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Fed policymakers are entertaining the idea of a 75 basis point increase to the benchmark funds rate that banks charge each other for overnight financing. Changes in the economic outlook, including the likelihood that inflation hasn't peaked and is running well ahead of the Fed's 2% goal, could influence a bigger rate move. The Wall Street firm's economists now foresee consecutive 75 basis point rate hikes in June and July, followed by a 50 basis point move in September and 25 basis point moves in November and December, taking the fed funds rate to a range of 3.25%-3.5% by the end of the year.

US Inflation Expectations Back to Record High

US consumer inflation expectations for the year ahead rose to 6.6% in May of 2022 from 6.3% in April, matching a record hit in March. After declining sharply last month, the year-ahead expected change in the price of gas rose slightly to 5.5%. On the other hand, the expected change in the price of food, medical care and rent all fell by 0.1 percentage point to 9.3%, 9.4%, and 10.2%, respectively. Similarly, the median expected change in the cost of a college education declined by 0.5 percentage points to 8.6%. Meanwhile, the median three-year-ahead inflation expectations remained unchanged at 3.9%.

New Zealand May Food Inflation Rises to 6.8%

Food price inflation in New Zealand rose to 6.8% year-on-year in May of 2022, up from 6.4% in the previous month. The largest positive contributions came from prices of grocery food including yoghurt, milk, and cheese (7.4% vs 6.4% in April), and restaurant meals and ready-to-eat food (6% vs 5.3%). Prices also continued to climb for fruit and vegetables (10% vs 9.4%). On a monthly basis, food prices were up 0.7%, following a 0.1% uptick in the previous month.

Brent steadies around \$122.5 per barrel as tight global oil market

Brent crude futures steadied around \$122.5 per barrel on Tuesday, as a still tight global oil market countered fears over a possible recession and potential new Covid curbs in China that threatens to hit demand. A drop in Libyan oil exports amid a political unrest that has hit output and ports exacerbated supply tightness, at a time other OPEC+ producers are struggling to meet their output targets and Russia is facing bans on its oil over the war in Ukraine. On the demand side, a Covid outbreak at a bar in Beijing stoked fears of fresh lockdowns just as restrictions were being eased.

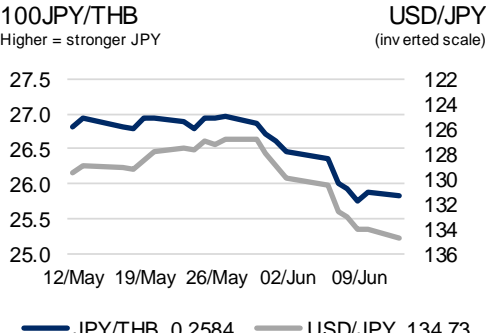
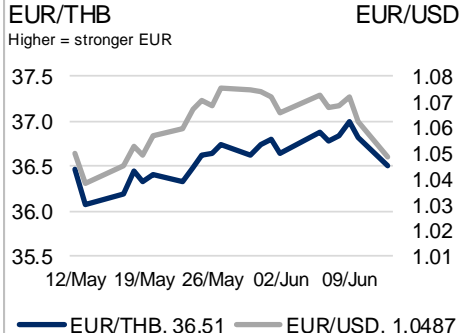
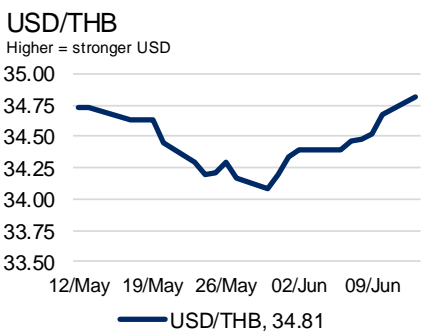
Fed bid to fight decade high inflation triggering inverted yield curve

The 10-year government bond yield (interpolated) on the previous trading day was 3.09, +16.1 bps. The benchmark government bond yield (LB31DA) was 3.05, +19.00 bps. LB31DA could be between 3.00-3.13. Meantime, the latest closed US 10-year bond yields was 3.43, +28.00 bps. USDTHB on the previous trading day closed around 34.81 Moving in a range from 34.90-34.98 this morning. USDTHB could be closed between 34.92-35.00 today. The Fed's bid to contain the hottest inflation in decades will end in a recession as bond market is telegraphing after US inflation shock. 2Y yields exceeded 10Y rates for the first time since April on Monday, while 5Y yields soared as much as 17 basis points above 30Y rates in the widest inversion in over two decades.

