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U.S. manufacturing contracted further in December but weakening demand amid higher borrowing costs pushed a measure of prices paid by factories for inputs to the lowest level in more than 2-1/2 years, signaling that goods disinflation was underway. The Institute for Supply Management (ISM) said on Wednesday that its manufacturing PMI dropped to 48.4 last month from 49.0 in November, contracting for a second straight month. That was the weakest reading since May 2020, when the economy was slammed by the first wave of COVID-19 cases, and pushed the index just below the 48.7 level, which the ISM says is consistent with a recession in the broader economy. But with the labor market still pumping out jobs at a solid clip and sustaining consumer spending, it is unlikely that the economy is in recession. A PMI reading below 50 indicates contraction in manufacturing, which accounts for 11.3% of the U.S. economy.

Euro zone recession may not be as deep as expected

Euro zone business activity contracted less than initially thought at the end of last year as price pressures eased, according to a survey which suggested the bloc's recession may not be as deep as expected. S&P Global's final composite Purchasing Managers' Index (PMI) for the euro zone, seen as a good gauge of economic health, rose to 49.3 in December from November's 47.8, above a preliminary estimate of 48.8. While the index has been below the 50-mark separating growth from contraction since July, December was a five-month high. The final data was compiled earlier than usual last month due to the holiday season. A December Reuters poll predicted the region's economy contracted 0.3% last quarter and would do so by 0.4% this quarter. Overall demand declined for a sixth straight month, albeit at a shallower pace than initially thought. The PMI new business index bounced to 47.0 from 45.8, comfortably above the 46.5 flash estimate.

China service sector activity shrinks for 4th straight month in December

China's service sector shrank for a fourth straight month in December, a private survey showed on Tuesday, as an unprecedented spike in COVID-19 cases disrupted activity after the government eased several lockdown measures. The Caixin China General Services Business Activity Index read 48.0 in December, higher than last month's reading of 46.7. A reading below 50 indicates contraction. The data, coupled with a reading on manufacturing activity earlier this week, and government data released last week, shows that overall Chinese business activity remained under pressure in December amid continued headwinds from the COVID-19 pandemic. China is now facing its worst, yet COVID-19 outbreak, which threatens to overwhelm the country's healthcare infrastructure.

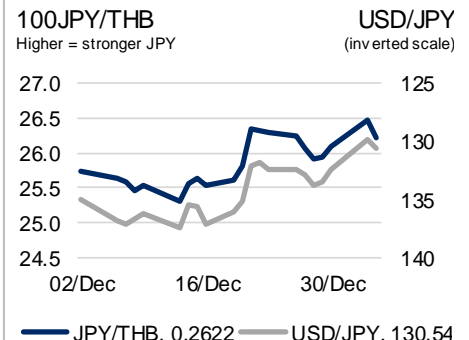
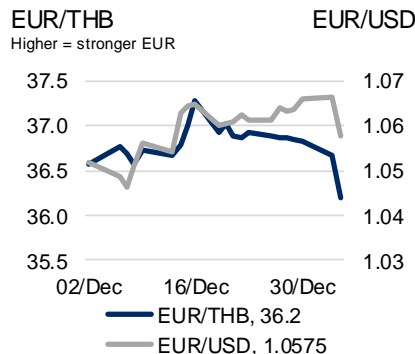
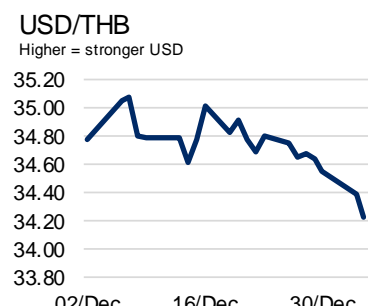
Oil prices rebound from new year tumble, U.S. inventories in focus

