LH BANK

BUSINESS RESEARCH

THAI ECONOMIC AND FINANCIAL UPDATE

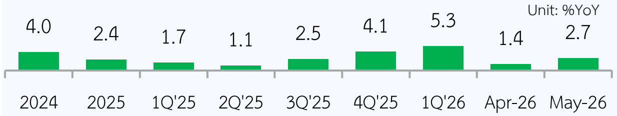
for July 2026

Highlight:

The Thai economy was stable in May 2026 compared to the previous month, supported by rising tourism receipts amid higher foreign arrivals, particularly from long-haul markets. Domestic demand also improved, with private consumption and investment strengthening, driven mainly by electric vehicle sales, while government spending expanded across both current and capital expenditure. Merchandise exports also rose, led by electronics, electrical appliances, and jewelry. On the supply side, conditions were broadly stable, as manufacturing production eased in line with weaker goods exports. Headline inflation remained elevated despite lower energy prices.

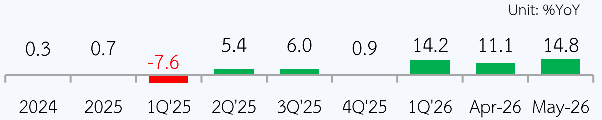
Private Consumption

Seasonally adjusted private consumption indicator increased from the previous month, primarily due to higher spending on durable goods, particularly passenger cars. Spending on non-durable goods also increased slightly as fuel sales volumes returned to normal levels. Meanwhile, spending on services remained consistent with domestic tourism activity. However, the semi-durable goods category declined due to lower imports of textiles and apparel.



Private Investment

Seasonally adjusted private investment indicator increased month-over-month, driven by vehicle investment amid higher passenger car registrations and vessel imports by transport firms. Machinery and equipment remained stable, consistent with net capital goods imports in computers and office equipment. Construction investment experienced a slight decline in commercial building, while residential construction increased, specifically single-detached houses and townhouses.



Exports

In May 2026, Thailand's merchandise exports totaled USD 34,333 million, expanding 8.7%MoM and 10.6%YoY — marking the 23rd consecutive month of growth. Key product categories driving the expansion included electronics, electrical appliances, and gems and jewelry, alongside fruit exports. Most major export markets continued to grow, particularly the United States, Japan, the European Union, and ASEAN. For the first five months of 2026, exports totaled USD 162,086 million, up 17.0% YoY, with growth broad-based across all major markets. This was underpinned by sustained global demand for advanced technology products and continued strength in AI- and data center-related infrastructure investment worldwide.

Market	Share (%)	Jan-May 2026		May-26	
	Jan-May 2026	USD Mn	%YoY**	USD Mn	%YoY**
Total	100.0	162,086	16.9	34,333	10.6
ASEAN	20.8	33,734	10.5	7,106	7.7
U.S.A.	23.5	38,037	40.3	8,339	33.4
China	11.6	18,754	8.8	4,757	-2.6
EU (28)	9.1	14,752	18.7	3,075	16.1
Japan	6.7	10,800	10.9	2,327	11.5
India	5.0	8,127	12.8	1,138	-10.3

Commodity Price & Exchange Rate	Jan-May 2026		May-26	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	82.3	15.4	94.7	50.2
Gold price (USD/troy oz)	4,787.4	58.4	4,587.2	38.6
Exchange rate (THB/USD)	32.1	-4.9	32.9	-0.1
NEER index	131.5	3.3	129.1	1.2

Farm Income

Farm income expanded from the same period last year, driven by rising agricultural commodity prices for a second consecutive month. Palm oil prices rose significantly, tracking global markets amid rising biodiesel demand. Rubber and rice prices also increased, reflecting concerns over tighter supply linked to El Niño, while cassava prices rose on lower domestic output.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Apr-26	May-26	Apr-26	May-26	Apr-26	May-26
Agriculture	6.7	5.0	3.2	5.3	3.4	-0.3
Paddy	-3.6	-4.0	-1.0	0.3	-2.7	-4.3
Cassava	53.6	19.8	62.6	79.6	-5.5	-33.3
Rubber	21.3	27.2	15.1	19.0	5.3	6.9
Durian	55.1	28.6	-1.7	18.4	57.7	8.6
Palm Kernel	33.6	48.6	45.3	70.5	-8.1	-12.8

