

US dollar inches lower as dovish Powell comments offset upbeat jobs data

US labor market easing despite more job openings

U.S. job openings rose in May after posting outsized declines in the prior two months, but the trend remained consistent with an easing in labor market conditions that could pave the way for the Federal Reserve to cut interest rates this year. Job openings, a measure of labor demand, rose 221,000 to 8.140 million on the last day of May. Data for April was revised lower to show 7.919 million unfilled positions instead of the previously reported 8.059 million. Economists polled by Reuters had forecast 7.910 million job openings in May. Furthermore, The Job Openings and Labor Turnover Survey, or JOLTS report, showed there were 1.22 vacancies for every unemployed person in May, unchanged from April and the lowest vacancy-to-unemployment ratio since 2021. April's ratio previously had been estimated at 1.24. The ratio is now not too far from its average of 1.19 in 2019.

Powell's comments leaning towards a dovish stance

Fed Chair Powell noted that the labor market remains robust and first-quarter growth was strong. He observed a potential return to disinflationary trends and highlighted progress made on inflation. Powell emphasized the need for increased confidence before adjusting policy rates, citing recent data as crucial. Additionally, he mentioned widespread beliefs that the U.S. won't revert to extremely low interest rates seen recently, although uncertainties persist.

Euro zone inflation eases a touch, but services costs stuck

Inflation in the Euro zone moderated last month, although a critical component related to services remained persistently high. This is likely to raise concerns among some policymakers at the European Central Bank about sustained domestic price pressures. The Euro zone headline CPI decreased to 2.5% in June from 2.6% in the previous month, consistent with economist forecasts. This slowdown was attributed to a moderation in the increase of energy and unprocessed food costs. Meanwhile, core inflation, which excludes volatile items like energy and food, remained unchanged at 2.9%, surpassing expectations of 2.8%, primarily due to a continued 4.1% uptick in service prices.

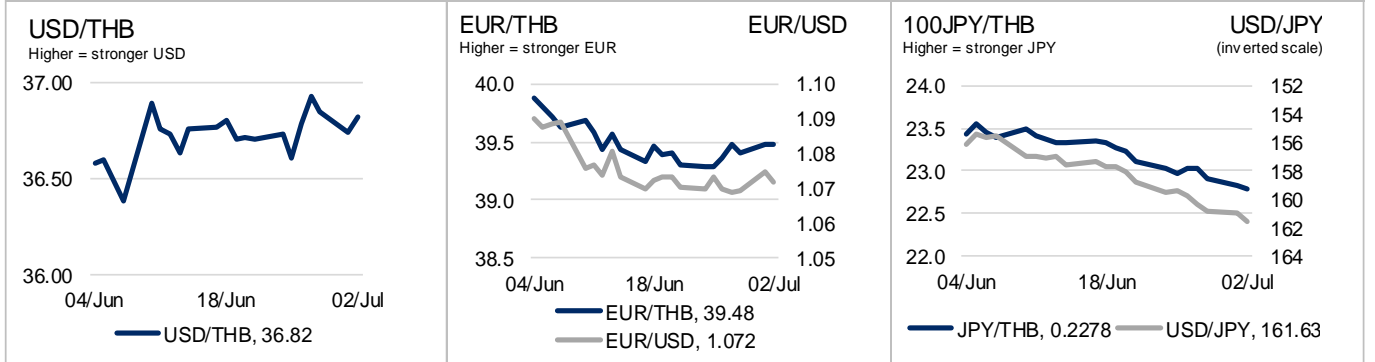
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The 10-year government bond yield (interpolated) on the previous trading day was 2.69, +1.42 bps. The benchmark government bond yield (LB346A) was 2.67, +3.0 bps. Meantime, the latest closed US 10-year bond yields was 4.43, -5.00 bps. USDTHB on the previous trading day closed around 36.82 moving in a range of 36.80 - 36.85 this morning. USDTHB could be closed between 36.70-36.95 today. The Dollar was flattish against many of its peers, with the DXY seeing session highs above the 106 level early on in the session, but ultimately pared strength before JOLTS, amid dovish-leaning commentary from Fed Chair Powell, noting the disinflation trend shows signs of resuming. However, the index saw another bout of strength in wake of the hotter-than-expected JOLTS. Nonetheless, DXY swiftly erased any gains post-data. The Euro was flat against the Buck with the recent relief rally which sparked from France's RN party obtaining a lesser majority than thought in the 1st round of elections, taking a pause. The Japanese yen continued to make fresh multi-decade highs of 161.75, that said, the cross finished off session highs.

