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The Federal Reserve is likely to announce in August or September a strategy for reducing its massive bond buying program, but won't start cutting monthly purchases until early next year, a Reuters poll of economists found. A significant number of Fed watchers also said the central bank would wait until later in the year before announcing a taper, now the main focus for markets fretting over rising inflation as an end to the pandemic in the United States is in sight. Booming demand with the U.S. economy reopening is expected to continue and push up consumer prices this year, with = Reuters poll of over 100 economists showing an upgrade to both growth and inflation forecasts.

Reopening U.S. economy fuels inflation, labor market recovery

U.S. consumer prices rose solidly in May, leading to the biggest annual increase in nearly 13 years as a reopening economy boosted demand for travel-related services, while a global semiconductor shortage drove up prices for used motor vehicles. The number of Americans filing new claims for unemployment benefits fell last week to the lowest level in nearly 15 months. May's inflation drivers appear to be temporary, fitting in with Federal Reserve Chair Jerome Powell's repeated assertion that higher inflation will be transitory. The inflation jump partly reflected the dropping of last spring's weak readings from the calculation. May was probably the peak in the CPI, with these so-called base effects expected to level off in June.

China central bank chief says inflation under control, vows 'normal' monetary policy

China's central bank governor said inflation is "basically under control", and monetary policy would be kept steady, in comments a day after concerns over inflationary pressures were fanned by data showing the fastest rise in factory-gate prices in 12 years. "We must adhere to policy stability as a priority, and stick to implementing normal monetary policy," Yi Gang told a financial forum in Shanghai on Thursday, forecasting this year's inflation at below 2%. "Keeping interest rates at a proper level is conducive to the stable and healthy development of the markets," the People's Bank of China (PBOC) governor said. Yi said that China's interest rates, though higher than major economies, are still relatively low among developing and emerging economies.

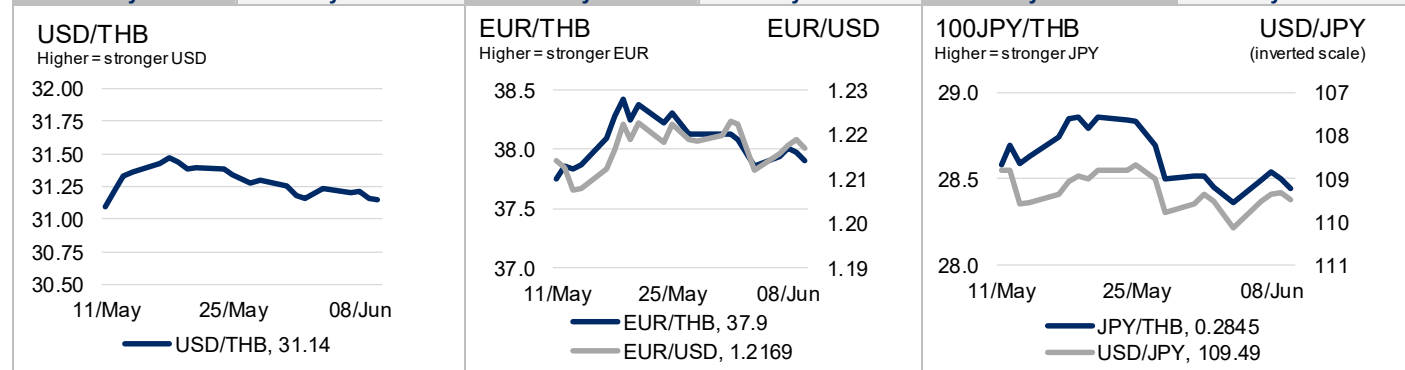
Dollar marooned as investors shrug off inflation spike

