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British inflation defied predictions of a slowdown and held at 8.7% in May, putting yet more pressure on the Bank of England a day before it is expected to raise interest rates for the 13th time in a row. Markets increased bets on further rate rises following Wednesday's official figures, which also showed underlying inflation hit its highest since 1992 last month. The headline figure means British inflation is once again the fastest of any major advanced economy. The numbers are uncomfortable for Prime Minister Rishi Sunak - who has pledged to halve inflation this year before a probable 2024 election - and are likely to add to the rise in mortgage costs for millions of homeowners. Economists polled by Reuters had forecast the annual consumer price inflation rate would drop to 8.4% in May, moving further away from October's 41-year high of 11.1%.

German recession will be sharper than expected

The German economy will contract more than previously expected this year as sticky inflation takes its toll on private consumption, the Ifo Institute said on Wednesday while presenting its forecasts. "The German economy is only very slowly working its way out of the recession," Ifo's head of economic forecasts, Timo Wollmershaeuser, said. German gross domestic product is expected to fall by 0.4% this year, more than the 0.1% forecast by the Ifo Institute in March. The economic institute has also cut the forecasts for Germany in 2024 to 1.5% GDP growth, down from the 1.7% it previously expected. Inflation is forecast to ease slowly from 6.9% in 2022 to 5.8% this year, down to 2.1% in 2024. Regarding core inflation, the Ifo Institute forecasts it will increase to 6% this year from 4.9% in the previous year, before falling to 3% in 2024.

Japan big manufacturers' sentiment positive for 3rd consecutive month

Business morale at big Japanese manufacturers edged up in June, staying in positive territory for a second straight month and reflecting a post-COVID economic recovery though uncertainty remains high amid slowing global growth, a Reuters poll showed. Underlining the prospects for a service sector-led recovery, the non-manufacturers' index hovered near this year's high, the Reuters Tankan poll showed on Wednesday, bolstering the view that strong domestic demand may offset an export slowdown - a rare thing that would happen to export-reliant Japanese economy. The monthly poll suggested there would be a steady recovery in business sentiment in the Bank of Japan's (BOJ) closely watched tankan quarterly survey due next on July 3.

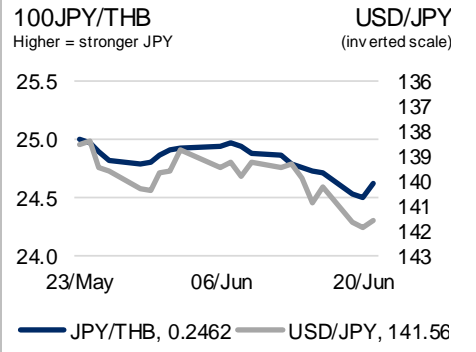
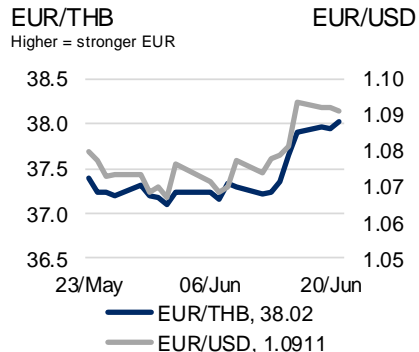
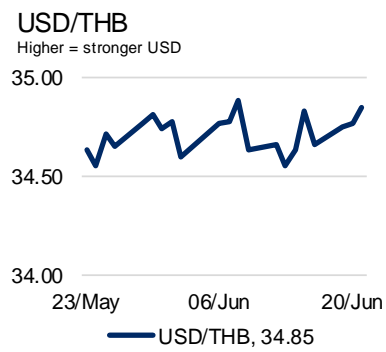
Dollar dips as Powell testimony disappoints hawks

