

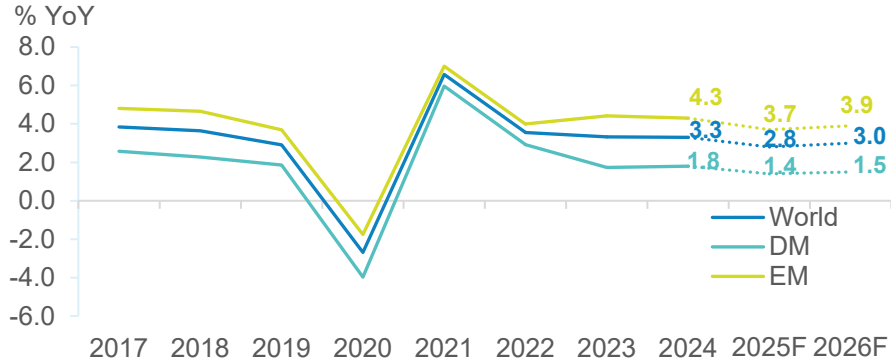


GLOBAL ECONOMIC AND FINANCIAL UPDATE

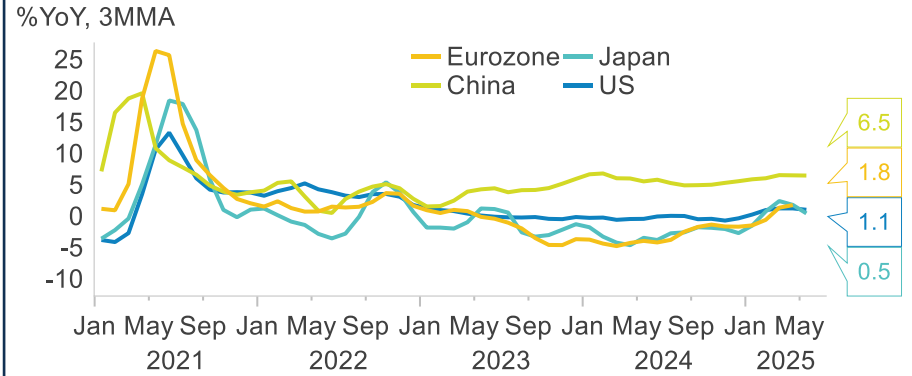
FOR July 2025

Global Economy –The IMF projected a slowdown in the global economy in 2025.

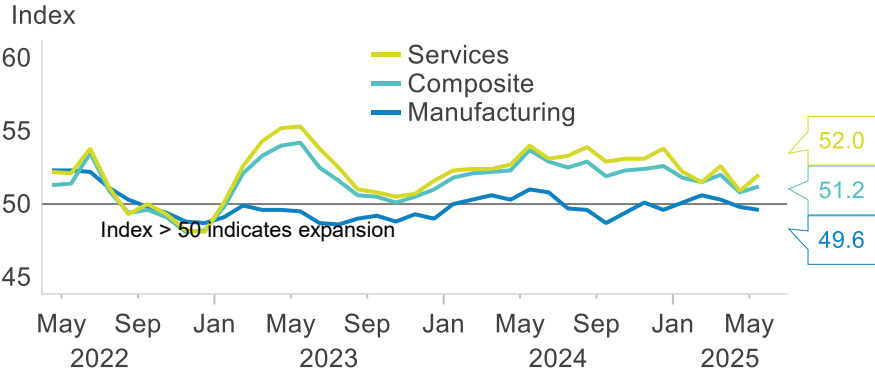
Global GDP Growth (as of Apr 2025)



