

**Fed's Barkin says rates should move to pre-pandemic levels, then assess next steps**

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The U.S. Federal Reserve needs to begin raising interest rates but it is too soon to say how far or fast that process will need to go to bring inflation under control, Fed Barkin said Thursday. He said it remained uncertain whether U.S. inflation would dip on its own back towards the Fed's 2% target, or be driven persistently higher by rising wages, higher input costs, and businesses developing more aggressive pricing strategies. "It is a straightforward call to say we ought to get rates back into better position," Barkin said, but with so much unknown, "it does not feel to me like there is enough information to say holy cow we have to restrain the economy right now." His comments were a more tempered view of a situation that has prompted some market analysts to conclude the Fed has lost control of inflation and will be forced to raise interest rates faster and higher than anticipated.

**BoE hikes rates to fight inflation, but not by enough for 4 officials**

The Bank of England raised interest rates to 0.5% on Thursday and nearly half its policymakers wanted a bigger increase to contain rampant price pressures, which the British central bank warned would push inflation above 7%. In a surprise split decision, four of the nine Monetary Policy Committee members wanted to raise rates to 0.75% in what would have been the biggest increase since 25 years ago. A slim majority, including Governor Andrew Bailey, voted for a 0.25 percentage point increase. The pound briefly jumped above \$1.36, its highest level since Jan. 20, and touched a two-year high against the euro before falling back after ECB raised the possibility of a rate hike of its own. British government bonds sold off, with the 10-year yield at its highest since January 2019.

**Emerging FX already riding higher local rates will outperform this year: Reuters poll**

Emerging market currencies will struggle to stem losses in the near-term as the U.S. Federal Reserve lifts interest rates off the zero bound, but currencies from countries where central banks have already begun raising rates will outperform the rest. A Reuters poll of market strategists suggests there will be no repeat of the mayhem in 2013, when the U.S. Fed's decision to trim bond purchases punished emerging market currencies across the board. More than 70% of respondents said front-loaded rate hiker currencies such as Brazil's real and Russia's rouble will weather the storm better than emerging market currencies did during that episode. But these gains are forecast to be torpedoed in three months by an expected 25 basis point Fed hike in March, likely attracting inflows to the U.S. and keeping the mighty dollar in the driving seat.

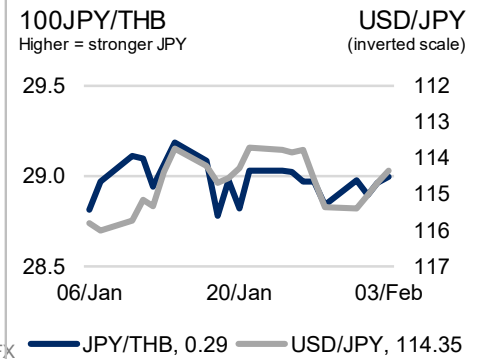
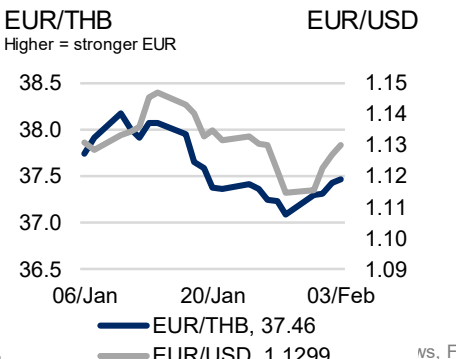
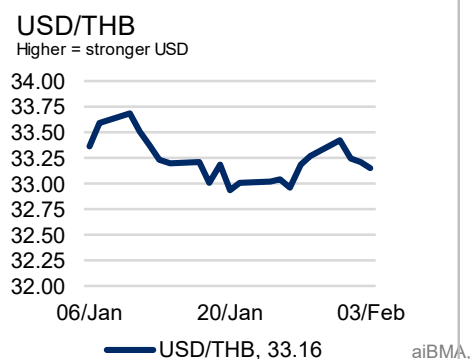
**Dollar set for bruising week after ECB and BOE get more hawkish**

The 10-year government bond yield (interpolated) on the previous trading day was 2.11, -1.00 bps. The benchmark government bond yield (LB31DA) was 2.10, +0.00 bps. LB31DA could be between 2.07-2.12. Meantime, the latest closed US 10-year bond yields was 1.82%, +4.00bps. USDTHB on the previous trading day closed around 33.14 Moving in a range from 32.97-33.10 this morning. USDTHB could be closed between 32.95-33.05 today. Meantime, The dollar index was heading for its worst week in nearly two years on Friday as the euro held firm at a three-week high and sterling gained after hawkish shifts from the European Central Bank and the Bank of England.

Sources : Bloomberg, CNBC, Investing, CEIC

<b>SET Index</b> 1,669.1	<b>S&amp;P500</b> 4,477.4	<b>10Y UST</b> 1.82%	<b>Brent</b> 89.5	<b>Gold</b> 1,803.8
3-Feb ▲ 0.08%	3-Feb ▼ -2.47%	3-Feb ▲ 4.0 bps	2-Feb ▲ 0.35%	3-Feb ▲ 0.10%

<b>USD/THB</b> 33.16	Daily ▼ -0.16%	<b>EUR/THB</b> 37.46	Daily ▲ 0.11%	<b>JPY/THB</b> 0.2900	Daily ▲ 0.13%
Falling Trend	Weekly ▼ -0.34%	Sideways Trend	Weekly ▲ 1.01%	Rising Trend	Weekly ▲ 0.55%
	Monthly ▼ -0.64%		Monthly ▼ -0.74%		Monthly ▲ 0.63%



