

Fed rate hike could be half-point if needed, says Raphael Bostic – FT

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The Federal Reserve could supersize an interest rate increase to half a percentage point if inflation remains stubbornly high, Atlanta Fed President Raphael Bostic told the Financial Times in an interview. Bostic stuck to his call for three quarter-point interest rate increases in 2022, with the first in March, but a more aggressive approach was possible if warranted by economic data, he told the newspaper on Friday. The Fed clearly telegraphed a March interest rate hike after its meeting last week. Fed funds futures, which track short-term rate expectations, are pricing nearly five rate increases of 25 basis points each this year, up from four expected hikes before that.

UK's Johnson and Sunak: We will go ahead with payroll tax rise

A planned increase in British social security contributions from workers and employers will go ahead in April, Prime Minister Boris Johnson and finance minister Rishi Sunak said, despite calls to scrap the rise due to the strain on household budgets. With surging inflation exacerbating a cost-of-living squeeze, the government has faced growing pressure, including from some of its own Conservative lawmakers, to delay or cancel a new health and social care levy that will see the rate of National Insurance rise by 1.25 percentage points. Britain racked up its biggest budget deficit since World War Two, equivalent to 15% of gross domestic product, in the 2020/21 financial year. Johnson and Sunak said that while they are "tax-cutting Conservatives" they need to be responsible with public finances. "We believe people are the best judges of how to spend their money. We want to get through this phase and get on with our agenda," they wrote.

China home builders, suppliers issue spate of profit warnings as Evergrande woes bite

A growing number of Chinese construction and decoration companies are writing off assets or issuing profit warnings as debt woes at China Evergrande Group and other property developers debilitate their suppliers. More such disclosures are expected during the upcoming earnings season, putting pressure on Chinese authorities to do more to limit the contagion from developers' financial crisis and avert job losses. Guangzhou Holike Creative Home Co, a furniture maker, said in an exchange filing on Wednesday it expects 2021 net profit to slump as much as 60% from a year earlier, hurt by receivables to Evergrande that are unlikely to be collected. Earlier this month, Guangdong Pak Corp, a maker of lighting fixtures, said it forecast a 85%-90% drop in 2021 earnings. And Shenzhen Wenke Landscape Co said it fell into the red last year due to Evergrande defaults. Most China-listed companies will start reporting annual results next month.

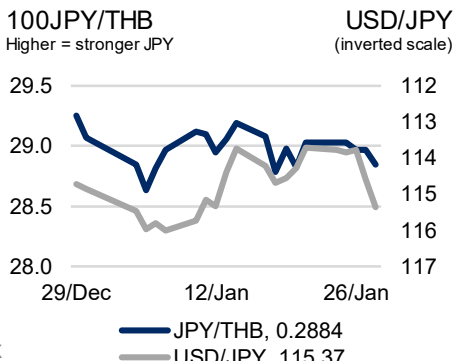
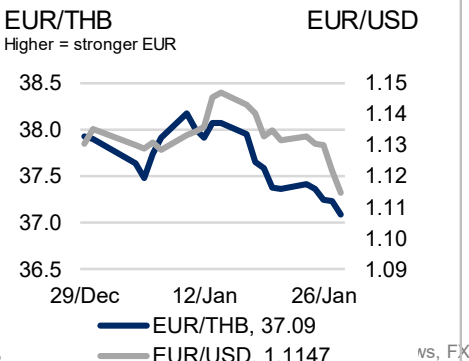
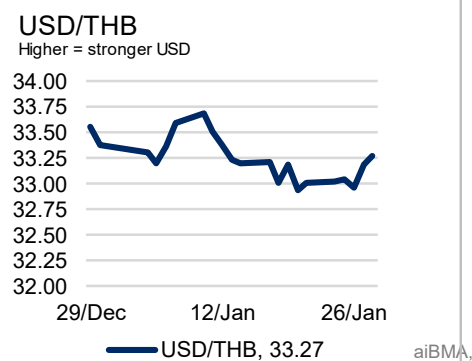
Dollar near 18-month high ahead of bumper central bank week

The 10-year government bond yield (interpolated) on the previous trading day was 2.15, -1.00 bps. The benchmark government bond yield (LB31DA) was 2.13, -2.00 bps. LB31DA could be between 2.10-2.15. Meantime, the latest closed US 10-year bond yields was 1.78%, -3.00bps. USDTHB on the previous trading day closed around 33.39 Moving in a range from 33.40-33.47 this morning. USDTHB could be closed between 33.38-33.48 today. Meantime, The dollar was near a year-and-a-half high against the euro on Monday with equities markets volatility expected to push it higher in the short-term as traders eyed upcoming Australian, UK and European central bank meetings.