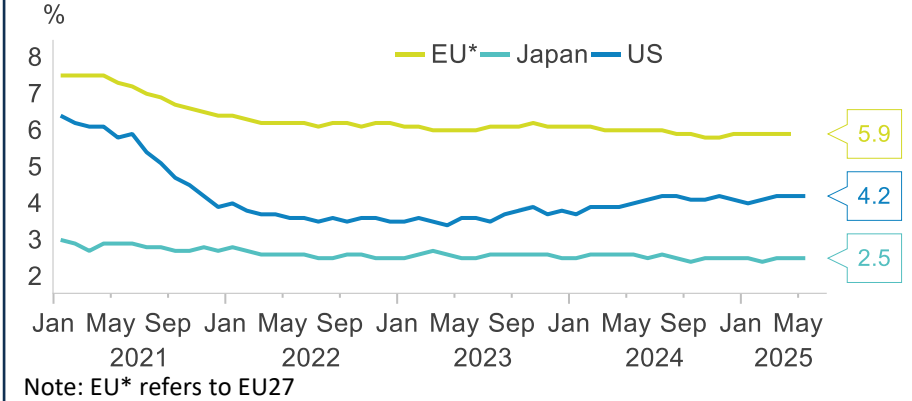
Global Industrial Production



Global PMI

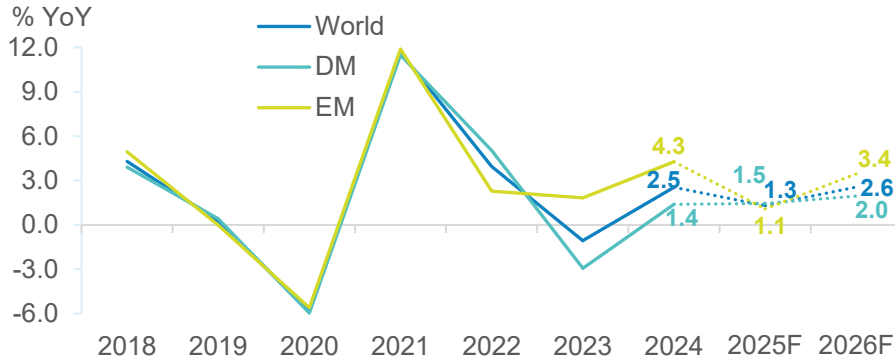


G3 Unemployment Rate

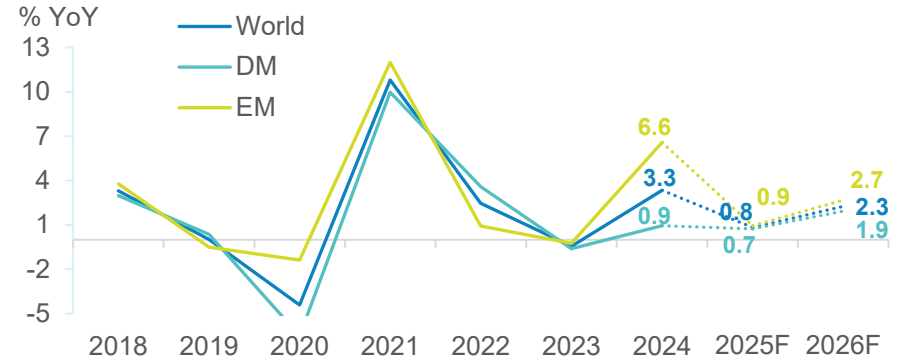


Global Trade and Inflation – Trade is expected to slow down, and inflation is easing.

