

Macrostrategy in Focus

Quick look at the Bank of Thailand's monthly data (July)

- Overall data came somewhat stable with mixed data between manufacturing and service sector. The data shows that the country's supply side data improved slightly by 0.5% from the pervious month, driven by strong activities in auto (5.4% mom) and semi-conductor (4.8%) production. Meanwhile, on the year-over-year basis overall manufacturing rose by 6.4% yoy which partly due to low base of last year. To strengthen the case of stability in supply-side data, overall capacity utilization increased to 63.4% (from 63.1) despite all signs of slowing global demand. Set a side manufacturing data, strong demand and falling supply of agricultural products boost overall farm income by 19.1% (current price).

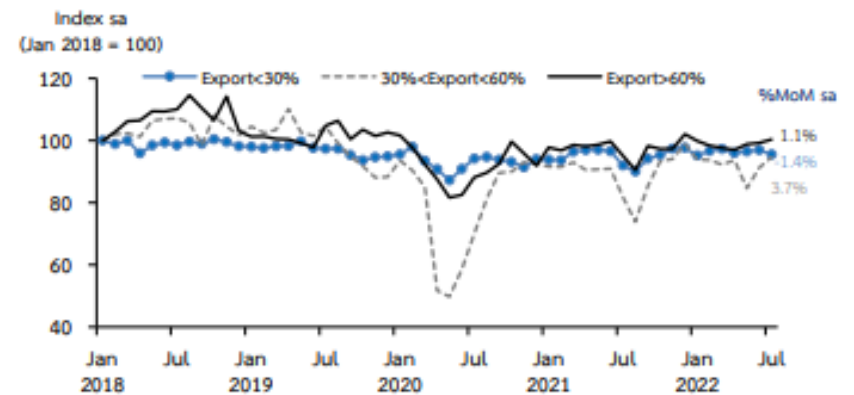
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Fig 1. Manufacturing Production Index

(%YoY)	Share 2016 ^a	2021	2021		2022					%MoM ^{sa}
			H1	H2	H1	Q1	Q2	Jun	Jul ^p	
Food & Beverages	20.3	2.5	4.1	0.8	0.8	3.6	-2.4	1.0	5.3	-0.3
Automotives	13.8	19.0	40.5	3.0	2.6	3.5	1.6	3.2	22.1	5.4
- Passenger Cars	4.7	13.6	29.8	1.4	-14.2	-17.7	-9.8	-20.5	-5.6	6.0
- Commercial Vehicles	7.2	19.8	43.3	2.3	10.9	13.9	7.3	19.5	45.7	1.4
- Engine	1.3	34.7	58.1	17.8	11.2	15.8	5.8	10.1	25.3	3.7
Petroleum	9.5	-2.1	-5.9	1.8	14.5	14.3	14.6	18.4	12.7	-4.4
Chemicals	9.1	2.5	1.5	3.6	-0.9	0.4	-2.1	-2.3	-0.5	3.7
Rubbers & Plastics	8.8	6.2	7.8	4.6	1.3	-0.1	2.8	-0.4	5.2	0.1
Cement & Construction	5.5	-0.4	1.5	-2.4	0.1	-1.0	1.2	2.9	15.3	-0.1
IC & Semiconductors	5.5	15.5	15.9	15.0	6.6	8.5	4.8	1.8	10.4	4.8
Electrical Appliances	3.8	8.4	20.0	-3.7	-3.7	-5.9	-1.4	5.3	7.8	0.8
Textiles & Apparels	3.5	-5.9	-11.3	0.6	-0.3	-0.3	-0.4	-1.4	12.2	4.1
Hard Disk Drive	3.4	0.8	10.1	-7.5	-21.4	-13.2	-29.6	-30.6	-29.4	-7.8
Others	16.7	10.1	17.5	3.2	-4.2	-3.1	-5.3	-7.1	0.4	-1.2
MPI	100	5.8	9.5	2.2	0.5	1.6	-0.8	-0.2	6.4	0.5
MPI sa Δ% from last period	100	-	4.2	-2.0	2.5	-0.9	-0.9	2.1	0.5	-
Capacity Utilization (SA)	-	63.0	63.8	62.1	63.2	63.6	62.8	63.1	63.4	-

