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Indonesia's central bank will wait until the second half of the year before raising rates to nurture economic growth. Bank Indonesia (BI) Governor Perry Warjiyo said at its December meeting, that normalization of policy will not necessarily follow moves by the Fed, and that interest rates would remain low until inflation rises. Unlike in the United States, where inflation is at a 40-year high, inflation in Southeast Asia's largest economy has been below the central bank's target range of 2%-4% for 19 months, giving it leeway to keep rates steady. "We still think BI will maintain the policy rate at 3.50% this month, according to Bank Permata. However, as Fed officials signal a rate hike this quarter, BI will be under pressure to kick off its own tightening cycle soon after to avert currency weakness and potential large capital outflows.

China tops forecasts with 8.1% growth in 2021 but headwinds loom

China's economy rebounded in 2021 with its best growth in a decade, helped by robust exports, but there are signs that momentum is slowing on weakening consumption and a property downturn, pointing to the need for more policy support. Growth in the fourth quarter hit a one-and-a-half-year low, government data showed on Monday shortly after the central bank moved to prop up the economy with a cut to a key lending rate for the first time since early 2020. The world's second-largest economy is struggling with a rapidly cooling property sector, as well as sporadic small-scale COVID-19 outbreaks that could deal a blow to its factories and supply chains. Several Chinese cities went on high alert ahead of the Lunar New Year holiday travel season, as the Omicron variant reached more areas including the capital Beijing. Still, the economy grew 8.1% last year.

Bank of Japan to flag rising price pressure, maintain ultra-easy policy

The Bank of Japan is expected to upgrade its inflation forecast on Tuesday and acknowledge budding signs of change in the country's deflationary mindset, as high global commodity costs prompt more firms to raise prices. But with inflation set to remain below its 2% target, the BOJ will likely stress its resolve to maintain its ultra-loose monetary policy. Compared with its assessment in October, the latest report may emphasise rising inflationary pressure and a shift in the balance of risk on the price outlook, the sources said. The central bank may also flag plans to conduct a thorough analysis on whether recent signs of quickening inflation would last. Some analysts expect core consumer inflation to exceed 1.5% around April.

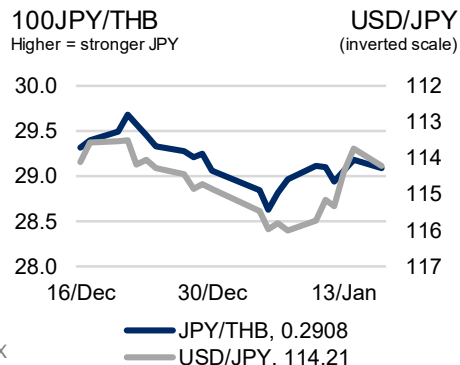
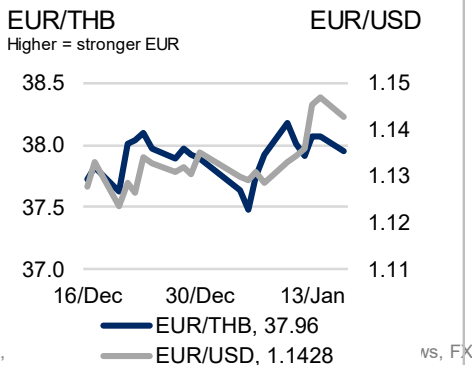
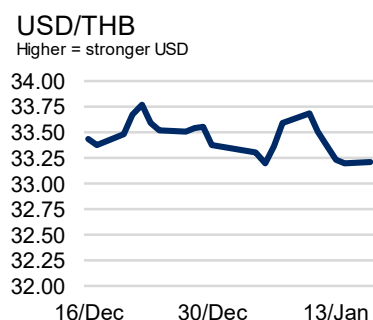
Dollar fails to catch a lift from higher yields, Bank of Japan in focus

The 10-year government bond yield (interpolated) on the previous trading day was 2.14, +5.00 bps. The benchmark government bond yield (LB31DA, 9.8 years) was 2.14, +4.00 bps. LB31DA could be between 2.12-2.17. Meantime, the latest closed US 10-year bond yields was 1.78%, +8.00bps. USDTHB on the previous trading day closed around 33.12 Moving in a range from 32.90-33.10 this morning. USDTHB could be closed between 32.90-33.00 today. Meantime, The yen edged higher ahead of the outcome of a central bank policy meeting on Tuesday, while the dollar seemingly ignored U.S. Treasury yields hitting new near two-year highs on their return from a long weekend break.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,676.9	S&P500 4,662.9	10Y UST 1.78%	Brent 86.1	Gold 1,820.1
17-Jan ▲ 0.25%	17-Jan ▲ 0.00%	14-Jan ▲ 8.0 bps	14-Jan ▲ 1.86%	17-Jan ▼ -0.12%

USD/THB 33.21	Daily ▲ 0.04%	EUR/THB 37.96	Daily ▼ -0.31%	JPY/THB 0.2908	Daily ▼ -0.36%
	Weekly ▼ -0.89%		Weekly ▼ -0.14%		Weekly ▼ -0.06%
Sideways Trend	Monthly ▼ -0.70%	Sideways Trend	Monthly ▲ 0.62%	Falling Trend	Monthly ▼ -0.78%



