

# Monthly Economic Report

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ศูนย์วิจัยกสิกรไทย  
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## Global economic highlights

1

**Global trade tensions have recently eased following agreements between the US, China, and several Asian countries, but uncertainty remains in the medium term**



World Bank

2

**KResearch expects the Fed to cut its policy rate by another 0.25% in December amid softening labor market**



CNBC

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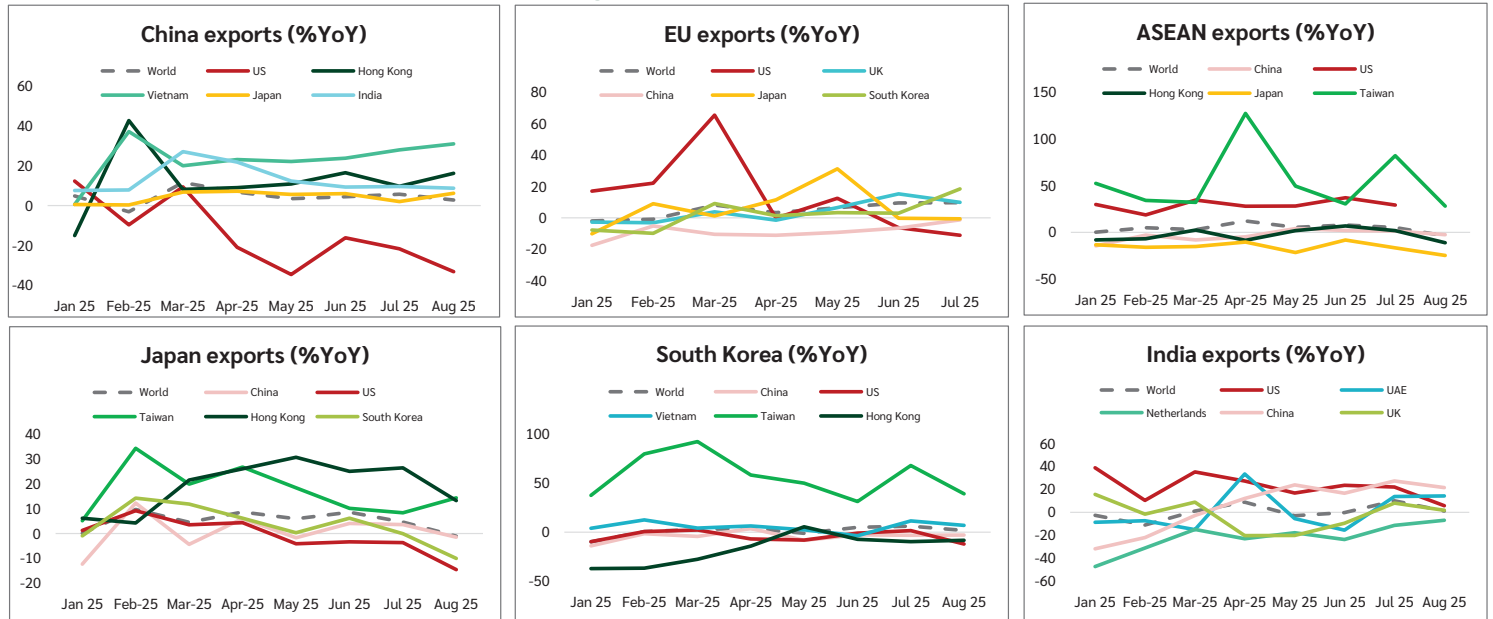
**Financial markets remain highly volatile, with political turmoil in Japan and France adding to market jitters**



OECD

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## Exports from major global markets have shown signs of slowing since the US reciprocal tariff took effect in August 2025



Source: Trademap, USITC  
Note: EU and ASEAN export to US using mirror data

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## The trade agreements between the US and Asian countries show that the US is focusing on rare earths, a key part of the high-tech supply chain

