

The Economic Financial Globalization

(Question to NIP-33: Is Thailand on the 4.0 or 0.4 version?)

NIP#33/2019

Version-22

ดร. ธรรมนุญ อานันท์ไทย

Executive Director & Chief Economist

Merchant Partners Assets Management Company Limited

Merchant Partners Securities Public Company Limited

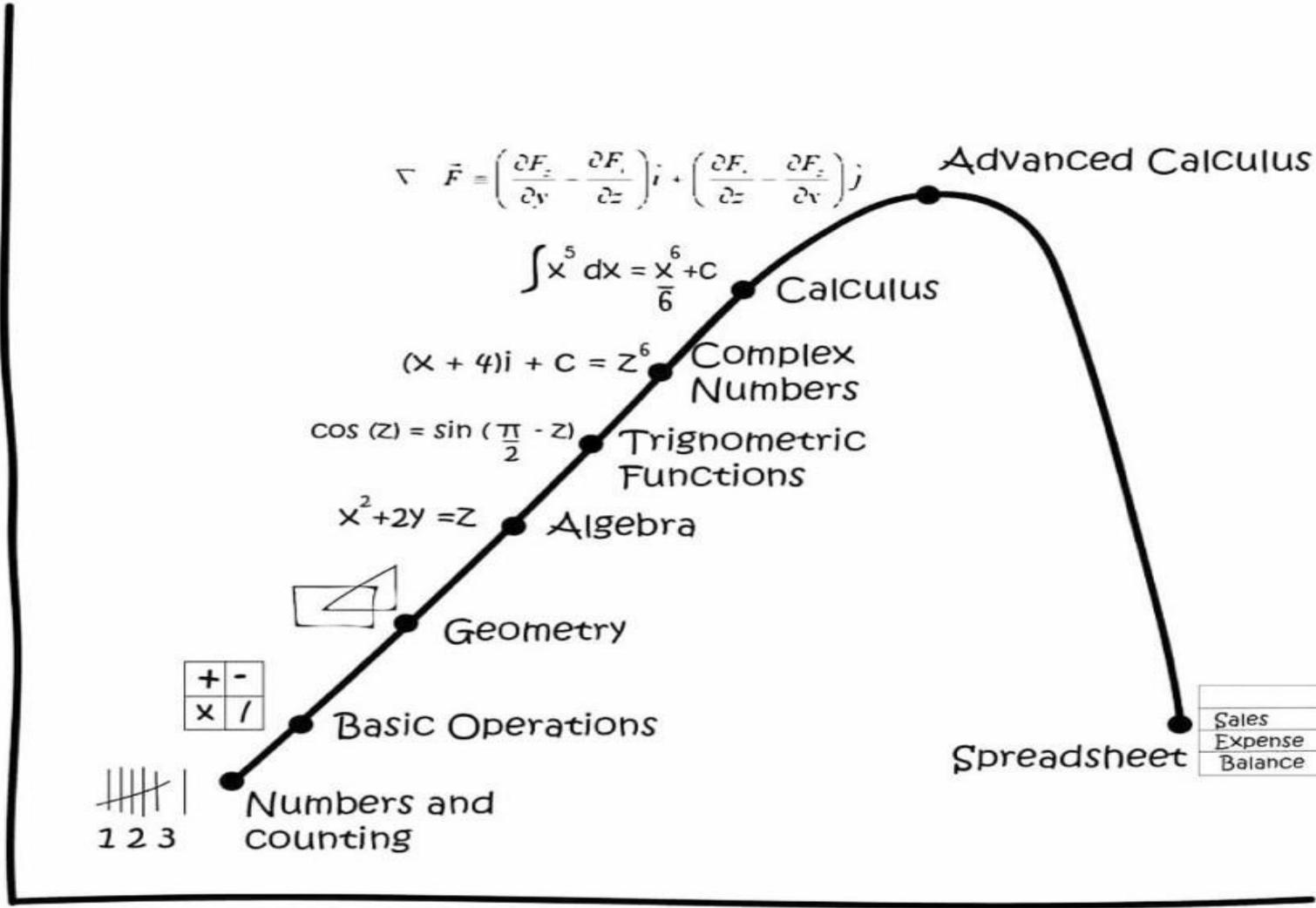
At The Thammasart Alumni Association

Tuesday of December 24, 2019

1:00pm till 3:00pm

Maths Skill \uparrow

Pearls Of Raw Nerdism



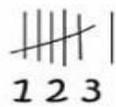
Elementary

School

College

Job

Stage Of Life \rightarrow



Numbers and counting

Basic Operations

Geometry

Algebra

Trigonometric Functions

Complex Numbers

Calculus

Advanced Calculus

Spreadsheet

$$\nabla \bar{F} = \left(\frac{\partial F_z}{\partial y} - \frac{\partial F_y}{\partial z} \right) i + \left(\frac{\partial F_x}{\partial z} - \frac{\partial F_z}{\partial x} \right) j$$

$$\int x^5 dx = \frac{x^6}{6} + C$$

$$(x + 4)i + c = z^6$$

$$\cos(z) = \sin\left(\frac{\pi}{2} - z\right)$$

$$x^2 + 2y = z$$

	Q1	Q2
Sales	1,414	2,531
Expense	900	700
Balance	514	1,831

Movement of Worldwide Cash: What's For?

- (1) Exchange of Goods & Services
- (2) Accumulate Wealth
- (3) Increased Value
- (4) Transfer of Net-Worth
- **(5) Hedging (Modern Management)**
- **(6) Speculation (Maximize Profit)**
- **(7) Innovative Instruments**
(Cryptocurrency & Digital Token)

Open Secret Code:

NIP-33/2019

33/2019:

“Managing from Supply to On Demand Side.....”

Economic Financial Globalization Conditions :

(1) Cost of Carry (Interest Rate)

(2) FOREX

(3) Real Growth of GDP (%)

Contents *(Are we on the 4.0 or 0.4 version?)*

Topic #1: Principle or Principal
of Global Financial Economic

Topic #2: *Global Financial
Economic Trends*

Topic #3: Where do we go from here?

(From Corporate Finance to Start Up A Business)

Unit) (Why moves to on demand side?)

Topic #1

“Principle”

or

“Principal”

of Financial Economic

(From the West moves to East)

