

**Morgan Stanley expects Fed to hike rates 6 times in 2022**

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Morgan Stanley expects the U.S. Federal Reserve to raise interest rates six times this year for a total of 150 basis points, a faster increase than previously predicted. Major investment banks have been penciling in an increasingly strong run of interest rate hikes for 2022 after hotter-than-expected inflation data ramped up pressure on the Fed to take a firmer stand against soaring prices. The Fed is likely to hike rates by 25 basis points at the end of its March policy meeting, followed by additional 25 basis point hikes in May, June and July, with another two hikes in September and December, according to Morgan Stanley. Data last week showed U.S. consumer prices rose at their fastest pace since the early 1980s, fueling market speculation for a hefty 50-basis-point hike from the Fed's March 15-16 meeting.

**Fed's Mester: Rates should rise faster than after Great Recession**

The Federal Reserve will need to move more aggressively to remove accommodation than it did following the Great Recession by raising interest rates at a faster pace and shrinking its balance sheet more quickly, Fed Mester said on Thursday. Policymakers are expected to start raising interest rates from near zero levels when they meet next month and to begin reducing the Fed's nearly \$9 trillion portfolio soon after. Officials are debating how quickly to raise interest rates to combat the highest inflation seen in decades. St. Louis Fed President Jim Bullard is calling on the Fed to raise rates by a full percentage point by July, while others favor a smaller increase to start. Mester said she would support removing accommodation at a faster pace in the second half of the year if inflation does not abate by mid-year, and at a slower rate if inflation comes down faster than expected.

**Euro zone may have turned page on low inflation, ECB's Lane says**

The ultra-low inflation seen in the euro zone until recently are unlikely to return even after the pandemic is over, the European Central Bank's chief economist Philip Lane said, citing changes in the global economy among other factors. Lane had dismissed the notion of a new era for inflation until recently but he has been revising his view, setting the stage for a policy shift at the ECB after nearly a decade of ultra-low interest rates and massive bond purchases. The ECB is under market pressure to raise rates on bank deposits, currently at minus 0.5%, in the face of stubbornly high euro zone inflation. This hit 5.1% in January, well over twice the ECB's 2% target. Lane said the pace of any policy change would depend on whether the ECB expected inflation to settle below, at or above 2%.

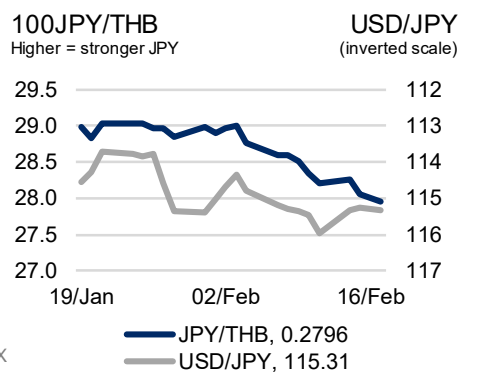
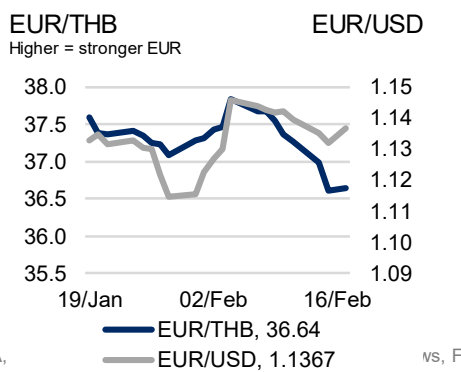
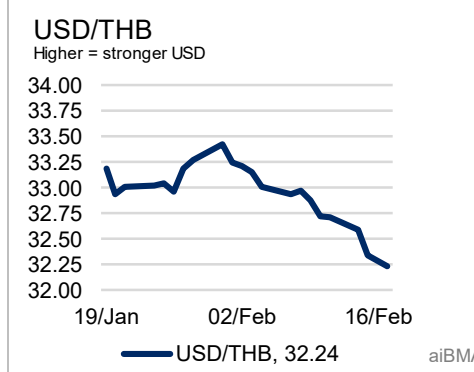
**Dollar Up, Yen Bid as Ukraine Tension Concerns Remain**

