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U.S. producer prices increased solidly in May as the cost of gasoline surged, another sign of stubbornly high inflation that could force the Federal Reserve to raise interest rates as much as 75 basis points on Wednesday. The producer price index for final demand rose 0.8% last month after advancing 0.4% in April. A 1.4% jump in the prices of goods accounted for nearly two-thirds of the rise in the PPI. Goods prices, which rose 1.3% in April, were driven by soaring costs for energy products. Wholesale gasoline prices rebounded 8.4% after falling 3.0% in April, making up 40% of the rise in the costs of goods. In the 12 months through May, the PPI increased 10.8% after accelerating 10.9% in April.

UK slowdown fears mount as GDP unexpectedly shrinks in April

Britain's economy unexpectedly shrank in April, official figures showed on Monday, adding to fears of a sharp slowdown just three days before the Bank of England announces the scale of its latest interest rate response to the surge in inflation. Gross domestic product contracted by 0.3% after falling by 0.1% in March, the first back-to-back declines since April and March 2020, at the start of the coronavirus pandemic. Despite the slowdown, the BoE is expected to raise interest rates for the fifth time since December on Thursday to 1.25%.

Japan's core machinery orders post surprise double-digit growth

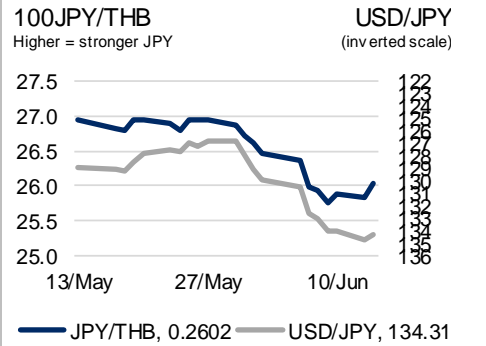
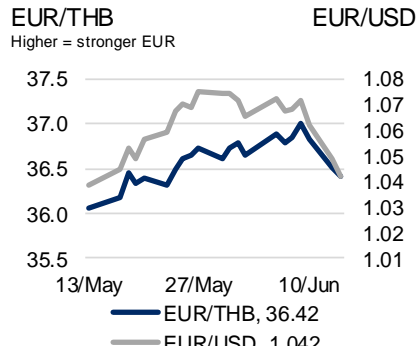
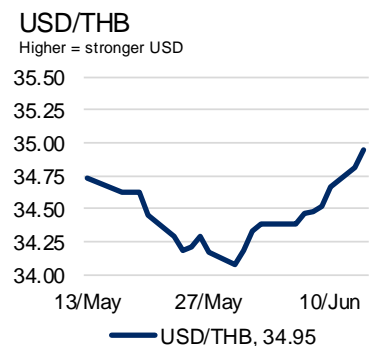
Japan's core machinery orders unexpectedly rose in April, at the fastest pace in 18 months, as business spending remained defiantly robust against higher energy prices and China's COVID-19 lockdowns. The surge in the closely watched barometer of business investment bodes well for Japan's corporate sector and the broader economy, which faces global inflation and a rapid yen decline to 24-year-lows. Core machinery orders, a highly volatile data series considered an early indicator of capital expenditure, grew 10.8% in April from the previous month, marking the biggest monthly growth since October 2020.

Yields hit decade highs before expected 75 bp Fed rate hike

The 10-year government bond yield (interpolated) on the previous trading day was 3.13, +4.80 bps. The benchmark government bond yield (LB31DA) was 3.05, +0.00 bps. LB31DA could be between 3.00-3.10. Meantime, the latest closed US 10-year bond yields was 3.49%, +6.00bps. USDTHB on the previous trading day closed around 34.95 Moving in a range from 35.00-35.10 this morning. USDTHB could be closed between 34.90-35.20 today. U.S. Treasury yields climbed to their highest levels in a decade on Tuesday as investors raised bets that the Federal Reserve will hike rates by 75 basis points when it concludes its two-day meeting. Two-year Treasury note yields reached 3.439%, the highest since Nov. 2007. Benchmark 10-year notes hit 3.475%, the highest since April 2011.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,603.0	S&P500 3,735.5	10Y UST 3.49%	Brent 122.2	Gold 1,823.7
14-Jun ▲ 0.19%	14-Jun ▼ -0.38%	14-Jun ▲ 6.0 bps	13-Jun ▲ 0.14%	14-Jun ▼ -1.76%
USD/THB 34.95	EUR/THB 36.42	JPY/THB 0.2602		
Daily ▲ 0.40%	Daily ▼ -0.23%	Daily ▲ 0.71%		
Weekly ▲ 1.35%	Weekly ▼ -1.14%	Weekly ▲ 0.39%		
Monthly ▲ 0.62%	Monthly ▲ 0.97%	Monthly ▼ -3.48%		
Rising Trend	Sideways Trend	Sideways Trend		



