LH BANK

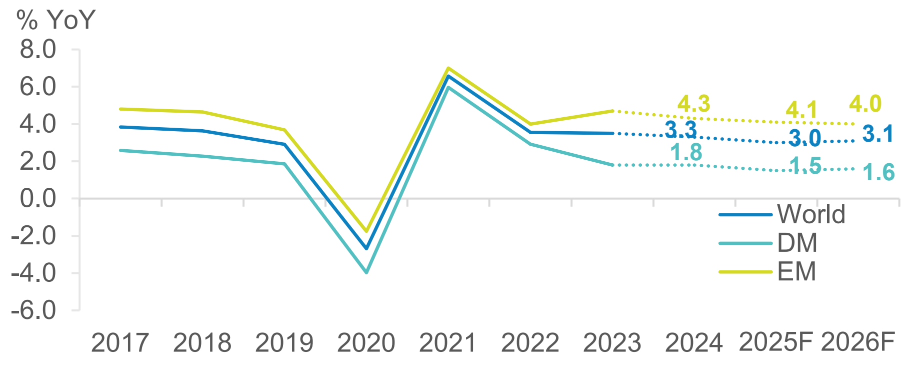
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

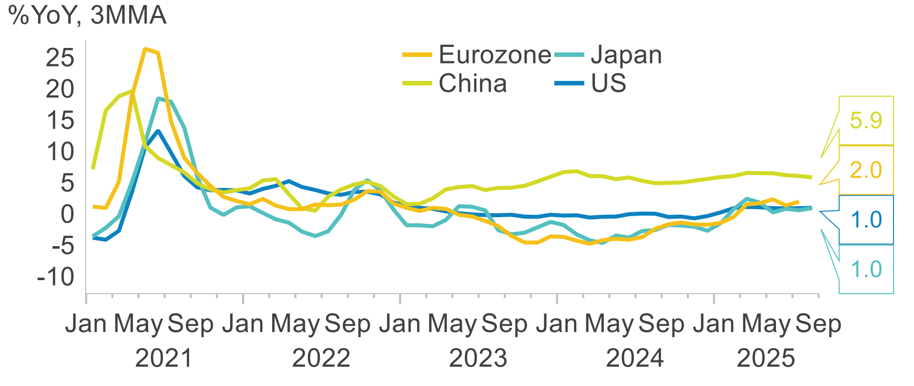
FOR October 2025

The IMF projects that the global economy will slow down in 2025 before making a slight recovery in 2026.

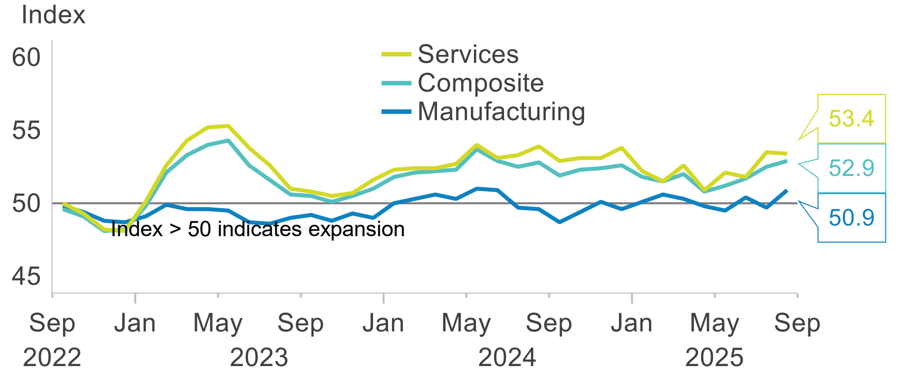
Global GDP Growth (as of Jul 2025)



