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Facing a still-scarred economy that may need an extended time to recover fully, Federal Reserve officials last month debated how to lay the groundwork for the public to accept higher inflation, and also the need to "stay vigilant" for signs of stress in buoyant asset markets, according to minutes of the U.S. central bank's Jan. 26-27 policy meeting. With a jump in some prices expected this spring, "many participants stressed the importance of distinguishing between such one-time changes in relative prices and changes in the underlying trend for inflation," according to the minutes. Fed officials determined to restore the job market and push inflation to 2% on a persistent basis.

**UK inflation rises to a 3-month high of 0.7%**

British inflation rose a little more than expected in January as the country went back into a coronavirus lockdown, pushed up by higher food prices and less discounting of household goods such as sofas, official data showed on Wednesday. Consumer prices rose 0.7% in annual terms after a 0.6% increase in December, the Office for National Statistics said. Inflation has been stuck below the Bank of England's 2% target since mid-2019 and the coronavirus lockdowns pushed it close to zero last year as the economy tanked. Earlier this month, the BoE said it expects inflation to pick up quite sharply towards its 2% target in the spring as last year's emergency cut in value-added tax expires and global oil prices rise on expectations of recovery.

**MPC wary of tourist death**

The lack of foreign tourist arrivals presents a major risk to Thailand's medium-term economic growth outlook, with a near-term recovery dependent on the resolution of the recent outbreak and fiscal support, says the Bank of Thailand. The recovery of foreign tourist arrivals could be influenced by many factors, including a plan to reopen the country, the status of the outbreak and the effectiveness of the vaccines. External factors that could affect the pace of border reopening include travel restrictions from China and virus mutations. The central bank anticipates foreign tourist arrivals of 5.5 million in 2021, but admits a lower projection is highly plausible. The economy is forecast to expand by 3.2% this year, but a lower GDP growth is likely on the back of increasing downside risks.

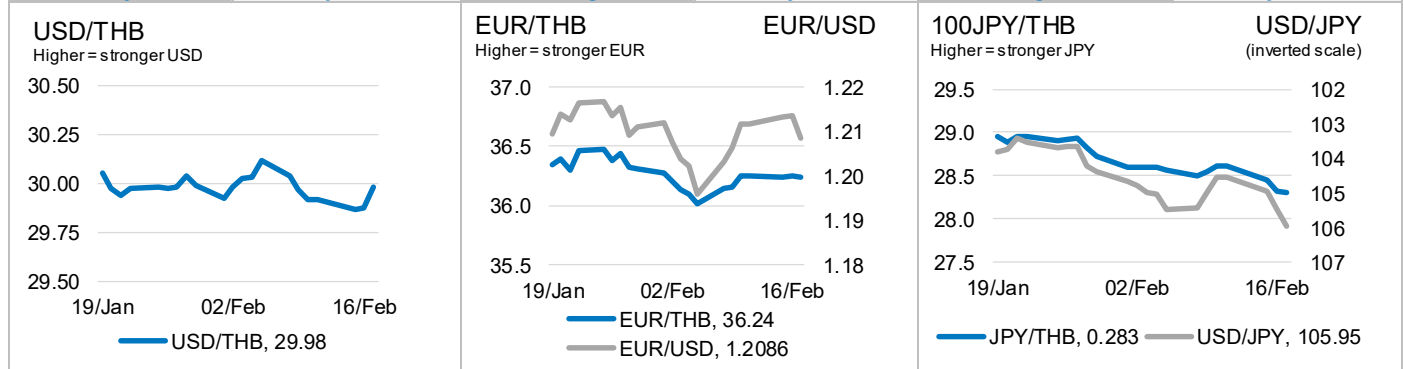
**Dollar Gains; Yields Rise on Inflation Concerns**

The benchmark government bond yield (LB29DA, 8.8 years) on the previous trading day was 1.40, +4.00 bps. Thai benchmark government bond yield (LB29DA) could be between 1.38-1.42. Meantime, the latest closed US 10-year bond yields was 1.29%, -1.00bps. USDTHB on the previous trading day closed around 29.99 Moving in a range from 29.96-30.02 this morning. USDTHB could be closed between 29.98-30.05 today. Meantime, The dollar advanced on Wednesday, hitting a four-month high against the yen as U.S. bond yields jumped on the prospects of further economic recovery and a possible acceleration in inflation.

