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Federal Reserve Chair Jerome Powell on Monday delivered his most muscular message to date on his battle with too-high inflation, saying the central bank must move "expeditiously" to raise rates and possibly "more aggressively" to keep an upward price spiral from getting entrenched. In remarks that sent financial markets scrambling to recalibrate for a higher probability of the Fed lifting interest rates by a half-percentage point at one or more of its remaining meetings this year, Powell signaled an urgency to the central bank's inflation challenge that was less visible than just a week ago, when the Fed delivered its first rate hike in three years.

Crude up 7% as Europe Said to Mull U.S.-like Ban on Russian Oil

Crude futures rose more than 7% in Monday's London and New York trading as major European nations considered joining the U.S. ban on Russian oil, sending new alarm bells clanging around the energy sector. Reports over the weekend of Yemen's Houthi rebels unleashing a barrage of drone and missile attacks on Saudi Arabia, targeting a liquefied natural gas plant, water desalination plant, oil facility and power station added to the upward pressure on oil. The combined three-day run-up of about 15% in U.S. crude and Brent halved the initial drop of almost 30% in the two benchmarks since they fell from March 7 highs of above \$130 for a barrel.

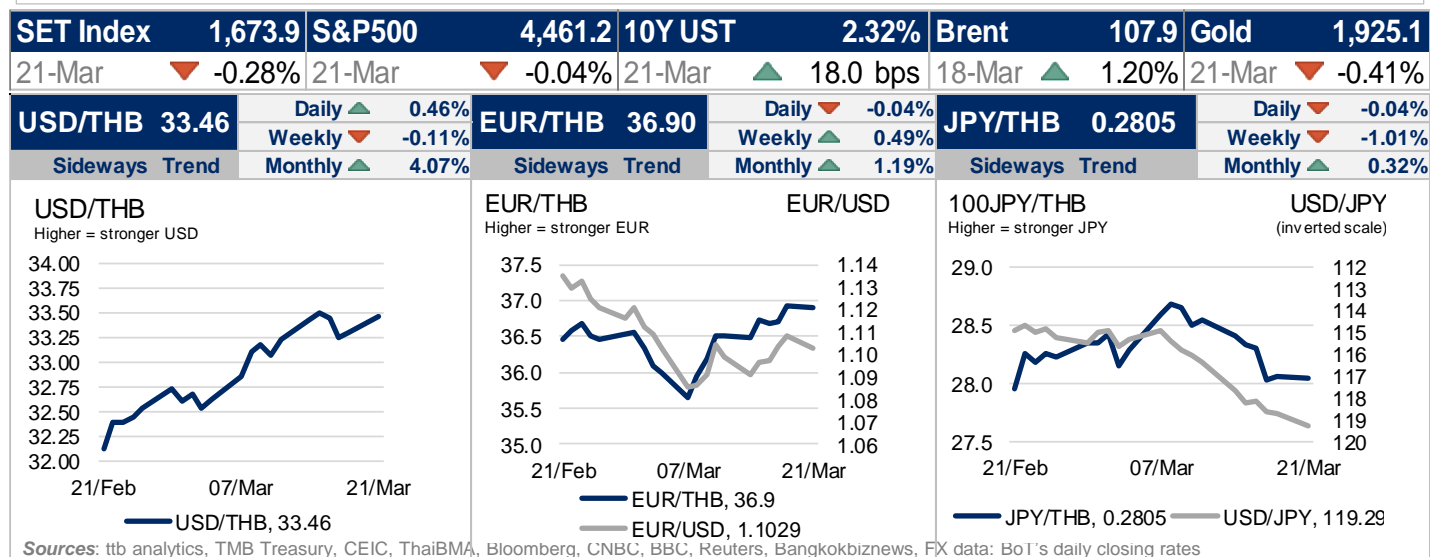
BOJ's Kuroda renews powerful easing pledge in wake of hawkish Fed signal

The Bank of Japan must maintain ultra-loose monetary policy as recent cost-push inflation could hurt the economy, Governor Haruhiko Kuroda said on Tuesday, highlighting the widening gap with the U.S. Federal Reserve's aggressive tightening plan. Kuroda said consumer inflation is expected to accelerate as some firms pass on rising energy and food costs to households. The yen fell through the psychological 120 level against the dollar for the first time since 2016 on Tuesday, after Powell's hawkish remarks raised bets on higher U.S. rates and widened the policy gap between the Fed and a dovish BOJ.

Yield spiked after Powell hawkish comments

The 10-year government bond yield (interpolated) on the previous trading day was 2.33, +2.00 bps. The benchmark government bond yield (LB31DA) was 2.35, +4.00 bps. LB31DA could be between 2.30-2.38. Meantime, the latest closed US 10-year bond yields was 2.32%, +18.00bps. USDTHB on the previous trading day closed around 33.46 Moving in a range from 33.60-33.70 this morning. USDTHB could be closed between 33.60-33.80 today. Yields spiked on Monday with the 10-year benchmark note up to a yield of 2.298% from 2.153% on Friday - the highest since May 2019. Yields of two-year Treasuries, which more closely reflect monetary policy expectations, jumped to 2.111% from 1.942% on Friday. Fed funds futures now imply a 60.7% chance of a 50 basis-point hike in key interest rates at the Fed's next meeting in May, up from 52% before the text of Powell's speech was released.