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

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		105.08	0.6%	2.4%	1.0%	101.54	105.08
EUR/USD		1.0420	-0.6%	-2.4%	-0.8%	1.0383	1.0751
USD/JPY		134.31	-0.3%	1.3%	3.7%	126.76	134.73
USD/CHF		0.9957	0.7%	2.4%	0.0%	0.9567	1.0028
GBP/USD		1.2163	-1.0%	-2.7%	-0.5%	1.2163	1.2646
USD/CAD		1.2894	0.7%	2.3%	-0.9%	1.2548	1.3022
AUD/USD		0.6946	-1.0%	-3.1%	0.5%	0.6877	0.7211
NZD/USD		0.6273	-1.0%	-2.9%	0.1%	0.6244	0.6546
ASEAN Dollar		111.22	0.3%	1.1%	0.6%	109.30	111.22
USD/THB		34.95	0.4%	1.4%	0.6%	34.08	34.95
USD/SGD		1.3922	0.1%	1.0%	0.0%	1.3669	1.3955
USD/MYR		4.4229	0.2%	0.6%	0.8%	4.3680	4.4229
USD/IDR		14,685	0.6%	1.6%	0.8%	14,439	14,685
USD/PHP		53.30	0.2%	0.7%	1.7%	52.19	53.30
USD/CNY		6.7466	0.1%	1.3%	-0.3%	6.6479	6.8067
USD/HKD		7.8483	0.0%	0.0%	0.0%	7.8407	7.8516

FX Swap Market and BoT's Reserves

Foreign Fund Flows (THB.mn)

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

Date	Equity	Bond	Total
14/06/2022	97	-1,076	-978
13/06/2022	-2,597	978	-1,619
10/06/2022	-3,860	-1,672	-5,532
09/06/2022	1,119	979	2,098
08/06/2022	-1,351	-11	-1,362
Last 5 days	-6,592	-800	-7,392

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

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,790	↓ -6,105	↓ -17,895
QTD	Quarter	↑ 19,362	↑ 31,525	↑ 50,887
YTD	Year	↑ 130,226	↑ 117,083	↑ 247,310

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		0.57	0.09	0.57	ON		0.08	0.07	0.08
1W		0.52	0.52	0.52	1W		0.22	-0.13	0.66	1W		0.00	0.00	0.00
1M		0.55	0.55	0.55	1M		-0.41	-0.41	0.44	1M		0.35	0.12	0.35
2M		0.59	0.59	0.59	2M					2M		0.00	0.00	0.00
3M		0.64	0.63	0.64	3M		0.14	0.14	0.50	3M		0.75	0.34	0.75
6M		0.74	0.73	0.74	6M		0.70	0.47	0.83	6M		1.04	0.56	1.04
12M		0.96	0.95	0.96	12M		1.52	0.86	1.52	12M		1.49	1.00	1.49

Last Updated: 13/06/2022

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		3.4900	6.00		51.00		56.00		2.74	3.49
Gilt 10y		2.4145	9.63		26.88		55.43		1.72	2.41
Bund 10y		1.6400	10.00		35.00		75.00		0.89	1.64
JGB 10y		0.2640	0.30		1.20		1.70		0.22	0.26
TGB 1y		0.9772	24.65		32.13		26.08		0.65	0.98
TGB 2y		1.7924	7.82		16.55		6.15		1.52	1.87
TGB 5y		2.6889	7.46		17.25		1.68		2.23	2.71
TGB 7y		2.9374	5.91		20.16		-17.25		2.55	3.12
TGB 10y		3.1380	4.83		13.74		-25.30		2.90	3.42
AAA Spread		65.68	0.23		-0.28		4.19		59.15	66.05
AA Spread		81.68	-1.15		-1.78		2.43		78.05	83.81
A Spread		119.91	0.00		0.43		-3.03		118.33	125.88
BBB Spread		318.17	0.01		-0.10		-0.52		275.80	397.25

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		122.18	0.1%		1.6%		9.5%		106.22	123.75
London Gold		1823.7	-1.7%		-1.3%		-1.5%		1,805.8	1,864.3

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)		3,735.5	-0.4%		-10.2%		-6.8%		2,467.4	4,176.8
STOXX (EU)		415.8	6.1%		-2.0%		0.8%		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)		13,427.0	-2.4%		-8.4%		-4.3%		13,427.0	14,653.8
CAC All-Tradable(FR)		4,525.4	-1.3%		-8.6%		-6.5%		4,525.4	4,999.1
TOPIX (JP)		1,878.5	-1.2%		-3.5%		0.8%		1,829.2	1,970.0
Shanghai (CH)		3,446.1	1.0%		1.5%		6.6%		3,201.8	3,446.1
Hang Seng (HK)		21,068.0	0.0%		-2.2%		5.9%		19,380.3	22,014.6
ASX 200 (AU)		6,686.0	-3.5%		-7.2%		-5.5%		6,686.0	7,286.6
SET (TH)		1,603.0	0.2%		-1.8%		1.2%		1,584.4	1,663.4
SET50 (TH)		970.7	0.2%		-1.6%		2.1%		950.3	1,002.2
Straits Times (SG)		3,108.9	-1.0%		-3.8%		-2.6%		3,108.9	3,244.0
FTSE Malay (MY)		1,481.3	1.1%		-2.9%		-3.7%		1,464.8	1,570.1
JSX Index (ID)		7,049.9	0.8%		-1.3%		3.4%		6,598.0	7,193.3
PSE Index (PH)		6,474.5	0.1%		-4.1%		-0.4%		6,379.2	6,822.3
Vn Index (VN)		1,230.3	0.3%		-4.7%		5.0%		1,172.0	1,307.9

Sources: ttb analytics, CEIC

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

Important Disclosures

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