

MNI POLITICAL RISK ANALYSIS – Thailand Election Preview – February 2026

By Jonathan Cavenagh, Krzysztof Kruk, Tom Lake and Eric Sharper

Thailand holds a snap general election on Sunday, 8 February, to elect all 500 members of the House of Representatives. This follows a chaotic period in Thai politics after the 2023 election. Since that election, two prime ministers from the populist Pheu Thai party have been forced from office by the courts, a hot war with Cambodia broke out over long-running border disputes, and the conservative Bhumjaithai Party formed a minority government, which for the first time saw the progressive People's Party provide support to an incumbent administration.

Interim PM Anutin Charnvirakul asked the King to issue a royal decree on 12 December 2025, dissolving parliament and calling a snap election amid renewed fighting with Cambodian forces (despite the peace deal agreed months earlier), and criticism for the government's response to widespread flooding in the south of the country that left hundreds dead. The People's Party was set to call a no-confidence vote in Anutin, with the PM calling the election early to avoid such an outcome.

In this election preview, we outline the electoral system for the House of Representatives and the main parties contesting the vote, provide analysis of potential post-election scenarios, analyse the potential impact of the election on Thai assets, the country's macro outlook, and the credit environment, put together a chart pack of relevant opinion polling and prediction market implied probabilities, and summarise sell-side analyst views.

Contents

Page 1-2. Background

Pages 2-3. Electoral System

Page 3. Main Political Parties Guide

Pages 4-6. Election Scenarios & Coalition Matrix

Pages 7-8. Markets and Macro Overview

Page 9. EM Credit Overview

Pages 10-11. Opinion Polling & Predictions Market Chartpack

Page 11-12. Analyst Views

Background

The period leading to the next general election has abounded in major disruption to established patterns in Thai politics, muddying the waters and shrouding the outlook in heightened uncertainty. The on-and-off border skirmishes with Cambodia, which see both sides trade accusations of violating the Kuala Lumpur peace accord, have stoked nationalist sentiment within the voter base, particularly in constituencies within close geographic

proximity to the conflict. The issue of '[grey capital](#)' has gained national salience, with parties competing to offer a credible plan to address allegations of transnational money-laundering schemes. Furthermore, the now Bhumjaithai-dominated Senate no longer plays a role in designating the Prime Minister, having once blocked progressive leader Pita Limjaroenrat's path to the top government job.

Within party politics, the characteristic triangular structure has lost its shape amid a cumulation of cyclical and idiosyncratic developments. The powerful Shinawatra clan's grip on the Pheu Thai Party (PTP) has weakened amid yet another imprisonment of its patriarch Thaksin, and the ouster of his daughter Paetongtarn from the position of Prime Minister. The governing Bhumjaithai Party (BJT), traditionally rooted in a regionalist voter base, managed to leverage repeated setbacks for the PTP, rebrand itself as a major conservative force amid a steady decline of military-linked parties, and emerge as the central component of a historically exotic ruling coalition. The BJT-led administration could only be formed thanks to an unprecedented and ultimately unsustainable confidence-and-supply deal with the progressive People's Party (PPLE), which has continued to insist on a constitutional overhaul as part of its progressive agenda.

This insistence on a constitutional overhaul sees a referendum take place on the same day as the legislative election. Voters will be asked the question "*Do you approve that there should be a new constitution?*" A new document would replace the one adopted in 2017 under the ruling military junta, known formally as the National Council for Peace and Order. This referendum will be the first in a series of three public votes following a September ruling from the Constitutional Court. The next vote (at an undetermined time) will offer voters a choice on the 'principles and methods' of the constitutional reform, and then a final referendum will seek final approval of a new constitution. This referendum has broad support across the main political parties, apart from those ultraconservative parties with close ties to the military. As such, this first referendum should pass. The political battle over how the new constitution will be written and its contents will prove much more divisive.

Electoral System

The 500-member House of Representatives is elected via a parallel voting system. Voters have two ballots, with 400 members elected in single-seat constituencies via first-past-the-post, while 100 representatives are elected via a party list on a proportional basis in a single nationwide constituency. This system was reinstated after a 2021 constitutional amendment, with the previous vote in 2019 coming under a mixed-member proportional representation system.

It should be noted that the prime minister is not simply the leader of the majority party in the House of Representatives or the head of the governing coalition. In a change to the previous system, the PM is elected solely by the House of Representatives. After the 2019 and 2023 elections, a joint session of the National Assembly took place involving the House and the Senate. Back then, a majority of the combined 750 members (500 representatives, 250 senators) was required to back a candidate. The 250-member senate is fully appointed by the Royal Thai Military, which made the election of a prime ministerial candidate without the approval of the military a difficult prospect. However, following legislative changes the power

to form a new government will sit entirely within the House of Representatives post-election, denying the pro-monarchy military its effective veto.