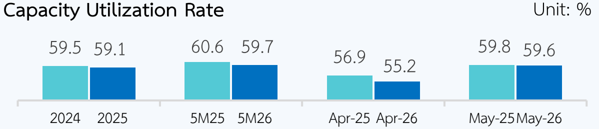
MPI and Capacity Utilization (Cap-U)

Seasonally adjusted Manufacturing Production Index showed a slight decline from the previous month, driven by lower automotive production — particularly of pickup trucks — declining palm oil production amid reduced yields, and lower beverage output due to slowing domestic demand. Electronics experienced a decline due to weaker external demand, while electrical appliance production rose, driven by increased air conditioner output.

MPI (%YoY)	2024	2025	Apr-26	May-26	%MoM
Overall MPI	-0.5	-0.4	-0.9	-0.8	-0.3*
Automotive	-16.1	0.3	1.1	-8.5	19.2
Beverage	4.2	-5.4	2.9	4.1	-1.2
Electrical Appliances	4.1	-0.0	0.5	0.2	12.8

Note:*%MoM Overall MPI is calculated from seasonally adjusted data.

Capacity Utilization Rate



Note: MPI stands for Manufacturing Production Index

Domestic Vehicle Sale

In May 2026, Domestic vehicle sales totaled 57,765 units, up 19.4%MoM and 10.6%YoY, driven mainly by strong growth in battery electric vehicle (BEV) passenger car sales, reflecting consumer adaptation to persistently high fuel prices, alongside new model launches, price competition, and rising demand for more fuel-efficient vehicles. However, the pickup truck market has yet to recover, reflecting continued fragility in purchasing power among firms, the agricultural sector, and provincial areas. Meanwhile, financial institutions remain cautious in extending hire-purchase credit to higher-risk customer segments.

Domestic vehicle sales, 5M2026

Total Vehicle Sales

288,242 Units

+14.1%YoY

Vehicle Registration By Brand

Toyota	Honda	Isuzu	BYD	MG
33.7%	11.0%	10.8%	6.6%	4.3%

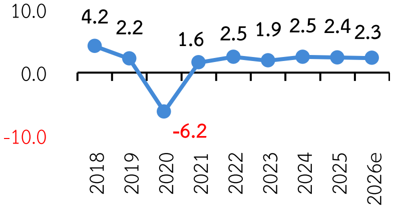
By Model

1. Toyota Yaris ATIV 10.9%
2. Toyota Hilux 10.2%
3. Isuzu D-Max 8.4%
4. Yaris Cross 5.8%
5. Honda City 4.8%

For the first five months of 2026, domestic vehicle sales totaled 288,242 units, up 14.1% YoY, reflecting an overall recovery in the automotive market from the previous year — though the recovery remains uneven across segments. Toyota retained the largest market share at 33.7%, followed by Honda, Isuzu, BYD, and MG, in that order. The best-selling models were the Toyota Yaris ATIV, Toyota Hilux, Isuzu D-Max, Toyota Yaris Cross, and Honda City, respectively.

Domestic Vehicle Sales by Body Type	Jan-May 2026		May-26	
	Unit	%YoY	Unit	%YoY
Passenger car + SUV	197,935	21.6%	40,907	15.0%
Pure Pickup	59,265	5.1%	11,171	0.2%
BEV Pickup	695	168.3%	201	133.7%
PPV	17,910	16.6%	3,164	2.1%
Other	12,437	N.A.	2,322	N.A
Overall	**288,242**	**14.1%**	**57,765**	**10.6%**

Thai GDP Forecast by BOT (%YoY)



%YoY	2023	2024	2025	2026e
Private Consumption	7.1	4.4	2.7	2.6
Government Consumption	-4.6	2.5	0.6	0.2
Private Investment	3.2	-1.6	3.5	6.0
Public Investment	-4.6	4.8	8.9	3.1
Value of Merchandise Exports*	-1.5	5.9	12.7	14.0
Headline Inflation (%)	1.2	0.4	-0.1	2.8

*BOP Basis Note: 1) Data as of Jun 2026 2) e = estimate

Tourism

In May 2026, Thailand welcomed 2.35 million foreign tourist arrivals, up 3.5%YoY but down slightly 0.9%MoM. Growth was supported by long-haul market tourists, including from China and Malaysia, during the long holiday period, while arrivals from some ASEAN markets continued to decline amid softer travel demand and reduced flight capacity. For the first five months of 2026, total foreign tourist arrivals reached 14.03 million, down 2.3% YoY. Key source markets — China, Malaysia, India, Russia, and South Korea — generated total tourism receipts of THB 726 billion, down 1.5% YoY.

