

U.S. annual inflation posts largest gain in nearly 41 years

U.S. annual inflation posts largest gain in nearly 41 years

U.S. consumer prices accelerated in May as gasoline prices hit a record high and the cost of food soared, leading to the largest annual increase in nearly 40-1/2 years, suggesting that the Federal Reserve could continue with its 50 basis points interest rate hikes through September to combat inflation. The faster-than-expected increase in inflation last month reported by the Labor Department on Friday also reflected a surge in rents, which increased by the most since 1990. The consumer price index increased 8.6% from last year and increased 1.0% last month after gaining 0.3% in April. The so-called core CPI increased 6.0% in the 12-months through May. That followed a 6.2% rise in April. The inflation report was published ahead of an anticipated second 50 basis points rate hike from the Fed this week. The U.S. central bank is expected to raise its policy interest rate by an additional half a percentage point in July.

Bank of England says 12-month inflation expectations hit record

U.K. consumers' expectations for inflation are rising further and further away from the Bank of England's 2% target, adding to the pressure on the central bank for more interest rate hikes. Expectations for inflation over the next 12 months rose to 4.6% in May. In the last survey in February, the median expectation had only been 4.3%. Moreover, consumers expect inflation to stay higher above target for longer. The median expectation for the following year rose to 3.4% in the previous survey, while the median expectation for the next five years rose to 3.5% from 3.3%.

South Korea June 1-10 exports shrink 12.7%, trade deficit at \$6 billion

South Korea's exports for the first 10 days of June shrank 12.7% from the same period a year before, customs agency data showed on Monday. The country's imports grew 17.5%, however, bringing the trade balance to a \$6 billion deficit for the period. By product, exports of semiconductors grew 0.8% and petroleum products surged 94.5%, but those of cars, automobile parts and wireless communication devices fell 35.6%, 28.8% and 27.5%, respectively. By destination, shipments to China, the United States and European Union shrank 16.2%, 9.7% and 23.3% each.

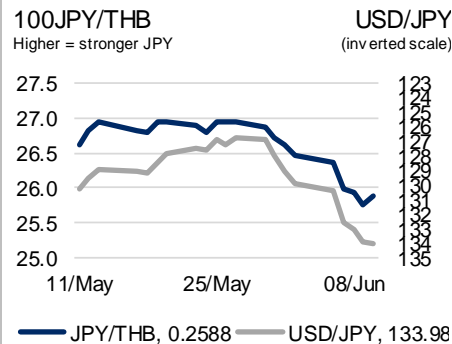
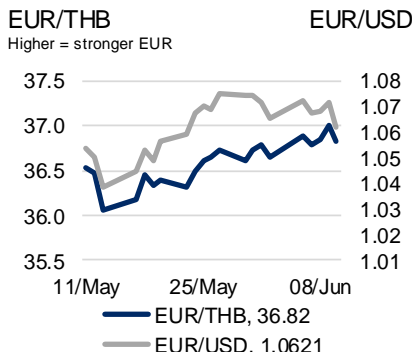
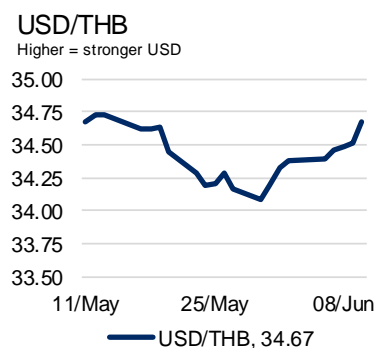
Dollar rises as hot U.S. inflation data seen keeping Fed hawkish

The 10-year government bond yield (interpolated) on the previous trading day was 2.92, +0.20 bps. The benchmark government bond yield (LB31DA) was 2.86, +3.00 bps. LB31DA could be between 2.83-2.93. Meantime, the latest closed US 10-year bond yields was 3.15%, +11.00bps. USDTHB on the previous trading day closed around 34.67 Moving in a range from 34.75-34.85 this morning. USDTHB could be closed between 34.70-34.90 today. The yen fell to a fresh 20-year low against the dollar on Monday, as red hot U.S. inflation data drove up Treasury yields, diminishing the earlier boost from speculation Japanese authorities could intervene to support the currency.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index	1,632.6	S&P500	3,900.9	10Y UST	3.15%	Brent	122.0	Gold	1,843.4
10-Jun	▼ -0.53%	10-Jun	▼ -2.95%	10-Jun	▲ 11.0 bps	10-Jun	▼ -0.26%	10-Jun	▼ -0.32%

USD/THB 34.67	Daily ▲ 0.44%	EUR/THB 36.82	Daily ▼ -0.47%	JPY/THB 0.2588	Daily ▲ 0.44%
	Weekly ▲ 0.81%		Weekly ▼ -0.16%		Weekly ▼ -1.87%
Sideways Trend	Monthly ▼ -0.02%	Sideways Trend	Monthly ▲ 0.81%	Sideways Trend	Monthly ▼ -2.83%



