

US weekly jobless claims fall; tight labor market underpinning economy

US weekly jobless claims fall; tight labor market underpinning economy

The number of Americans filing new claims for unemployment benefits fell last week, pointing to continued tightness in the labor market even as job growth slows. Initial claims for state unemployment benefits dropped 11,000 to a seasonally adjusted 239,000 for the week ended Aug. 12, reversing half of the surge in the prior week. Economists polled by Reuters had forecast 240,000 claims for the latest week. Unadjusted claims dropped 15,067 to 212,850 last week. Claims in California declined by 3,519. There were also notable decreases in Texas, Michigan, New Jersey and Pennsylvania, which more than offset a sizeable increase in Virginia. The labor market is only slowing at the margin, with job gains in July being the second-smallest since December 2020. The unemployment rate is hovering around levels last seen more than 50 years ago. There were 1.6 job openings for every unemployed person in June.

US leading indicator falls further in July

A gauge of future U.S. economic activity dropped for the 16th straight month in July, though the pace of decline slowed from earlier in the year. The Conference Board said its Leading Economic Index fell 0.4% last month after declining 0.7% in June. Last month's decrease was in line with economists' expectations. "The leading index continues to suggest that economic activity is likely to decelerate and descend into mild contraction in the months ahead," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "The Conference Board now forecasts a short and shallow recession in the Q4 2023 to Q1 2024 timespan." Economists have been forecasting a recession since last year, but most now do not expect a downturn, with data ranging from retail sales to homebuilding surprising on the upside.

Japan's core inflation eases, bolstering view BOJ will stand pat

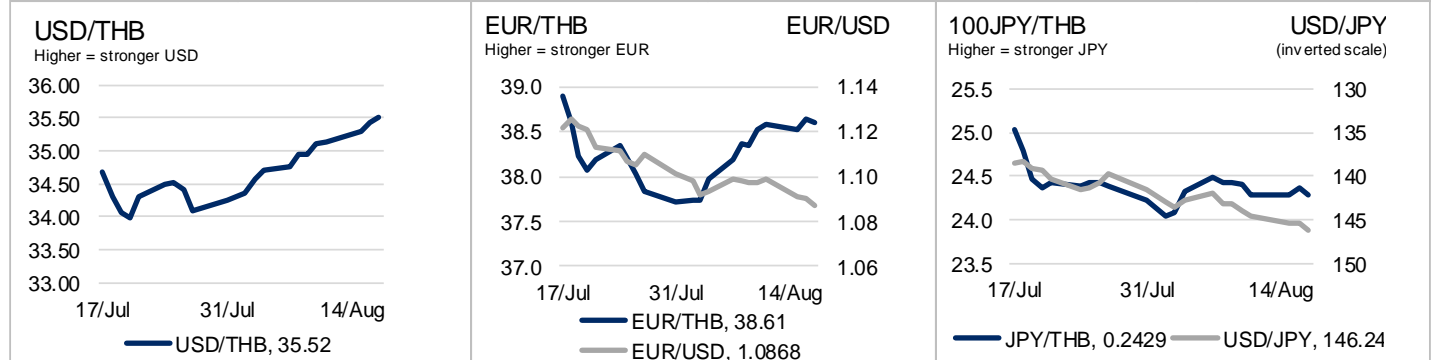
Japan's core consumer prices slowed in July, supporting expectations the Bank of Japan (BOJ) will be in no rush to phase out monetary easing, even as inflation remains stubbornly above the central bank's target. The 3.1% rise in the core consumer price index (CPI), which includes oil products but excludes volatile fresh food prices, matched a median market forecast, following a 3.3% increase in the previous month. It held above the BOJ's 2% inflation target for the 16th straight month. The so-called core-core inflation index, which excludes fresh food and energy prices and is closely watched by the BOJ as a better gauge of trend inflation, rose 4.3% year-on-year in July, accelerating from the previous month. The central bank argues that wage pressures have yet to build up enough to warrant a fresh tweak to the ultra-loose monetary stance.

Dollar near two-month high, investors eye intervention-zone yen

The 10-year government bond yield (interpolated) on the previous trading day was 2.71, +5.22 bps. The benchmark government bond yield (LB31DA) was 2.66, +5.00 bps. Meantime, the latest closed US 10-year bond yields was 4.30, +2.00 bps. USDTHB on the previous trading day closed around 35.52. Moving in a range of 35.35-35.39 this morning. USDTHB could be closed between 35.20-35.50 today. The dollar index hovered near a two-month high on Thursday after Federal Reserve meeting minutes left the door open for more rate hikes and data this week indicated a resilient U.S. economy. Investors continue to closely watch the Japanese yen, which touched the key 145 level for the first time in about nine months last Friday, crossing into a zone that sparked an intervention by Japanese authorities in September and October last year. The U.S. dollar index was 0.097% higher on the day at 103.56, after hitting a two-month high of 103.59. The greenback has drawn support from a recent run of U.S. economic data reinforcing the view that interest rates will remain high. Sources : ttb analytics , Bloomberg, CNBC, Trading Economics, Investing, CEIC