Ahead of the election, parties can nominate up to three candidates to serve as prime minister. Parties winning 25 or more seats are eligible to nominate their prime ministerial candidate after the election. With the prime ministerial election likely to take place in the spring, there will be a significant amount of negotiation between the various parties in an effort to strike deals and boost their chances of naming the next prime minister.

Main Political Parties (by Seats in House at Dissolution)

- **People's Party** – PPLE – Lead Candidate: Natthaphong Ruengpanyawu (*MP 2019-25, Leader of People's Party 2024-, Leader of the Opposition 2024-25*) – Founded: 2024 (2012 as Thinkakhao Party, 2018 as Thinkakhao Chaovilai Party, successor to Move Forward Party) – Progressivism, reformist, centre-left – Seats at dissolution: 143/500
- **Pheu Thai Party** – *For Thais Party* – PTP – Lead Candidate: Yodchanan Wongsawat (*Associate Professor, Mahidol University 2018-25, Professor of Biomedical Engineering 2025-*) – Founded: 2007 – Populist, anti-junta, economic liberalism – Seats: 140/500
- **Bhumjaithai Party** – *Thai Pride Party* – BJT – Lead Candidate: Anutin Charnvirakul (*Caretaker PM 2025-, Leader of BJT 2012-, Deputy PM 2019-25, Minister of Public Health 2019-23, Caretaker Interior Minister 2025-*) – Founded: 2008 – Populist, right-wing, Monarchist – Seats: 71/500
- **United Thai Nation Party** – UTNP – Lead Candidate: Pirapan Salirathavibhaga (*Deputy PM 2023-25, Energy Minister 2023-25, Secretary-General to the PM 2022-23, Minister of Justice 2008-11, UTNP leader 2022-*) – Founded: 2021 – Militarism, monarchism, ultraconservatism, right-wing – Seats: 36/500
- **Kla Tham Party** – KT – 'Brave Dharma Party' – Lead Candidate: Thamanat Prompow (*Caretaker Deputy PM 2025-, Caretaker Minister of Agriculture and Cooperatives 2023-24, 2025-, Member of House of Representatives 2019-25*) – Founded: 2020 – Centre-right, populist, localism – Seats: 26/500
- **Democrat Party** – Lead Candidate: Abhisit Vejjajiva (*Prime Minister 2008-11, Minister to the PM's Office 1997-2001, Leader of the Opposition 2005-08 and 2011-13, Leader of Democrat Party 2005-19, 2025-, Member of House of Representatives 1992-2019*) – Founded: 1946 – Conservatism, centre-right, classical liberalism – Seats: 25/500
- **Palang Pracharath Party** – *People's State Power Party* – PPRP – Lead Candidate: Trinuch Thienthong (*Minister of Labour 2025-, Minister of Education 2021-23, Member of House of Representatives 2001-25, PPRP leader 2026-*) – Founded: 2018 – Right-wing, militarism, national conservative, Thai nationalist, monarchist – Seats: 20/500

Scenario Analysis

The fragmented nature of the Thai political scene means that any governing coalition will be a multi-party one, with many possible arrangements on the table. A tenable coalition will likely involve at least two out of the three most popular parties: People's Party (PPLE, orange), Pheu Thai Party (PTP, red) and Bhumjaithai (BJT, blue). We restrict the following analysis to the three possible two-party coalitions formed from among these three, the only ones that are widely expected to capture more than 100 seats.

Whereas the People's Party has enjoyed a comfortable and widening advantage in opinion polls, its ability to win a plurality of seats is not a given. Thailand's mixed electoral system complicates inferring potential distribution of seats from polling data, as 400 out of 500 seats are contested in first-past-the-post system, where constituency-level developments (including the role of *baan yai*, powerful regional clans) often trump national politics.

Each of the parties enjoys unique structural comparative advantages. The People's Party remains the front-runner in opinion polls, and maintains its reputation as a relatively credible alternative to traditional parties. The Pheu Thai Party refused to rule out participation in any coalition, which gives it the most room for manoeuvre and puts it in a favourable position to become a kingmaker. The Bhumjaithai Party has strong regionalist roots, which boosts its chances in constituency-level races, particularly along the contested border with Cambodia.

Because of the highly uncertain nature of this election, we refrain from assigning numerical probabilities to specific scenarios. The Thai political scene is in constant flux, while a hung parliament can elevate the importance of votes from minor parties beyond their nominal seat shares. Instead, we provide a primer on core coalition scenarios. It should be noted that although betting markets put the PPLE as the front-runner to win a plurality of seats, consensus among local analysts (see [here](#) and [here](#)) favours the BJT. Meanwhile, both betting markets and analysts agree that Anutin Charnvirakul is likely to return as Prime Minister.