The 10-year government bond yield (interpolated) on the previous trading day was 2.58, -5.69 bps. The benchmark government bond yield (LB31DA) was 2.68, -8.00 bps. LB31DA could be between 2.50-3.00. Meantime, the latest closed US 10-year bond yields was 3.69, -10.0 bps. USDTHB on the previous trading day closed around 34.23 Moving in a range of 33.79-33.95 this morning. USDTHB could be closed between 34.00-34.40 today. Oil prices rose on Thursday following a series of steep declines as investors looked to a potential slowdown in U.S. interest rate hikes, with focus now turning to weekly inventory data to gauge the strength of year-end oil consumption. Crude prices lost between 4% to 7% in the first two trading days of 2023, as rising COVID-19 cases in China and a warning on a potential recession from the International Monetary Fund drummed up fears of laggard demand in the coming months. But markets took some relief after the minutes of the Federal Reserve's December meeting showed that policymakers unanimously support a slower pace of rate hikes in 2023. This portends lesser immediate pressure on economic activity from interest rate hikes.

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

SET Index	1,673.3	S&P500	3,853.0	10Y UST	3.69%	Brent	82.1	Gold	1,812.4
4-Jan	▼ 0.00	4-Jan	▲ 0.75%	4-Jan	▼ -10.0 bps	3-Jan	▼ -4.21%	30-Dec	▲ 0.38%

USD/THB 34.23	Daily ▼ -0.45%	EUR/THB 36.20	Daily ▼ -1.28%	JPY/THB 0.2622	Daily ▼ -0.97%
Weekly ▼ -1.29%	Weekly ▼ -1.82%	Weekly ▼ -1.22%	Monthly ▼ -1.05%	Monthly ▲ 1.82%	
Falling 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		103.90	-0.3%	-0.4%	-2.3%	103.90	106.52
EUR/USD		1.0575	-0.8%	-0.6%	1.3%	1.0352	1.0664
USD/JPY		130.54	0.5%	-1.8%	-4.3%	129.86	138.52
USD/CHF		0.9321	0.9%	0.1%	-1.1%	0.9228	0.9522
GBP/USD		1.2006	-0.5%	-0.7%	-0.8%	1.1986	1.2383
USD/CAD		1.3636	0.5%	0.5%	1.7%	1.3407	1.3671
AUD/USD		0.6782	-0.2%	0.6%	-0.5%	0.6669	0.6831
NZD/USD		0.6277	-0.7%	-0.3%	-0.8%	0.6198	0.6443
ASEAN Dollar		104.84	-0.3%	-0.2%	-2.0%	104.84	107.01
USD/THB		34.23	-0.4%	-1.2%	-2.2%	34.23	35.63
USD/SGD		1.3406	0.2%	-0.4%	-1.2%	1.3384	1.3744
USD/MYR		4.4000	0.1%	-0.5%	-0.1%	4.3841	4.5005
USD/IDR		15,577	0.1%	-0.5%	-0.3%	15,470	15,713
USD/PHP		56.02	0.5%	1.1%	-0.7%	55.23	56.61
USD/CNY		6.8873	0.0%	-1.0%	-2.3%	6.8873	7.1814
USD/HKD		7.8035	0.0%	0.0%	0.2%	7.7674	7.8059

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.00	0.00
3-month		0.75	0.00
6-month		1.70	0.00

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		213,582	-608
Gold		14,114	45
SDR		5,429	12
IMF Reserves		1,263	27
Foreign Ccy		192,775	-693
Net Fwd Position		29,310	500

Last update: 23/12/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
04/01/2023	121	16,895	17,016
03/01/2023	1,442	11,321	12,763
30/12/2022	4,025	13,009	17,035
29/12/2022	8,445	553	8,998
28/12/2022	2,664	-128	2,536
Last 5 days	16,697	41,650	58,347

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 1,563	↑ 28,216	↑ 29,779
QTD	Quarter	↑ 1,563	↑ 28,216	↑ 29,779
YTD	Year	↑ 1,563	↑ 28,216	↑ 29,779