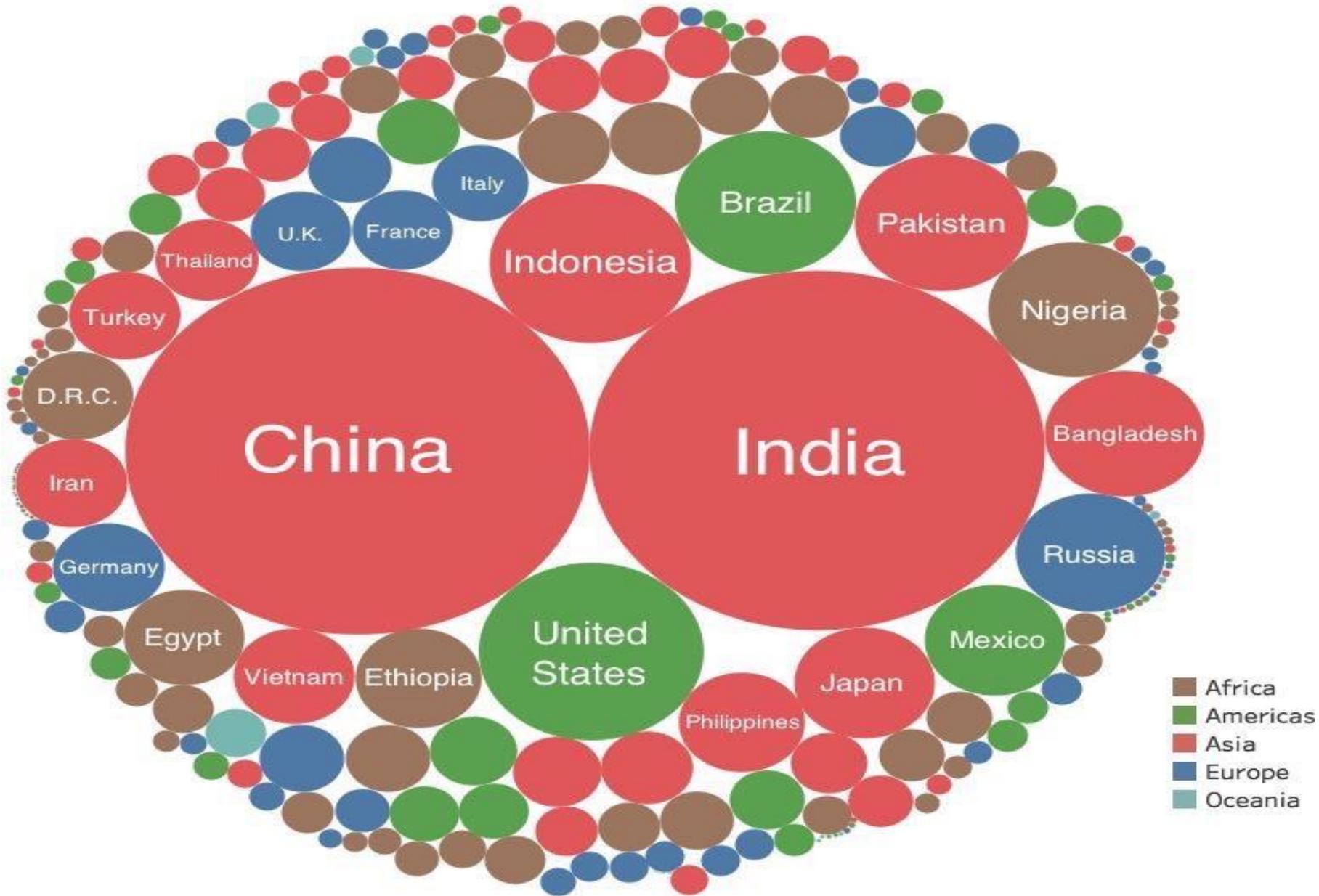
Three Theories of *Macroeconomic* Cycle Indicators

**(1) Keynesian Theory >> Fiscal Policy by Sir John
Maynard Keynes**

**(2) Monetary Economic Theory >>> By Control
Money Supply**

**(3) Supply-Side Economic Theory >>> Lower Tax &
Size of Gov't**

Countries by Population Size

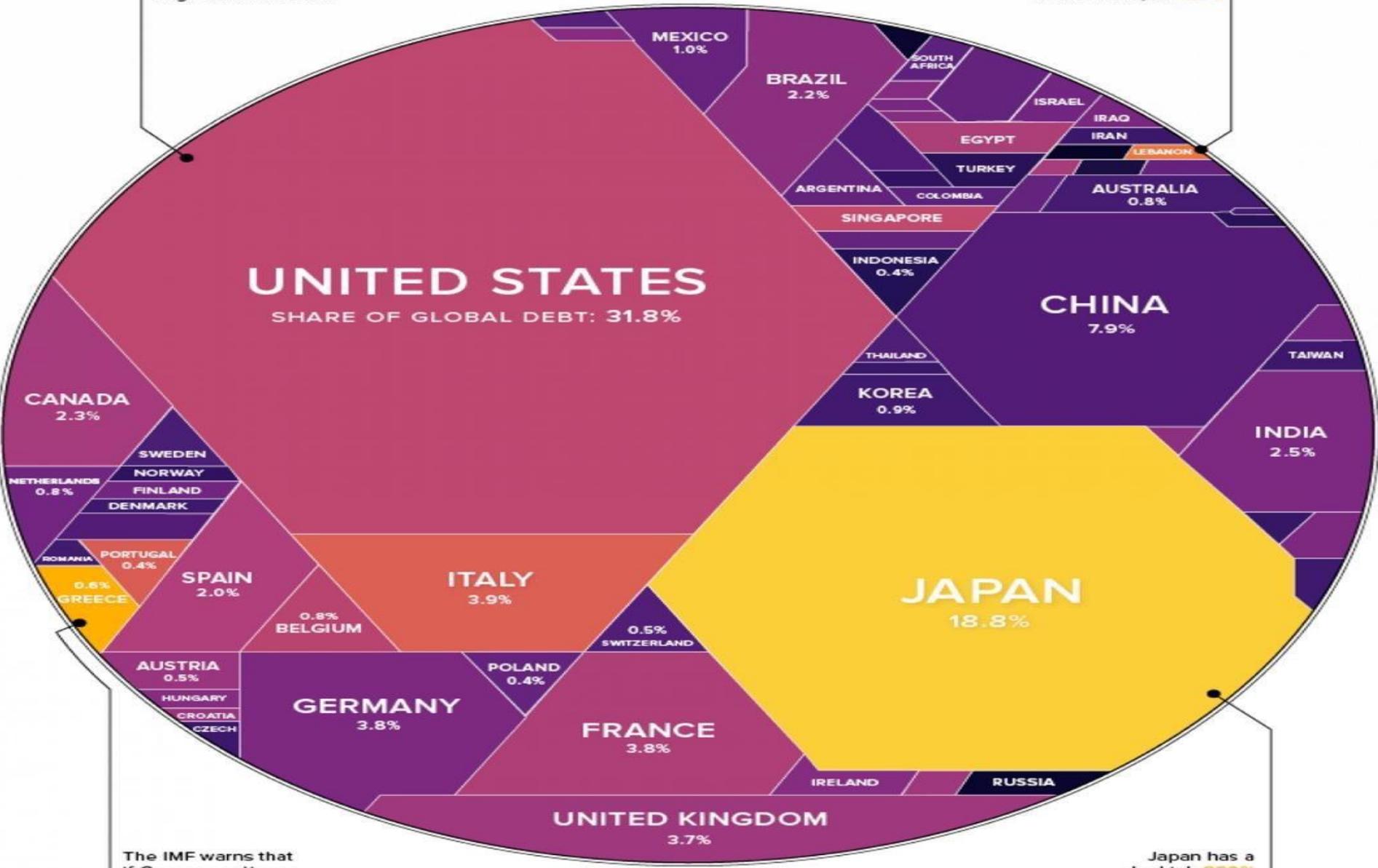


Percentage of World Debt

BY COUNTRY

In nominal terms, the U.S. leads the world with roughly **\$20 trillion** of government debt.

Lebanon, perhaps surprisingly, has the 3rd highest debt-to-GDP ratio in the world, at **149%**



