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The Federal Reserve said on Wednesday it had turned a key corner in the fight against high inflation, but that "victory" would still require its benchmark overnight interest rate to be increased further and remain elevated at least through 2023. In announcing its latest policy decision, the U.S. central bank scaled back to a quarter-percentage-point rate increase after a year of larger hikes and swept aside in its statement the long list of reasons, from war to the pandemic, that were driving prices higher to say simply that "inflation has eased." Yet policymakers also projected "ongoing increases" in borrowing costs would be needed, a still open-ended commitment that did not yet pinpoint when the rate hikes might stop, and pushed back against an expectation in financial markets that the Fed would pause soon and, indeed, cut rates later this year.

ECB to raise rates again and face questions about future path

The European Central Bank is set to raise interest rates again on Thursday and pencil in more hikes for the next few months, with the only open question being how big these will be. The ECB has been increasing rates at a record pace to fight a sudden bout of high inflation in the euro zone - the byproduct of factors including the aftermath of the COVID-19 pandemic and an energy crisis that followed Russia's invasion of Ukraine. The central bank for the 20 countries that share the euro is seen raising its deposit rate by another half a percentage point to 2.5% on Thursday, in line with what it said in December. This would take the rate the ECB pays on bank deposits to the highest level since November 2008, after a steady climb from a record low of -0.5% in July.

BoE set to lift rates to 14-year high, might hint at next moves

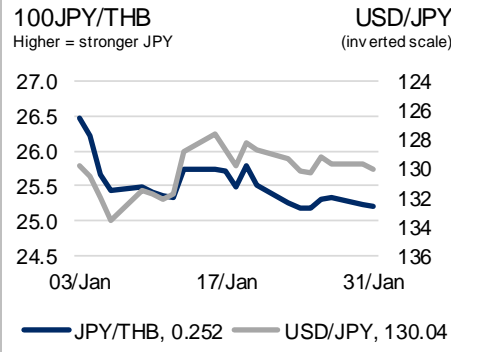
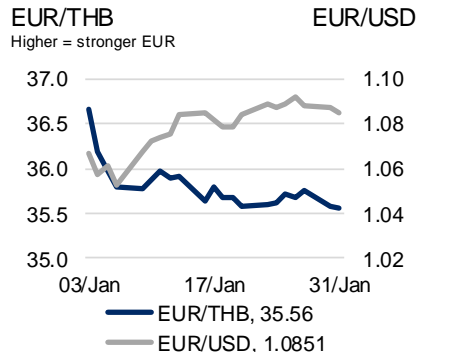
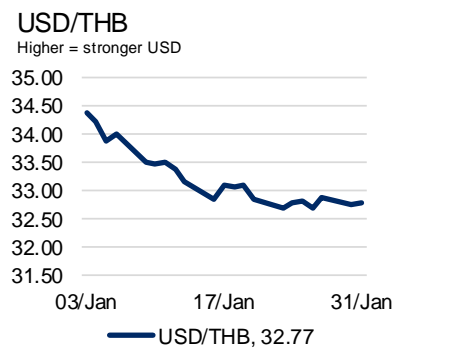
The Bank of England is poised to raise interest rates for the 10th time in a row on Thursday to keep up its fight against rampant inflation, but it might also drop a hint about when the steep climb in borrowing costs will end. With Britain's economy already forecast to go into recession and fare worse than its peers in 2023, Governor Andrew Bailey and his colleagues must judge how much of a delayed impact their run of rate hikes so far, starting in December 2021, will have. Unemployment is close to its lowest since 1974 but the housing market is cooling fast and confidence among consumers and employers is weak. Strikes by public service workers have added to the sense of gloom in an economy still struggling to adjust to Brexit and the coronavirus pandemic.

