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U.S. business activity approached the stagnation point in August, with growth at its weakest since February as demand for new business in the vast service sector contracted. S&P Global said its flash U.S. Composite PMI index, which tracks manufacturing and service sectors, fell to a reading of 50.4 in August from 52 in July, the biggest drop since November 2022. While August's reading was the seventh straight month of growth, it was only fractionally above the 50-level separating expansion and contraction as demand weakened for both manufactured goods and services. For months, a strong labor market and resilient consumer spending has increasingly assuaged fears of recession and led to upward revisions of GDP growth forecasts.

Slide in euro zone service sector sharpens ECB's rates dilemma

Euro zone business activity declined far more than thought in August with the slide in Germany particularly fast, while some inflationary pressures returned. Purchasing managers' indexes complicate matters for the European Central Bank which wants to control still rampant price rises without causing a recession. It is expected to pause interest rate hikes in September, according to a narrow majority of economists polled by Reuters, despite elevated inflation. A further rise in rates by year-end remains on the cards, however, following the central bank's most aggressive policy tightening cycle. Activity in the bloc's dominant services industry declined for the first time this year and the contraction in manufacturing output continued, although there were some signs of a turnaround for factories.

Japan's price trend gauges hit record, signal broadening inflation

Japan may be seeing early signs of sticky inflation with several measures of broad price trends hitting record highs in July, data showed, heightening the case for a retreat from decades of ultra-loose monetary policy. Based on the government's consumer price data, the Bank of Japan (BOJ) releases several measurements of underlying inflation that look at the distribution of price changes. The indices are closely watched by the BOJ for clues on whether price rises are driven by one-off factors like fuel, or broadening enough to sustainably hit its 2% inflation target. The "trimmed mean" index, which strips away the upper and lower tails of the distribution, rose a record 3.3% in July from a year earlier, data showed on Tuesday, accelerating from a 3.0% gain in June.

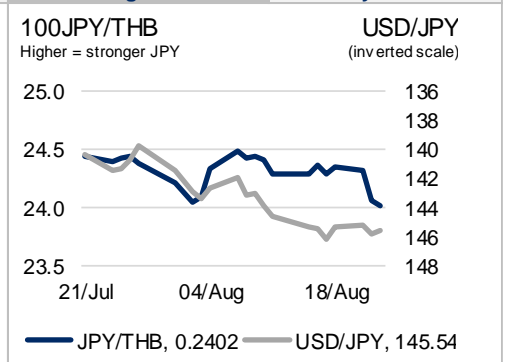
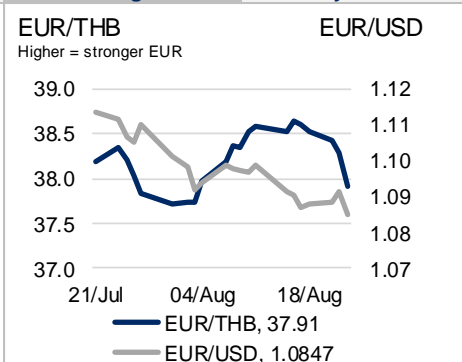
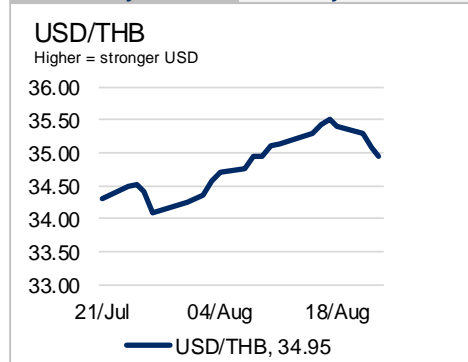
Dollar retreats as data shows US economy near stalling point

The 10-year government bond yield (interpolated) on the previous trading day was 2.79, +2.32 bps. The benchmark government bond yield (LB31DA) was 2.76, +3.00 bps. Meantime, the latest closed US 10-year bond yields was 4.19, -15.00 bps. USDTHB on the previous trading day closed around 34.95. Moving in a range of 34.84-34.89 this morning. USDTHB could be closed between 34.75-35.00 today. The U.S. dollar eased against a basket of currencies on Wednesday after data showed U.S. business activity approached the stagnation point in August, with growth at its weakest since February as demand for new business in the vast service sector contracted. S&P Global said its flash U.S. Composite PMI index, which tracks manufacturing and service sectors, fell to a reading of 50.4 in August from 52 in July, the biggest drop since November 2022. Michael Brown, market analyst at Trader X, said the data does "rather threaten the 'U.S. exceptionalism' narrative that the market has been trading on for the last couple of weeks." For months, a strong labor market and resilient consumer spending have increasingly assuaged fears of recession, and led to upward revisions of GDP growth forecasts. But Wednesday's data painted a more tepid picture about the economy.

