Monetary Policy

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The Objectives of Public Finance Administration

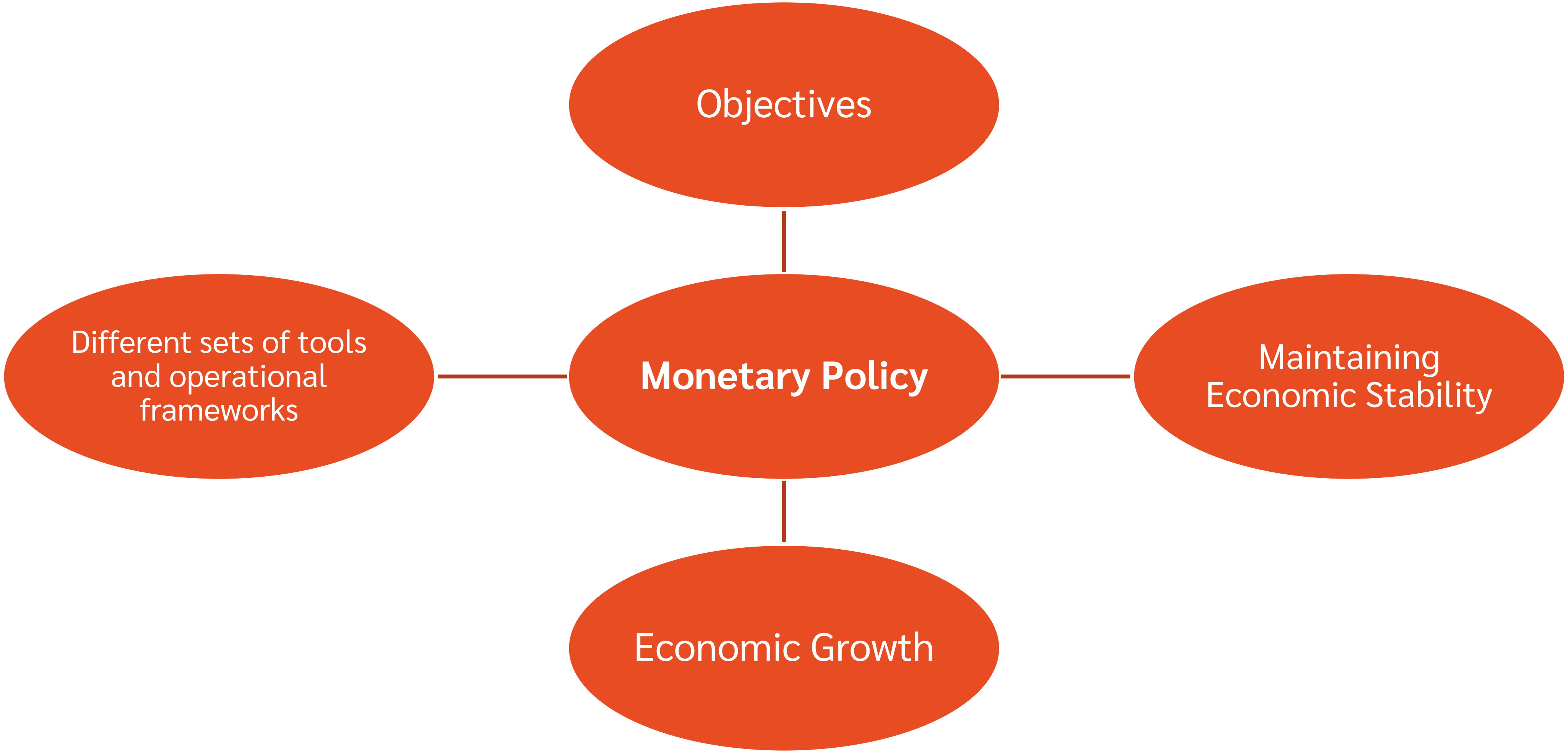
-To use fiscal tools (Fiscal Policy) to achieve the nation's core economic and social goals

