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U.S. annual consumer prices jumped 9.1% in June, the largest increase in more than four decades, leaving Americans to dig deeper to pay for gasoline, food, healthcare and rents, and the Federal Reserve most certain to hike interest rates by another 75 basis points at the end of the month. The bigger-than-expected rise in the year-on-year consumer price index reported by the Labor Department on Wednesday also reflected higher prices for a range of other goods and services, including motor vehicles, apparel and household furniture. The CPI increased by the most in nearly 17 years on a monthly basis.

EU slashes euro zone growth outlook, expects higher inflation

The European Commission has predicted record levels of inflation and slashed its GDP forecast for 2022 and 2023 as a result of Russia's invasion of Ukraine, crimped demand due to surging prices and the danger of winter energy shortages. The Commission now expects inflation to jump 7.6% in 2022, higher than its May estimate of 6.1% for the year. It also expects inflation to rise 4% next year from May's forecast of 2.7%

The Yield Curve Inversion Extends to its Largest Point Since 2000

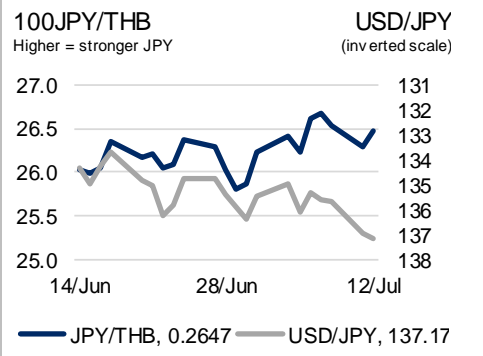
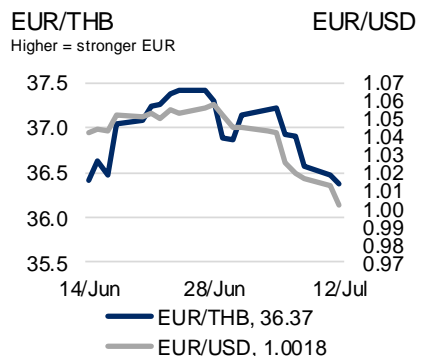
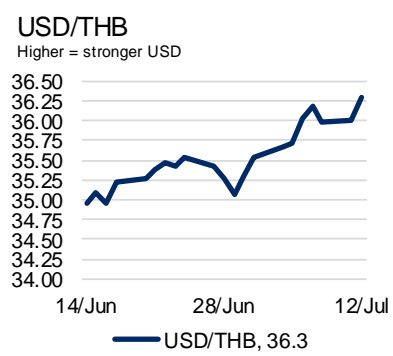
An indicator of economic distress, the yield curve inversion between 10-year and 2-year rates, moved to its biggest point since the year 2000 on Wednesday. The gap between the 2-year and 10-year extended further during Wednesday's session, with the 2-year moving as high as 21.7 basis points above the 10-year benchmark, past 2006 levels. The 2-year is more sensitive to shifts in monetary policy, with today's move coming following data showing the consumer price index rose 9.1% year-over-year basis in June.

Euro back above parity, dollar dips after inflation surges

The 10-year government bond yield (interpolated) on the previous trading day was 2.55, -6.00 bps. The benchmark government bond yield (LB31DA) was 2.46, -8.00 bps. LB31DA could be between 2.42-2.55. Meantime, the latest closed US 10-year bond yields was 2.91%, -5.00bps. USDTHB on the previous trading day closed around 36.30 Moving in a range from 36.15-36.30 this morning. USDTHB could be closed between 36.10-36.40 today. The dollar retraced from a 20-year high and the euro broke back above parity, following a brief dip below, after data on Wednesday showed U.S. consumer price inflation surged to a more than 40-year high in June. On Wednesday, The euro plunged to \$0.9998 against the greenback after the data, breaking below the \$1 level for the first time since December 2002, before bouncing back to last trade at \$1.0061. Traders ramped up bets after the inflation print that the U.S. central bank could raise rates by 100 basis points when it meets on July 26-27. A hike of at least 75 basis points is seen as almost certain.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index 1,546.8	S&P500 3,801.8	10Y UST 2.91%	Brent 99.5	Gold 1,728.9
12-Jul ▼ -0.68%	13-Jul ▼ -1.38%	13-Jul ▼ -5.0 bps	12-Jul ▼ -7.37%	13-Jul ▼ -0.31%
USD/THB 36.30	EUR/THB 36.37	JPY/THB 0.2647		
Daily ▲ 0.81%	Daily ▼ -0.30%	Daily ▲ 0.64%		
Weekly ▲ 0.79%	Weekly ▼ -1.52%	Weekly ▼ -0.57%		
Monthly ▲ 3.80%	Monthly ▼ -0.14%	Monthly ▲ 1.69%		
Rising Trend	Falling Trend	Sideways Trend		



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoI'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		108.33	0.8%	3.0%	3.8%	102.51	108.33
EUR/USD		1.0018	-1.1%	-3.9%	-4.5%	1.0018	1.0718
USD/JPY		137.17	0.2%	0.8%	1.8%	133.66	137.17
USD/CHF		0.9835	0.4%	2.4%	-0.6%	0.9540	0.9996
GBP/USD		1.1871	-0.9%	-2.0%	-3.3%	1.1871	1.2535
USD/CAD		1.3028	0.3%	1.3%	1.7%	1.2562	1.3045
AUD/USD		0.6724	-1.3%	-2.1%	-4.2%	0.6724	0.7177
NZD/USD		0.6110	-0.9%	-1.7%	-3.6%	0.6110	0.6444