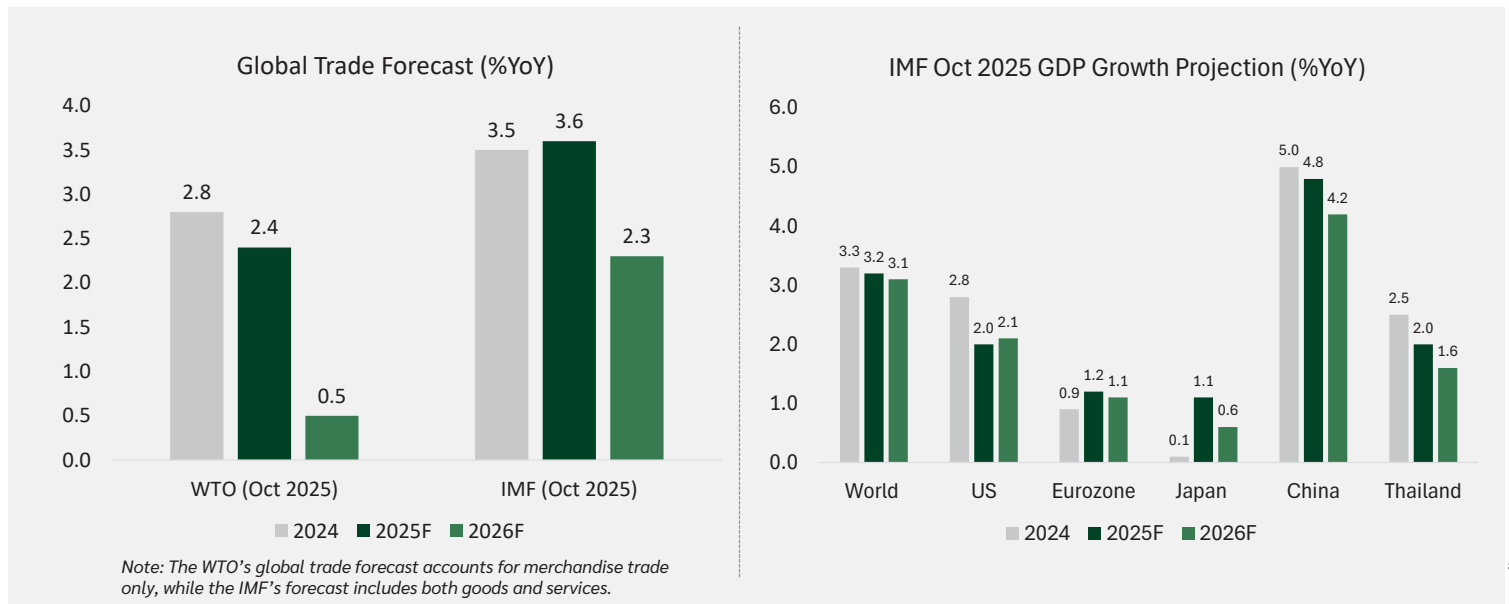
	Malaysia	Thailand	Vietnam	Japan	South Korea	China
Level of agreement	Reciprocal Trade Agreement (Oct 26)	Framework for Reciprocal Trade (Oct 26)	Reciprocal, Fair and Balanced Trade Agreement (Oct 26)	Reciprocal, Fair and Balanced Trade Agreement (Oct 28)	Comprehensive trade & investment agreement struck (Oct 29/30)	Deal on Economic and Trade Relations (Nov1)
Reciprocal tariff	19% on most Malasia exports	19% and some product may receive 0%	20% and some product may receive 0%	15%, including autos, down from the threatened 25%	15%, including autos, down from the threatened 25%	Reduce fentanyl tariff to 10% from 20%
Market Access and Tariff Reductions	Provide significant preferential market access	Eliminate tariffs on 99% of goods and address non-tariff barriers	Eliminate tariffs on all goods and address non-tariff barriers	Increase rice import quota and relax US auto import standards	Lower tariff on auto import	Suspend export controls on rare earths and remove retaliatory tariffs imposed since March
Increase Purchases of US Products	• Semiconductor, data center, LNG • Aircraft 30 units (may add more 30 units)	• Animal feed corn, soybean • Crude oil, ethane, LNG • Aircraft: 80 units	• Agricultural goods, Aircraft: 50 units	• Agricultural goods • Energy • Ford pick-up • Defense	• LNG, fuel	• Soybean: minimum 12 mn tons per month (Nov-Dec) and 25 mn tons annually during 2026-2028
Special condition	• Rare earth deal	• Rare earth deal • Abolish Customs bribe and reward system	• n/a	• Rare earth deal • Huge investment	• Huge investment	• Rare earth deal • TikTok deal • Curb the illicit fentanyl

