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The headline rate of inflation in the U.S. fell to its lowest since late 2021 in December, encouraging hopes that the Federal Reserve will soon be able to stop raising interest rates. Official data showed the consumer price index fell 0.1% from November, bringing the annual change to 6.5%, down from 7.1% the previous month. The monthly drop in the index was below analysts' forecasts for no change, but the annual rate was in line with consensus. Inflation dynamics still look a little stronger once volatile elements such as food, energy, and auto sales are stripped out. The 'core' CPI rose another 0.3% last month, accelerating slightly from November and leaving the annual core rate up 5.7%. Markets appeared unconcerned by the fact that the drop in the CPI was due largely to gasoline, as pump prices tailed off dramatically toward the end of the year.

Bank of Korea raises rates as markets see end of tightening

South Korea's central bank raised its policy interest rate by 25 basis points on Friday, as expected, but suggested a possible downgrade of this year's economic growth projection and dropped a reference to the need for more rate hikes. Those dovish comments came in a policy statement ahead of the governor's news conference. Economists in a Reuters poll had predicted Friday's rate increase would mark the end of a rate-hike cycle that the Bank of Korea's began in late 2021. The Bank of Korea said its seven-member monetary policy board had decided to raise its policy interest rate to 3.50%, the highest since late 2008. "Going forward, domestic economic growth is expected to weaken, affected by the global economic slowdown and the increase in interest rates, and GDP (gross domestic product) growth for this year will be below the November forecast of 1.7%," it said in the statement.

Argentina's inflation rate at 95%, highest since 1991

Argentina's annual inflation hit its highest rate in more than 30 years last month as prices almost doubled versus a year ago, official data released on Thursday showed, further eroding consumers' dwindling purchasing power. In December, consumer prices jumped 5.1% month-on-month, according to national statistics agency INDEC, while inflation in the 12 months through December reached 94.8% in the South American country's ailing economy. The annual rate marks the fastest clip of rising prices in more than three decades, or since 1991, according to INDEC. Argentina is battling one of the highest inflation rates in the world as soaring prices hamper growth and force shopkeepers to constantly update price tags.

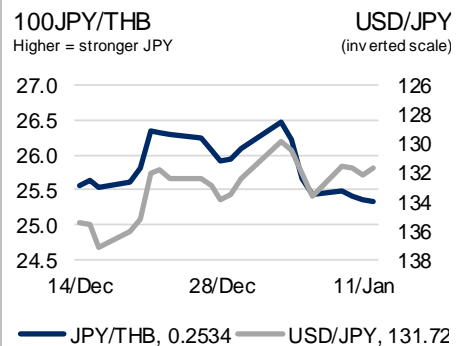
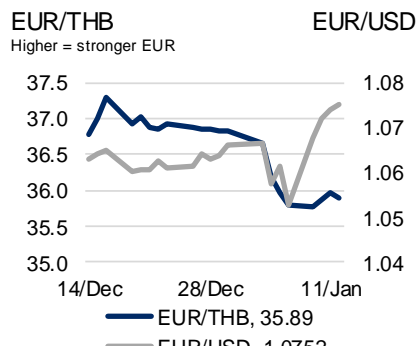
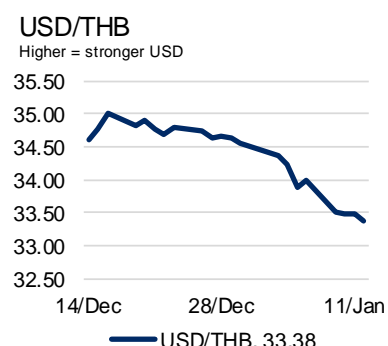
Dollar wobbles as U.S. inflation fuels hopes of slower Fed rate path