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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		95.06	0.4%	-0.9%	-1.5%	94.73	96.70
EUR/USD		1.1428	-0.4%	0.9%	1.5%	1.1235	1.1469
USD/JPY		114.21	0.4%	-1.3%	0.5%	113.43	115.99
USD/CHF		0.9132	0.3%	-0.8%	-1.2%	0.9103	0.9258
GBP/USD		1.3694	-0.2%	0.9%	3.5%	1.3206	1.3723
USD/CAD		1.2525	0.1%	-1.1%	-2.6%	1.2496	1.2932
AUD/USD		0.7216	-0.8%	0.6%	1.4%	0.7107	0.7287
NZD/USD		0.6810	-0.7%	0.7%	1.1%	0.6723	0.6861
ASEAN Dollar		106.93	0.1%	-0.7%	-0.7%	106.85	107.85
USD/THB		33.21	0.0%	-1.4%	-0.6%	33.20	33.77
USD/SGD		1.3465	0.2%	-0.7%	-1.6%	1.3443	1.3690
USD/MYR		4.1781	0.0%	-0.6%	-1.3%	4.1654	4.2334
USD/IDR		14,293	0.1%	-0.1%	-0.1%	14,189	14,388
USD/PHP		51.16	0.2%	-0.4%	1.7%	49.94	51.35
USD/CNY		6.3362	-0.2%	-0.6%	-0.4%	6.3362	6.3832
USD/HKD		7.7696	-0.1%	-0.4%	-0.4%	7.7696	7.8120

FX Swap Market and Bot's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.15	0.15
3-month		0.70	-0.05
6-month		1.50	-0.20

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		244,330	-1666
Gold		14,097	-151
SDR		5,702	-3
IMF Reserves		1,240	-1
Foreign Ccy		223,292	-1512
Net Fwd Position		32,980	-180

Last update: 07/01/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
17/01/2022	-1,263	1,339	77	
14/01/2022	-1,060	4,420	3,360	
13/01/2022	1,144	5,390	6,534	
12/01/2022	2,288	8,950	11,238	
11/01/2022	1,534	2,454	3,988	
Last 5 days	2,644	22,553	25,198	
	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 12,499	↑ 47,334	↑ 59,833
QTD	Quarter	↑ 12,499	↑ 47,334	↑ 59,833
YTD	Year	↑ 12,499	↑ 47,334	↑ 59,833

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		0.08	0.06	0.08
1W		0.52	0.52	0.52	1W		0.29	0.16	0.47	1W		0.00	0.07	0.08
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.10	0.10	0.11
2M		0.58	0.58	0.58	2M		0.32	0.22	0.41	2M		0.00	0.14	0.16
3M		0.62	0.62	0.62	3M		0.36	0.28	0.42	3M		0.24	0.19	0.24
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.38	0.27	0.38
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.68	0.46	0.68

Last Updated: 23/02/2021

Last Updated: 10/01/2022

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		1.7800	8.00		2.00		31.00		1.41	1.78
Gilt 10y		1.1252	-3.06		-3.23		40.13		0.71	1.20
Bund 10y		-0.0700	-2.00		-1.00		30.00		-0.39	-0.04
JGB 10y		0.1450	-0.50		1.20		8.50		0.05	0.15
TGB 1y		0.5092	0.05		-0.02		-1.04		0.51	0.52
TGB 2y		0.6711	2.11		0.62		0.36		0.64	0.67
TGB 5y		1.4612	3.50		2.94		20.28		1.21	1.46
TGB 7y		1.8824	4.80		4.83		21.67		1.58	1.88
TGB 10y		2.1477	5.24		6.12		17.82		1.86	2.15
AAA Spread		67.61	-1.13		-2.24		-4.38		67.61	72.42
AA Spread		82.54	-0.30		-1.23		-0.11		82.01	83.77
A Spread		137.31	1.82		1.50		-4.41		135.46	141.72
BBB Spread		361.44	-0.26		-0.06		-0.23		361.44	361.99

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		1820.1	-0.1%		1.1%		2.1%		1,769.4	1,822.4

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)		4,662.9	0.0%		-0.2%		0.9%		2,467.4	4,796.6
STOXX (EU)		478.8	1.0%		1.6%		3.2%		328.0	487.4
FTSE All-Share(UK)		3,694.0	-1.0%		-0.7%		2.0%		3,571.2	3,746.8
DAX (DE)		15,933.7	0.3%		1.0%		3.0%		15,239.7	16,271.8
CAC All-Tradable(FR)		5,474.2	0.8%		1.2%		3.9%		5,221.8	5,598.6
TOPIX (JP)		1,986.7	0.5%		-0.4%		0.7%		1,941.3	2,039.3
Shanghai (CH)		3,711.5	0.6%		-1.4%		-3.6%		3,690.0	3,851.9
Hang Seng (HK)		24,218.0	-0.7%		2.0%		3.2%		22,744.9	24,429.8
ASX 200 (AU)		7,417.3	0.3%		-0.4%		0.5%		7,292.2	7,589.8
SET (TH)		1,676.9	0.3%		1.2%		3.3%		1,615.8	1,680.0
SET50 (TH)		996.7	0.3%		1.1%		3.4%		959.3	1,002.6
Straits Times (SG)		3,288.0	0.2%		1.9%		5.7%		3,073.0	3,288.0
FTSE Malay (MY)		1,542.9	-0.8%		-0.5%		2.7%		1,482.8	1,569.5
JSX Index (ID)		6,645.0	-0.7%		-0.7%		0.8%		6,529.6	6,701.3
PSE Index (PH)		7,223.8	-0.5%		1.2%		1.3%		7,011.1	7,334.6
Vn Index (VN)		1,452.8	-2.9%		-3.4%		-1.6%		1,452.8	1,528.6

Sources: ttb analytics, CEIC

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

Important Disclosures

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