The 10-year government bond yield (interpolated) on the previous trading day was 2.61, -0.74 bps. The benchmark government bond yield (LB31DA) was 2.615, -1.00 bps. LB31DA could be between 2.30-2.80. Meantime, the latest closed US 10-year bond yields was 3.72, -2.00 bps. USDTHB on the previous trading day closed around 34.85 Moving in a range of 34.80-34.82 this morning. USDTHB could be closed between 34.50-35.00 today. The U.S. dollar fell against a basket of currencies on Wednesday after Federal Reserve Chair Jerome Powell's comments on the central bank's ongoing fight to lower inflation failed to live up to the more hawkish market expectations. Powell told lawmakers the fight against inflation still "has a long way to go" and that despite a recent pause in interest rate hikes officials agreed borrowing costs would likely need to move higher. While noting that inflation remains very far from the Fed's target, Powell said it may make sense to still raise rates, at a more moderate pace. The Fed had left interest rates unchanged at its June meeting but signaled in new projections that borrowing costs may still need to rise as much as half of a percentage point by the end of this year.

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

SET Index	1,522.1	S&P500	4,365.7	10Y UST	3.72%	Brent	75.5	Gold	1,935.3
21-Jun	▼ -1.01%	21-Jun	▼ -0.53%	21-Jun	▼ -2.0 bps	20-Jun	▼ -0.84%	21-Jun	▼ -0.96%

USD/THB 34.85	Daily ▲ 0.24%	EUR/THB 38.02	Daily ▲ 0.18%	JPY/THB 0.2462	Daily ▲ 0.44%
Weekly ▲ 0.06%	Weekly ▲ 0.96%	Weekly ▲ -0.45%	Monthly ▲ 1.68%	Monthly ▼ -1.52%	
Rising Trend	Rising Trend	Sideways Trend	Sideways 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		102.52	0.1%	-0.8%	-0.7%	102.31	104.44
EUR/USD		1.0918	0.0%	1.2%	1.1%	1.0668	1.0935
USD/JPY		141.85	0.1%	1.4%	3.0%	136.50	141.85
USD/CHF		0.8964	0.2%	-0.9%	-0.3%	0.8921	0.9116
GBP/USD		1.2791	-0.2%	1.4%	2.8%	1.2336	1.2812
USD/CAD		1.3226	0.1%	-0.7%	-2.2%	1.3214	1.3643
AUD/USD		0.6815	-0.5%	0.7%	2.7%	0.6495	0.6875
NZD/USD		0.6190	-0.4%	0.5%	-1.2%	0.6000	0.6280

ASEAN Dollar		104.97	0.0%	0.1%	0.4%	103.44	105.42
USD/THB		34.76	0.0%	0.4%	0.9%	34.19	34.89
USD/SGD		1.3410	0.1%	0.0%	-0.4%	1.3370	1.3554
USD/MYR		4.6364	0.4%	0.4%	2.0%	4.5196	4.6364
USD/IDR		15,002	0.3%	1.0%	0.7%	14,816	15,002
USD/PHP		55.76	-0.2%	-0.3%	-0.4%	55.76	56.43
USD/CNY		7.1679	0.0%	0.1%	2.0%	6.9939	7.1679
USD/HKD		7.8179	-0.1%	-0.2%	-0.2%	7.8152	7.8459

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.00	-0.40
3-month		0.85	-0.28
6-month		1.75	-0.38

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		220,325	-777
Gold		15,393	102
SDR		5,454	8
IMF Reserves		1,278	2
Foreign Ccy		198,201	-889
Net Fwd Position		28,645	440

Last update: 09/06/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
21/06/2023	-3,577	7,243	3,666
20/06/2023	1,436	-4,709	-3,273
19/06/2023	-1,251	1,309	58
16/06/2023	-1,239	755	-484
15/06/2023	-1,613	-1,797	-3,410
Last 5 days	-6,243	2,799	-3,444