The 10-year government bond yield (interpolated) on the previous trading day was 2.43, -0.21 bps. The benchmark government bond yield (LB31DA) was 2.565, -1.5 bps. LB31DA could be between 2.30-2.80. Meantime, the latest closed US 10-year bond yields was 3.43, -11.0 bps. USDTHB on the previous trading day closed around 33.38 Moving in a range of 33.06-33.15 this morning. USDTHB could be closed between 33.10-33.50 today. The U.S. dollar swayed on Friday, flirting with seven-month lows after a sharp dive overnight as data showed U.S. inflation was slowing, boosting hopes of the Federal Reserve taking its foot off an aggressive interest rate hike policy. The dollar index, which measures the U.S. currency against six others, rose 0.059% to 102.220 but was languishing around its lowest level since June. The euro was up 0.03% to \$1.0849, having touched fresh nine-month high earlier in the session. Sterling was last trading at \$1.221, up 0.08% on the day. U.S consumer prices surprisingly fell for the first time in more than 2-1/2 years in December, with Federal Reserve policymakers expressing their relief and paving the way for the central bank to slow the pace of monetary tightening.

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

SET Index	1,687.5	S&P500	3,983.2	10Y UST	3.43%	Brent	82.9	Gold	1,883.1
12-Jan ▲	0.00	12-Jan ▲	0.34%	12-Jan ▼	-11.0 bps	11-Jan ▲	3.16%	12-Jan ▼	-0.06%

USD/THB 33.38	Daily ▼ -0.33%	EUR/THB 35.89	Daily ▼ -0.21%	JPY/THB 0.2534	Daily ▼ -0.02%
Weekly ▼ -1.82%	Weekly ▲ 0.27%	Weekly ▼ -0.38%	Monthly ▼ -2.47%	Monthly ▼ -0.84%	
Falling Trend	Monthly ▼ -3.63%	Sideways Trend		Falling Trend	



Sources: ttbank 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		103.24	-0.6%	-1.0%	-3.0%	103.24	106.48
EUR/USD		1.0752	0.1%	1.1%	2.2%	1.0352	1.0752
USD/JPY		131.72	-0.3%	-1.6%	-2.5%	131.72	138.39
USD/CHF		0.9321	1.1%	0.2%	-0.5%	0.9218	0.9522
GBP/USD		1.2151	-0.1%	1.1%	-0.8%	1.1986	1.2383
USD/CAD		1.3444	0.1%	-0.7%	0.1%	1.3402	1.3671
AUD/USD		0.6904	0.0%	2.5%	1.4%	0.6669	0.6904
NZD/USD		0.6361	-0.2%	1.4%	-0.2%	0.6220	0.6443

ASEAN Dollar		103.72	-0.3%	-0.2%	-2.0%	103.72	105.87
USD/THB		33.38	-0.3%	-3.7%	-4.0%	33.38	35.35
USD/SGD		1.3311	0.1%	-1.2%	-1.6%	1.3300	1.3719
USD/MYR		4.3714	0.1%	-1.4%	-0.4%	4.3687	4.4863
USD/IDR		15,418	-0.6%	-1.6%	-0.3%	15,418	15,713
USD/PHP		55.24	0.6%	-1.5%	-1.7%	54.92	56.60
USD/CNY		6.7633	-0.1%	-2.9%	-3.9%	6.7633	7.1382
USD/HKD		7.8136	0.1%	0.2%	0.5%	7.7674	7.8136

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		216,633	3051
Gold		14,323	209
SDR		5,457	28
IMF Reserves		1,270	7
Foreign Ccy		195,582	2807
Net Fwd Position		29,180	-130

Last update: 30/12/2022

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
12/01/2023	388	-3,567	-3,180
11/01/2023	939	404	1,343
10/01/2023	4,299	7,976	12,275
09/01/2023	4,337	10,421	14,758
06/01/2023	4,494	4,166	8,660
Last 5 days	14,457	19,399	33,856

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 17,298	↑ 57,358	↑ 74,656
QTD	Quarter	↑ 17,298	↑ 57,358	↑ 74,656
YTD	Year	↑ 17,298	↑ 57,358	↑ 74,656