Note: the new MPI series as adjusted by the OIE (coverage and base year at 2016)
 R = 2021 Revision P = Preliminary data
 Source: Office of Industrial Economics and seasonally adjusted by Bank of Thailand
 Production index of petroleum does not include the production of diesel 810 and 820

Fig 2. MPI Classified by Export Share



Sources: Office of Industrial Economics , calculated by Bank of Thailand

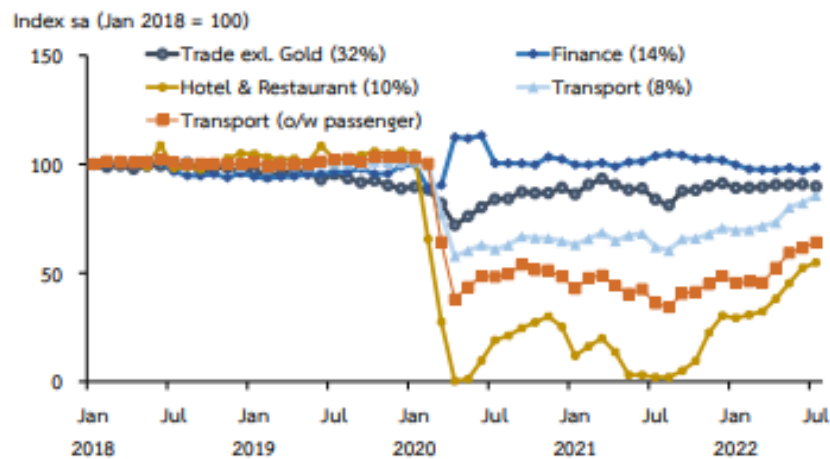
Source: Bank of Thailand Krungsri Securities

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Service sector data came out very strong

- The highlight data was the strong improvement in service sector as Thailand accelerates opening the country (fig 3). Tourists' data came out very strong, especially visitors within ASEAN. This helps boost activity in hotels and restaurants very strongly. Assuming this trend to continue, we expect further improvement in domestic consumption data as around one-third of overall domestic spending normally comes from foreign visitors.
- As far as consumer spending is concerned (fig 4), the month-over-month spending fell slightly by -0.2%, partly due to rising energy price and deterioration of overall sentiment. Nonetheless, spending improved on the YoY basis as it rose by 14.7% yoy.

Fig 3. Service Production Index (SPI) by Sectors



Note: Latest data estimated by Bank of Thailand
 Source: Office of the National Economic and Social Development Board (NESDB), Ministry of Commerce, National Statistical Office, The Revenue Department, The Office of Industrial Economics and Ministry of Tourism and Sports

Fig 4. Private Consumption Indicators

%YoY	2021	2021		2022				%MoM sa	
		H1	H2	H1	Q1	Q2	Jun		Jul ^P
Non-durables index	-4.6	-2.1	-7.1	0.0	-2.3	2.4	1.3	7.1	0.5
Semi-durables index	2.9	4.1	1.9	0.5	0.0	1.1	1.2	2.7	0.0
Durables index	1.0	13.0	-8.7	6.7	7.9	5.4	1.9	13.6	2.0
Services index	-3.7	-7.4	0.1	18.6	13.8	23.6	28.8	36.9	3.1
(less) Net tourist expenditure	-84.0	-93.4	271.4	421.8	370.3	464.0	1667.7	2831.9	50.5
PCI	-0.8	2.2	-3.6	7.0	4.2	9.9	9.2	14.7	-0.2

Note: %MoM is calculated from seasonally adjusted data P = Preliminary Data
 Source: Bank of Thailand