The scenarios for the core component of a post-election governing coalition include:

- **A Blue-Red Coalition (most likely)**

The Srettha and Paetongtarn cabinets formed in the wake of the 2023 election were both propped up by a multi-party coalition including Bhumjaithai. However, the party pulled out of the coalition last summer, ostensibly in reaction to the leaked phone call between PM Paetongtarn Shinawatra and Cambodian leader Hun Sen, which prompted the top court to remove her from the position of head of government. While the BJT insisted that this was the reason behind its decision, local press reports had documented growing tension between the BJT and PTP amid Bhumjaithai's steady drift toward more decisively pro-monarchist positions and Anutin's PM ambitions.

Despite longstanding animosity between conservatives (the "blues") and populists (the "reds"), Pheu Thai has interests in joining a governing coalition that extend beyond the pursuit of its immediate political objectives. There is compelling evidence that its previous power-sharing agreement with the conservatives involved safe passage for Thaksin Shinawatra, who could return to the country after a 15-year-long self-exile without serving a lengthy prison sentence. The PTP patriarch was then [imprisoned last summer](#) amid the

collapse of the blue-red agreement. Pheu Thai could try to recreate a similar deal, whereby security guarantees for Thaksin and his daughter Paetongtarn Shinawatra could be traded for its participation in government.

- **An Orange-Red Coalition**

To an external observer, a coalition between the PPLE and PTP might seem like a natural choice, if only parliamentary arithmetic makes it possible. Historically, both parties have been fighting an uphill battle against the royalist-military establishment, with the institutional deck stacked against them. Indeed, the aftermath of the 2023 election saw them enter coalition talks whilst the country's conservative bureaucracy effectively barred PPLE's dissolved predecessor and election front-runner, Move Forward Party (MFP), from taking the Prime Minister position.

As parliament denied the MFP the right to form government, the PTP took the lead, put forward its own candidate to a vote, and reached out to other parties, eventually forming an unlikely coalition with its conservative arch-rivals-turned-allies. This was perceived by the MFP as an act of backstabbing, which left plenty of bad blood between the two parties. Consequently, following the collapse of the PTP-led administration last summer, the PPLE decided to extend conditional support to a government led by Bhumjaithai rather than throw a lifeline to the beleaguered PTP. In our view, this reduces the probability of an orange-red coalition and puts into question the longer-term stability of a potential post-election deal.

Should the PPLE and PTP manage to strike a deal, they would be exposed to renewed attacks with the use of lawfare tactics. PPLE leader Natthaphong Ruengpanyawut is among the 44 ex-MFP MPs who have been under investigation by the National Anti-Corruption Commission (NACC) for proposing to amend the lèse-majesté law, with a verdict expected any time now. Meanwhile, further probes into Paetongtarn Shinawatra's infamous call with Hun Sen are ongoing, while Thaksin Shinawatra continues to seek early release from prison.

- **A Blue-Orange Coalition (Least Likely Scenario)**

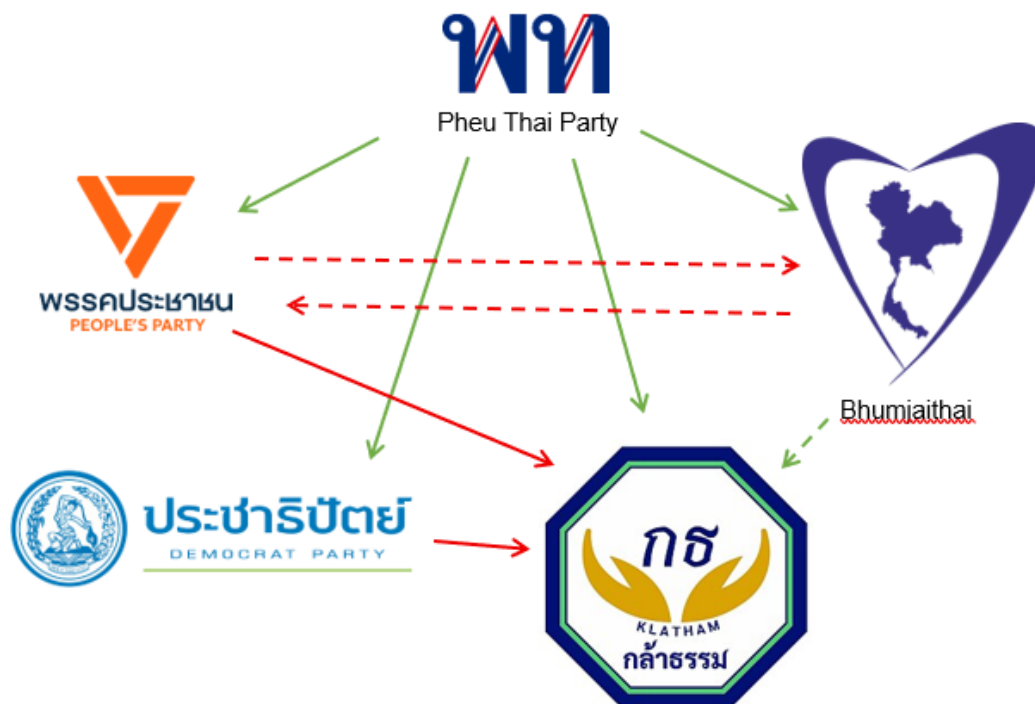
Prime Minister Anutin Charnvirakul could only take power because of an opportunistic confidence-and-supply agreement with the PPLE, which stipulated that he would initiate the process of redrafting the constitution. Disputes over the details and timetable for the process led to the collapse of the deal, forcing Anutin to pre-empt a no-confidence vote and call a snap election.