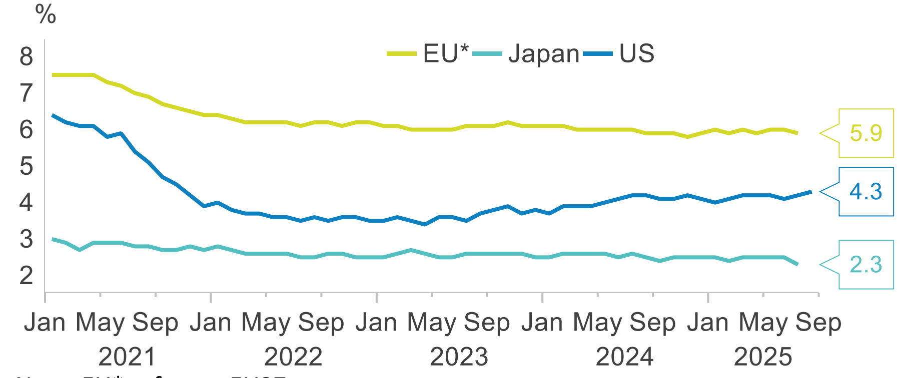
Global Industrial Production



Global PMI



G3 Unemployment Rate



Note: EU* refers to EU27

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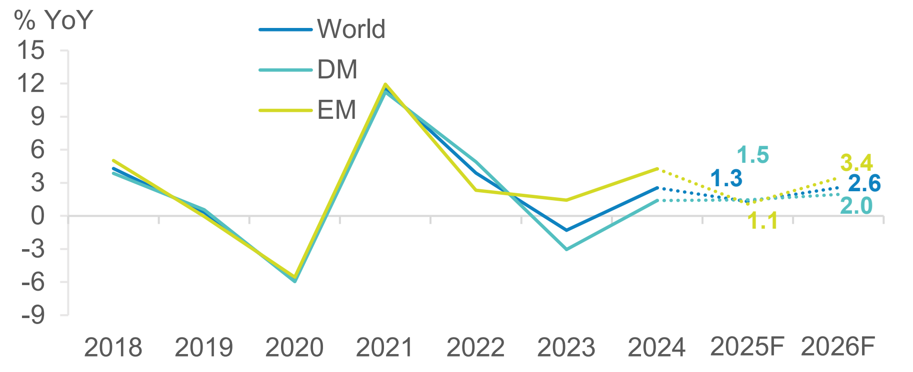
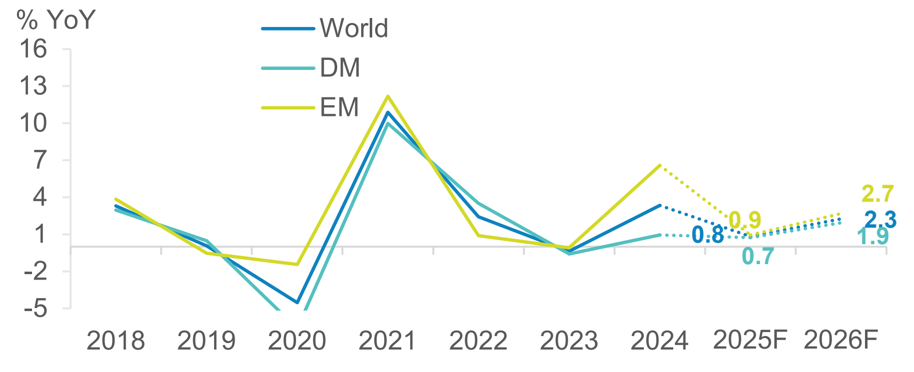
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 October 2025)

Global trade is expected to decline in 2025, while inflation is rising in DM, particularly in the US and EU.

