Strong US consumer spending, inflation readings put Fed in tough spot

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U.S. consumer spending increased more than expected in April, boosting the economy's growth prospects for the second quarter, and inflation picked up, which could prompt the Federal Reserve to raise interest rates again next month. The growth picture was further brightened by other data from the Commerce Department on Friday showing a surprise rebound last month in orders of manufactured non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans. The reports added to labor market resilience, a rebound in factory production and a pickup in business activity in suggesting the economy was experiencing a spring revival after hitting a speed bump in the first quarter. They also increased the chances that the U.S. central bank would hike rates in June. Minutes of the Fed's May 2-3 policy meeting, showed policymakers "generally agreed" the need for further rate hikes "had become less certain."

UK shoppers boost spending despite inflation's bite
British consumers picked up the pace of their spending last month and sales volumes over the three months to April grew by the most since mid-2021, according to official data that suggested limited impact from the surge in inflation. Sales volumes in April rose by a slightly stronger-than-expected 0.5% from March when they slumped by 1.2% as unusually heavy rain kept shoppers at home, the Office for National Statistics said on Friday. Economists polled by Reuters had forecast a 0.3% rise in April, a month when welfare payments for many lower-income households rose. In the February-to-April period, sales were up by 0.8% from the previous three months, the biggest such increase since the three months to August 2021.

China industrial profits tumble 18% in April as demand sputters
Profits at China's industrial firms slumped in the first four months of 2023, official data showed on Saturday, as companies continued to struggle with margin pressures and soft demand amid a faltering economic recovery. Profits fell 20.6% in January-April from a year earlier, compared with a 21.4% decline in the first three months, according to data from the National Bureau of Statistics (NBS). In April alone, industrial firms posted a 18.2% drop in profit year-on-year, according to the NBS, which only occasionally gives monthly figures. Profits shrank 19.2% in March. Chinese companies are struggling with both weak demand at home and softening demand in the country's major export markets Producer deflation deepened in April, with the producer price index (PPI) falling at the fastest clip since May 2020.
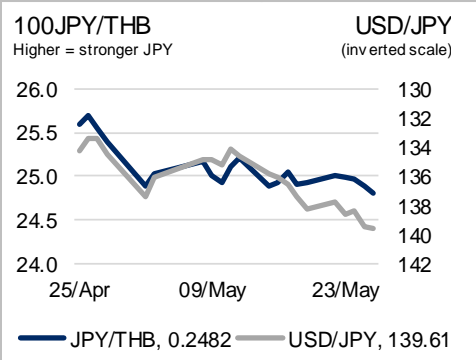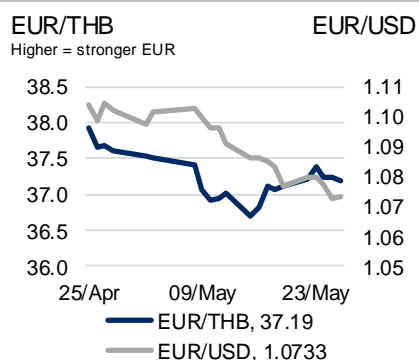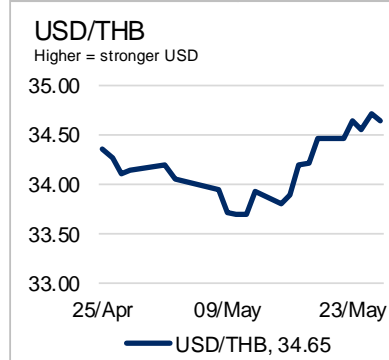
Dollar set for third week of gains as US debt talks loom large
The 10-year government bond yield (interpolated) on the previous trading day was 2.59, -1.53 bps. The benchmark government bond yield (LB31DA) was 2.57, +1.00 bps. LB31DA could be between 2.20-2.70. Meantime, the latest closed US 10-year bond yields was 3.80, -3.00 bps. USDTHB on the previous trading day closed around 34.65 Moving in a range of 34.80-34.88 this morning. USDTHB could be closed between 34.50-35.00 today. The dollar was set for a third straight weekly gain on Friday, as markets raised bets on higher-for-longer interest rates and amid closely watched last-ditch talks on the U.S. debt ceiling. Apparent progress in the talks between President Joe Biden and top congressional Republican Kevin McCarthy helped ease investor jitters, but doubts remained about when both sides would reach agreement. Biden and McCarthy are closing in on a deal that would raise the government's $31.4 trillion debt ceiling for two years while capping spending on most items.