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,528.8 | S&P500 | 4,370.4 | 10Y UST | 4.30% | Brent | 83.9 | Gold | 1,894.0 |
| 17-Aug ▲ | 0.61% | 17-Aug ▼ | -0.77% | 17-Aug ▲ | 2.0 bps | 17-Aug ▲ | 0.51% | 17-Aug ▼ | -0.68% |

| | | | | | |
|----------------------|-----------------------|----------------------|-----------------|-----------------------|----------------|
| USD/THB 35.52 | Daily ▲ 0.25% | EUR/THB 38.61 | Daily ▼ -0.07% | JPY/THB 0.2429 | Daily ▼ -0.28% |
| Weekly ▲ 1.17% | EUR/USD 1.0868 | Weekly ▲ 0.25% | Weekly ▼ -0.47% | Monthly ▼ -3.01% | |
| Monthly ▲ 2.41% | Monthly ▼ -0.76% | | | | |



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoI'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 | | 103.20 | 0.0% | 0.7% | 3.2% | 99.83 | 103.20 |
| EUR/USD | | 1.0904 | -0.1% | -0.6% | -2.8% | 1.0904 | 1.1254 |
| USD/JPY | | 145.46 | 0.1% | 1.7% | 5.7% | 137.59 | 145.46 |
| USD/CHF | | 0.8786 | 0.1% | 0.5% | 2.4% | 0.8575 | 0.8838 |
| GBP/USD | | 1.2702 | 0.1% | -0.5% | -3.2% | 1.2689 | 1.3121 |
| USD/CAD | | 1.3508 | 0.4% | 0.7% | 3.0% | 1.3114 | 1.3508 |
| AUD/USD | | 0.6445 | -0.6% | -1.6% | -6.3% | 0.6445 | 0.6879 |
| NZD/USD | | 0.5955 | -0.4% | -1.9% | -6.9% | 0.5955 | 0.6394 |

| | | | | | | | |
|--------------|--|--------|-------|------|------|--------|--------|
| ASEAN Dollar | | 109.48 | 0.0% | 1.3% | 0.8% | 106.55 | 109.48 |
| USD/THB | | 35.43 | 0.4% | 1.4% | 2.4% | 33.97 | 35.52 |
| USD/SGD | | 1.3584 | 0.2% | 1.0% | 2.9% | 1.3198 | 1.3584 |
| USD/MYR | | 4.6409 | 0.3% | 1.4% | 2.5% | 4.5237 | 4.6606 |
| USD/IDR | | 15,265 | -0.1% | 0.8% | 2.4% | 14,902 | 15,274 |
| USD/PHP | | 56.89 | 0.1% | 1.0% | 4.4% | 54.33 | 56.89 |
| USD/CNY | | 7.3061 | 0.0% | 1.4% | 2.4% | 7.1275 | 7.3061 |
| USD/HKD | | 7.8260 | 0.1% | 0.2% | 0.1% | 7.7926 | 7.8260 |

FX Swap Market and BoT's Reserves

| USTH FX Sp | 1M History | Last | %Chg(1D) |
|------------|------------|------|----------|
| 1-month | | 0.40 | 0.00 |
| 3-month | | 1.13 | -0.18 |
| 6-month | | 2.13 | -0.23 |

| Reserves (\$mn) | 3M History | Last | \$mn Chg(1W) |
|------------------|------------|---------|--------------|
| Total | | 218,501 | -2288 |
| Gold | | 15,251 | -130 |
| SDR | | 5,489 | -8 |
| IMF Reserves | | 1,255 | -2 |
| Foreign Ccy | | 196,506 | -2148 |
| Net Fwd Position | | 31,260 | 170 |

Last update: 04/08/2023

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|---------|---------|
| 17/08/2023 | 782 | -3,011 | -2,229 |
| 16/08/2023 | -884 | -1,377 | -2,261 |
| 15/08/2023 | -3,816 | -3,409 | -7,225 |
| 11/08/2023 | -349 | -2,853 | -3,202 |
| 10/08/2023 | 1,171 | -1,669 | -498 |
| Last 5 days | -3,095 | -12,319 | -15,415 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|-----------|------------|
| MTD | Month | ↓ -12,040 | ↓ -35,724 | ↓ -47,764 |
| QTD | Quarter | ↓ -24,649 | ↓ -2,779 | ↓ -27,429 |
| YTD | Year | ↓ -131,789 | ↑ 12,649 | ↓ -119,140 |

