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The Federal Reserve will have to move faster than it has in the past to remove accommodation and tame inflation that is well above target, but it may not be necessary to start the liftoff in interest rates with a half-percentage-point hike in March, Fed Mester said. Inflation could ease to above 2% later this year as some of the constraints on supply are resolved and the U.S. central bank removes some of the support it provided to the economy during the coronavirus pandemic, Mester said. Referring to the Fed's balance sheet, Mester said the central bank needs to move faster to reduce its nearly \$9 trillion portfolio than it has in the past and that it may need to consider selling some of its mortgage-backed securities as the Treasury securities in the portfolio have shorter duration and are likely to run off the balance sheet quickly, she told.

UK housing market heats up in January despite cost pressures – RICS

Already rapid house price growth in Britain hit a new six-month high in January but momentum in the housing market could soon fade because of a growing cost-of-living squeeze, a closely-watched survey showed on Thursday. The Royal Institution of Chartered Surveyors (RICS) said a net balance of +74% of its members reported a rise in house prices in January, up from +70% in December and its highest since July. The report echoed other surveys that show Britain's housing market retained much of its momentum going into 2022, despite the phasing out of temporary tax breaks on property purchases in the second half of 2021. But with household budgets being squeezed by high inflation and imminent tax rises, RICS cast doubt on whether the housing market can keep up its recent strength.

ECB may need to raise rates in 2022, new Bundesbank chief says

The ECB German policymakers openly discussed prospects for an interest rate hike on Wednesday, with new Bundesbank chief Joachim Nagel arguing that a move could come this year, as inflation remains uncomfortably high. The ECB last week walked back on a pledge not to raise rates in 2022 and policymakers are now looking at how best to dismantle unconventional policies that have kept the euro zone afloat for much of the past decade. "If the (inflation) picture remains unchanged in March, I will be in favour of normalising monetary policy," Nagel told German newspaper Die Zeit. "The first step is to discontinue the net asset purchases over the course of 2022. Then interest rates could be raised before this year is over." Nagel joined Dutch central bank chief Klaas Knot in discussing a rate hike this year, which would be the ECB's first increase in borrowing costs since 2011.

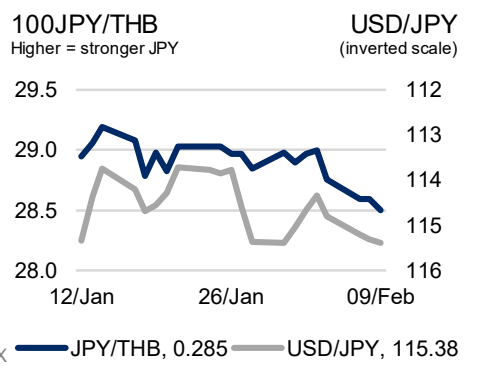
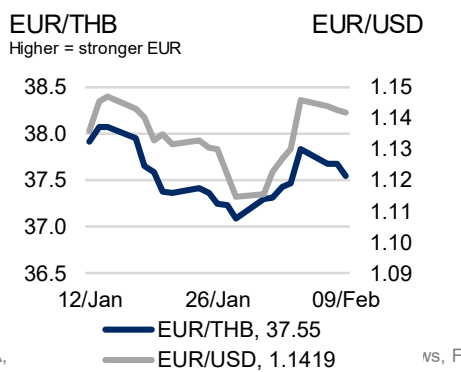
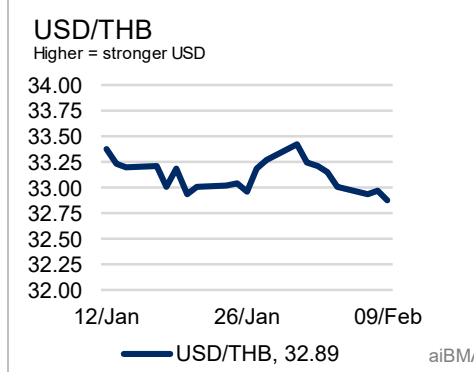
Dollar ticks down, euro up ahead of U.S. CPI report

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 2.19, -1.00 bps. LB31DA could be between 2.17-2.22. Meantime, the latest closed US 10-year bond yields was 1.94%, -2.00bps. USDTHB on the previous trading day closed around 32.74 Moving in a range from 32.70-32.76 this morning. USDTHB could be closed between 32.70-32.80 today. Meantime, The dollar slid further on Wednesday and the euro extended gains following a hawkish shift from the European Central Bank last week and ahead of key data on U.S. consumer prices due on Thursday.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,703.2	S&P500 4,587.2	10Y UST 1.94%	Brent 90.8	Gold 1,828.1
9-Feb ▲ 1.12%	9-Feb ▲ 1.44%	9-Feb ▼ -2.0 bps	8-Feb ▼ -2.08%	9-Feb ▲ 0.39%

USD/THB 32.89	Daily ▼ -0.26%	EUR/THB 37.55	Daily ▼ -0.34%	JPY/THB 0.2850	Daily ▼ -0.33%
Falling Trend	Weekly ▼ -0.83%	Sideways Trend	Weekly ▲ 0.23%	Falling Trend	Weekly ▼ -1.72%
Monthly ▼ -1.50%		Monthly ▼ -0.97%		Monthly ▼ -1.53%	