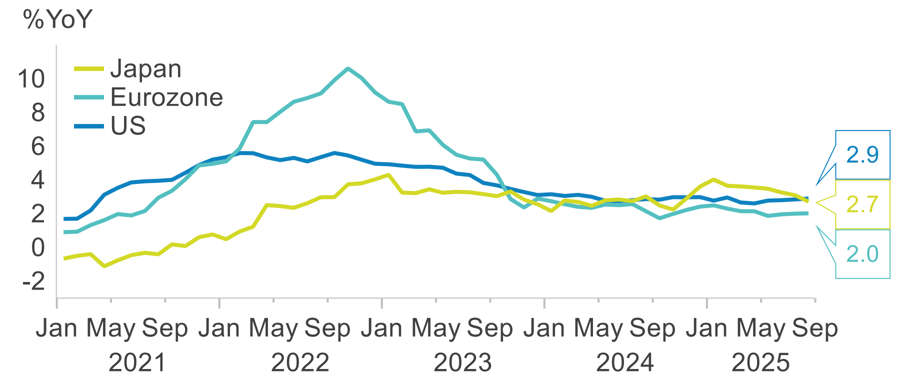
Volume of World Goods Imports



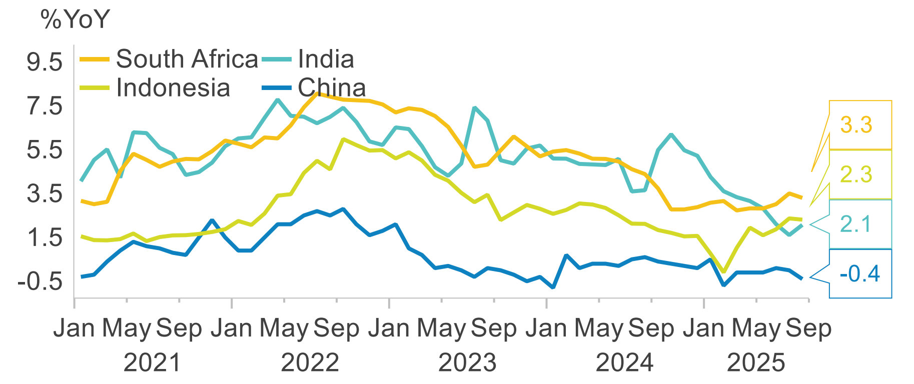
Volume of World Goods Exports



Inflation in major DM (G3)



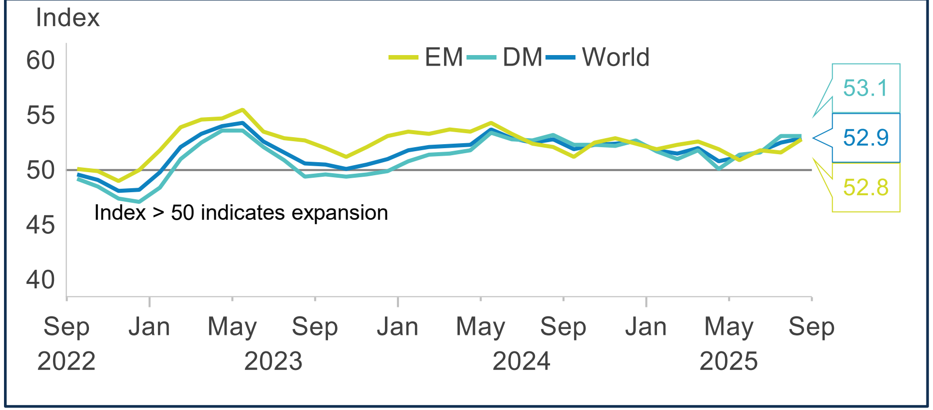
Inflation in major EM



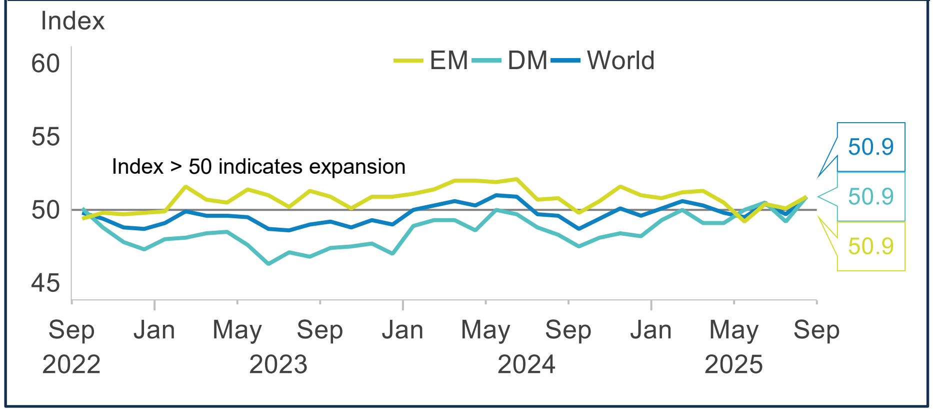
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 October 2025)

Global services are outperforming global manufacturing, and the probability of a US recession is decreasing.