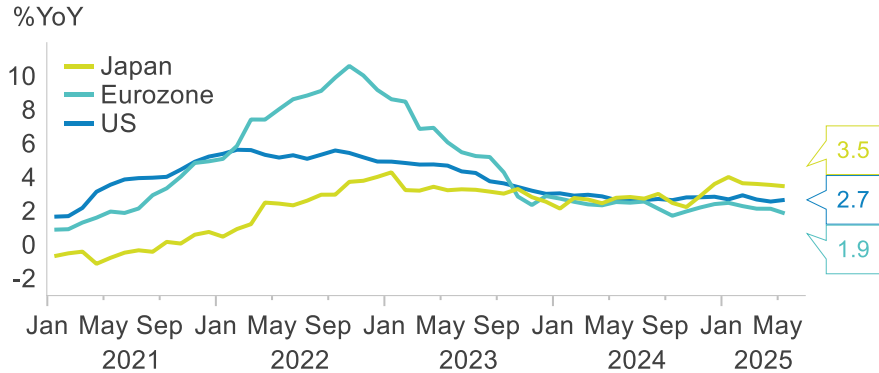
Volume of World Goods Imports



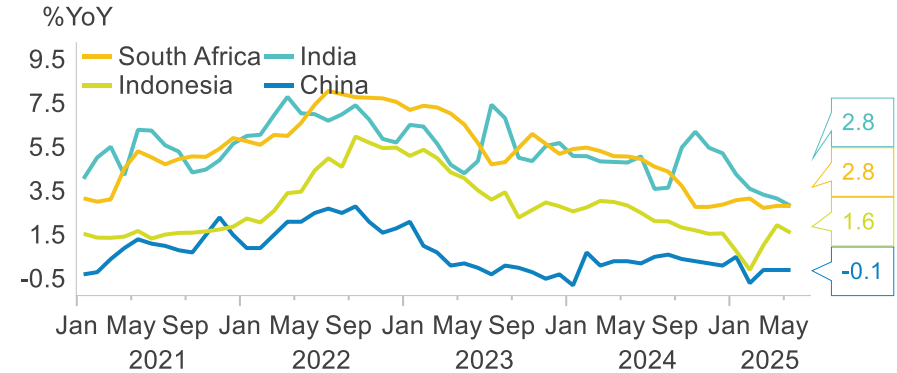
Volume of World Goods Exports



Inflation in major DM (G3)

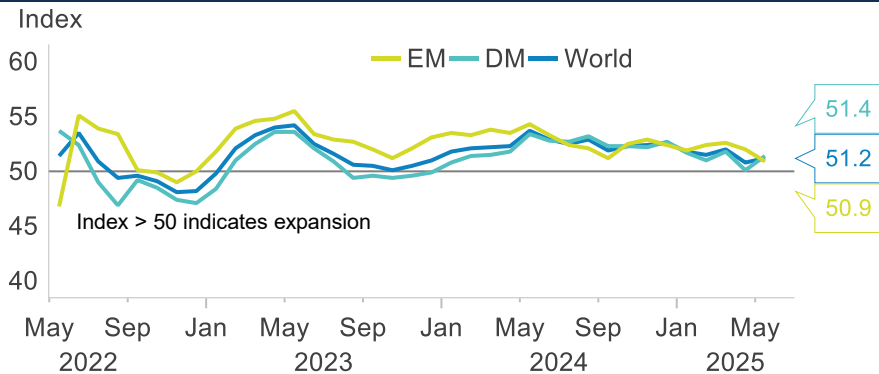


Inflation in major EM

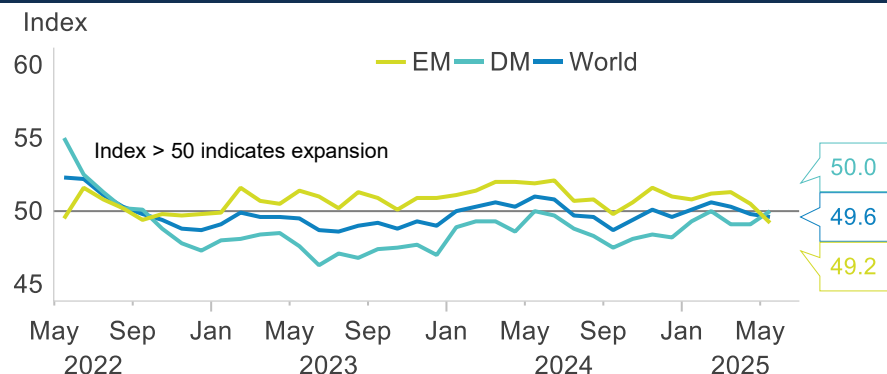


Global Activity Indicators – Global manufacturing has declined, particularly in emerging markets.

