

Japan's service activity maintains firm pace as demand picks up

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Japan's service activity maintained a brisk pace of growth in June as the relaxation of pandemic-related restrictions revived consumer demand, a private-sector survey show. The final au Jibun Bank Japan Services purchasing managers' index (PMI) fell to a seasonally adjusted 54.0 last month from a record-high 55.9 in May. That compared with the flash reading of 54.2 and remained well above the 50-threshold separating expansion from contraction for the 10th straight month. Business expectations for the coming year were also firm but slightly down from previous months, according to the survey. The government has scrapped strict pandemic-related border controls and reclassified COVID-19 as the same level as the seasonal flu.

South Korea consumer inflation hits 21-month low

South Korea's consumer inflation slowed more than expected and hit a 21-month low, official data showed on Tuesday, weighed by falling oil and agricultural product prices. The consumer price index rose 2.7% in June from a year earlier, compared with an increase of 3.3% in May and a median forecast of 2.85% in a Reuters survey of economists. It softened for a fifth consecutive month and marked the weakest annual increase since September 2021, according to Statistics Korea. Core inflation, which excludes volatile food and energy prices, slowed to 3.5% from 3.9% a month before, marking the slowest annual rise since May 2022. Service providers said price pressures were persistent in June although input inflation dropped to the lowest level since March last year.

Hong Kong May retail sales rise 18.4%, sees support from local consumption

Hong Kong's May retail sales rose 18.4% from a year earlier in the sixth consecutive month of growth thanks to the revival of inbound tourism and positive consumption sentiment which should support growth in coming months. Sales increased to HK\$34.5 billion (\$4.40 billion). That compared with a revised 14.9% rise in April and 40.8% growth in March. Strict COVID-19 restrictions have weighed on Hong Kong's economy since early 2020. But all border checkpoints were reopened fully in early February and the city dropped its COVID-19 mask mandate from March 1 in a move to lure back visitors and restore normal life. The headline index was flat on a monthly basis, compared with a 0.3% rise in the previous month and a 0.2% increase expected by economists.

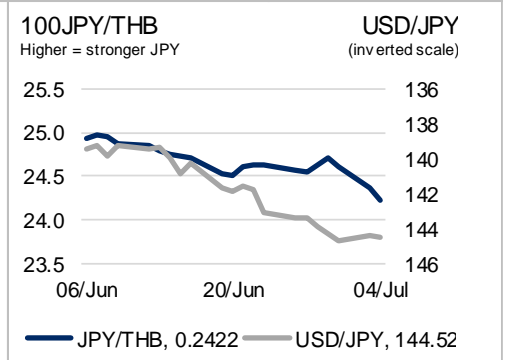
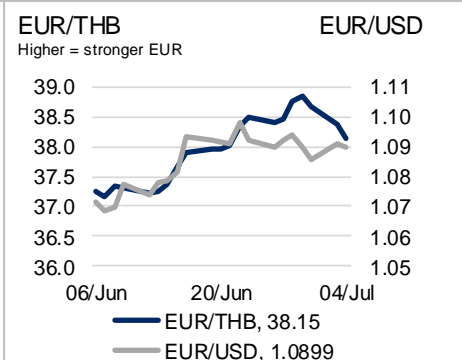
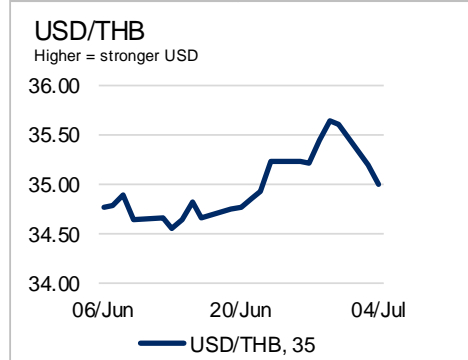
Spread between 2- and 10-year Treasuries at deepest inversion since '81

The 10-year government bond yield (interpolated) on the previous trading day was 2.54, -2.55 bps. The benchmark government bond yield (LB31DA) was 2.56, -2.00 bps. LB31DA could be between 2.30-2.80. Meantime, the latest closed US 10-year bond yields was 3.86, +5.00 bps. USDTHB on the previous trading day closed around 35.00 Moving in a range of 34.88-34.94 this morning. USDTHB could be closed between 34.70-35.20 today. A widely watched section of the U.S. Treasury yield curve hit its deepest inversion on Monday since the high inflation era of Fed Chairman Paul Volcker, reflecting financial markets' concerns that an extended Federal Reserve rate hiking cycle will tip the United States into recession. The closely-watched spread between the 2-year and 10-year U.S. Treasury note yields hit the widest since 1981 at -109.50 in early trade, a deeper inversion than in March during the U.S. regional banking crisis. The gap was last at -108.30 bp. Signs of strength in the U.S. economy have prompted market participants to price in the possibility of additional rate hikes this year to keep inflation in check. Futures markets had reflected rate cuts at the central bank's September meeting as recently as May and are now projecting that the first cuts will come in January.

