

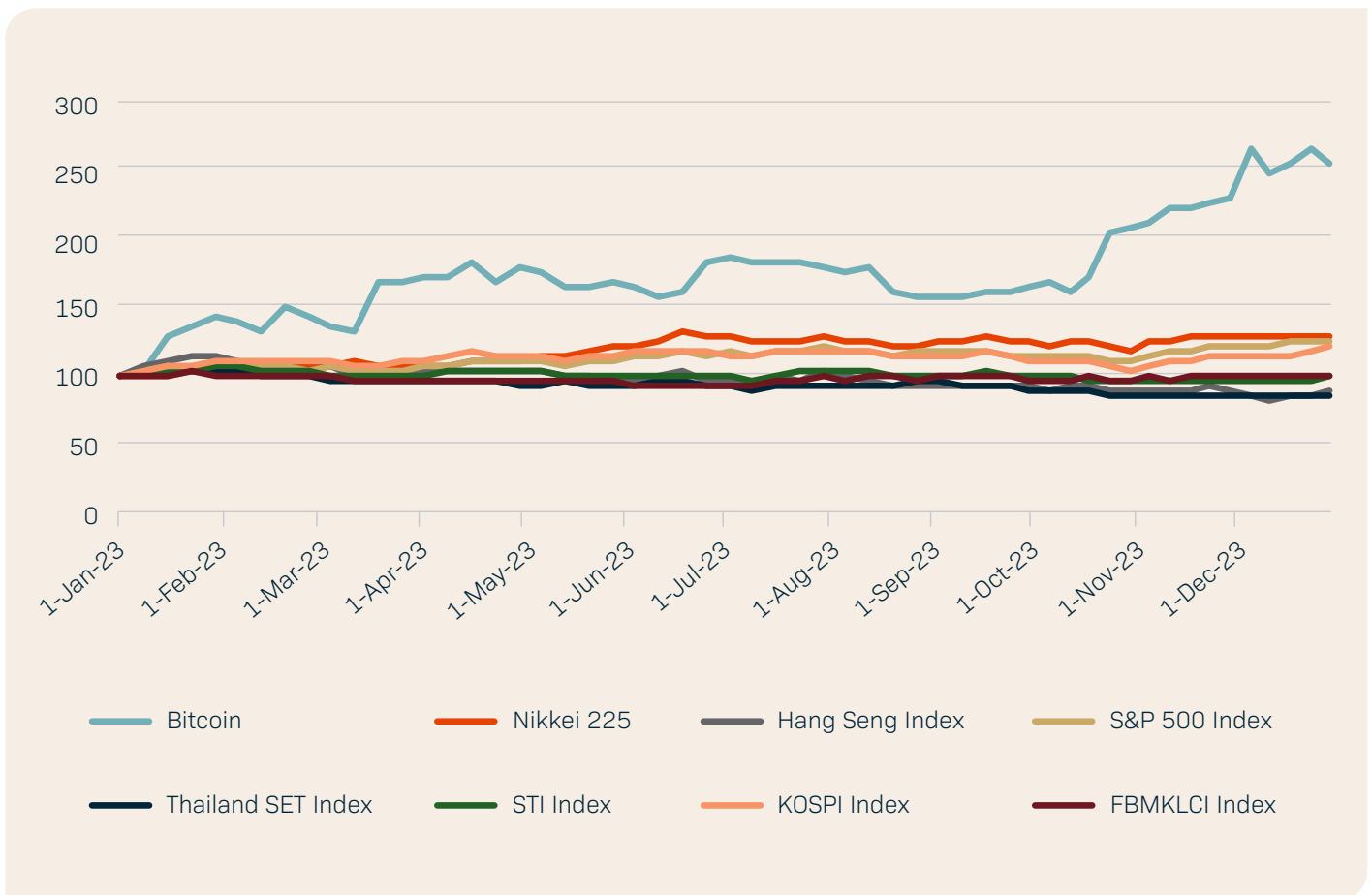
2024 THAILAND OUTLOOK REPORT

We delve into the dynamics of Thailand's economy, providing an analysis of the market trends in 2023 and offering our insights on its prospects for the year ahead. Thailand's stock market witnessed notable fluctuations in the past year, as evidenced by the Thailand SET Index. We dissect these movements to understand their underlying causes, from interest rate shifts to global economic uncertainties.

