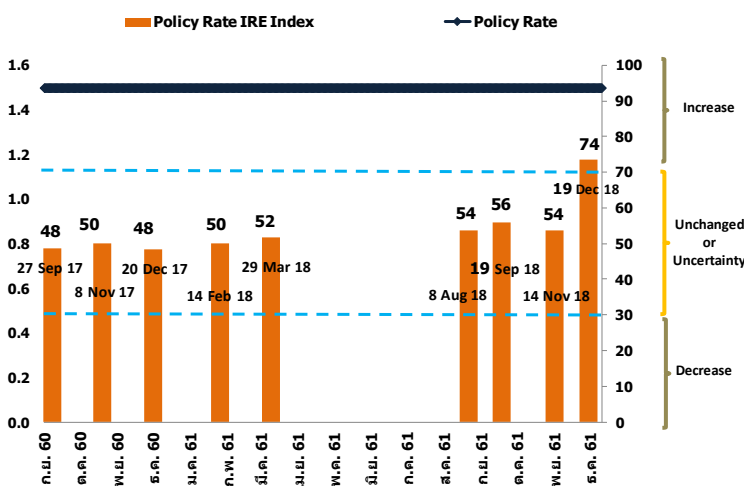


♣ Interest Rate Expectation Index for December 2018 ♣

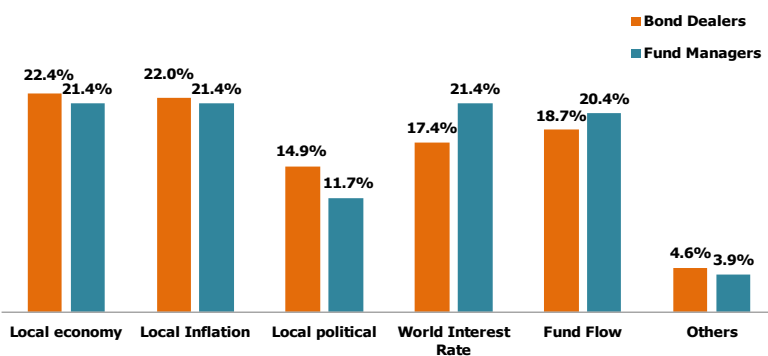
The Interest Rate Expectation (IRE) Index for the Bank of Thailand’s Monetary Policy Committee (MPC) meeting in December 2018 stands at 74, up from the previous survey and rising into the increase range for the first time in more than a year, driven primarily by economic growth, inflation, and global interest rates. Meanwhile, Interest Rate Expectation Indices for 5-year and 10-year government bond yields through the February 2019 MPC meeting (10 weeks hence) are both at 94, being the highest level in more than a year and moving up to the increase range. These levels reflect the market view that yields will rise for both series of government bonds as a result of supply and demand in the bond market and international fund flows.

Policy Rate IRE Index compared to Policy Rate



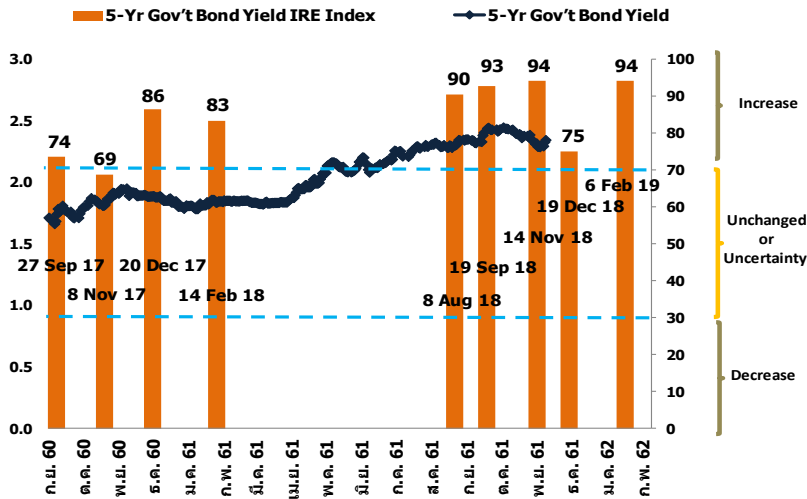
♣ The Interest Rate Expectation Index for the next Bank of Thailand MPC meeting being held December 19, 2018 was at 74, up from the previous survey and moving into the increase range for the first time since the survey began. This reflects increased market sentiment that the MPC meeting in December will raise policy rates from the 1.50% rate which has been fixed since April 2015. Most bond dealers and fund managers responding to the survey share the same sentiment.

