

U.S. consumer sentiment slips slightly in August

U.S. consumer sentiment slips slightly in August

U.S. consumer sentiment fell modestly in August, as short- and long-term inflation expectations worsened. The University of Michigan's final August reading on the overall index of consumer sentiment came in at 69.5 on Friday compared to 71.6 in July, and 1.7 percentage points lower than a preliminary reading earlier in the month. Economists polled by Reuters had forecast sentiment would remain relatively stable at 71.2. August had the second highest reading since December 2021, and was far closer to the historic average of 86 than the all-time low registered in June 2022. The relatively positive outlook was buoyed by robust consumer spending and a resilient labor market. But these recent positive trends in outlook might not last: Americans expressed concerns that recent rapid improvements in inflation could be moderating, and the overall consumer expectation index declined by 2.8 percentage points between July and August, the biggest drop since May.

German economy stagnates in Q2 after winter recession

Germany's economy stagnated in the second quarter from the previous three months, showing no sign of recovery from a winter recession and cementing its position as one of the world's weakest major economies. The figure of zero growth for the second quarter was in line with a first estimate published in late July. Year on year, adjusted GDP contracted by 0.2% in the second quarter. Quarter on quarter, economic activity had fallen by 0.4% in the fourth quarter of 2022 and by 0.1% in the first quarter of 2023. Two consecutive quarters of contraction fulfill the technical definition of a recession. Weak purchasing power, thinned-out industrial order books, a slowdown in the Chinese economy and the impact of the most aggressive monetary policy tightening in decades all point to weak economic activity in Germany going forward.

China's industrial profits extend slump into seventh month

Profits at China's industrial firms fell 6.7% in July from a year earlier, extending this year's slump to a seventh month with weak demand squeezing companies as a post-pandemic recovery faltered in the world's second-biggest economy. Earnings shrank 15.5% year-on-year for the first seven months, following a 16.8% decline in the first half of the year, data from the National Bureau of Statistics showed on Sunday. Profits were down 8.3% in June, according to the bureau, which only occasionally publishes monthly figures. Big Chinese manufacturers posted losses for the first half, with engineering firm China Aluminum International reporting a net loss of 830.6 million yuan.

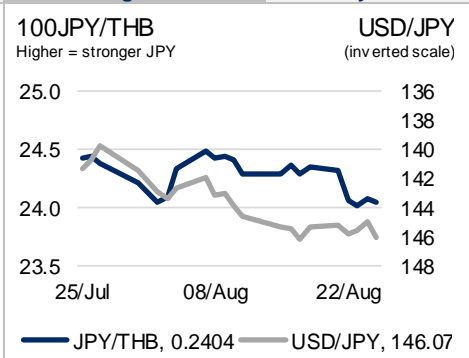
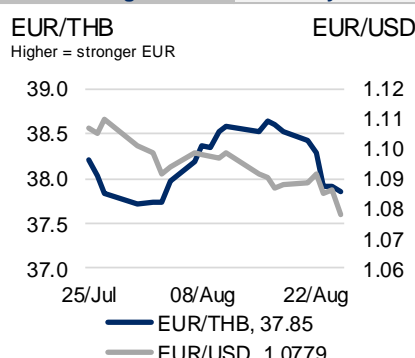
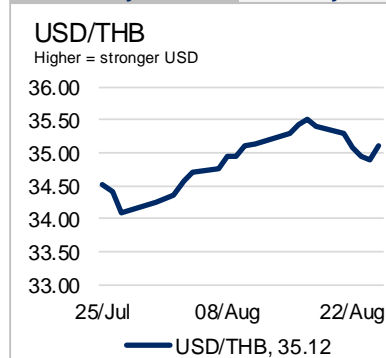
Dollar steady as Fed's Powell says higher rates may be needed

