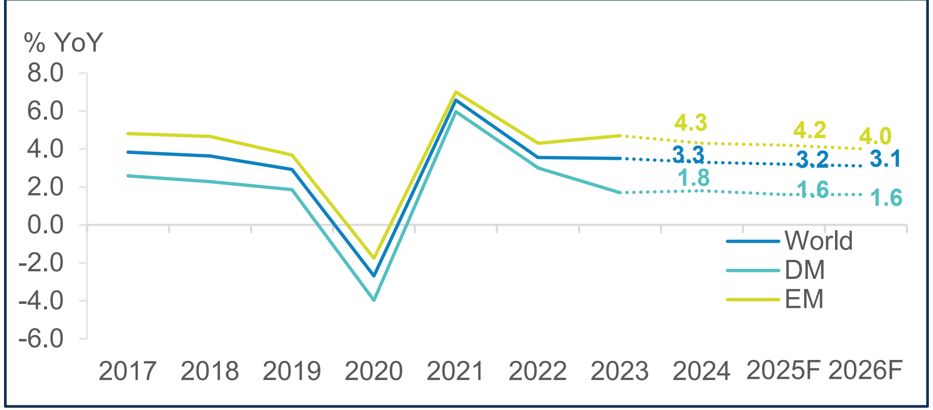
1. Trade policy uncertainty and protectionism will lead to investment decisions being postponed and production becoming more volatile.
2. Rising fiscal concerns could lead to higher borrowing costs. Countries with high levels of debt may have to reduce spending in other critical areas.
3. Geopolitical conflicts or climate-related disasters could drive up energy and food prices, increasing inflationary pressure on commodity-importing countries.

IMF GDP Forecast : Region and Country

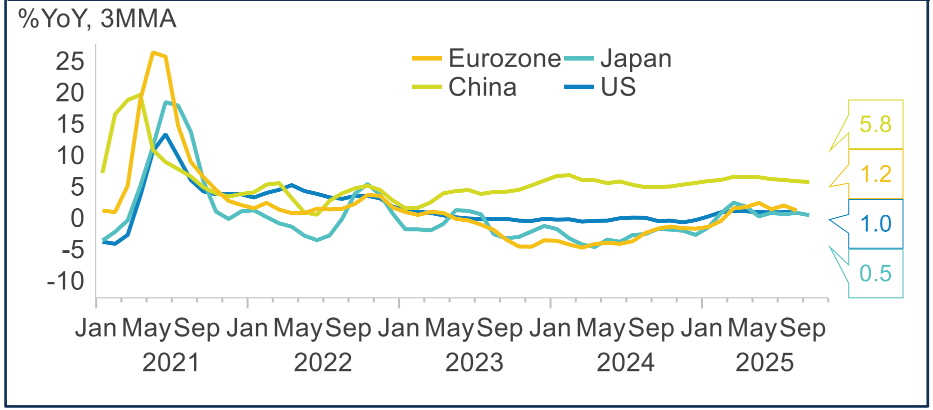


The IMF predicts that the global economy will continue to slow down in 2025F and 2026F.

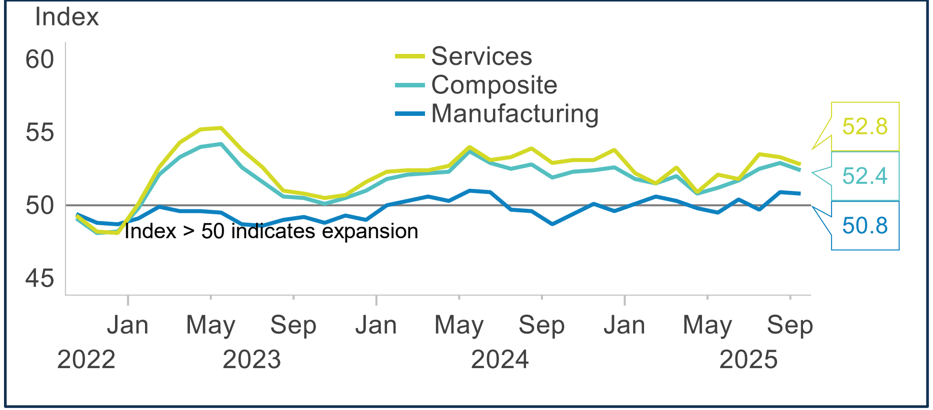
Global GDP Growth (as of Oct 2025)