Sources : Bloomberg, CNBC, Investing, CEIC

| | | | | |
|--------------------------|---------------------------|----------------------|-------------------|---------------------|
| SET Index 1,639.5 | S&P500 4,431.9 | 10Y UST 1.78% | Brent 89.3 | Gold 1,790.2 |
| 28-Jan ▲ 0.33% | 28-Jan ▲ 2.41% | 28-Jan ▼ -3.0 bps | 27-Jan ▲ 0.08% | 28-Jan ▼ -1.40% |

| | | | | | |
|----------------------|------------------|----------------------|------------------|-----------------------|------------------|
| USD/THB 33.27 | Daily ▲ 0.25% | EUR/THB 37.09 | Daily ▼ -0.40% | JPY/THB 0.2884 | Daily ▼ -0.43% |
| | Weekly ▲ 0.74% | | Weekly ▼ -0.89% | | Weekly ▼ -0.65% |
| Sideways Trend | Monthly ▼ -0.84% | Falling Trend | Monthly ▼ -2.23% | Falling Trend | Monthly ▼ -1.40% |



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Currency Market

| Currency | 1M History | Last | %Chg (1D) | %Chg (1W) | %Chg (1M) | 1M Range | |
|--------------|------------|--------|-----------|-----------|-----------|----------|--------|
| | | | | | | Min | Max |
| Dollar Index | | 97.19 | 0.6% | 1.5% | 1.1% | 94.73 | 97.19 |
| EUR/USD | | 1.1147 | -0.6% | -1.5% | -1.5% | 1.1147 | 1.1469 |
| USD/JPY | | 115.37 | 0.7% | 1.4% | 0.5% | 113.73 | 115.99 |
| USD/CHF | | 0.9304 | 0.6% | 1.6% | 1.4% | 0.9103 | 0.9304 |
| GBP/USD | | 1.3400 | -0.3% | -1.4% | -0.2% | 1.3395 | 1.3723 |
| USD/CAD | | 1.2732 | 0.2% | 1.7% | -0.5% | 1.2496 | 1.2827 |
| AUD/USD | | 0.7038 | -0.5% | -2.2% | -2.7% | 0.7038 | 0.7287 |
| NZD/USD | | 0.6579 | -0.6% | -2.3% | -3.4% | 0.6579 | 0.6861 |
| ASEAN Dollar | | 106.32 | 0.0% | 0.4% | 0.2% | 105.76 | 106.85 |
| USD/THB | | 33.27 | 0.3% | 0.8% | -0.8% | 32.94 | 33.69 |
| USD/SGD | | 1.3529 | 0.2% | 0.5% | -0.2% | 1.3433 | 1.3607 |
| USD/MYR | | 4.1926 | -0.3% | 0.2% | 0.2% | 4.1654 | 4.2113 |
| USD/IDR | | 14,360 | 0.0% | 0.4% | 1.2% | 14,189 | 14,388 |
| USD/PHP | | 51.28 | -0.3% | -0.3% | 2.1% | 50.00 | 51.48 |
| USD/CNY | | 6.3536 | 0.2% | 0.3% | -0.2% | 6.3171 | 6.3832 |
| USD/HKD | | 7.7862 | 0.0% | 0.1% | -0.2% | 7.7696 | 7.8045 |

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 | | 244,800 | -891 |
| Gold | | 14,392 | 127 |
| SDR | | 5,708 | -12 |
| IMF Reserves | | 1,241 | -3 |
| Foreign Ccy | | 223,458 | -1003 |
| Net Fwd Position | | 32,830 | 460 |

Last update: 21/01/2022

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total | |
|-----------------------|---------------|--------------|---------------|---------|
| 28/01/2022 | -1,005 | -3,350 | -4,355 | |
| 27/01/2022 | -763 | 547 | -216 | |
| 26/01/2022 | 519 | 4,810 | 5,330 | |
| 25/01/2022 | 3,421 | 6,496 | 9,917 | |
| 24/01/2022 | 2,206 | 983 | 3,188 | |
| Last 5 days | 4,378 | 9,487 | 13,865 | |
| Period-to-date | Equity | Bond | Total | |
| MTD | Month | 13,696 | 86,841 | 100,538 |
| QTD | Quarter | 13,696 | 86,841 | 100,538 |
| YTD | Year | 13,696 | 86,841 | 100,538 |

