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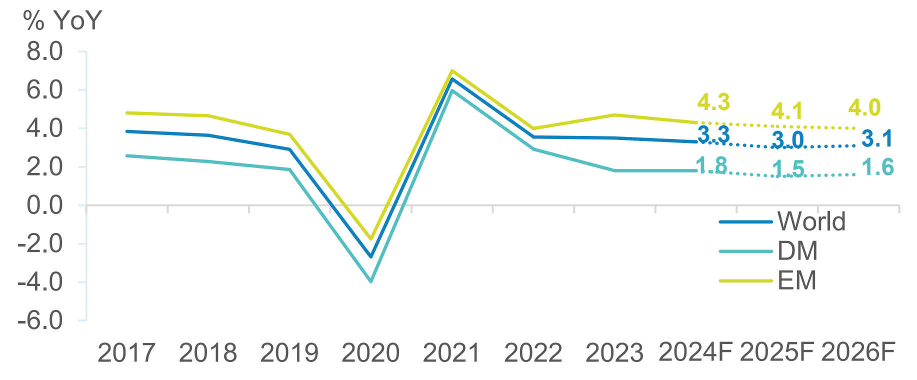
BUSINESS RESEARCH

GLOBAL ECONOMIC AND FINANCIAL UPDATE

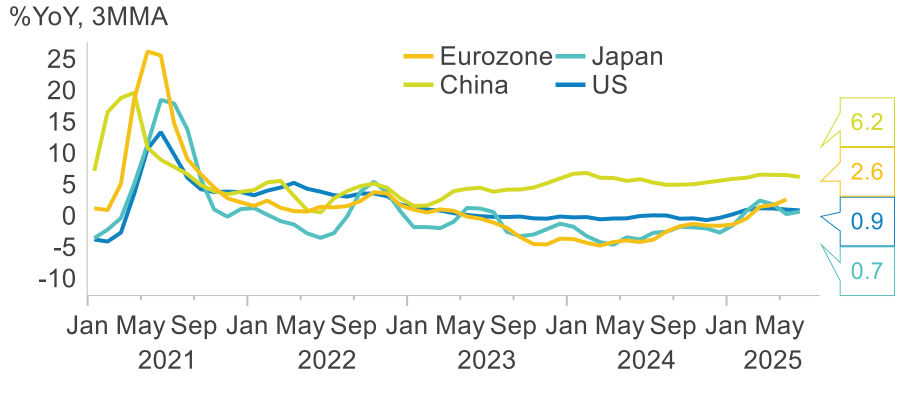
FOR August 2025

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

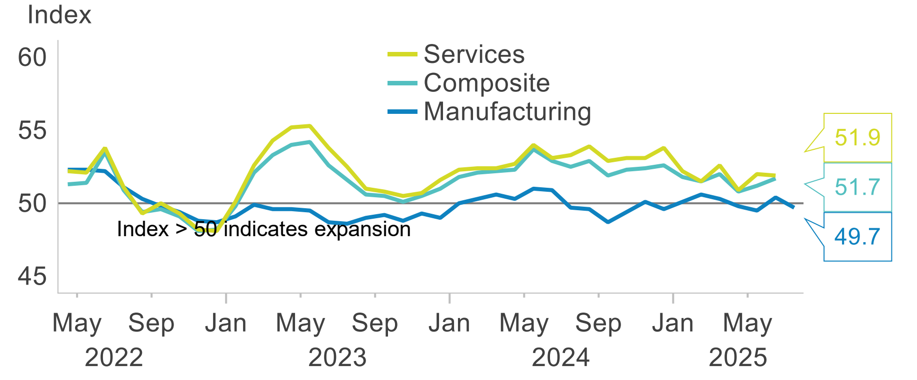
Global GDP Growth (as of Jul 2025)