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 | | 2.25 | 1.75 | 2.25 | ON | | 0.00 | 0.43 | 2.02 | ON | | 0.08 | 0.07 | 0.08 |
| 1W | | 2.27 | 1.77 | 2.27 | 1W | | 1.47 | 0.89 | 1.65 | 1W | | 0.00 | 0.00 | 0.08 |
| 1M | | 2.29 | 1.80 | 2.29 | 1M | | 1.20 | 0.87 | 1.72 | 1M | | 0.23 | 0.09 | 0.23 |
| 2M | | 2.34 | 1.84 | 2.34 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.16 |
| 3M | | 2.39 | 1.89 | 2.39 | 3M | | 1.91 | 1.09 | 2.02 | 3M | | 0.52 | 0.14 | 0.52 |
| 6M | | 2.49 | 2.01 | 2.49 | 6M | | 2.27 | 1.31 | 2.27 | 6M | | 0.83 | 0.22 | 0.83 |
| 12M | | 2.58 | 2.15 | 2.58 | 12M | | 2.68 | 1.59 | 2.71 | 12M | | 1.33 | 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 | | 4.0900 | -11.00 | 34.00 | 57.00 | 3.37 | 4.20 |
| Gilt 10y | | 4.3899 | 8.28 | 2.82 | 65.45 | 3.40 | 4.54 |
| Bund 10y | | 2.5800 | 0.00 | 24.00 | 25.00 | 2.24 | 2.66 |
| JGB 10y | | 0.6430 | 1.30 | 15.80 | 16.30 | 0.40 | 0.64 |
| TGB 1y | | 2.1906 | 0.11 | 0.13 | 15.07 | 2.04 | 2.19 |
| TGB 2y | | 2.2892 | 1.28 | 3.38 | 13.75 | 2.15 | 2.29 |
| TGB 5y | | 2.4699 | 2.66 | 5.06 | 13.55 | 2.33 | 2.47 |
| TGB 7y | | 2.5784 | 4.56 | 7.96 | 14.08 | 2.43 | 2.58 |
| TGB 10y | | 2.7123 | 5.22 | 9.12 | 13.82 | 2.55 | 2.71 |
| AAA Spread | | 70.47 | -0.02 | -1.35 | 0.12 | 67.91 | 73.91 |
| AA Spread | | 79.88 | -1.45 | -3.02 | -1.49 | 78.69 | 84.99 |
| A Spread | | 123.17 | -0.02 | -1.28 | -3.58 | 122.86 | 127.74 |
| BBB Spread | | 237.50 | -0.06 | -0.25 | 11.62 | 225.88 | 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 | Max |
| Brent Crude | | 83.88 | 0.5% | -2.9% | 5.3% | 78.50 | 87.55 |
| London Gold | | 1936.9 | 0.0% | -2.1% | -2.5% | 1,903.6 | 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 | Max |
| S&P500 (US) | | 4,468.8 | -0.1% | -0.3% | -1.0% | 4,439.3 | 4,589.0 |
| STOXX (EU) | | 458.4 | -1.4% | -0.6% | -0.6% | 445.0 | 470.4 |
| FTSE All-Share(UK) | | 4,021.6 | -0.4% | -2.8% | -0.4% | 4,021.6 | 4,198.7 |
| DAX (DE) | | 15,950.8 | 0.4% | -1.0% | 1.0% | 15,528.5 | 16,469.8 |
| CAC All-Tradable(FR) | | 5,463.1 | 0.8% | -0.2% | -1.8% | 5,287.7 | 5,618.0 |
| TOPIX (JP) | | 2,274.6 | -1.2% | 1.0% | 11.5% | 1,976.5 | 2,322.6 |
| Shanghai (CH) | | 3,426.8 | -0.4% | 2.2% | -2.9% | 3,302.7 | 3,529.5 |
| Hang Seng (HK) | | 19,537.9 | 0.6% | 3.1% | -2.7% | 18,234.3 | 20,782.5 |
| ASX 200 (AU) | | 7,309.2 | 0.0% | -0.2% | -0.1% | 7,004.0 | 7,450.7 |
| SET (TH) | | 1,530.5 | -1.3% | 0.8% | -4.0% | 1,478.1 | 1,597.1 |
| SET50 (TH) | | 948.7 | -1.5% | 1.2% | -1.3% | 902.7 | 965.5 |
| Straits Times (SG) | | 3,292.4 | -1.0% | 1.2% | -0.9% | 3,139.5 | 3,374.0 |
| FTSE Malay (MY) | | 1,445.8 | 0.3% | 3.0% | 0.9% | 1,377.7 | 1,451.2 |
| JSX Index (ID) | | 6,852.8 | 0.0% | -0.2% | 0.9% | 6,619.8 | 6,931.4 |
| PSE Index (PH) | | 6,507.8 | -1.0% | -0.5% | -1.4% | 6,379.7 | 6,685.7 |
| Vn Index (VN) | | 1,241.4 | 2.5% | 5.8% | 19.2% | 1,041.4 | 1,241.4 |

Sources: ttb analytics, CEIC

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.