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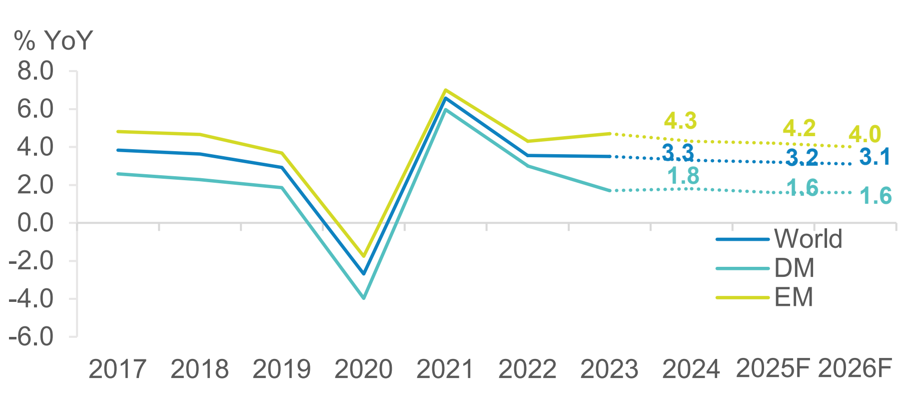
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

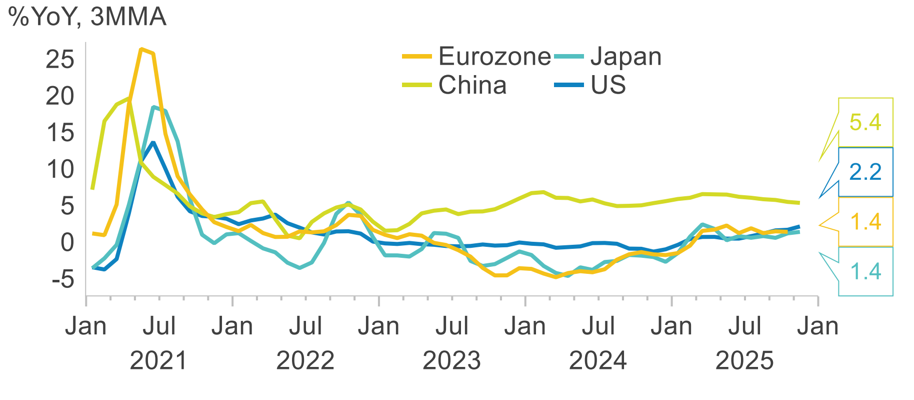
FOR January 2026

The global economy is expected to continue to slow down in 2026F as the effects of front-loading fade.

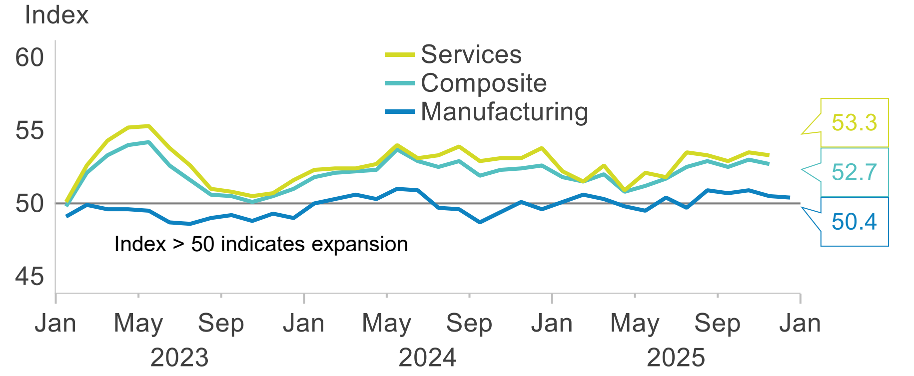
Global GDP Growth (as of Oct 2025)