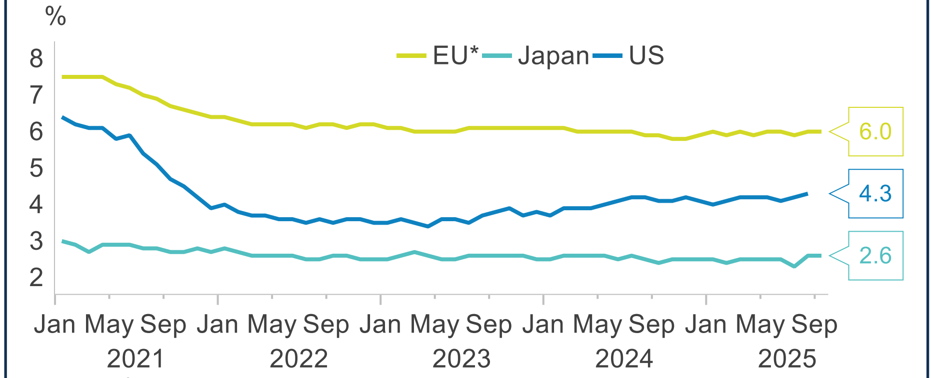
Global Industrial Production



Global PMI



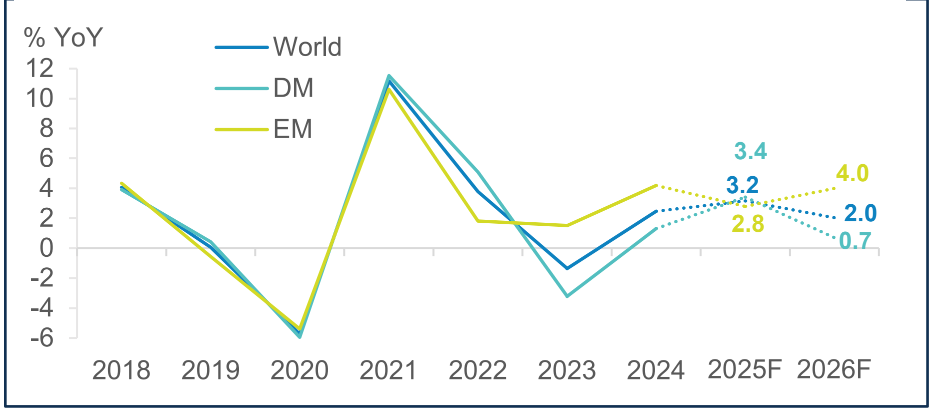
G3 Unemployment Rate



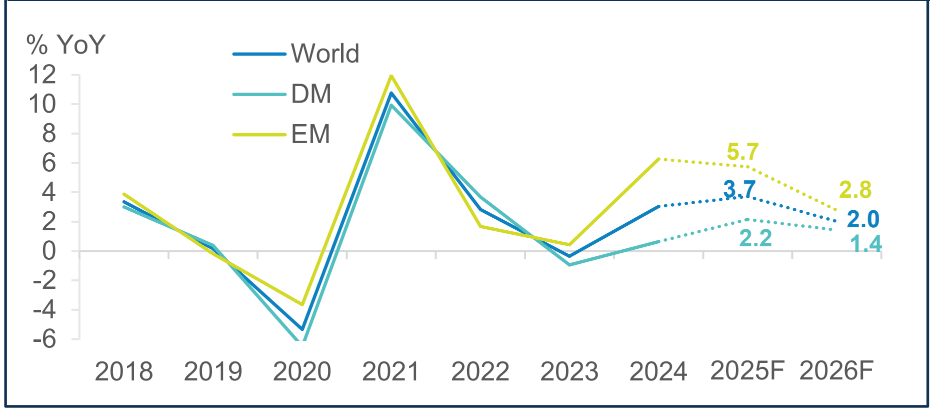
Note: EU* refers to EU27

Global trade is expected to increase in 2025 due to the front-loading effect. Meanwhile, inflationary pressure is still easing.

