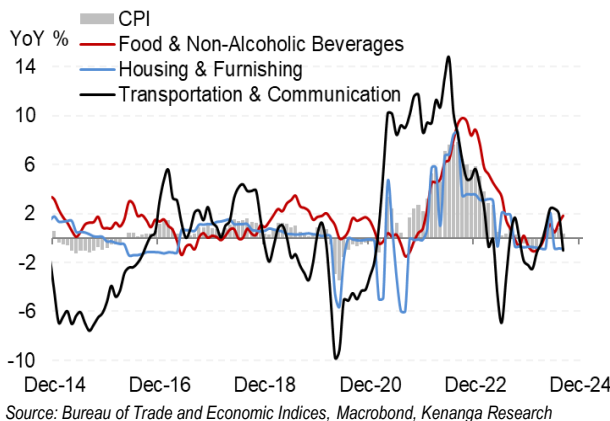


# Thailand Consumer Price Index

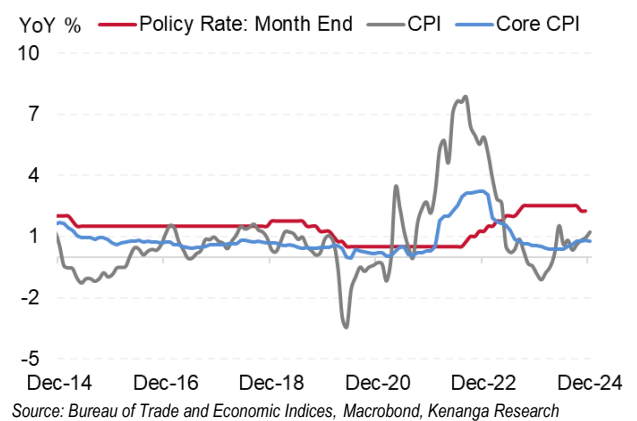
Inflation hits seven-month high in December but ends 2024 at four-year low

- Headline inflation rose to 1.23% YoY (Nov: 0.95%), reaching the Bank of Thailand's (BoT) target range of 1.0% - 3.0%, but fell short of the consensus forecast of 1.40%. Overall, inflation averaged 0.40% in 2024, marking the lowest in four years**
  - MoM (-0.18%; Nov: -0.13%): registered a fourth straight month of deflation and the lowest in six months.
  - Core inflation (0.79% YoY; Nov: 0.80%): edged down after an uptick in the previous month.
- Increase in transportation & communication costs drove inflation higher in December**
  - Transportation & communication (2.71%; Nov: 1.38%): increased to the highest level in 23 months, buoyed by higher diesel prices amid the low base effect from the previous year.
  - Food and non-alcoholic beverages (1.28%; Nov: 1.28%): remained unchanged for the second straight month and at a five-month low, reflecting a stable domestic demand.
- Higher inflation trend across the selected ASEAN countries**
  - Indonesia (1.57%; Nov: 1.55%): Inflation expanded slightly due to a substantial increase in food prices.
  - Vietnam (2.94%; Nov: 2.77%): Expanded to a four-month high amid higher food prices.
- Headline inflation is projected to rise 0.8% in 2025 (2024: 0.4%) amid a prospect of a strong domestic economy**
  - Inflation Outlook:** Inflation is expected to rise gradually, underpinned by a strengthening domestic economy bolstered by higher tourist arrivals and spending. The THB10,000 (USD289) digital wallet program is also likely to boost domestic consumption and reinforce a positive economic outlook.
  - Monetary Policy:** The BoT is expected to adopt a less dovish approach, likely limiting rate cuts in 2025, with two possible rate adjustments in 1H25. This is mainly to support economic growth while ensuring financial stability amid the uncertainty over Donald Trump's trade policies, rising geopolitical tensions, the prospect of a global economic slowdown, and Thailand's high household debt.

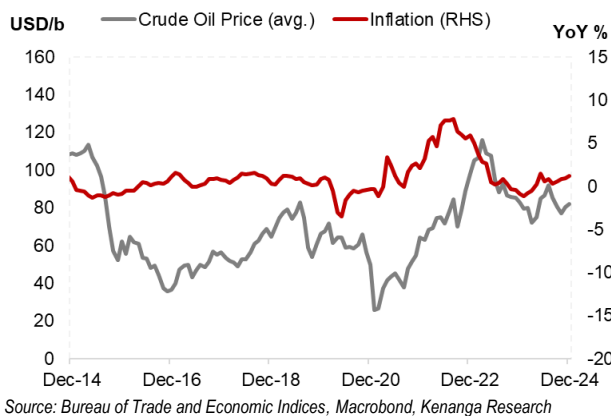
Graph 1: CPI by Main Categories



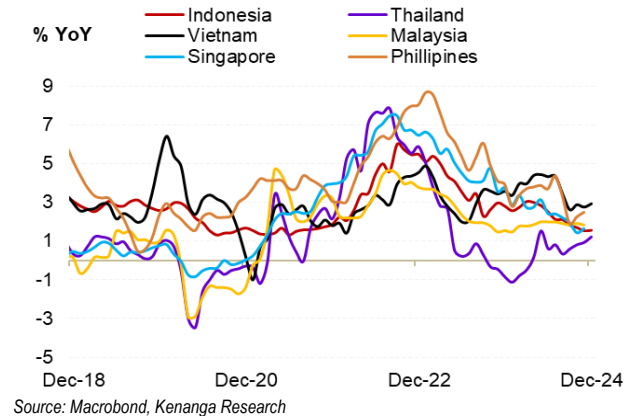
Graph 2: Policy Rate vs. CPI



Graph 3: CPI vs. Crude Oil Prices



Graph 4: Regional Inflation Growth Trend



07 January 2025

**Table 1: Thailand Consumer Price Index Growth (% YoY)**

Base 2019=100	weight	2021	2022	2023	2024	Jul-24	Aug-24	Sep- 24	Oct- 24	Nov-24	Dec-24
<b>CPI</b>	<b>100</b>	<b>1.23</b>	<b>6.08</b>	<b>1.23</b>	<b>0.40</b>	<b>0.83</b>	<b>0.35</b>	<b>0.61</b>	<b>0.83</b>	<b>0.95</b>	<b>1.23</b>
Core Inflation	67.1	0.23	2.50	1.27	0.56	0.52	0.62	0.77	0.77	0.80	0.79
Food & Non-Alcoholic Beverages	40.4	-0.12	6.92	2.56	0.76	1.27	1.83	2.25	1.95	1.28	1.28
Housing & Furnishing	23.2	-1.72	4.75	1.20	-0.19	-0.85	-0.90	0.35	0.41	0.43	0.39
Transportation & Communication	22.7	7.74	9.06	-	0.37	2.01	-1.01	-1.78	-0.27	1.38	2.71
Medical & Personal Care	5.7	0.62	0.92	1.23	0.67	0.70	0.66	0.62	0.62	0.57	0.49
Recreation & Education	4.5	-0.09	0.46	0.48	0.38	0.44	0.52	0.61	0.27	0.09	0.02
Apparel & Footwear	2.2	-0.26	0.04	0.24	-0.40	-0.54	-0.59	-0.66	-0.49	-0.51	-0.51
Tobacco & Alcoholic Beverages	1.4	0.66	3.67	0.53	1.33	1.84	1.84	1.32	0.03	0.00	0.00

Source: National Statistical Office Thailand, Kenanga Research

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