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The Board of Governors of the Federal Reserve System (Fed) voted unanimously to raise the interest rate in July meeting, stating that the unemployment rate recently held at 3.6% and close to full employment in June. Meanwhile, inflation remains elevated further at 9.1%YoY, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures. Therefore, Fed hikes interest rates by 0.75 pp for second consecutive time in July-meeting. The balance sheet, on the other hand, also tightened, which has declined \$16 billion since the beginning of the roll-off, though the Fed set a cap of up to \$47.5 billion that potentially could have been wound down eventually hitting \$95 billion a month by September.

Eurozone manufacturing sector fell deeper into contraction in July

The S&P Global Eurozone Manufacturing PMI fell below the crucial 50.0 mark in July to 49.8, from 52.1 in June, which is the 25 month-low level, signaling the sharpest decline in production since the initial wave of strict COVID-19 lockdowns in May 2020. The downturn strengthened amid a reduction in new orders which, aside from those seen during the pandemic restrictions, was the sharpest since the eurozone sovereign debt crisis in 2012 as steep inflation squeezed demand. The stronger downturn reflected deteriorating manufacturing sector conditions across the largest economies such as Germany, France, Italy, and Spain with recorded below-50.0 level.

China banks may face a huge loss from property crisis

According to data from the People's Bank of China, pointed out that the exposure of Chinese banks to the property sector tops that of any other industry. There were 39 trillion yuan of outstanding mortgages and another 13 trillion yuan of loans to developers at the end of March. S&P Global Ratings estimated that 2.4 trillion yuan (\$356 billion), or 6.4% of mortgages may face mortgage losses in a worst-case scenario. About 7% of outstanding mortgage loans could be impacted if the defaults spread (Deutsche Bank's estimate). Besides, Chinese banks have raised a record amount of capital in the first half from bond sales as they prepare for a potential spike in soured loans.

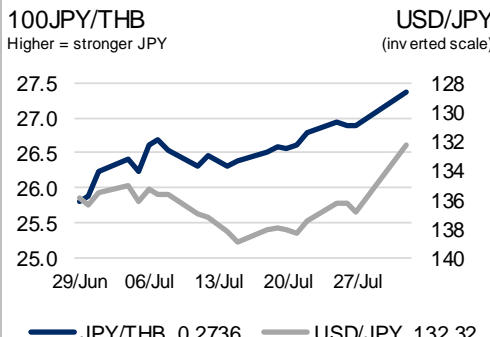
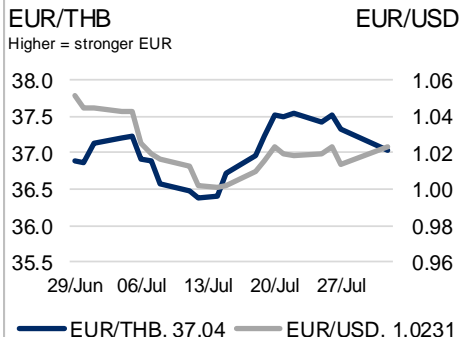
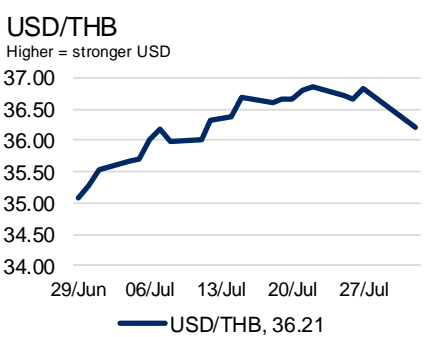
Gold hits near one-month high on dollar weakness

The 10-year government bond yield (interpolated) on the previous trading day was 2.51, -6.5 bps. The benchmark government bond yield (LB31DA) was 2.50, -5.00 bps. LB31DA could be between 2.45-2.55. Meantime, the latest closed US 10-year bond yields was 2.60, -7.00 bps. USDTHB on the previous trading day closed around 36.05 Moving in a range of 36.00-36.36 this morning. USDTHB could be closed between 35.70-36.70 today. Dollar currently hits lowest since mid-June around 105.4, a weaker dollar makes gold less expensive for buyers holding other currencies. Spot gold was up 0.37% at \$1,771.71 per ounce, having earlier hit its highest since July 5 at \$1,774.95. U.S. gold futures settled 0.4% higher at \$1,789.

Sources : ttbank analytics , Bloomberg, CNBC, Trading Economics, Investing, CEIC

<b>SET Index</b> 1,593.2	<b>S&amp;P500</b> 4,118.6	<b>10Y UST</b> 2.60%	<b>Brent</b> 110.0	<b>Gold</b> 1,766.8
1-Aug ▲ 1.06%	1-Aug ▼ -0.28%	1-Aug ▼ -7.0 bps	29-Jul ▲ 2.64%	1-Aug ▲ 0.45%

<b>USD/THB</b> 36.21	Daily ▼ -1.68%	<b>EUR/THB</b> 37.04	Daily ▼ -0.79%	<b>JPY/THB</b> 0.2736	Daily ▲ 1.74%
Weekly ▼ -1.73%	Weekly ▼ -1.32%	Weekly ▲ 0.41%	Weekly ▲ 2.11%	Monthly ▲ 5.86%	
Sideways Trend	Monthly ▲ 3.18%	Sideways Trend	Monthly ▲ 0.41%	Rising Trend	Monthly ▲ 5.86%