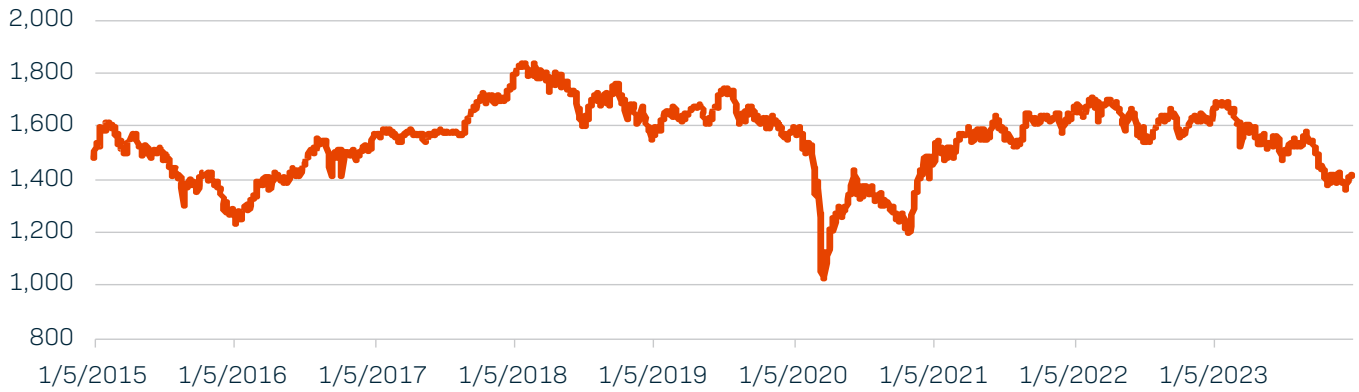
Our review also includes an examination of Thailand's GDP growth, considering the impacts of the pandemic and regional economic developments. Looking ahead, we anticipate shifts in Thailand's economic landscape in our outlook for 2024. Our focus covers market projections on inflation rates, interest rate adjustments and GDP growth, alongside a glimpse into the country's crypto industry.

2023 THAILAND MARKET REVIEW

2023 ASSET PRICE PERFORMANCE (%) (REBASED)



THAILAND SET INDEX

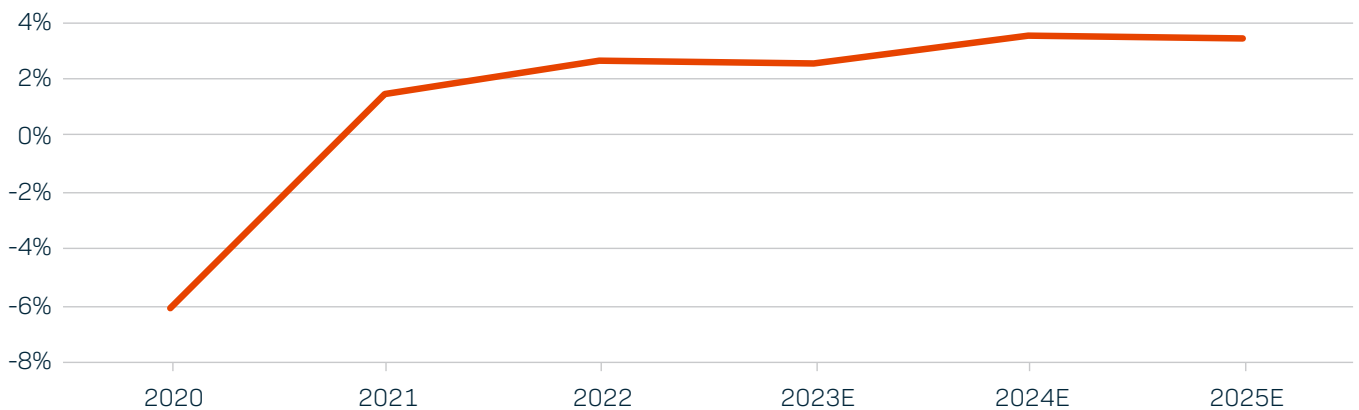


The performance of the Thailand stock market in 2023, as indicated by the Thailand SET Index, experienced a notable decline and closed the year at 15% below its starting point. This downturn followed modest gains in preceding years, with an increase of 1% in 2022 and a more robust 14% in 2021. The 2023 decline represented a deviation from global market expectations, particularly given the year's emphasis on the reopening of Asia.

Several key factors contributed to this negative trajectory. The performance was primarily influenced by a confluence of rising interest rates, sustained global inflationary pressures, an unpredictable global macroeconomic environment and export figures that fell short of projections.

In terms of valuation, according to Bloomberg, the Thailand SET Index was trading at an estimated P/E of 17x for 2023 and is projected at 15x for this year. These figures align closely with the historical average P/E ratio of approximately 16x.

