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Excess liquidity in the short-term U.S. lending market recently knocked overnight interest rates to almost zero, and risks pushing the federal funds rate to negative territory, a scenario that could cause disruptions in money markets. A sub-zero effective fed funds rate would indicate the market expects the Fed to take interest rates below zero. Analysts said if the fed funds rate falls below 0.05% for consecutive sessions, a Fed response is likely to follow. Short-term rates as measured by the U.S. overnight repurchase agreement or repo rates and the secured overnight financing rate (SOFR) both recovered on Tuesday, rising to 0.10%, from 0.03% last week, the lowest since May 2020.

**EU proposes production investment to remedy vaccine shortages**

The European Commission is proposing to speed up the production of COVID-19 vaccines by helping to upgrade existing pharmaceutical plants or build new ones. "The Commission should deploy all means necessary to meet Europe's needs, be it through additional investing in upgrading or repurposing existing plants or building new ones," the joint letter to EU leaders said. It added that the newly agreed EU budget, which together with a recovery fund totals 1.8 trillion euros (\$2.2 trillion), should be used to best effect. The Commission, the letter said, should talk with industry not only to address the supply of vaccines but also other products such as tests and treatments.

**Britain sketches out post-Brexit state aid scheme**

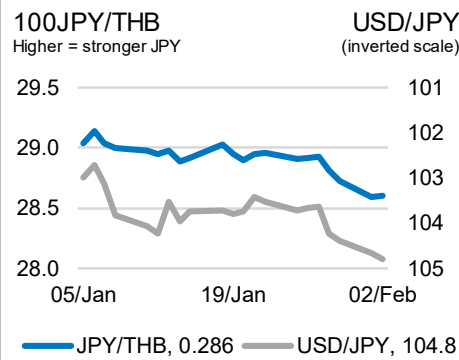
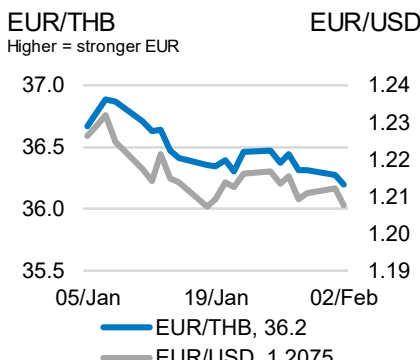
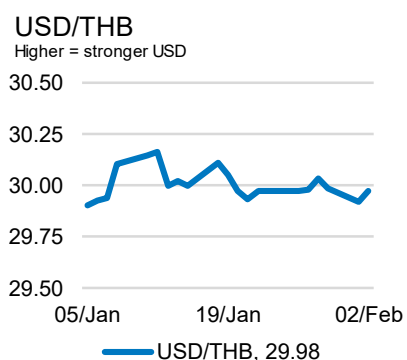
Britain wants to establish a more flexible system of subsidy rules than those in place when it was a member of the European Union, business minister Kwasi Kwarteng said on Wednesday. Having left the EU fully in January, Britain is reshaping its economy and fought hard in negotiations with Brussels for the right to set its own state aid rules - albeit with agreed limitations. Kwarteng said the new subsidy rules would make Britain more attractive to investors while staying within the terms of the EU exit agreement and avoiding a return to 1970s policies of supporting unprofitable industries.

**Euro US Dollar Exchange Rate Tumbles despite Forecast-Beating Eurozone GDP**

The benchmark government bond yield (LB29DA, 9.0 years) on the previous trading day was 1.23, +2.50 bps. Thai benchmark government bond yield (LB29DA, 9.0 years) could be between 1.21-1.25. Meantime, the latest closed US 10-year bond yields was 1.12%, +3.00bps. USDTHB on the previous trading day closed around 29.97 Moving in a range from 29.97-30.02 this morning. USDTHB could be between 29.97-30.04 today. Meantime, Investors continued to sell the Euro US Dollar (EUR/USD) exchange rate today.

Sources : Bloomberg, CNBC, Investing, CEIC

<b>SET Index</b> 1,486.3	<b>S&amp;P500</b> 3,773.9	<b>10Y UST</b> 1.12%	<b>Brent</b> 56.4	<b>Gold</b> 1,847.1
2-Feb ▲ 0.55%	1-Feb ▲ 1.59%	2-Feb ▲ 3.0 bps	1-Feb ▲ 0.84%	2-Feb ▼ -0.58%
<b>USD/THB</b> 29.98	<b>EUR/THB</b> 36.20	<b>JPY/THB</b> 0.2860		
Daily ▲ 0.18%	Daily ▼ -0.20%	Daily ▲ 0.03%		
Weekly ▼ -0.01%	Weekly ▼ -0.67%	Weekly ▼ -1.12%		
Monthly ▲ 0.25%	Monthly ▼ -1.30%	Monthly ▼ -1.50%		
Sideways Trend	Falling Trend	Sideways Trend		