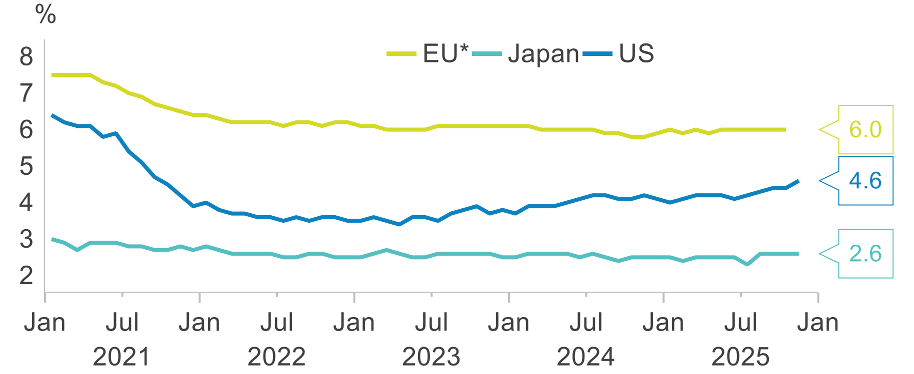
Global Industrial Production



Global PMI



G3 Unemployment Rate



Note: EU* refers to EU27

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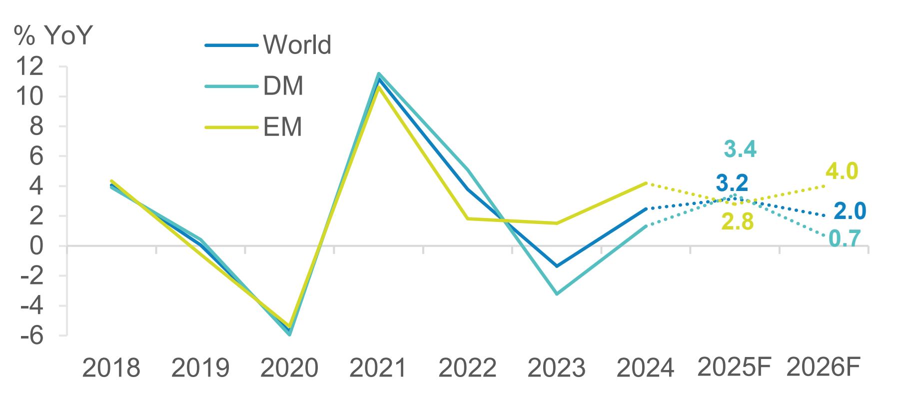
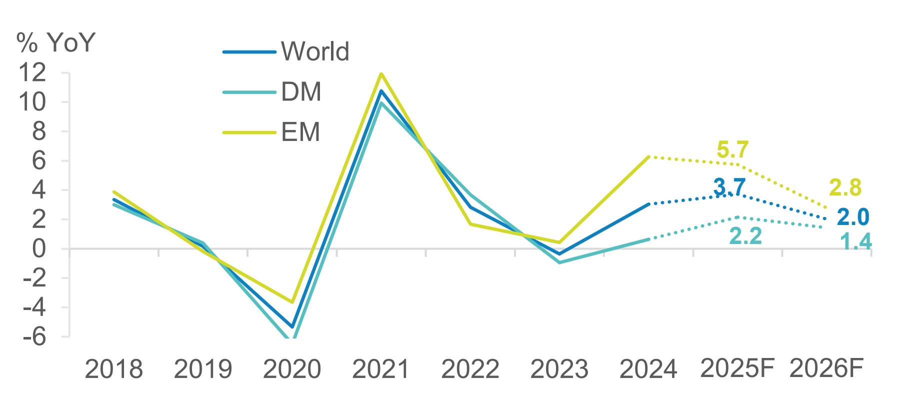
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 5 January 2026)

Global trade is expected to soften in 2026F. Meanwhile, inflation is likely to ease.