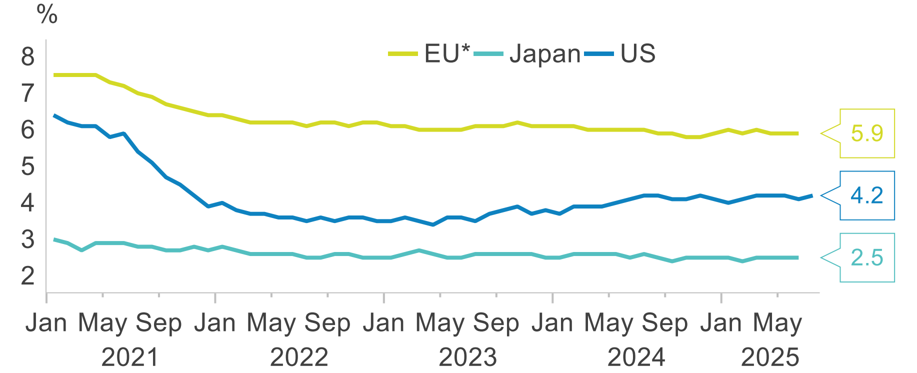
Global Industrial Production



Global PMI



G3 Unemployment Rate



Note: EU* refers to EU27

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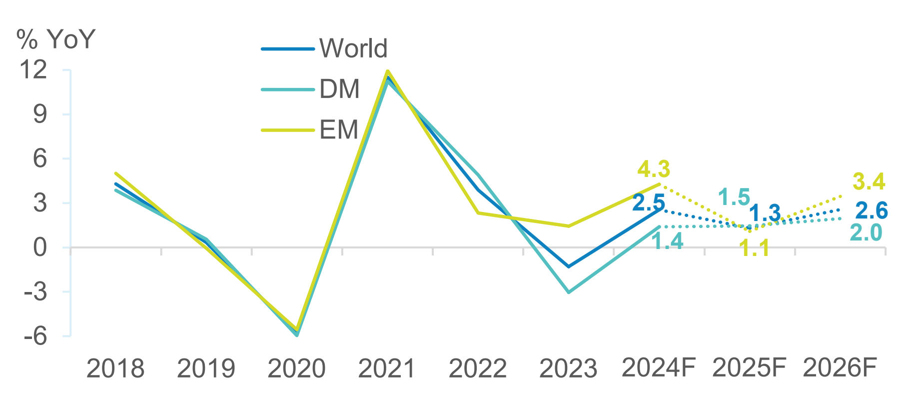
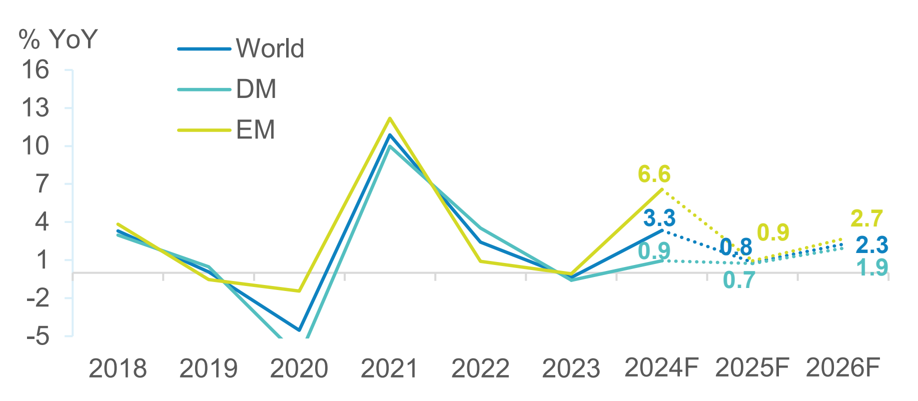
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 August 2025)