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

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,515.3 | S&P500 | 4,455.6 | 10Y UST | 3.86% | Brent | 76.1 | Gold | 1,929.8 |
| 4-Jul | ▲ 0.56% | 3-Jul | ▲ 0.12% | 3-Jul | ▲ 5.0 bps | 4-Jul | ▲ 1.94% | 4-Jul | ▲ 0.83% |

| | | | | | |
|----------------------|-----------------|----------------------|-----------------|-----------------------|------------------|
| USD/THB 35.00 | Daily ▼ -0.53% | EUR/THB 38.15 | Daily ▼ -0.60% | JPY/THB 0.2422 | Daily ▼ -0.60% |
| Weekly ▼ -1.24% | Weekly ▼ -1.59% | Weekly ▼ -1.65% | Monthly ▲ 0.68% | Monthly ▲ 2.41% | Monthly ▼ -2.90% |
| Sideways Trend | Sideways Trend | Falling Trend | | | |



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoJ's daily closing rates

Main Contributor

Arisa Chantarabontha arisa.cha@ttbank.com
 Pimchatr Ekkachan pimchatr.ekk@ttbank.com
 Tarathip Tanganjanapas tarathip.tan@ttbank.com

ttb analytics ttbanalytics@ttbank.com
 Naris Sathapholdeja naris.sat@ttbank.com
 Kasem Hanchanpanich kasem.har@ttbank.com

Currency Market

| Currency | 1M History | Last | %Chg (1D) | %Chg (1W) | %Chg (1M) | 1M Range | |
|--------------|------------|--------|-----------|-----------|-----------|----------|--------|
| | | | | | | Min | Max |
| Dollar Index | | 102.90 | -0.5% | 0.2% | -0.6% | 102.16 | 104.44 |
| EUR/USD | | 1.0906 | 0.5% | -0.1% | 1.3% | 1.0668 | 1.0978 |
| USD/JPY | | 144.42 | -0.2% | 0.7% | 4.1% | 138.79 | 144.69 |
| USD/CHF | | 0.8950 | -0.5% | 0.0% | -1.0% | 0.8921 | 0.9116 |
| GBP/USD | | 1.2698 | 0.7% | -0.2% | 1.3% | 1.2336 | 1.2812 |
| USD/CAD | | 1.3244 | -0.2% | 0.9% | -1.4% | 1.3131 | 1.3637 |
| AUD/USD | | 0.6654 | 0.5% | -0.7% | 0.8% | 0.6495 | 0.6875 |
| NZD/USD | | 0.6140 | 1.0% | -0.6% | 0.9% | 0.6000 | 0.6235 |
| ASEAN Dollar | | 107.20 | 0.0% | 0.4% | 0.7% | 105.75 | 107.20 |
| USD/THB | | 35.19 | -1.2% | -0.1% | 1.7% | 34.55 | 35.65 |
| USD/SGD | | 1.3509 | -0.4% | 0.0% | 0.4% | 1.3370 | 1.3560 |
| USD/MYR | | 4.6616 | -0.3% | -0.1% | 1.6% | 4.5903 | 4.6830 |
| USD/IDR | | 14,961 | -0.1% | 0.0% | 0.0% | 14,822 | 15,002 |
| USD/PHP | | 55.17 | -0.5% | -0.9% | -1.7% | 55.17 | 56.43 |
| USD/CNY | | 7.2470 | 0.0% | 0.4% | 2.3% | 7.0846 | 7.2593 |
| USD/HKD | | 7.8284 | -0.1% | 0.0% | 0.0% | 7.8179 | 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 | | 218,370 | -2329 |
| Gold | | 15,084 | -284 |
| SDR | | 5,464 | -20 |
| IMF Reserves | | 1,280 | -5 |
| Foreign Ccy | | 196,542 | -2020 |
| Net Fwd Position | | 29,955 | 790 |

Last updated: 23/06/2023

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|--------|--------|
| 04/07/2023 | -304 | 2,159 | 1,855 |
| 03/07/2023 | -1,949 | 9,101 | 7,152 |
| 30/06/2023 | 1,708 | 287 | 1,995 |
| 29/06/2023 | 1,148 | 4,882 | 6,030 |
| 28/06/2023 | 506 | -1,220 | -714 |
| Last 5 days | 1,109 | 15,209 | 16,317 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|----------|-----------|
| MTD | Month | ↓ -2,253 | ↑ 11,260 | ↑ 9,007 |
| QTD | Quarter | ↓ -2,253 | ↑ 11,260 | ↑ 9,007 |
| YTD | Year | ↓ -109,392 | ↑ 26,688 | ↓ -82,704 |