Sources : Bloomberg, CNBC, Investing, CEIC

<b>SET Index</b> 1,514.9	<b>S&amp;P500</b> 3,931.3	<b>10Y UST</b> 1.29%	<b>Brent</b> 63.4	<b>Gold</b> 1,788.9
17-Feb ▼ -0.54%	17-Feb ▼ -0.03%	17-Feb ▼ -1.0 bps	16-Feb ▲ 0.08%	17-Feb ▼ -1.92%

<b>USD/THB</b> 29.98	Daily ▲ 0.37%	<b>EUR/THB</b> 36.24	Daily ▼ -0.04%	<b>JPY/THB</b> 0.2830	Daily ▼ -0.10%
Weekly ▲ 0.21%	Weekly ▼ -0.04%	Weekly ▼ -0.04%	Weekly ▼ -0.04%	Weekly ▼ -1.13%	Weekly ▼ -1.13%
Monthly ▼ -0.24%	Monthly ▼ -0.30%	Monthly ▼ -0.30%	Monthly ▼ -0.30%	Monthly ▼ -2.28%	Monthly ▼ -2.28%



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

**Main Contributor**  
Kantaphon Amornrat  
(66) 2 991111 ext. 5191,  
kantaphon.amo@tmbbank.com

**TMB Analytics** tmbanalytics@tmbbank.com  
Naris Sathapholdeja (66) 2 299 2494, naris.sat@tmbbank.com  
Kasem Hamchanpanich (66) 2 242 3265; kasem.har@tmbbank.com  
Supaporn Channarong (66) 2 242 3271, supaporn.cha@tmbbank.com

**Currency Market**

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		90.70	0.4%	-0.2%	-0.1%	90.15	91.55
EUR/USD		1.2086	-0.4%	0.2%	0.1%	1.1959	1.2167
USD/JPY		105.95	0.5%	0.9%	2.1%	103.43	105.95
USD/CHF		0.8929	0.4%	-0.5%	0.2%	0.8852	0.9040
GBP/USD		1.3883	-0.4%	0.9%	2.3%	1.3571	1.3932
USD/CAD		1.2706	0.6%	-0.2%	-0.5%	1.2629	1.2844
AUD/USD		0.7747	-0.5%	0.4%	0.7%	0.7592	0.7790
NZD/USD		0.7193	-0.7%	-0.6%	1.0%	0.7121	0.7246
ASEAN Dollar		103.20	0.4%	-0.1%	-0.2%	102.79	103.70
USD/THB		29.98	0.4%	0.0%	-0.4%	29.86	30.12
USD/SGD		1.3285	0.5%	-0.2%	-0.2%	1.3219	1.3376
USD/MYR		4.0388	0.2%	-0.4%	-0.2%	4.0300	4.0714
USD/IDR		13,926	0.4%	-0.2%	-0.4%	13,873	14,032
USD/PHP		48.36	0.7%	0.6%	0.7%	47.94	48.36
USD/CNY		6.4331	0.3%	0.1%	-0.7%	6.4135	6.4813
USD/HKD		7.7482	0.0%	0.0%	0.0%	7.7443	7.7540

**FX Swap Market and BoT's Reserves**

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.60	0.15
3-month		1.10	0.20
6-month		2.25	0.45

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		255,752	-1086
Gold		8,963	-171
SDR		1,423	-5
IMF Reserves		1,280	-4
Foreign Ccy		244,087	-906
Net Fwd Position		30,385	570

Last update: 05/02/2021

**Foreign Fund Flows (THB.mn)**

Date	Equity	Bond	Total
17/02/2021	-1,646	-2,340	-3,986
16/02/2021	2,185	-584	1,602
15/02/2021	1,651	-647	1,004
11/02/2021	-4,344	708	-3,637
10/02/2021	1,182	806	1,989
Last 5 days	-972	-2,057	-3,028