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 | | 0.07 | 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 | | 0.11 | 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 | | 0.26 | 0.21 | 0.26 |
| 6M | | 0.73 | 0.73 | 0.73 | 6M | | 0.37 | 0.30 | 0.41 | 6M | | 0.44 | 0.31 | 0.45 |
| 12M | | 0.95 | 0.95 | 0.95 | 12M | | 0.45 | 0.38 | 0.50 | 12M | | 0.80 | 0.52 | 0.80 |

Last Updated: 23/02/2021

Last Updated: 21/01/2022

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 | -3.00 | 3.00 | 23.00 | 1.48 | 1.87 |
| Gilt 10y | | 1.2166 | 5.05 | -6.13 | 27.56 | 0.88 | 1.28 |
| Bund 10y | | -0.0400 | 4.00 | -1.00 | 19.00 | -0.27 | 0.01 |
| JGB 10y | | 0.1720 | 1.10 | 3.70 | 9.40 | 0.07 | 0.17 |
| TGB 1y | | 0.5079 | 0.01 | 0.21 | -0.64 | 0.51 | 0.52 |
| TGB 2y | | 0.6964 | -0.25 | 0.38 | 3.47 | 0.65 | 0.70 |
| TGB 5y | | 1.4500 | -1.81 | -0.76 | 18.66 | 1.25 | 1.51 |
| TGB 7y | | 1.8226 | -2.18 | -3.47 | 21.25 | 1.61 | 1.93 |
| TGB 10y | | 2.1556 | -0.99 | -1.48 | 26.21 | 1.89 | 2.22 |
| AAA Spread | | 67.96 | 0.85 | 0.69 | -4.09 | 65.90 | 72.42 |
| AA Spread | | 81.55 | 0.26 | 0.25 | -0.97 | 80.92 | 83.77 |
| A Spread | | 136.93 | 0.00 | -0.30 | -0.33 | 135.46 | 140.81 |
| BBB Spread | | 362.77 | 1.48 | 1.43 | 0.83 | 361.20 | 362.77 |

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 | | 1790.2 | -1.4% | -2.4% | -0.3% | 1,786.1 | 1,845.2 |

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) | | 4,431.9 | 2.4% | 0.8% | -7.3% | 2,467.4 | 4,793.1 |
| STOXX (EU) | | 450.1 | -2.3% | -3.6% | -6.1% | 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) | | 15,319.0 | -1.3% | -1.8% | -3.4% | 15,011.1 | 16,271.8 |
| CAC All-Tradable(FR) | | 5,277.5 | -0.8% | -1.8% | -3.2% | 5,157.0 | 5,598.6 |
| TOPIX (JP) | | 1,876.9 | 1.9% | -2.6% | -5.1% | 1,842.4 | 2,039.3 |
| Shanghai (CH) | | 3,522.5 | -1.0% | -4.6% | -6.6% | 3,522.5 | 3,814.3 |
| Hang Seng (HK) | | 23,550.1 | -1.1% | -5.7% | 1.9% | 22,907.3 | 24,965.6 |
| ASX 200 (AU) | | 6,988.1 | 2.2% | -4.8% | -5.8% | 6,838.3 | 7,589.8 |
| SET (TH) | | 1,639.5 | 0.3% | -0.8% | -0.1% | 1,634.2 | 1,680.0 |
| SET50 (TH) | | 990.5 | 0.2% | 0.3% | 0.8% | 975.1 | 1,002.6 |
| Straits Times (SG) | | 3,246.3 | -0.4% | -1.5% | 3.8% | 3,123.7 | 3,294.9 |
| FTSE Malay (MY) | | 1,520.0 | 0.3% | -0.5% | -1.6% | 1,508.9 | 1,569.5 |
| JSX Index (ID) | | 6,645.5 | 0.5% | -1.2% | 0.7% | 6,568.2 | 6,726.4 |
| PSE Index (PH) | | 7,252.0 | -0.3% | -0.6% | -0.5% | 7,011.1 | 7,344.0 |
| Vn Index (VN) | | 1,479.0 | 0.6% | 0.4% | -0.5% | 1,438.9 | 1,528.6 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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