International tourist arrivals, 5M2026

No. of Foreign Arrivals

14,032,649 Persons

-2.3%YoY

Total Revenues

725,826 THB Mn

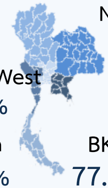
-1.5%YoY

Top 5 Nationalities Visiting Thailand

China	Malaysia	India	Russia	S.Korea
16.5%	12.4%	7.5%	6.7%	3.8%

In May 2026, The average hotel occupancy rate nationwide stood at 69.0%, down from 69.9% in the same period last year and down from 72.5% in the previous month, consistent with a slight seasonal decline in foreign tourist arrivals. Regions with the highest occupancy rates included the Eastern region (73.5%), the South (72.8%), and Bangkok (71.2%). For the first five months of 2026, average occupancy stood at 73.2%, down slightly from 73.8% in the same period last year.

Occupancy Rate, 5M2026



North 67.2%
Northeast 68.5%
Central & West 66.5%
East 74.9%
South 76.9%
BKK 77.2%

Export of Goods

For July 2026

Major products	Share Jan-May 2026 (%)	Jan-May 26 USD million	Jan-May 26 %YoY*	May-26 USD million	May-26 %YoY*
Total exports	**100.0**	**162,086**	**17.0**	**34,333**	**10.6**
Agriculture	**7.4**	**12,054**	**-0.1**	**3,273**	**-3.1**
- Rice	1.0	1,590	-15.8	331	-16.4
- Rubber	1.2	1,924	-19.1	350	-5.3
- Tapioca	0.7	1,059	-22.9	176	-38.4
- Fruits	2.4	3,814	28.4	1,640	5.2
- Fishery	0.4	587	-2.3	115	-16.3
Agro-industrial	**6.1**	**9,825**	**-4.0**	**2,055**	**-13.2**
- Prepared or preserved seafood	0.9	1,445	-5.5	312	-8.6
- Cane sugar and molasses	0.6	923	-35.3	177	-32.3
- Wheat products and other food preparations	0.7	1,182	-10.0	239	-18.4
- Beverages	0.5	845	-8.8	179	-12.0
Manufacturing	**83.9**	**135,918**	**20.9**	**28,103**	**14.4**
- Automotive	10.4	16,877	2.3	3,286	-11.4
- Electronics	25.4	41,119	50.6	9,361	32.5
- Electrical appliances	9.4	15,179	11.4	2,990	2.7
- Precious stones and jewelry	9.7	15,710	28.2	2,286	30.4
- Unwrought gold	5.1	8,292	51.6	1,414	55.8
- Rubber products	4.2	6,731	2.5	1,433	-1.0
- Petro-chemical products	2.3	3,649	1.1	869	17.4
- Chemicals	2.2	3,625	4.2	828	9.9
- Machinery & equipment	3.2	5,156	15.1	1,051	-2.1
- Apparels & Textile	1.6	2,593	1.5	564	6.2
- Metal & steel	1.9	3,105	15.5	615	1.1
Mining & Fuel	**2.6**	**4,288**	**13.0**	**902**	**24.2**

Product	May-26 USD million	May-26 %YoY*
Automotive	**3,286**	**-11.4**
- Passenger car	584	-49.5
- Pick up and trucks	984	19.5
- Motorcycle, parts and accessories	295	-1.8
- Spark-ignition reciprocating internal combustion	341	10.0
- Motor vehicle parts & accessories	952	-4.0

Products	May-26 USD million	May-26 %YoY*
Electronics	**9,361**	**32.5**
- Computer parts	5,434	26.8
- HDD	1,238	6.8
- Electronic integrated circuits	1,013	-0.5
- Telecommunication	1,555	129.9
- Semi-conductor devices, transistors, diodes	211	-8.3