Source: KResearch as of Oct 27, 2025

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## The WTO and IMF raised 2025 global GDP and trade forecasts but warned of weaker 2026 growth amid ongoing trade uncertainty

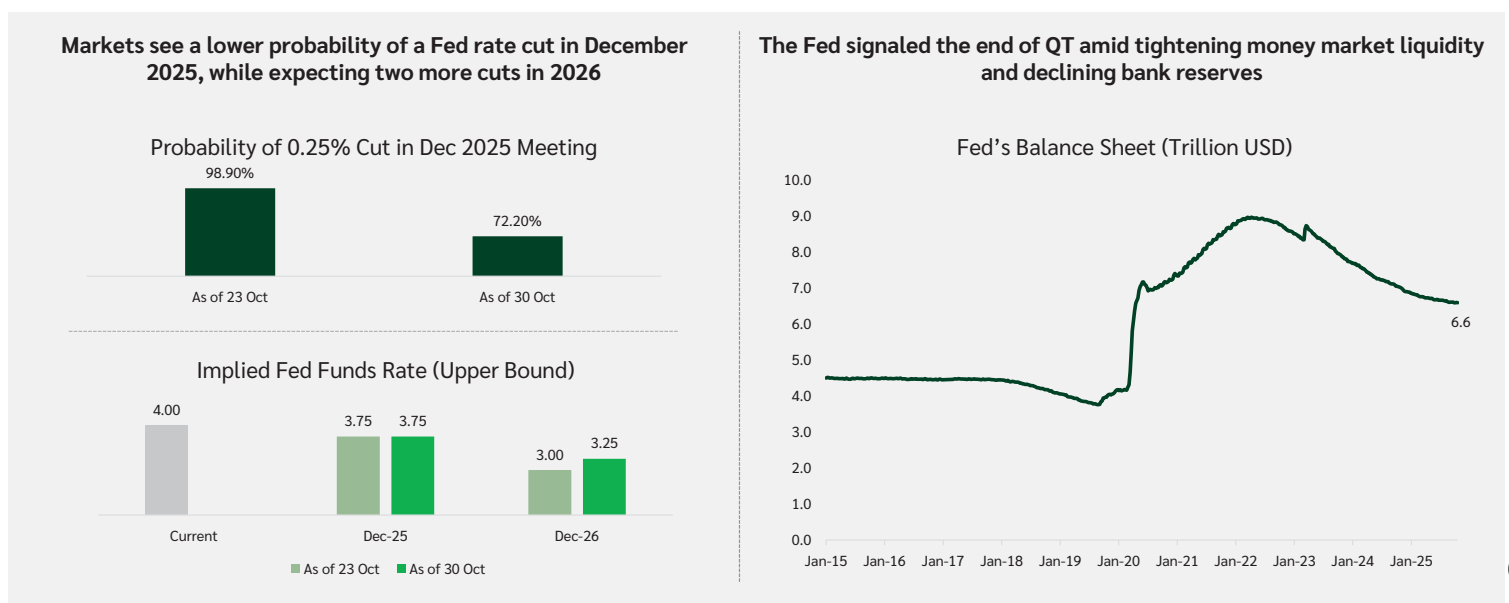


Source: WTO and IMF WEO (Oct 2025)

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## At the October 28–29 FOMC meeting, the Fed cut its policy rate by 0.25% to 3.75–4.00% as expected, and signaled the end of QT on December 1, 2025