UNITED STATES

SHARE OF GLOBAL DEBT: 31.8%

CHINA

7.9%

JAPAN

18.8%

ITALY

3.9%

GERMANY

3.8%

FRANCE

3.8%

CANADA

2.3%

BRAZIL

2.2%

SPAIN

2.0%

INDIA

2.5%

MEXICO

1.0%

UNITED KINGDOM

3.7%

Debt as a Percentage of GDP

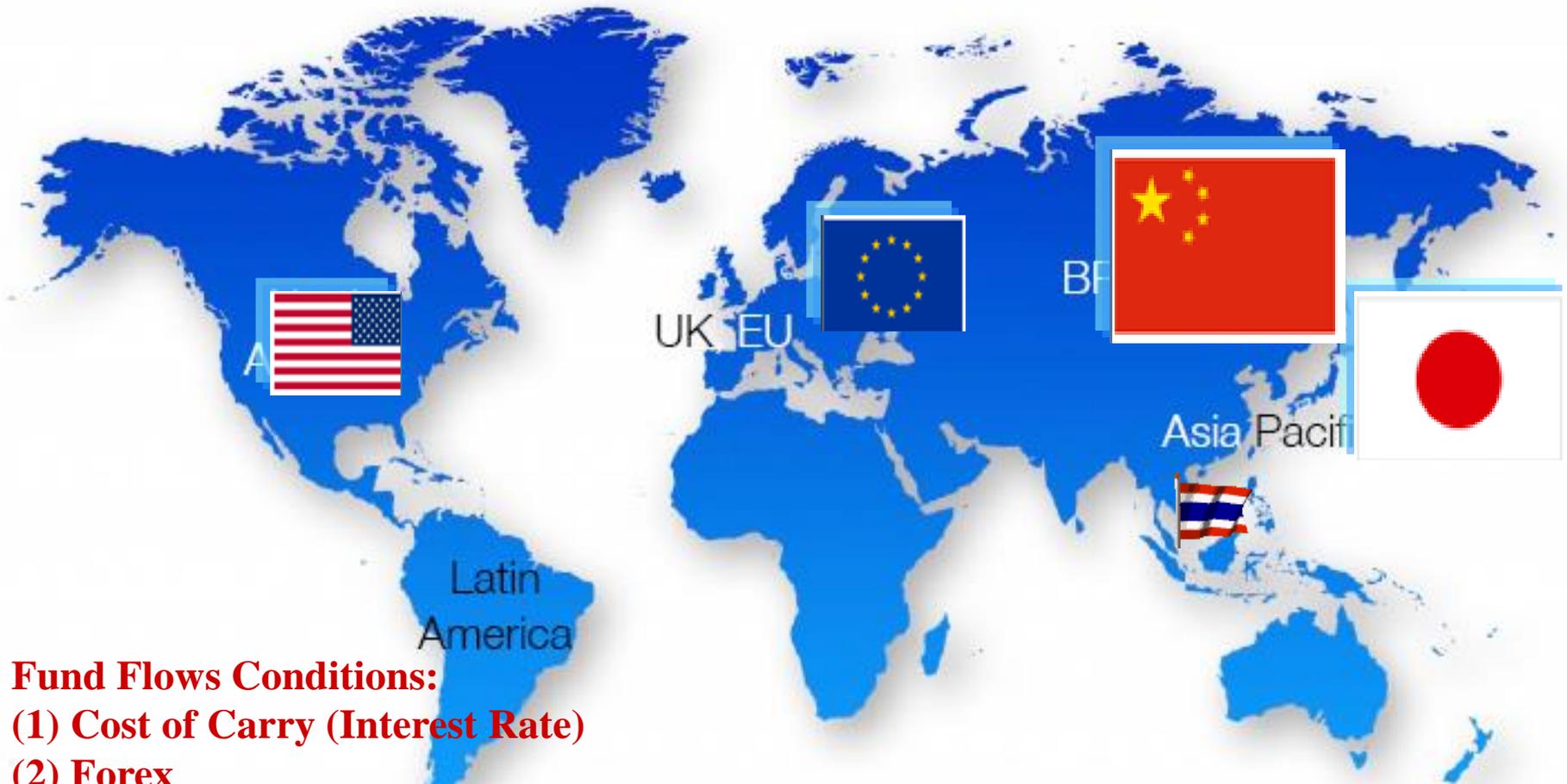


The IMF warns that if Greece continues at its current pace, debt-to-GDP will hit a whopping **275%** by 2060.

Japan has a sky-high **239%** debt-to-GDP, but over 90% of this debt is held domestically.



Global Outlook for the now on



Fund Flows Conditions:

- (1) Cost of Carry (Interest Rate)**
- (2) Forex**
- (3) Real Economic Growth**

Watch out for BRIC !!

TRADE WAR CASUALTY

Thailand's net exports fell by US\$779.9 million from Q1 2018 to Q1 2019 as a result of the US's punitive tariff policy



Direct effects from higher US tariffs

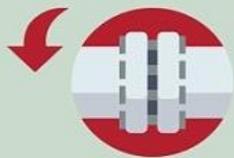
Thai exports to the US were valued at **\$838 million**, down **27.4%** or a value loss of **\$316.5 million**



Solar cells



Washing machines



Steel



Aluminium

Effects from being a part of China's supply chain

Thai exports to China were valued at **\$13.3 billion**, down **7.6%** or a value loss of **\$1.1 billion**



Automobiles and auto parts



Home and office appliances



Computer parts and electric circuits



Electrical appliances



Machines and machinery parts



Flavoured foods and beverages

Substitution effect of Thai exports replacing Chinese goods in the US

Thai exports to the US were valued at **\$10.83 billion**, up **6.3%** or a value gain of **\$637.8 million**



Automobiles and auto parts



Apparel, jewellery and cosmetics



Computer parts and electric circuits



Electrical appliances



Machines and machinery parts



Flavoured foods and beverages

Note: Data as of May 2019
The US began imposing higher import tariffs between February and March 2018, but the impact on Thai exports was assessed since January

Note: Indirect effect on Thai exports has been assessed since Q4 2018 as the tit-for-tat tariff measures of the US and China began in September



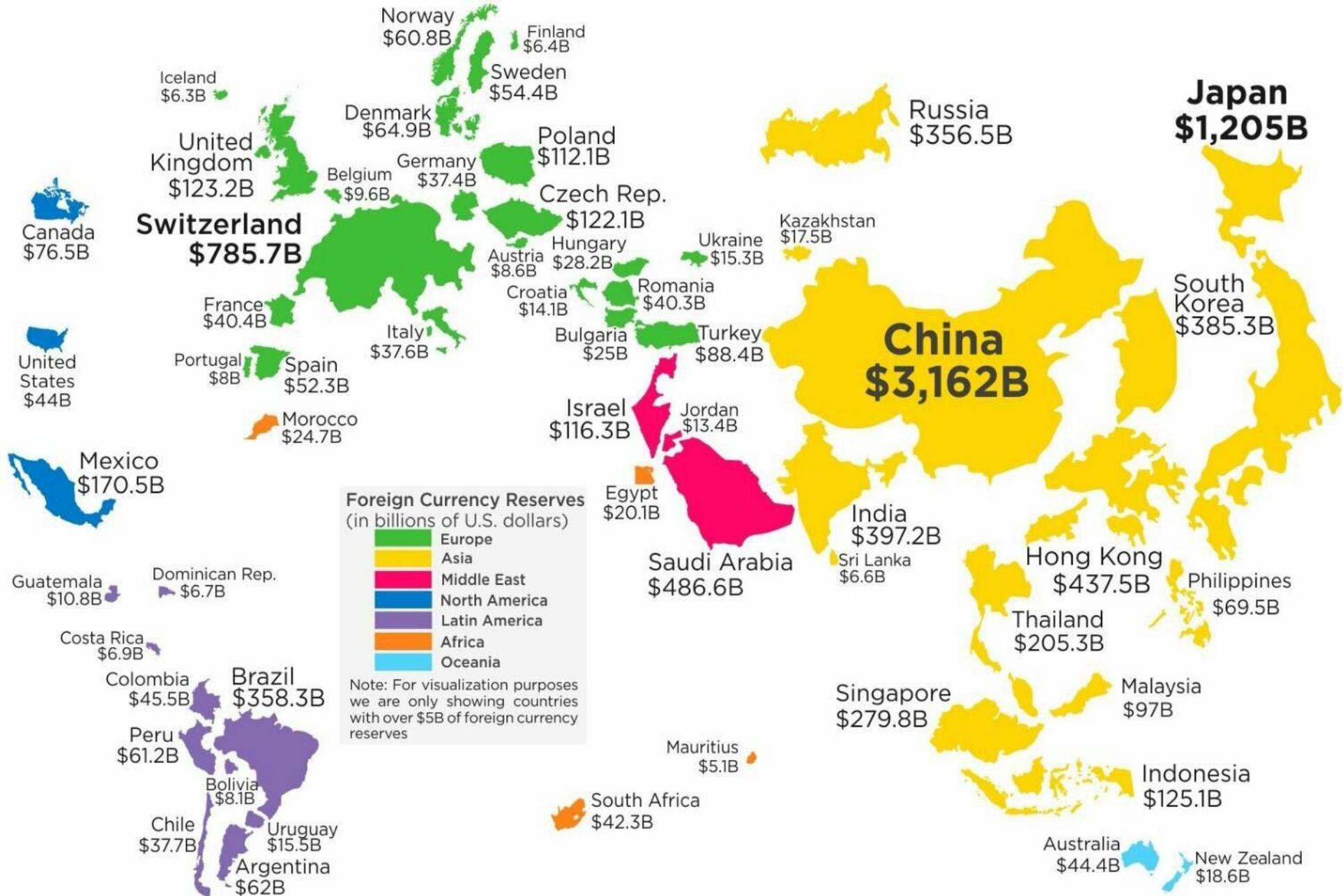


**Bottom Line
of Topic #1**

China-5.0 !!