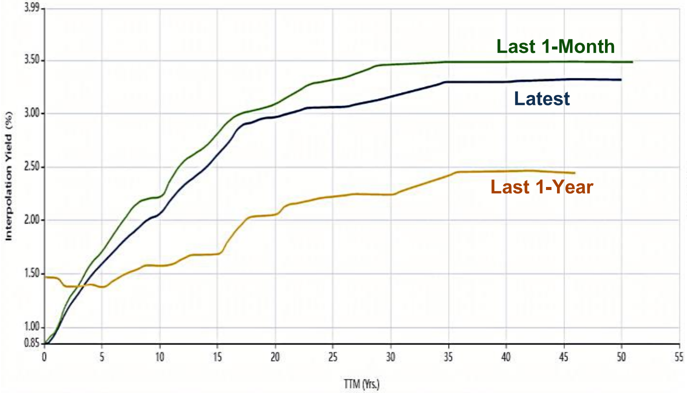
Thai Financial Market Data (1/2)

Data as of : 1 July 2026

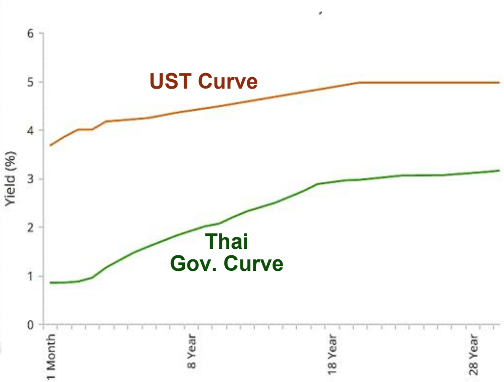
Fixed Income Market

1 Year Movement of Thai Government Bond Yield (%)

Shift in Thai Government Yield Curve Current vs Last Month vs Last 1 Year

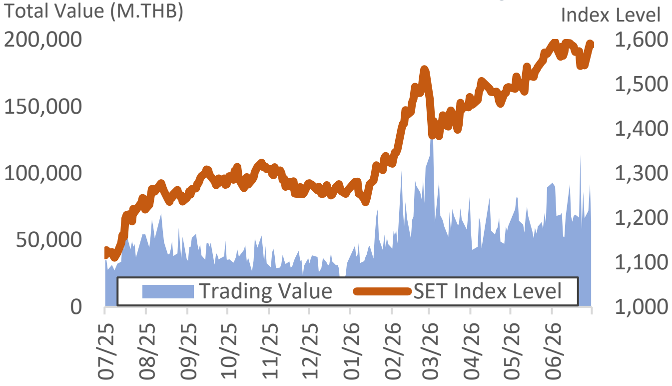


Thai Government Yield Curve versus US Treasury Yield Curve

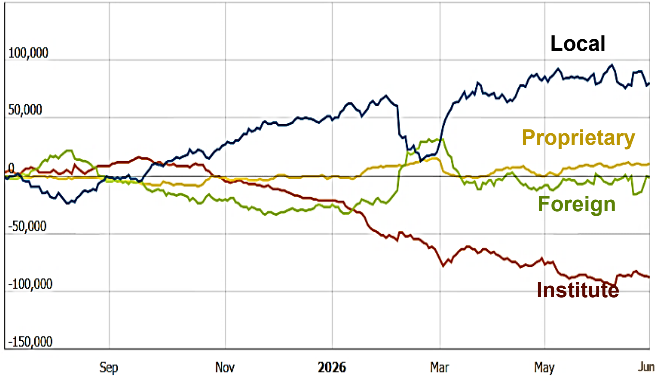


Equity Market

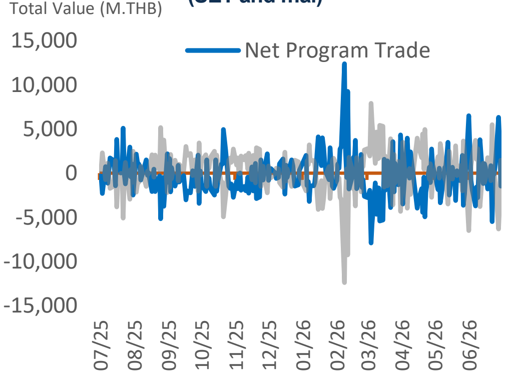
1-Year SET Index Movement & Trading Value