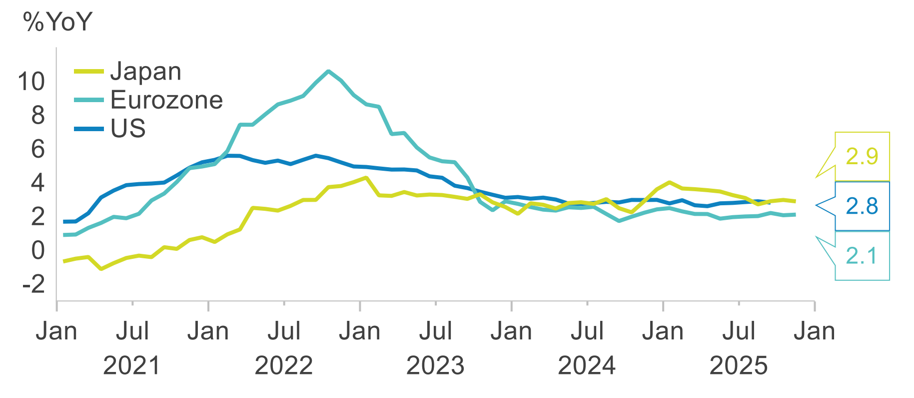
Volume of World Goods Imports



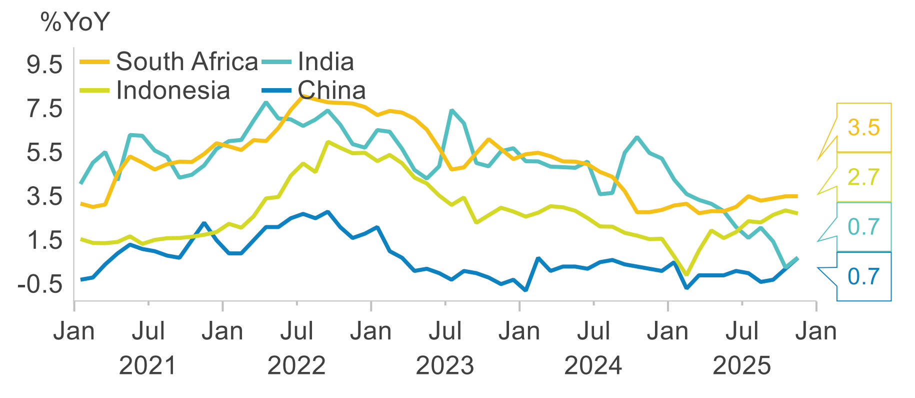
Volume of World Goods Exports



Inflation in major DM (G3)