THAILAND GDP (YoY%)

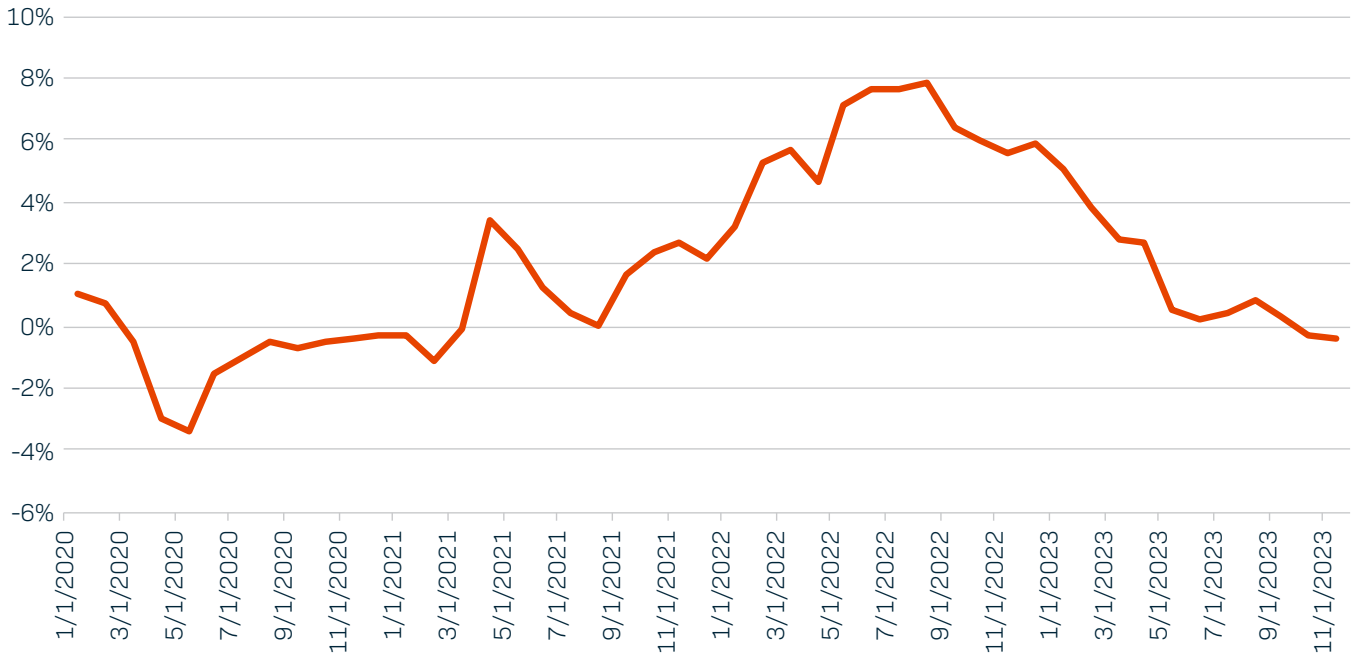


Thailand's economy experienced a significant contraction in 2020 due to the COVID-19 pandemic, with its GDP shrinking by 6%. A gradual recovery ensued, with GDP growth reaching 1.5% and 2.6% in 2021 and 2022 respectively. The reopening of Asian countries in 2023 brought further optimism, with Thailand's GDP projected to grow by 2.5%, driven by increased private consumption and a resurgence in the tourism sector, which had started to rebound following the easing of travel restrictions.

Reuters reports that according to Thailand's government data for 2023, the nation welcomed 28 million international tourists, slightly exceeding its projected target. This surge in tourism generated a revenue of 1.2 trillion baht (around USD34.9 billion). The majority of these visitors were from Malaysia, accounting for 4.5 million, followed by China with 3.5 million tourists. This is in contrast to the pre-COVID numbers, where Thailand saw 39 million tourists, including 11 million from China.