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## Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		96.03	-0.3%	-0.6%	-0.2%	94.73	97.19
EUR/USD		1.1299	0.3%	0.7%	0.1%	1.1147	1.1469
USD/JPY		114.35	-0.3%	-0.2%	-1.4%	113.73	115.99
USD/CHF		0.9193	-0.2%	-0.6%	0.4%	0.9103	0.9313
GBP/USD		1.3562	0.3%	0.9%	0.2%	1.3400	1.3723
USD/CAD		1.2683	-0.1%	-0.2%	-0.1%	1.2496	1.2773
AUD/USD		0.7124	-0.1%	0.7%	-1.6%	0.7011	0.7287
NZD/USD		0.6625	-0.2%	0.1%	-2.7%	0.6559	0.6861

ASEAN Dollar	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
USD/THB		33.16	-0.2%	-0.1%	-0.1%	32.94	33.69		
USD/SGD		1.3471	-0.1%	-0.2%	-0.6%	1.3433	1.3607		
USD/MYR		4.1776	-0.2%	-0.6%	-0.3%	4.1654	4.2113		
USD/IDR		14,328	-0.1%	-0.2%	0.1%	14,224	14,388		
USD/PHP		51.04	-0.1%	-0.7%	-0.1%	50.97	51.48		
USD/CNY		6.3527	-0.1%	0.2%	-0.2%	6.3171	6.3832		
USD/HKD		7.7886	-0.1%	0.0%	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		244,800	-891
Gold		14,392	127
SDR		5,708	-12
IMF Reserves		1,241	-3
Foreign Ccy		223,458	-1003
Net Fwd Position		32,830	460

Last update: 21/01/2022

## Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
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	
31/01/2022	663	-6,169	-5,506	
28/01/2022	-1,005	-3,350	-4,355	
<b>Last 5 days</b>	<b>-288</b>	<b>-8,417</b>	<b>-8,705</b>	
	<b>Period-to-date</b>	<b>Equity</b>	<b>Bond</b>	<b>Total</b>
MTD	Month	↑ 53	↑ 1,102	↑ 1,155
QTD	Quarter	↑ 14,413	↑ 81,774	↑ 96,187
YTD	Year	↑ 14,413	↑ 81,774	↑ 96,187

## 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		0.30	0.21	0.30
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.52	0.33	0.52
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.92	0.55	0.92

Last Updated: 23/02/2021

Last Updated: 27/01/2022

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		<b>1.8200</b>	4.00		1.00		16.00		1.52	1.87
Gilt 10y		<b>1.3208</b>	-0.30		15.47		34.23		0.98	1.32
Bund 10y		<b>0.0300</b>	4.00		11.00		17.00		-0.21	0.03
JGB 10y		<b>0.1820</b>	0.00		2.10		7.80		0.07	0.19
TGB 1y		<b>0.5092</b>	0.00		0.14		-0.13		0.51	0.51
TGB 2y		<b>0.6886</b>	-0.30		-1.03		2.34		0.65	0.70
TGB 5y		<b>1.3888</b>	-1.03		-7.93		2.70		1.29	1.51
TGB 7y		<b>1.7661</b>	-0.95		-7.83		6.20		1.62	1.93
TGB 10y		<b>2.1137</b>	-1.34		-5.18		12.45		1.90	2.22
AAA Spread		<b>68.83</b>	0.30		1.73		-3.46		65.90	72.42
AA Spread		<b>81.79</b>	0.24		0.50		-1.23		80.92	83.77
A Spread		<b>137.23</b>	-0.11		0.30		-0.08		135.46	137.51
BBB Spread		<b>361.78</b>	0.16		0.50		0.05		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		<b>60.75</b>	-1.2%		-5.6%		-0.3%		58.31	67.93
London Gold		<b>1803.8</b>	0.1%		-0.6%		-0.8%		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)		<b>4,477.4</b>	-2.4%		3.5%		-4.7%		2,467.4	4,796.6
STOXX (EU)		<b>460.6</b>	-1.4%		0.0%		-5.5%		328.0	487.4
FTSE All-Share(UK)		<b>3,694.0</b>	-1.0%		-0.7%		2.0%		3,571.2	3,746.8
DAX (DE)		<b>15,368.5</b>	-1.6%		-1.0%		-5.6%		15,011.1	16,271.8
CAC All-Tradable(FR)		<b>5,311.0</b>	-1.5%		-0.1%		-5.1%		5,157.0	5,598.6
TOPIX (JP)		<b>1,919.9</b>	-0.9%		4.2%		-5.4%		1,842.4	2,039.3
Shanghai (CH)		<b>3,522.5</b>	-1.0%		-4.6%		-6.6%		3,522.5	3,814.3
Hang Seng (HK)		<b>23,802.3</b>	1.1%		-3.5%		1.7%		22,907.3	24,965.6
ASX 200 (AU)		<b>7,078.0</b>	-0.1%		3.5%		-6.7%		6,838.3	7,589.8
SET (TH)		<b>1,669.1</b>	0.1%		2.1%		-0.5%		1,634.2	1,680.0
SET50 (TH)		<b>1,000.2</b>	0.0%		1.2%		-0.2%		983.7	1,002.6
Straits Times (SG)		<b>3,316.0</b>	2.0%		1.7%		4.8%		3,134.3	3,316.0
FTSE Malay (MY)		<b>1,525.7</b>	0.9%		1.1%		-2.7%		1,508.9	1,569.5
JSX Index (ID)		<b>6,683.9</b>	-0.4%		1.3%		-0.2%		6,568.2	6,726.4
PSE Index (PH)		<b>7,382.8</b>	-1.0%		1.8%		4.8%		7,011.1	7,459.0
Vn Index (VN)		<b>1,479.0</b>	0.6%		0.4%		-0.5%		1,438.9	1,528.6

Sources: ttb analytics, CEIC

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

**Important Disclosures**

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