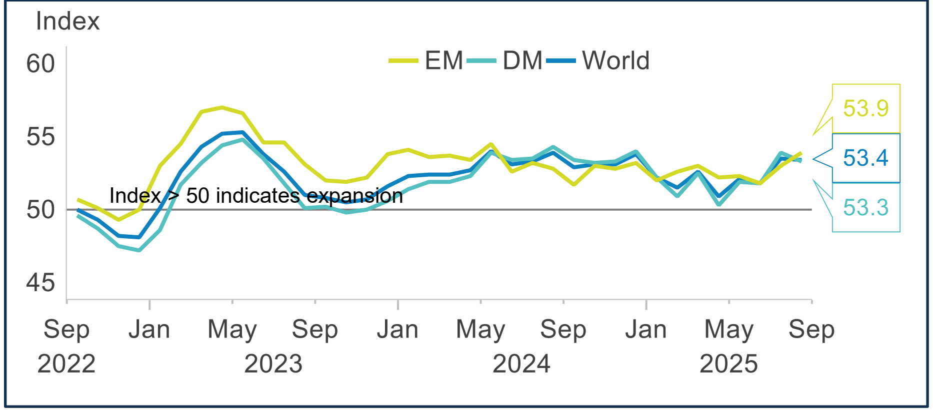
Global Composite PMI



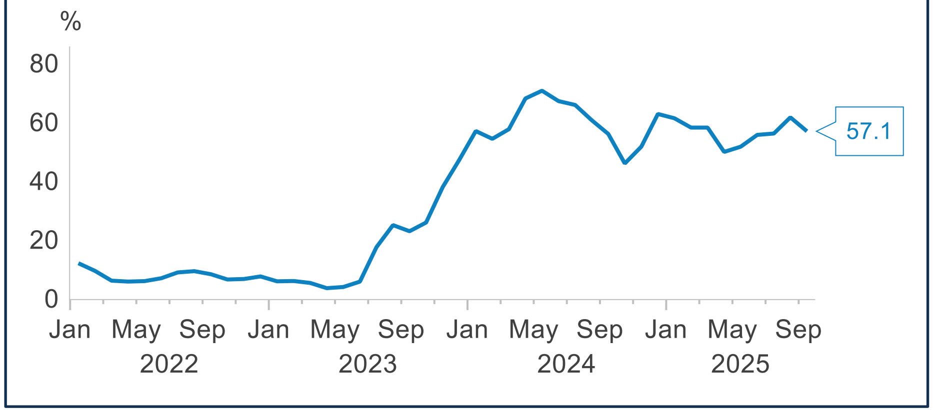
Global Manufacturing PMI



Global Services PMI



Probability of US Recession

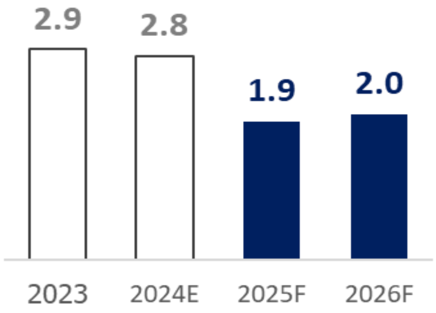


Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 1 October 2025)