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	1.25	1.25	ON		0.99	0.99	1.66	ON		0.08	0.07	0.08
1W		1.27	1.27	1.27	1W		1.05	0.20	1.54	1W		0.00	0.00	0.00
1M		1.37	1.30	1.37	1M		1.11	0.08	1.12	1M		0.32	0.11	0.32
2M		1.44	1.35	1.44	2M					2M		0.00	0.00	0.00
3M		1.50	1.40	1.50	3M		1.38	0.95	1.38	3M		0.70	0.30	0.70
6M		1.68	1.55	1.68	6M		1.57	1.51	1.73	6M		1.02	0.52	1.02
12M		1.90	1.89	1.90	12M		2.05	1.93	2.12	12M		1.45	0.93	1.45

Last Updated: 11/01/2023

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		3.5400	1.00	-34.00	12.00	3.42	3.88
Gilt 10y		3.6140	-1.71	-11.32	36.00	3.14	3.74
Bund 10y		2.2700	0.00	-21.00	51.00	1.76	2.51
JGB 10y		0.5090	0.10	1.60	22.70	0.28	0.52
TGB 1y		1.3356	-0.51	-1.83	-9.78	0.00	1.45
TGB 2y		1.5718	1.36	0.26	-7.25	0.00	1.70
TGB 5y		1.9092	-0.72	-3.74	-5.61	0.00	2.08
TGB 7y		2.1472	-1.49	-9.49	-4.25	0.00	2.28
TGB 10y		2.4256	-0.21	-13.60	-9.48	0.00	2.68
AAA Spread		73.23	0.02	-1.04	0.18	72.07	74.96
AA Spread		96.19	-0.75	-1.45	0.81	95.28	97.64
A Spread		129.07	-0.25	-0.21	3.20	125.49	129.60
BBB Spread		225.57	-0.02	0.09	0.37	225.06	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		80.28	2.2%	-3.8%	1.2%	76.10	85.65
London Gold		1884.3	0.6%	4.0%	6.3%	1,771.9	1,884.3

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)		3,969.6	2.0%	#DIV/0!	0.2%	2,467.4	4,019.7
STOXX (EU)		439.6	0.5%	5.6%	4.5%	328.0	439.6
FTSE All-Share(UK)		3,730.6	-0.4%	0.7%	0.9%	3,571.2	3,746.8
DAX (DE)		14,774.6	1.1%	6.1%	3.6%	13,884.7	14,774.6
CAC All-Tradable(FR)		5,197.1	0.2%	4.7%	4.1%	4,851.3	5,197.1
TOPIX (JP)		1,901.3	1.4%	-0.4%	-2.5%	1,868.9	1,977.4
Shanghai (CH)		3,314.4	-0.4%	2.4%	-1.1%	3,192.6	3,367.3
Hang Seng (HK)		21,436.1	0.2%	8.4%	10.3%	18,675.4	21,436.1
ASX 200 (AU)		7,195.3	0.6%	2.2%	-1.3%	6,946.2	7,325.6
SET (TH)		1,685.8	-0.3%	1.0%	3.9%	1,604.4	1,691.1
SET50 (TH)		1,011.6	-0.6%	0.6%	3.3%	973.6	1,018.0
Straits Times (SG)		3,271.5	-1.0%	0.6%	1.4%	3,225.5	3,305.7
FTSE Malay (MY)		1,487.9	-0.4%	-0.5%	1.4%	1,462.6	1,495.5
JSX Index (ID)		6,584.5	-1.6%	-3.9%	-1.9%	6,584.5	6,923.0
PSE Index (PH)		6,709.3	-1.2%	2.2%	4.1%	6,414.3	6,790.2
Vn Index (VN)		1,055.8	0.1%	4.8%	0.5%	985.2	1,055.8

Sources: ttb analytics, CEIC

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

Important Disclosures

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