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 | | 2.02 | 0.43 | 2.02 | ON | | 0.08 | 0.07 | 0.08 |
| 1W | | 2.03 | 1.53 | 2.03 | 1W | | 1.59 | 0.89 | 1.65 | 1W | | 0.00 | 0.00 | 0.08 |
| 1M | | 2.05 | 1.57 | 2.05 | 1M | | 1.56 | 0.87 | 1.72 | 1M | | 0.23 | 0.09 | 0.23 |
| 2M | | 2.12 | 1.68 | 2.12 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.16 |
| 3M | | 2.19 | 1.75 | 2.19 | 3M | | 2.01 | 1.09 | 2.02 | 3M | | 0.51 | 0.15 | 0.52 |
| 6M | | 2.29 | 1.90 | 2.29 | 6M | | 2.28 | 1.31 | 2.28 | 6M | | 0.76 | 0.22 | 0.83 |
| 12M | | 2.43 | 2.07 | 2.43 | 12M | | 2.69 | 1.59 | 2.71 | 12M | | 1.18 | 0.35 | 1.34 |

Last Updated: 29/06/2023

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 | | 3.7400 | 2.00 | -5.00 | 23.00 | 3.30 | 3.97 |
| Gilt 10y | | 4.2892 | 4.41 | 10.06 | 55.16 | 3.24 | 4.33 |
| Bund 10y | | 2.4800 | 3.00 | 17.00 | 19.00 | 2.14 | 2.76 |
| JGB 10y | | 0.3780 | -1.70 | -7.30 | 6.40 | 0.28 | 0.53 |
| TGB 1y | | 2.0397 | 0.00 | 0.00 | 2.62 | 2.01 | 2.04 |
| TGB 2y | | 2.1358 | -1.11 | 0.58 | 4.51 | 2.08 | 2.15 |
| TGB 5y | | 2.3066 | -1.37 | -1.82 | 10.72 | 2.20 | 2.35 |
| TGB 7y | | 2.3976 | -2.35 | -1.02 | 7.48 | 2.32 | 2.44 |
| TGB 10y | | 2.5399 | -2.55 | -2.88 | 2.75 | 2.50 | 2.63 |
| AAA Spread | | 73.29 | -0.04 | 0.76 | 0.05 | 68.09 | 73.33 |
| AA Spread | | 80.65 | 0.37 | 1.74 | -3.18 | 78.88 | 94.56 |
| A Spread | | 123.18 | -0.53 | -0.11 | -1.90 | 123.18 | 128.26 |
| BBB Spread | | 237.92 | 0.25 | 0.07 | 12.10 | 225.57 | 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 | | 76.11 | 2.0% | 5.3% | 2.5% | 71.84 | 77.12 |
| London Gold | | 1930.6 | 0.1% | -1.7% | 2.6% | 1,833.5 | 2,035.7 |

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) | | 4,396.4 | 0.4% | 0.3% | 5.2% | 4,179.8 | 4,425.8 |
| STOXX (EU) | | 456.3 | -0.5% | -0.6% | -1.4% | 445.2 | 463.2 |
| FTSE All-Share(UK) | | 4,095.3 | -0.1% | 1.2% | 0.1% | 4,046.8 | 4,170.0 |
| DAX (DE) | | 15,813.1 | -1.1% | -0.9% | 7.3% | 14,735.3 | 16,357.6 |
| CAC All-Tradable(FR) | | 5,356.8 | -0.4% | -0.7% | 3.7% | 5,164.9 | 5,640.4 |
| TOPIX (JP) | | 2,260.2 | -1.6% | 1.6% | 16.1% | 1,929.3 | 2,300.4 |
| Shanghai (CH) | | 3,302.7 | -2.8% | -1.5% | -2.5% | 3,302.7 | 3,557.1 |
| Hang Seng (HK) | | 18,794.1 | -2.2% | -2.6% | -2.7% | 18,234.3 | 20,603.2 |
| ASX 200 (AU) | | 7,078.7 | -1.6% | -0.3% | 1.0% | 6,898.5 | 7,381.5 |
| SET (TH) | | 1,485.3 | -1.6% | -4.5% | -7.1% | 1,485.3 | 1,627.4 |
| SET50 (TH) | | 908.3 | -1.1% | -3.5% | -4.8% | 908.3 | 974.3 |
| Straits Times (SG) | | 3,191.6 | -1.0% | 0.2% | 0.6% | 3,158.8 | 3,321.8 |
| FTSE Malay (MY) | | 1,390.9 | -0.2% | 1.2% | -2.9% | 1,374.6 | 1,454.2 |
| JSX Index (ID) | | 6,702.6 | 0.2% | 1.3% | -2.2% | 6,612.5 | 6,914.5 |
| PSE Index (PH) | | 6,393.6 | -0.5% | -2.6% | -3.3% | 6,393.6 | 6,664.6 |
| Vn Index (VN) | | 1,132.0 | 0.6% | 2.2% | 6.6% | 1,024.8 | 1,132.0 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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