Topic #2

**Global
Financial
Economic
Trends !!**



How to read this map: The size of the country corresponds to its level of foreign exchange reserves in Q1 2018 according to the IMF. The color corresponds to the continent.

Article & Sources:
<https://howmuch.net/articles/countries-with-the-biggest-forex-reserves>
<http://www.imf.org>

Brand Value (in billions of \$)



Industry

Aerospace	Automotive	Consumer Packaged Goods	Leisure	Restaurants	Telecom
Alcohol	Beverages	Diversified	Luxury	Retail	Tobacco
Apparel	Business Services	Financial Services	Media	Technology	Transportation

The Central Bank

(1) MONEY MARKET

FINANCIAL MARKET

(2) CAPITAL MARKET

SECURITIES & EXCHANGE COMMISSION (SEC)



The Central Bank

MONEY MARKET

Beginning Point Here !!!
FINANCIAL MARKET

LINKING BUSINESSES
(Primary & Secondary MKT.)

CAPITAL MARKET

**SECURITIES & EXCHANGE
COMMISSION (SEC)**

**DEBT LINKING EQUITY
INSTRUMENTS**

**EQUITY RAISING &
DEBT FINANCING**

**DERIVATIVE, SPV,
MBS, ABS, SPE,
ETF &
SECURITIZATION**

?

**Transform Assets by Hedged Funds:
Future, Option Products,
Crptocurrency, & Digital Token**

Subprime
"CDO & CDS"

The Creation of Worldwide Liquidity

<i>2017 - H2/2019 Source of Funds</i>	(%)	
(1) Central Banks (+QE's)	1	Power Money by the Monetary System
(2) Lending (<i>Money Markets</i>)	9	Broad Money
(3) Capital Market <i>(Equity & Bonds & etc.)</i>	10	Securitized Debt created by Capital Market System
(4) Derivative Instruments <i>(Including Ceyptocurrency & Digital Token)</i>	80	Debt Link to Equity & Asset Underlying (20.23 Times of Worldwide GDP)
Total (US\$1,719.96 Trillions +++++)	100%	



ALL YOU CAN EAT

Product Universe

Bottom Line of Topic #2: Futures, Forward, Options & SWAP

Type	Underlying		
Futures	<u>Equity</u> <ul style="list-style-type: none">•Index•Individual stocks	<u>Debt</u> <ul style="list-style-type: none">•Interest rate•Bonds / Bills	<u>Others</u> <ul style="list-style-type: none">•Currency•Gold•Crude oil•Etc.
Options			
Options on Futures			



Making Money



Losing Money

Topic #3

*Where do we
go from here?*

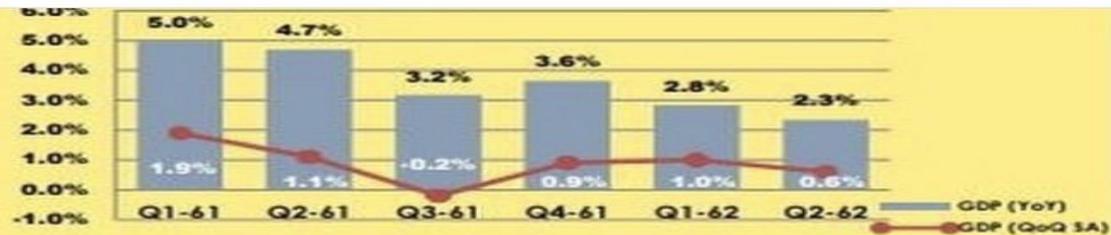
(Think Big, but Do It Very Small !!)