Source: Bloomberg, FRED

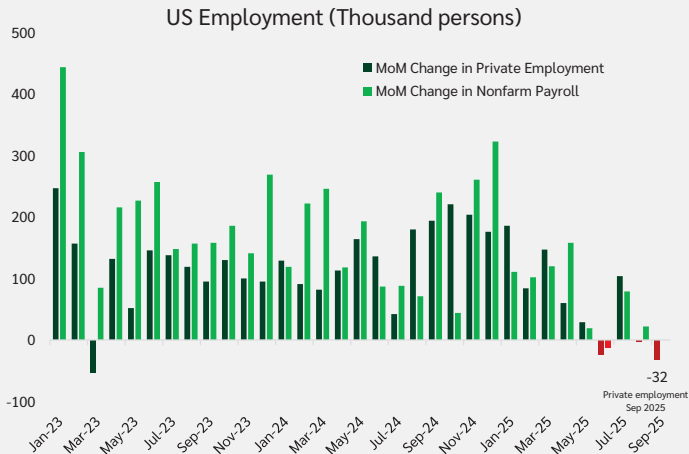
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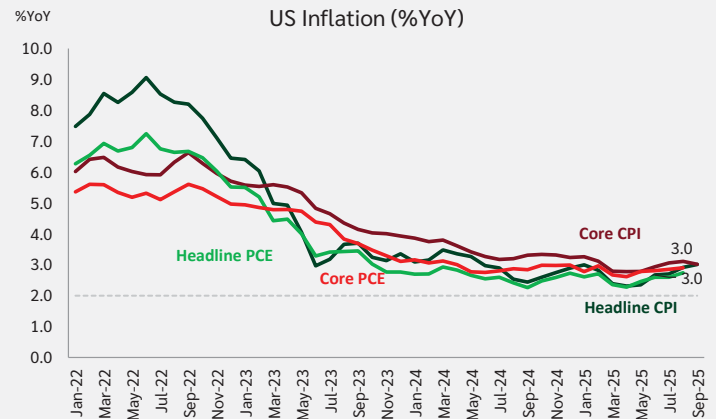


## KResearch expects the Fed to cut its policy rate by another 0.25% in December on the back of weak labor market, though the Fed has signaled that the outlook for a further cut remains highly uncertain

The US labor market shows signs of weakening, prompting the Fed to further cut its policy rate



US inflation remains above the target but is unlikely to accelerate significantly as tariff impacts gradually pass through



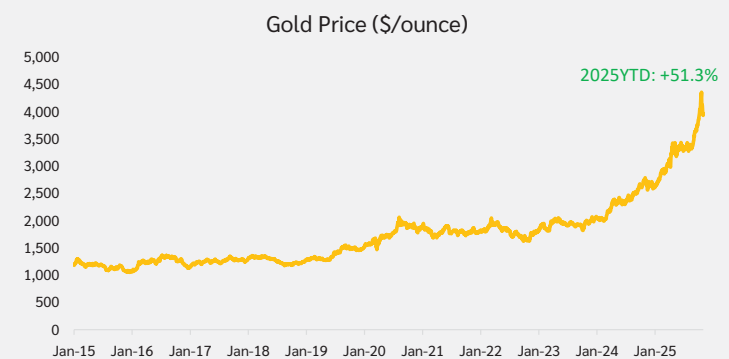
Source: ADP National Employment Report, BLS, CEIC

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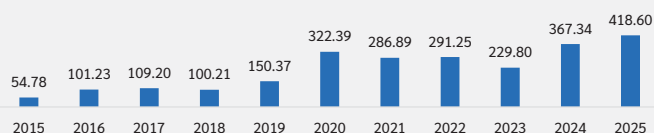
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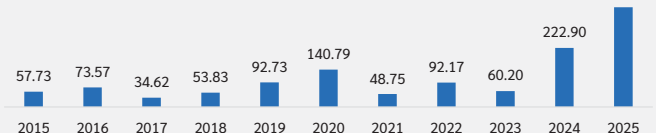
## Gold and the stock market have surged sharply in 2025, experiencing greater volatility than in previous years due to elevated uncertainties