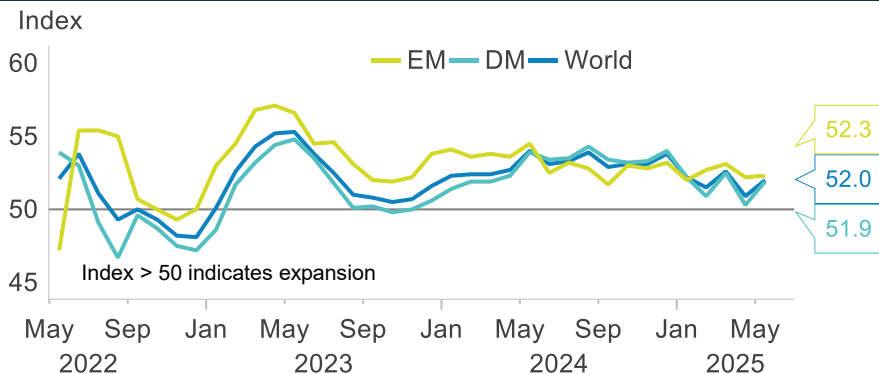
Global Composite PMI



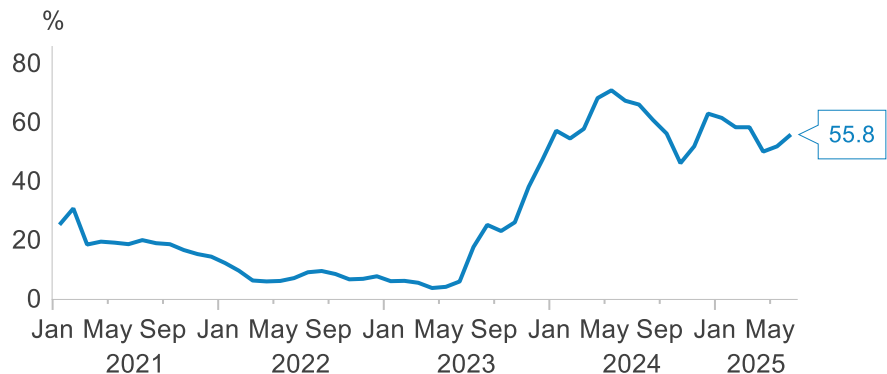
Global Manufacturing PMI



Global Services PMI



Probability of US Recession

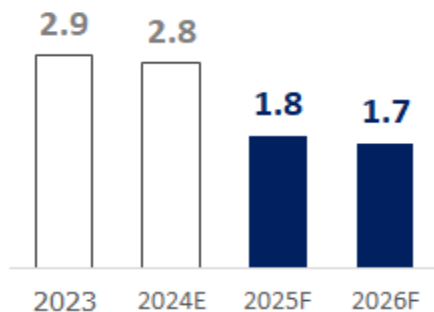


Global Economic Dashboard: United States

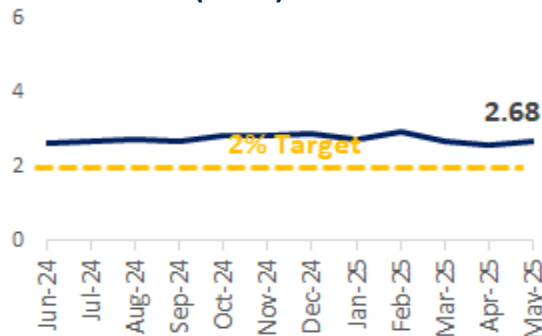


Data as of: 1 Jul 2025

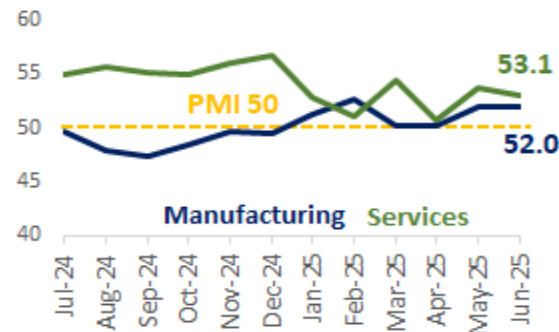
US GDP (%YoY, IMF)