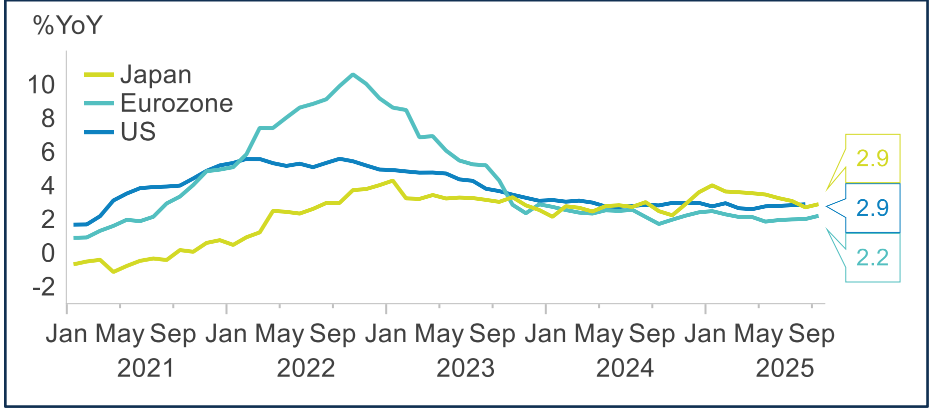
Volume of World Goods Imports



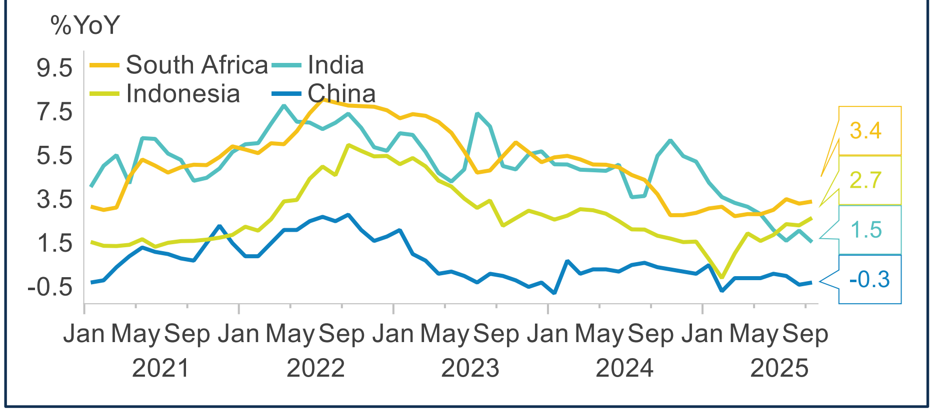
Volume of World Goods Exports



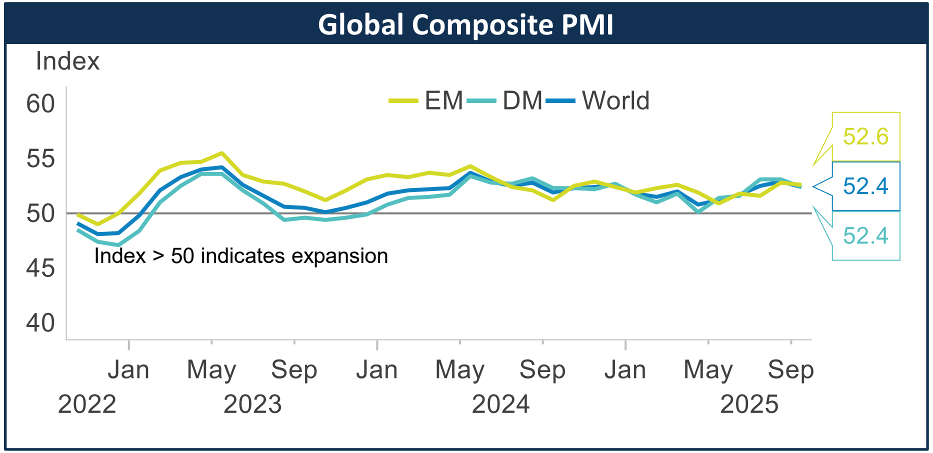
Inflation in major DM (G3)