Sources: ttbank 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		105.88	-1.2%	-1.2%	1.8%	103.96	108.62
EUR/USD		1.0231	0.9%	0.3%	-3.3%	1.0011	1.0577
USD/JPY		132.32	-3.4%	-4.3%	-2.3%	132.32	138.93
USD/CHF		0.9507	-1.2%	-2.1%	-0.6%	0.9507	0.9835
GBP/USD		1.2194	1.2%	1.9%	-0.6%	1.1825	1.2289
USD/CAD		1.2803	-0.5%	-0.6%	-0.5%	1.2803	1.3126
AUD/USD		0.6992	0.9%	1.5%	0.9%	0.6724	0.6992
NZD/USD		0.6298	1.0%	1.3%	0.0%	0.6110	0.6309

ASEAN Dollar		111.50	-0.9%	-1.0%	0.8%	110.52	112.78
USD/THB		36.21	-1.7%	-1.6%	2.7%	35.07	36.84
USD/SGD		1.3785	-0.8%	-1.0%	-0.5%	1.3785	1.4065
USD/MYR		4.4525	-0.1%	0.0%	1.2%	4.3972	4.4585
USD/IDR		14,827	-1.0%	-0.9%	0.0%	14,807	14,993
USD/PHP		55.25	-0.6%	-1.9%	0.9%	54.73	56.41
USD/CNY		6.7471	-0.2%	-0.2%	0.9%	6.6786	6.7658
USD/HKD		7.8462	0.0%	-0.1%	0.0%	7.8406	7.8608

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		217,956	2124
Gold		13,560	154
SDR		5,370	32
IMF Reserves		1,229	7
Foreign Ccy		197,797	1931
Net Fwd Position		28,580	-300

Last update: 22/07/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
01/08/2022	1,854	5,192	7,046
27/07/2022	2,470	-760	1,711
26/07/2022	411	-1,357	-946
25/07/2022	1,495	196	1,691
22/07/2022	140	-359	-219
Last 5 days	6,370	2,913	9,282

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 1,854	↑ 5,192	↑ 7,046
QTD	Quarter	↑ 6,575	↑ 1,600	↑ 8,174
YTD	Year	↑ 119,204	↑ 109,358	↑ 228,562

Money Market

THB BIBOR	1M Hist	Last	1M Range		THBFX	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		0.39	0.33	0.54	ON		0.08	0.07	0.08
1W		0.53	0.53	0.53	1W		0.29	0.16	0.47	1W		0.00	0.00	0.00
1M		0.61	0.56	0.61	1M		0.28	0.15	0.40	1M		0.35	0.12	0.35
2M		0.69	0.64	0.69	2M		0.32	0.22	0.41	2M		0.00	0.00	0.00
3M		0.77	0.72	0.77	3M		0.36	0.28	0.42	3M		0.75	0.34	0.75
6M		0.94	0.89	0.94	6M		0.37	0.30	0.41	6M		1.04	0.56	1.04
12M		1.26	1.21	1.26	12M		0.45	0.38	0.50	12M		1.49	1.00	1.49

Last Updated: 23/02/2021

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		2.6000	-7.00	-21.00	-38.00	2.60	3.20
Gilt 10y		1.9204	-9.86	-19.36	-47.62	1.92	2.49
Bund 10y		0.8600	-5.00	-21.00	-54.00	0.86	1.60
JGB 10y		0.1850	-2.40	-3.70	-6.10	0.19	0.25
TGB 1y		1.0911	-0.42	-0.06	-0.04	1.08	1.10
TGB 2y		1.6932	-5.83	-11.66	-6.95	1.65	1.82
TGB 5y		2.1537	-8.58	-24.54	-34.56	2.15	2.50
TGB 7y		2.3722	-8.24	-21.04	-38.02	2.37	2.75
TGB 10y		2.5139	-6.52	-19.33	-45.83	2.51	2.97
AAA Spread		72.18	0.00	-1.42	0.34	71.27	76.05
AA Spread		98.43	-2.20	-7.39	2.67	92.11	107.49
A Spread		123.87	3.00	1.93	2.90	120.65	123.87
BBB Spread		320.64	0.06	1.07	1.55	319.07	320.64

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		110.01	2.7%	6.6%	0.9%	99.10	117.98
London Gold		1766.8	0.4%	2.0%	-1.6%	1,686.6	1,813.6

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)		4,118.6	-0.3%	3.8%	7.7%	2,467.4	4,130.3
STOXX (EU)		399.3	-2.6%	0.1%	4.3%	328.0	409.9
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		13,479.6	0.0%	2.0%	5.2%	12,401.2	13,484.1
CAC All-Tradable(FR)		4,886.5	-0.2%	3.2%	8.6%	4,396.9	4,895.1
TOPIX (JP)		1,856.0	-1.2%	-2.0%	-4.7%	1,818.9	1,970.0
Shanghai (CH)		3,516.7	-1.4%	-0.2%	3.5%	3,348.3	3,573.0
Hang Seng (HK)		21,586.7	-1.2%	-3.7%	-0.3%	20,845.4	22,419.0
ASX 200 (AU)		6,594.5	-0.5%	-1.6%	-8.5%	6,433.4	7,238.8
SET (TH)		1,541.8	0.0%	-2.8%	-5.5%	1,541.3	1,647.7
SET50 (TH)		944.2	0.1%	-2.0%	-4.3%	943.4	995.9
Straits Times (SG)		3,103.7	0.0%	-1.0%	-4.0%	3,092.8	3,232.0
FTSE Malay (MY)		1,420.9	-1.4%	-2.1%	-6.9%	1,420.9	1,549.9
JSX Index (ID)		6,646.4	-0.8%	-4.3%	-6.9%	6,639.2	7,193.3
PSE Index (PH)		6,445.0	2.1%	2.2%	-4.6%	6,065.2	6,769.6
Vn Index (VN)		1,149.6	-2.7%	-5.6%	-11.0%	1,149.6	1,307.9

Sources: ttb analytics, CEIC

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

Important Disclosures

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