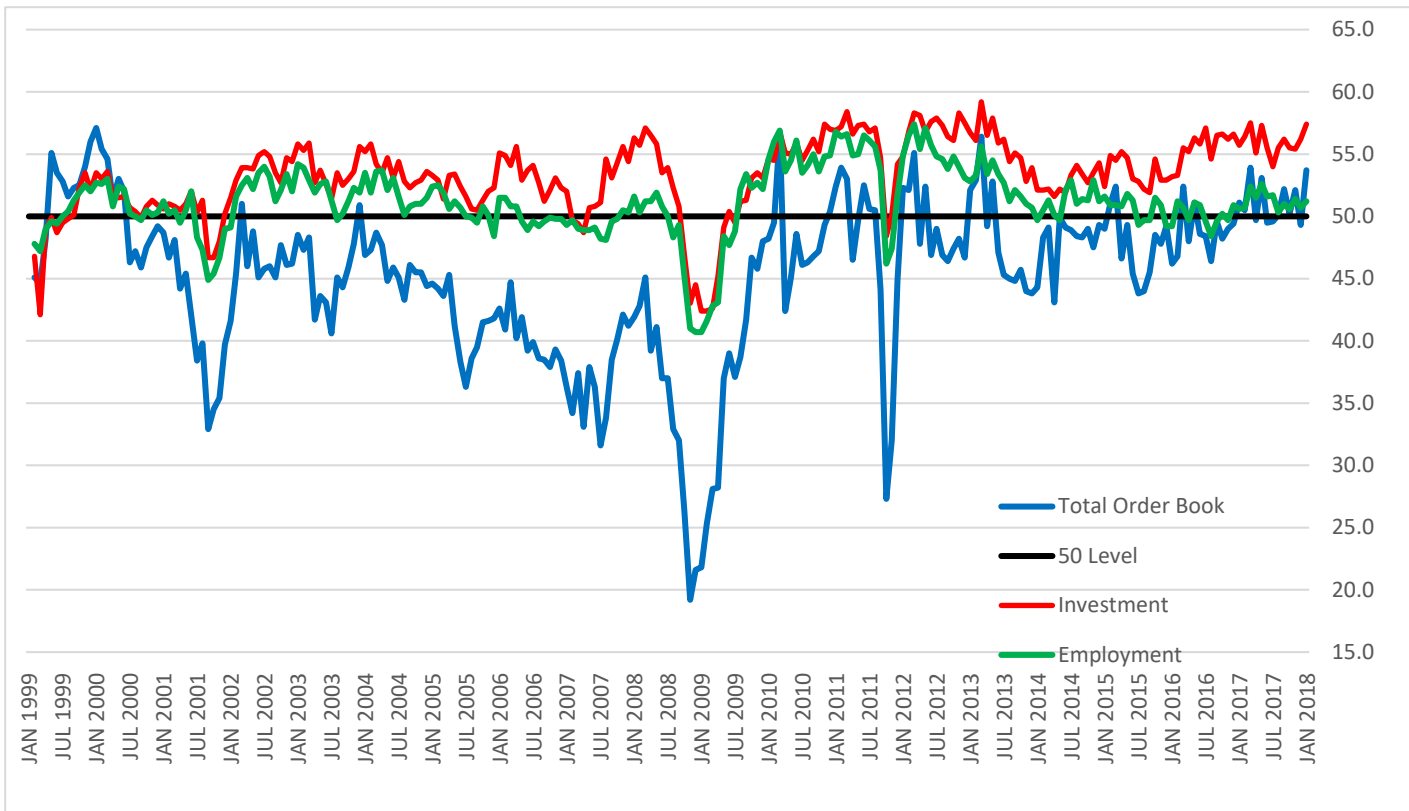


Business Sentiment Index from January 1999 to January 2018



Trend

How to read the index?

Index = 50 indicates that business sentiment remains stable.

Index > 50 indicates that business sentiment has improved.

Index < 50 indicates that business sentiment has worsened.

Before 2008 Subprime Crisis there was a strong downtrend toward Total order book. Since the majority of the index are below 50 level, which show negative perception toward Total Order Books. On the other hand, Investment and Unemployment has a sideways trend above 50 level. Which indicate that a situation has improved.

After 2008 Subprime Crisis there was a recovery for all the three indexes. After that all three variables tend to move in a sideways. From the diagram above you can see that investment have the highest value throughout the time horizon which could related to that people view investment is one of the major driver for the GDP and since Investment is a major GDP growth driver.