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

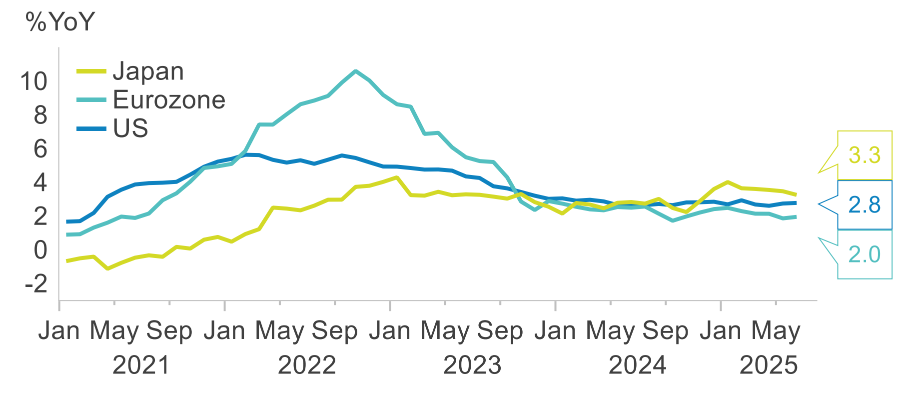
Volume of World Goods Imports



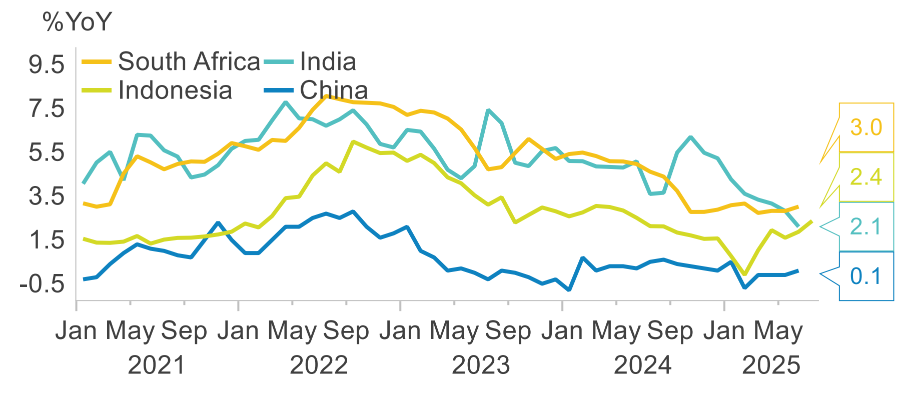
Volume of World Goods Exports



Inflation in major DM (G3)



Inflation in major EM



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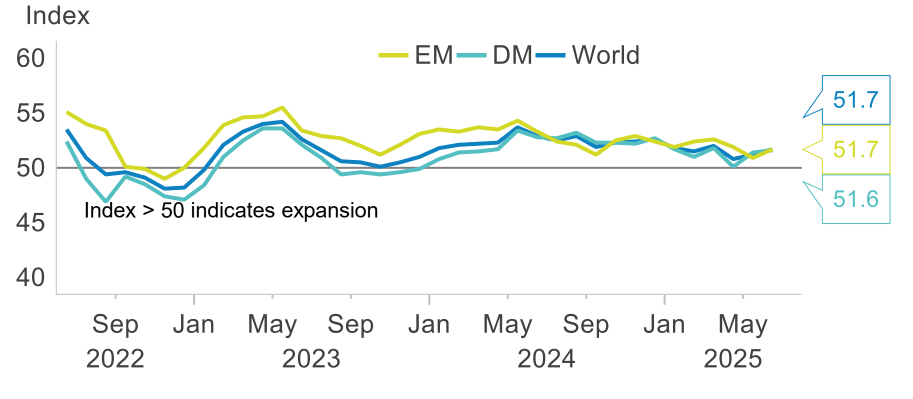
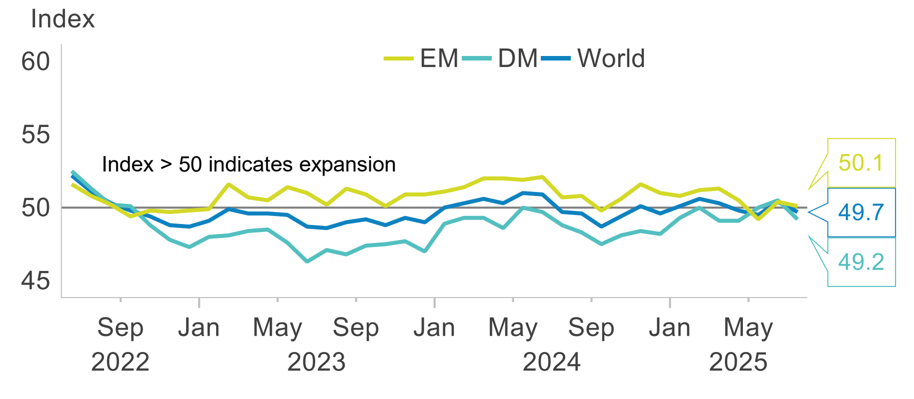
Source: LH Business Research Analysis based on data from IMF and Macrobond (as of 1 August 2025)

Global Activity Indicators – Global manufacturing has declined, particularly in DMs.