The 10-year government bond yield (interpolated) on the previous trading day was 1.81, +0.00 bps. The benchmark government bond yield (LB31DA, 10.5 years) was 1.81, +0.50 bps. LB31DA could be between 1.78-1.83. Meantime, the latest closed US 10-year bond yields was 1.45%, -5.00bps. USDTHB on the previous trading day closed around 31.16 Moving in a range from 31.09-31.14 this morning. USDTHB could be closed between 31.06-31.15 today. Meantime, After a week of anxious waiting, markets got the high U.S. inflation number they dreaded, shrugged it off and moved on - leaving the U.S. dollar under pressure and most majors stuck in ranges.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index	1,625.3	S&P500	4,239.2	10Y UST	1.45%	Brent	72.2	Gold	1,882.0
10-Jun	▼ -0.06%	10-Jun	▲ 0.46%	10-Jun	▼ -5.0 bps	9-Jun	▲ 0.00%	10-Jun	▼ -0.45%

USD/THB	31.14	Daily	▼ -0.04%	EUR/THB	37.90	Daily	▼ -0.19%	JPY/THB	0.2845	Daily	▼ -0.19%
		Weekly	▼ -0.29%			Weekly	▲ 0.11%			Weekly	▲ 0.29%
Sideways	Trend	Monthly	▲ 0.15%	Sideways	Trend	Monthly	▲ 0.39%	Sideways	Trend	Monthly	▼ -0.47%



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoT's daily closing rates

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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		90.17	0.2%	0.3%	-0.1%	89.78	91.33
EUR/USD		1.2169	-0.2%	-0.4%	0.2%	1.1999	1.2228
USD/JPY		109.49	0.2%	0.0%	0.6%	108.69	110.12
USD/CHF		0.8959	0.0%	-0.1%	-0.6%	0.8959	0.9138
GBP/USD		1.4116	-0.4%	-0.3%	0.6%	1.3898	1.4238
USD/CAD		1.2121	0.3%	0.5%	0.0%	1.2045	1.2276
AUD/USD		0.7729	-0.2%	-0.4%	-1.5%	0.7663	0.7845
NZD/USD		0.7174	-0.4%	-1.2%	-1.4%	0.7148	0.7281
ASEAN Dollar		107.96	0.0%	-0.1%	0.0%	107.91	108.76
USD/THB		31.14	0.0%	0.0%	0.1%	31.10	31.47
USD/SGD		1.3237	0.1%	0.2%	-0.2%	1.3191	1.3361
USD/MYR		4.1155	0.0%	-0.2%	0.3%	4.1049	4.1420
USD/IDR		14,209	-0.1%	-0.2%	0.1%	14,154	14,370
USD/PHP		47.66	-0.2%	-0.3%	-0.4%	47.66	48.13
USD/CNY		6.3720	-0.3%	0.0%	-0.7%	6.3524	6.4706
USD/HKD		7.7581	0.0%	0.1%	-0.1%	7.7503	7.7693

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.30	0.00
3-month		1.20	0.00
6-month		2.45	0.08

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		251,882	1205
Gold		14,938	478
SDR		1,430	1
IMF Reserves		1,280	1
Foreign Ccy		234,233	724
Net Fwd Position		31,711	-130

Last update: 28/05/2021

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
10/06/2021	-1,644	2,313	669
09/06/2021	2,847	8,872	11,719
08/06/2021	2,011	991	3,001
07/06/2021	-1,214	1,944	729
04/06/2021	3,573	1,801	5,374
Last 5 days	5,572	15,921	21,492

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 5,877	↑ 20,809	↑ 26,687
QTD	Quarter	↓ -30,667	↑ 53,849	↑ 23,182
YTD	Year	↓ -60,337	↑ 57,862	↓ -2,475

Money Market

THB BIBOR	1M Hist	Last	1M Range		THBFI X	1M Hist	Last	1M Range		USD LIBOR	1M Hist	Last	1M Range	
			Min	Max				Min	Max				Min	Max
ON		0.50	0.50	0.50	ON		0.39	0.33	0.54	ON		0.05	0.05	0.07
1W		0.52	0.52	0.52	1W		0.29	0.16	0.47	1W		0.06	0.06	0.08
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.08	0.08	0.11
2M		0.58	0.58	0.58	2M		0.32	0.22	0.41	2M		0.11	0.11	0.15
3M		0.62	0.62	0.63	3M		0.36	0.28	0.42	3M		0.13	0.13	0.18
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.16	0.16	0.21
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.25	0.24	0.28