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -8,794	↑ 1,863	↓ -6,932
QTD	Quarter	↓ -49,956	↑ 3,955	↓ -46,001
YTD	Year	↓ -106,832	↑ 26,747	↓ -80,085

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		2.00	1.50	2.00	ON		2.04	0.43	2.04	ON		0.08	0.07	0.08
1W		2.03	1.53	2.03	1W		1.54	0.74	1.64	1W		0.00	0.00	0.08
1M		2.05	1.57	2.05	1M		1.68	0.82	1.72	1M		0.23	0.09	0.23
2M		2.10	1.66	2.10	2M					2M		0.00	0.00	0.16
3M		2.16	1.73	2.16	3M		1.98	1.19	1.98	3M		0.51	0.15	0.52
6M		2.25	1.88	2.25	6M		2.16	1.41	2.16	6M		0.76	0.22	0.83
12M		2.38	2.04	2.38	12M		2.54	1.76	2.54	12M		1.18	0.35	1.34

Last Updated: 19/06/2023

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		3.7300	0.00	-10.00	-24.00	3.35	3.97
Gilt 10y		4.1629	-2.57	2.53	42.92	3.23	4.19
Bund 10y		2.4800	3.00	17.00	19.00	2.14	2.76
JGB 10y		0.4380	-1.30	-1.50	-8.70	0.33	0.53
TGB 1y		2.0397	0.00	0.33	8.69	1.94	2.04
TGB 2y		2.1311	0.40	1.54	9.87	2.01	2.13
TGB 5y		2.3516	1.82	5.32	15.62	2.19	2.35
TGB 7y		2.4373	0.07	3.94	7.64	2.32	2.44
TGB 10y		2.6107	-0.74	2.86	10.42	2.50	2.63
AAA Spread		73.26	0.73	4.06	1.20	69.20	73.90
AA Spread		80.84	1.93	1.28	-13.60	78.65	94.44
A Spread		123.27	-0.01	-0.34	-0.51	123.27	128.18
BBB Spread		237.77	-0.08	-0.06	12.14	225.54	237.97

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		75.45	-0.8%	1.6%	-0.5%	71.84	77.07
London Gold		1964.0	0.0%	0.5%	8.5%	1,810.2	2,027.1

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)		4,409.6	-0.4%	2.6%	5.0%	4,109.9	4,425.8
STOXX (EU)		454.0	-0.1%	2.0%	-0.7%	445.2	463.2
FTSE All-Share(UK)		4,115.4	-0.2%	-0.9%	-2.5%	4,066.8	4,228.4
DAX (DE)		16,230.7	1.8%	1.7%	5.9%	14,768.2	16,275.4
CAC All-Tradable(FR)		5,452.1	1.1%	0.1%	-0.3%	5,191.5	5,642.7
TOPIX (JP)		2,264.8	1.8%	4.8%	13.4%	1,937.1	2,264.8
Shanghai (CH)		3,389.7	0.1%	0.4%	-2.4%	3,352.0	3,532.8
Hang Seng (HK)		19,521.4	0.7%	5.2%	-1.3%	18,216.9	20,987.7
ASX 200 (AU)		7,138.9	0.6%	-0.2%	-1.6%	6,962.0	7,364.7
SET (TH)		1,562.4	0.5%	2.1%	-4.4%	1,523.9	1,657.7
SET50 (TH)		947.3	0.6%	2.4%	-2.7%	910.7	991.6
Straits Times (SG)		3,189.4	0.1%	-0.2%	-1.3%	3,129.8	3,321.8
FTSE Malay (MY)		1,380.6	0.3%	-1.6%	-5.1%	1,376.1	1,484.3
JSX Index (ID)		6,719.0	0.4%	0.2%	-2.6%	6,619.8	6,935.3
PSE Index (PH)		6,507.3	-0.5%	-0.4%	-1.4%	6,393.3	6,791.2
Vn Index (VN)		1,122.5	1.3%	4.4%	8.2%	1,034.9	1,122.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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