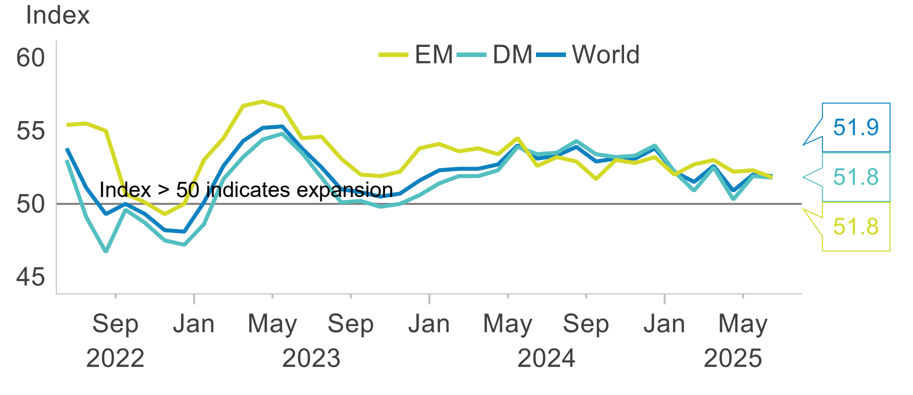
Global Composite PMI



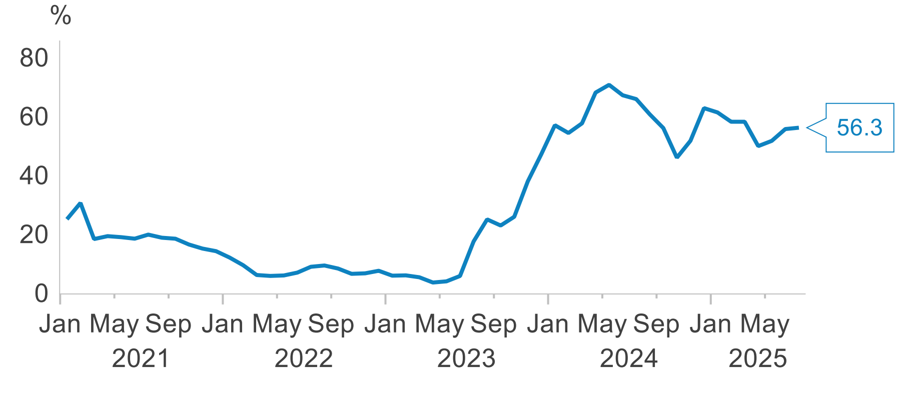
Global Manufacturing PMI



Global Services PMI



Probability of US Recession

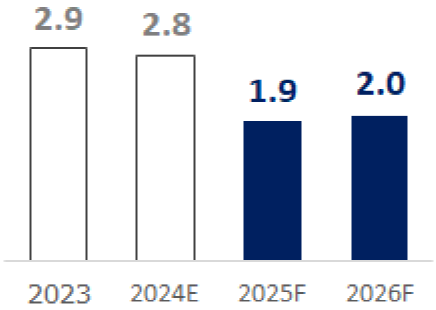


Source: LH Business Research Analysis based on data from S&P Global and Federal Reserve Bank of New York (as of 1 August 2025)

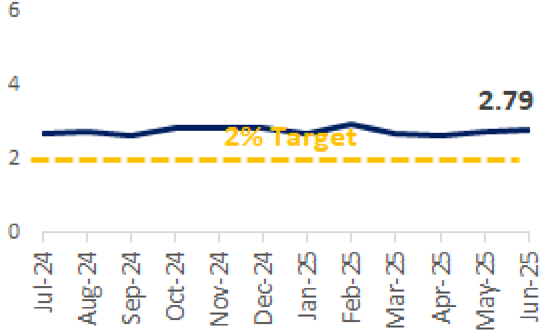
Global Economic Dashboard: United States

Data as of: 1 Aug 2025

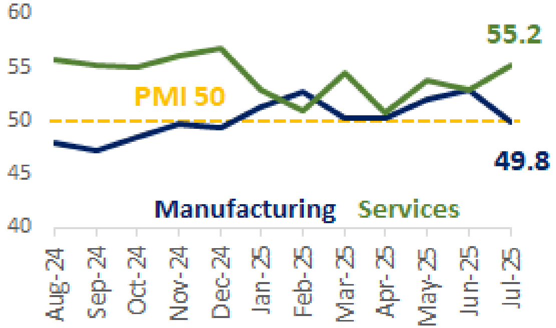
US GDP (%YoY, IMF)



