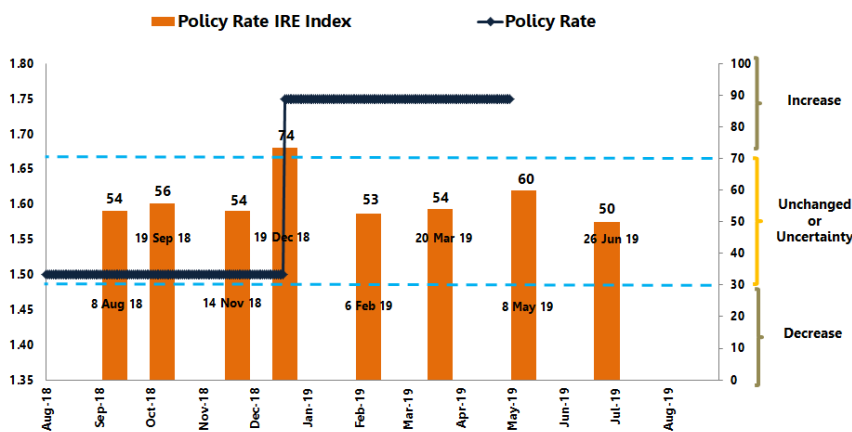


### ♣ Interest Rate Expectation Index for June 2019 ♣

The Interest Rate Expectation (IRE) Index for the Bank of Thailand's Monetary Policy Committee (MPC) meeting in June 2019 stands at 50, down from the previous survey but still within the index' unchanged range. Primary factors contributing to this decline include global economic trends and international trade conflicts. Meanwhile, the Interest Rate Expectation Index for 5-year government bond yields through the August 2019 MPC meeting (12 weeks hence) fell to 36, a significant decline from the previous report and dropping into the index' unchanged range. Likewise, the Interest Rate Expectation Index for 10-year government bond yields also dropped from its previous level to 31, also falling into the unchanged range. Important factors affecting these indices were supply and demand in the bond market, global interest rate trends, and international fund flows.

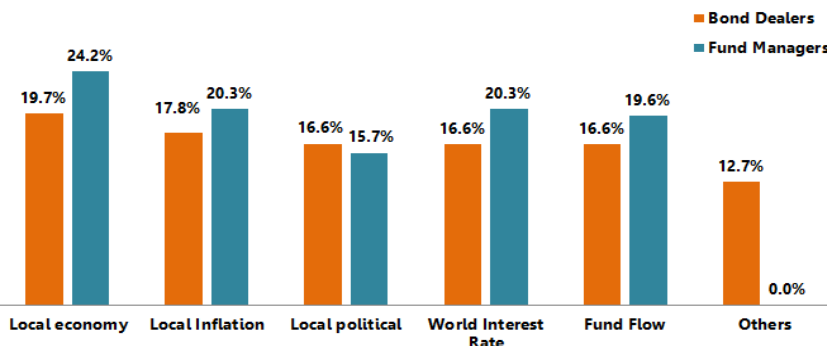
### Policy Rate IRE Index compared to Policy Rate



♣ The Interest Rate Expectation Index for the next Bank of Thailand MPC meeting being held June 26, 2019 stands at 50, decreasing from the previous report but staying in the unchanged range. This reflects market sentiment that the MPC meeting in June is likely to maintain the policy rate at 1.75 percent. Bond dealers and fund managers share the same view.

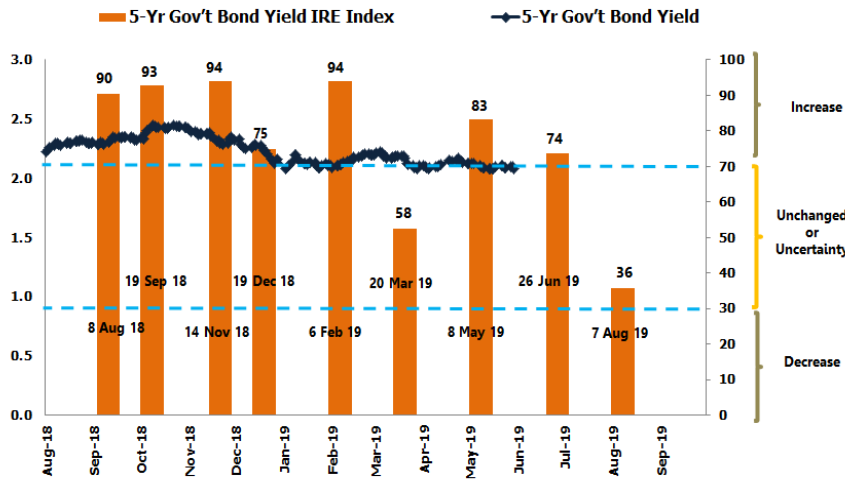
## Factors Affecting the Interest Rate Policy Trends