GDP

Quarter 2-2019

2.3%



ด้านการผลิต

ภาคการเกษตร

-1.1%

ภาคนอกการเกษตร

2.6%

-1.1%

สินค้าอุตสาหกรรม **-0.2%** การค้า **5.9%** โรงแรมและภัตตาคาร **3.7%**

ขนส่ง **2.5%**

การเงิน **1.8%**

ก่อสร้าง **3.4%**

ด้านการใช้จ่าย

การอุปโภคบริโภคขั้นสุดท้ายของเอกชน

4.4%

การอุปโภคบริโภคขั้นสุดท้ายของรัฐบาล

1.1%

โรงแรมและภัตตาคาร

0.1%

ขนส่ง

4.0%

ค่าตอบแทนแรงงาน

1.0%

3.6%

อาหาร
เครื่องดื่ม

5.9%

ที่อยู่อาศัย
ประปา ไฟฟ้า

3.0%

สื่อสาร

ค่าซื้อสินค้าและบริการ

-1.1%

การโอนเพื่อสวัสดิการสังคมฯ

5.0%

การสะสมทุนการเบื้องต้น

2.0%

ภาครัฐ

5.8%

ภาคเอกชน

0.9%

ก่อสร้าง

-8.5%

เครื่องจักร
เครื่องมือ

2.5%

การส่งออก

-6.1%

สินค้า **-5.8%**

บริการ **-7.0%**

การนำเข้า

-2.7%

สินค้า **-3.4%**

บริการ **0.1%**

แฟรนไชส์เหล่านี้ มีที่สาขา



สาขาทั่วโลก

64,300 สาขา



สาขาในไทย

10,533 สาขา

สัดส่วนสาขาไทยในไทย

16.4%

37,240 สาขา



252 สาขา

0.7%

26,670 สาขา



321 สาขา

1.2%

25,860 สาขา



450 สาขา

1.7%

20,725 สาขา



600 สาขา

2.9%

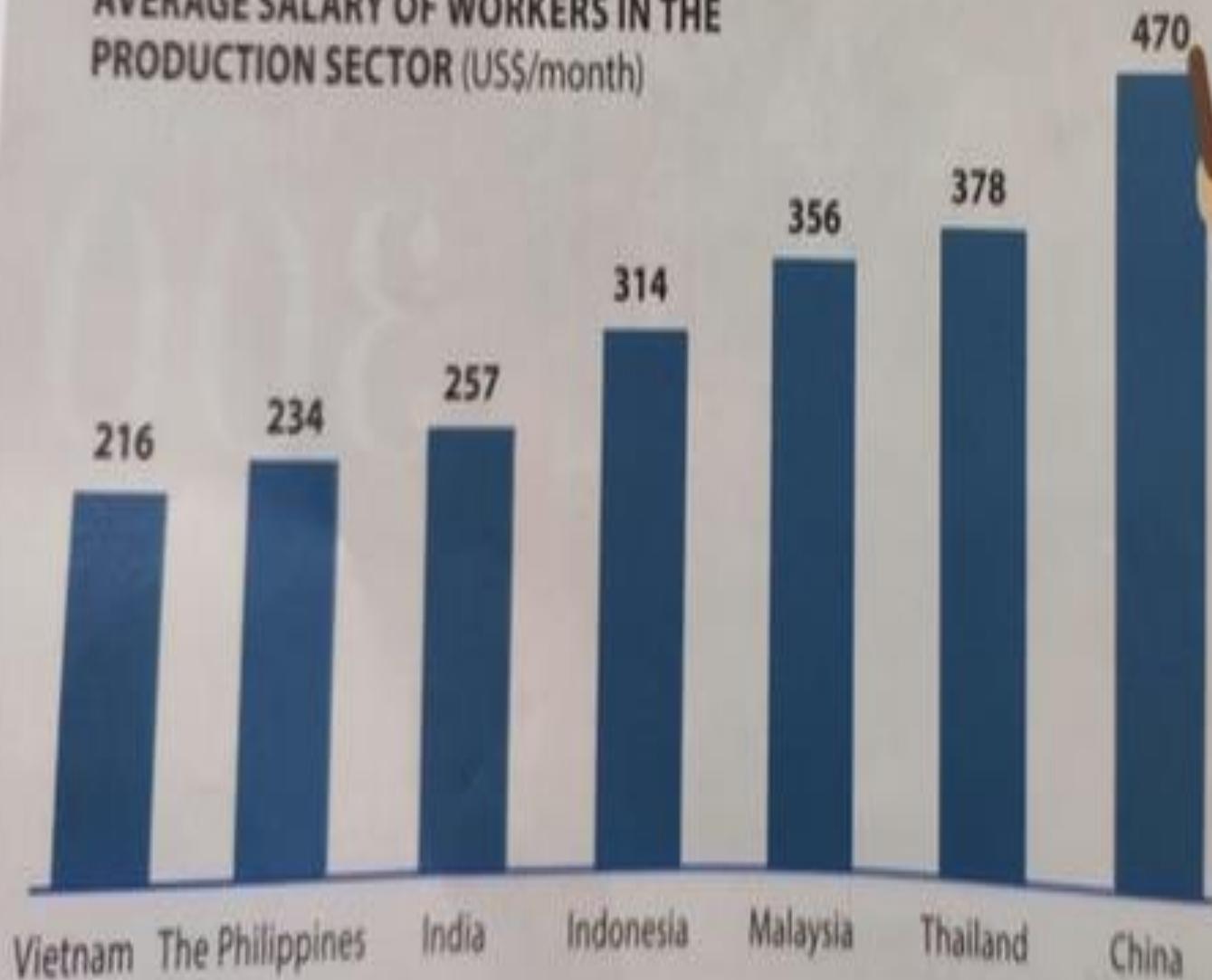
6,755 สาขา



200 สาขา

3.0%

AVERAGE SALARY OF WORKERS IN THE PRODUCTION SECTOR (US\$/month)



Start Up !!!

The Managerial Balance Sheet Versus the Standard Balance Sheet.

Invested Capital or Net Assets	Capital Employed
Cash	Short-term debt
Working capital requirement (WCR) <i>Operating assets less Operating liabilities</i>	Long-term financing <i>Long-term debt plus Owners' equity</i>
Net fixed assets	

Assets	Liabilities and Owners' Equity
Cash	Short-term debt
Operating Assets <i>Accounts receivable Plus Inventories plus Prepaid expenses</i>	Operating liabilities <i>Accounts payable plus Accrued expenses</i>
Net fixed assets	Long-term financing <i>Long-term debt plus Owners' equity</i>

IRR (_____ %) > WACC (_____ %)

<i>Period</i>		<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>
IRR	_____ %	_____	_____	_____	_____

Start Up !

Weighted Average Cost of Capital (WACC) “Versus” Internal Rate of Revenue (IRR)

Return required
by Lenders
(_____ %)

Debt
Proposal
(_____ %)

Return required by
Shareholders
(_____ %)

Equity
Proposal
(_____ %)

_____ %

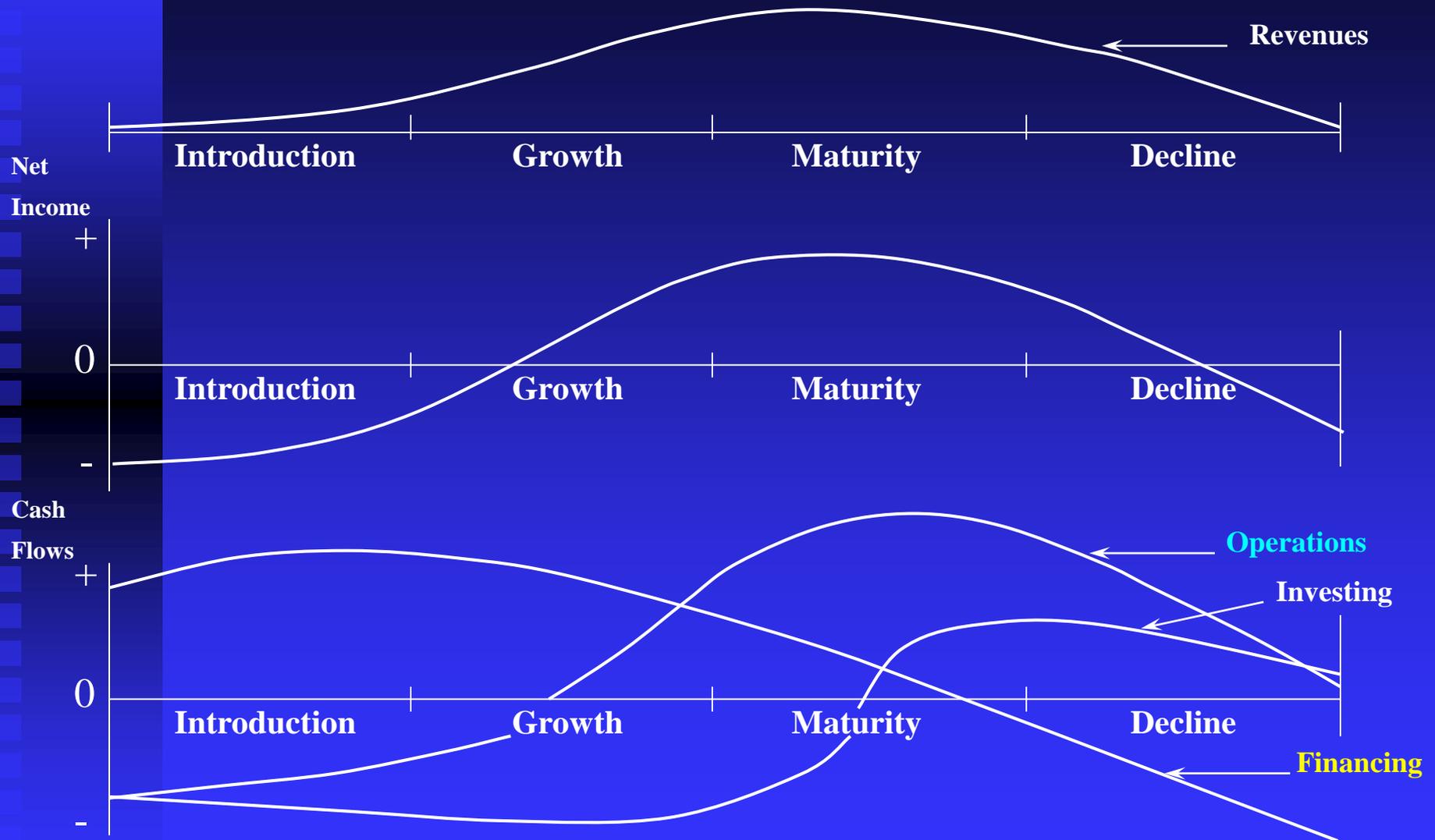
_____ %

Weighted Average Cost of Capital (WACC) = _____ %

<i>Period</i>		<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>

IRR (_____ %) > WACC (_____ %)

Relation of Income Flows and Cash Out Flows from Operations, Investing and Financing at Various Stages of Product Life Cycle for Start-Up.....



Globish Academia (Thailand) Co. Ltd.



ATTRACT

Chuencheewan Wongsaree

Co-Founder, Market-fit

- Uniqlo Fast-track
- Experienced Public Relation
- BA International Business from TU



DEVELOP

Takarn Ananthothai

Co-Founder, Team & Product-Fit

- Country Director of AIESEC
- Global Trainer Network
- International MBA from TU



SCALE

Gittitouch Apisaksirikul

Founding Team, COO/CFO

- Serial Software Entrepreneur
- MS in Operation Research from Columbia University

Open Secret Code:

NIP-33/2019

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“Managing from Supply to On Demand Side.....”

Economic Financial Globalization Conditions :

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- (2) FOREX**
- (3) Real Growth of GDP (%)**

Q & A

Thank You !