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

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,288.6 | S&P500 | 5,509.0 | 10Y UST | 4.43% | Brent | 86.8 | Gold | 2,329.0 |
| 2-Jul | ▼ -0.83% | 2-Jul | ▲ 0.62% | 2-Jul | ▼ -5.0 bps | 1-Jul | ▲ 0.50% | 2-Jul | ▲ 0.05% |

| | | | | | |
|----------------------|-----------------|----------------------|------------------|-----------------------|------------------|
| USD/THB 36.82 | Daily ▲ 0.24% | EUR/THB 39.48 | Daily ▼ -0.02% | JPY/THB 0.2278 | Daily ▼ -0.20% |
| Rising Trend | Weekly ▲ 0.11% | Sideways Trend | Weekly ▲ 0.29% | Falling Trend | Weekly ▼ -1.04% |
| Monthly ▲ 0.68% | Monthly ▲ 0.68% | Monthly ▼ -1.01% | Monthly ▼ -1.01% | Monthly ▼ -2.82% | Monthly ▼ -2.82% |



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 | | 105.63 | -0.3% | 0.2% | 0.7% | 104.07 | 106.03 |
| EUR/USD | | 1.0749 | 0.5% | 0.2% | -0.6% | 1.0690 | 1.0902 |
| USD/JPY | | 160.92 | 0.0% | 1.0% | 2.6% | 155.43 | 160.92 |
| USD/CHF | | 0.8995 | 0.0% | 0.8% | -0.5% | 0.8841 | 0.9128 |
| GBP/USD | | 1.2659 | 0.2% | -0.2% | -0.4% | 1.2634 | 1.2803 |
| USD/CAD | | 1.3680 | -0.3% | 0.2% | 0.0% | 1.3622 | 1.3777 |
| AUD/USD | | 0.6666 | 0.6% | 0.1% | 0.5% | 0.6583 | 0.6670 |
| NZD/USD | | 0.6098 | 0.5% | -0.4% | -0.4% | 0.6068 | 0.6205 |
| ASEAN Dollar | | 107.80 | 0.0% | 0.1% | 0.3% | 106.81 | 107.86 |
| USD/THB | | 36.74 | -0.3% | 0.3% | 0.0% | 36.38 | 36.93 |
| USD/SGD | | 1.3550 | -0.2% | 0.2% | 0.3% | 1.3446 | 1.3578 |
| USD/MYR | | 4.7155 | 0.0% | 0.2% | 0.2% | 4.6889 | 4.7194 |
| USD/IDR | | 16,262 | -0.3% | -0.1% | 0.4% | 16,022 | 16,383 |
| USD/PHP | | 58.75 | -0.3% | -0.5% | -0.1% | 58.23 | 59.15 |
| USD/CNY | | 7.2861 | 0.0% | 0.2% | 0.5% | 7.2395 | 7.2861 |
| USD/HKD | | 7.8110 | 0.1% | 0.1% | -0.1% | 7.7975 | 7.8194 |

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 | | 224,733 | -572 |
| Gold | | 17,507 | -84 |
| SDR | | 5,436 | -8 |
| IMF Reserves | | 1,116 | -2 |
| Foreign Ccy | | 200,674 | -478 |
| Net Fwd Position | | 28,225 | 290 |

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|---------|---------|
| 02/07/2024 | -2,821 | -2,917 | -5,738 |
| 01/07/2024 | 338 | -4,185 | -3,847 |
| 28/06/2024 | -2,620 | -1,220 | -3,841 |
| 27/06/2024 | -2,386 | -4,223 | -6,609 |
| 26/06/2024 | -831 | -179 | -1,010 |
| Last 5 days | -8,320 | -12,725 | -21,045 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|-----------|------------|
| MTD | Month | ↓ -2,483 | ↓ -7,103 | ↓ -9,585 |
| QTD | Quarter | ↓ -2,483 | ↓ -7,103 | ↓ -9,585 |
| YTD | Year | ↓ -119,514 | ↓ -53,088 | ↓ -172,603 |

Money Market

Last update: 21/06/2024

| 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 | | 2.50 | 0.00 | 2.50 | ON | | 1.72 | 1.14 | 1.72 | ON | | 0.08 | 0.07 | 0.08 |
| 1W | | 2.52 | 0.00 | 2.53 | 1W | | 1.61 | 0.22 | 1.61 | 1W | | 0.00 | 0.00 | 0.00 |
| 1M | | 2.55 | 0.00 | 2.55 | 1M | | 1.59 | 0.88 | 1.72 | 1M | | 0.35 | 0.12 | 0.35 |
| 2M | | 2.60 | 0.00 | 2.61 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.00 |
| 3M | | 2.65 | 0.00 | 2.65 | 3M | | 1.81 | 1.09 | 1.82 | 3M | | 0.75 | 0.34 | 0.75 |
| 6M | | 2.71 | 0.00 | 2.73 | 6M | | 1.95 | 1.31 | 1.99 | 6M | | 1.04 | 0.56 | 1.04 |
| 12M | | 2.81 | 0.00 | 2.84 | 12M | | 2.26 | 1.59 | 2.26 | 12M | | 1.49 | 1.00 | 1.49 |