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

SET Index	1,549.0	S&P500	4,436.0	10Y UST	4.19%	Brent	83.9	Gold	1,904.6
23-Aug	▲ 0.22%	23-Aug	▲ 1.10%	23-Aug	▼ -15.0 bps	22-Aug	▼ -0.71%	23-Aug	▲ 0.14%

USD/THB 34.95	Daily ▼ -0.37%	EUR/THB 37.91	Daily ▼ -0.97%	JPY/THB 0.2402	Daily ▼ -0.18%
Weekly ▼ -1.63%	Weekly ▼ -1.82%	Weekly ▼ -1.15%	Monthly ▲ 1.88%	Monthly ▼ -0.73%	Monthly ▼ -1.74%
Sideways Trend	Falling Trend	Falling Trend	Falling Trend	Falling Trend	Falling Trend



Sources: ttbank analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoJ'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		103.09	0.0%	-0.1%	2.9%	99.83	103.46
EUR/USD		1.0913	0.3%	0.1%	-2.6%	1.0868	1.1254
USD/JPY		145.81	0.4%	0.2%	4.6%	138.36	146.24
USD/CHF		0.8773	-0.5%	-0.1%	2.3%	0.8575	0.8813
GBP/USD		1.2781	0.3%	0.6%	-1.2%	1.2689	1.3097
USD/CAD		1.3539	0.0%	0.2%	2.9%	1.3157	1.3544
AUD/USD		0.6425	0.3%	-0.3%	-5.7%	0.6393	0.6825
NZD/USD		0.5943	0.4%	-0.2%	-5.5%	0.5919	0.6349
ASEAN Dollar		110.19	0.0%	0.7%	3.1%	106.99	110.48
USD/THB		35.08	-0.6%	-1.0%	3.3%	33.97	35.52
USD/SGD		1.3547	-0.1%	-0.3%	2.3%	1.3198	1.3602
USD/MYR		4.6466	0.0%	0.1%	2.1%	4.5237	4.6474
USD/IDR		15,273	0.1%	0.1%	2.1%	14,931	15,274
USD/PHP		56.26	0.0%	-1.1%	3.0%	54.33	56.89
USD/CNY		7.2832	0.0%	-0.3%	1.3%	7.1275	7.3196
USD/HKD		7.8308	0.1%	0.1%	0.2%	7.7926	7.8308

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
23/08/2023	-162	1,065	903
22/08/2023	510	4,065	4,575
21/08/2023	345	-2,301	-1,956
18/08/2023	-388	-1,586	-1,974
17/08/2023	782	-3,011	-2,229
Last 5 days	1,088	-1,768	-680

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,734	↓ -34,481	↓ -46,215
QTD	Quarter	↓ -24,344	↓ -1,536	↓ -25,880
YTD	Year	↓ -131,483	↑ 13,892	↓ -117,591

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		2.28	1.77	2.28	1W		1.47	0.89	1.65	1W		0.00	0.00	0.08
1M		2.30	1.80	2.30	1M		1.20	0.87	1.72	1M		0.23	0.09	0.23
2M		2.35	1.85	2.35	2M					2M		0.00	0.00	0.16
3M		2.40	1.90	2.40	3M		1.91	1.09	2.02	3M		0.52	0.14	0.52
6M		2.50	2.02	2.50	6M		2.27	1.31	2.27	6M		0.83	0.22	0.83
12M		2.60	2.17	2.60	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		4.1600	16.00	25.00	72.00	3.37	4.20
Gilt 10y		4.3044	-7.70	12.41	64.70	3.61	4.54
Bund 10y		2.5600	10.00	12.00	32.00	2.24	2.64
JGB 10y		0.5720	-5.30	9.10	8.60	0.39	0.65
TGB 1y		2.1909	0.02	0.15	14.84	2.04	2.19
TGB 2y		2.2969	0.88	2.05	12.95	2.15	2.30
TGB 5y		2.5083	1.70	6.50	15.59	2.34	2.51
TGB 7y		2.6328	1.61	10.00	18.27	2.43	2.63
TGB 10y		2.7943	2.32	13.42	20.90	2.55	2.79
AAA Spread		71.39	1.10	0.49	1.03	67.91	73.91
AA Spread		79.66	-0.04	-5.33	-2.06	78.69	84.99
A Spread		122.59	-0.51	-1.02	-4.74	122.59	127.78
BBB Spread		237.61	-0.05	-0.02	11.59	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		83.86	-0.7%	-1.2%	1.4%	79.64	87.55
London Gold		1918.1	-0.5%	-2.3%	-3.3%	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)		4,404.3	-0.8%	-2.2%	-4.3%	4,370.4	4,589.0
STOXX (EU)		453.4	-1.0%	-2.5%	1.2%	445.0	470.4
FTSE All-Share(UK)		3,963.6	0.3%	-1.9%	-5.1%	3,953.4	4,198.7
DAX (DE)		15,832.2	-0.1%	-2.3%	0.1%	15,528.5	16,446.8
CAC All-Tradable(FR)		5,473.3	0.2%	-1.2%	-0.9%	5,287.7	5,618.0
TOPIX (JP)		2,303.5	0.5%	1.0%	13.8%	2,018.7	2,306.4
Shanghai (CH)		3,343.3	-1.7%	-1.3%	-2.3%	3,302.7	3,529.5
Hang Seng (HK)		19,075.2	-0.9%	-1.8%	-3.9%	18,234.3	20,782.5
ASX 200 (AU)		7,340.1	0.0%	0.0%	1.0%	7,078.7	7,410.4
SET (TH)		1,533.4	1.0%	0.8%	-1.6%	1,478.1	1,597.1
SET50 (TH)		951.1	1.0%	1.3%	1.2%	902.7	965.5
Straits Times (SG)		3,294.3	-0.6%	0.9%	0.4%	3,163.8	3,371.2
FTSE Malay (MY)		1,457.2	-0.3%	1.4%	3.0%	1,383.2	1,462.0
JSX Index (ID)		6,893.3	0.4%	-0.1%	1.6%	6,619.8	6,910.1
PSE Index (PH)		6,449.7	-0.4%	-2.7%	-2.0%	6,398.6	6,684.4
Vn Index (VN)		1,232.2	-0.1%	3.0%	17.5%	1,041.4	1,241.4

Sources: ttb analytics, CEIC

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

Important Disclosures

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