ดร.ธรรมนุญ อานันท์ไทย tommy@merchant.co.th

Merchant Partners Securities Public Company Limited

Merchant Partners Assets Management Company Limited

ใช้ชีวิตเรียนหนังสือตั้งแต่ระดับมัธยมศึกษา (High School) จนจบปริญญาเอก (Ph.D.) ในสหรัฐอเมริกา เป็นเวลาติดต่อกันมากกว่า 16 ปี เมื่อกลับมาประเทศไทย ได้ทำงานในแวดวงตลาดทุน (Capital Market) เป็นเวลากว่า 34 ปี โดยมีตำแหน่งครั้งสุดท้ายคือ President & CEO ของบริษัทหลักทรัพย์ DBS Thai Danu Securities Ltd. อันเป็นสถาบันการเงินในกลุ่ม Temasek & DBS Group ของสิงคโปร์ที่ใหญ่ที่สุดในเอเชียใต้ ต่อมา Completed 5-IOD Courses by Thai-Institute of Directors: DAP-48/2005, ACP-10/2005, DCP-70/2006, RCP-14/2006, UFS-7/2007 & CGI-12/2016.

****ปัจจุบัน - 2019****

- (1) Vice Chairman & Audit Chairman, Board of Directors of IFS-Capital (Thailand) Public Company Limited-IFST (An IFS Group of Singapore)
- (2) Vice Chairman & Audit Chairman, Board of Directors of Better World Green Plc. (BWG)
- (3) Executive Director & Chief Economist, Merchant Partners Public Co. Ltd. (SET-Broker #21)
- (4) Executive Director of Merchant Partners Assets Management Company Limited (MPAM)
- (5) Director of After You Public Company Limited (AU)
- (6) Director & AC-Member of Thai Union Group Public Company Limited (TU Group)
- (7) กรรมการในสายงานเศรษฐกิจของสภาอุตสาหกรรมแห่งประเทศไทย (Federation of Thai Industries)
- (8) Executive Director of Merchant Partners Company Limited (MPCO)
- (9) Independent Director of The After You Public Company Limited

Digital Assets Management in Thailand
(Cryptocurrency & Digital Token under Thai-SEC)

NIP#33/2019

Version-2.3

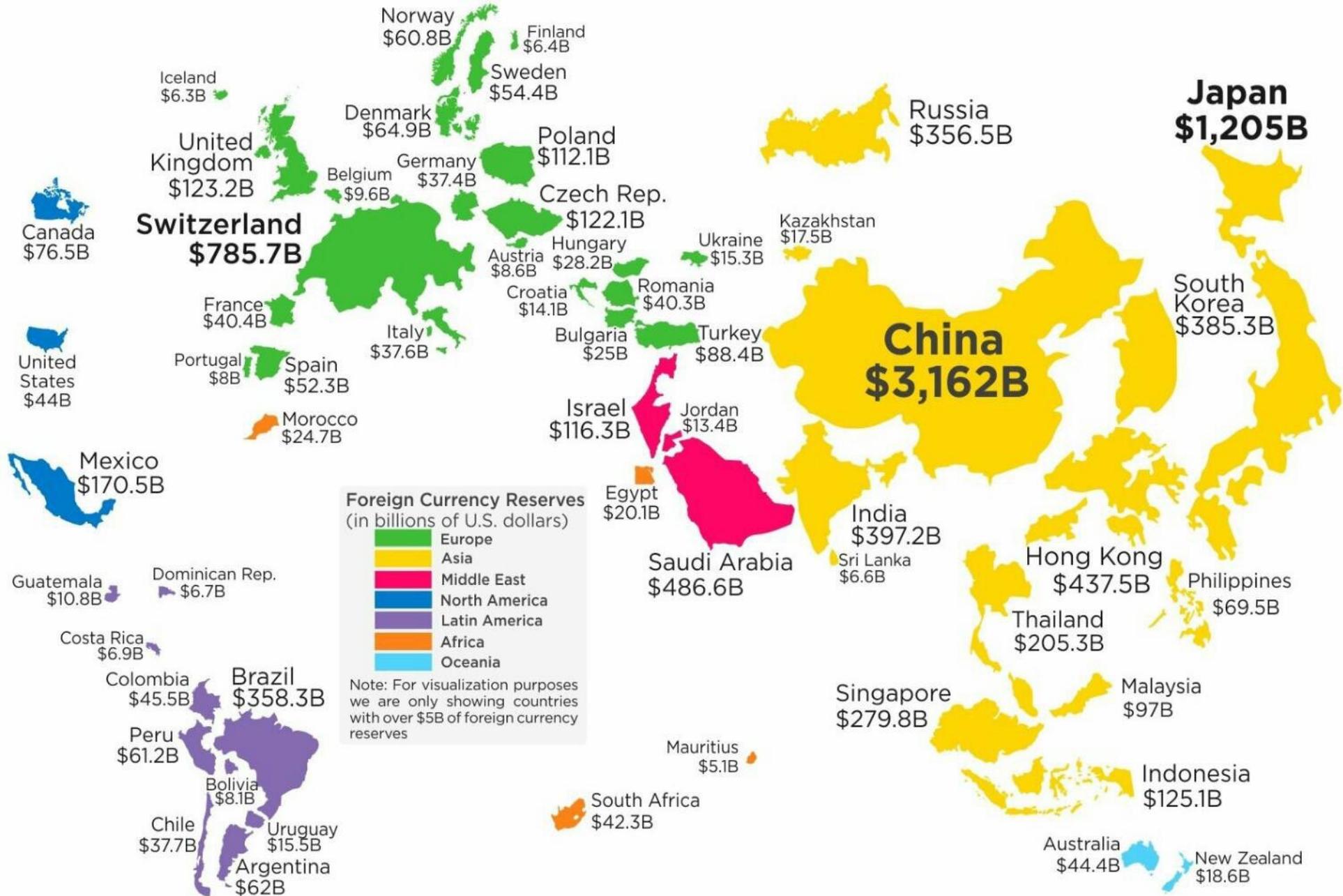
ดร. ธรรมนุญ อานันท์โทไทย

*Executive Director & Chief Economist
Merchant Partners Financial Group*

At The Thammasart Alumni Association
Tuesday of December 24, 2019
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Definition of Digital Assets

- (1) Blockchain Protocol
- (2) Cryptocurrency
- (3) Utility Token
- (4) Investment Token
- (5) Securities Token
- (6) IPO = Initial Public Offering
- (7) ICO = Initial Coin Offering



How to read this map: The size of the country corresponds to its level of foreign exchange reserves in Q1 2018 according to the IMF. The color corresponds to the continent.

