LH BANK

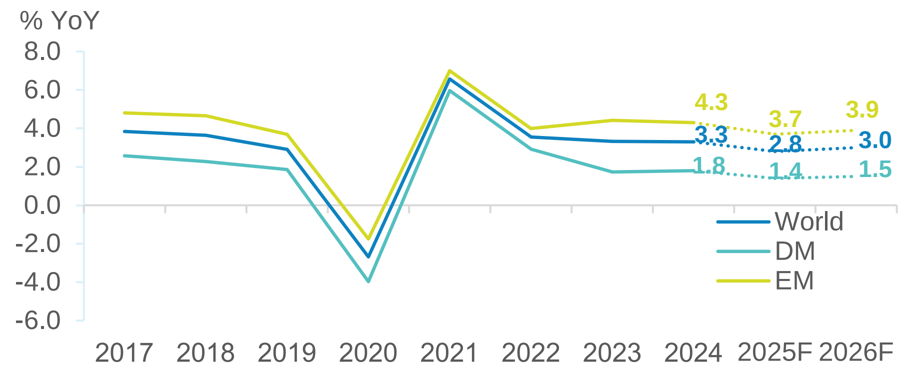
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

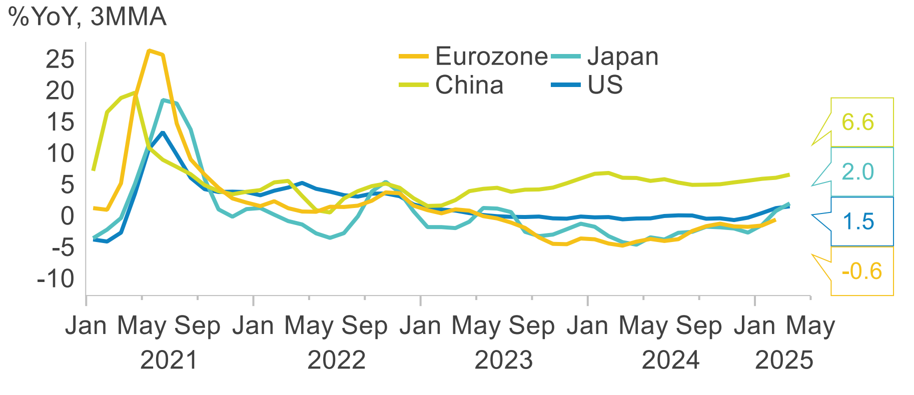
FOR May 2025

Global Economy – IMF revises down global economic growth amid escalating trade tensions.

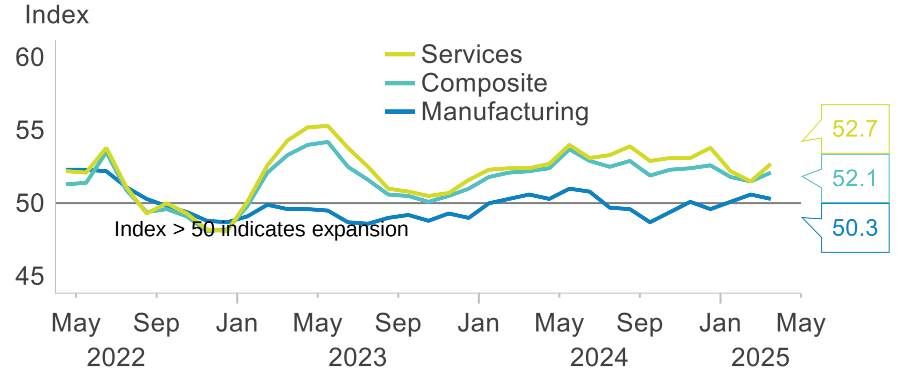
Global GDP Growth (as of Apr 2025)