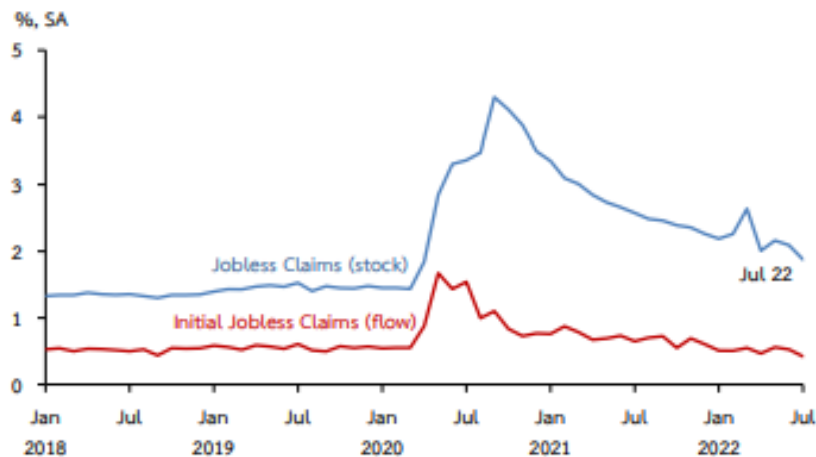
Source: Bank of Thailand, Krungsri Securities

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Jobs market

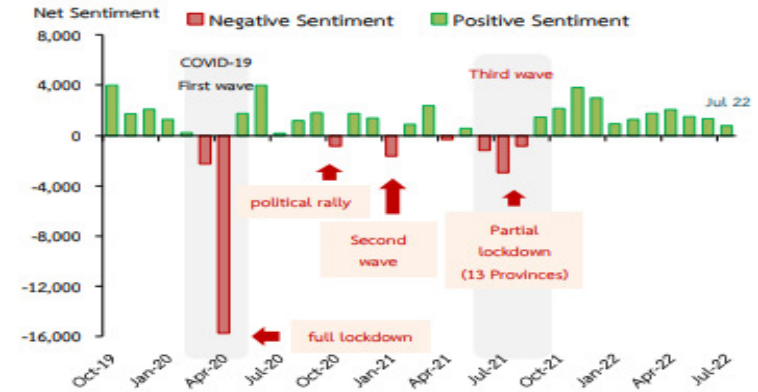
- Lastly, job market remains well on track on recovery as jobless claims continue to fall on the basis of stock and flow. As in other economies, strong job market will act as meaningful cushion for upcoming challenges from slowing of global economy.

Fig 5. Ratio of Jobless Claims to Total Contributors in Section 33*



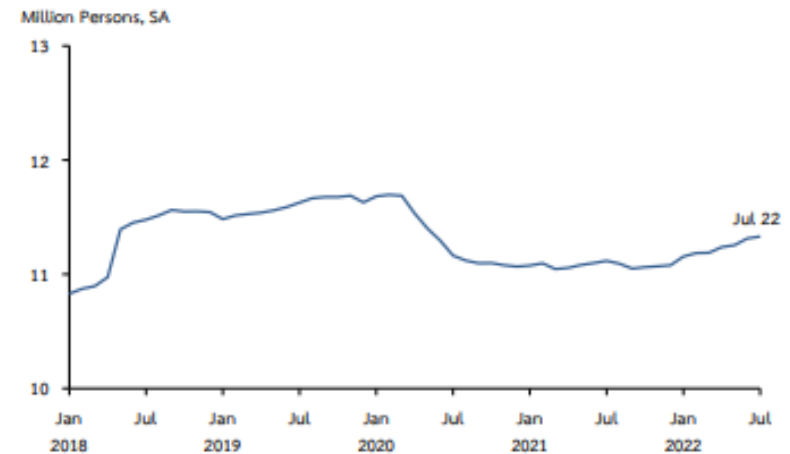
Note: * Employees who contribute to social security system (Section 33) account for 31% of total employment.
Source: Social Security office, calculated by Bank of Thailand

Fig 6. Social Listening of Self-employed



Note: The index is calculated based on the number of Positive Posts minus the number of Negative Posts, which can reflect the direction of self-employed activities quite well. However, it may not reflect the size of the change. In addition, the index is quite sensitive to other issues such as the number of coronavirus cases, politics, government measures, which makes the data quite volatile at times.

Fig 7. Total Contributors in Section 33*



Note: * Section 33 refers to employees who are not less than 15 years of age and not more than 60 years
Source: Social Security Office, calculated by Bank of Thailand

Source: Bank of Thailand, Krungsri Securities

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