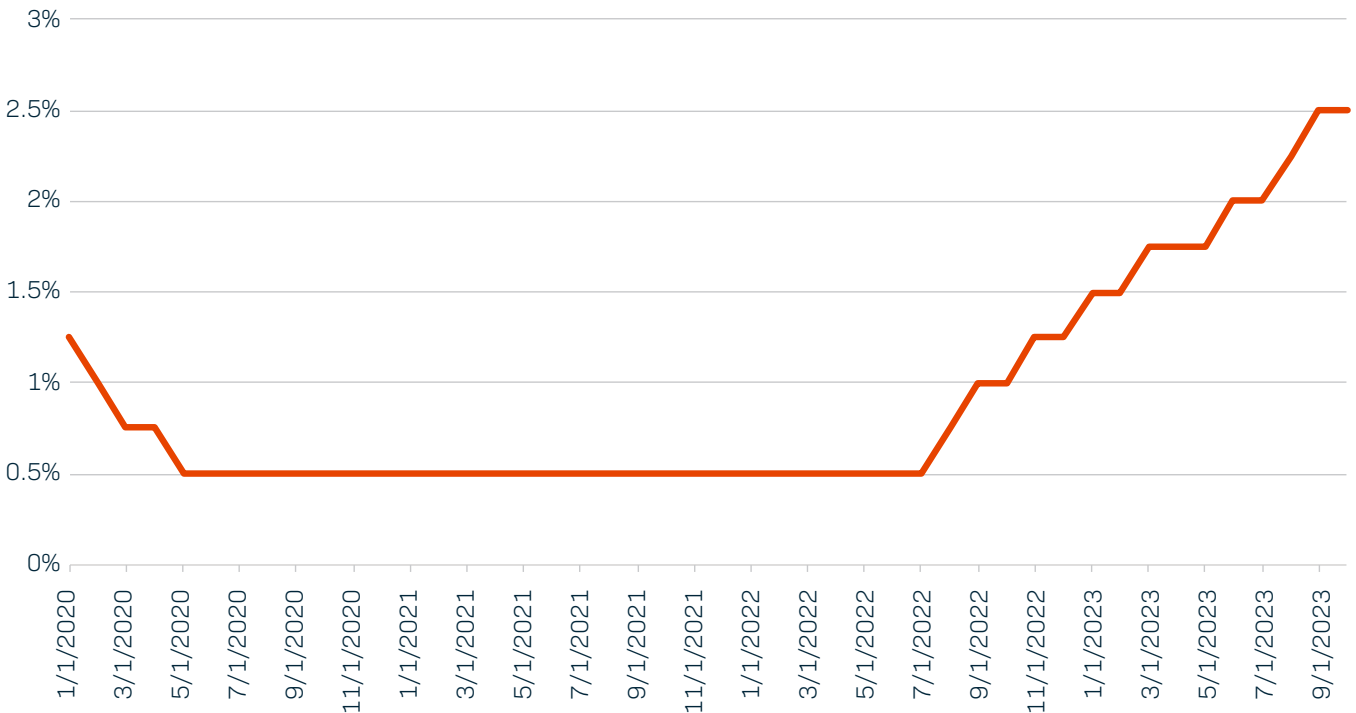
Despite these positive indicators, the latest market projection for Thailand's 2023 GDP growth remains at the lower end of the initial market forecast range of 2.5% - 3%. This development has come as a surprise to the market, especially considering that the projected growth rate of 2.5% for 2023 is marginally lower than the 2.6% growth achieved in 2022 amidst pandemic challenges. The country continues to navigate global economic challenges, including inflation pressures and interest rate hikes. Notably, Thailand has been actively responding to these challenges, with its central bank implementing interest rate increases since August 2022 to mitigate soaring inflation.

THAILAND MANUFACTURING CPI (YoY%)



Thailand, like many Western countries, has grappled with significant inflationary pressures. The country's CPI reached a peak of approximately 8% in August 2022, reflecting a global trend of rising inflation. However, in 2023, there has been a notable deceleration in the CPI, which can be attributed largely to the series of interest rate hikes initiated in 2022. This monetary policy intervention has resulted in a substantial slowdown in inflation, with recent figures indicating an inflation rate close to 0%.

THAILAND INTEREST RATES (%)



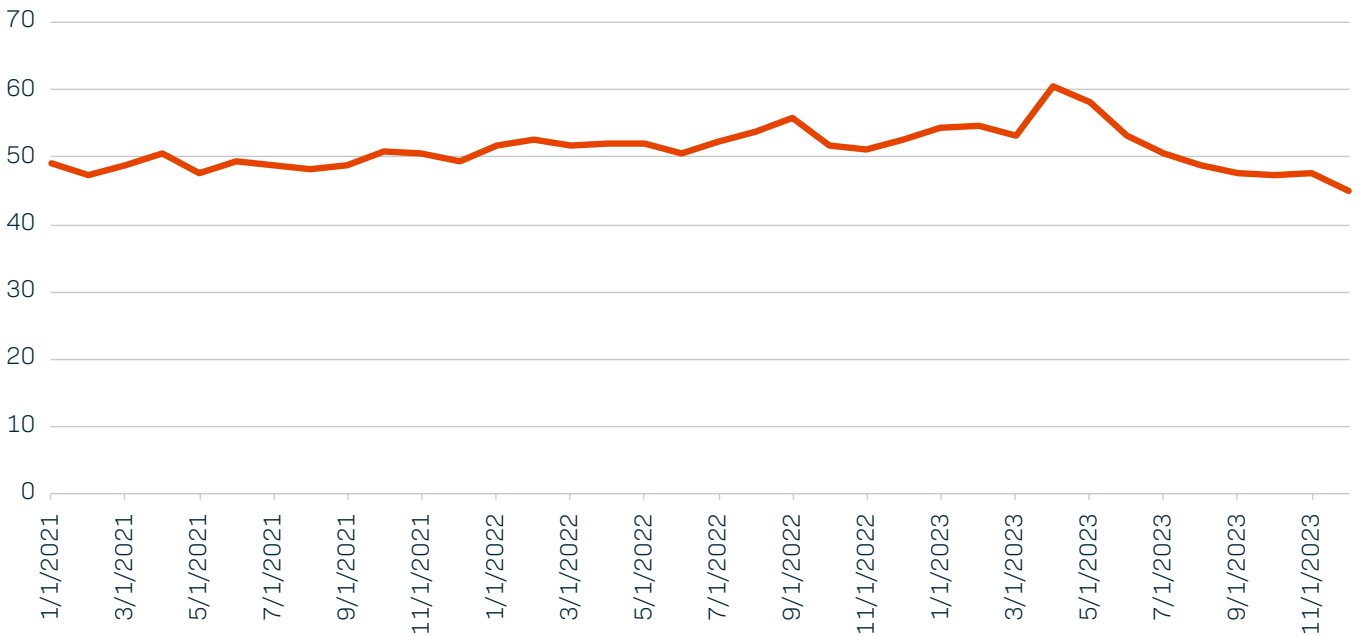
In response to mounting inflationary pressures, the Bank of Thailand has been steadily increasing interest rates since August 2022. This decisive monetary policy action has set interest rates near 2.5% in the fourth quarter of 2023, reflecting a proactive approach to stabilizing the nation's economy in the face of global financial challenges.

