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Federal Reserve officials are helping shape market expectations for sharper interest-rate hikes to curb the surge in inflation, but have not managed to dispel fears the tightening cycle could blow a hole in the economy and labor market. "The Fed needs to move aggressively to keep inflation under control," St. Louis Fed President James Bullard said, calling for the central bank to raise its benchmark overnight interest rate to 3% this year. Bullard dissented last week as the rest of his colleagues agreed to raise the federal funds rate by just a quarter of a percentage point from the near-zero level it had been since March 2020.

Global bonds face the worst drawdown on record from peaked

The Bloomberg Global Aggregate Index, a benchmark for government and corporate debt, has fallen 11% from a high in early 2021. That's the biggest decline from a peak in data stretching back to 1990, surpassing a 10.8% drawdown during the financial crisis in 2008. The Fed raised interest rates by 25 basis points last week, and Chair Jerome Powell said this week it is prepared to increase them by a half percentage-point at its next meeting if needed. Higher borrowing costs risk further dampening the return on debt, eroded by the fastest pace of consumer-price increases in decades. Corporate bonds are particularly vulnerable to mounting stagflation threats, as slowing economic growth also raises credit risks.

Oil edges lower as EU looks less likely to ban Russian oil

Oil edged lower on Tuesday after it looked unlikely that European Union nations would agree to join the United States in a Russian oil embargo in retaliation for its invasion of Ukraine. EU foreign ministers were split on the ban as some countries, including Germany, say the bloc is too dependent on Russia's fossil fuels to withstand such a step. The oil market will watch the latest round of weekly U.S. inventory data for clearer direction. Analysts expect crude oil inventories to rise slightly.

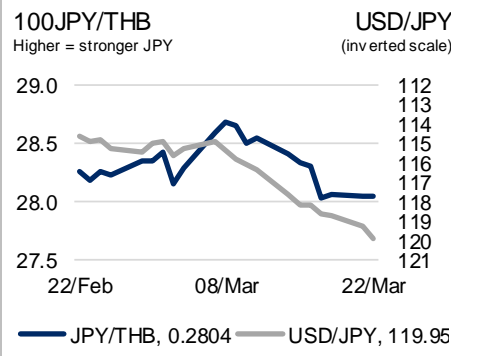
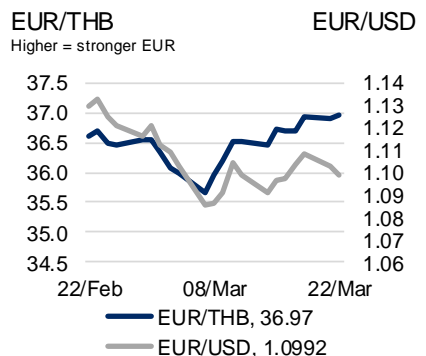
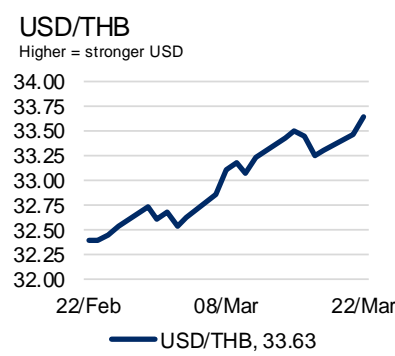
Dollar slips as Powell boost fades

The 10-year government bond yield (interpolated) on the previous trading day was 2.37, +4.00 bps. The benchmark government bond yield (LB31DA) was 2.36, +1.00 bps. LB31DA could be between 2.30-2.38. Meantime, the latest closed US 10-year bond yields was 2.36%, +6.00bps. USDTHB on the previous trading day closed around 33.63 Moving in a range from 33.40-33.50 this morning. USDTHB could be closed between 33.30-33.70 today. The dollar edged lower on Tuesday as a boost from comments by U.S. Federal Reserve Chair Jerome Powell that boosted the greenback on the previous day faded and a rise in equities markets help boost risk-on sentiment. The greenback saw its biggest one-day percentage gain since March 10 on Monday, as Powell opened the door for raising interest rates by more than 25 basis points at upcoming policy meetings in order to combat inflation.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index	1,677.9	S&P500	4,511.6	10Y UST	2.38%	Brent	115.6	Gold	1,929.4
22-Mar	▲ 0.24%	22-Mar	▲ 1.12%	22-Mar	▲ 6.0 bps	21-Mar	▲ 6.88%	22-Mar	▲ 0.22%

USD/THB	33.63	Daily	▲ 0.51%	EUR/THB	36.97	Daily	▲ 0.17%	JPY/THB	0.2804	Daily	▼ -0.04%
		Weekly	▲ 0.58%			Weekly	▲ 0.78%			Weekly	▼ -0.93%
		Monthly	▲ 3.74%			Monthly	▲ 1.02%			Monthly	▼ -0.77%