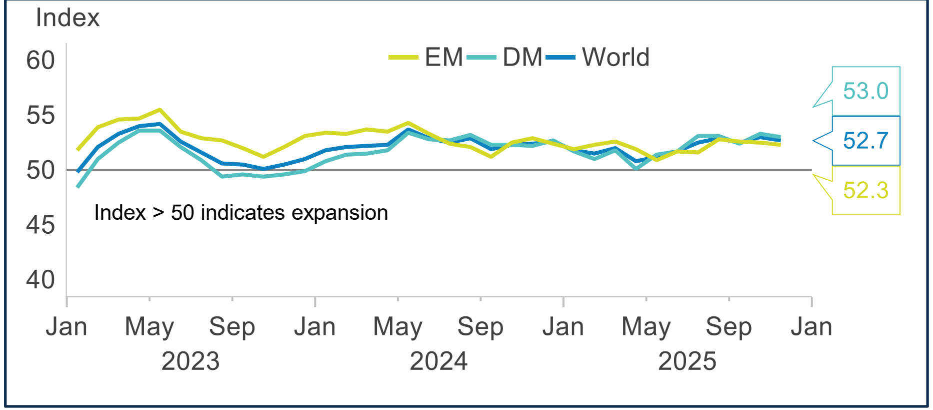
Inflation in major EM



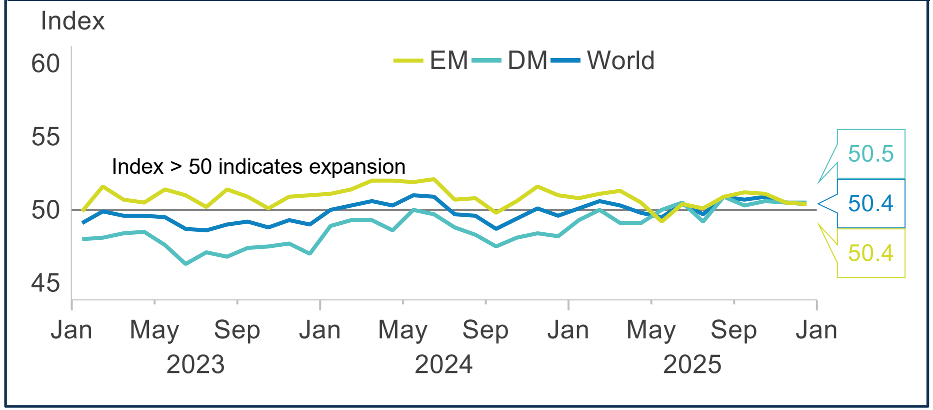
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 5 January 2026)

The global services sector is outperforming manufacturing, and the likelihood of a US recession is decreasing.

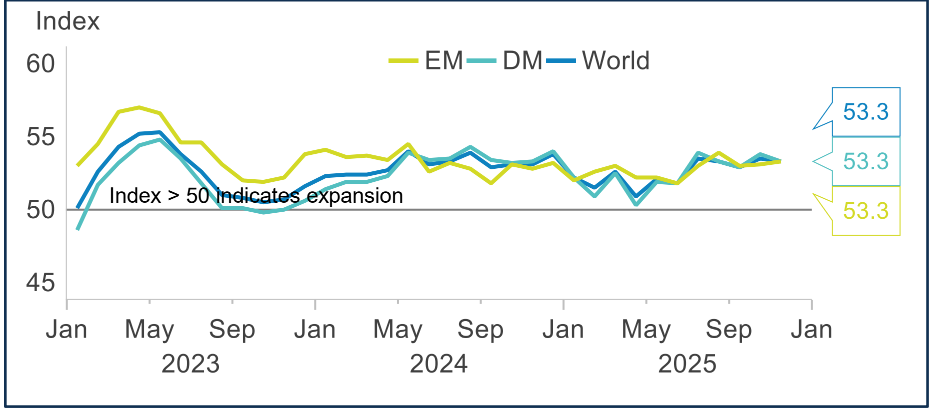
Global Composite PMI



Global Manufacturing PMI



Global Services PMI



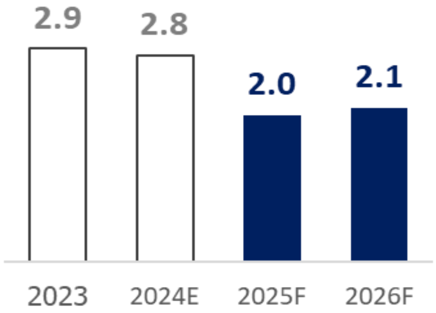
Probability of US Recession

Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 5 January 2026)

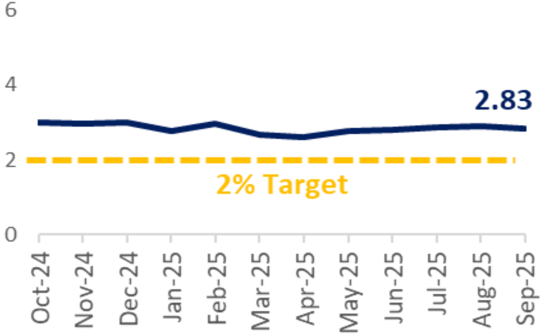
Global Economic Dashboard: United States

Data as of : 5 Jan 2026

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	Nov-25		2.5	↗
Durable Goods	%YoY	Oct-25		4.8	↘
Retail Sales	%YoY	Oct-25		3.4	↘