The 10-year government bond yield (interpolated) on the previous trading day was 2.20, -1.00 bps. The benchmark government bond yield (LB31DA) was 2.16, -3.00 bps. LB31DA could be between 2.14-2.18. Meantime, the latest closed US 10-year bond yields was 1.97%, -6.00bps. USDTHB on the previous trading day closed around 32.18 Moving in a range from 32.08-32.18 this morning. USDTHB could be closed between 32.10-32.20 today. Meantime, The dollar was up on Friday morning in Asia. However, the safe-haven yen gained more ground on the dollar after U.S. President Joe Biden accused Russia of preparing a pretext to justify a possible attack on Ukraine.

Sources : Bloomberg, CNBC, Investing, CEIC

<b>SET Index</b> 1,711.6	<b>S&amp;P500</b> 4,380.3	<b>10Y UST</b> 1.97%	<b>Brent</b> 94.8	<b>Gold</b> 1,886.6
17-Feb ▲ 0.59%	17-Feb ▼ -2.14%	17-Feb ▼ -6.0 bps	16-Feb ▲ 1.63%	17-Feb ▲ 1.72%

<b>USD/THB</b> 32.24	Daily ▼ -0.33%	<b>EUR/THB</b> 36.64	Daily ▲ 0.09%	<b>JPY/THB</b> 0.2796	Daily ▼ -0.38%
Falling Trend	Weekly ▼ -1.50%	Sideways Trend	Weekly ▼ -1.98%	Falling Trend	Weekly ▼ -1.36%
	Monthly ▼ -2.92%		Monthly ▼ -2.56%		Monthly ▼ -3.58%



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## Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		95.85	-0.3%	0.3%	0.6%	94.73	97.19
EUR/USD		1.1367	0.4%	-0.5%	-0.3%	1.1147	1.1469
USD/JPY		115.31	0.0%	-0.1%	0.5%	113.73	115.95
USD/CHF		0.9218	-0.2%	-0.3%	0.8%	0.9103	0.9313
GBP/USD		1.3584	0.3%	0.2%	-0.4%	1.3400	1.3723
USD/CAD		1.2703	-0.2%	0.0%	1.5%	1.2505	1.2750
AUD/USD		0.7192	0.9%	0.6%	-0.2%	0.7011	0.7274
NZD/USD		0.6688	0.9%	0.6%	-1.5%	0.6559	0.6858

ASEAN Dollar	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
USD/THB		32.24	-0.3%	-2.0%	-2.4%	32.24	33.43		
USD/SGD		1.3431	-0.2%	-0.1%	-0.3%	1.3422	1.3550		
USD/MYR		4.1832	0.0%	0.0%	0.0%	4.1753	4.2034		
USD/IDR		14,252	-0.1%	-0.7%	-0.4%	14,252	14,381		
USD/PHP		51.31	0.0%	-0.2%	-0.1%	50.94	51.48		
USD/CNY		6.3270	-0.3%	-0.5%	-0.2%	6.3171	6.3598		
USD/HKD		7.7955	0.0%	0.1%	0.1%	7.7696	7.7963		

## 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		243,531	1465
Gold		14,189	129
SDR		5,716	52
IMF Reserves		1,243	11
Foreign Ccy		222,383	1272
Net Fwd Position		33,100	-140

Last update: 04/02/2022

## Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
17/02/2022	6,315	-990	5,325	
15/02/2022	2,897	1,116	4,012	
14/02/2022	3,653	6,721	10,374	
11/02/2022	5,831	860	6,691	
10/02/2022	8,461	7,349	15,810	
<b>Last 5 days</b>	<b>27,156</b>	<b>15,056</b>	<b>42,213</b>	
<b>Period-to-date</b>	<b>Equity</b>	<b>Bond</b>	<b>Total</b>	
MTD	Month	↑ 56,536	↑ 61,392	↑ 117,928
QTD	Quarter	↑ 70,895	↑ 142,065	↑ 212,960
YTD	Year	↑ 70,895	↑ 142,065	↑ 212,960