Communications from both parties signalled their reluctance to form a coalition, as PPLE leader Natthaphong Rueangpanyawut explicitly ruled out supporting Anutin's bid to return as Prime Minister. Meanwhile, Anutin signalled that Bhumjaithai would not partner with any party pushing for a reform of the strict lese majesté law, but left some ambiguity as to whether this rules out any cooperation with the People's Party.

Potential Coalition Matrix

The matrix below highlights some of the potential coalition options, given that a one-party majority government is extremely unlikely under the Thai electoral system. The populist Pheu Thai Party has indicated its willingness to enter into a coalition with any other party, giving it a strong chance of forming part of the next government, and given its relatively strong opinion polling, also a good chance of nominating the next PM. The progressive People's Party has so far ruled out a coalition with the localist Kla Tham due to its controversial leader Thamanat Prompow. The Democrat Party has stated the same reason as the PPLE for its forswearing of Kla Tham. PPLE PM candidate Natthaphong Rueangpanyawut has said that the party will not back caretaker PM Anutin Charnvirakul to serve another term, seemingly ruling out the prospect of the PPLE as a junior coalition partner to Bhumjaithai unless the party selects a different PM candidate.

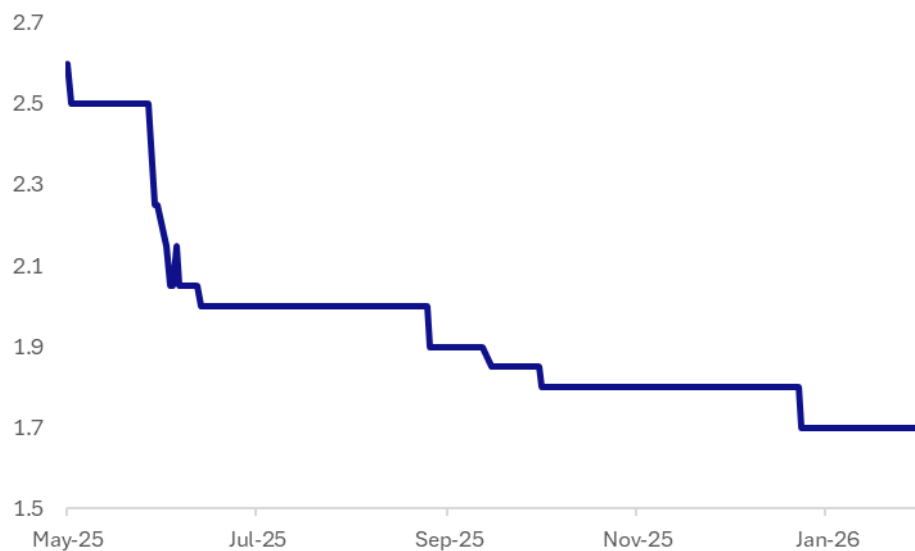
Bhumjaithai has itself not ruled out working with specific parties but instead says that it would not form a government with any party that backs the amendment of Section 112 of the Thai Criminal Code (the section that implements Thailand's strict lèse-majesté laws). Speaking in early January, [The Nation reported](#) Natthaphong indicating that it was no longer PPLE policy to amend the law, in a change to the party's previous stance. Even with this apparent change, the BJT as an avowedly conservative party could find it difficult to reach a coalition agreement with BJT.