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Aug-25		800	↗
Existing Home Sales	MoM k	Nov-25		4130	↗

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	Nov-25		64.0	↘
Unemployment Rate	%	Nov-25		4.6	↗
Avg Hourly Earning	%YoY	Nov-25		3.5	↘

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Nov-25		37.9	↗
Import from US	%YoY	Nov-25		24.7	↗
Tourist Arrivals	%YoY	Nov-25		3.4	↘

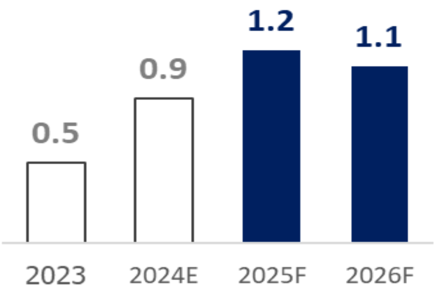
Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	Sep-25		2.8	↗
Core PCE	%YoY	Sep-25		2.8	↘
PPI	%YoY	Sep-25		2.7	↗

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	31-Dec-25		0.71	↗
VIX Index	Index Level	31-Dec-25		14.95	↘
Econ. Surprise Index	Index Level	31-Dec-25		14.4	↗

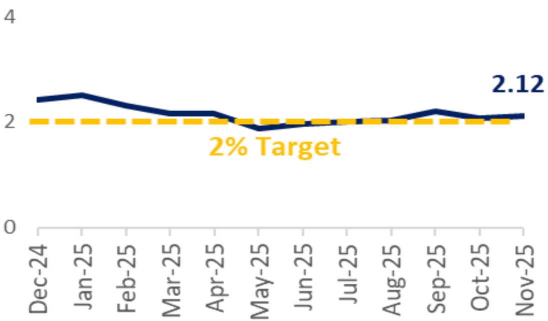
Global Economic Dashboard: Europe

Data as of : 5 Jan 2026

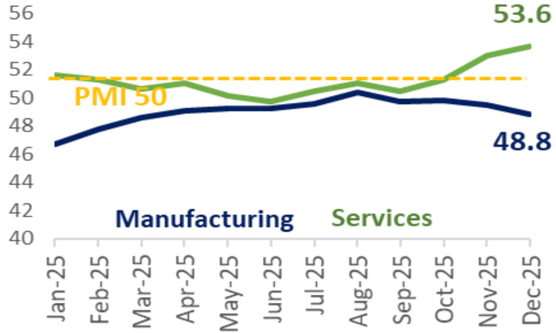
Euro Area GDP (%YoY, IMF)



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	Oct-25		2.0	
Euro Area 20, Retail Trade	%YoY	Oct-25		1.5	

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Nov-25		5.0	
M3	%YoY	Nov-25		3.0	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
EU* Unemployment Rate	%	Oct-25		6.0	
Euro Area, Wage Growth	%YoY	Nov-25		2.3	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Nov-25		12.0	
Import from EU*	%YoY	Nov-25		-9.6	
Tourist Arrivals	%YoY	Nov-25		5.8	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
EU* HICP Headline Inflation	%YoY	Nov-25		2.1	
EU* Core HICP	%YoY	Nov-25		2.4	

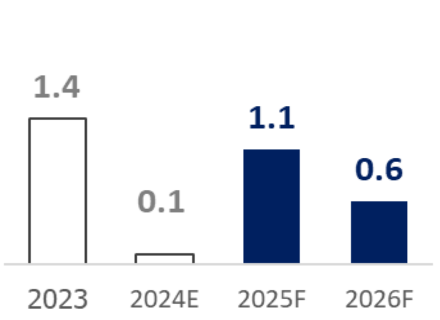
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	31-Dec-25		0.75	
UK Gilt 10Y-2Y	%	31-Dec-25		0.83	
VSTOXX	Index Level	31-Dec-25		14.71	
Econ. Surprise Index	Index Level	31-Dec-25		32.6	