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	Jun-25		0.7	↗
Durable Goods	%YoY	Jun-25		10.9	↘
Retail Sales	%YoY	Jun-25		3.5	↗

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	MoM k	Jun-25		627	↗
Existing Home Sales	MoM k	Jun-25		3930	↘

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Non-Farm Payroll	MoM k	Jul-25		73.0	↘
Unemployment Rate	%	Jul-25		4.2	↗
Avg Hourly Earning	%YoY	Jul-25		3.9	↗

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to US	%YoY	Jun-25		41.9	↗
Import from US	%YoY	Jun-25		42.2	↗
Tourist Arrivals	%YoY	Jun-25		-2.2	↘

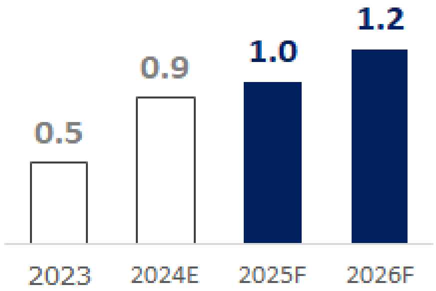
Prices	Unit	Period	12M Trend	Latest	▲ MoM
PCE	%YoY	Jun-25		2.6	↗
Core PCE	%YoY	Jun-25		2.8	↗
PPI	%YoY	Jun-25		2.3	↘

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
UST 10Y-2Y	%	31-Jul-25		0.43	↘
VIX Index	Index Level	31-Jul-25		16.72	↘
Econ. Surprise Index	Index Level	31-Jul-25		14.7	↗

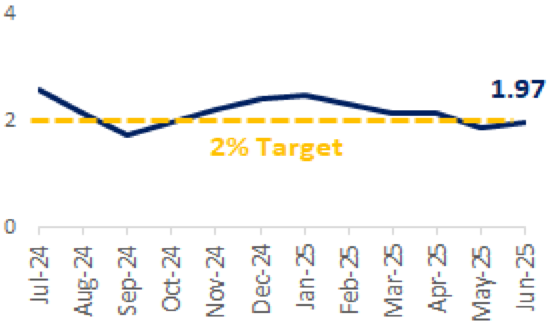
Global Economic Dashboard: Europe

Data as of: 1 Aug 2025

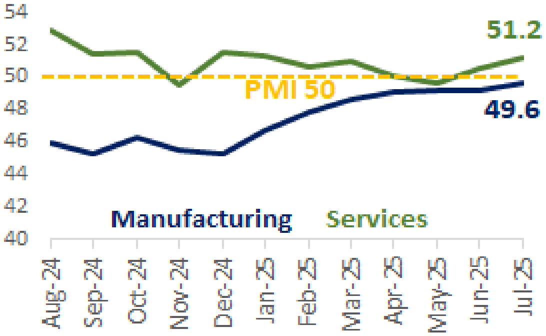
Euro Area GDP (%YoY, IMF)



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	May-25		3.7	
Euro Area 20, Retail Trade	%YoY	May-25		1.6	

Money Supply	Unit	Period	12M Trend	Latest	▲ MoM
M1	%YoY	Jun-25		4.6	
M3	%YoY	Jun-25		3.3	

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

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to EU*	%YoY	Jun-25		12.7	
Import from EU*	%YoY	Jun-25		12.0	
Tourist Arrivals	%YoY	Jun-25		6.1	

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

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
Bund 10Y-2Y	%	31-Jul-25		0.72	
UK Gilt 10Y-2Y	%	31-Jul-25		0.69	
VSTOXX	Index Level	31-Jul-25		17.54	
Econ. Surprise Index	Index Level	31-Jul-25		39.3	

Note: EU* refers to EU27

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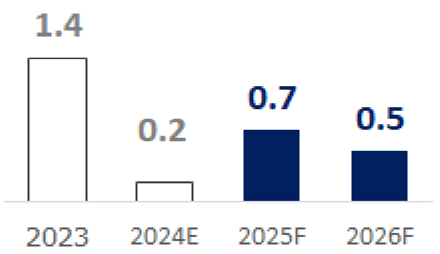
Source: LH Business Research Analysis based on data from fred.stlouisfed.org, worldgovernmentbonds.com and Macrobond