Last Updated: 29/06/2023

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

Sources: ttb analytics, CEIC

Fixed Income Market

| Fixed Income | 1M History | YTM (%) | Bps Chg (1D) | Bps Chg (1W) | Bps Chg (1M) | 1M Range | |
|--------------|------------|---------|--------------|--------------|--------------|----------|--------|
| | | | | | | Min | Max |
| UST10y | | 4.4300 | -5.00 | 20.00 | -8.00 | 4.20 | 4.61 |
| Gilt 10y | | 4.1534 | 4.80 | 9.96 | -17.19 | 4.02 | 4.35 |
| Bund 10y | | 2.6000 | 2.00 | 19.00 | -5.00 | 2.37 | 2.70 |
| JGB 10y | | 1.0830 | 2.10 | 7.30 | 0.30 | 0.95 | 1.09 |
| TGB 1y | | 2.3571 | 0.21 | 0.59 | 3.48 | 2.31 | 2.36 |
| TGB 2y | | 2.3493 | -0.15 | 0.07 | -3.43 | 2.35 | 2.39 |
| TGB 5y | | 2.4742 | 0.14 | 2.18 | -4.55 | 2.45 | 2.53 |
| TGB 7y | | 2.5711 | -0.10 | 0.85 | -9.92 | 2.56 | 2.67 |
| TGB 10y | | 2.6779 | 0.18 | -0.70 | -13.98 | 2.68 | 2.83 |
| AAA Spread | | 55.01 | -3.96 | -7.43 | -18.75 | 55.01 | 73.76 |
| AA Spread | | 77.56 | 1.67 | -1.28 | -4.02 | 67.07 | 84.99 |
| A Spread | | 106.08 | -5.05 | -2.12 | -18.48 | 106.08 | 124.56 |
| BBB Spread | | 0.00 | -235.77 | -235.91 | -237.76 | 0.00 | 239.76 |

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 | | 86.84 | 0.50% | 1.0% | 6.4% | 77.27 | 86.84 |
| London Gold | | 2329.0 | 0.05% | -0.1% | 0.2% | 2,297.7 | 2,364.0 |

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) | | 5,509.0 | 0.6% | 0.1% | 3.6% | 5,235.5 | 5,509.0 |
| STOXX (EU) | | 503.2 | -0.4% | -0.8% | -2.9% | 499.0 | 523.1 |
| FTSE All-Share(UK) | | 4,076.1 | 0.2% | 0.9% | 2.1% | 3,933.2 | 4,088.1 |
| DAX (DE) | | 18,164.1 | -0.7% | -0.1% | -2.4% | 18,002.0 | 18,652.7 |
| CAC All-Tradable(FR) | | 5,575.8 | -0.3% | -1.6% | -6.2% | 5,528.3 | 5,972.1 |
| TOPIX (JP) | | 2,856.6 | 1.1% | 2.5% | 2.1% | 2,700.0 | 2,856.6 |
| Shanghai (CH) | | 3,142.0 | 0.1% | 1.6% | -2.9% | 3,088.3 | 3,261.3 |
| Hang Seng (HK) | | 17,769.1 | 0.3% | -1.4% | -2.5% | 17,716.5 | 18,821.2 |
| ASX 200 (AU) | | 7,718.2 | -0.4% | -1.5% | 0.2% | 7,628.2 | 7,860.0 |
| SET (TH) | | 1,288.6 | -0.8% | -2.3% | -4.2% | 1,288.6 | 1,351.5 |
| SET50 (TH) | | 800.1 | -0.7% | -2.0% | -3.1% | 800.1 | 830.4 |
| Straits Times (SG) | | 3,367.9 | 0.9% | 1.3% | 0.9% | 3,297.6 | 3,367.9 |
| FTSE Malay (MY) | | 1,598.0 | 0.0% | 0.8% | -0.4% | 1,584.9 | 1,617.9 |
| JSX Index (ID) | | 7,125.1 | -0.2% | 3.5% | 1.3% | 6,726.9 | 7,253.6 |
| PSE Index (PH) | | 6,359.0 | -0.6% | 1.0% | -0.2% | 6,158.5 | 6,518.8 |
| Vn Index (VN) | | 1,269.8 | 1.2% | 1.1% | -0.8% | 1,245.3 | 1,301.5 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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