THAILAND 10-YEAR TREASURY YIELD (%)



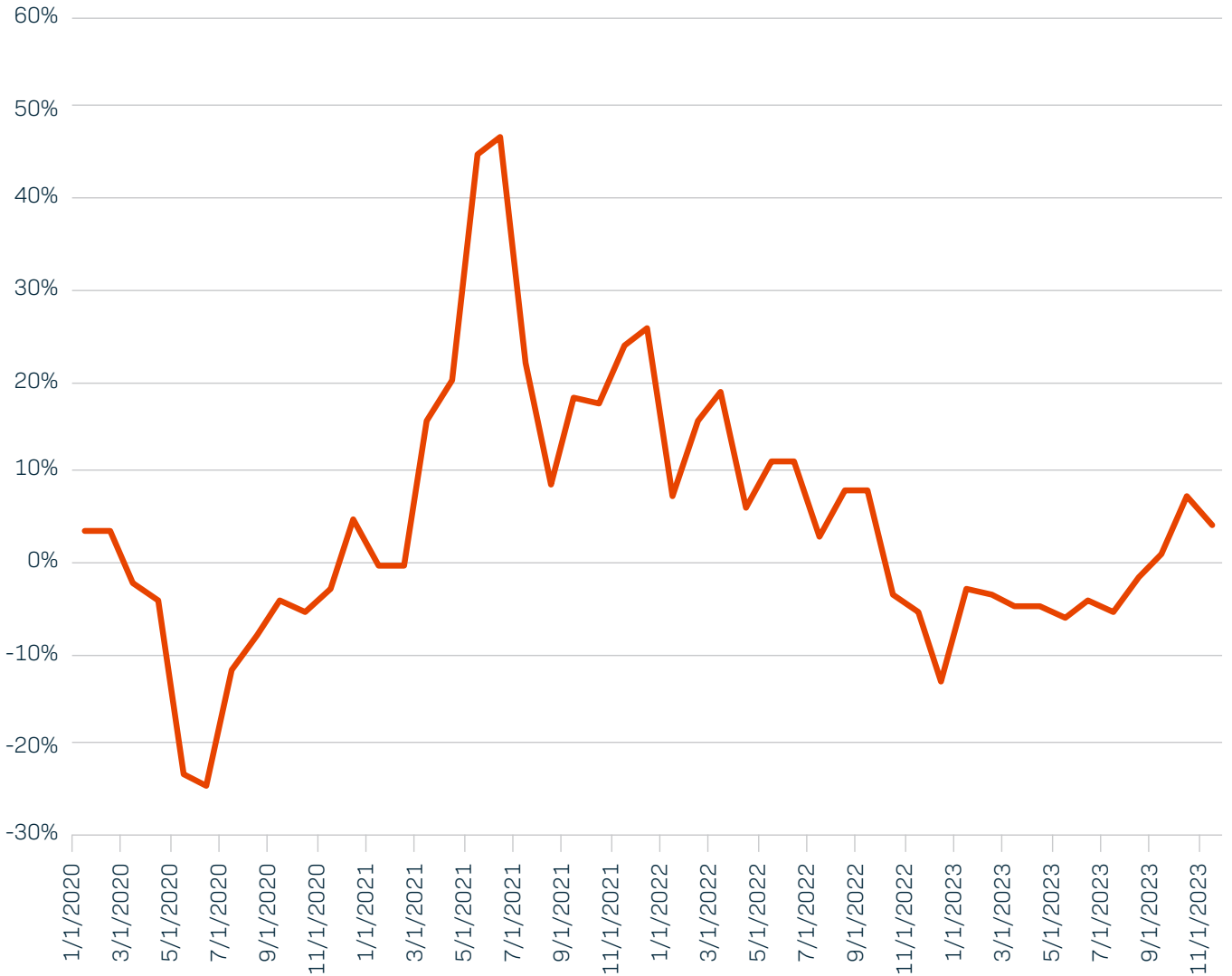
Analyzing Thailand's 10-year treasury yield offers an insightful perspective on the nation's interest rate trends. During the global low-interest-rate environment of 2020, this yield remained between 1% and 1.5%. However, a noticeable increase began in 2022, with the yield reaching a peak in October 2023. Subsequently, it experienced a decline influenced by the US Federal Reserve's dovish stance and global reduction in inflation rates. This downward trend in the treasury yield suggests that the market anticipates a potential reduction in Thailand's interest rates for 2024 and 2025.