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	May-25		0.6	
Durable Goods	%YoY	May-25		19.8	
Retail Sales	%YoY	May-25		3.0	
Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	May-25		139.0	
Unemployment Rate	%	May-25		4.2	
Avg Hourly Earning	%YoY	May-25		3.9	
Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	May-25		2.3	
Core PCE	%YoY	May-25		2.7	
PPI	%YoY	May-25		2.6	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	May-25		623	
Existing Home Sales	MoM k	May-25		4030	
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	May-25		35.1	
Import from US	%YoY	May-25		-15.4	
Tourist Arrivals	%YoY	May-25		0.0	
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	30-Jun-25		0.52	
VIX Index	Index Level	30-Jun-25		16.73	
Econ. Surprise Index	Index Level	30-Jun-25		-11.4	

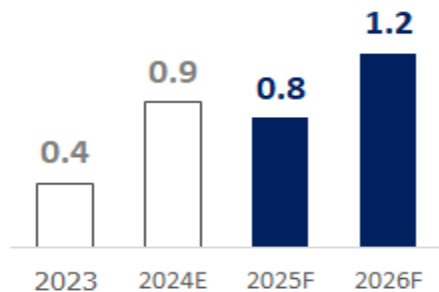
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

Global Economic Dashboard: Europe

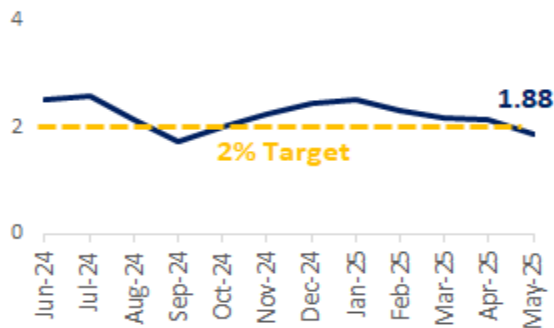


Data as of: 1 Jul 2025

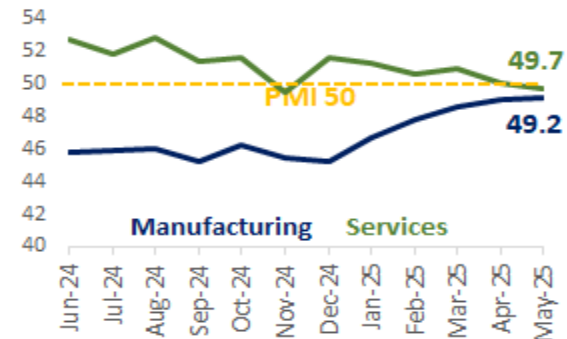
Euro Area GDP (%YoY, IMF)



HICP Headline Inflation (%YoY)



EU PMI



Europe Key Economic Indicators

Red dots in sparklines chart indicate "Negative value"

Economic Activity

Economic Activity	Unit	Period	12M Trend	Latest	▲ MoM
Euro Area 20, Industrial Prod.	%YoY	Apr-25		0.8	⬇️
Euro Area 20, Retail Trade	%YoY	Apr-25		2.1	⬆️

Money Supply

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	May-25		5.1	⬆️
M3	%YoY	May-25		3.9	⬆️

Labor Market

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
EU* Unemployment Rate	%	Apr-25		5.9	➡️
Euro Area, Wage Growth	%YoY	May-25		2.5	⬇️

Link with Thai econ.

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	May-25		17.1	⬆️
Import from EU*	%YoY	May-25		-7.4	⬆️
Tourist Arrivals	%YoY	May-25		6.6	⬇️

Prices

Prices	Unit	Period	12M Trend	Latest	▲ MoM
EU* HICP Headline Inflation	%YoY	May-25		1.9	⬇️
EU* Core HICP	%YoY	May-25		2.3	⬇️