ASEAN Dollar		112.99	0.4%	0.9%	2.5%	109.47	112.99
USD/THB		36.30	0.8%	1.7%	4.3%	34.52	36.30
USD/SGD		1.4065	0.3%	0.8%	1.2%	1.3757	1.4065
USD/MYR		4.4348	0.1%	0.5%	0.5%	4.3930	4.4348
USD/IDR		14,982	0.2%	0.1%	2.7%	14,503	14,982
USD/PHP		56.26	0.4%	2.2%	5.8%	52.94	56.26
USD/CNY		6.7283	0.3%	0.6%	-0.2%	6.6786	6.7466
USD/HKD		7.8490	-0.2%	0.0%	0.0%	7.8406	7.8608

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

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		221,881	136
Gold		14,217	-126
SDR		5,414	-27
IMF Reserves		1,240	25
Foreign Ccy		201,010	264
Net Fwd Position		28,700	-710

Date	Equity	Bond	Total
12/07/2022	-439	-1,264	-1,703
11/07/2022	1,830	1,386	3,216
08/07/2022	1,709	4,240	5,949
07/07/2022	1,812	-151	1,662
06/07/2022	2,286	-438	1,847
Last 5 days	7,198	3,773	10,971

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 1,988	↑ 2,631	↑ 4,619
QTD	Quarter	↑ 1,988	↑ 2,631	↑ 4,619
YTD	Year	↑ 114,617	↑ 110,389	↑ 225,007

Last update: 01/07/2022

Money Market

THB BIBOR	1M Hist	Last	1M Range	
			Min	Max
ON		0.50	0.50	0.50
1W		0.53	0.52	0.53
1M		0.57	0.55	0.57
2M		0.64	0.59	0.64
3M		0.72	0.63	0.73
6M		0.90	0.73	0.90
12M		1.22	0.95	1.23

THB FIX	1M Hist	Last	1M Range	
			Min	Max
ON		0.51	0.24	0.84
1W		0.23	-0.53	0.73
1M		0.00	-0.49	0.33
3M		0.50	0.09	0.73
6M		0.75	0.62	0.99
12M		1.32	1.32	1.80

USD LIBOR	1M Hist	Last	1M Range	
			Min	Max
ON		0.08	0.07	0.08
1W		0.00	0.00	0.00
1M		0.35	0.12	0.35
2M		0.00	0.00	0.00
3M		0.75	0.34	0.75
6M		1.04	0.56	1.04
12M		1.49	1.00	1.49

Last Updated: 12/07/2022

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		2.9100	-5.00	-2.00	-24.00	2.82	3.49
Gilt 10y		2.2328	-4.08	-1.75	-18.17	2.12	2.64
Bund 10y		1.1200	-18.00	-15.00	-42.00	1.12	1.78
JGB 10y		0.2440	0.00	-0.90	-2.00	0.23	0.27
TGB 1y		1.0752	-0.42	-1.88	34.45	0.68	1.10
TGB 2y		1.6532	-2.23	-9.00	-6.10	1.63	1.79
TGB 5y		2.2512	-3.93	-19.21	-36.31	2.25	2.69
TGB 7y		2.3948	-6.94	-26.12	-48.36	2.39	2.94
TGB 10y		2.5514	-6.01	-25.16	-53.83	2.55	3.14
AAA Spread		75.26	-0.05	0.35	9.81	64.70	76.05
AA Spread		97.15	0.01	0.65	14.32	77.22	97.52
A Spread		122.13	0.05	0.29	2.23	119.90	122.13
BBB Spread		319.96	0.08	0.89	1.80	294.19	319.96

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		99.49	-7.1%	-3.2%	-18.6%	99.49	123.07
London Gold		1728.9	-0.3%	-2.1%	-5.2%	1,728.9	1,856.0

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)		3,801.8	-0.4%	-1.1%	1.8%	2,467.4	3,911.7
STOXX (EU)		389.5	0.7%	2.8%	0.4%	328.0	402.8
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		12,905.5	0.6%	4.1%	-3.9%	12,401.2	14,198.8
CAC All-Tradable(FR)		4,557.6	-0.7%	1.7%	0.7%	4,396.9	4,719.2
TOPIX (JP)		1,882.3	1.4%	0.6%	-4.4%	1,818.9	1,970.0
Shanghai (CH)		3,526.2	0.3%	-1.0%	3.1%	3,391.0	3,573.0
Hang Seng (HK)		21,643.6	0.3%	-1.6%	0.5%	20,845.4	22,419.0
ASX 200 (AU)		6,648.0	0.8%	1.2%	-6.3%	6,433.4	7,238.8
SET (TH)		1,562.4	1.3%	-0.4%	-4.6%	1,541.3	1,646.1
SET50 (TH)		954.9	1.1%	0.4%	-3.4%	943.4	995.2
Straits Times (SG)		3,129.4	0.8%	0.9%	-3.0%	3,092.8	3,231.5
FTSE Malay (MY)		1,418.7	-0.2%	-1.8%	-6.9%	1,418.7	1,537.8
JSX Index (ID)		6,652.6	0.1%	-3.7%	-7.5%	6,639.2	7,193.3
PSE Index (PH)		6,352.3	-1.4%	3.2%	-6.2%	6,065.2	6,769.6
Vn Index (VN)		1,166.5	1.5%	-2.6%	-10.8%	1,149.6	1,307.9

Sources: ttb analytics, CEIC

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

Important Disclosures

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