Note: EU* refers to EU27

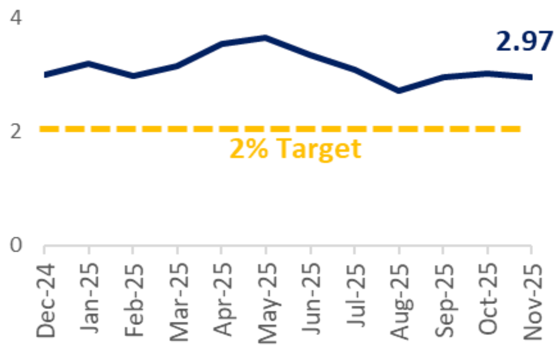
Global Economic Dashboard: Japan

Data as of : 5 Jan 2026

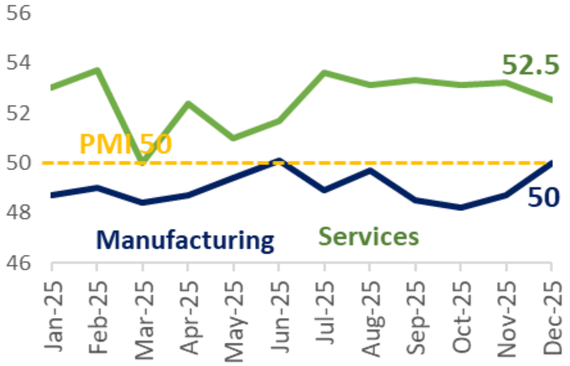
Japan GDP (%YoY, IMF)



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	Nov-25		-2.1	
Durable Goods	%YoY	Nov-25		-3.9	
Wholesales and retail trade	%YoY	Nov-25		-1.0	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Nov-25		-8.5	
Construction Finances	%YoY	Oct-25		1.6	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Nov-25		2.4	
Establishments with ≥5 Employees	%YoY	Oct-25		0.2	
Employed, Monthly Average	%YoY	Nov-25		-3.3	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Nov-25		-8.9	
Import from Japan	%YoY	Nov-25		1.4	
Tourist Arrivals	%YoY	Nov-25		-1.5	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Nov-25		2.9	
Core CPI	%YoY	Nov-25		3.0	
PPI	%YoY	Nov-25		2.7	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	30-Nov-25		0.81	
Econ. Surprise Index	Index Level	31-Dec-25		56.00	

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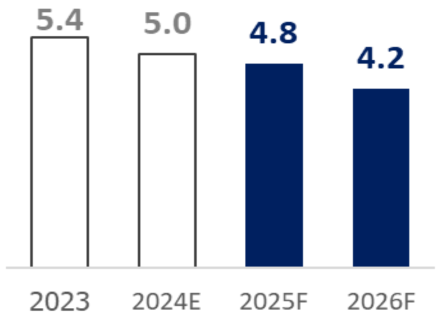
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

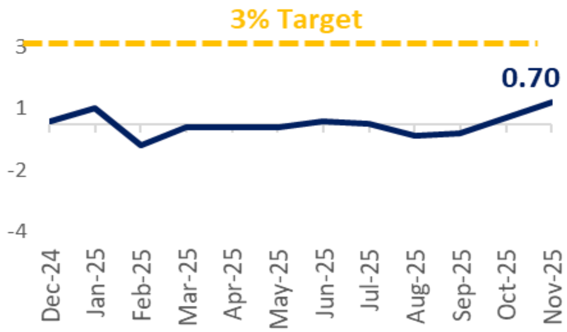
Global Economic Dashboard: China

Data as of : 5 Jan 2026

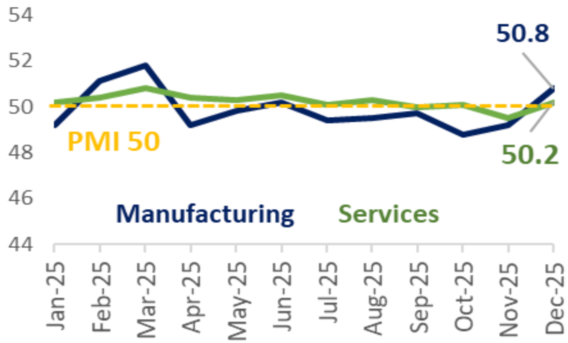
China GDP (%YoY, IMF)