## 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	0.07	0.08
1W		0.52	0.52	0.52	1W		0.29	0.16	0.47	1W		0.00	#NUM!	0.00
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.12	0.10	0.13
2M		0.58	0.58	0.59	2M		0.32	0.22	0.41	2M		0.00	#NUM!	0.00
3M		0.62	0.62	0.62	3M		0.36	0.28	0.42	3M		0.38	0.24	0.38
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.63	0.38	0.64
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		1.09	0.66	1.09

Last Updated: 23/02/2021

Last Updated: 09/02/2022

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		<b>1.9700</b>	-6.00	-6.00	14.00	1.75	2.05
Gilt 10y		<b>1.5219</b>	8.94	13.62	36.61	1.13	1.52
Bund 10y		<b>0.3100</b>	3.00	10.00	32.00	-0.09	0.31
JGB 10y		<b>0.2270</b>	0.40	1.50	7.70	0.14	0.23
TGB 1y		<b>0.5080</b>	-0.11	-0.23	-0.03	0.51	0.51
TGB 2y		<b>0.7179</b>	-0.75	1.49	3.55	0.65	0.73
TGB 5y		<b>1.4180</b>	-3.62	-1.99	-8.02	1.39	1.51
TGB 7y		<b>1.8207</b>	-2.23	2.12	-10.43	1.77	1.93
TGB 10y		<b>2.1987</b>	-1.46	0.46	-1.97	2.10	2.22
AAA Spread		<b>68.89</b>	0.04	-0.12	2.57	65.90	69.02
AA Spread		<b>81.20</b>	0.88	-0.28	-0.30	80.33	82.84
A Spread		<b>136.79</b>	0.06	-0.18	-0.36	135.49	137.37
BBB Spread		<b>354.01</b>	0.12	-7.65	-7.34	353.90	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		<b>60.75</b>	-1.2%	-5.6%	-0.3%	58.31	67.93
London Gold		<b>1886.6</b>	1.7%	3.0%	3.8%	1,790.2	1,886.6

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)		<b>4,380.3</b>	-2.1%	-2.7%	-3.4%	2,467.4	4,589.4
STOXX (EU)		<b>450.6</b>	-1.7%	-3.1%	-4.6%	328.0	477.1
FTSE All-Share(UK)		<b>3,694.0</b>	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		<b>15,370.3</b>	-0.3%	-0.7%	-2.6%	15,011.1	15,933.7
CAC All-Tradable(FR)		<b>5,273.5</b>	-0.3%	-2.1%	-3.3%	5,157.0	5,474.2
TOPIX (JP)		<b>1,931.2</b>	-0.8%	-1.1%	-2.4%	1,842.4	1,986.7
Shanghai (CH)		<b>3,634.6</b>	0.1%	-0.5%	-3.6%	3,522.5	3,770.1
Hang Seng (HK)		<b>24,792.8</b>	0.3%	-0.5%	1.7%	23,550.1	24,965.6
ASX 200 (AU)		<b>7,296.2</b>	0.2%	0.1%	-1.5%	6,838.3	7,417.3
SET (TH)		<b>1,711.6</b>	0.6%	0.5%	3.1%	1,634.2	1,711.6
SET50 (TH)		<b>1,035.9</b>	0.6%	0.6%	4.9%	985.2	1,035.9
Straits Times (SG)		<b>3,441.6</b>	0.1%	0.4%	4.8%	3,246.3	3,441.6
FTSE Malay (MY)		<b>1,605.0</b>	0.1%	2.2%	3.2%	1,508.9	1,605.0
JSX Index (ID)		<b>6,835.1</b>	-0.2%	0.2%	3.3%	6,568.2	6,850.2
PSE Index (PH)		<b>7,438.9</b>	-0.2%	0.1%	1.3%	7,223.8	7,502.5
Vn Index (VN)		<b>1,508.0</b>	1.1%	0.1%	-0.2%	1,438.9	1,510.5

Sources: ttb analytics, CEIC

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

**Important Disclosures**

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