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The silence marks a sharp reversal for the Fed and its chair, Jerome Powell. His four interest rate hikes in 2018 drew blistering criticism from President Donald Trump, who had just installed Powell atop the Fed and felt they undercut Trump's own efforts to bolster economic growth. President Joe Biden by contrast has endorsed what the Fed has signaled will be at least three interest rate hikes this year and a rapid shrinking of its nearly \$9 trillion balance sheet to further raise borrowing costs. So why the difference? Contrasting presidential styles aside, it comes down to one thing: inflation. In Trump's four-year term consumer prices mostly rose around a 2% annual pace and never faster than 3%. In Biden's first year alone they shot up 7% as demand for everything from cars to hamburgers far outpaced the economy's ability to fulfill it.

IMF cuts growth forecasts for U.S., China and world as Omicron spreads

The International Monetary Fund lowered its economic forecasts for the United States, China and the global economy on Tuesday, and said uncertainty about the pandemic, inflation, supply disruptions and U.S. monetary tightening posed further risks. "We project global growth this year at 4.4%, 0.5 percentage point lower than previously forecast, mainly because of downgrades for the United States and China," according to IMF. Escalating conflict between Russia and Ukraine could boost energy prices, keeping headline inflation at elevated levels for longer. Global growth is expected to slow to 3.8% in 2023. The IMF cut its forecast for U.S. growth by 1.2 percentage points. The U.S. economy is now forecast to grow by 4% in 2022 after expanding 5.6% in 2021, with growth seen easing further to 2.6% in 2023, the IMF said.

BOJ debated chance of inflation pick-up towards 2% as price hikes broaden

Some Bank of Japan policymakers saw consumer inflation briefly accelerating towards their 2% target as price pressures build up on changing corporate price-setting behavior, according to BoJ. Many board members, however, stressed the need to maintain ultra-loose monetary policy to support a fragile economy facing fresh risks from a spike in Omicron coronavirus cases. At the January meeting, the BOJ raised its price forecasts but said it was in no rush to change its ultra-loose policy with inflation still distant from its target. Japan has not been immune to impact of global commodity inflation with wholesale prices rising at a record pace. But decades of low inflation have made many Japanese firms cautious of raising prices for fear of scaring away consumers, and instead have absorbed costs by streamlining operations.

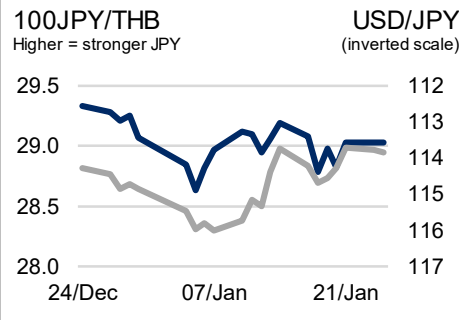
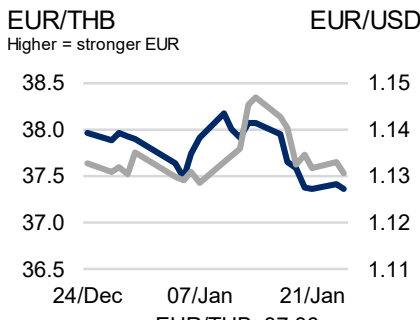
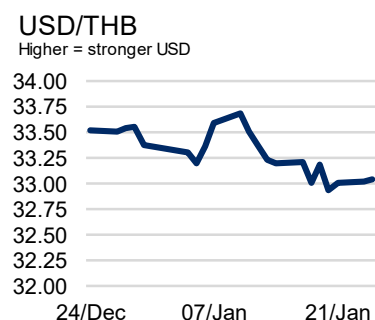
Euro falls to one-month low as Ukraine tensions simmer

The 10-year government bond yield (interpolated) on the previous trading day was 2.14, -2.00 bps. The benchmark government bond yield (LB31DA) was 2.13, +1.00 bps. LB31DA could be between 2.09-2.15. Meantime, the latest closed US 10-year bond yields was 1.78%, +3.00bps. USDTHB on the previous trading day closed around 33.04 Moving in a range from 32.93-33.02 this morning. USDTHB could be closed between 32.92-33.02 today. Meantime, The euro fell to a one-month low on Tuesday as tensions between Russia and the West over Ukraine drew investors to the dollar, a day before the Federal Reserve is expected to reveal details on its plans to tighten monetary policy.