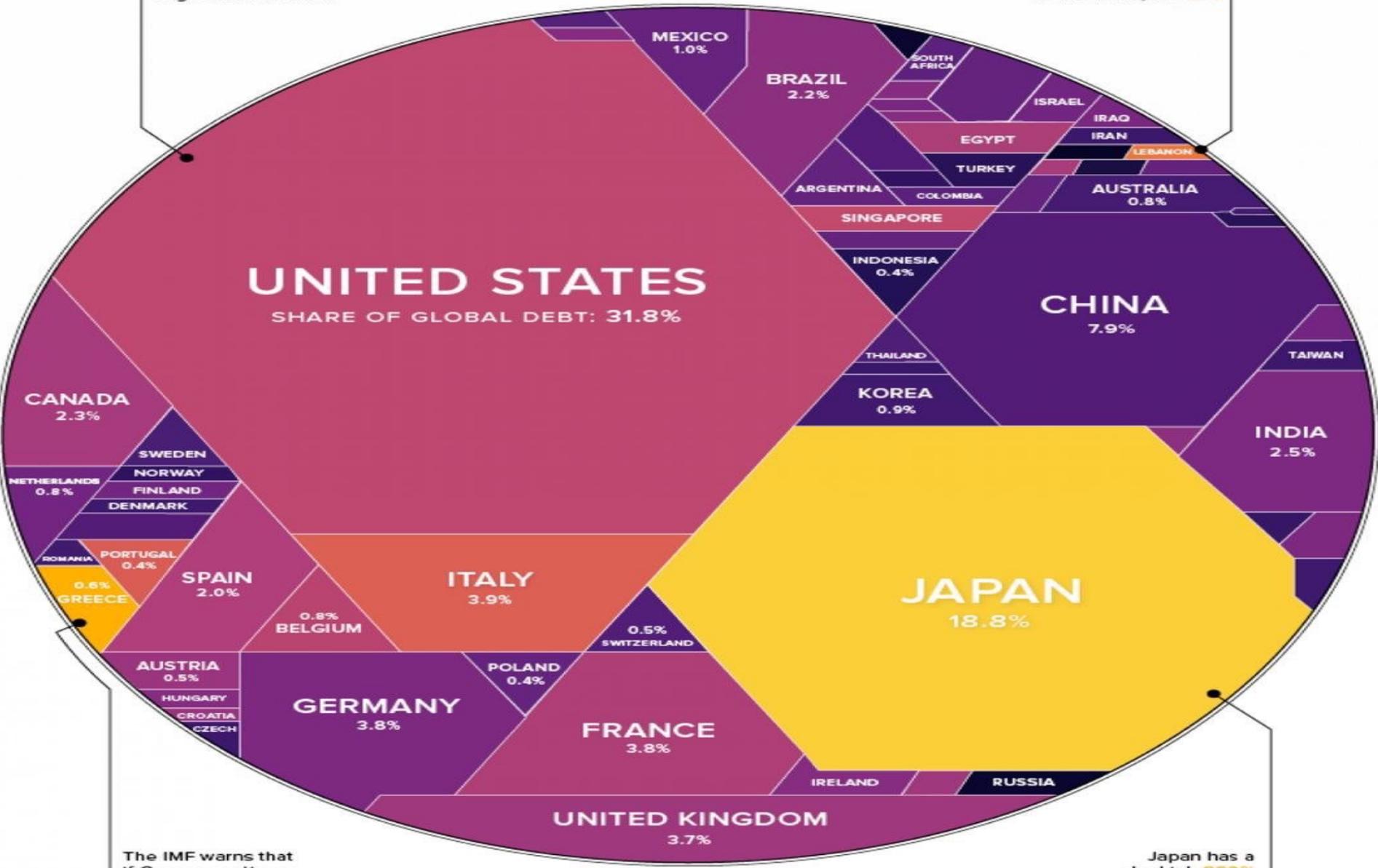
Article & Sources:
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Percentage of World Debt

BY COUNTRY

In nominal terms, the U.S. leads the world with roughly **\$20 trillion** of government debt.

Lebanon, perhaps surprisingly, has the 3rd highest debt-to-GDP ratio in the world, at **149%**



The IMF warns that if Greece continues at its current pace, debt-to-GDP will hit a whopping **275%** by 2060.

Japan has a sky-high **239%** debt-to-GDP, but over 90% of this debt is held domestically.

Debt as a Percentage of GDP



Today Worldwide Liquidity

(1) Exchange for Goods & Services (SWIFT)

(2) Increase Value (Capital Gains)

(3) Accumulate Wealth (Asset Allocations)

(4) Transfer of Net-Worth (Hedging Assets)

(5) Hedging &/or Speculating (Futures)

(6) Innovative Derivative Instruments

(7) Cryptocurrency & Digital Token

Securities, Future & Digital Assets

(1) Thai SEC Laws

T-Bill, Bond, Note, Stocks, Debenture, Unit Trust, Warrant (Stock, Debenture, Unit Trust), Others-SEC



(2) Thai Futures Laws (AFET + TFEX)

Agricultural, Stock Index, Currency, Interest, Others by SEC



(3) Digital Assets Management Thai Laws

Cryptocurrency, Token Digital & Others by SEC

Digital Assets Management in Thailand under Thai-SEC

- (1) Exchange**
- (2) Broker, &**
- (3) Dealer**

IPO “Version” ICO

IPO=Initial Public Offering

- (1) Under SEC Laws
- (2) Qualified as Common Stock
(Securities Token)
- (3) On Going Business
- (4) Professional Underwriting
- (5) Official Prospectus
- (6) Financial Statements &
Signed by CPA
- (7) Operated under SEC-Laws

ICO=Initial Coin Offering

- (1) Earned by The Digital Token
- (2) Launching by Business Plan
- (3) Directly Tailor Made
(No Need Intermediary)
- (4) Cross Border Offering
- (5) Whitepaper on Platform
- (6) Source Code on AI-Contract

SEC-Approved Seven Digital Coins

- (1) Bitcoin (BTC)
- (2) Bitcoin Cash (BCH)
- (3) Ethereum (ETH)
- (4) Ethereum Classic (ETC)
- (5) Litecoin (LTC)
- (6) Ripple (XRP), &
- (7) Stellar (XLM)

(1) Bitcoin

- Found by Mr. Satoshi Nagamoto
- Established in January 3, 2009
- Fully Amount 21 Million Coins
- Verified by Concept of “Proof of Work”

(2) Bitcoin-Cash

- Same Founders as Bitcoin (Hard Fork)
- Established on August 1, 2017
- Lower Fee & Quick Confirmed
- More “Block Size” from 1-MB to 8-MB
- Endorsed by Chinese ViaBTC (4% Bitcoin)

(3) Ethereum

- Found by Vialik Buterin back in 2013
- Successfully ICO (Initial Coin Offering)
- Confirmation System by Smart Contract
- Development Platforms by Open Source
- Omise Go (OMG-Coin) Payment System
- Modifying Proof of Work to Proof of Stake

(4) Ethereum-Classic

- Symbol “ETC”
- Found by Hard Fork & RO by Ethereum
- Total 76,623,310 Coins
- Verify by Proof of Work
- High Volume Trading over the Poloniex

(5) Litecoin (LTC)

- Found by Charile Lee, former engineer from Google
- Estleblished October 7, 2011
- Charile Lee has sold out all of his 84 million coins years ago
- Value 56 Million Coins or US\$5.5 Billions
- Operate by Algorithm Scrypt RAM (Four times faster from each Block)

(6) Ripple (XRP)

- Blockchain Private Consortium Protocol
- Open Banking-Payment Networks
- Replacement of Old SWIFT-Banking
- Kick-Off by one of our Local Bank-SCB
- Capability T/R Funding 1,000 Transactions/Second (VISA-Card)
- Very Highly Centralized-Ripple protocol

(7) Stellar (XLM)

- Found by Jed McCreev back in 2017
- Jed McCreev also Founder of Mount Gox
- Stellar Development from Ripple (XRP)
- Focus Swap from Yen to Uro Currencies
- Initial Startup 1,000,000 Coins
- 1% of Coin Increasing/Year
- Fully Support by IBM

Local SEC-Licensed Players:

Exchanges

BITKUB

bitkub.com

BX*

Bx.in.th

Satang Pro

Satang.pro

BiTherb

Bitherb.net

(Not Yet Activated)

Huobi

Huobi.co.th

(Not Yet Activated)

Brand Value (in billions of \$)



Industry	
	Aerospace
	Automotive
	Consumer Packaged Goods
	Leisure
	Restaurants
	Telecom
	Alcohol
	Beverages
	Diversified
	Luxury
	Retail
	Apparel
	Business Services
	Financial Services
	Media
	Tobacco
	Transportation

Article & Sources:
<https://howmuch.net/articles/top-100-most-valuable-brands-2018>
<https://www.forbes.com/>