Markets & Macro Overview

The new Thai government will face multiple economic/macro challenges. Firstly, addressing a depressed GDP growth backdrop and an expensive exchange rate. The first chart below plots the evolution of consensus Thailand GDP forecasts for 2026. For most of 2025, the bias was for lower expectations, and we now sit at 1.7%. If such an outcome is realized it would be the weakest growth rate since 2021 (when the economy was emerging from the Covid shock).

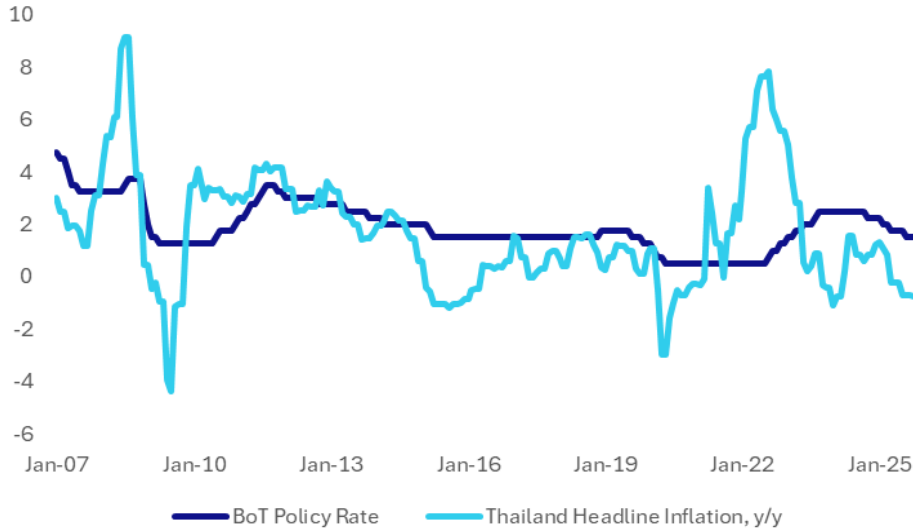
Fig 1: Thailand Consensus GDP Expectations For 2026



Source: Bloomberg Finance L.P/MNI

It's questionable how much room the Bank of Thailand has to cut rates further (to boost the domestic growth outlook). The central bank has already acknowledged its limited policy room in recent months. The chart below plots the policy rate for the BoT and headline inflation. The generally soft inflation backdrop is partly reflective of weak underlying domestic demand. The authorities are mindful, though, of cutting rates further, particularly as broader global growth conditions don't warrant such action. The BoT is likely want to preserve some room for a negative external shock. The consensus looks for a 1% policy rate by year end (versus 1.25% currently).

Fig 2: BoT Policy Rate & Thai headline CPI Y/Y



Source: Bloomberg Finance L.P./MNI

A recent focus point for the authorities is also the strong baht. USD/THB is up modestly from recent lows, last near 31.55 (with recent dips under 31.00 supported). The authorities are attempting to reduce the link between strong gold prices and THB gains. Via BBG: "... the Bank of Thailand said it's tightening rules for online gold trading to curb speculative activity that can amplify swings in the baht. The move comes as rising gold prices and a weaker dollar have spurred gold selling by Thai investors, boosting foreign-currency inflows and adding upward pressure on the currency." However, in nominal effective terms, THB remains quite strong. The chart below plots the Citi THB NEER Index.

A stronger exchange rate risks dampening competitiveness in the tourism sector, a key part of the Thai economy. It also depresses domestic inflation pressures, all else equal.

Fig 3: CITI THB NEER index



Source: Citi/Bloomberg Finance L.P./MNI

EM Credit Overview

Thailand is primarily a local currency issuer, with Thai government bond debt outstanding around THB13T (USD421bn). Thailand's offshore debt is via its agencies (Export Import Bank of Thailand), state-owned enterprises, mainly the national oil and gas giant, PTT Public Company Limited, in which the Ministry of Finance owns around 62%, and a few, mostly independent banks (Kasikornbank, Bangkok Bank, Siam Commercial Bank).

Thailand's annual issuance is the smallest amongst Asian EM, with the last 5 year average around USD1.8bn, and with no redemptions in 2026 and USD1.6bn (PTTEP Treasury, Bangkok Bank, Export Import Bank of Thailand) in 2027, we expect issuance to remain modest this year. We have seen a debut perpetual bond issue from Thai Oil, which raised USD600m.