Sources : Bloomberg, CNBC, Investing, CEIC

| | | | | |
|--------------------------|---------------------------|----------------------|-------------------|---------------------|
| SET Index 1,639.1 | S&P500 4,356.5 | 10Y UST 1.78% | Brent 86.3 | Gold 1,835.7 |
| 25-Jan ▼ -0.09% | 25-Jan ▼ -1.22% | 25-Jan ▲ 3.0 bps | 24-Jan ▼ -1.86% | 25-Jan ▼ -0.14% |

| | | | | | |
|----------------------|------------------|----------------------|-----------------|-----------------------|----------------|
| USD/THB 33.04 | Daily ▲ 0.04% | EUR/THB 37.36 | Daily ▼ -0.17% | JPY/THB 0.2902 | Daily ▼ -0.01% |
| Sideways Trend | Weekly ▼ -0.45% | Falling Trend | Weekly ▼ -0.63% | Sideways Trend | Weekly ▲ 0.17% |
| Monthly ▼ -1.43% | Monthly ▼ -1.63% | Monthly ▼ -1.06% | | | |



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Currency Market

| Currency | 1M History | Last | %Chg (1D) | %Chg (1W) | %Chg (1M) | 1M Range | |
|--------------|------------|--------|-----------|-----------|-----------|----------|--------|
| | | | | | | Min | Max |
| Dollar Index | | 96.02 | 0.3% | 0.8% | 0.0% | 94.73 | 96.62 |
| EUR/USD | | 1.1306 | -0.2% | -0.9% | -0.3% | 1.1265 | 1.1469 |
| USD/JPY | | 113.85 | 0.1% | -0.7% | -0.2% | 113.51 | 115.99 |
| USD/CHF | | 0.9162 | 0.3% | 0.2% | -0.3% | 0.9103 | 0.9258 |
| GBP/USD | | 1.3468 | -0.6% | -1.3% | 0.8% | 1.3221 | 1.3723 |
| USD/CAD | | 1.2653 | 0.6% | 1.1% | -1.5% | 1.2496 | 1.2932 |
| AUD/USD | | 0.7139 | -0.5% | -0.9% | -1.0% | 0.7115 | 0.7287 |
| NZD/USD | | 0.6679 | -0.5% | -1.6% | -1.9% | 0.6679 | 0.6861 |
| ASEAN Dollar | | 106.12 | 0.1% | 0.0% | -0.4% | 106.03 | 107.05 |
| USD/THB | | 33.04 | 0.0% | 0.1% | -1.6% | 32.94 | 33.77 |
| USD/SGD | | 1.3442 | 0.0% | -0.2% | -1.2% | 1.3442 | 1.3657 |
| USD/MYR | | 4.1895 | 0.1% | 0.2% | -0.3% | 4.1654 | 4.2113 |
| USD/IDR | | 14,331 | 0.2% | 0.2% | 0.7% | 14,189 | 14,388 |
| USD/PHP | | 51.36 | 0.0% | 0.0% | 2.5% | 50.00 | 51.48 |
| USD/CNY | | 6.3272 | 0.0% | -0.2% | -0.5% | 6.3265 | 6.3832 |
| USD/HKD | | 7.7891 | 0.1% | 0.0% | -0.1% | 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 | | 245,691 | 1360 |
| Gold | | 14,265 | 168 |
| SDR | | 5,721 | 19 |
| IMF Reserves | | 1,244 | 4 |
| Foreign Ccy | | 224,461 | 1169 |
| Net Fwd Position | | 32,370 | -610 |

Last update: 14/01/2022

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total | |
|--------------------|-----------------------|---------------|---------------|--------------|
| 25/01/2022 | 3,421 | 6,496 | 9,917 | |
| 24/01/2022 | 2,206 | 983 | 3,188 | |
| 21/01/2022 | 1,294 | 2,687 | 3,981 | |
| 20/01/2022 | -2,564 | 3,796 | 1,232 | |
| 19/01/2022 | 1,047 | 9,173 | 10,220 | |
| Last 5 days | 5,403 | 23,135 | 28,538 | |
| | Period-to-date | Equity | Bond | Total |
| MTD | Month | ↑ 14,945 | ↑ 84,833 | ↑ 99,778 |
| QTD | Quarter | ↑ 14,945 | ↑ 84,833 | ↑ 99,778 |
| YTD | Year | ↑ 14,945 | ↑ 84,833 | ↑ 99,778 |

