WEEKLY ECONOMIC REVIEW

February 3, 2026

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# U.S. names next Fed chair; China's industrial profits recover unevenly; Thai economy supported by internal and external demands in 4Q25.

## Global

**US: Fed maintains data-driven outlook on interest rates**. At its January 28 meeting, the Fed held the policy rate at 3.50–3.75%, citing solid growth, a stable labor market, and still-elevated inflation. Meanwhile, ***President Trump nominated "Kevin Warsh" as the next Fed Chair***, who has signaled a "regime change" and planned to shrink the Fed's balance sheet. He also believes that productivity gains will help keep inflation low. ***With the economy continuing to grow and inflation still above target, Krungsri Research expects the Fed to cut interest rates 1–2 times in 2026.*** Meanwhile, U.S.–Iran tensions have eased somewhat after President Trump opened the door to negotiations on a nuclear agreement to avoid the use of military force, but uncertainty remains high due to ongoing military preparedness on both sides.

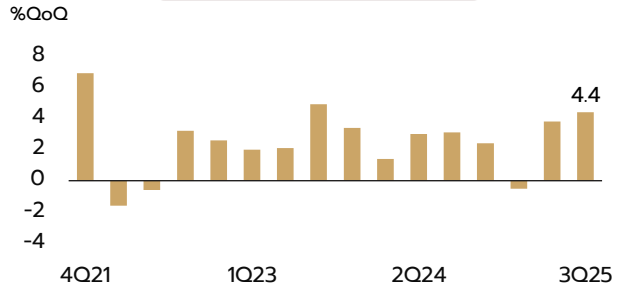
**China: Industrial profits in 2025 expanded for the first time in four years at 0.6% YoY**, with Electronics and Non-ferrous Metals posting strong growth, and Electrical Machinery & Equipment and Automobiles returning to positive territory. ***However, more than half of the sectors have continued to face shrinking profits. Thus, hopes lie with measures to curb price competition and alleviate excess supply, which could take time and may pressure industries in the short term.***

## Thailand

**Thailand's economy rebounded in late 2025 but is set to slow this year**. The Bank of Thailand reported that economic indicators in 4Q25 showed improvement in both external and domestic demands. Exports and tourism receipts expanded. Private consumption was supported by stimulus measures and private investment grew in the quarter, particularly in machinery and equipment.

***Improvements in economic indicators in the final quarter of last year suggest that Thailand is likely to avoid a technical recession after a 0.6% QoQ contraction in the third quarter. This aligns with the Fiscal Policy Office's view that momentum in 4Q25 will support full-year GDP growth of 2.2% in 2025, with the official 4Q25 figure to be announced by the NESDC on February 16. For 2026, Krungsri Research expects Thailand's economic growth to slow to 1.8%, as the economy enters a transition period amid multiple headwinds, including subdued global growth, the full-year impact of higher U.S. tariffs, elevated geopolitical risks, domestic structural challenges, and constraints on fiscal policy and public spending during the caretaker government period.***

**US: GDP Growth Rate**



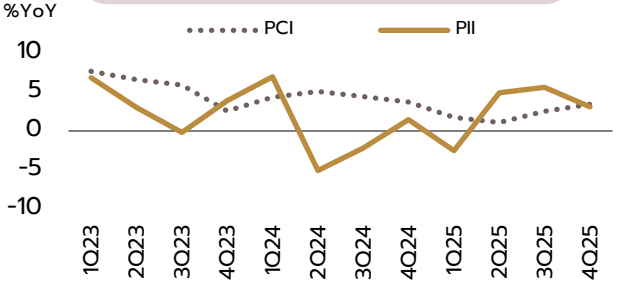

Source: Investing.com

**China: Industrial Profit (%YoY)**

| Sector | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Total | -4.0 | -2.3 | -3.3 | 0.6 |
| Mining | 48.6 | -19.7 | -10.0 | -26.2 |
| Chemical Material & Product | -8.7 | -34.1 | -8.6 | -7.3 |
| Non-metallic Mineral Product | -15.5 | -23.9 | -45.1 | -1.7 |
| Fabricated Metal Product | -10.5 | 4.5 | -2.1 | -7.5 |

Source: NBS

**Thailand: Private Consumption and Private Investment Indices**




Source: BOT

# Krungsri Research


**Pimnara Hirankasi, Ph.D.**
Head of Research Division and Chief Economist

**Macroeconomic Team**

**Sujit Chaivichayachat**
Head of Macroeconomic Research

**Wanicha Direkudomsak**
Senior Economist

**Churailuk Pholsri**
Senior Economist (Forecasting)

**Piyavadee Chirasirisuwan**
Senior Economist

**Thansin Klinthanom**
Senior Economist

**Krittabhorn Sirichaichingkun**
Economist

**Wanat Banthitasopon**
Economist

**Supasyn Itthiphatwong**
Economist

**MIS and Reporting Team**

**Thamon Sernsuksakul**
Information Analyst

**Chirdsak Srichaiton**
Information Analyst

**Wongsagon Keawuttung**
Information Analyst

**Industry Team**

**Taned Mahattanalai**
Head of Industry Research

**Poonsuk Ninkitsaranont**
Senior Analyst (Healthcare, Mobile Operators)

**Thian Thiumsak**
Senior Analyst (Energy, Petrochemicals)

**Chaiwat Sowcharoensuk**
Senior Analyst (Agriculture)

**Puttachard Lunkam**
Senior Analyst (Construction Contractors, Construction Materials, Hotels, Industrial Estate)

**Patchara Klinchuanchun**
Senior Analyst (Real Estate)

**Prapan Leenoi**
Analyst (ESG)

**Supawat Choksawatpaisan**
Analyst (Automobile, Electronics & Electrical Appliances)

**Rapeepoom Lapmak**
Analyst (Agriculture, Food & Beverages)

**Analytics & Intelligence Team**

**Pimnara Hirankasi, Ph.D.**
Acting Head of Analytics and Intelligence Research

**Nathanon Ratanathamwat**
Senior Researcher

**Narichaya Satafang**
Researcher

**Parinya Mingsakul**
Researcher

**Chanatta Thararos**
Researcher

For research subscription, contact
krungsri.research@krungsri.com


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