1 Year - SET Trading Value by Investor Type (M.THB)



1 Year Period of Daily Program Trading Value (SET and mai)

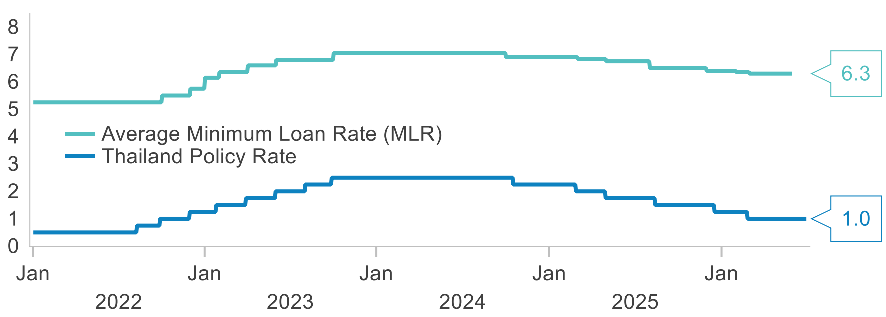


Thai Financial Market Data (2/2)

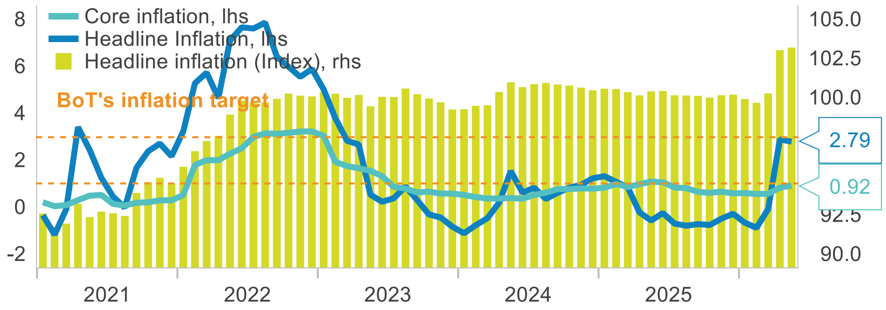
Data as of : 1 July 2026

Policy Rate and Inflation

Thailand's Policy Rate and MLR

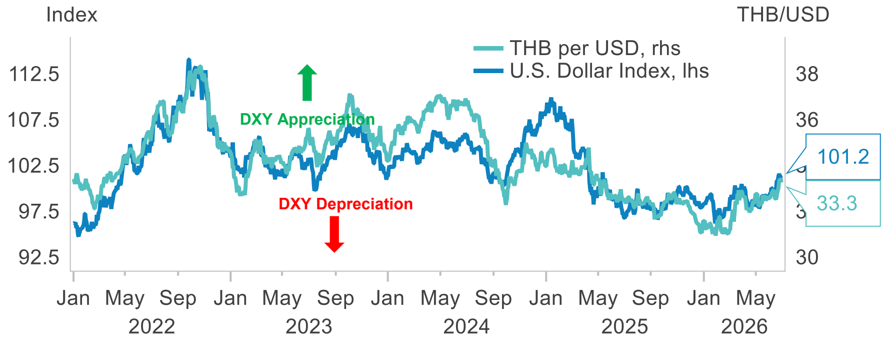


Thailand's Consumer Price Index

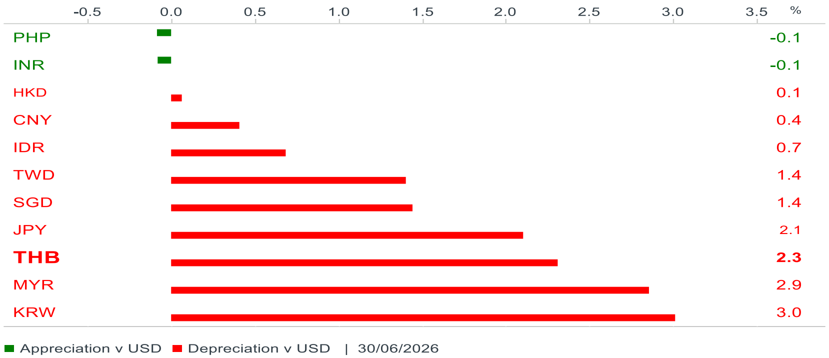


Exchange Rate

US Dollar Index and THB per USD



Asian Exchange Rate/USD (MTD)



End of Presentation

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