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 | | 0.10 | 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 | | 0.25 | 0.20 | 0.25 |
| 6M | | 0.73 | 0.73 | 0.73 | 6M | | 0.37 | 0.30 | 0.41 | 6M | | 0.43 | 0.29 | 0.43 |
| 12M | | 0.95 | 0.95 | 0.95 | 12M | | 0.45 | 0.38 | 0.50 | 12M | | 0.79 | 0.50 | 0.79 |

Last Updated: 23/02/2021

Last Updated: 18/01/2022

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 | -9.00 | 28.00 | 1.46 | 1.87 |
| Gilt 10y | | 1.1811 | -5.84 | 2.43 | 40.39 | 0.75 | 1.28 |
| Bund 10y | | -0.0900 | -3.00 | -6.00 | 20.00 | -0.39 | 0.01 |
| JGB 10y | | 0.1410 | 0.00 | -0.90 | 6.90 | 0.05 | 0.15 |
| TGB 1y | | 0.5073 | 0.22 | -0.09 | -1.05 | 0.51 | 0.52 |
| TGB 2y | | 0.6850 | -0.31 | 0.26 | 2.54 | 0.65 | 0.70 |
| TGB 5y | | 1.4393 | -0.83 | -5.89 | 18.92 | 1.22 | 1.51 |
| TGB 7y | | 1.8272 | -2.32 | -9.79 | 21.09 | 1.58 | 1.93 |
| TGB 10y | | 2.1411 | -1.77 | -7.73 | 20.52 | 1.89 | 2.22 |
| AAA Spread | | 67.48 | -0.09 | 1.16 | -4.46 | 65.90 | 72.42 |
| AA Spread | | 80.92 | -0.42 | -0.59 | -1.11 | 80.92 | 83.77 |
| A Spread | | 137.05 | -0.13 | -0.10 | -3.74 | 135.46 | 141.01 |
| BBB Spread | | 361.36 | -0.05 | 0.01 | -0.47 | 361.20 | 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 | | 1835.7 | -0.1% | 1.4% | 2.6% | 1,786.1 | 1,838.3 |

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) | | 4,356.5 | -1.2% | -4.8% | -9.1% | 2,467.4 | 4,796.6 |
| STOXX (EU) | | 475.4 | 6.1% | 0.7% | -0.4% | 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) | | 15,123.9 | 0.8% | -4.1% | -4.0% | 15,011.1 | 16,271.8 |
| CAC All-Tradable(FR) | | 5,189.2 | 0.6% | -4.4% | -4.4% | 5,157.0 | 5,598.6 |
| TOPIX (JP) | | 1,896.6 | -1.7% | -4.1% | -3.8% | 1,896.6 | 2,039.3 |
| Shanghai (CH) | | 3,597.7 | -2.6% | -3.8% | -5.1% | 3,597.7 | 3,818.4 |
| Hang Seng (HK) | | 24,243.6 | -1.7% | 0.5% | 4.4% | 22,907.3 | 24,965.6 |
| ASX 200 (AU) | | 6,961.6 | -2.5% | -6.0% | -5.5% | 6,961.6 | 7,589.8 |
| SET (TH) | | 1,639.1 | -0.1% | -1.3% | -0.1% | 1,622.3 | 1,680.0 |
| SET50 (TH) | | 985.4 | 0.0% | -0.2% | 1.0% | 962.8 | 1,002.6 |
| Straits Times (SG) | | 3,247.8 | -1.1% | -1.0% | 4.6% | 3,096.8 | 3,294.9 |
| FTSE Malay (MY) | | 1,508.9 | -0.9% | -2.2% | -0.5% | 1,500.3 | 1,569.5 |
| JSX Index (ID) | | 6,568.2 | -1.3% | -0.7% | 0.1% | 6,529.6 | 6,726.4 |
| PSE Index (PH) | | 7,288.2 | 0.5% | -0.8% | 0.6% | 7,011.1 | 7,344.0 |
| Vn Index (VN) | | 1,479.6 | 2.8% | 2.8% | 0.2% | 1,438.9 | 1,528.6 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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