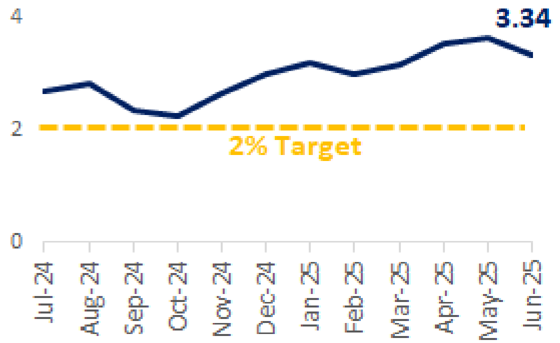
Global Economic Dashboard: Japan

Data as of: 1 Aug 2025

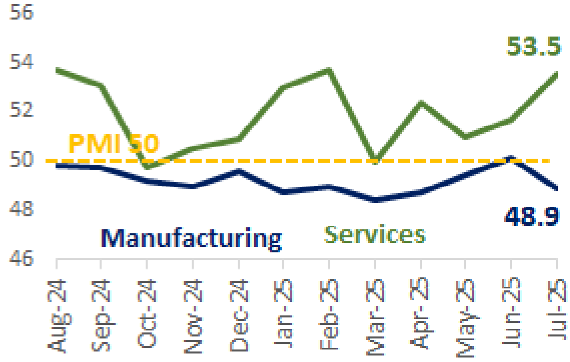
Japan GDP (%YoY, IMF)



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	Jun-25		4.0	
Durable Goods	%YoY	Jun-25		1.6	
Wholesales and retail trade	%YoY	Jun-25		1.7	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Unemployment Rate	%	Jun-25		2.5	
Establishments with ≥5 Employees	%YoY	May-25		-1.7	
Employed, Monthly Average	%YoY	Jun-25		0.5	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
CPI	%YoY	Jun-25		3.3	
Core CPI	%YoY	Jun-25		3.3	
PPI	%YoY	Jun-25		2.9	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
New Home Sales	%YoY	Jun-25		-15.6	
Construction Finances	%YoY	May-25		4.5	

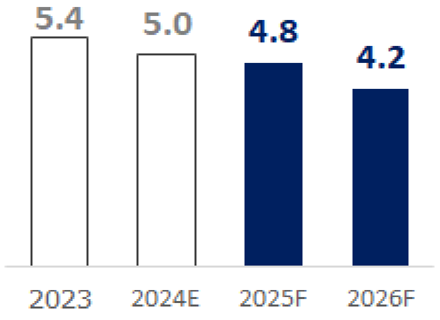
Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Exports to Japan	%YoY	Jun-25		3.2	
Import from Japan	%YoY	Jun-25		20.5	
Tourist Arrivals	%YoY	Jun-25		-6.8	

Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
JGB 10Y-2Y	%	31-Jul-25		0.73	
Econ. Surprise Index	Index Level	31-Jul-25		29.30	

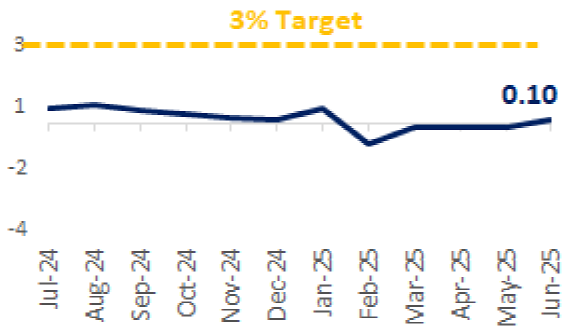
Global Economic Dashboard: China

Data as of: 1 Aug 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	Jun-25		4.8	
Exports of Mechanical & Electrical Products	%YoY	Jun-25		8.2	
Industrial Production	%YoY	Jun-25		6.8	

Housing Market	Unit	Period	12M Trend	Latest	▲ MoM
Floor Space Sold	%YoY	Jun-25		-4.3	
Residential Price Index	%YoY	Jun-25		-4.1	

Labor Market	Unit	Period	12M Trend	Latest	▲ MoM
Survey Unemployment Rate	%YoY	Jun-25		5.0	
Consumer Confidence Index	%YoY	Jun-25		87.9	

Link with Thai econ.	Unit	Period	12M Trend	Latest	▲ MoM
Export to China	%YoY	Jun-25		23.1	
Import from China	%YoY	Jun-25		40.9	
Tourist Arrivals	%YoY	Jun-25		-41.9	