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	Nov-25		1.3	↘
Exports of Mechanical & Electrical Products	%YoY	Nov-25		9.7	↗
Industrial Production	%YoY	Nov-25		4.8	↘

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Nov-25		5.1	→
Consumer Confidence Index	%YoY	Nov-25		90.3	↗

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Nov-25		0.7	↗
PPI	%YoY	Nov-25		-2.2	↘

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Nov-25		-8.6	↘
Residential Price Index	%YoY	Nov-25		-2.1	↘

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Nov-25		-7.8	↘
Import from China	%YoY	Nov-25		22.9	↘
Tourist Arrivals	%YoY	Nov-25		-32.4	↘

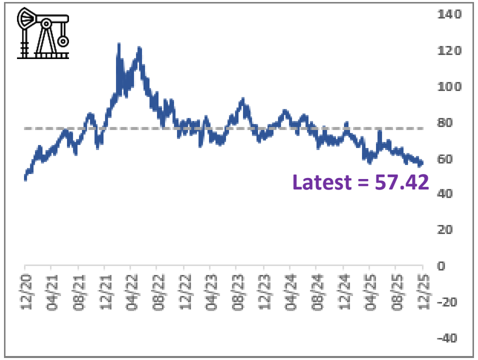
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	31-Dec-25		0.49	↗
Econ. Surprise Index	Index Level	31-Dec-25		-16.60	↘

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

Data as of : 5 Jan 2026

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

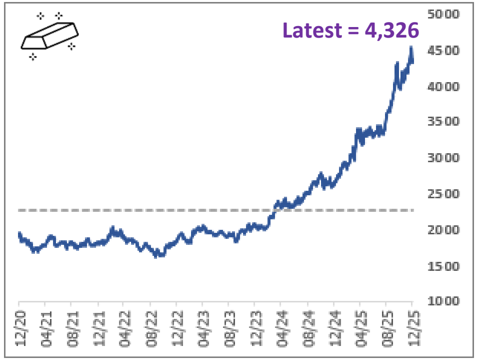
Energy - Crude Oil (WTI) $/bbl



Energy - Natural Gas $/MMbtu.

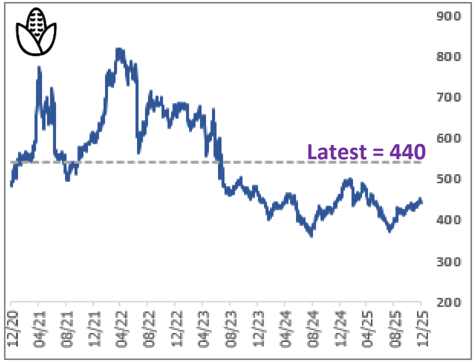
Energy - Gasoline $/Gallon

Precious Metal - Gold $/t oz.

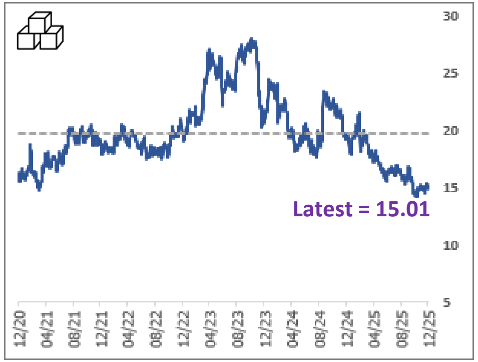


Agriculture - Wheat $/bushels

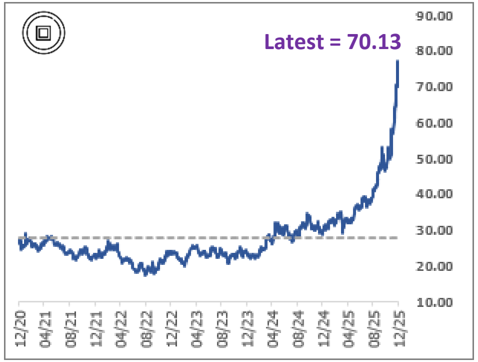
Agriculture - Corn $/bushels



Agriculture - Sugar $/lb.