Money Market

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		1.25	1.00	1.25	ON		1.34	1.16	1.66	ON		0.08	0.07	0.08
1W		1.27	1.07	1.27	1W		1.06	0.20	1.54	1W		0.00	0.00	0.00
1M		1.32	1.19	1.32	1M		0.89	-0.03	1.36	1M		0.32	0.11	0.32
2M		1.41	1.26	1.41	2M					2M		0.00	0.00	0.00
3M		1.45	1.33	1.45	3M		1.26	0.95	1.34	3M		0.70	0.31	0.70
6M		1.63	1.50	1.63	6M		1.65	1.51	1.73	6M		1.02	0.52	1.02
12M		1.90	1.84	1.90	12M		2.07	1.93	2.24	12M		1.45	0.93	1.45

Last Updated: 03/01/2023

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

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		3.7900	-4.00	12.00	11.00	3.42	3.88
Gilt 10y		3.7416	6.49	20.90	53.98	3.08	4.43
Bund 10y		2.3400	-17.00	-4.00	50.00	1.76	2.51
JGB 10y		0.4540	-3.90	2.30	17.80	0.28	0.52
TGB 1y		0.0000	0.00	-138.97	-145.30	0.00	1.45
TGB 2y		0.0000	0.00	-164.19	-174.05	0.00	1.77
TGB 5y		0.0000	0.00	-196.75	-212.69	0.00	2.25
TGB 7y		0.0000	0.00	-227.80	-234.35	0.00	2.46
TGB 10y		0.0000	0.00	-268.45	-260.82	0.00	2.73
AAA Spread		74.23	0.00	-0.10	-2.01	71.06	76.23
AA Spread		97.49	-0.10	0.56	2.75	94.42	97.59
A Spread		129.25	-0.28	0.50	5.52	119.75	129.60
BBB Spread		225.39	-0.09	-0.27	0.58	224.59	225.78

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		85.65	2.0%	4.2%	1.7%	76.10	86.97
London Gold		1805.4	0.4%	0.5%	3.0%	1,735.8	1,815.2

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)		3,824.1	-0.4%	-0.5%	-6.2%	2,467.4	4,080.1
STOXX (EU)		419.2	2.3%	1.6%	-2.0%	328.0	427.9
FTSE All-Share(UK)		3,730.6	-0.4%	0.8%	1.0%	3,571.2	3,746.8
DAX (DE)		14,069.3	0.0%	1.1%	-2.3%	13,884.7	14,529.4
CAC All-Tradable(FR)		4,983.3	2.2%	1.8%	-1.8%	4,851.3	5,073.5
TOPIX (JP)		1,891.7	-0.9%	-0.9%	-4.7%	1,891.7	2,004.3
Shanghai (CH)		3,266.8	1.4%	2.3%	-1.5%	3,192.6	3,367.3
Hang Seng (HK)		20,145.3	2.0%	5.1%	10.7%	17,297.9	20,145.3
ASX 200 (AU)		6,946.2	-1.1%	-2.4%	-4.2%	6,946.2	7,354.4
SET (TH)		1,679.0	1.1%	3.8%	3.4%	1,604.4	1,679.0
SET50 (TH)		1,013.4	0.3%	3.6%	2.7%	973.6	1,013.4
Straits Times (SG)		3,245.8	-0.1%	-0.7%	-1.4%	3,225.5	3,292.7
FTSE Malay (MY)		1,474.0	-1.2%	0.4%	-1.0%	1,462.6	1,491.6
JSX Index (ID)		6,888.8	0.6%	0.8%	-1.9%	6,715.1	7,081.3
PSE Index (PH)		6,586.0	0.3%	1.0%	-0.3%	6,414.3	6,780.8
Vn Index (VN)		1,043.9	3.4%	2.3%	0.7%	985.2	1,093.7

Sources: ttb analytics, CEIC

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

Important Disclosures

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