Main Contributor

Kantaphon Amornrat
(66) 2 2991111 ext. 5191,
kantaphon.amo@ttbank.com

Arnon Jaruamphonphan
(66) 2 2998985 ext. 5191,
arnon.jar@ttbank.com

ttb analytics ttbanalytics@ttbank.com

Naris Sathapholdeja (66) 2 299 2494, naris.sat@ttbank.com
Kasem Hamchanpanich (66) 2 242 3265; kasem.har@ttbank.com
Supaporn Channarong (66) 2 242 3271, supaporn.cha@ttbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		95.58	0.0%	-0.7%	-0.3%	94.73	97.19
EUR/USD		1.1419	-0.1%	1.3%	0.7%	1.1147	1.1469
USD/JPY		115.38	0.1%	0.6%	0.2%	113.73	115.99
USD/CHF		0.9247	0.0%	0.4%	-0.1%	0.9103	0.9313
GBP/USD		1.3552	0.2%	0.2%	-0.3%	1.3400	1.3723
USD/CAD		1.2709	0.2%	0.1%	0.4%	1.2496	1.2750
AUD/USD		0.7149	0.3%	0.2%	-0.6%	0.7011	0.7287
NZD/USD		0.6648	0.1%	0.2%	-1.8%	0.6559	0.6861
ASEAN Dollar		106.84	-0.1%	-0.3%	-0.5%	106.76	107.90
USD/THB		32.89	-0.3%	-1.0%	-1.9%	32.89	33.69
USD/SGD		1.3441	0.0%	-0.3%	-0.7%	1.3426	1.3607
USD/MYR		4.1846	0.0%	0.0%	-0.2%	4.1717	4.2113
USD/IDR		14,346	-0.2%	0.0%	0.5%	14,271	14,381
USD/PHP		51.41	0.0%	0.6%	0.5%	50.94	51.48
USD/CNY		6.3598	0.1%	0.0%	-0.1%	6.3171	6.3832
USD/HKD		7.7901	0.0%	-0.1%	0.0%	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		242,066	-2734
Gold		14,060	-332
SDR		5,664	-44
IMF Reserves		1,232	-10
Foreign Ccy		221,110	-2348
Net Fwd Position		33,240	410

Last update: 28/01/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
09/02/2022	17,416	16,332	33,748	
08/02/2022	6,675	16,331	23,007	
07/02/2022	3,670	7,574	11,245	
04/02/2022	1,564	4,997	6,561	
03/02/2022	-54	1,678	1,624	
Last 5 days	29,272	46,912	76,184	
	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 29,379	↑ 46,336	↑ 75,715
QTD	Quarter	↑ 43,739	↑ 127,009	↑ 170,747
YTD	Year	↑ 43,739	↑ 127,009	↑ 170,747

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	0.08	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	0.59	2M		0.32	0.22	0.41	2M		0.00	0.15	0.15
3M		0.62	0.62	0.62	3M		0.36	0.28	0.42	3M		0.31	0.21	0.32
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.52	0.34	0.54
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.93	0.58	0.96

Last Updated: 23/02/2021

Last Updated: 02/02/2022

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		1.9400	-2.00	16.00	16.00	1.70	1.96
Gilt 10y		1.4257	0.87	10.19	24.08	1.09	1.43
Bund 10y		0.2100	-2.00	22.00	25.00	-0.09	0.23
JGB 10y		0.2120	-0.10	3.00	5.90	0.12	0.21
TGB 1y		0.5103	-0.32	0.10	0.27	0.51	0.51
TGB 2y		0.7030	0.17	1.14	4.38	0.65	0.70
TGB 5y		1.4378	-1.80	3.87	1.89	1.39	1.51
TGB 7y		1.7995	-2.61	2.40	-1.93	1.77	1.93
TGB 10y		2.1940	-2.31	6.69	12.23	2.04	2.22
AAA Spread		69.02	0.13	0.49	-0.87	65.90	72.28
AA Spread		81.48	0.19	-0.07	-2.21	80.92	83.77
A Spread		136.97	0.16	-0.37	1.15	135.46	137.37
BBB Spread		361.66	0.08	0.04	0.01	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		1828.1	0.4%	1.4%	1.3%	1,790.2	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)		4,587.2	1.5%	0.0%	-2.7%	2,467.4	4,726.4
STOXX (EU)		453.7	-0.8%	-2.9%	-4.6%	328.0	479.1
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		15,482.0	1.6%	-0.8%	-2.9%	15,011.1	16,031.6
CAC All-Tradable(FR)		5,400.4	1.5%	0.2%	-1.1%	5,157.0	5,497.5
TOPIX (JP)		1,952.2	0.9%	0.8%	-1.7%	1,842.4	2,019.4
Shanghai (CH)		3,646.9	0.8%	0.7%	-4.2%	3,522.5	3,814.3
Hang Seng (HK)		24,830.0	2.1%	5.4%	7.6%	22,907.3	24,965.6
ASX 200 (AU)		7,268.3	1.1%	2.5%	-2.4%	6,838.3	7,474.4
SET (TH)		1,703.2	1.1%	2.1%	2.2%	1,634.2	1,703.2
SET50 (TH)		1,029.8	1.8%	3.0%	3.8%	985.2	1,029.8
Straits Times (SG)		3,420.0	0.5%	5.2%	5.3%	3,205.3	3,420.0
FTSE Malay (MY)		1,551.5	1.4%	2.6%	1.2%	1,508.9	1,569.5
JSX Index (ID)		6,834.6	0.7%	1.9%	2.1%	6,568.2	6,834.6
PSE Index (PH)		7,502.5	0.6%	0.6%	5.1%	7,011.1	7,502.5
Vn Index (VN)		1,505.4	0.3%	1.6%	-1.3%	1,438.9	1,528.6

Sources: ttb analytics, CEIC

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

Important Disclosures

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