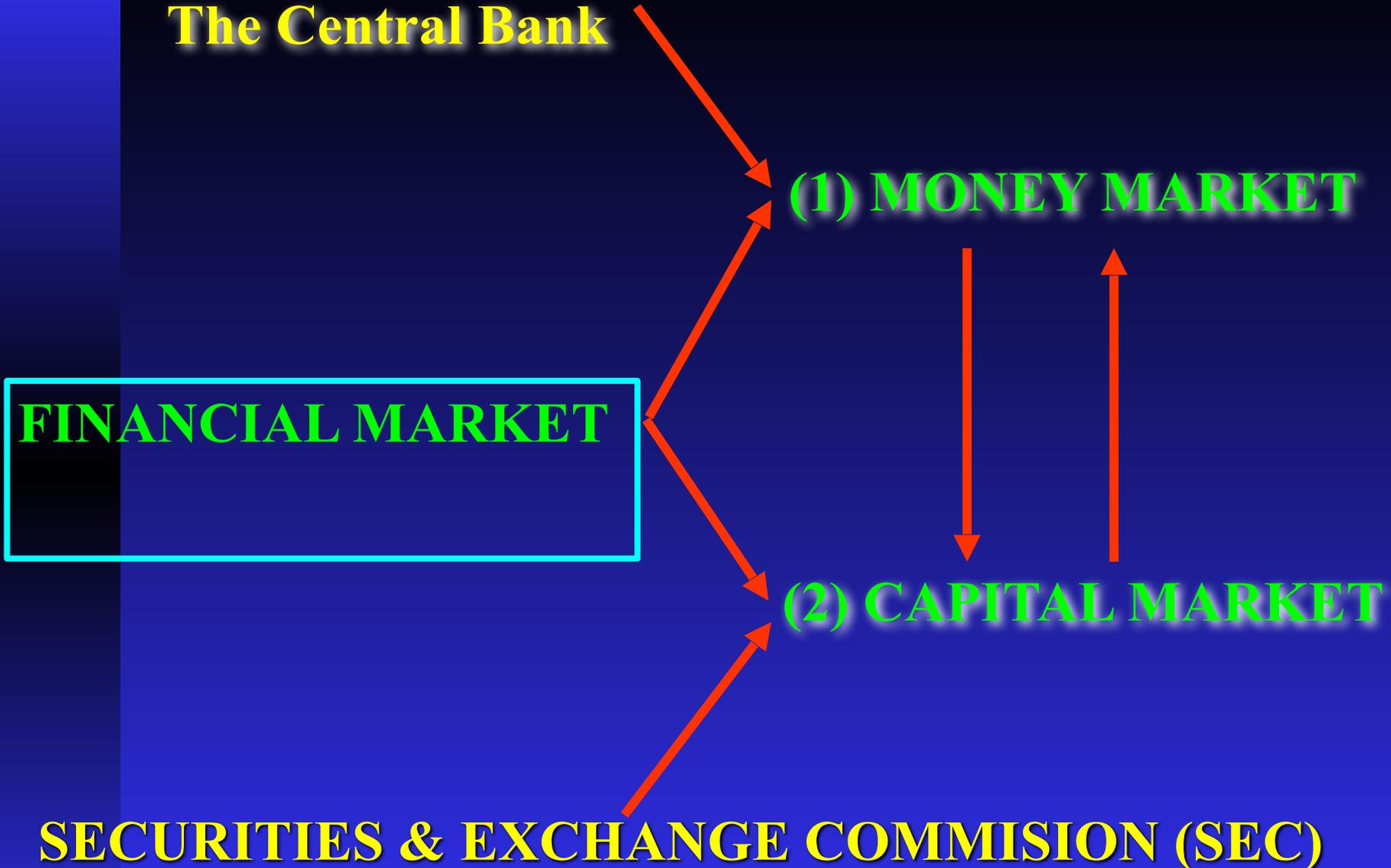
The Central Bank

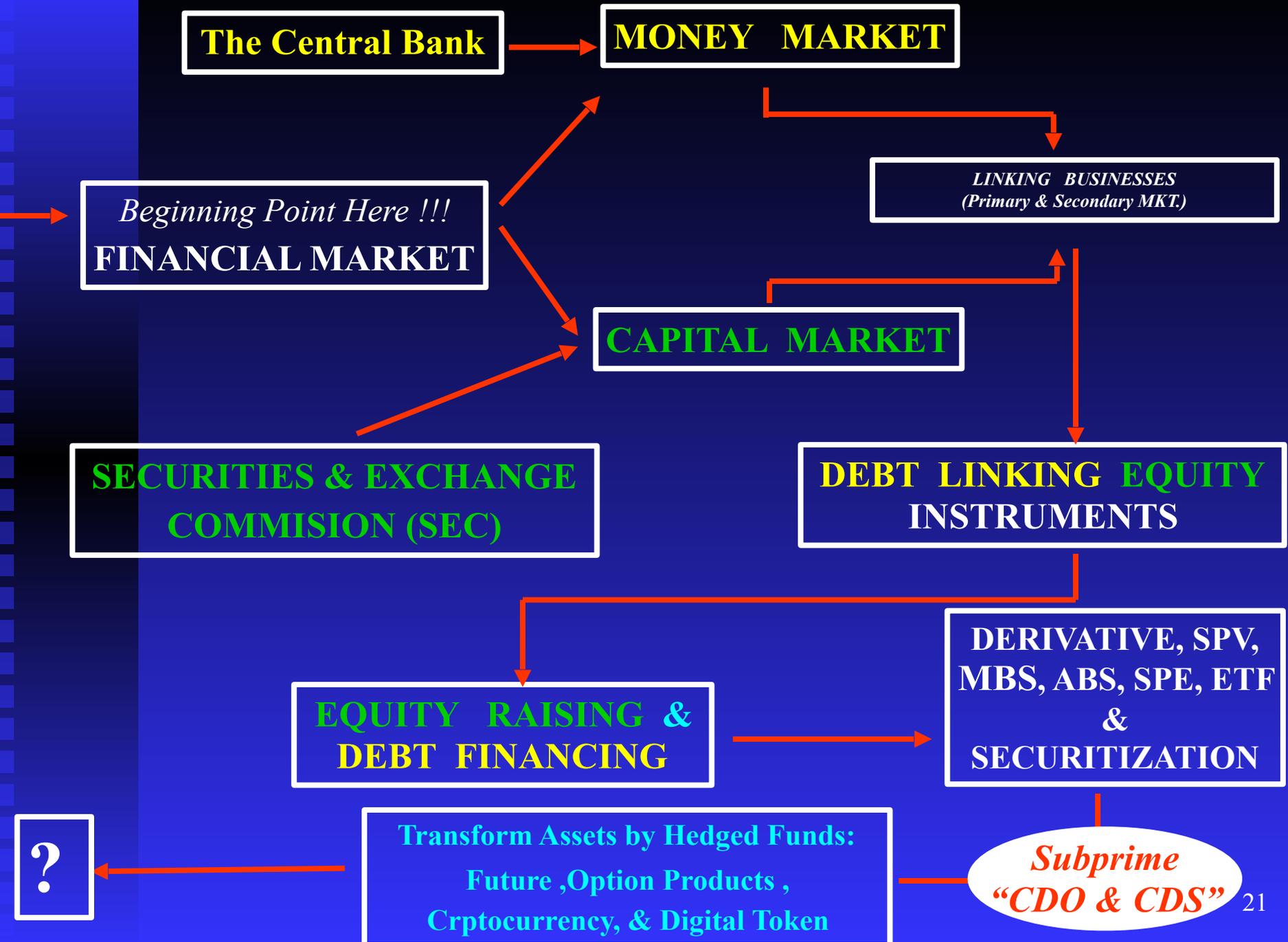
(1) MONEY MARKET

FINANCIAL MARKET

(2) CAPITAL MARKET

SECURITIES & EXCHANGE COMMISSION (SEC)





The Central Bank

MONEY MARKET

Beginning Point Here !!!
FINANCIAL MARKET

LINKING BUSINESSES
(Primary & Secondary MKT.)

CAPITAL MARKET

**DEBT LINKING EQUITY
INSTRUMENTS**

**SECURITIES & EXCHANGE
COMMISION (SEC)**

**EQUITY RAISING &
DEBT FINANCING**

**DERIVATIVE, SPV,
MBS, ABS, SPE, ETF
&
SECURITIZATION**

**Transform Assets by Hedged Funds:
Future ,Option Products ,
Crptocurrency, & Digital Token**

Subprime
"CDO & CDS"

?

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Total (US\$1,719.96 Trillions +++++)	100%	



Q & A

Thank You !