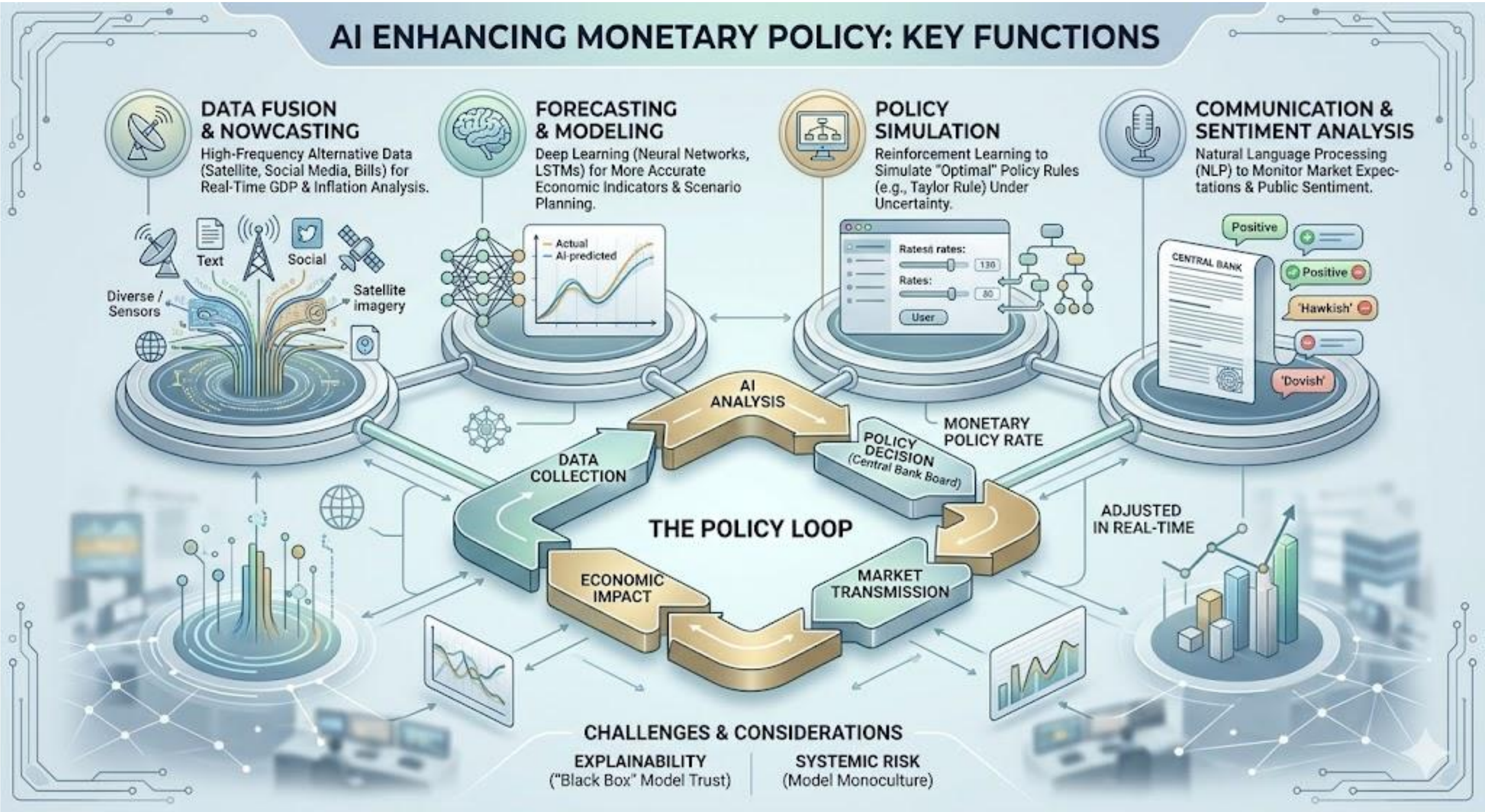
-To learn how to collect the taxation and how to expense the public expenditure

Monetary Policy

- Adjusting interest rates
- Adjusting cash reserves
- Trading bonds

Monetary Policy




AI ENHANCING MONETARY POLICY: KEY FUNCTIONS
DATA FUSION & NOWCASTING
High-Frequency Alternative Data (Satellite, Social Media, Bills) for Real-Time GDP & Inflation Analysis.
FORECASTING & MODELING
Deep Learning (Neural Networks, LSTMs) for More Accurate Economic Indicators & Scenario Planning.
POLICY SIMULATION
Reinforcement Learning to Simulate "Optimal" Policy Rules (e.g., Taylor Rule) Under Uncertainty.
COMMUNICATION & SENTIMENT ANALYSIS
Natural Language Processing (NLP) to Monitor Market Expectations & Public Sentiment.
Text
Social
Diverse / Sensors
Satellite imagery
Actual
AI-predicted
Rates:
User
CENTRAL BANK
Positive
Positive
'Hawkish'
'Dovish'
AI ANALYSIS
MONETARY POLICY RATE
DATA COLLECTION
POLICY DECISION (Central Bank Board)
THE POLICY LOOP
ADJUSTED IN REAL-TIME
ECONOMIC IMPACT
MARKET TRANSMISSION
CHALLENGES & CONSIDERATIONS
EXPLAINABILITY ("Black Box" Model Trust)
SYSTEMIC RISK (Model Monoculture)

Thailand's Monetary Policy

- Final Objective
- Monetary Policy Decision-making Process
- Monetary Policy Instruments

Monetary Policy Instruments

Money Supply Control

- Open Market Operations (OMO)
- Rediscount Rate, Bank Rate
- Reserve Requirement Ratio (RRR)

Monetary Policy Instruments

Money Supply Control

- Open Market Operations (OMO)
- The Rediscount Rate - The interest rate charged by the central bank
- Bank Rate
- Reserve Requirement Ratio (RRR)

Monetary Policy Implementation

- Managing the exchange rate
- Inflation rate
- Objective to maintain economic stability

Monetary Policy Management Strategy

- Focusing on maintaining exchange rate stability
- Changing economic landscape
- The inflation targeting system aims to maintain price stability by achieving a specific inflation target.

Monetary Policy Instruments

- Expansionary Monetary Policy
- Contractionary Monetary Policy
- Boosting exports

Monetary Policy Frameworks

- Exchange Rate Targeting
- Fixed Exchange Rate System
- Market Determined Exchange Rate

Fixed Exchange Rate System

Factors

The levels of development and economic structures

Factors

Equilibrium level
Changes in supply and demand

Fixed Exchange Rate System

- Inflation target (or target range)

Inflation Targeting Framework

- Interest rate forecasting. / Interest rate projections

Inflation Targeting Framework Conditions

Inflation Targeting Objective	o To adjust monetary policy tools, such as interest rates
Inflation Targeting Objective	o The central bank forecasts the inflation rate.
Inflation Targeting Objective	o Infrastructure

Monetary Policy Implementation in Thailand

- Thailand pegged the Baht to a basket of currencies
- The value of the Baht
- Before the 1997 financial crisis: 1 USD = 25 THB

  After the shift to a floating exchange rate in 1997: 1 USD = 48–50 THB

Limitations of Inflation Targeting

Economic recession
- High public debt

Inconsistency with supply-side shocks
- Inflation targeting faces operational challenges

The Monetary Policy Committee (MPC)

Rrisk Management

Monetary Policy

Inflation Forecasting

Expansionary monetary policy by cutting interest rates to stimulate growth.

Do you have any questions?
Thank you