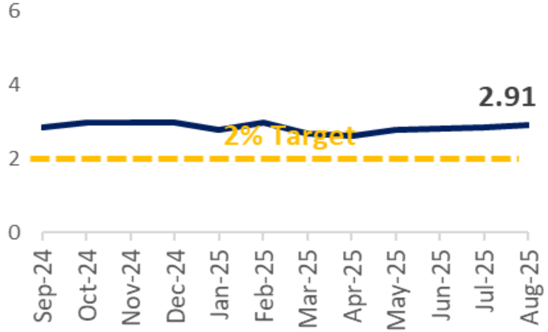
Global Economic Dashboard: United States

Data as of: 1 Oct 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	

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	

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	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Aug-25		800	
Existing Home Sales	MoM k	Aug-25		4000	

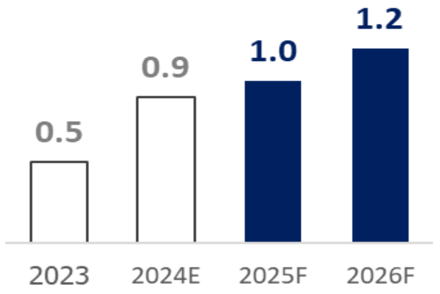
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Aug-25		12.8	
Import from US	%YoY	Aug-25		10.8	
Tourist Arrivals	%YoY	Aug-25		-2.7	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	30-Sep-25		0.56	
VIX Index	Index Level	30-Sep-25		16.28	
Econ. Surprise Index	Index Level	30-Sep-25		22.8	

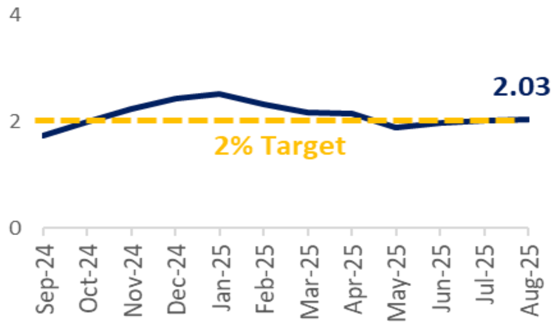
Global Economic Dashboard: Europe

Data as of: 1 Oct 2025

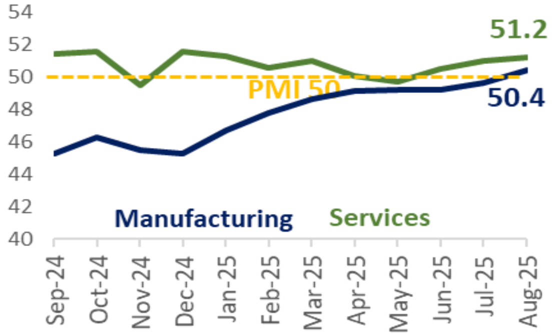
Euro Area GDP (%YoY, IMF)



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	Jul-25		1.8	
Euro Area 20, Retail Trade	%YoY	Jul-25		2.2	

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

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

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Aug-25		5.0	
M3	%YoY	Aug-25		2.9	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Aug-25		1.6	
Import from EU*	%YoY	Aug-25		3.2	
Tourist Arrivals	%YoY	Aug-25		9.3	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	30-Sep-25		0.69	
UK Gilt 10Y-2Y	%	30-Sep-25		0.78	
VSTOXX	Index Level	30-Sep-25		16.68	
Econ. Surprise Index	Index Level	30-Sep-25		8.2	

Note: EU* refers to EU27

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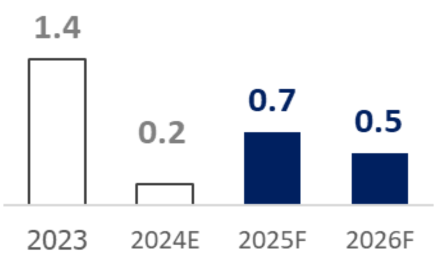
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