Last Updated: 23/02/2021

Last Updated: 03/06/2021

Note: D=d=day; M=month; Y=year; %chg = percentage change; chg = change; USTH FX Sp = USD/THB FX Swap point; \$mn=million US dollar; THB.mn= Thai baht million; Hist=history; THB implied = Thai baht rate that are calculated by FX forward rate; ASEAN Index = value average ASEAN FX Jan2008=100

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		1.4500	-5.00	-18.00	-19.00	1.45	1.69
Gilt 10y		0.8784	-3.20	-5.16	2.19	0.85	1.00
Bund 10y		-0.2400	-4.00	-5.00	-4.00	-0.24	-0.09
JGB 10y		0.0560	-1.90	-3.40	-2.60	0.06	0.10
TGB 1y		0.4777	0.09	0.49	3.18	0.44	0.48
TGB 2y		0.5201	-0.05	-0.47	0.37	0.51	0.53
TGB 5y		0.9995	-0.55	-6.72	-3.61	1.00	1.10
TGB 7y		1.4035	0.59	-6.10	-1.63	1.37	1.50
TGB 10y		1.8132	-0.29	-5.12	4.44	1.75	1.88
AAA Spread		71.80	-0.01	1.61	-5.81	69.75	77.94
AA Spread		67.99	-0.03	-3.74	-6.98	67.99	75.87
A Spread		183.68	-0.02	-0.29	-4.06	175.67	187.74
BBB Spread		0.00	0.00	0.00	0.00	0.00	0.00

Note: UST = US Treasury; Gilt = UK Government Bond; JGB = Japanese Government bond; Bund = German Government Bond; TGB = Thai government Bond; tenors of the bonds are put after their name; bps=basis point; Corporate spreads are Thai and reported in basis points over government bond for the tenors 3-5 years.

Commodity Market

Commodity	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Brent Crude		60.75	-1.2%	-5.6%	-0.3%	58.31	67.93
London Gold		1882.0	-0.4%	-0.5%	2.4%	1,814.3	1,907.7

Note: Unit of Brent crude oil price is \$/barrel; unit of gold price is \$/ounce

Equity Market

Equity Index	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
S&P500 (US)		4,239.2	0.5%	1.1%	4.3%	2,467.4	4,239.2
STOXX (EU)		455.0	0.0%	0.6%	3.9%	328.0	455.0
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		15,571.2	-0.1%	-0.4%	3.0%	15,113.6	15,692.9
CAC All-Tradable(FR)		5,033.9	-0.3%	0.7%	3.9%	4,823.7	5,047.1
TOPIX (JP)		1,956.7	0.0%	-0.1%	4.2%	1,849.0	1,962.7
Shanghai (CH)		3,784.8	0.5%	0.7%	4.3%	3,593.0	3,799.5
Hang Seng (HK)		28,738.9	0.0%	-0.8%	2.6%	27,718.7	29,468.0
ASX 200 (AU)		7,302.5	0.4%	0.6%	3.7%	6,931.7	7,302.5
SET (TH)		1,625.3	-0.1%	0.5%	2.3%	1,548.1	1,626.3
SET50 (TH)		981.6	0.0%	0.3%	2.3%	934.8	982.1
Straits Times (SG)		3,162.5	0.3%	-0.1%	-0.6%	3,055.0	3,200.3
FTSE Malay (MY)		1,579.9	-0.1%	-1.1%	0.1%	1,562.2	1,597.9
JSX Index (ID)		6,107.5	1.0%	0.3%	2.2%	5,760.6	6,107.5
PSE Index (PH)		6,875.7	-0.4%	1.2%	8.7%	6,164.9	6,902.5
Vn Index (VN)		1,323.6	-0.7%	-3.0%	4.3%	1,252.7	1,374.1

Sources: ttb analytics, CEIC

Note: A = actual, P = previous; C = consensus

Important Disclosures

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