THAILAND MANUFACTURING PMI



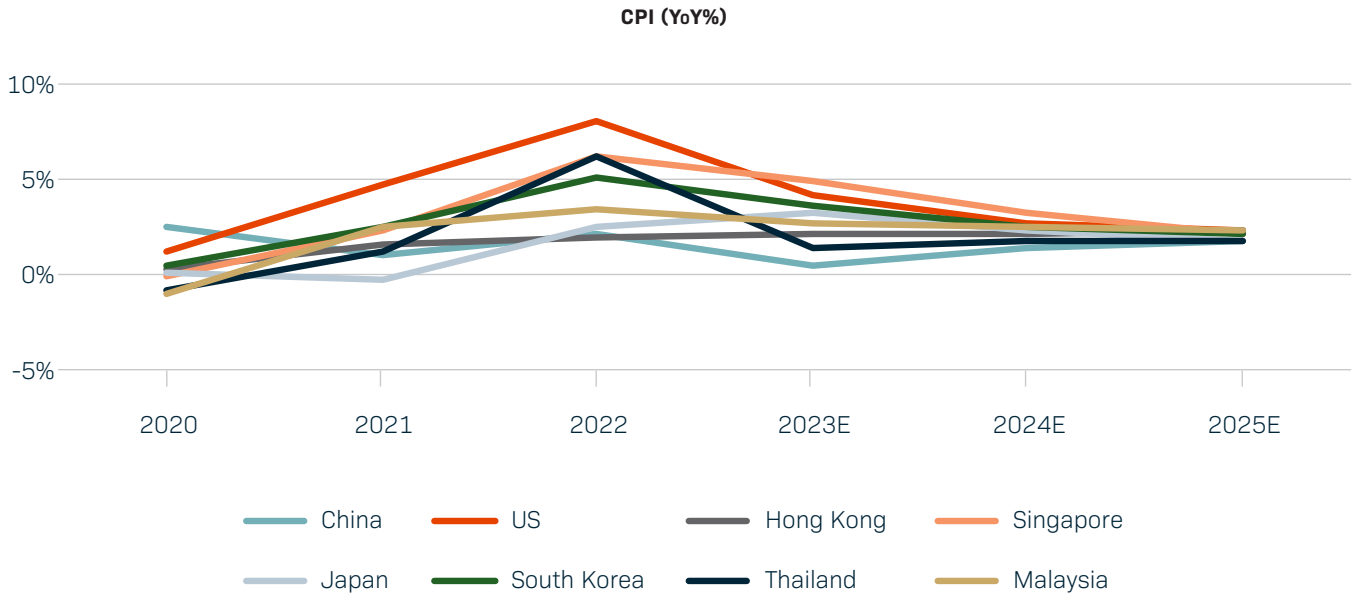
The Thailand Manufacturing PMI fell below the critical threshold of 50 since August 2023, despite the country's reopening. This key indicator, often used to gauge economic recovery or recession, signifies a subdued confidence in Thailand's manufacturing sector during this period.

THAILAND FOREIGN TRADE MERCHANDISE EXPORTS YoY (%)