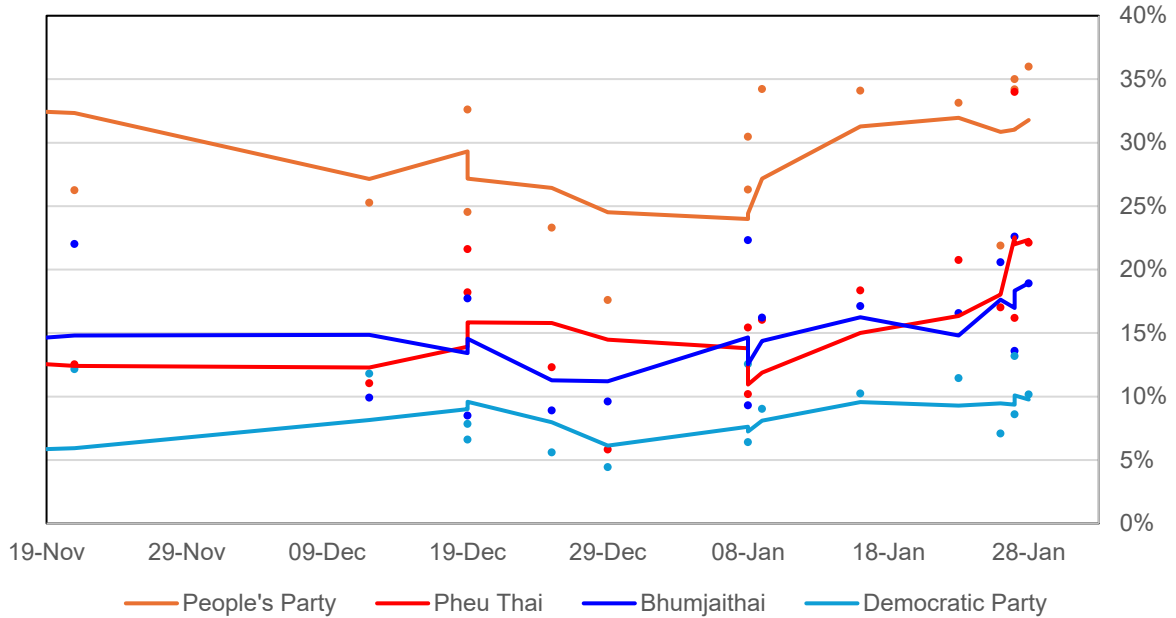
In terms of the election, geopolitical tensions (Cambodia), slowing global trade (full tariff impact '26), Thai Baht appreciation, and structural headwinds are expected to drive below-trend growth (1.7% YoY GDP), with limited fiscal and monetary options available.

A newly elected government, with populist policies to fund, may look to PTT Group and subsidiaries for larger income tax, royalty and dividend payments, to enlarge government coffers. In 2024 alone, PTT group paid around THB37bn (USD1.1bn) to the government in dividends as well as THB35bn (USD1.1bn) in the form of Taxes and other payments.

Thai bonds tend to be tightly held, with the bulk of outstanding bonds considered to be relatively illiquid, which will also limit the spread downside on higher SOE payments to the government. Indeed, the USD January 2030 note, issued by PTT Exploration and Production (PTTEPT), a proxy for the Thai sovereign, has outperformed other Asian EM year-to-date, with Indonesia and the Philippines underperforming.