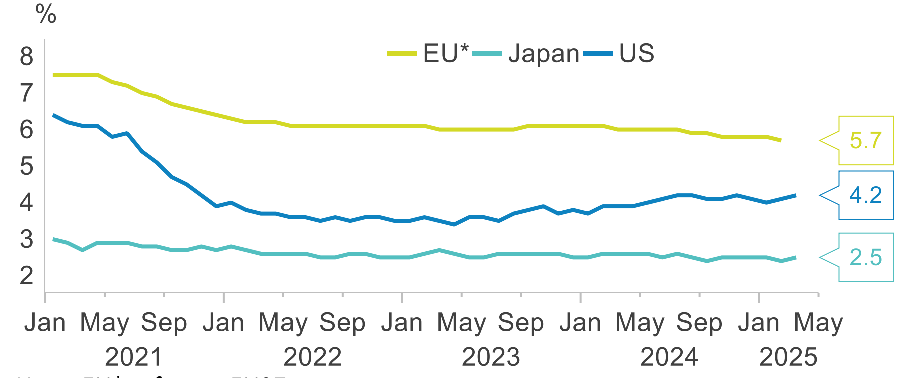
Global Industrial Production



Global PMI



G3 Unemployment Rate



Note: EU* refers to EU27

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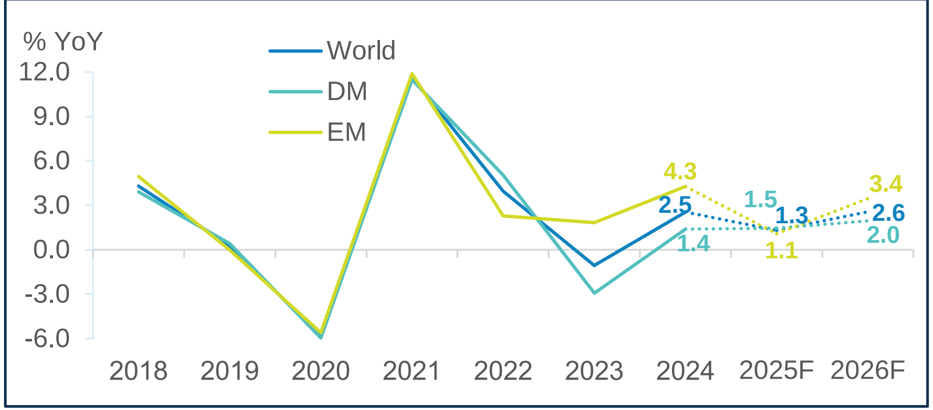
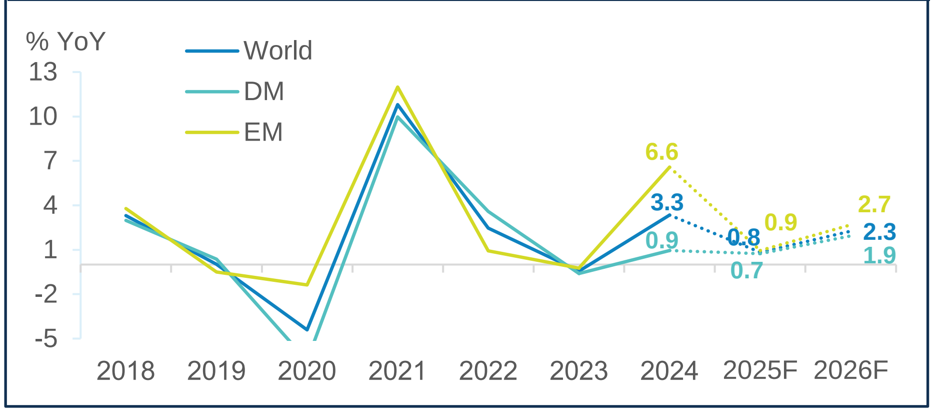
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 2 May 2025)

Global Trade and Inflation – Trade tariffs would reduce global trade but raise inflation.