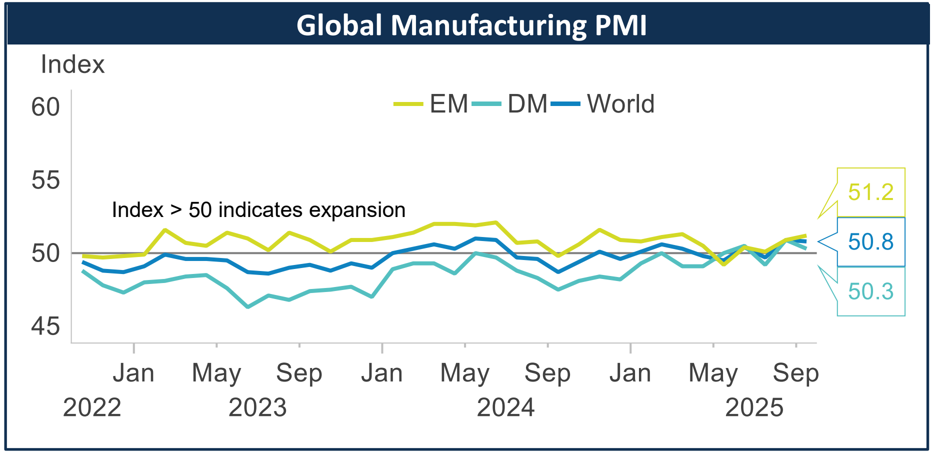


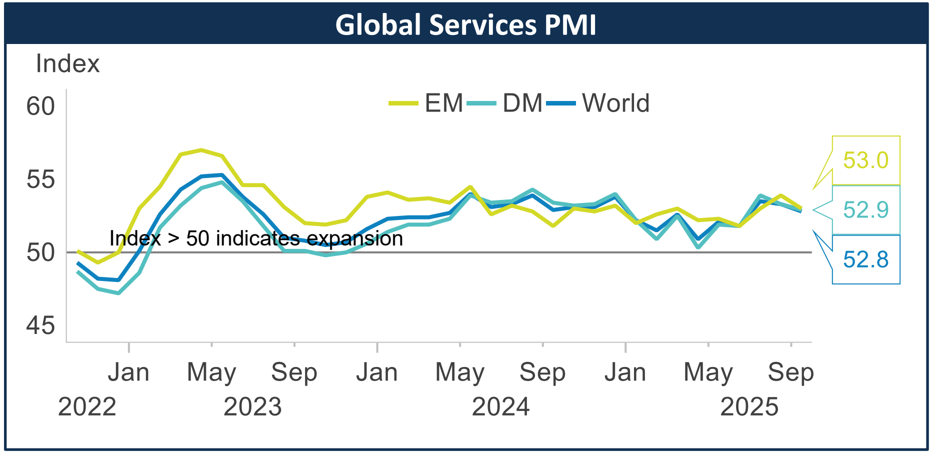
Inflation in major EM

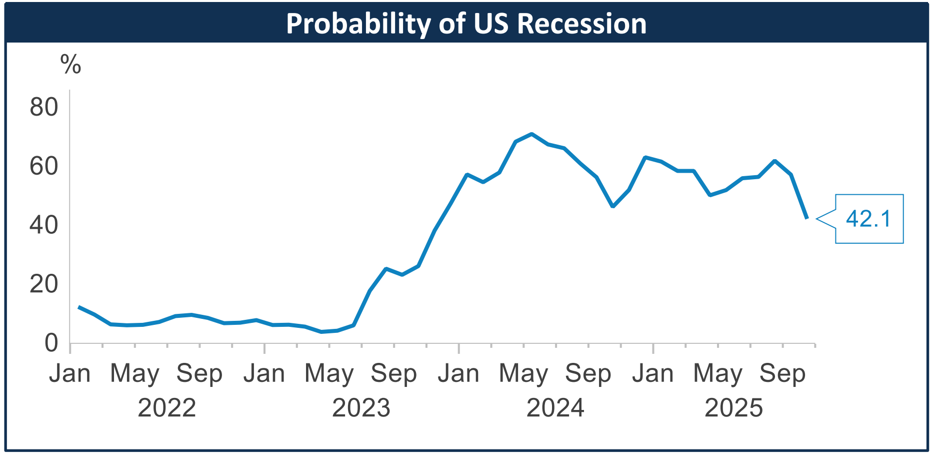


Global services are growing faster than global manufacturing, and the likelihood of a US recession is falling.







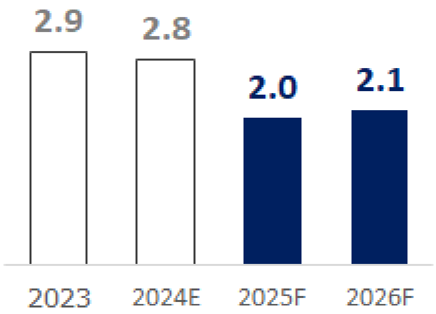


Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 1 November 2025)

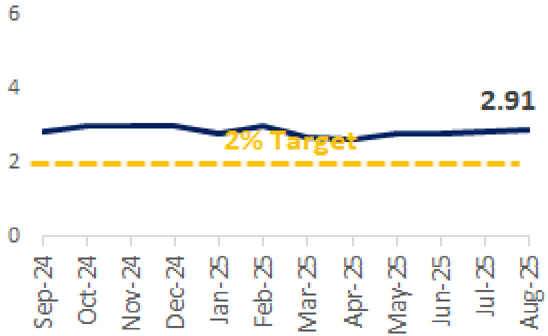
Global Economic Dashboard: United States

Data as of: 1 Nov 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	Aug-25		0.9	↘
Durable Goods	%YoY	Aug-25		7.6	↗
Retail Sales	%YoY	Aug-25		4.8	↗

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Aug-25		800	↗
Existing Home Sales	MoM k	Sep-25		4060	↗

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	Aug-25		22.0	↘
Unemployment Rate	%	Aug-25		4.3	↗
Avg Hourly Earning	%YoY	Aug-25		3.7	↘

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Sep-25		35.3	↗
Import from US	%YoY	Sep-25		-10.6	↘
Tourist Arrivals	%YoY	Sep-25		-4.3	↘

Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	Aug-25		2.7	↗
Core PCE	%YoY	Aug-25		2.9	↗
PPI	%YoY	Aug-25		2.6	↘

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	31-Oct-25		0.51	↘
VIX Index	Index Level	31-Oct-25		17.44	↗
Econ. Surprise Index	Index Level	31-Oct-25		13.8	↘

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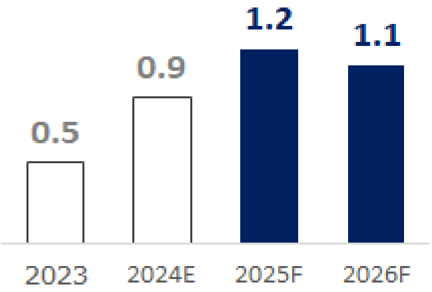
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

Note: Some indicators may not have been revised due to the US federal government shutdown.