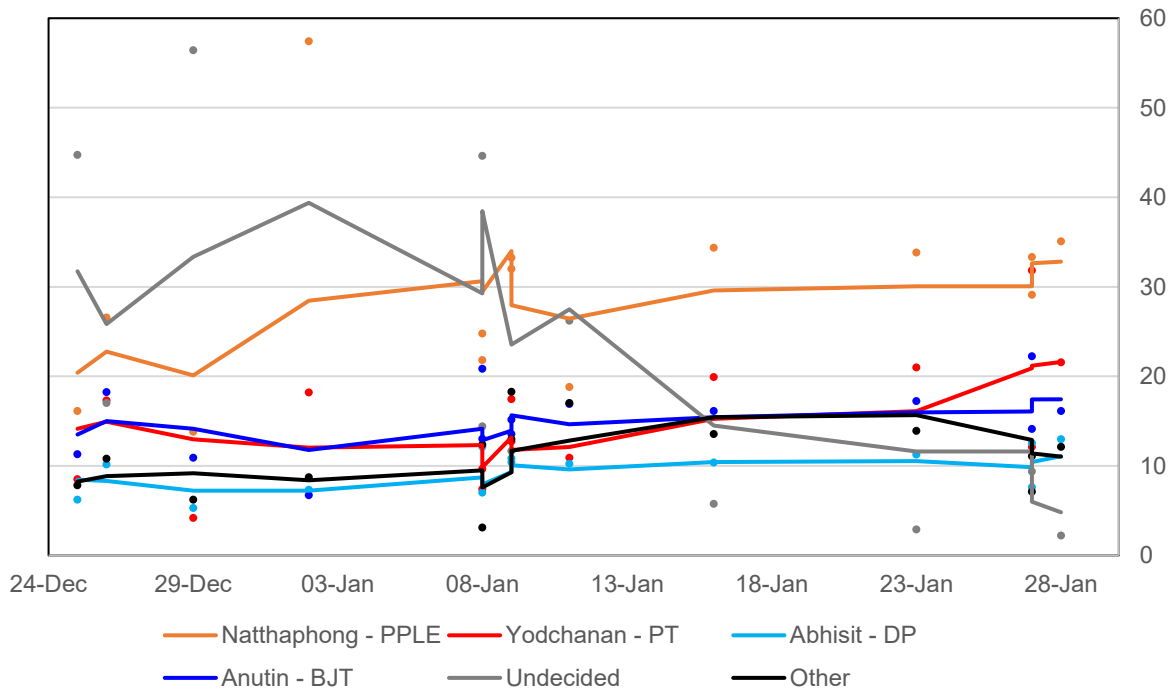
Opinion Polling Chartpack

Chart 1. General Election Opinion Polling by Party, % and 4-Poll Moving Average



Source: NIDA, Nation Poll, North Bangkok Poll, Suan Dusit, Rajabhat, MNI

Chart 2. General Election Opinion Polling Preferred PM, % and 4-Poll Moving Average



Source: NIDA, Nation Poll, North Bangkok Poll, Suan Dusit, Rajabhat, Thairath, KPI, MNI

Chart 3. Prediction Market Implied Probability of Largest Party in House After Election, %

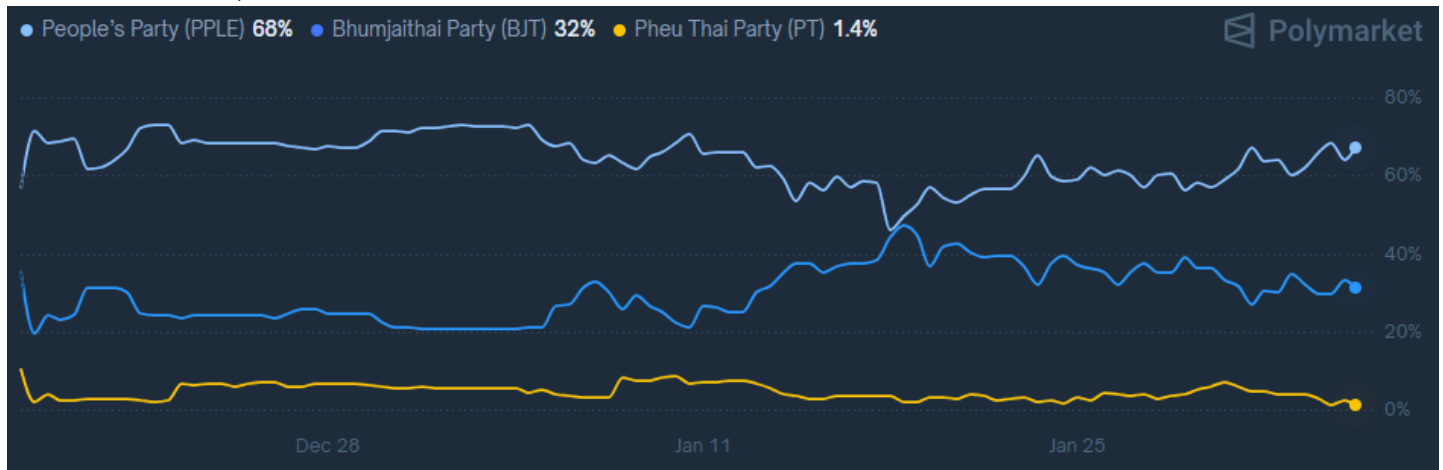
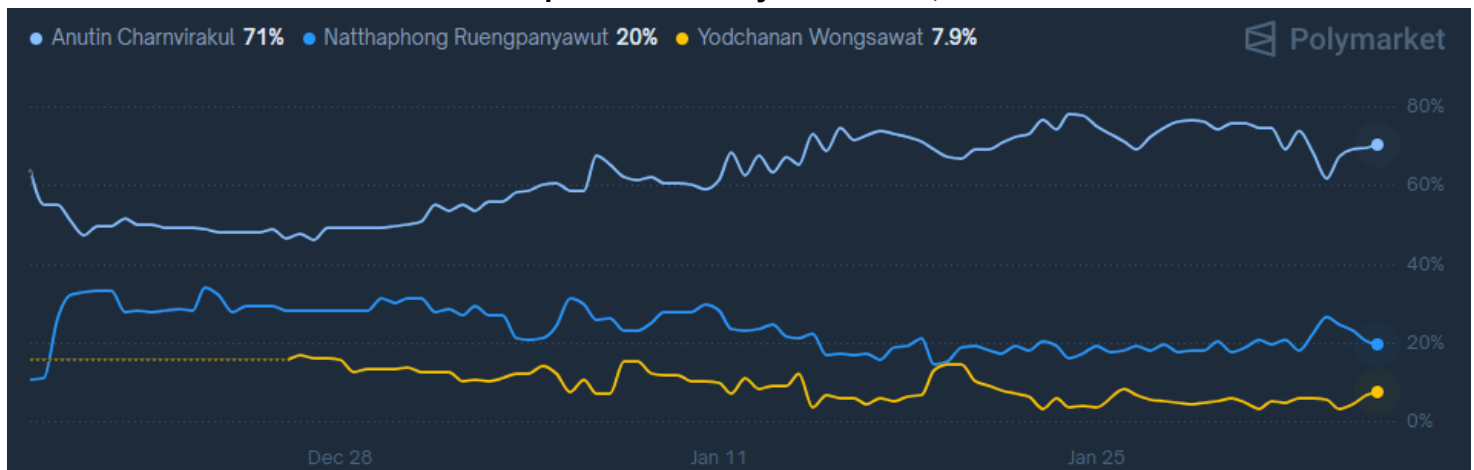