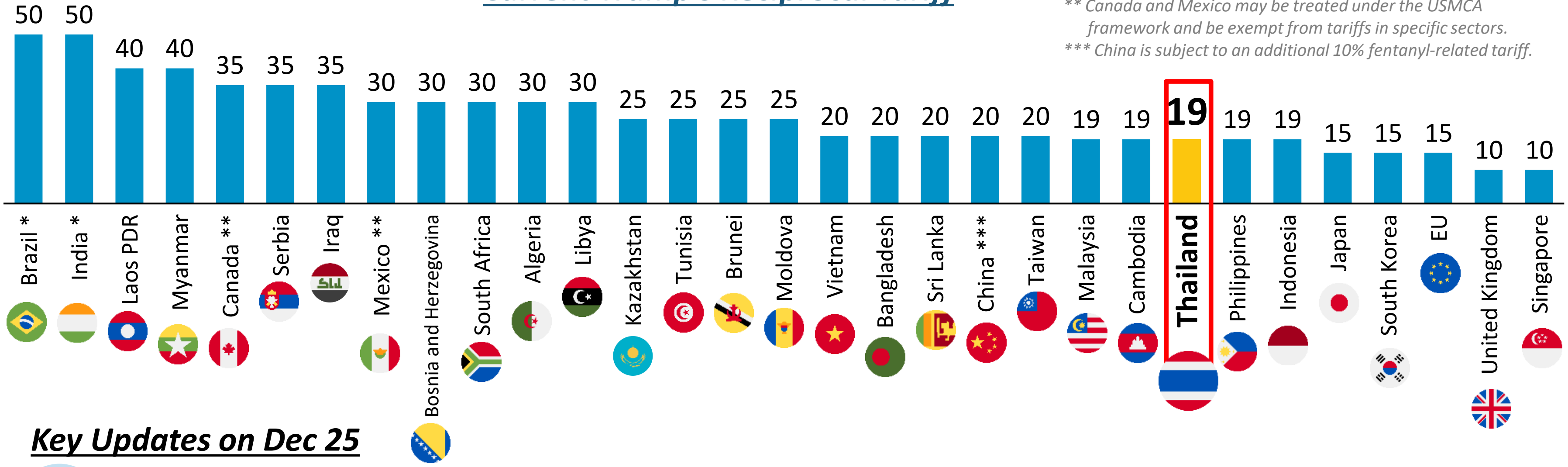
Precious Metal - Silver $/t oz.



Trump's Tariff Update (as of Jan 5, 2026): The escalation of the Thai-Cambodian border conflict has stalled technical talks with the USTR, leaving the 19% reciprocal tariff in place until the expected finalization of a bilateral deal bundle during the US mid-year review on July 1, 2026.

Current Trump's Reciprocal Tariff

** Brazil and India have imposed penalty tariffs.*
*** Canada and Mexico may be treated under the USMCA framework and be exempt from tariffs in specific sectors.*
**** China is subject to an additional 10% fentanyl-related tariff.*



Key Updates on Dec 25

Border Tension Stalled TH-US Trade Negotiation: The escalation of the Thai-Cambodian border conflict in December 2025 diverted high-level government attention, effectively **stalling progress on TH-USTR technical talks**; consequently, the 19% reciprocal tariff remains fully enforceable on Thai exports to US markets.

"Waiting Game" until mid-2026: The next key milestone for US trade policy is the July 1, 2026 mid-year review, where most analysts expect the USTR to finalize a bundle of bilateral deals, including Thailand's.

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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