Factors Affecting the Interest Rate Policy Trends



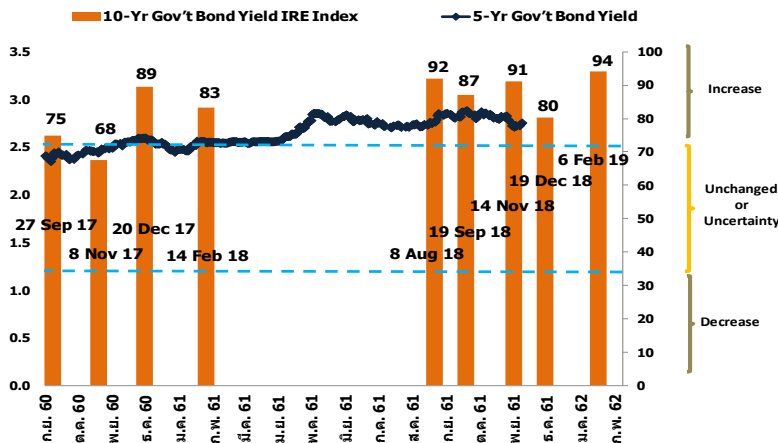
♣ Bond dealers and fund managers continue to focus on the same factors affecting interest rate trends as they did in the previous survey, but give the factors different weights. Bond dealers focus on economic growth as the primary factor followed by inflation, while the fund managers give equal weight to economic growth, inflation, and global interest rates.

5-Year IRE Index compared to 5-Year Government Bond Yields



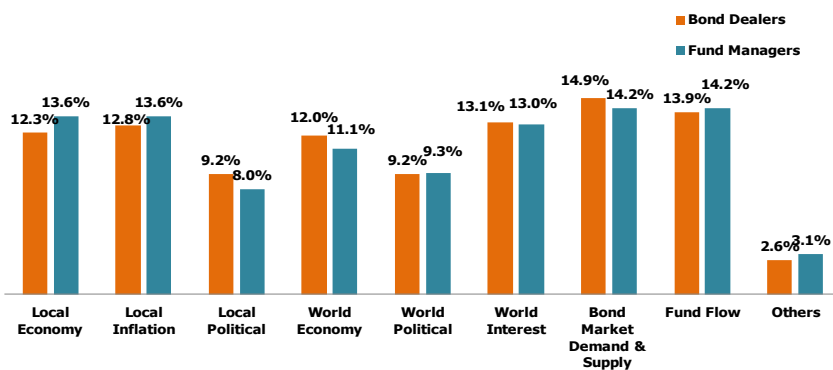
♣ The Interest Rate Expectation Index for 5-Year Government Bonds through the next two meetings of the Bank of Thailand MPC (through February 6, 2019) is at 94 within the index' increase range, which is significantly higher than the previous level of 75. These results reflect the market's growing expectation that yields on 5-year Government Bonds will increase from the 2.32% level over the ten weeks following November 20, 2018. Both bond dealers and fund managers share the same view.

10-Year IRE Index compared to 10-Year Government Bond Yields



♣ The Interest Rate Expectation Index for 10-Year Government Bonds for the period through the next two Bank of Thailand MPC meetings (through February 6, 2019) stands at 94, up from the previous index level of 80 and within the index' Increase range. This reflects the market's confidence that the 10-year Government Bond yields will increase from 2.74% in the period following November 20, 2018. Both bond dealers and fund managers share the same view.

Factors Affecting Long-term Government Bond Yields



♣ Bond dealers and fund managers agree as to the factors affecting yields on 5-Year and 10-Year Government Bonds, namely supply and demand in the bond market and foreign fund flows.

Disclaimer: The Interest Rate Expectations Survey was developed with the objective to present statistical data related to Thai capital market and to report on interest rate trends over the next six weeks according to the MPC meeting. The indexing is only a prediction of interest rate trends from bond traders and bond fund managers, who may have different opinions. Our team makes no representations about the accuracy of the information nor is it liable for any damages. If any person reproduces, falsifies, reposts, modifies, publishes, or otherwise uses the data contained herein in a manner that is exploitive for trading purposes or that creates a wrongful benefit without prior permission, all or part of the team reserves the right to act in accordance with the law.