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

SET Index	**1,530.8**	**S&P500**	**4,205.5**	**10Y UST**	**3.80%**	**Brent**	**76.3**	**Gold**	**1,953.5**
26-May ▼	-0.30%	26-May ▲	1.30%	26-May ▼	-3.0 bps	25-May ▼	-2.72%	26-May ▼	-0.45%

USD/THB 34.65			**EUR/THB 37.19**			**JPY/THB 0.2482**		
Daily ▼	-0.20%		**Daily** ▼	-0.15%		**Daily** ▼	-0.32%
Weekly ▲	0.55%		**Weekly** ▼	-0.05%		**Weekly** ▼	-0.77%
Sideways Trend	**Monthly** ▲	0.83%	**Falling Trend**	**Monthly** ▼	-1.98%	**Falling Trend**	**Monthly** ▼	-3.06%

USD/THB
Higher = stronger USD

USD/THB, 34.65

EUR/THB — **EUR/USD**
Higher = stronger EUR

EUR/THB, 37.19
EUR/USD, 1.0733

100JPY/THB — **USD/JPY**
Higher = stronger JPY (inverted scale)

JPY/THB, 0.2482   USD/JPY, 139.61

Sources: ttb 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	1M Range Max
Dollar Index		104.02	0.5%	0.5%	2.2%	101.27	104.02
EUR/USD		1.0728	-0.4%	-0.4%	-2.3%	1.0728	1.1047
USD/JPY		139.45	0.8%	0.8%	3.9%	133.42	139.45
USD/CHF		0.9059	0.5%	0.2%	1.5%	0.8881	0.9059
GBP/USD		1.2349	-0.7%	-0.5%	-0.7%	1.2349	1.2635
USD/CAD		1.3618	0.8%	0.9%	0.5%	1.3362	1.3636
AUD/USD		0.6526	-1.0%	-1.6%	-2.3%	0.6526	0.6780
NZD/USD		0.6084	-1.6%	-2.5%	-0.8%	0.6084	0.6362
ASEAN Dollar		102.03	0.1%	1.0%	1.0%	100.10	102.03
USD/THB		34.72	0.5%	0.7%	0.7%	33.68	34.72
USD/SGD		1.3522	0.4%	0.3%	1.3%	1.3241	1.3522
USD/MYR		4.6188	0.8%	1.6%	4.1%	4.4323	4.6188
USD/IDR		14,913	0.3%	0.2%	0.5%	14,633	14,913
USD/PHP		55.94	0.2%	0.1%	-0.1%	55.37	56.42
USD/CNY		7.0709	0.0%	0.5%	2.5%	6.8818	7.0709
USD/HKD		7.8348	0.0%	0.3%	-0.2%	7.8152	7.8543

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	-0.10
6-month		1.70	-0.05

Reserves ($mn)	3M History	Last	$mn Chg(1W)
Total		222,590	-2103
Golds		15,525	-263
SDR		5,473	-8
IMF Reserves		1,280	-4
Foreign Ccy		200,312	-1828
Net Fwd Position		28,055	-295

Last update: 19/05/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
26/05/2023	-3,567	-521	-4,088
25/05/2023	-2,760	-4,441	-7,201
24/05/2023	-540	-985	-1,524
23/05/2023	-3,853	-3,828	-7,680
22/05/2023	-1,469	-8,583	-10,053
Last 5 days	-12,189	-18,358	-30,547

Period-to-date		Equity	Bond	Total
MTD	Month	-27,950	25,737	-2,213
QTD	Quarter	-35,835	4,943	-30,892
YTD	Year	-92,711	27,736	-64,976