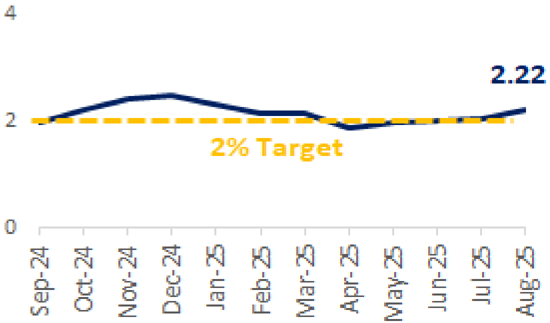
Global Economic Dashboard: Europe

Data as of: 1 Nov 2025

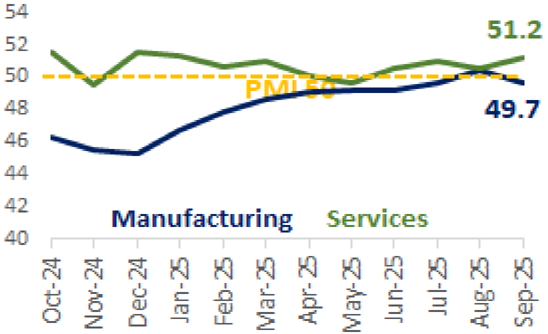
Euro Area GDP (%YoY, IMF)



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	Aug-25		1.1	
Euro Area 20, Retail Trade	%YoY	Aug-25		1.3	

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Sep-25		5.1	
M3	%YoY	Sep-25		2.8	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
EU* Unemployment Rate	%	Sep-25		6.0	
Euro Area, Wage Growth	%YoY	Sep-25		3.1	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Sep-25		7.3	
Import from EU*	%YoY	Sep-25		2.2	
Tourist Arrivals	%YoY	Sep-25		6.8	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
EU* HICP Headline Inflation	%YoY	Sep-25		2.2	
EU* Core HICP	%YoY	Sep-25		2.3	

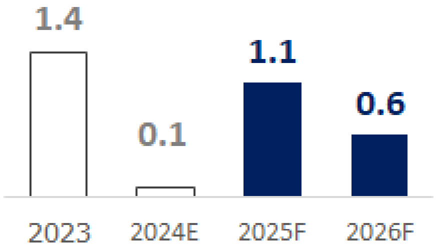
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	31-Oct-25		0.66	
UK Gilt 10Y-2Y	%	31-Oct-25		0.70	
VSTOXX	Index Level	31-Oct-25		17.81	
Econ. Surprise Index	Index Level	31-Oct-25		24.9	

Note: EU* refers to EU27

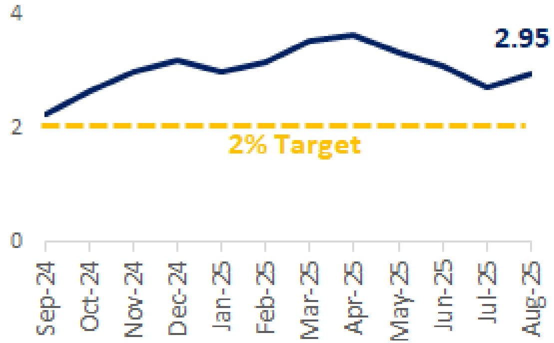
Global Economic Dashboard: Japan

Data as of: 1 Nov 2025

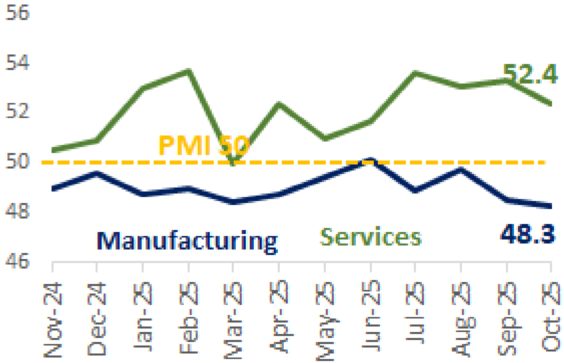
Japan GDP (%YoY, IMF)