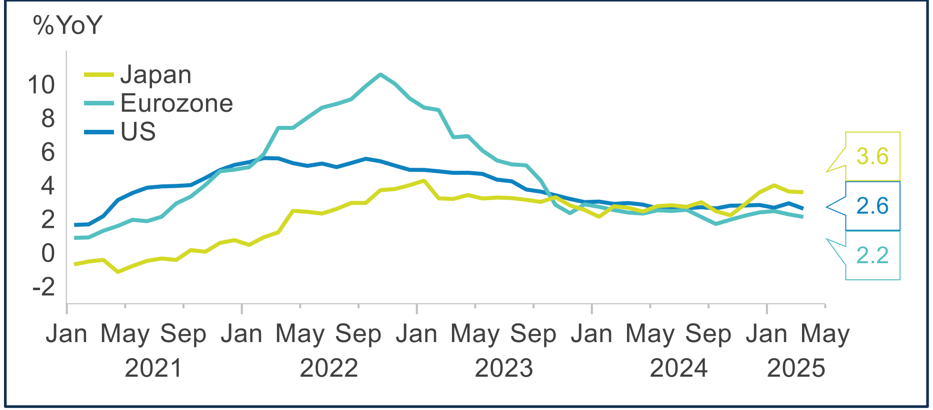
Volume of World Goods Imports



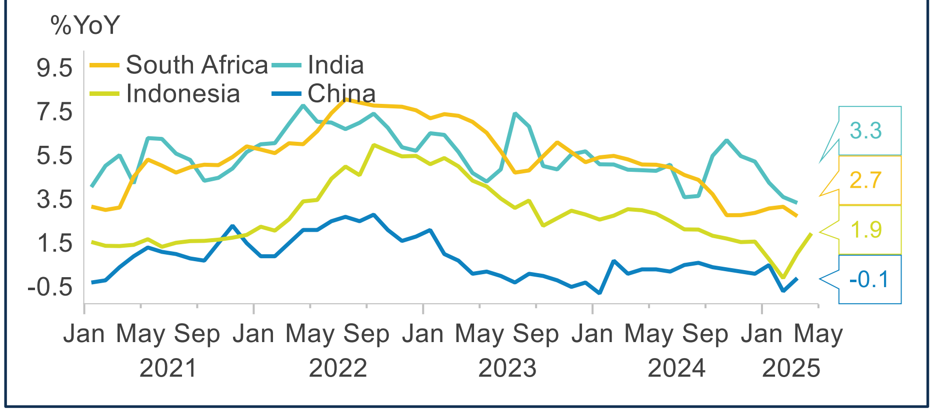
Volume of World Goods Exports



Inflation in major DM (G3)