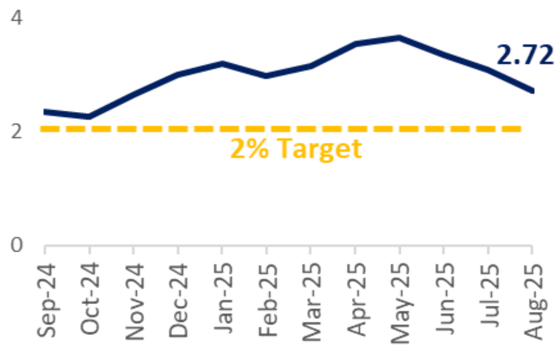
Global Economic Dashboard: Japan

Data as of: 1 Oct 2025

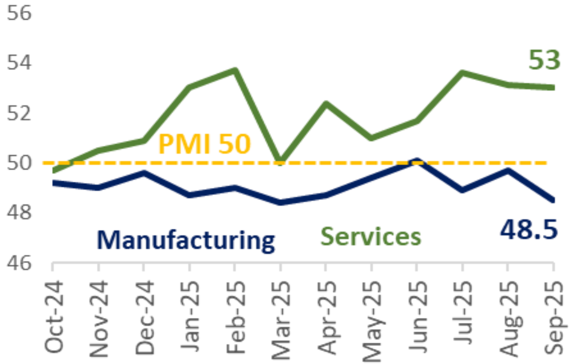
Japan GDP (%YoY, IMF)



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	Aug-25		-1.3	
Durable Goods	%YoY	Aug-25		0.8	
Wholesales and retail trade	%YoY	Aug-25		-1.8	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Jul-25		2.4	
Establishments with ≥5 Employees	%YoY	Jul-25		0.2	
Employed, Monthly Average	%YoY	Jul-25		-0.3	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Aug-25		2.7	
Core CPI	%YoY	Aug-25		2.7	
PPI	%YoY	Aug-25		2.7	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Aug-25		-9.8	
Construction Finances	%YoY	Jul-25		2.7	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Aug-25		-5.3	
Import from Japan	%YoY	Aug-25		0.6	
Tourist Arrivals	%YoY	Aug-25		4.7	

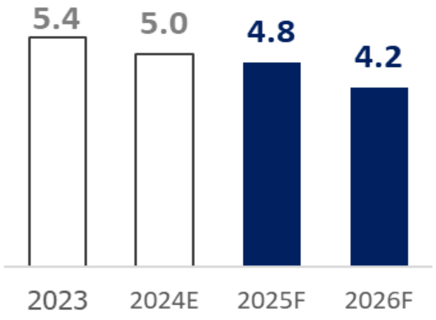
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	30-Sep-25		0.71	
Econ. Surprise Index	Index Level	30-Sep-25		20.30	

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

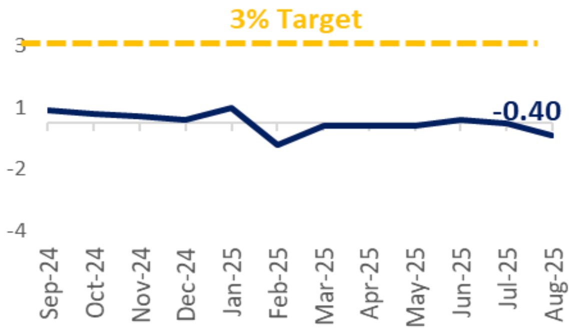
Global Economic Dashboard: China

Data as of: 1 Oct 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	Aug-25		3.4	
Exports of Mechanical & Electrical Products	%YoY	Aug-25		7.6	
Industrial Production	%YoY	Aug-25		5.2	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Aug-25		-5.4	
Residential Price Index	%YoY	Aug-25		-3.5	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Aug-25		5.3	
Consumer Confidence Index	%YoY	Aug-25		89.2	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Aug-25		5.9	
Import from China	%YoY	Aug-25		33.4	
Tourist Arrivals	%YoY	Aug-25		-37.7	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Aug-25		-0.4	
PPI	%YoY	Aug-25		-2.9	

