

U.S. rate hikes could hit highly dollarized emerging market banks - Moody's

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Banks in Latin America and emerging Europe are most exposed to dollarization among developing economies, making them vulnerable to weaker local currencies and increasing withdrawals in the face of tighter U.S. monetary policy, Moody's said on Monday. Interest rate hikes from the U.S. Federal Reserve are likely to slow capital flows to emerging markets, weakening countries' currencies and economic growth, and potentially triggering credit risk at highly dollarized banks, Moody's said. Moody's found that dollar deposits are highest across banks in Latin America, emerging Europe and the former Soviet countries, though relatively low in Asia Pacific and moderate in Africa. Higher exposure in Gulf states is offset by strong foreign currency reserves.

Euro zone inflation could subside before becoming entrenched: Lagarde

Euro zone inflation risks are on the rise but price pressures could still subside before becoming entrenched in expectations, ECB's Christine Lagarde said on Monday. Pointing to mounting inflation risks, Lagarde opened the door last week to an interest rate hike later in 2022 and said that a March 10 meeting will be crucial in deciding how quickly the bank would wind down its long-running bond buying scheme. "We have to bear in mind that demand conditions in the euro area do not show the same signs of overheating that can be observed in other major economies," Lagarde told. While Lagarde herself did not commit to any decision, several policymakers argued that the first move will be to speed up an exit from the bond buying scheme, which run indefinitely until October.

UK consumers slowed their spending as COVID rules returned in January

British consumers slowed the pace of their spending last month as the Omicron COVID-19 wave hit fuel sales and kept people away from bars and restaurants, according to a survey which also pointed to the impact of rising inflation. Consumer spending was 7.4% higher than in January 2020 - before the pandemic - the weakest increase since April last year, Barclaycard said. Britain's inflation rate hit a 30-year high of 5.4% in December and looks set to top 7% in April, according to the Bank of England which last week raised interest rates for the second time in two months and said further increases were likely. Advice to work from home, along with rules on mask-wearing and vaccine passes, were lifted in England on Jan. 26, six weeks after they were introduced.

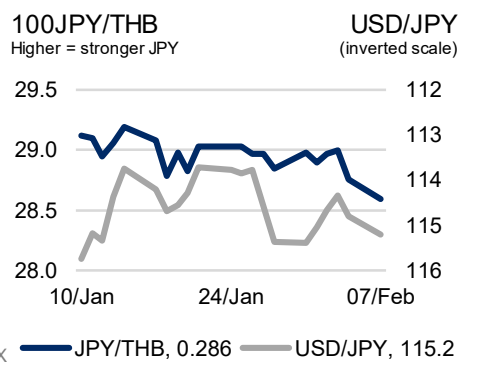
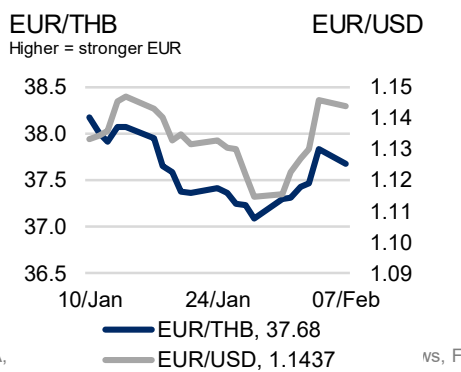
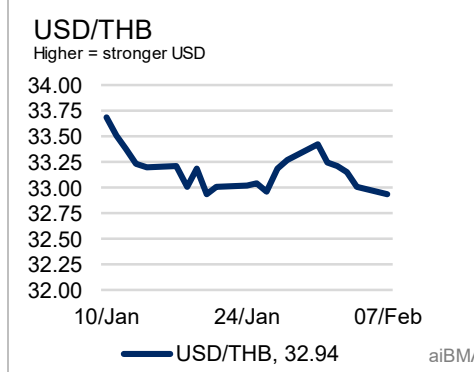
Euro bounce pauses ahead of U.S. inflation

The 10-year government bond yield (interpolated) on the previous trading day was 2.19, +2.00 bps. The benchmark government bond yield (LB31DA) was 2.18, +3.00 bps. LB31DA could be between 2.15-2.21. Meantime, the latest closed US 10-year bond yields was 1.92%, -1.00bps. USDTHB on the previous trading day closed around 33.03 Moving in a range from 32.92-32.97 this morning. USDTHB could be closed between 32.85-32.95 today. Meantime, A resurgent euro was hunkered just short of strong resistance levels on Tuesday as traders awaited U.S. inflation data due later in the week, wary it could trigger gains in the dollar.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,677.2	S&P500 4,483.9	10Y UST 1.92%	Brent 93.3	Gold 1,811.2
7-Feb ▲ 0.18%	7-Feb ▼ -0.37%	7-Feb ▼ -1.0 bps	4-Feb ▲ 2.34%	7-Feb ▼ -0.19%