Standard Deviation



Standard Deviation



Note: 2025 data until Oct 29, 2025

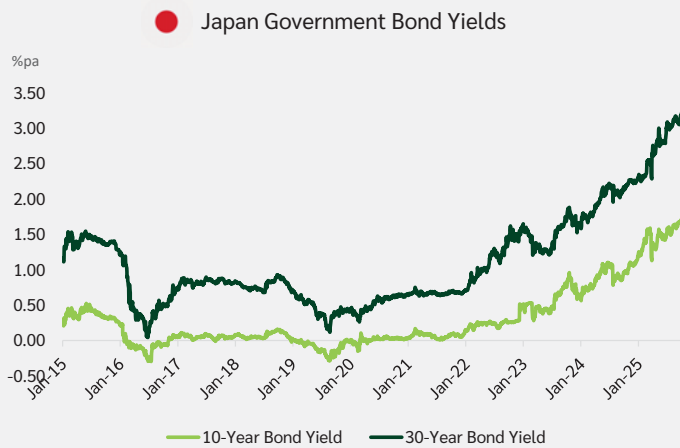
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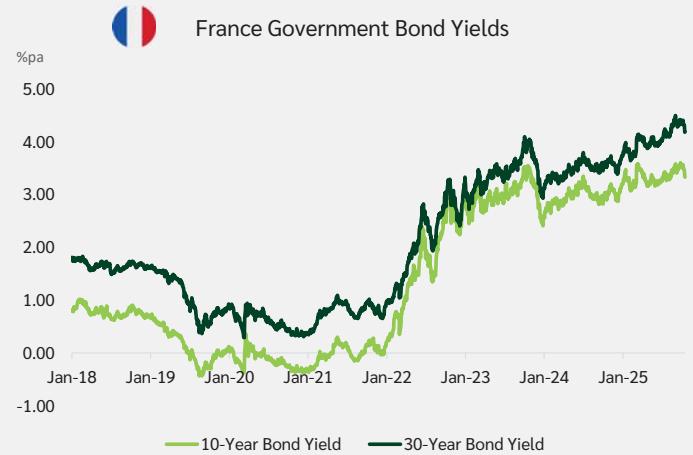


## Political developments in Japan and France are sending shockwaves through financial markets

The election victory of Sanae Takaichi has raised concerns about Japan's mounting debt burden amid signals of a more expansionary fiscal policy



France's continued political upheaval and fragmented parliament have made it difficult to pass fiscal tightening measures, fueling concerns over rising debt and compliance with EU fiscal rules



Source: CEIC and Investing.com

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## Thai economy highlights

1

**KResearch raised Thailand's 2025 export growth forecast to 11.0% from 5.7%, supported by sustained growth in electronics and gold exports**



Prachachat

2

**Thailand's 2025 GDP growth is maintained at 1.8%, with potential upside from the "Half-Half Plus" scheme**



Prachachat

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**KResearch cut its 2025 inflation forecast to -0.1% amid weaker energy and agricultural prices and rising deflation risks**



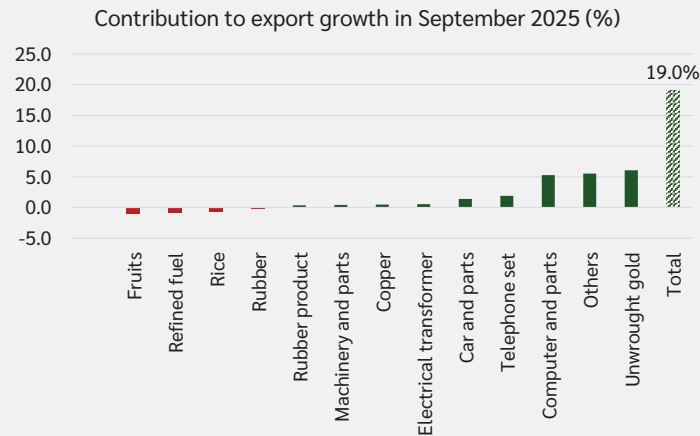
Bangkok Post

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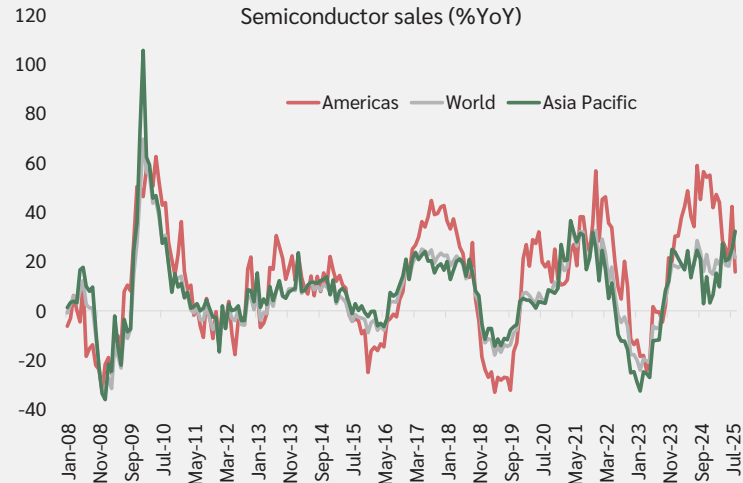
## Thailand's exports rose a stronger-than-expected 19.0% YoY in September 2025, prompting an upward revision of the full-year growth forecast to 11.0% from 5.7%