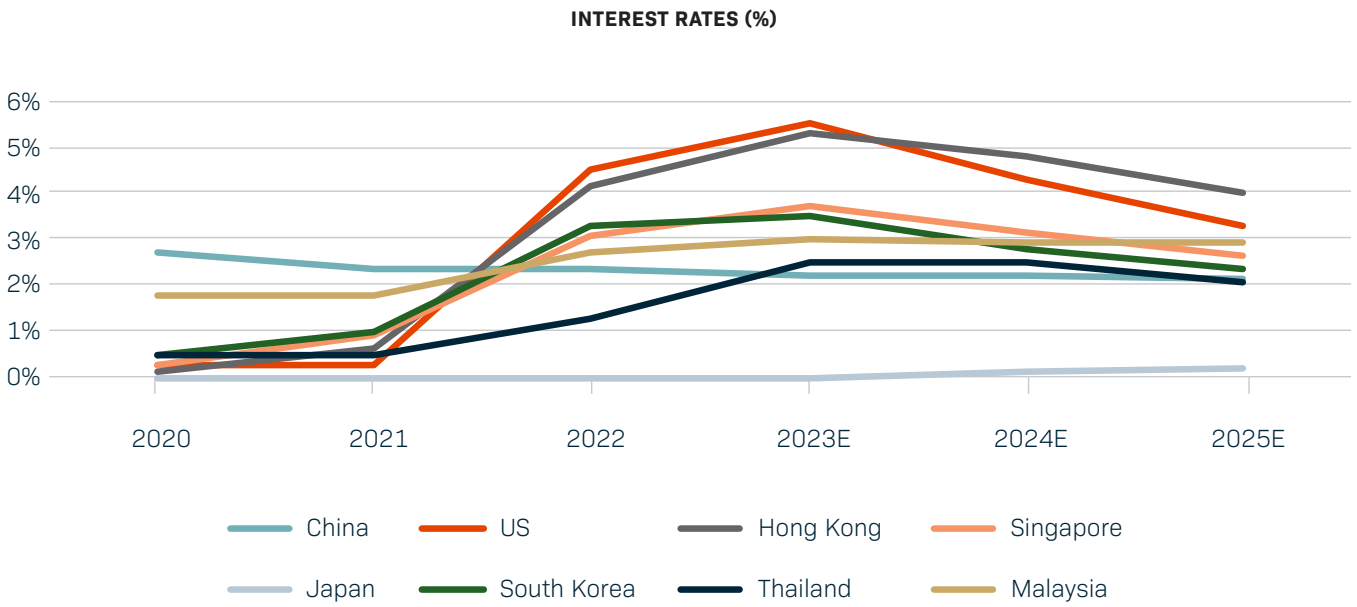


Thailand's export sector exhibited a deceleration trend throughout 2022, culminating in a negative growth phase during the first half of 2023. This downturn exerted considerable pressure on the nation's economic recovery trajectory. This trend partly accounts for the somewhat disappointing GDP growth projection for 2023 that fell short of market expectations. However, the latter half of 2023 witnessed a resurgence in exports, marking a return to positive growth and signaling a potential rebound in economic activity.

2024 THAILAND MARKET OUTLOOK



Thailand's impressive handling of inflation in 2023, in contrast to Western countries, led to a significant slowdown in its inflation rate. Consequently, the current market expectation is that the CPI will continue to remain subdued, with an anticipated level of approximately 1.7% throughout 2024.



In anticipation of mild inflationary pressures in 2024 and 2025, market forecasts suggest that the Bank of Thailand may implement modest interest rate cuts to bring the rate down to approximately 2.3% in 2024. These expected interest rate cuts align with similar interest rate reductions anticipated in other countries in 2024. It is noteworthy that interest rates in Thailand are projected to remain relatively low in 2024 compared to those in other major economies, primarily due to Thailand experiencing less inflationary pressure since the second half of 2023.



Thailand's GDP growth rate is projected to accelerate to 3.5% in 2024, bolstered by a full economic recovery, subdued inflation pressures and anticipated interest rate cuts. This marks an upturn from the projected 2.5% GDP growth in 2023.

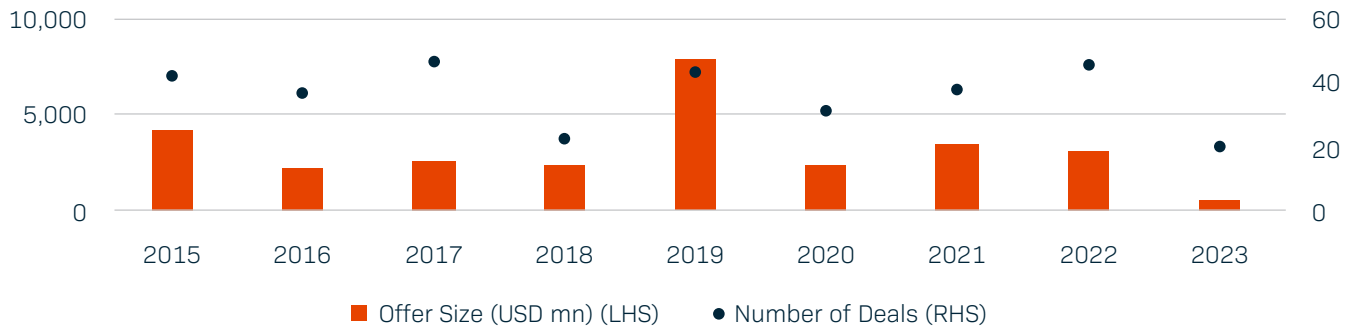
A Reuters report highlights that Thailand plans to introduce a 'digital wallet' scheme to distribute 10,000 baht (approximately USD 285) to 50 million eligible citizens in 2024. This initiative is expected to significantly stimulate consumption growth in the country.