USD/THB 32.94	Daily ▼ -0.22%	EUR/THB 37.68	Daily ▼ -0.41%	JPY/THB 0.2860	Daily ▼ -0.57%
Falling Trend	Weekly ▼ -0.91%	Sideways Trend	Weekly ▲ 0.97%	Falling Trend	Weekly ▼ -1.05%
	Monthly ▼ -2.25%		Monthly ▼ -1.31%		Monthly ▼ -1.79%



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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		95.52	0.3%	-1.7%	-0.8%	94.73	97.19
EUR/USD		1.1437	-0.2%	2.5%	1.3%	1.1147	1.1469
USD/JPY		115.20	0.3%	-0.2%	-0.7%	113.73	115.99
USD/CHF		0.9254	0.7%	-0.6%	0.4%	0.9103	0.9313
GBP/USD		1.3531	-0.6%	0.9%	0.0%	1.3400	1.3723
USD/CAD		1.2743	0.6%	-0.1%	0.1%	1.2496	1.2773
AUD/USD		0.7077	-0.9%	0.9%	-1.2%	0.7011	0.7287
NZD/USD		0.6613	-0.9%	0.8%	-1.9%	0.6559	0.6861
ASEAN Dollar		106.18	0.1%	-0.6%	-0.9%	106.06	107.19
USD/THB		32.94	-0.2%	-1.5%	-2.0%	32.94	33.69
USD/SGD		1.3450	0.2%	-0.7%	-1.2%	1.3426	1.3607
USD/MYR		4.1828	0.2%	-0.1%	-0.7%	4.1717	4.2113
USD/IDR		14,354	0.1%	-0.2%	-0.1%	14,271	14,388
USD/PHP		51.27	0.7%	0.3%	-0.1%	50.94	51.48
USD/CNY		6.3502	0.1%	-0.1%	-0.5%	6.3171	6.3832
USD/HKD		7.7852	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		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	
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	
02/02/2022	-1,194	6,910	5,716	
01/02/2022	1,302	-7,486	-6,184	
Last 5 days	5,288	13,673	18,960	
	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 5,288	↑ 13,673	↑ 18,960
QTD	Quarter	↑ 19,647	↑ 94,345	↑ 113,992
YTD	Year	↑ 19,647	↑ 94,345	↑ 113,992

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	0.07	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	0.59	2M		0.32	0.22	0.41	2M		0.00	0.15	0.16
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		0.54	0.34	0.54
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.96	0.57	0.96

Last Updated: 23/02/2021

Last Updated: 31/01/2022

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		1.9200	-1.00	13.00	19.00	1.66	1.93
Gilt 10y		1.3857	12.29	14.25	29.94	0.98	1.39
Bund 10y		0.1500	11.00	19.00	20.00	-0.14	0.15
JGB 10y		0.2020	-0.10	2.50	8.40	0.10	0.20
TGB 1y		0.5134	0.08	0.66	0.38	0.51	0.51
TGB 2y		0.6966	0.45	-0.01	3.48	0.65	0.70
TGB 5y		1.4398	1.64	1.73	3.16	1.36	1.51
TGB 7y		1.8063	0.80	0.58	3.47	1.70	1.93
TGB 10y		2.1881	1.83	5.36	14.73	1.99	2.22
AAA Spread		68.96	0.11	0.72	-3.32	65.90	72.30
AA Spread		81.37	-0.25	-0.46	-1.68	80.92	83.77
A Spread		136.84	-0.01	-0.37	1.25	135.46	137.37
BBB Spread		361.64	-0.02	0.15	0.18	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		1811.2	-0.2%	1.1%	1.1%	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)		4,483.9	-0.4%	-0.7%	-4.1%	2,467.4	4,700.6
STOXX (EU)		467.1	2.9%	1.4%	-2.4%	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)		15,206.6	0.7%	-1.7%	-4.6%	15,011.1	16,271.8
CAC All-Tradable(FR)		5,303.1	0.8%	0.0%	-3.3%	5,157.0	5,598.6
TOPIX (JP)		1,926.0	-0.2%	1.6%	-3.6%	1,842.4	2,039.3
Shanghai (CH)		3,594.0	2.0%	-2.7%	-5.2%	3,522.5	3,814.3
Hang Seng (HK)		24,579.6	0.0%	1.2%	5.5%	22,907.3	24,965.6
ASX 200 (AU)		7,110.8	-0.1%	2.0%	-3.4%	6,838.3	7,589.8
SET (TH)		1,677.2	0.2%	1.7%	1.2%	1,634.2	1,680.0
SET50 (TH)		1,006.2	0.3%	1.3%	2.0%	983.7	1,006.2
Straits Times (SG)		3,366.5	1.1%	3.6%	5.0%	3,163.4	3,366.5
FTSE Malay (MY)		1,530.7	0.5%	1.0%	-0.7%	1,508.9	1,569.5
JSX Index (ID)		6,804.9	1.1%	2.4%	2.3%	6,568.2	6,804.9
PSE Index (PH)		7,380.3	-1.0%	1.8%	4.2%	7,011.1	7,459.0
Vn Index (VN)		1,497.7	1.3%	4.0%	0.8%	1,438.9	1,528.6

Sources: ttb analytics, CEIC

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

Important Disclosures

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