### Factors Affecting the Interest Rate Policy Trends



♣ Bond dealers and fund managers still focus on domestic economic growth rate, global interest rate trends, and inflation as the primary factors affecting interest rate policy.

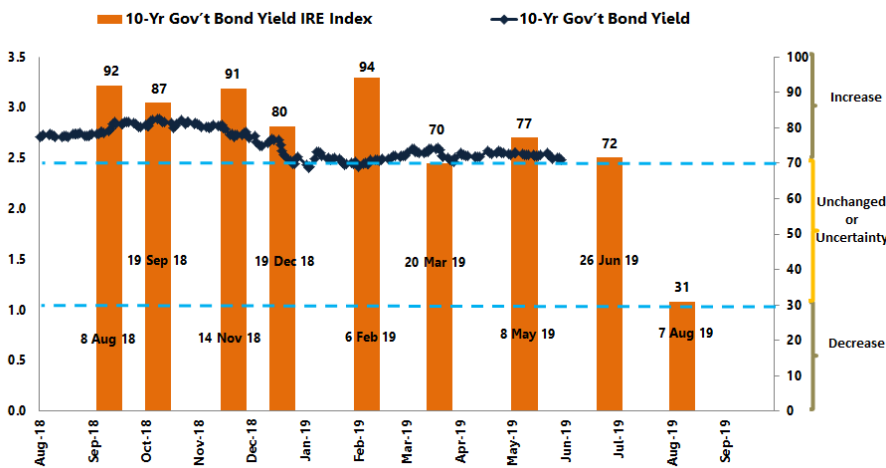
### 5-Year IRE Index compared to 5-Year Government Bond Yields



Government Bonds will remain unchanged from 2.10% level they were at on the May survey date.

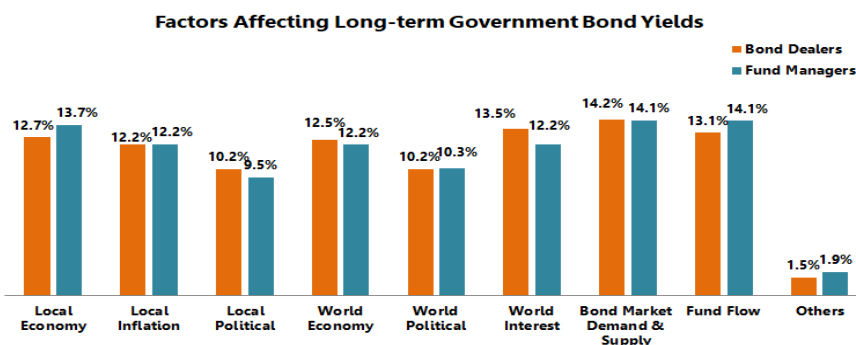
♣ The Interest Rate Expectation Index for 5-Year Government Bonds through the next two meetings of the Bank of Thailand MPC (through August 7, 2019) is at 36, falling significantly from the previous level of 74 and dropping into the index' unchanged range. These results reflect the growing expectation of many in the market that yields on 5-year Government Bonds in the 12 weeks following the survey (May 17, 2019) could decrease. This lower index also indicates the overall market sentiment that yields on 5-year

### 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 August 7, 2019) stands at 31, much lower than the previous index level of 72 and falling into the unchanged range. This reflects the changed market sentiment that the 10-year Government Bond yields will likely decrease from 2.54% in the period following the May 17, 2019 survey.

### Factors Affecting Long-term Government Bond Yields



♣ As to the factors affecting yields on 5-Year and 10-Year Government Bonds, bond dealers and fund managers focus on supply and demand in the bond market as the main factor. For secondary factors, bond dealers see global interest rate trends as important while fund managers pay more attention to international fund flows.