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	Sep-25		3.5	↗
Durable Goods	%YoY	Sep-25		-1.5	↘
Wholesales and retail trade	%YoY	Sep-25		1.8	↗

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Sep-25		2.6	→
Establishments with ≥5 Employees	%YoY	Aug-25		-2.3	↘
Employed, Monthly Average	%YoY	Sep-25		1.6	↗

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Sep-25		2.9	↗
Core CPI	%YoY	Sep-25		2.9	↗
PPI	%YoY	Sep-25		2.7	↘

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Sep-25		-7.3	↗
Construction Finances	%YoY	Aug-25		2.4	↗

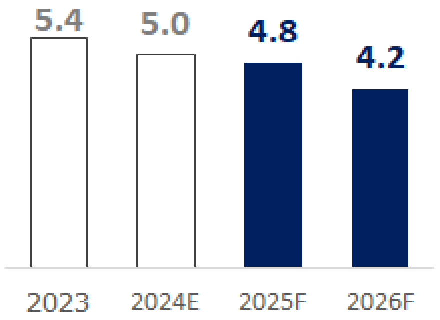
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Sep-25		6.2	↗
Import from Japan	%YoY	Sep-25		7.1	↗
Tourist Arrivals	%YoY	Sep-25		-2.4	↘

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	31-Oct-25		0.71	→
Econ. Surprise Index	Index Level	31-Oct-25		16.80	↘

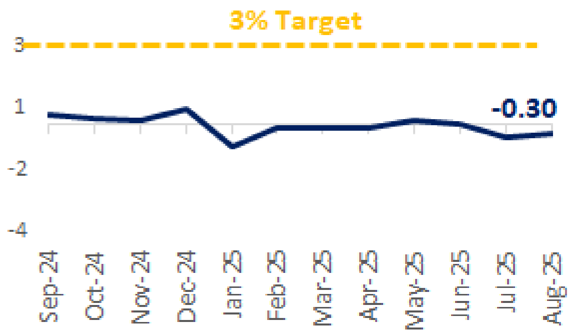
Global Economic Dashboard: China

Data as of: 1 Nov 2025

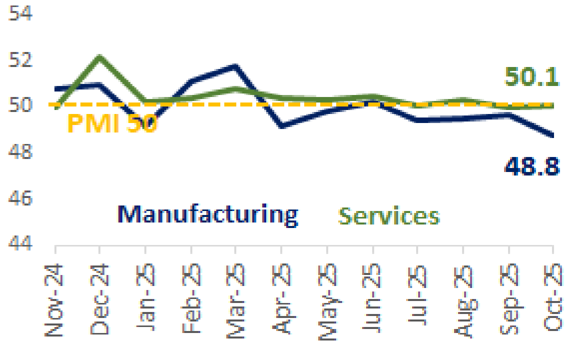
China GDP (%YoY, IMF)



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	Sep-25		3.0	
Exports of Mechanical & Electrical Products	%YoY	Sep-25		12.6	
Industrial Production	%YoY	Sep-25		6.5	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Sep-25		-6.3	
Residential Price Index	%YoY	Sep-25		-2.6	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Sep-25		5.2	
Consumer Confidence Index	%YoY	Sep-25		89.6	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Sep-25		3.2	
Import from China	%YoY	Sep-25		38.7	
Tourist Arrivals	%YoY	Sep-25		-31.6	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Sep-25		-0.3	
PPI	%YoY	Sep-25		-2.3	

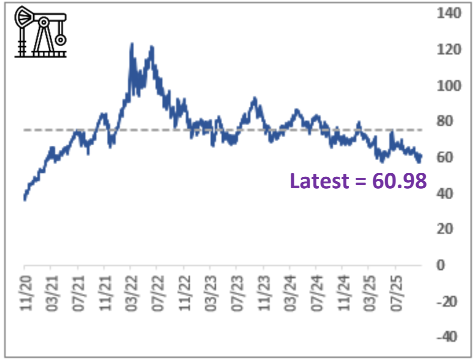
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	31-Oct-25		0.39	
Econ. Surprise Index	Index Level	31-Oct-25		-11.20	