Sources : ttb analytics , Bloomberg, CNBC, Investing, CEIC

SET Index	1,600.1	S&P500	3,749.6	10Y UST	3.43%	Brent	122.0	Gold	1,856.0
13-Jun	▼ -2.01%	13-Jun	▼ -3.95%	13-Jun	▲ 28.0 bps	10-Jun	▼ -0.26%	13-Jun	▲ 0.68%

USD/THB	34.81	EUR/THB	36.51	JPY/THB	0.2584
Daily ▲ 0.41%	Weekly ▲ 1.01%	Daily ▼ -0.86%	Weekly ▼ -0.77%	Daily ▼ -0.15%	Weekly ▼ -0.60%
Monthly ▲ 0.24%	Monthly ▲ 0.10%	Monthly ▼ -3.71%			
Rising Trend	Sideways Trend	Falling Trend			



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

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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		104.48	1.2%	2.4%	0.6%	101.54	104.76
EUR/USD		1.0487	-1.3%	-2.2%	-0.4%	1.0383	1.0751
USD/JPY		134.73	0.6%	3.3%	3.4%	126.76	134.73
USD/CHF		0.9890	1.0%	2.9%	-0.6%	0.9567	1.0028
GBP/USD		1.2281	-1.6%	-1.8%	-0.4%	1.2211	1.2646
USD/CAD		1.2811	0.8%	1.8%	-1.6%	1.2548	1.3022
AUD/USD		0.7017	-1.2%	-2.6%	1.0%	0.6877	0.7211
NZD/USD		0.6336	-1.0%	-2.7%	0.5%	0.6244	0.6546
ASEAN Dollar		110.73	0.4%	1.0%	0.4%	109.18	110.73
USD/THB		34.81	0.4%	1.2%	0.4%	34.08	34.81
USD/SGD		1.3902	0.6%	1.2%	0.1%	1.3669	1.3955
USD/MYR		4.4129	0.3%	0.6%	0.7%	4.3680	4.4129
USD/IDR		14,592	0.3%	1.1%	0.2%	14,439	14,676
USD/PHP		53.20	0.3%	0.6%	1.6%	52.19	53.20
USD/CNY		6.7410	0.8%	1.4%	0.1%	6.6479	6.8067
USD/HKD		7.8467	-0.1%	0.1%	0.0%	7.8407	7.8550

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		227,545	2017
Gold		14,494	274
SDR		5,470	44
IMF Reserves		1,222	10
Foreign Ccy		206,360	1689
Net Fwd Position		30,495	150

Last update: 5/20/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
6/13/2022	-2,597	978	-1,619
6/10/2022	-3,860	-1,672	-5,532
6/9/2022	1,119	979	2,098
6/8/2022	-1,351	-11	-1,362
6/7/2022	-606	-2,602	-3,208
Last 5 days	-7,296	-2,326	-9,622

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,888	↓ -5,030	↓ -16,917
QTD	Quarter	↑ 19,265	↑ 32,600	↑ 51,865
YTD	Year	↑ 130,129	↑ 118,159	↑ 248,288

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		0.59	0.59	0.59	2M		0.32	0.22	0.41	2M		0.00	0.00	0.00
3M		0.63	0.63	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		0.96	0.95	0.96	12M		0.45	0.38	0.50	12M		1.49	1.00	1.49

Last Updated: 2/23/2021

Last Updated: 3/9/2022

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		3.4300	28.00		39.00		59.00		2.74	3.43
Gilt 10y		2.3182	7.73		18.79		35.15		1.72	2.32
Bund 10y		1.5400	15.00		29.00		65.00		0.89	1.54
JGB 10y		0.2640	0.30		1.20		1.70		0.22	0.26
TGB 1y		0.7307	4.42		7.55		2.76		0.65	0.75
TGB 2y		1.7142	8.74		9.65		3.27		1.52	1.87
TGB 5y		2.6143	15.09		18.25		-8.35		2.23	2.73
TGB 7y		2.8784	17.36		17.08		-24.25		2.55	3.13
TGB 10y		3.0897	16.08		10.11		-32.18		2.90	3.42
AAA Spread		65.45	0.75		0.12		3.88		59.15	66.05
AA Spread		82.83	0.93		-0.70		3.52		78.05	83.81
A Spread		119.90	-0.12		0.25		-3.00		118.33	125.88
BBB Spread		318.16	-0.44		-0.41		17.25		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		1856.0	0.7%		0.2%		0.2%		1,805.8	1,865.4

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)		3,749.6	-3.9%		-9.0%		-6.8%		2,467.4	4,176.8
STOXX (EU)		422.4	4.9%		-1.1%		2.2%		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)		4,585.1	-2.8%		-8.1%		-5.4%		4,585.1	4,999.1
TOPIX (JP)		1,901.1	-2.2%		-2.0%		2.0%		1,829.2	1,970.0
Shanghai (CH)		3,411.1	-0.9%		0.6%		6.5%		3,181.7	3,441.8
Hang Seng (HK)		21,067.6	-3.4%		-2.7%		8.7%		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)		1,600.1	-2.0%		-2.8%		-0.8%		1,584.4	1,663.4
SET50 (TH)		968.8	-1.9%		-2.7%		0.7%		950.3	1,002.2
Straits Times (SG)		3,139.4	-1.3%		-2.7%		-1.6%		3,139.4	3,244.0
FTSE Malay (MY)		1,464.8	-1.9%		-4.7%		-5.9%		1,464.8	1,570.1
JSX Index (ID)		6,995.4	-1.3%		-1.4%		2.6%		6,598.0	7,228.9
PSE Index (PH)		6,467.0	-1.0%		-3.7%		1.4%		6,379.2	6,822.3
Vn Index (VN)		1,227.0	-4.4%		-4.9%		3.7%		1,172.0	1,307.9

Sources: ttb analytics, CEIC

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

Important Disclosures

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