Volatility

	SD.ALL	SD. before.2008	SD. After 2008
Total Order Book	6.59	5.56	7.33
Investment	3.09	2.28	3.39
Employment	2.76	1.80	3.33

Table show a Standard deviation from difference variables among differences period

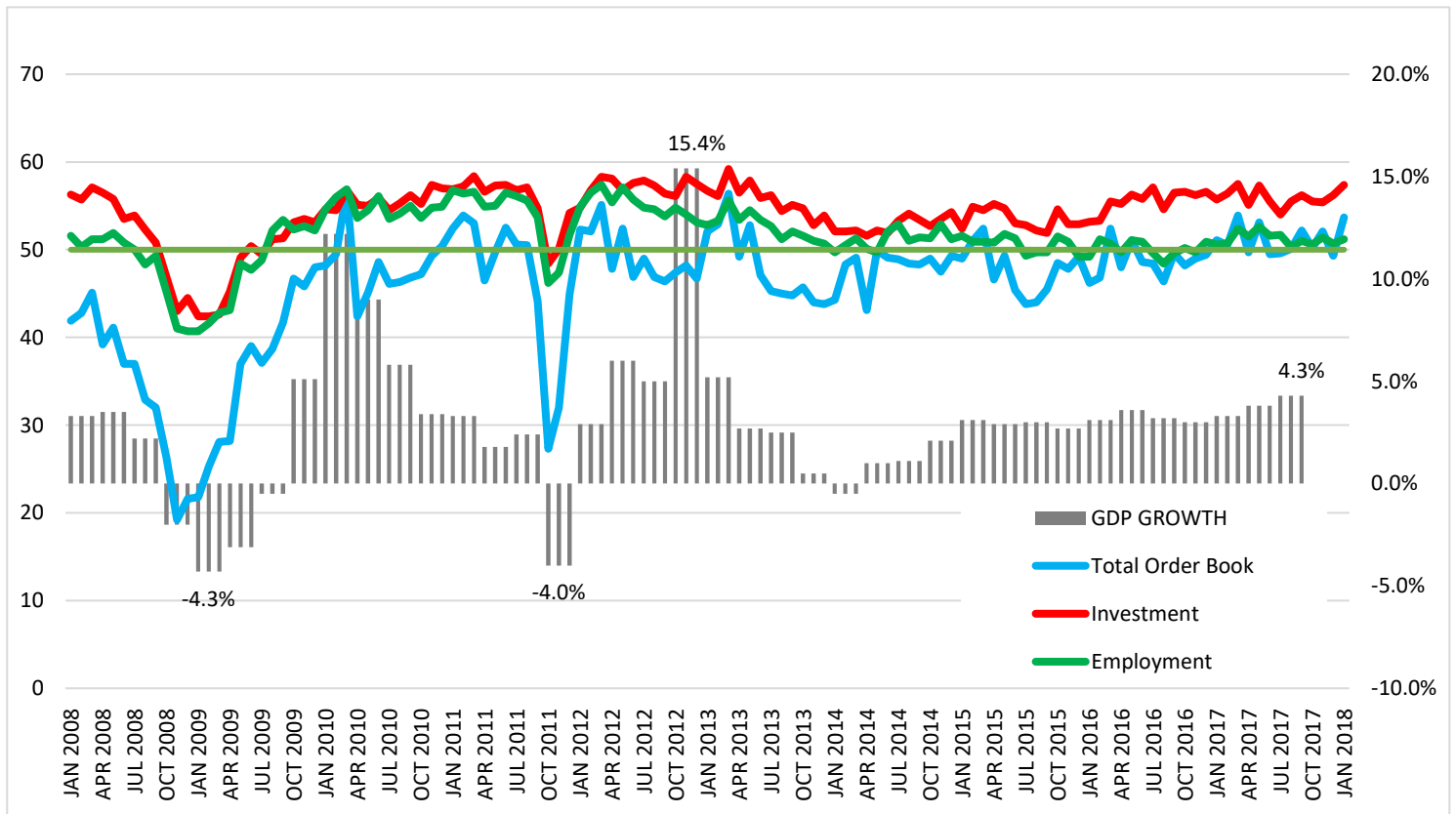
SD.ALL = Standard Deviation for the whole periods

SD.B4.2008 = Standard Deviation before the Subprime Crisis

SD.AF.2008 = Standard Deviation after the Subprime Crisis

From the volatility table, it shown that Total Order book has the highest volatility following by Investment and Employment respectively. Which could be related to that order book could be fluctuate more than the other variable.

By comparing before and after 2008 crisis, the volatility of those three variables has increased significantly which could related to the recovery of the overall economy and the QE policy that started after 2008



By adding GDP growth to the diagram, we can see some relationship from GDP growth with these three variables. From the correlation table, investment has the highest correlation(62.4%) among the three variable which emphasize the same idea that investment is that major driver to Thailand's GDP.

	<i>Total Order Book</i>	<i>Investment</i>	<i>Employment</i>	<i>GDP GROWTH</i>
Total Order Book	100.0%			
Investment	84.6%	100.0%		
Employment	78.0%	83.6%	100.0%	
GDP GROWTH	52.3%	62.4%	61.6%	100.0%