Oil prices buoyed by dollar weakness as central banks take focus

The 10-year government bond yield (interpolated) on the previous trading day was 2.49, -3.09 bps. The benchmark government bond yield (LB31DA) was 2.555, -2.0 bps. LB31DA could be between 2.30-2.80. Meantime, the latest closed US 10-year bond yields was 3.39, -13.0 bps. USDTHB on the previous trading day closed around 32.77 Moving in a range of 32.65-32.80 this morning. USDTHB could be closed between 32.60-33.90 today. Oil prices recovered a measure of recent losses on Thursday as weakness in the dollar benefited commodity buyers, with markets now awaiting more cues from central bank meetings in Europe and the UK. Crude prices plummeted on Wednesday after the Federal Reserve hiked rates as expected and signaled that it plans to keep raising interest rates in the coming months, as it battles elevated inflation. This saw markets pricing in a greater possibility of a U.S. economic slowdown this year, which bodes poorly for oil demand. But the possibility of a recession also weighed on the dollar, as traders bet that slowing economic growth is likely to push the Fed into reversing its hawkish stance later this year. The greenback tumbled to an over nine-month low against a basket of currencies.

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

SET Index	1,685.8	S&P500	4,119.2	10Y UST	3.39%	Brent	84.5	Gold	1,925.6
1-Feb	▲ 0.85%	1-Feb	▲ 1.04%	1-Feb	▼ -13.0 bps	31-Jan	▼ -0.48%	1-Feb	▲ 1.07%
USD/THB	32.77	EUR/THB	35.56	JPY/THB	0.2520				
Daily ▲ 0.11%	Weekly ▼ -0.10%	Daily ▼ -0.06%	Weekly ▼ -0.45%	Daily ▼ -0.12%	Weekly ▲ 0.06%				
Monthly ▼ -4.79%	Monthly ▼ -3.05%	Monthly ▼ -4.92%							
Sideways 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		102.18	0.3%	0.2%	-1.4%	101.59	104.99
EUR/USD		1.0851	-0.2%	-0.3%	1.8%	1.0529	1.0915
USD/JPY		130.04	0.2%	-0.2%	0.1%	127.61	133.87
USD/CHF		0.9242	0.4%	0.2%	0.0%	0.9154	0.9357
GBP/USD		1.2363	-0.3%	0.3%	2.5%	1.1929	1.2426
USD/CAD		1.3393	0.6%	0.2%	-1.3%	1.3315	1.3636
AUD/USD		0.7045	-0.8%	-0.6%	3.7%	0.6734	0.7112
NZD/USD		0.6466	-0.5%	-0.2%	2.3%	0.6242	0.6497
ASEAN Dollar		96.41	0.0%	-0.4%	-4.2%	96.39	101.28
USD/THB		32.77	0.1%	-0.1%	-4.7%	32.69	34.64
USD/SGD		1.3131	0.1%	-0.4%	-1.9%	1.3115	1.3471
USD/MYR		4.2445	0.2%	-0.6%	-3.4%	4.2282	4.4314
USD/IDR		14,958	-0.1%	0.2%	-3.9%	14,923	15,689
USD/PHP		54.60	0.2%	-0.2%	-2.0%	54.38	56.10
USD/CNY		6.7458	0.0%	-0.4%	-2.1%	6.6994	6.9703
USD/HKD		7.8309	0.1%	0.0%	0.4%	7.7831	7.8327

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		224,167	-153
Gold		15,126	52
SDR		5,507	-4
IMF Reserves		1,267	-16
Foreign Ccy		202,268	-185
Net Fwd Position		27,215	255

Last update: 20/01/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
01/02/2023	-192	-13,910	-14,102
31/01/2023	-2,895	500	-2,394
30/01/2023	-1,027	-9,005	-10,032
27/01/2023	2,828	-2,096	732
26/01/2023	1,196	-7,592	-6,396
Last 5 days	-90	-32,102	-32,192

