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The European Central Bank is all but certain to keep policy unchanged on Thursday but may have to acknowledge that inflation could stay high for longer than it had projected, a signal that may be taken by some as a hint at a faster exit from stimulus. Having extended support measures only in December, any policy change now would be premature. The bank argues that inflation will soon abate without its intervention and that long-term price pressures are actually too weak, meaning support is still needed to underpin inflation which undershot the ECB's 2% target for much of the last decade. This view is now being challenged by investors and several policymakers, and January's 5.1% inflation print only adds to pressure for Christine Lagarde to acknowledge mounting risks. Markets already doubt the ECB and are pricing in 30 basis points of rate hikes this year, despite its insistence that any move in 2022 is very unlikely.

**Japan's service sector shrinks at fastest pace in 5 months – PMI**

Japan's services sector activity contracted at the fastest pace in five months in January in a sign businesses faced pressure. The world's third-largest economy has seen COVID-19 cases surge in recent weeks, forcing the government to roll out tougher curbs across much of the country in response to a rise in hospital admissions driven by Omicron. The final au Jibun Bank Japan Services Purchasing Managers' Index (PMI) slumped to a seasonally adjusted 47.6 from the prior month's 52.1 and a 48.8 flash reading. Service firms cut staffing levels at the fastest pace in 20 months and became less optimistic that activity would rise over the next year. The composite PMI, which is calculated using both manufacturing and services, dropped to 49.9 from December's final of 52.5.

**South Korea Jan factory activity grows at fastest pace in 6 months- PMI**

South Korea's factory activity grew at the sharpest pace since July last year as output and new order picked up but persistent supply chain woes weighed on the outlook, a private-sector survey showed on Thursday. The IHS Markit purchasing managers' index (PMI) jumped to 52.8 in January in seasonally adjusted terms from 51.9 in December. New export orders for South Korean manufactured goods returned to expansionary territory of 50.4 from 49.5 in December with improving demand from the United States, Europe and China, in a sign global trade will continue to recover from the pandemic. The survey said a stronger recovery was held back by sustained material shortages and the impact of the Omicron variant.

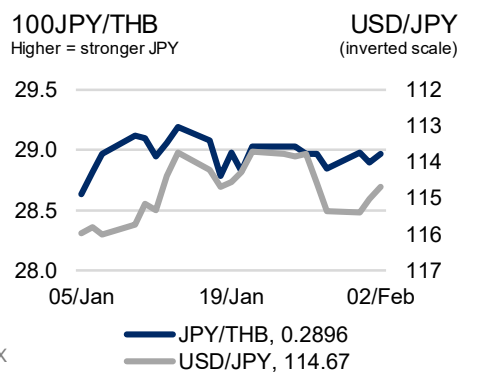
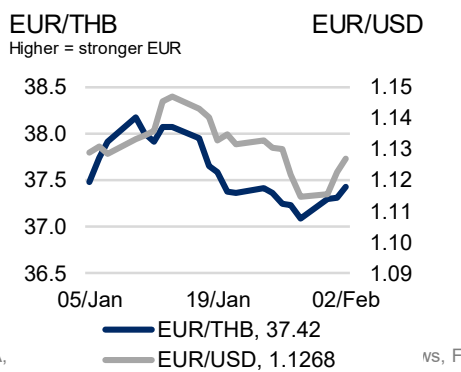
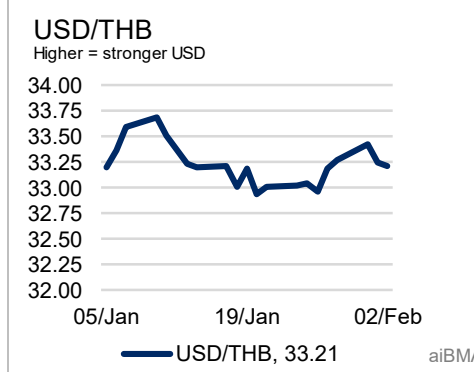
**U.S. dollar falls on weak private jobs data; euro up as inflation perks up**

The 10-year government bond yield (interpolated) on the previous trading day was 2.12, -1.00 bps. The benchmark government bond yield (LB31DA) was 2.10, +1.00 bps. LB31DA could be between 2.07-2.12. Meantime, the latest closed US 10-year bond yields was 1.78%, -3.00bps. USDTHB on the previous trading day closed around 33.21 Moving in a range from 33.14-33.19 this morning. USDTHB could be closed between 33.11-33.21 today. Meantime, The dollar declined to a more than a one-week low on Wednesday after data showed a drop in U.S. private sector employment in January due to the increase in COVID-19 infections.