Thailand's export growth continues to be driven by a limited number of key products, notably electronics and unwrought gold



Source: MOC, Semiconductor Industry Association, KResearch

Electronics exports are expected to keep rising ahead of possible US Section 232 semiconductor tariffs and amid a semiconductor upcycle



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## In addition, exports of goods subject to reciprocal tariffs continue to grow stronger than expected, supporting the export outlook for the remainder of the year

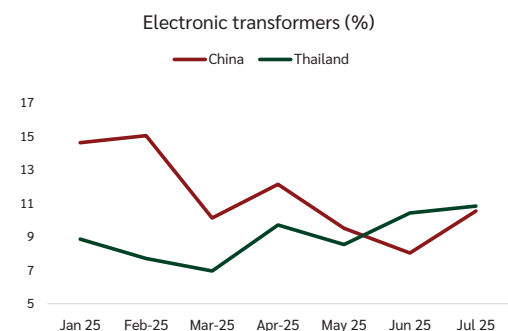
Top 10 Thailand's products export to US

Products	Jan 25	Feb-25	Mar-25	Apr-25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
Telephone set (19%)	16.8	40.5	117.8	49.6	63.8	44.8	68.2	59.7	63.0
Computer (incl. HDDs) (15%)	29.5	15.2	81.5	36.8	58.1	109.1	75.0	42.3	86.4
Special electronic machines (5%)	94.0	88.5	135.4	134.0	88.8	141.4	63.3	69.1	132.3
Vehicle tire (4%)	-1.1	18.1	6.1	-1.1	25.4	19.6	4.9	-14.1	-8.0
Electronic transformers (4%)	33.7	-13.3	13.6	18.6	98.5	48.4	41.6	22.3	56.2
Vehicle parts (2%)	7.9	10.2	12.8	7.7	25.2	16.2	8.1	28.9	26.0
Video camera (2%)	-6.4	16.8	0.7	18.1	25.4	62.9	10.6	-16.8	2.7
Air conditioner (1%)	77.9	92.8	55.2	1.4	30.7	50.3	52.5	-14.3	30.0
Solar panel (1%)	-43.3	-55.3	-35.3	-39.4	-42.1	-72.3	-70.8	-60.7	-41.1
Jewellery (1%)	2.3	14.0	1.5	30.7	3.9	12.7	3.9	-11.3	-36.4

56% share of total exports to US

● Reciprocal tariff at 19% ● Section 232 tariff at 25% ● AD/CVD

Share US imports by markets



Note: The US trade data release was delayed, with the latest publication in July, due to the government shutdown

Exports of goods subject to reciprocal tariffs in September grew better than expected supported by

- Continued US orders amid still-resilient demand
- Shared burden of higher customs duties between Thai exporters and US importers
- Thailand's relatively lower production costs for certain products, with regionally aligned tariffs that remain below China's—for example, air conditioners

Source: MOC, KResearch

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## The government's “Quick Big Win” stimulus may provide some additional support to the Thai economy, with the “Half-Half Plus” measure adding about 0.15% to GDP