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

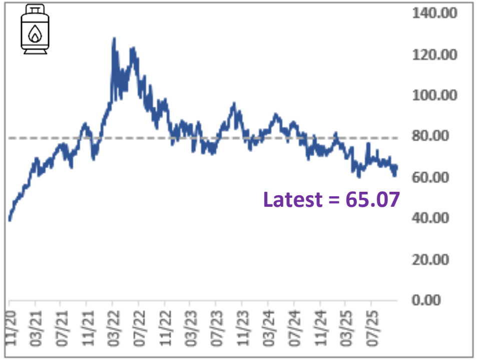
Data as of: 1 Nov 2025

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

Energy - Crude Oil (WTI) $/bbl

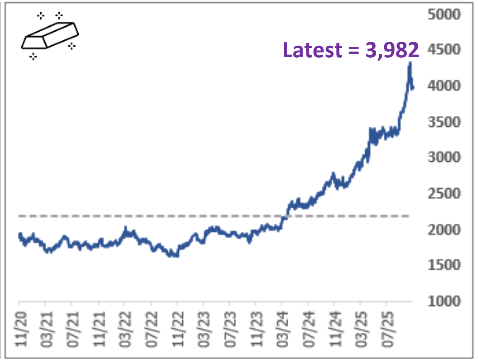


Energy - Crude Oil (WTI) $/bbl



Energy - Gasoline $/Gallon

Precious Metal - Gold $/t oz.

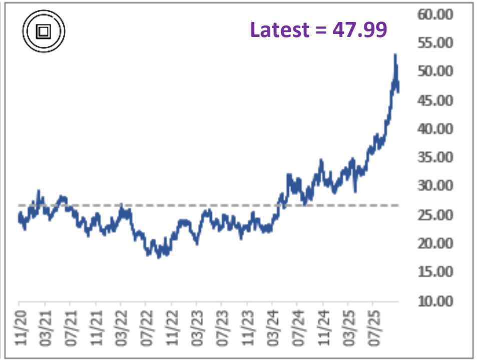


Agriculture - Wheat $/bushels

Agriculture - Corn $/bushels

Agriculture - Sugar $/lb.

Precious Metal - Silver $/t oz.



Source: LH Business Research Analysis based on data from Yahoo Finance – use the nearest month future price to replicate spot price

Note: Natural gas price may not have been revised due to the US federal government shutdown. For this month, we replaced with Crude oil (Brent) price.

Trump's Tariff Update (as of Nov 1, 2025): China delayed its export controls for one year and resumed imports of US soybeans, on Oct 29, Trump announced the cancellation of the additional 100% tariff and reduced the tariff rate on Fentanyl from 20% to 10%.

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 automotive and parts**

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

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

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**

8/9/2025 — **[Effective] New Executive Order: modifies tariff relief**, adding some products and removing others.

25 and 29 Sep 2025
- **25% Tariff on heavy trucks** (eff. 1 Oct)
- **100% Tariff on pharmaceutical drugs** (eff. 1 Oct)
- **10% Tariff on lumber and timber** (eff. 14 Oct)
- **25-50% Tariff on kitchen cabinet, vanities, furniture** (eff. 14 Oct)

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%**

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

9-13 Oct 2025 — **China has tightened its export controls on rare earths, while the US has announced a new 100% tariff on Chinese imports in response.** Moreover, both countries have imposed retaliatory measures by introducing 'special port fees' on each other's vessels.

29/10/2025 — **Trump and Xi met in South Korea. The retaliatory measures on early Oct were suspending for one year.**

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 is <u>directly</u> impacted by increased tariff** on steel and aluminum, automotive, heavy truck, copper, solar panel, furniture and cabinet, 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.

Implication to Thailand

- **US-China trade deal is a temporary relief.**
- **Risk of Double Influx:** A possible consequence of ongoing trade adjustments is a double influx of US and Chinese products entering the Thai market.

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

Disclaimer

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