Sign of stress

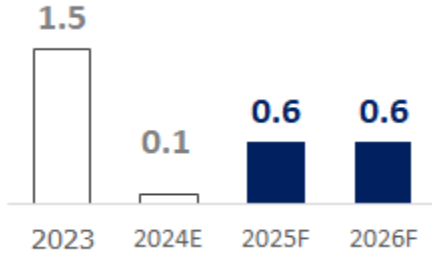
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	30-Jun-25		0.79	⬆️
UK Gilt 10Y-2Y	%	30-Jun-25		0.68	⬆️
VSTOXX	Index Level	30-Jun-25		17.67	⬆️
Econ. Surprise Index	Index Level	30-Jun-25		27.3	⬆️

Note: EU* refers to EU27

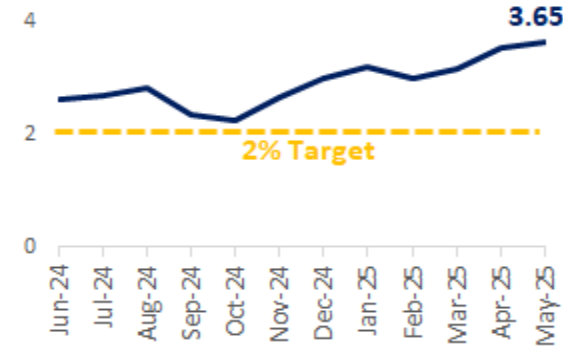
Global Economic Dashboard: Japan

Data as of: 1 Jul 2025

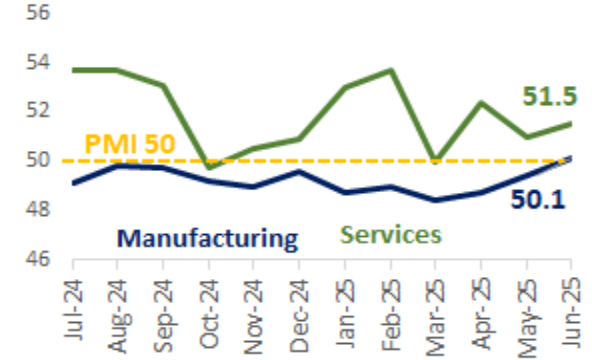
Japan GDP (%YoY, IMF)



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	May-25		-1.7	
Durable Goods	%YoY	May-25		2.2	
Wholesales and retail trade	%YoY	May-25		-0.2	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	May-25		2.6	
Establishments with ≥5 Employees	%YoY	Apr-25		-1.4	
Employed, Monthly Average	%YoY	May-25		-2.5	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	May-25		3.5	
Core CPI	%YoY	May-25		3.7	
PPI	%YoY	May-25		3.2	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	May-25		-34.4	
Construction Finances	%YoY	Apr-25		6.2	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	May-25		-0.8	
Import from Japan	%YoY	May-25		12.0	
Tourist Arrivals	%YoY	May-25		3.1	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	30-Jun-25		0.71	
Econ. Surprise Index	Index Level	30-Jun-25		-8.20	

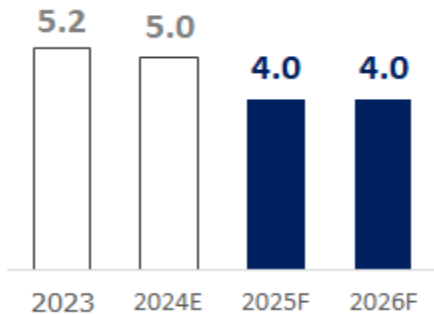
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

Global Economic Dashboard: China

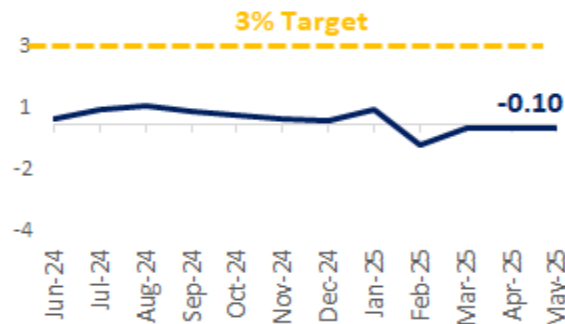


Data as of: 1 Jul 2025

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	May-25		6.4	👉
Exports of Mechanical & Electrical Products	%YoY	May-25		7.2	👉
Industrial Production	%YoY	May-25		5.8	👉