Money Market

THB BIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		1.75	1.50	1.75
1W		1.79	1.52	1.79
1M		1.90	1.55	1.90
2M		1.97	1.59	1.97
3M		2.03	1.65	2.03
6M		2.13	1.76	2.13
12M		2.28	1.93	2.28

THBFIX	1M Hist	Last	1M Range Min	1M Range Max
ON		1.53	0.43	1.78
1W		1.27	0.22	1.73
1M		1.35	0.73	1.76
2M				
3M		1.74	1.10	1.86
6M		1.97	1.23	2.01
12M		2.31	1.36	2.31

Last Updated: 25/05/2023

USD LIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		0.08	0.07	0.08
1W		0.00	0.00	0.08
1M		0.31	0.09	0.31
2M		0.00	0.00	0.16
3M		0.64	0.16	0.64
6M		0.98	0.23	0.98
12M		1.38	0.38	1.38

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

Sources: ttb analytics, CEIC

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range Min	1M Range Max
UST10y		3.7300	8.00	21.00	-4.00	3.35	4.08
Gilt 10y		4.0020	22.47	35.20	62.91	3.30	4.00
Bund 10y		2.4500	6.00	14.00	10.00	2.02	2.76
JGB 10y		0.4210	2.60	-0.30	-9.00	0.32	0.53
TGB 1y		1.9958	0.51	5.88	22.41	1.77	2.00
TGB 2y		2.1159	0.09	9.62	25.62	1.86	2.12
TGB 5y		2.2604	-0.83	6.56	17.69	2.08	2.27
TGB 7y		2.4252	-1.03	6.34	14.37	2.27	2.44
TGB 10y		2.5929	-1.53	8.41	10.10	2.47	2.61
AAA Spread		70.03	-0.08	0.43	-3.88	68.09	75.10
AA Spread		79.85	-0.07	-0.45	-14.16	79.85	94.59
A Spread		126.90	-0.61	-0.85	1.73	123.54	128.21
BBB Spread		237.87	0.00	11.83	12.07	225.57	244.82

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	1M Range Max
Brent Crude		76.26	-2.7%	-0.9%	-5.6%	72.33	82.73
London Gold		1976.8	0.0%	-3.0%	5.0%	1,824.1	2,038.9

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	1M Range Max
S&P500 (US)		4,115.2	-2.0%	-0.6%	-0.5%	3,861.6	4,198.1
STOXX (EU)		457.7	0.1%	-0.5%	0.5%	439.6	464.9
FTSE All-Share(UK)		4,152.5	0.6%	-1.6%	-3.3%	4,128.3	4,298.2
DAX (DE)		15,842.1	-2.0%	-0.7%	3.5%	14,933.4	16,163.4
CAC All-Tradable(FR)		5,415.7	-2.5%	-2.4%	1.2%	5,246.1	5,640.4
TOPIX (JP)		2,152.4	-0.3%	3.9%	8.5%	1,955.3	2,157.9
Shanghai (CH)		3,359.2	-2.8%	-5.6%	-2.0%	3,359.2	3,559.0
Hang Seng (HK)		19,431.3	-0.7%	-3.1%	-8.7%	19,203.9	22,688.9
ASX 200 (AU)		7,213.8	-0.3%	-0.9%	-3.0%	6,898.5	7,539.0
SET (TH)		1,536.5	0.6%	-1.6%	-8.6%	1,526.7	1,685.8
SET50 (TH)		929.2	0.4%	-2.2%	-6.9%	922.7	1,002.4
Straits Times (SG)		3,214.2	1.0%	-1.3%	-3.3%	3,172.9	3,380.8
FTSE Malay (MY)		1,409.6	-1.3%	-1.7%	-3.8%	1,409.6	1,498.4
JSX Index (ID)		6,745.8	1.2%	-0.6%	-1.7%	6,628.1	6,895.7
PSE Index (PH)		6,616.0	-0.2%	0.2%	-3.9%	6,404.9	7,042.7
Vn Index (VN)		1,061.8	-0.6%	0.8%	0.6%	1,021.3	1,111.2

Sources: **ttb** analytics, CEIC

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