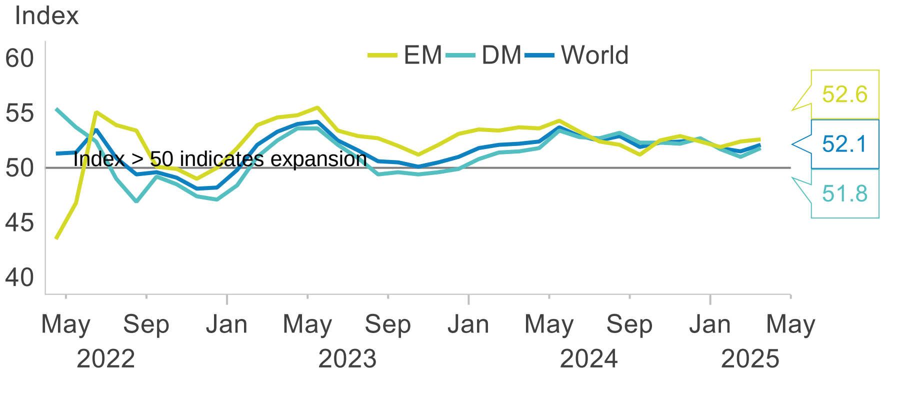
Inflation in major EM



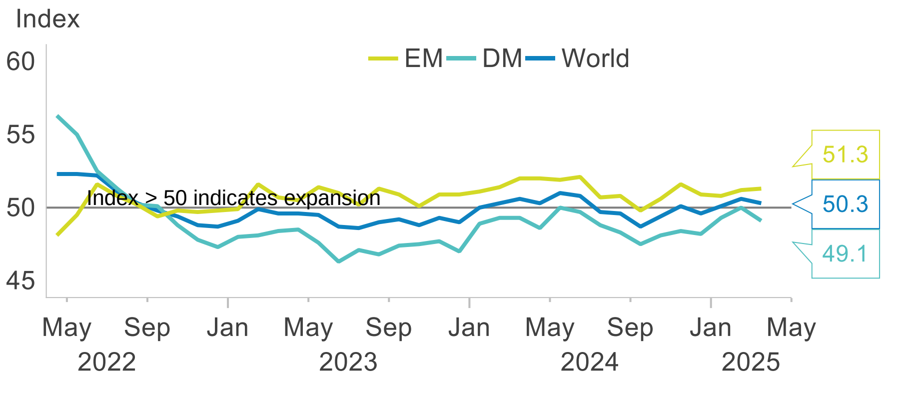
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 2 May 2025)

Global Activity Indicators – Manufacturing PMI weakens, probability of US recession high.

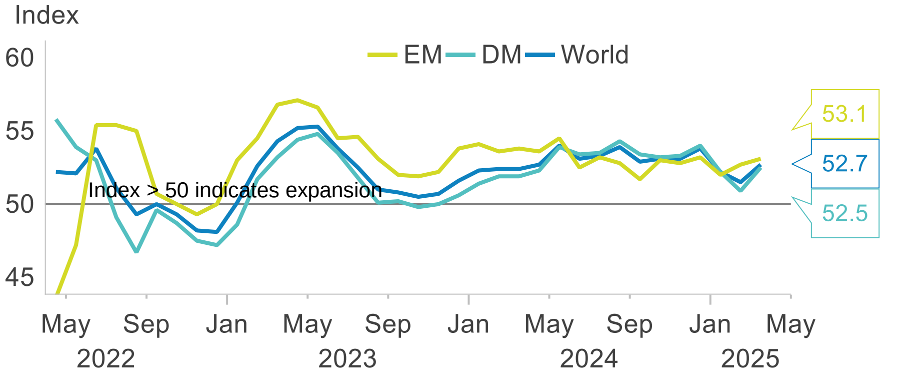
Global Composite PMI



Global Manufacturing PMI



Global Services PMI



Probability of US Recession

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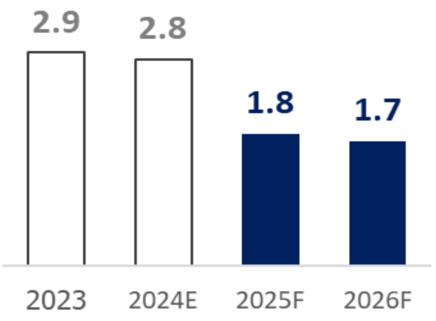
Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 2 May 2025)

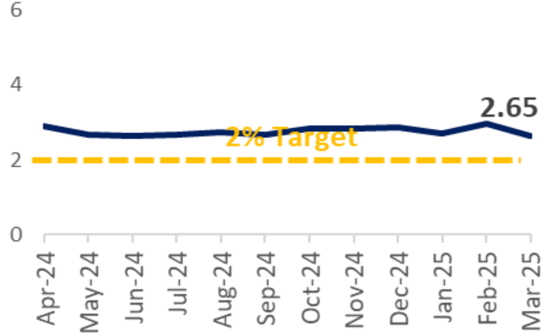
Global Economic Dashboard: United States