Sources : Bloomberg, CNBC, Investing, CEIC

<b>SET Index</b> 1,667.8	<b>S&amp;P500</b> 4,589.4	<b>10Y UST</b> 1.78%	<b>Brent</b> 89.2	<b>Gold</b> 1,802.0
2-Feb ▲ 0.36%	2-Feb ▲ 0.94%	2-Feb ▼ -3.0 bps	1-Feb ▼ -0.11%	2-Feb ▼ -0.25%

<b>USD/THB</b> 33.21	Daily ▼ -0.10%	<b>EUR/THB</b> 37.42	Daily ▲ 0.29%	<b>JPY/THB</b> 0.2896	Daily ▲ 0.22%
	Weekly ▲ 0.07%		Weekly ▲ 0.50%		Weekly ▼ -0.02%
Sideways Trend	Monthly ▲ 0.04%	Sideways Trend	Monthly ▼ -0.15%	Sideways Trend	Monthly ▲ 1.16%



**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		96.29	-0.4%	0.3%	0.1%	94.73	97.19
EUR/USD		1.1268	0.4%	-0.3%	-0.3%	1.1147	1.1469
USD/JPY		114.67	-0.3%	0.8%	-0.7%	113.73	115.99
USD/CHF		0.9213	-0.6%	0.3%	0.4%	0.9103	0.9313
GBP/USD		1.3520	0.6%	0.1%	0.3%	1.3400	1.3723
USD/CAD		1.2693	-0.2%	0.6%	-0.5%	1.2496	1.2827
AUD/USD		0.7132	1.0%	-0.4%	-1.0%	0.7011	0.7287
NZD/USD		0.6638	0.9%	-0.7%	-2.3%	0.6559	0.6861
ASEAN Dollar		106.02	-0.1%	0.3%	-0.1%	105.70	106.78
USD/THB		33.21	-0.1%	0.8%	-0.3%	32.94	33.69
USD/SGD		1.3488	-0.2%	0.4%	-0.4%	1.3433	1.3607
USD/MYR		4.1850	0.0%	-0.1%	0.1%	4.1654	4.2113
USD/IDR		14,342	-0.1%	0.3%	0.4%	14,208	14,388
USD/PHP		51.09	0.1%	-0.3%	-0.2%	50.70	51.48
USD/CNY		6.3598	0.0%	0.7%	-0.1%	6.3171	6.3832
USD/HKD		7.7953	0.0%	0.2%	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	
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	
27/01/2022	-763	547	-216	
<b>Last 5 days</b>	<b>-998</b>	<b>-9,547</b>	<b>-10,544</b>	
	<b>Period-to-date</b>	<b>Equity</b>	<b>Bond</b>	<b>Total</b>
MTD	Month	↑ 107	↓ -576	↓ -468
QTD	Quarter	↑ 14,467	↑ 80,097	↑ 94,563
YTD	Year	↑ 14,467	↑ 80,097	↑ 94,563

## 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		0.28	0.21	0.28
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.46	0.33	0.46
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.81	0.54	0.81

Last Updated: 23/02/2021

Last Updated: 26/01/2022

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		1.7800	-3.00	-7.00	15.00	1.52	1.87
Gilt 10y		1.3238	6.90	18.69	34.07	0.93	1.32
Bund 10y		-0.0100	1.00	7.00	17.00	-0.23	0.01
JGB 10y		0.1820	-0.50	4.10	9.30	0.07	0.19
TGB 1y		0.5092	0.14	0.20	-0.54	0.51	0.51
TGB 2y		0.6917	0.05	0.56	1.81	0.65	0.70
TGB 5y		1.3991	-1.50	-4.53	2.14	1.27	1.51
TGB 7y		1.7755	-1.24	-5.27	7.35	1.61	1.93
TGB 10y		2.1271	-0.67	-1.83	13.28	1.90	2.22
AAA Spread		68.53	0.07	0.26	-3.90	65.90	72.42
AA Spread		81.55	0.25	0.36	-1.70	80.92	83.77
A Spread		137.34	-0.03	0.22	-0.17	135.46	137.51
BBB Spread		361.62	0.00	0.26	-0.19	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		1802.0	-0.2%	-2.3%	-0.4%	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)		4,589.4	0.9%	5.5%	-4.3%	2,467.4	4,796.6
STOXX (EU)		456.2	-2.2%	-0.6%	-6.1%	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)		15,619.4	1.0%	3.3%	-2.5%	15,011.1	16,271.8
CAC All-Tradable(FR)		5,391.6	0.2%	1.9%	-3.0%	5,157.0	5,598.6
TOPIX (JP)		1,936.6	2.1%	2.4%	-2.8%	1,842.4	2,039.3
Shanghai (CH)		3,522.5	-1.0%	-4.6%	-6.6%	3,522.5	3,814.3
Hang Seng (HK)		23,802.3	1.1%	-3.5%	1.7%	22,907.3	24,965.6
ASX 200 (AU)		7,087.7	1.2%	1.8%	-4.8%	6,838.3	7,589.8
SET (TH)		1,667.8	0.4%	1.5%	-0.2%	1,634.2	1,680.0
SET50 (TH)		999.8	0.2%	0.8%	0.0%	983.7	1,002.6
Straits Times (SG)		3,249.6	0.0%	-0.7%	2.2%	3,123.7	3,294.9
FTSE Malay (MY)		1,512.3	-0.5%	-0.6%	-2.0%	1,508.9	1,569.5
JSX Index (ID)		6,707.7	1.2%	2.1%	0.6%	6,568.2	6,726.4
PSE Index (PH)		7,459.0	1.3%	2.3%	4.7%	7,011.1	7,459.0
Vn Index (VN)		0.0	-100.0%	-100.0%	-100.0%	1,438.9	1,528.6

Sources: ttb analytics, CEIC

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

**Important Disclosures**

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