Chart 4. Prediction Market Implied Probability of Next PM, %



Analyst Views

DBS

- For the 2026 electoral cycle, economic growth is decelerating, similar to the average trend in the past. However, growth started from a lower rate relative to the past five polls four quarters before the elections. The momentum also eased to the slowest pace two quarters prior to the polls compared to previously. This underscores multiple challenges, such as external tariff headwinds, weak consumer confidence amidst high household debt, and a sluggish foreign tourism recovery. We expect real GDP growth to slow 1.6% in 2026, from slightly above 2% in 2025.
- In the current cycle, fiscal spending accelerated one quarter before the elections in 1Q26, reflecting government efforts to support the weak economy, with the new fiscal year 2026 starting from October 2025. In the event of a political deadlock following the elections, the budget process for FY2027 could be disrupted, significantly

hindering fiscal disbursement and spending three to four quarters after the elections. Such a delay was observed following the polls in 2023.

- We expect a rebound in headline inflation to 0.5% in 2026 from -0.1% in 2025, as the disinflation from oil prices fades, but remain low due to limited demand-driven impulses. The BOT is monitoring deflationary risk amid a weak private consumption outlook, with room for additional monetary policy easing to support growth and credit conditions. The policies of the political parties have also included supporting domestic spending and alleviating cost of living pressures.
- Policymakers are increasingly wary about the baht's strong gains and the negative impact on small and medium-sized exporters and the tourism sector. With increased vigilance over the currency's strength, policy scrutiny over gold-related activity, and a subdued economy clouded by political uncertainty, the baht is vulnerable toward weakness like historical election trends.

JP Morgan

- ...we have encountered an emerging narrative that the conservative-leaning parties, specifically BJT, are heading into the elections in a strong position. One of the reasons is the advantage of incumbency. Despite its short stint in government, the BJT has enacted several key measures (e.g., co-payment scheme, "Clear debt, move forward" program) to backstop the economy. The border conflict with Cambodia may also have revived nationalistic sentiment that favors civilian conservative parties such as BJT.
- Depending on the election results and the ensuing political developments, one of the key concerns is a delay to the annual budget process, which may pose a drag to growth later in the year. The Bank of Thailand (BoT) has already penciled in a one quarter delay to fiscal disbursements in FY27 (starting October 2026).
- While the base case is for the FY27 budget to be delayed by one quarter, positive surprises to the timeline are possible. For one, the earlier polling date for this year's election provides some breathing space for the annual budget process. If a coalition government gets formed and a PM is picked by mid-April, the new government can presumably expedite the budget formulation process and submit a draft to the House for debate by mid-June. However, this would still require a high degree of internal unity within the multi-party coalition.
- We think that the central bank will be more sensitive to the growth impact of a budget delay this time around. Whether or not they will ease beyond the 25bp rate cut we expect in April depends on whether the GDP drag is worse than what is already penciled into their 2026 GDP forecast (1.5%, same as JPM).
- One of the features of this year's election campaign is the populist stance of almost all major political parties. [...] While the numbers thrown around are likely exaggerated to win votes, we see that political parties across the spectrum continue to demonstrate a high willingness to pursue expansionary fiscal policies if in power. According to the government's latest medium-term fiscal framework (MTFF), the public debt-to-GDP ratio is already projected to approach the 70% ceiling as early as FY27, even with further deficit reductions. As such, the next government will face even greater fiscal constraints amid the ongoing pressure to pump prime.

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