Data as of: 2 May 2025

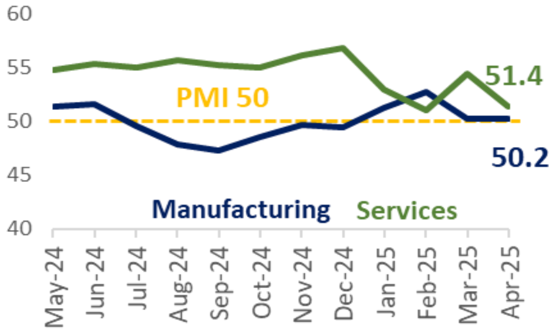
US GDP (%YoY, IMF)



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	Mar-25		1.3	↓
Durable Goods	%YoY	Mar-25		11.9	↑
Retail Sales	%YoY	Mar-25		4.9	↑

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	Mar-25		228.0	↑
Unemployment Rate	%	Mar-25		4.2	↑
Avg Hourly Earning	%YoY	Mar-25		3.8	↓

Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	Mar-25		2.3	↓
Core PCE	%YoY	Mar-25		2.6	↓
PPI	%YoY	Mar-25		2.7	↓

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Mar-25		724	↑
Existing Home Sales	MoM k	Mar-25		4020	↓

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Mar-25		34.3	↑
Import from US	%YoY	Mar-25		-1.4	↓
Tourist Arrivals	%YoY	Mar-25		9.1	↓

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	30-Apr-25		0.57	↑
VIX Index	Index Level	30-Apr-25		24.70	↑
Econ. Surprise Index	Index Level	30-Apr-25		-8.6	↓

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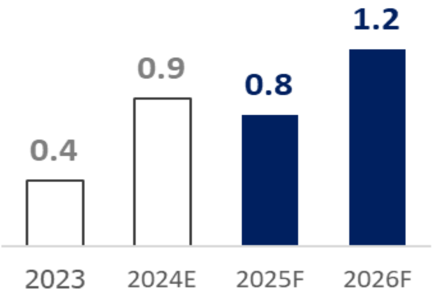
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

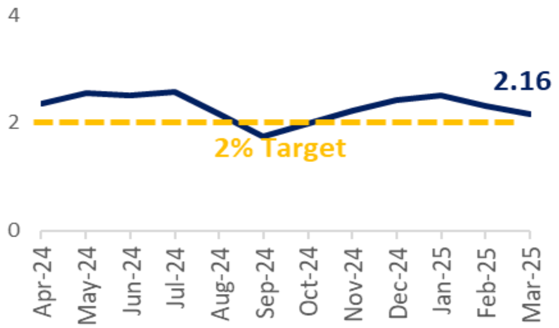
Global Economic Dashboard: Europe

Data as of: 2 May 2025

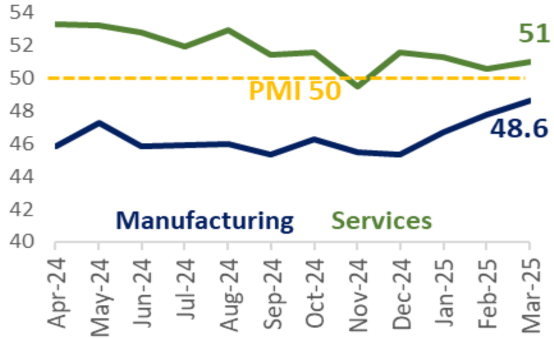
Euro Area GDP (%YoY, IMF)



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	Feb-25		1.2	
Euro Area 20, Retail Trade	%YoY	Feb-25		2.2	