Sources : Bloomberg, CNBC, Investing, CEIC



Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		98.43	0.4%	-0.8%	2.7%	95.85	99.22
EUR/USD		1.1029	-0.5%	1.1%	-2.9%	1.0851	1.1367
USD/JPY		119.29	0.5%	1.4%	3.7%	114.66	119.29
USD/CHF		0.9343	-0.2%	-0.2%	1.4%	0.9168	0.9399
GBP/USD		1.3148	-0.1%	0.9%	-3.3%	1.3025	1.3615
USD/CAD		1.2630	0.0%	-1.1%	-0.6%	1.2624	1.2883
AUD/USD		0.7395	0.2%	1.9%	2.9%	0.7129	0.7406
NZD/USD		0.6899	0.2%	1.6%	3.0%	0.6625	0.6899
ASEAN Dollar		107.47	0.3%	0.0%	1.5%	105.78	107.63
USD/THB		33.46	0.5%	0.1%	4.1%	32.13	33.50
USD/SGD		1.3572	0.2%	-0.6%	1.0%	1.3431	1.3665
USD/MYR		4.2039	0.1%	0.1%	0.4%	4.1780	4.2074
USD/IDR		14,341	0.3%	0.3%	0.2%	14,252	14,397
USD/PHP		52.42	0.2%	0.0%	2.1%	51.17	52.43
USD/CNY		6.3709	0.3%	0.3%	0.6%	6.3035	6.3818
USD/HKD		7.8319	0.2%	0.0%	0.5%	7.7941	7.8327

FX Swap Market and BoT's Reserves

Foreign Fund Flows (THB.mn)

USTH FX Sp	1M History	Last	%Chg(1D)	Date	Equity	Bond	Total	
1-month		0.15	0.15	03/03/2022	2,853	407	3,261	
3-month		0.70	-0.05	02/03/2022	2,911	-5,339	-2,428	
6-month		1.50	-0.20	01/03/2022	4,022	-5,425	-1,403	
Reserves (\$mn)	3M History	Last	\$mn Chg(1W)	28/02/2022	4,345	-6,703	-2,358	
				25/02/2022	2,477	1,807	4,284	
				Last 5 days	16,609	-15,252	1,357	
Total		245,318	2043	Period-to-date				
Gold		14,899	296	Equity				
SDR		5,703	1	Bond				
IMF Reserves		1,240	0	Total				
Foreign Ccy		223,477	1746	MTD	Month	9,787	-10,357	-570
Net Fwd Position		32,070	-840	QTD	Quarter	87,121	142,169	229,290
				YTD	Year	87,121	142,169	229,290

Last update: 18/02/2022

Money Market

THB BIBOR	1M Hist	Last	1M Range		THBFX	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	0.00	0.00
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.35	0.12	0.35
2M		0.58	0.58	0.58	2M		0.32	0.22	0.41	2M		0.00	0.00	0.00
3M		0.63	0.62	0.63	3M		0.36	0.28	0.42	3M		0.75	0.34	0.75
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		1.04	0.56	1.04
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		1.49	1.00	1.49

Last Updated: 23/02/2021

Last Updated: 09/03/2022

Note: D=d=day; M=mth=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 Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		2.3200	18.00	18.00	35.00	1.72	2.32
Gilt 10y		1.5756	-4.92	5.80	4.92	1.16	1.62
Bund 10y		0.4000	3.00	6.00	18.00	-0.07	0.40
JGB 10y		0.2130	0.00	1.50	-0.60	0.14	0.23
TGB 1y		0.5231	0.13	0.30	1.63	0.51	0.52
TGB 2y		0.6869	0.52	1.36	-2.71	0.67	0.73
TGB 5y		1.4203	0.90	-1.42	0.79	1.30	1.45
TGB 7y		1.9836	0.97	0.32	17.68	1.72	2.01
TGB 10y		2.3376	2.72	0.28	15.21	2.10	2.35
AAA Spread		66.87	0.18	0.70	0.92	65.33	68.89
AA Spread		84.51	0.64	4.76	3.80	79.40	84.51
A Spread		129.04	-0.18	-3.91	-7.83	129.04	137.05
BBB Spread		379.96	0.00	45.10	25.87	334.86	379.96

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		1925.1	-0.4%	-1.9%	2.0%	1,854.4	2,017.2

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)		4,461.2	0.0%	6.9%	2.6%	2,467.4	4,475.0
STOXX (EU)		431.4	-0.7%	3.7%	-4.5%	328.0	458.5
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		14,327.0	-0.6%	2.9%	-4.8%	12,831.5	15,370.3
CAC All-Tradable(FR)		5,009.8	-0.5%	3.4%	-4.6%	4,525.3	5,291.0
TOPIX (JP)		1,909.3	0.5%	6.1%	-1.9%	1,758.9	1,946.6
Shanghai (CH)		3,410.2	0.1%	0.9%	-6.8%	3,211.4	3,658.5
Hang Seng (HK)		21,221.3	-0.9%	8.7%	-12.8%	18,415.1	24,792.8
ASX 200 (AU)		7,278.5	-0.2%	1.8%	0.8%	6,980.3	7,296.2
SET (TH)		1,673.9	-0.3%	0.8%	-2.3%	1,619.1	1,713.2
SET50 (TH)		1,010.9	-0.4%	0.2%	-2.4%	983.0	1,035.9
Straits Times (SG)		3,355.5	0.7%	3.8%	-2.1%	3,148.9	3,441.6
FTSE Malay (MY)		1,587.2	-0.3%	1.3%	-1.0%	1,546.9	1,618.5
JSX Index (ID)		6,955.2	0.0%	0.0%	1.5%	6,734.5	6,992.4
PSE Index (PH)		6,956.6	-0.7%	2.0%	-6.5%	6,817.0	7,452.8
Vn Index (VN)		1,495.0	1.8%	3.4%	-0.7%	1,446.3	1,512.3

Sources: ttb analytics, CEIC

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

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