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -3,687	↓ -1,649	↓ -5,336
QTD	Quarter	↓ -14,590	↓ -1,534	↓ -16,124
YTD	Year	↓ -14,590	↓ -1,534	↓ -16,124

**Money Market**

THB BIBOR	1M Hist	Last	1M Range		THBFI X	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		0.45	0.22	0.48	ON		0.08	0.08	0.09
1W		0.52	0.52	0.52	1W		0.44	0.16	0.44	1W		0.09	0.08	0.10
1M		0.55	0.55	0.55	1M		0.31	0.15	0.35	1M		0.11	0.11	0.13
2M		0.58	0.58	0.59	2M		0.31	0.22	0.36	2M		0.15	0.15	0.19
3M		0.63	0.62	0.63	3M		0.31	0.28	0.38	3M		0.20	0.19	0.24
6M		0.74	0.73	0.74	6M		0.33	0.30	0.37	6M		0.21	0.21	0.25
12M		0.95	0.95	0.95	12M		0.43	0.38	0.44	12M		0.31	0.30	0.33

Last Updated: 16/02/2021

Last Updated: 10/02/2021

Note: D=d=day; M=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	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		1.2900	-1.00	11.00	18.00	1.04	1.30
Gilt 10y		0.6274	5.36	9.29	28.87	0.31	0.63
Bund 10y		-0.3800	0.00	7.00	16.00	-0.55	-0.38
JGB 10y		0.1040	2.10	3.20	5.50	0.03	0.10
TGB 1y		0.4802	1.34	3.52	8.17	0.39	0.48
TGB 2y		0.5318	1.51	4.33	7.61	0.44	0.53
TGB 5y		0.8721	3.51	8.31	14.15	0.70	0.87
TGB 7y		1.1722	5.07	12.51	19.93	0.93	1.17
TGB 10y		1.4769	4.15	10.59	17.36	1.29	1.48
AAA Spread		119.34	-0.03	-5.11	-5.56	119.34	124.93
AA Spread		78.55	-0.07	-6.73	-29.01	78.55	109.10
A Spread		192.10	1.85	2.58	6.18	185.54	192.10
BBB Spread		0.00	0.00	0.00	0.00	0.00	0.00

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		1788.9	-1.9%	-3.0%	-2.9%	1,788.9	1,867.7

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)		3,931.3	0.0%	0.5%	3.5%	2,467.4	3,934.8
STOXX (EU)		413.3	-0.8%	1.1%	2.3%	328.0	417.1
FTSE All-Share(UK)		3,669.6	-0.7%	2.6%	0.3%	3,505.9	3,696.8
DAX (DE)		14,064.6	-0.3%	0.4%	1.6%	13,432.9	14,109.5
CAC All-Tradable(FR)		4,485.1	-0.4%	1.5%	2.7%	4,214.6	4,503.3
TOPIX (JP)		1,961.5	-0.2%	1.9%	6.3%	1,808.8	1,965.1
Shanghai (CH)		3,831.5	1.4%	3.9%	1.3%	3,651.0	3,831.5
Hang Seng (HK)		31,084.9	1.1%	6.0%	8.8%	28,235.6	31,084.9
ASX 200 (AU)		6,885.2	-0.5%	0.4%	3.3%	6,607.4	6,917.3
SET (TH)		1,514.9	-0.5%	-0.2%	0.3%	1,467.0	1,536.0
SET50 (TH)		942.2	-0.8%	-0.8%	-0.8%	916.7	971.4
Straits Times (SG)		2,920.4	-0.5%	-0.5%	-2.3%	2,896.3	3,017.2
FTSE Malay (MY)		1,595.3	-0.7%	0.6%	-2.5%	1,566.4	1,636.7
JSX Index (ID)		6,227.7	-1.0%	0.7%	-2.5%	5,862.4	6,429.8
PSE Index (PH)		6,966.4	-1.1%	-1.4%	-3.3%	6,612.6	7,273.2
Vn Index (VN)		1,155.8	3.7%	4.0%	-3.1%	1,023.9	1,194.2

Sources: TMB Analytics, CEIC

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

**Important Disclosures**

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