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Mar-25		3.8	
M3	%YoY	Mar-25		3.6	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
EU* Unemployment Rate	%	Feb-25		5.7	
Euro Area, Wage Growth	%YoY	Mar-25		2.8	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Mar-25		4.6	
Import from EU*	%YoY	Mar-25		-6.1	
Tourist Arrivals	%YoY	Mar-25		11.7	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
EU* HICP Headline Inflation	%YoY	Mar-25		2.2	
EU* Core HICP	%YoY	Mar-25		2.4	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	30-Apr-25		0.75	
UK Gilt 10Y-2Y	%	30-Apr-25		0.64	
VSTOXX	Index Level	30-Apr-25		22.47	
Econ. Surprise Index	Index Level	30-Apr-25		-15.7	

Note: EU* refers to EU27

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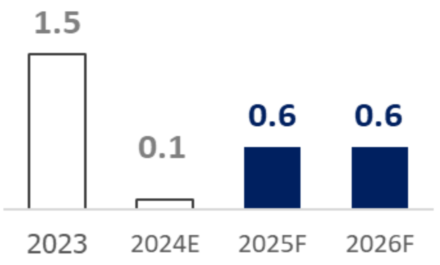
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

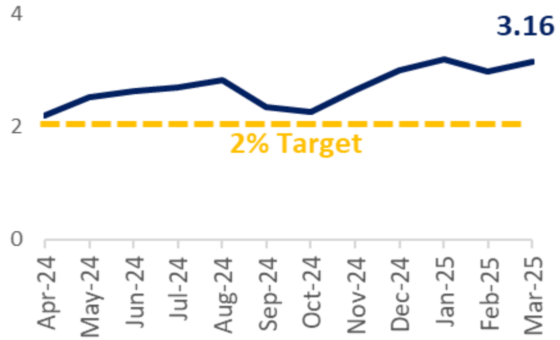
Global Economic Dashboard: Japan

Data as of: 2 May 2025

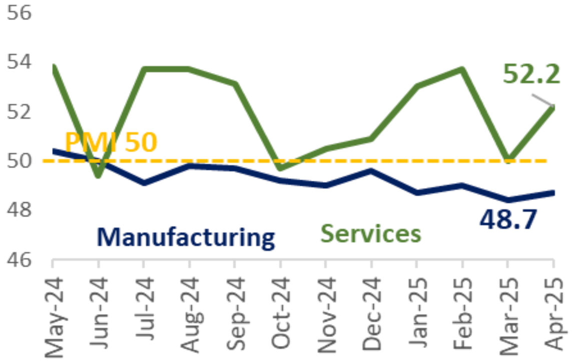
Japan GDP (%YoY, IMF)



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	Mar-25		-0.3	↘
Durable Goods	%YoY	Mar-25		2.6	↘
Wholesales and retail trade	%YoY	Mar-25		3.5	↗

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Mar-25		2.6	↗
Establishments with ≥5 Employees	%YoY	Feb-25		-2.8	↘
Employed, Monthly Average	%YoY	Mar-25		-0.9	↗

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Mar-25		3.6	↘
Core CPI	%YoY	Mar-25		3.2	↗
PPI	%YoY	Mar-25		4.2	↗

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Mar-25		39.1	↗
Construction Finances	%YoY	Feb-25		4.6	↗

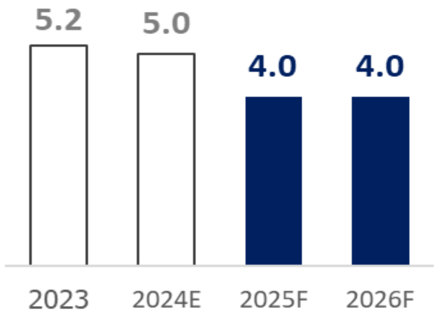
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Mar-25		1.5	↗
Import from Japan	%YoY	Mar-25		10.0	↗
Tourist Arrivals	%YoY	Mar-25		17.2	↗

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	30-Apr-25		0.64	↘
Econ. Surprise Index	Index Level	30-Apr-25		3.50	↗

