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1. Explain the causes and consequences of changes in key prices shown in the Table below. Discuss how they are related. Examine how they affected living conditions of the Thais.

	Jan 14, 2015	March 4, 2016
Down Jones	17613	16943
SET	1529	1383
Baht/dollar	32.8	35.7
Yen/dollar	117	113
Gold (15.2 gram) baht	19000	21150
Brent (dollar)	45.9	34.8

According to the information provided, we can clearly observe the decline in both Down Jones and SET index which are caused by the economic slowdown throughout the world. For Down Jones, the decline does not show significant change while the considerable in SET can be claimed that the proportion of energy related companies have significant impact on Thailand's stock market. When oil price shock, the revenue for oil exporting countries drop which consequently results in lower consumption and investment. People in oil exporting countries tend to spend and import less than their normal level. Moreover the investment made by oil exporting countries will be subdued all over the world.

As obviously seen in the table, Baht gets depreciating ^{against US dollar.} from 2015 to 2016, this is because the US economy got recovered last year. Fed fund rate rose again after remaining very low since the financial crisis in late 2000s. With a rise in Fed fund rate, there will be a capital flight to US economy which consequently lead to the appreciation in US dollar. In addition, after QE tapering, US dollar became stronger and stronger against other currencies in the world economy. However, Yen does not change much against US dollar.

Furthermore, the price of gold sees the increasing trend from 2015 to 2016. ✓ The reason behind such change is that when people start to lose confidence in capital market, they tend to place their money in the safe haven, pushing price of gold to be higher.

Plus, the price of Brent measured in US dollar has declined from 45.9 to 34.8. This can be explained by 2 reasons. Firstly, since the USA discovered a substitute for fuel, namely shale oil, people relied less on oil. Secondly, the decrease in oil price is because USA tried to supply more in the market and this may be due to political reason for which USA would like to make Russia suffer from the action.

To conclude, all the events have consequences on living conditions in Thailand. A reduction in oil price leads to economic slow down, even if the cost of living for Thailand is reduced but since the oil companies play a major role in the economy, the reduction in oil price seems to slow down our economy for which the increase in consumption due to the decline in cost of living can not offset. Moreover, since Baht gets depreciated against dollar, the purchasing power reduces and Thai people import less. However, the depreciating Baht may help Thai exporters to be more competitive in the world market later on.