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoJ's daily closing rates

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		98.70	0.3%	-0.3%	2.9%	95.85	99.22
EUR/USD		1.0992	-0.3%	0.3%	-3.2%	1.0851	1.1367
USD/JPY		119.95	0.6%	1.5%	4.4%	114.66	119.95
USD/CHF		0.9355	0.1%	-0.4%	1.7%	0.9168	0.9399
GBP/USD		1.3148	0.0%	0.9%	-3.4%	1.3025	1.3615
USD/CAD		1.2598	-0.3%	-1.8%	-1.0%	1.2598	1.2883
AUD/USD		0.7387	-0.1%	2.8%	2.6%	0.7175	0.7406
NZD/USD		0.6877	-0.3%	2.0%	2.5%	0.6687	0.6899
ASEAN Dollar		107.26	0.1%	-0.1%	1.7%	105.48	107.32
USD/THB		33.63	0.5%	0.4%	4.7%	32.13	33.63
USD/SGD		1.3583	0.1%	-0.6%	1.1%	1.3431	1.3665
USD/MYR		4.2115	0.2%	0.1%	0.7%	4.1780	4.2115
USD/IDR		14,301	-0.3%	0.0%	0.1%	14,252	14,397
USD/PHP		52.35	-0.1%	-0.1%	2.0%	51.17	52.43
USD/CNY		6.3655	-0.1%	-0.3%	0.8%	6.3035	6.3818
USD/HKD		7.8250	-0.1%	0.0%	0.4%	7.7955	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			Total
Gold		14,899	296	Equity	Bond		
SDR		5,703	1	Month	9,787	-10,357	-570
IMF Reserves		1,240	0	Quarter	87,121	142,169	229,290
Foreign Ccy		223,477	1746	Year	87,121	142,169	229,290
Net Fwd Position		32,070	-840				

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		2.3800	6.00	23.00	46.00	1.72	2.38
Gilt 10y		1.4975	-7.81	-2.51	2.44	1.16	1.62
Bund 10y		0.5000	10.00	16.00	29.00	-0.07	0.50
JGB 10y		0.2290	1.10	2.50	0.20	0.14	0.23
TGB 1y		0.5246	0.15	0.60	1.68	0.51	0.52
TGB 2y		0.7065	1.96	3.28	-1.00	0.67	0.72
TGB 5y		1.4581	3.78	2.62	5.81	1.30	1.46
TGB 7y		2.0378	5.43	5.86	23.13	1.72	2.04
TGB 10y		2.3771	3.95	5.10	19.25	2.10	2.38
AAA Spread		64.75	-2.12	-1.64	-1.46	64.75	68.89
AA Spread		84.33	-0.17	1.11	3.70	79.40	84.51
A Spread		127.07	-1.97	-1.98	-9.77	127.07	137.05
BBB Spread		379.77	-0.19	44.89	25.66	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		1929.4	0.2%	0.0%	1.8%	1,886.6	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)		4,511.6	1.1%	5.8%	#DIV/0!	2,467.4	4,511.6
STOXX (EU)		431.9	-0.1%	3.9%	-2.4%	328.0	456.0
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)		5,067.1	1.1%	4.8%	-1.6%	4,525.3	5,273.5
TOPIX (JP)		1,933.7	1.3%	6.7%	0.1%	1,758.9	1,946.6
Shanghai (CH)		3,416.6	0.2%	6.4%	-6.6%	3,211.4	3,658.5
Hang Seng (HK)		21,889.3	3.1%	18.9%	-9.4%	18,415.1	24,792.8
ASX 200 (AU)		7,341.1	0.9%	3.4%	1.5%	6,980.3	7,341.1
SET (TH)		1,677.9	0.2%	2.0%	-1.0%	1,619.1	1,713.2
SET50 (TH)		1,012.5	0.2%	1.4%	-0.7%	983.0	1,035.9
Straits Times (SG)		3,350.2	-0.2%	3.5%	-2.5%	3,148.9	3,441.6
FTSE Malay (MY)		1,585.8	-0.1%	1.8%	0.2%	1,546.9	1,618.5
JSX Index (ID)		7,000.8	0.7%	1.2%	2.4%	6,807.5	7,000.8
PSE Index (PH)		7,008.9	0.8%	-0.2%	-5.5%	6,817.0	7,452.8
Vn Index (VN)		1,503.8	0.6%	3.5%	-0.5%	1,446.3	1,512.3

Sources: ttb analytics, CEIC

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

Important Disclosures

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