Sources: TMB 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		90.90	0.3%	0.6%	1.4%	89.47	90.90
EUR/USD		1.2075	-0.4%	-0.5%	-1.5%	1.2072	1.2319
USD/JPY		104.80	0.1%	1.1%	1.9%	102.71	104.80
USD/CHF		0.8960	0.5%	0.9%	1.5%	0.8784	0.8960
GBP/USD		1.3689	-0.2%	0.2%	-0.1%	1.3494	1.3735
USD/CAD		1.2834	0.4%	0.7%	1.1%	1.2629	1.2844
AUD/USD		0.7640	0.1%	-0.9%	-1.0%	0.7597	0.7789
NZD/USD		0.7170	-0.2%	-0.3%	-0.5%	0.7121	0.7283
ASEAN Dollar		102.55	0.1%	0.1%	0.7%	101.83	102.97
USD/THB		29.98	0.2%	0.0%	0.3%	29.90	30.17
USD/SGD		1.3306	0.1%	0.3%	1.0%	1.3169	1.3314
USD/MYR		4.0442	0.1%	0.0%	1.1%	3.9985	4.0605
USD/IDR		13,976	-0.1%	0.0%	0.5%	13,847	14,111
USD/PHP		48.05	0.0%	0.0%	0.3%	47.89	48.12
USD/CNY		6.4523	0.2%	-0.2%	-0.1%	6.4330	6.5100
USD/HKD		7.7485	0.0%	0.0%	0.1%	7.7406	7.7547

### FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.30	0.00
3-month		0.70	-0.05
6-month		1.30	-0.10

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		259,197	686
Gold		9,168	131
SDR		1,428	4
IMF Reserves		1,286	4
Foreign Ccy		247,315	547
Net Fwd Position		28,165	380

Last update: #####

### Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
02/02/2021	-1,232	1,348	116	
01/02/2021	-2,855	345	-2,509	
29/01/2021	-3,361	109	-3,251	
28/01/2021	-2,249	-89	-2,338	
27/01/2021	-4,865	-769	-5,633	
<b>Last 5 days</b>	<b>-14,562</b>	<b>945</b>	<b>-13,616</b>	
<b>Period-to-date</b>	<b>Equity</b>	<b>Bond</b>	<b>Total</b>	
MTD	Month	↓ -4,087	↑ 1,693	↓ -2,394
QTD	Quarter	↓ -14,990	↑ 1,808	↓ -13,181
YTD	Year	↓ -14,990	↑ 1,808	↓ -13,181

### Money Market

THB BIBOR	1M Hist	Last	1M Range		THB Implied	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		-0.02	-1.15	0.39	ON		0.08	0.08	0.09
1W		0.52	0.52	0.52	1W		0.14	-0.46	0.38	1W		0.09	0.09	0.10
1M		0.55	0.55	0.55	1M		0.20	0.03	0.31	1M		0.12	0.12	0.15
2M		0.58	0.58	0.59	2M		0.25	0.17	0.41	2M		0.16	0.16	0.19
3M		0.62	0.62	0.62	3M		0.30	0.27	0.82	3M		0.22	0.21	0.25
6M		0.73	0.73	0.73	6M		0.37	0.37	0.59	6M		0.23	0.23	0.27
12M		0.95	0.95	0.95	12M		0.61	0.61	0.80	12M		0.31	0.31	0.34

Last Updated: 30/06/2020

Last Updated: 26/01/2021

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		1.1200	3.00		7.00		19.00		0.93	1.15
Gilt 10y		0.3720	4.44		0.96		11.68		0.23	0.40
Bund 10y		-0.5100	1.00		3.00		5.00		-0.61	-0.48
JGB 10y		0.0610	0.50		2.10		2.60		0.02	0.06
TGB 1y		0.4219	1.60		1.82		7.78		0.34	0.42
TGB 2y		0.4570	0.51		1.68		9.13		0.37	0.46
TGB 5y		0.7531	2.69		4.90		16.05		0.59	0.75
TGB 7y		0.9827	1.78		4.93		12.37		0.86	1.01
TGB 10y		1.3369	1.11		4.68		8.49		1.24	1.34
AAA Spread		124.59	-0.03		-0.05		-0.81		124.54	125.43
AA Spread		90.97	-1.72		-4.65		-30.58		90.97	123.18
A Spread		185.69	-0.05		-0.09		-3.35		185.54	189.04
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		1847.1	-0.6%		-0.3%		-4.3%		1,834.0	1,957.2

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)		3,773.9	1.6%		-2.1%		0.5%		2,467.4	3,855.4
STOXX (EU)		396.5	1.2%		-0.6%		-0.3%		328.0	408.9
FTSE All-Share(UK)		3,567.1	0.8%		-1.6%		-0.6%		3,505.9	3,744.0
DAX (DE)		13,622.0	1.4%		-0.2%		-0.7%		13,432.9	14,049.5
CAC All-Tradable(FR)		4,341.5	1.8%		0.9%		0.0%		4,214.6	4,436.2
TOPIX (JP)		1,847.0	0.9%		-0.1%		2.3%		1,788.0	1,873.3
Shanghai (CH)		3,704.2	0.8%		-1.0%		0.9%		3,579.0	3,799.1
Hang Seng (HK)		29,248.7	1.2%		-0.5%		6.5%		27,147.1	30,159.0
ASX 200 (AU)		6,762.6	1.5%		-0.9%		2.7%		6,587.1	6,824.7
SET (TH)		1,486.3	0.6%		-1.8%		1.2%		1,449.4	1,547.3
SET50 (TH)		928.1	0.6%		-2.4%		0.4%		910.5	980.8
Straits Times (SG)		2,917.3	0.7%		-1.0%		2.0%		2,843.8	3,017.2
FTSE Malay (MY)		1,580.5	0.9%		-1.0%		-3.9%		1,566.4	1,644.4
JSX Index (ID)		6,043.8	-0.4%		-1.6%		-1.0%		5,862.4	6,435.2
PSE Index (PH)		6,867.9	0.8%		-1.6%		-4.6%		6,612.6	7,304.8
Vn Index (VN)		1,075.5	3.9%		-5.3%		-4.0%		1,023.9	1,194.2

Sources: TMB Analytics, CEIC

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

#### Important Disclosures

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