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	May-25		5.0	👉
Consumer Confidence Index	%YoY	Apr-25		87.8	👉

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	May-25		-0.1	👉
PPI	%YoY	May-25		-3.3	👉

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	May-25		-3.6	👉
Residential Price Index	%YoY	May-25		-4.3	👉

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	May-25		28.0	👉
Import from China	%YoY	May-25		35.3	👉
Tourist Arrivals	%YoY	May-25		-44.5	👉

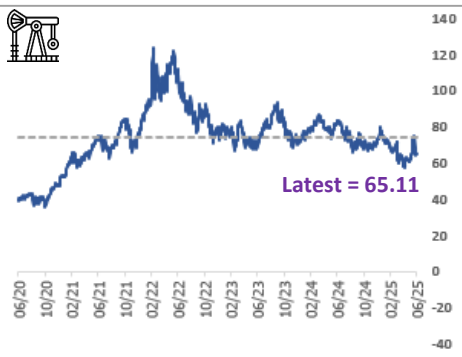
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	30-Jun-25		0.28	👉
Econ. Surprise Index	Index Level	30-Jun-25		23.50	👉

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

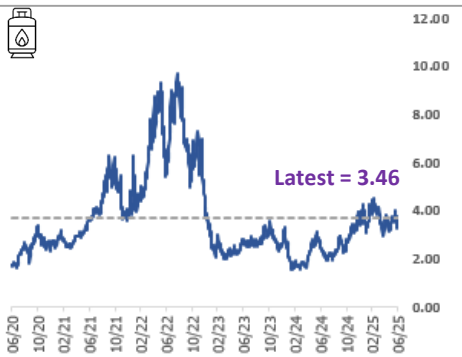
Data as of: 1 Jul 2025

----- 5Y-Average

Energy - **Crude Oil (WTI)** \$/bbl



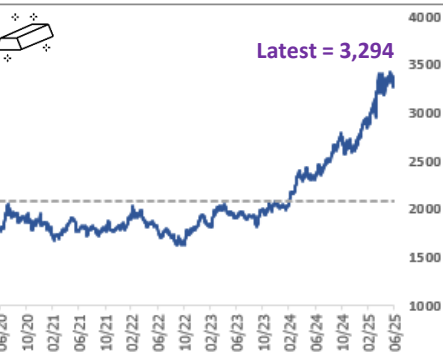
Energy - **Natural Gas** \$/MMbtu.



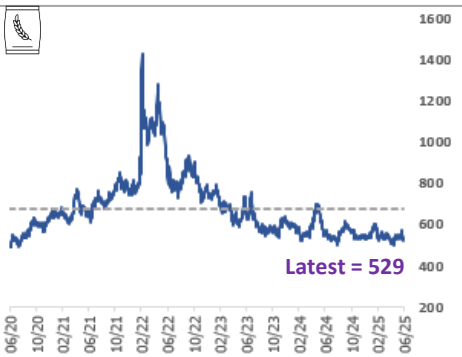
Energy - **Gasoline** \$/Gallon



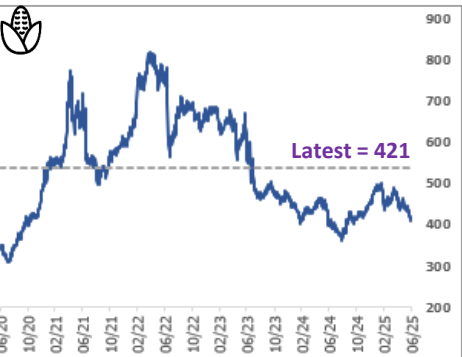
Precious Metal - **Gold** \$/t oz.



