

Fed Members Back Faster Rate Hikes, 'Significant' Balance Sheet Reduction: Minutes

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Federal Reserve officials were in favor of reining in accommodative monetary policy measures with a faster pace of rate increases and a "significant" reduction in the size of balance sheet that could begin later this year, the Fed's January meeting minutes showed Wednesday. The faster pace of rate hikes, however, is conditional on whether the pace of inflation continues to trend above target or eventually dissipates. The odds of a 50 basis point rate hike at the Fed's meeting has eased slightly to about 50%, 25% last week, according to Investing.com's the Fed rate monitor tool. "I'd like to see 100 basis points in the bag by July 1," James Bullard said in an interview with Bloomberg. "I was already more hawkish but I have pulled up dramatically what I think the committee should do."

BOJ's Kuroda says no plan to change long-term yield cap - for now

The Bank of Japan has no plan now to change an implicit 0.25% cap set around its yield target, though a tweak in the future cannot be ruled out, governor Haruhiko Kuroda said on Wednesday. Under yield curve control, the BOJ guides the 10-year Japanese government bond (JGB) yield around 0 - 0.25% as part of efforts to keep borrowing costs low and stimulate the economy. "We have no plan now to change the band. But that's not to say the band cannot change forever," Kuroda told parliament. Kuroda also said the yield curve needs to steepen "to a certain extent," suggesting the BOJ will not intervene to forcefully push down longer-dated yields such as those for 20- and 30-year notes. The remarks underscores the tricky balance the BOJ faces in keeping borrowing costs low, while seeking to mitigate the strain prolonged ultra-low rates is inflicting on bank profits.

IMF sees inflation as 'significant risk,' but eyes gradual moderation in rising prices

Headline inflation has moved above central bank targets in most Group of 20 economies despite weaker growth momentum and remains a "significant risk," but rising prices should moderate gradually in most economies this year, the IMF said Wednesday. But longer-term inflation expectations remained generally well-anchored in economies with strong policy frameworks. The IMF said downside risks continued to dominate and economic indicators released after it downgraded its forecast for global growth by half a percentage point to 4.4% in January pointed to "weak growth momentum." IMF staff estimated that supply disruptions had likely subtracted between 0.5 and 1 percentage point from 2021 and lifted core inflation by 1 percentage point, the IMF said.

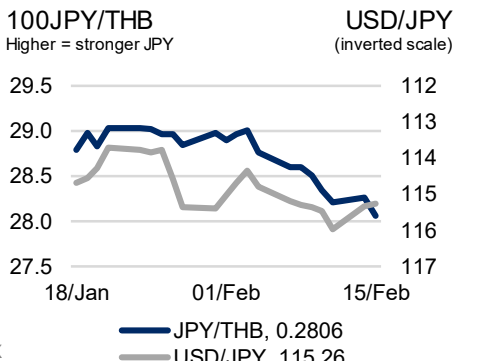
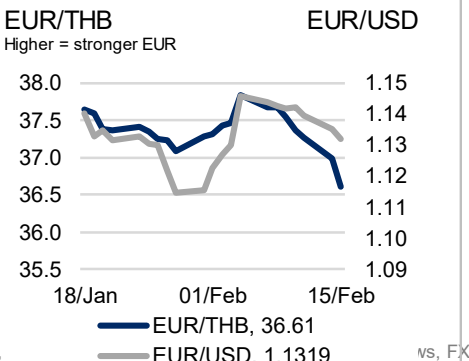
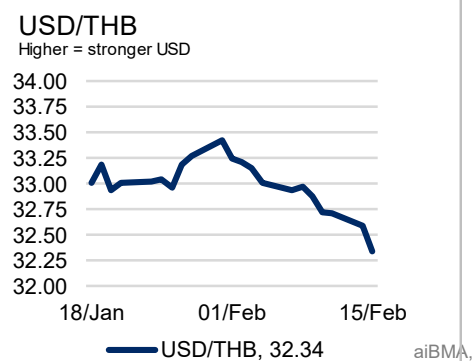
Dollar falls as investors see Fed minutes as less hawkish than feared

The 10-year government bond yield (interpolated) on the previous trading day was 2.21, +1.00 bps. The benchmark government bond yield (LB31DA) was 2.19, +2.00 bps. LB31DA could be between 2.17-2.22. Meantime, the latest closed US 10-year bond yields was 2.03%, -2.00bps. USDTHB on the previous trading day closed around 32.35 Moving in a range from 32.20-32.29 this morning. USDTHB could be closed between 32.15-32.25 today. Meantime, The U.S. dollar index was down on Wednesday, hitting its lowest level since Friday after minutes from the last U.S. Federal Reserve meeting suggested policymakers are not set on a particular pace of interest rate hikes.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,701.5	S&P500 4,475.0	10Y UST 2.03%	Brent 93.3	Gold 1,854.4
15-Feb ▲ 0.99%	16-Feb ▲ 0.09%	16-Feb ▼ -2.0 bps	15-Feb ▼ -3.37%	16-Feb ▼ -0.04%