Prices	Unit	Period	12M Trend	Latest	▲ MoM
Headline Inflation	%YoY	Jun-25		0.1	
PPI	%YoY	Jun-25		-3.6	

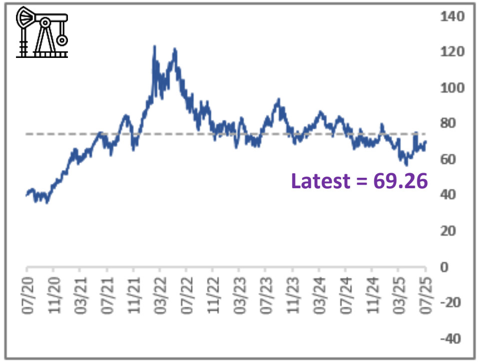
Sign of stress	Unit	Period	12M Trend	Latest	▲ MoM
CH Gov 10Y-2Y	%	31-Jul-25		0.28	
Econ. Surprise Index	Index Level	31-Jul-25		0.60	

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

Data as of: 1 Aug 2025

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

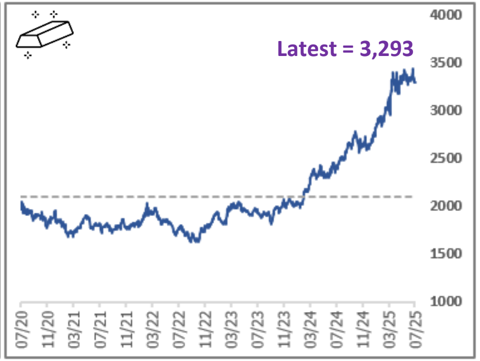
Energy - Crude Oil (WTI) $/bbl



Energy - Natural Gas $/MMbtu.

Energy – Gasoline $/Gallon

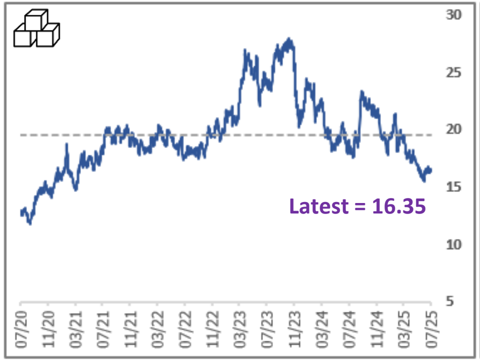
Precious Metal - Gold $/t oz.



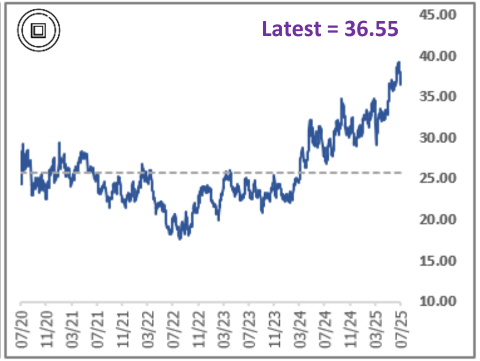
Agriculture - Wheat $/bushels

Agriculture - Corn $/bushels

Agriculture - Sugar $/lb.



Precious Metal - Silver $/t oz.



Trump's Tariff Update (as of Aug 1, 2025): US has announced new tariff rates. A tariff of 19% has been imposed on Thailand. On the order hand, US-China trade deal remains unresolved, though there is potential to extend the current trade truce.

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**
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**
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
1/8/2025	**[Effective] 50% Tariff on import copper**

Implication to Thailand

- **Thailand is directly impacted by increased tariff** on steel and aluminum, automotive, copper, solar panel, 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.

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).** The details remain undisclosed, **Outcomes from the talks need to be approved by both countries' president** before implementation. • US tariff on Chinese goods at 55% • 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, though there is potential for extending the current trade truce (3rd round at Sweden).** The details remain undisclosed. However, the current trade truce, due to expire on August 12, may be extended for an additional period.

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.

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)
25/5/2025	**US imposed 50% reciprocal tariff to EU** (eff. 1 Jun)
26/5/2025	**EU negotiated US to purpose reciprocal tariff until 9 Jul**
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 and announcing new tariff rate; Thailand 36%** (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%)** (eff. 1 Aug).
31/7/2025	**US has announced new reciprocal tariff rates; Thailand 19%** (eff. 1 Aug)

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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