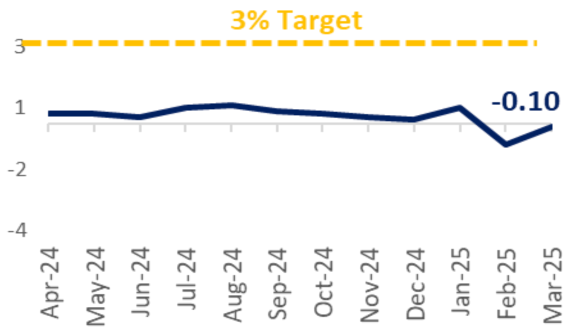
Global Economic Dashboard: China

Data as of: 2 May 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	Mar-25		5.9	
Exports of Mechanical & Electrical Products	%YoY	Mar-25		13.4	
Industrial Production	%YoY	Mar-25		7.7	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Mar-25		-3.5	
Residential Price Index	%YoY	Mar-25		-5.7	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Mar-25		5.2	
Consumer Confidence Index	%YoY	Mar-25		87.5	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Mar-25		22.2	
Import from China	%YoY	Mar-25		45.9	
Tourist Arrivals	%YoY	Mar-25		-48.2	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Mar-25		-0.1	
PPI	%YoY	Mar-25		-2.5	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	30-Apr-25		0.17	
Econ. Surprise Index	Index Level	30-Apr-25		43.90	

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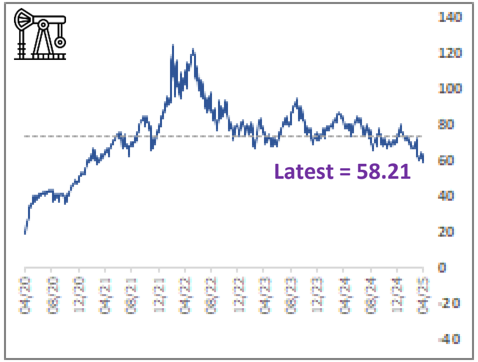
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

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

Data as of: 2 May 2025

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

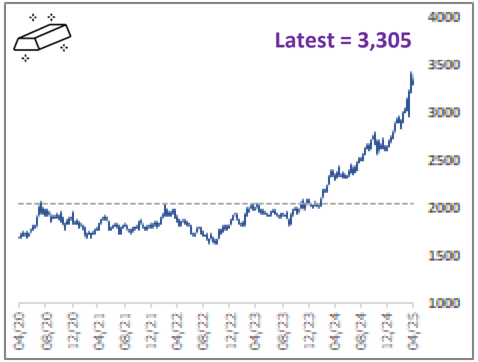
Energy - Crude Oil (WTI) $/bbl



Energy - Natural Gas $/MMbtu.

Energy – Gasoline $/Gallon

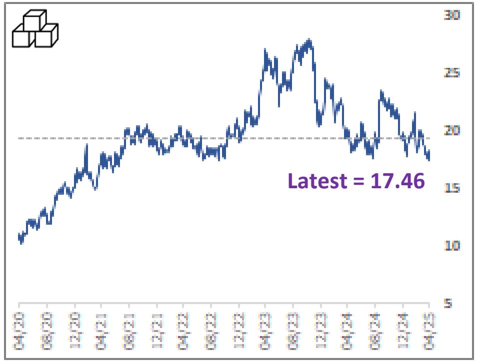
Precious Metal - Gold $/t oz.



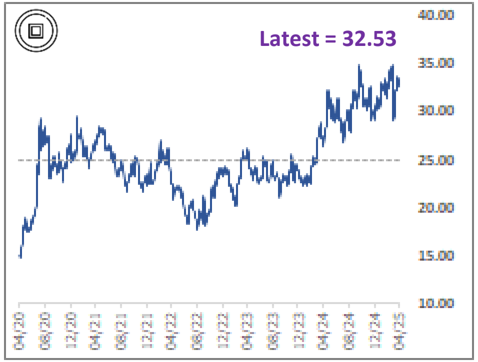
Agriculture - Wheat $/bushels

Agriculture - Corn $/bushels

Agriculture - Sugar $/lb.