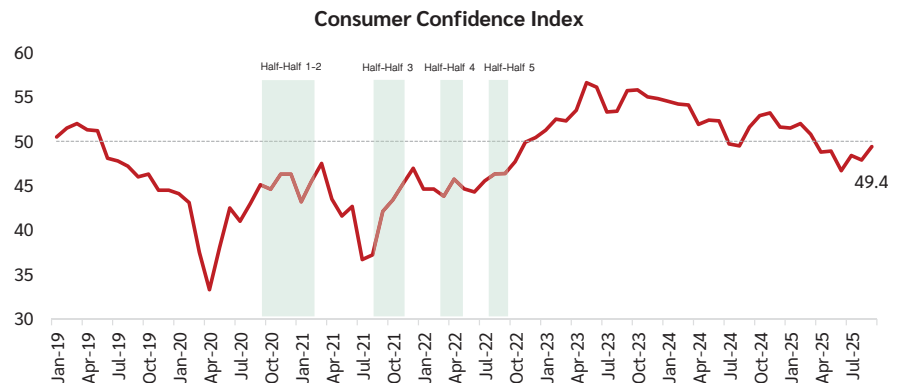
### Short-term economic stimulus

#### • Half-Half plus (50:50 co-pay scheme) during 29 Oct-31 Dec 2025

Target groups	Persons	Benefit	Budget
People in tax system	20 mn	200THB per day (2,400 THB in total)	44,000 mn THB
Others		200THB per day (2,000 THB in total)	

#### • Top-ups state welfare card during Nov.-Dec. 2025 (two months)

Target groups	Persons	Benefit	Budget
Welfare card holder	13 mn	Increasing monthly subsidy from 300THB to 1,150 THB	22,780 mn THB



The short-term economic stimulus may provide some support to the consumer confidence and Thai economy especially in 4Q2025, but its impact could be constrained by weakening consumption momentum

Source: MOC, KResearch

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## Thai GDP growth is maintained at 1.8% in 2025, with potential upside from government stimulus, but is expected to decelerate in 2026 as the full impact of tariffs takes hold

Key Indicators (%YoY except otherwise stated)	2024	2025f (Sep 2025)	2025f (Oct 2025)
GDP	2.5	1.8	1.8
Private consumption	4.4	2.0	2.0
Public consumption	2.5	1.5	1.5
Investment	0.0	1.1	1.1
- Private	-1.6	0.6	0.6
- Public	4.8	3.5	3.5
Exports (Customs based in USD)	5.5	5.7	11.0
Imports (Customs based in USD)	5.9	5.0	10.3
Headline inflation	0.4	-0.1	-0.1
Average Dubai crude oil price (USD/Barrel)	79.7	68.0	68.0
No. of international tourist arrivals (Mn persons)	35.5	32.2	32.2

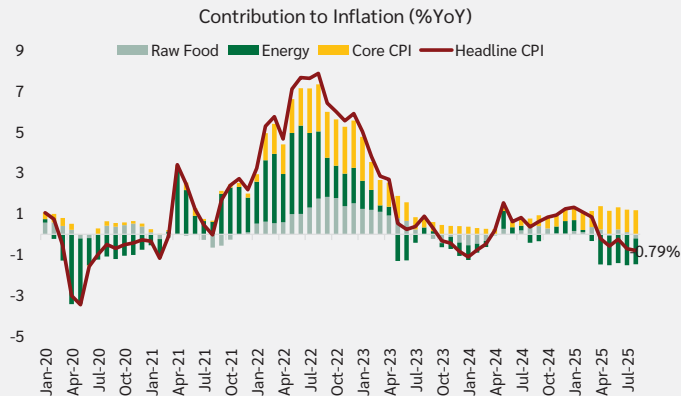
Source: NESDC, MOC, MOTs, forecasted by KResearch

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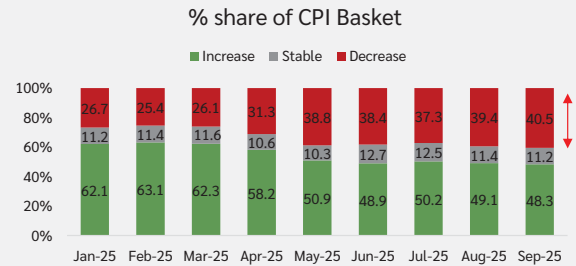
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## Thailand's inflation stood at -0.72% in September 2025, remaining negative for the sixth consecutive month, while the full-year forecast was revised down to -0.1%

September 2025 headline inflation stayed negative, driven by lower energy and fresh food prices



Deflation risks are rising, as a larger share of items in the CPI basket are experiencing falling prices



Deflation risks are rising. Core inflation in September 2025 was 0.65% YoY but fell 0.05% MoM, with 40.5% of CPI items—including personal care, appliances, clothing, and home goods—seeing price declines, partly due to cheaper imports from China.

Source: NESDC, MOC, MOTs, forecasted by KResearch

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