Another significant boost to Thailand's GDP growth and its tourism industry is the recent agreement between Thailand and China to permanently waive visa requirements for their citizens, commencing in March 2024. As the second-largest economy in Southeast Asia, Thailand heavily relies on tourism, and the new arrangement is anticipated to boost Thailand's tourism sector and GDP growth in 2024.

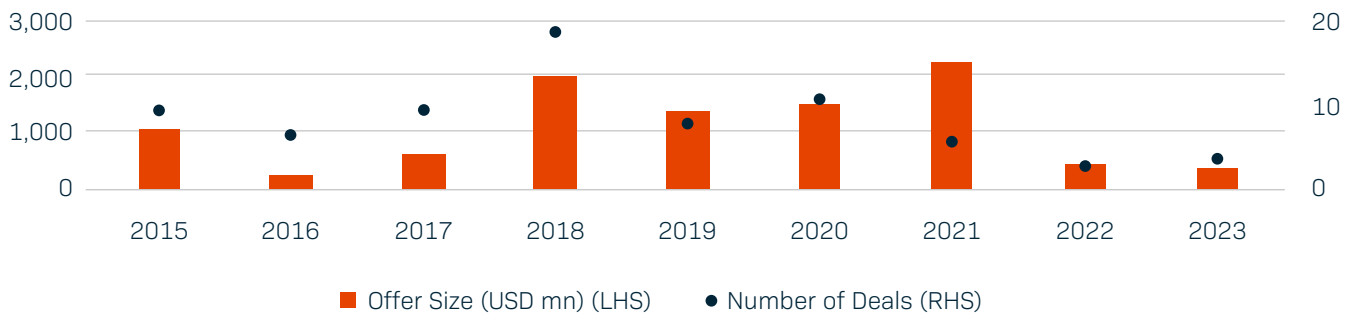
As of January 9, 2023, according to Bloomberg, the Thailand SET Index was trading at an estimated 2023 P/E of 17x and a 2024 P/E of 15x, aligning with the historical average of 15x.

CAPITAL MARKET

THAILAND IPO



THAILAND SECONDARY SHARE OFFERING



Throughout 2023, Thailand grappled with considerable economic challenges, global macroeconomic uncertainty and a persistent decline in its SET Index, which dropped by 15%. These factors collectively led to subdued IPO proceeds in 2023. Remarkably, the IPO proceeds last year were even lower than in 2022, despite the year being marked by economic reopening and recovery efforts.

BOOMING CRYPTO MARKET IN THAILAND

According to a report by HashKey Capital (published on Dec 7, 2023), the expansion of crypto activities in Thailand has been remarkably rapid and significant. Its data suggests a considerable adoption of cryptocurrency throughout the nation. Notably, around 3 million Thai citizens are now involved in the crypto sphere, accounting for 4.3% of the country's overall population. Impressively, this number exceeds half of the total number of accounts of 5.5 million in Thailand's stock market. The high adoption rate is a good indicator of the crypto industry's swift growth in Thailand.

On the global stage, Thailand's presence in the crypto sector is increasingly prominent, as evidenced by its tenth-place ranking in Chainalysis' Global Crypto Adoption Index. The country is bustling with a variety of crypto-related activities, including centralized exchanges, peer-to-peer trading platforms and various decentralized finance (DeFi) projects. In an effort to keep pace with this rapidly developing sector, the Thai government has implemented the Emergency Decree on Digital Asset Businesses, B.E. 2561 to provide a regulatory framework for the crypto industry. The Thai government's regulatory stance is both accommodating and well-structured, with the issuance of seven distinct licenses related to digital asset operations, showcasing its commitment to fostering a regulated crypto environment.

ADVANTAGES OF UTILIZING EQUITIESFIRST'S LENDING SERVICES IN THAILAND

As Thailand's economic resurgence is expected to continue in 2024, EquitiesFirst is well-positioned to provide loans against shares of listed companies in the country for investors to capture the emerging opportunities. The asset-backed financing solutions are characterized by their competitive interest rates and a notably high loan-to-value ratio ranging from 60-70%, along with a reasonable average margin call threshold set at 50%. EquitiesFirst's progressive approach brings several key benefits, including a non-recourse structure that does not require borrowers to offer personal guarantees. Moreover, the loans are non-purpose, allowing flexibility in how they are used. A distinctive feature of EquitiesFirst's methodology is the voluntary waiver of rights to seek repayment in cases where a borrower opts to default on their loan obligations. This approach underscores our commitment to offering flexible and borrower-friendly lending solutions, free from the constraints of personal guarantees or usage limitations.

The market volatility in 2023 that was influenced by global and local factors reflected the state of Thailand's economy. The cautious optimism for 2024, marked by market projections of improvements in GDP growth, inflation control and interest rate adjustments, paints a picture of potential recovery and stability in the country. As we move forward, the ever-changing Thailand market will undoubtedly continue to be a key theme in navigating the global economic landscape.

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