Precious Metal - Silver $/t oz.



Trump's Tariff Update (as of 2 May 2025): The reciprocal tariff has been postponed for 90 days. Some exemption granted for E&Es, while Trump introduced measures to support domestic automakers. Solar panel has become new target of the tariffs.

Target: World

10/3/2025 [Effective] 25% Tariff on import steel and aluminum

2/4/2025 Announce on the implement of Baseline tariff (eff. 5 Apr) and Reciprocal tariffs (eff. 9 Apr); For Thailand 37%

3/4/2025 [Effective] 25% Tariff on import automotive (passenger cars, light trucks) (For auto parts, tariff will eff. by 3 May)

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

9/4/2025 Reciprocal tariffs was postponed for 90 days, except for China (eff. 9 Jul)

11/4/2025 Exempt Smartphones and other consumer electronics containing semiconductors from Reciprocal tariffs

21/4/2025 Announced the plan to use AD&CVD on Solar PV from 4 ASEAN countries; Thai 375.19% tariffs (eff. TBA)

29/4/2025 Trump signed executive orders to ease the impact of 25% tariffs on imported auto parts which eff. by 3 May

Target: China

4/3/2025 [Effective] 10% more Tariff on China's goods (Total = 20%)

10/3/2025 [Effective] Retaliation tariff to US for agricultural and food products with 10-15%

4/4/2025 China imposed retaliation tariff to US import goods for 34% (eff. 10 Apr)

8/4/2025 US announces a 50% increase in reciprocal tariffs following China's retaliatory measures.

9/4/2025 China increased retaliation tariff to US for 84% // US increased reciprocal tariffs to China to 125% (Total = 145%)

10/4/2025 China increased retaliation tariff to US for 125% (eff. 12 Apr)

12/4/2025 [Effective] Retaliation tariff to US for 125%

Target: Canada, Mexico

1/2/2025 Tariff on Canada's imports by 25% & Energy Product by 10% & Tariff on Mexico's imports by 25%

3/2/2025 Exempt tariffs on Canada and Mexico for 1 month (until 4 Mar 2025)

4/3/2025 Tariffs on Canada and Mexico (1 Feb) go into effective

6/3/2025 Exempt tariffs on Canada and Mexico for 1 month (until 2 Apr 2025)

2/4/2025 [Effective] 25% MFN tariffs on Canada's and Mexico's products, exempt USMCA compliant good (0%). Moreover, 10% tariff on Canada's oil and energy products

Implication to Thailand

- Thailand is directly impacted on steel and aluminum, and automotive. Other products will face reciprocal tariffs after the 90-day postpone.
  - **Thai automotive industry** faces 25% tariff on exports to the US, and this indirectly impacts Thailand's exports to Mexico and Japan.
  - **The surge of Chinese products into Thailand will be increasing, particularly steel, and aluminum.**
  - **Thai solar panel exports may face tariffs up to 375.19%**
  - Lower price competitiveness of Thailand's export goods.
  - Opportunities from "Trade Diversion".

Implication to Thailand

- **Thailand is indirectly impacted by US tariffs on China's imports.** It is possible that goods from China will surge into other markets besides the US, such as ASEAN countries (China Flooding). However, Thailand has an opportunity to benefit from trade diversion by exporting goods to the U.S. as substitutes for Chinese products.

Implication to Thailand

- **Thailand experiences little or no impact from US tariffs imposed on Canada and Mexico.**

Note:
eff. = effective
AD = Antidumping Duty
CVD = Countervailing Duty

Source: LH Bank Business Research analysis based on data from USTR, Capital Economics, PIIE, Reuters, White House, Goldman Sachs (Data as of 2 May 2025)

End of Presentation

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