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -192	↓ -13,910	↓ -14,102
QTD	Quarter	↑ 18,152	↑ 14,907	↑ 33,059
YTD	Year	↑ 18,152	↑ 14,907	↑ 33,059

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		1.50	1.25	1.50	ON		0.43	0.43	1.44	ON		0.08	0.07	0.08
1W		1.53	1.27	1.53	1W		0.22	0.21	1.54	1W		0.00	0.00	0.00
1M		1.55	1.31	1.55	1M		0.73	0.45	1.16	1M		0.35	0.11	0.35
2M		1.62	1.37	1.62	2M					2M		0.00	0.00	0.00
3M		1.68	1.43	1.68	3M		1.10	1.04	1.38	3M		0.75	0.30	0.75
6M		1.80	1.59	1.80	6M		1.43	1.42	1.69	6M		1.04	0.52	1.04
12M		1.97	1.90	1.97	12M		1.87	1.76	2.12	12M		1.49	0.92	1.49

Last Updated: 31/01/2023

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		3.3900	-13.00	-7.00	-36.00	3.37	3.88
Gilt 10y		3.4010	-0.67	-2.68	-21.90	3.30	3.74
Bund 10y		2.2600	-4.00	15.00	-21.00	2.02	2.51
JGB 10y		0.5110	1.40	8.40	8.00	0.28	0.51
TGB 1y		1.5833	0.63	15.00	21.12	1.33	1.58
TGB 2y		1.7810	-1.27	10.10	15.30	1.55	1.79
TGB 5y		2.0580	-2.52	8.62	8.19	1.89	2.08
TGB 7y		2.2231	-4.70	3.28	-4.75	2.11	2.27
TGB 10y		2.4920	-3.09	2.64	-14.15	2.39	2.65
AAA Spread		75.13	0.03	1.92	0.75	72.34	75.13
AA Spread		93.01	-0.22	0.13	-3.91	92.81	97.59
A Spread		127.89	-0.04	2.03	-1.71	125.68	129.60
BBB Spread		225.75	0.08	0.18	-0.03	225.39	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		84.49	-0.5%	-1.9%	-1.4%	78.01	88.19
London Gold		1925.6	1.1%	0.0%	7.1%	1,796.5	1,936.5

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)		4,076.6	1.5%	1.5%	7.8%	2,467.4	4,119.2
STOXX (EU)		447.7	0.3%	0.9%	9.2%	410.0	449.2
FTSE All-Share(UK)		4,252.7	-0.1%	0.3%	3.1%	4,075.1	4,302.9
DAX (DE)		15,128.3	0.0%	0.2%	8.1%	13,884.7	15,187.1
CAC All-Tradable(FR)		5,316.4	0.0%	0.5%	8.5%	4,874.0	5,329.5
TOPIX (JP)		1,972.2	-0.2%	-0.4%	3.9%	1,868.2	1,982.7
Shanghai (CH)		3,443.2	0.9%	1.9%	6.9%	3,201.5	3,443.2
Hang Seng (HK)		22,072.2	1.1%	0.1%	15.6%	19,094.8	22,688.9
ASX 200 (AU)		7,501.7	0.3%	0.2%	4.9%	7,038.7	7,501.7
SET (TH)		1,685.8	0.9%	0.2%	2.6%	1,609.9	1,691.4
SET50 (TH)		1,002.4	1.0%	-0.3%	0.6%	973.6	1,018.0
Straits Times (SG)		3,377.7	0.4%	0.7%	3.3%	3,240.8	3,394.2
FTSE Malay (MY)		1,485.5	-0.9%	-1.0%	1.6%	1,462.6	1,500.3
JSX Index (ID)		6,862.3	0.3%	0.5%	-0.9%	6,584.5	6,923.0
PSE Index (PH)		7,035.8	3.6%	-0.6%	7.6%	6,414.3	7,094.9
Vn Index (VN)		1,076.0	-3.2%	-2.0%	5.2%	985.2	1,117.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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