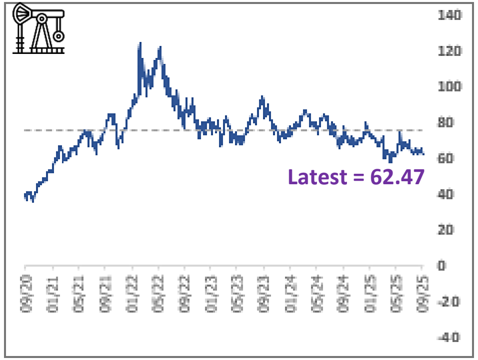
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	30-Sep-25		0.37	
Econ. Surprise Index	Index Level	30-Sep-25		-26.10	

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

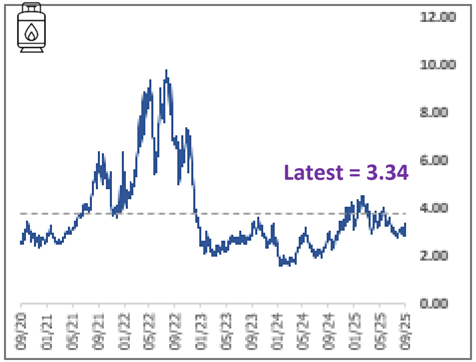
Data as of: 1 Oct 2025

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

Energy - Crude Oil (WTI) $/bbl

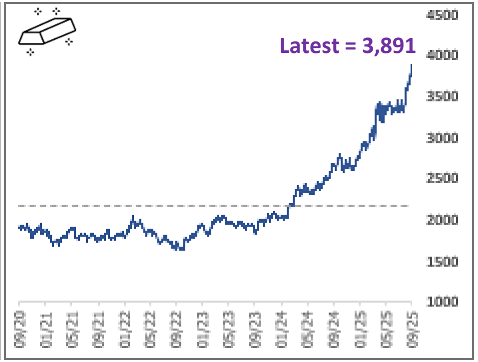


Energy - Natural Gas $/MMbtu.



Energy - Gasoline $/Gallon

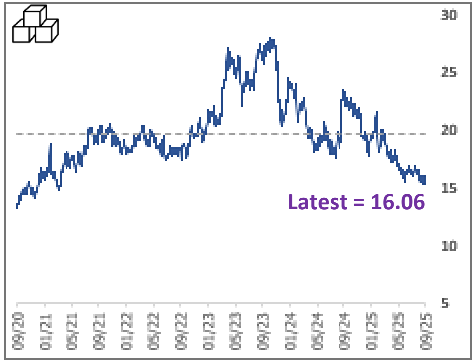
Precious Metal - Gold $/t oz.



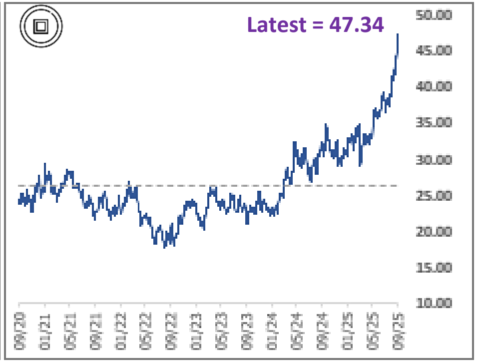
Agriculture - Wheat $/bushels

Agriculture - Corn $/bushels

Agriculture - Sugar $/lb.



Precious Metal - Silver $/t oz.



Trump's Tariff Update (as of Oct 1, 2025): Trump imposed new duties: 25% on heavy trucks, 100% on pharmaceutical drugs, 50% on kitchen cabinets, 25-30% on furniture, and 10% on lumber and timber.

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
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.
29/9/2025	10% Tariff on import lumber and timber & 25% Tariff on import wooden furniture (eff. 14 Oct)
1/10/2025	[Effective] 25% Tariff on import heavy trucks, 100% Tariff on pharmaceutical, 30-50% Tariff on import furniture

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

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 directly 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

- **Thailand is indirectly 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.

Implication to Thailand

- **Thailand experiences little or no impact from US tariffs imposed on CA, MX, EU, UK.**
- **Thailand is directly impacted by 19% tariff.** 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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