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

Main Contributor

Kantaphon Amornrat
(66) 2 2991111 ext. 5191,
kantaphon.amo@ttbank.com

ttb analytics ttbanalytics@ttbank.com

Naris Sathapholdeja (66) 2 299 2494, naris.sat@ttbank.com
Kasem Harnchanpanich (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		103.26	0.7%	0.7%	-0.4%	101.54	104.76
EUR/USD		1.0621	-0.9%	-0.3%	0.5%	1.0383	1.0751
USD/JPY		133.98	0.0%	3.1%	2.9%	126.76	133.98
USD/CHF		0.9794	0.1%	1.8%	-1.3%	0.9567	1.0028
GBP/USD		1.2487	-0.4%	0.0%	1.1%	1.2211	1.2646
USD/CAD		1.2707	1.2%	0.3%	-2.4%	1.2548	1.3022
AUD/USD		0.7101	-1.1%	-0.9%	2.3%	0.6877	0.7211
NZD/USD		0.6400	-0.7%	-1.2%	1.4%	0.6244	0.6546
ASEAN Dollar		110.34	0.3%	0.4%	0.1%	109.25	110.65
USD/THB		34.67	0.4%	0.8%	0.3%	34.08	34.74
USD/SGD		1.3813	0.4%	0.4%	-0.7%	1.3669	1.3955
USD/MYR		4.3994	0.1%	0.2%	0.4%	4.3680	4.4031
USD/IDR		14,548	0.3%	0.1%	0.2%	14,439	14,676
USD/PHP		53.01	0.1%	0.9%	1.0%	52.19	53.01
USD/CNY		6.6892	0.1%	-0.1%	-0.8%	6.6479	6.8067
USD/HKD		7.8512	0.1%	0.1%	0.0%	7.8407	7.8550

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	10/06/2022	-3,860	-1,672	-5,532
3-month		0.70	-0.05	09/06/2022	1,119	979	2,098
6-month		1.50	-0.20	08/06/2022	-1,351	-11	-1,362
				07/06/2022	-606	-2,602	-3,208
				06/06/2022	-1,191	-1,718	-2,908
				Last 5 days	-5,890	-5,022	-10,912

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)	MTD	QTD	YTD
Total		227,545	2017	Month	Quarter	Year
Gold		14,494	274	↓ -9,291	↑ 21,862	↑ 132,726
SDR		5,470	44	↓ -6,008	↑ 31,622	↑ 117,181
IMF Reserves		1,222	10	↓ -15,299	↑ 53,484	↑ 249,906
Foreign Ccy		206,360	1689			
Net Fwd Position		30,495	150			

Last update: 20/05/2022

Money Market

THB BIBOR	1M Hist	Last	1M Range		THB FIX	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		0.44	0.09	0.71	ON		0.08	0.07	0.08
1W		0.52	0.52	0.52	1W		0.21	-0.13	0.66	1W		0.00	0.00	0.00
1M		0.55	0.55	0.55	1M		0.01	-0.13	0.53	1M		0.35	0.12	0.35
2M		0.59	0.59	0.59	2M					2M		0.00	0.00	0.00
3M		0.63	0.63	0.63	3M		0.41	0.29	0.59	3M		0.75	0.34	0.75
6M		0.73	0.73	0.73	6M		0.78	0.47	0.83	6M		1.04	0.56	1.04
12M		0.96	0.95	0.96	12M		1.36	0.86	1.36	12M		1.49	1.00	1.49

Last Updated: 09/06/2022

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		3.1500	11.00	19.00	24.00	2.74	3.15
Gilt 10y		2.2409	3.67	24.01	22.17	1.72	2.25
Bund 10y		1.3900	4.00	19.00	42.00	0.89	1.39
JGB 10y		0.2550	-0.20	0.40	0.20	0.22	0.26
TGB 1y		0.6865	1.04	2.92	-0.16	0.64	0.75
TGB 2y		1.6268	-0.07	4.01	-2.29	1.52	1.87
TGB 5y		2.4634	0.14	6.93	-24.77	2.23	2.73
TGB 7y		2.7048	-0.56	3.42	-41.36	2.55	3.13
TGB 10y		2.9289	0.14	-4.88	-47.43	2.90	3.42
AAA Spread		64.70	-0.60	-0.24	3.03	59.15	66.05
AA Spread		81.90	0.02	-1.49	2.46	78.05	83.81
A Spread		120.02	0.02	0.41	-2.94	118.33	125.88
BBB Spread		318.60	0.02	-0.09	-78.65	275.80	397.59

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		122.01	-0.3%	1.9%	11.4%	104.46	123.75
London Gold		1843.4	-0.3%	0.7%	-1.0%	1,805.8	1,884.3

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)		3,900.9	-2.9%	-5.1%	-0.7%	2,467.4	4,176.8
STOXX (EU)		424.3	2.1%	0.6%	5.0%	328.0	428.4
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		13,761.8	-3.1%	-4.8%	0.2%	13,534.7	14,653.8
CAC All-Tradable(FR)		4,719.2	-2.6%	-4.5%	-0.2%	4,667.9	4,999.1
TOPIX (JP)		1,943.1	-1.3%	0.5%	6.2%	1,829.2	1,970.0
Shanghai (CH)		3,441.8	1.4%	2.8%	7.4%	3,148.4	3,441.8
Hang Seng (HK)		21,806.2	-0.3%	3.4%	10.0%	19,380.3	22,014.6
ASX 200 (AU)		6,932.0	-1.2%	-4.2%	-0.1%	6,932.0	7,286.6
SET (TH)		1,632.6	-0.5%	-0.9%	0.6%	1,584.4	1,663.4
SET50 (TH)		987.6	-0.6%	-0.8%	2.3%	950.3	1,002.2
Straits Times (SG)		3,181.7	-0.9%	-1.6%	0.5%	3,165.2	3,244.0
FTSE Malay (MY)		1,494.0	-1.0%	-3.6%	-3.9%	1,494.0	1,570.1
JSX Index (ID)		7,086.6	-1.3%	-1.3%	2.6%	6,598.0	7,228.9
PSE Index (PH)		6,530.0	-3.4%	-3.1%	0.0%	6,379.2	6,822.3
Vn Index (VN)		1,284.1	-1.8%	-0.3%	3.7%	1,172.0	1,307.9

Sources: ttb analytics, CEIC

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.