USD/THB 32.34	Daily ▼ -0.77%	EUR/THB 36.61	Daily ▼ -1.05%	JPY/THB 0.2806	Daily ▼ -0.70%
Falling Trend	Weekly ▼ -1.66%	Falling Trend	Weekly ▼ -2.54%	Falling Trend	Weekly ▼ -1.56%
	Monthly ▼ -2.05%		Monthly ▼ -2.80%		Monthly ▼ -2.54%



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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		96.16	0.2%	0.7%	1.2%	94.73	97.19
EUR/USD		1.1319	-0.3%	-0.9%	-1.0%	1.1147	1.1469
USD/JPY		115.26	-0.1%	0.0%	0.9%	113.73	115.95
USD/CHF		0.9233	-0.2%	-0.1%	1.1%	0.9103	0.9313
GBP/USD		1.3546	0.0%	0.1%	-1.1%	1.3400	1.3723
USD/CAD		1.2731	0.0%	0.3%	1.6%	1.2496	1.2750
AUD/USD		0.7129	0.0%	0.0%	-1.2%	0.7011	0.7287
NZD/USD		0.6625	0.0%	-0.2%	-2.7%	0.6559	0.6861
ASEAN Dollar		106.35	-0.3%	-0.6%	-0.6%	106.35	107.52
USD/THB		32.34	-0.8%	-1.9%	-2.6%	32.34	33.43
USD/SGD		1.3458	0.0%	0.1%	0.0%	1.3422	1.3550
USD/MYR		4.1850	-0.1%	0.0%	0.2%	4.1717	4.2034
USD/IDR		14,268	-0.5%	-0.8%	-0.2%	14,268	14,381
USD/PHP		51.33	0.1%	-0.1%	0.3%	50.94	51.48
USD/CNY		6.3456	-0.1%	-0.1%	0.1%	6.3171	6.3598
USD/HKD		7.7941	0.0%	0.0%	0.3%	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	
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	
09/02/2022	17,416	16,332	33,748	
Last 5 days	38,258	32,378	70,636	
	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 50,221	↑ 62,382	↑ 112,603
QTD	Quarter	↑ 64,580	↑ 143,055	↑ 207,635
YTD	Year	↑ 64,580	↑ 143,055	↑ 207,635

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		2.0300	-2.00	9.00	16.00	1.70	2.05
Gilt 10y		1.5219	8.94	13.62	36.61	1.13	1.52
Bund 10y		0.2800	8.00	7.00	31.00	-0.09	0.28
JGB 10y		0.2230	0.40	1.00	7.80	0.13	0.23
TGB 1y		0.5091	0.11	-0.44	-0.01	0.51	0.51
TGB 2y		0.7254	0.88	2.41	5.43	0.65	0.73
TGB 5y		1.4541	-0.24	-0.17	-0.71	1.39	1.51
TGB 7y		1.8430	1.43	1.74	-3.94	1.77	1.93
TGB 10y		2.2133	0.71	-0.38	6.55	2.09	2.22
AAA Spread		68.85	-0.01	-0.04	1.24	65.90	69.02
AA Spread		80.33	-0.01	-0.96	-2.22	80.33	82.84
A Spread		136.73	-0.02	-0.08	-0.58	135.46	137.37
BBB Spread		353.90	-0.02	-7.69	-7.54	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		60.75	-1.2%	-5.6%	-0.3%	58.31	67.93
London Gold		1854.4	0.0%	1.4%	2.4%	1,790.2	1,855.8

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)		4,475.0	0.1%	-2.4%	-2.2%	2,467.4	4,662.9
STOXX (EU)		460.3	0.3%	-1.2%	-2.5%	328.0	477.1
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		15,370.3	-0.3%	-0.7%	-2.6%	15,011.1	15,933.7
CAC All-Tradable(FR)		5,291.0	-0.2%	-2.0%	-2.5%	5,157.0	5,474.2
TOPIX (JP)		1,946.6	1.7%	0.6%	-2.0%	1,842.4	2,005.6
Shanghai (CH)		3,632.3	0.6%	-0.4%	-2.8%	3,522.5	3,770.1
Hang Seng (HK)		24,718.9	1.5%	-0.4%	1.2%	23,550.1	24,965.6
ASX 200 (AU)		7,284.9	1.1%	0.2%	-1.8%	6,838.3	7,474.4
SET (TH)		1,701.5	1.0%	1.0%	1.5%	1,634.2	1,703.2
SET50 (TH)		1,029.7	0.8%	1.8%	3.3%	985.2	1,029.9
Straits Times (SG)		3,439.3	0.5%	0.6%	4.9%	3,246.3	3,439.3
FTSE Malay (MY)		1,603.2	0.2%	3.3%	2.1%	1,508.9	1,603.2
JSX Index (ID)		6,850.2	0.6%	0.2%	3.1%	6,568.2	6,850.2
PSE Index (PH)		7,452.8	2.0%	-0.7%	3.2%	7,223.8	7,502.5
Vn Index (VN)		1,492.1	0.0%	-0.9%	0.0%	1,438.9	1,528.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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