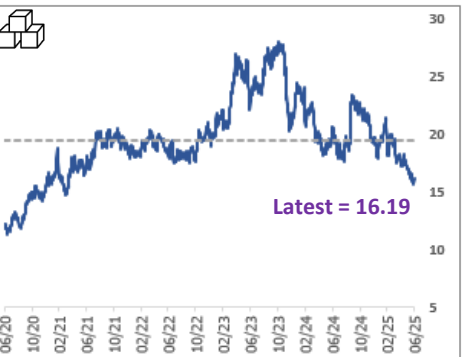
Agriculture - **Wheat** \$/bushels



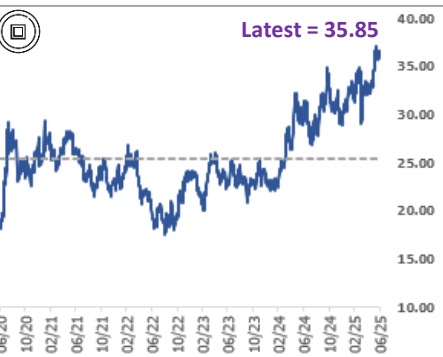
Agriculture - **Corn** \$/bushels



Agriculture - **Sugar** \$/lb.



Precious Metal - **Silver** \$/t oz.



Trump's Tariff Update (as of 30 Jun 2025): The deadline of 9 Jul extending the reciprocal tariff is approaching. Thailand is scheduled to negotiate with U.S. on 3 Jul, with the aim of reducing the tariff rate 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 37%**
- 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)
- 11/4/2025 Exempt **Smartphones and other consumer electronics containing semiconductors** from reciprocal tariffs
- 21/4/2025 Announced a plan to use AD&CVD on **Solar PV** from 4 ASEAN countries: **Thai 375.19%-799.9.55%** (eff. *TBA*)
- 3/5/2025 **[Effective]** 25% Tariff on import **auto parts**
- 28-29 May 2025 The CIT blocked reciprocal tariff. After the federal appeals paused CIT's Judgement, **reciprocal tariff temporarily stays for 30 days**, while other specific tariffs are not affected.
- 4/6/2025 **[Effective]** 50% Tariff on import **steel and aluminum** (exclude UK 0%)
- 10/6/2025 **The Appeals court let Trump's government to continue the reciprocal tariff.** The case is on an expedited track and scheduled argument for 31 Jul.



Implication to Thailand

- Thailand is directly impacted on **steel and aluminum, and automotive**. **There is uncertainty regarding reciprocal tariff** after the appeals court paused CIT's judgement. The situation needs to be monitored closely.
 - **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 exports may face enormous tariffs.**
 - Lower price competitiveness of Thailand's export goods.
 - Opportunities from "Trade Diversion".



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 84% // US increased **reciprocal tariffs** to 125% (Total = 145%)
- 10/4/2025 China increased **retaliation tariff** to 125% (eff. 12 Apr)
- 12/4/2025 **[Effective]** Retaliation tariff to US for 125%
- 12/5/2025 **U.S. and China concluded a temporary trade deal.** U.S. lowered tariffs to China to 30%, China lowered tariff to U.S. to 10%. The deal end mid-Aug 2025.
- 9-10 Jun 2025 **New U.S.-China negotiation shows positive signs.** Details remain undisclosed, Outcomes from the talks need to be approved before implementation.



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).
- **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.



Target: Canada, Mexico, EU, UK

- 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.
- 8/5/2025 **U.S. and UK concluded a trade deal**
- 25/5/2025 U.S. imposed **50% reciprocal tariff** to EU (eff. 1 Jun)
- 26/5/2025 **EU negotiated U.S. to purpose reciprocal tariff until 9 Jul**
- 17/6/2025 **Trump signs order confirming parts of U.S.-UK tariff deal (eff. 23 Jun – except Steel)**



Implication to Thailand

- Thailand experiences little or no impact from US tariffs imposed on Canada and Mexico.
- Thailand experiences little or no impact from US-UK trade deal.
- US-EU trade conflict has raised more uncertainty to Thailand's export sector.

Note:
 eff. = effective | AD = Antidumping Duty | CVD = Countervailing Duty | CIT = The U.S. Court of International Trade

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 Disorntetiawat
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