The 10-year government bond yield (interpolated) on the previous trading day was 2.79, +0.63 bps. The benchmark government bond yield (LB31DA) was 2.78, +1.00 bps. Meantime, the latest closed US 10-year bond yields was 4.25, +2.00 bps. USDTHB on the previous trading day closed around 35.12. Moving in a range of 35.08-35.215 this morning. USDTHB could be closed between 35.00-35.30 today. The U.S. dollar held steady on Friday, on pace to finish the week strong, after Federal Reserve Chair Jerome Powell said the central bank may need to raise interest rates further to ensure inflation is contained but promised to move "carefully" at upcoming meetings. Powell, in a speech at an economic summit in Jackson Hole, Wyoming, said policymakers would "proceed carefully as we decide whether to tighten further," but also made clear that the central bank has not yet concluded that its benchmark interest rate is high enough to be sure that inflation returns to the 2% target. The U.S. dollar index - which measures the currency against six major counterparts - was about flat at \$104.06 after rising to 104.44, its highest since June 1.

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

SET Index	1,560.2	S&P500	4,405.7	10Y UST	4.25%	Brent	84.7	Gold	1,917.9
25-Aug ▲	0.18%	25-Aug ▲	0.67%	25-Aug ▲	2.0 bps	25-Aug ▲	1.56%	25-Aug ▼	-0.15%

USD/THB 35.12	Daily ▲ 0.61%	EUR/THB 37.85	Daily ▼ -0.14%	JPY/THB 0.2404	Daily ▼ -0.13%
Weekly ▼ -0.51%	Weekly ▼ -1.47%	Weekly ▼ -1.13%	Monthly ▼ -0.90%	Monthly ▼ -1.59%	
Sideways Trend	Monthly ▲ 1.74%	Falling Trend	Falling Trend	Falling Trend	



Sources: ttbank 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

ttbank analytics ttbankanalytics@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		103.37	0.0%	0.1%	2.3%	100.04	103.46
EUR/USD		1.0860	0.1%	-0.2%	-2.3%	1.0847	1.1222
USD/JPY		145.00	-0.4%	-0.3%	2.5%	139.16	146.24
USD/CHF		0.8776	-0.2%	-0.1%	1.2%	0.8575	0.8813
GBP/USD		1.2712	-0.2%	-0.3%	-1.1%	1.2689	1.3003
USD/CAD		1.3526	0.0%	-0.1%	2.1%	1.3157	1.3544
AUD/USD		0.6471	0.6%	0.9%	-3.8%	0.6393	0.6812
NZD/USD		0.5962	0.2%	0.5%	-3.4%	0.5919	0.6287

ASEAN Dollar		109.46	0.0%	-0.4%	2.1%	106.71	109.93
USD/THB		34.91	-0.1%	-1.4%	1.2%	33.97	35.52
USD/SGD		1.3519	-0.3%	-0.3%	1.6%	1.3226	1.3602
USD/MYR		4.6420	-0.2%	0.0%	1.5%	4.5237	4.6521
USD/IDR		15,235	-0.2%	-0.2%	1.8%	14,948	15,274
USD/PHP		56.73	0.5%	0.1%	3.6%	54.56	56.89
USD/CNY		7.2752	0.0%	-0.2%	1.3%	7.1275	7.3196
USD/HKD		7.8390	0.0%	0.2%	0.3%	7.7926	7.8390

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		214,500	-1935
Gold		14,832	-190
SDR		5,448	-16
IMF Reserves		1,245	-4
Foreign Ccy		192,976	-1726
Net Fwd Position		31,505	70

Last update: 18/8/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
25/8/2023	-297	1,295	997
24/8/2023	808	942	1,750
23/8/2023	-162	1,065	903
22/8/2023	510	4,065	4,575
21/8/2023	345	-2,301	-1,956
Last 5 days	1,204	5,065	6,270

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,224	↓ -32,244	↓ -43,468
QTD	Quarter	↓ -23,833	↑ 700	↓ -23,132
YTD	Year	↓ -130,972	↑ 16,129	↓ -114,843

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	2.03	2.50	6M		2.27	1.31	2.27	6M		0.83	0.22	0.83
12M		2.60	2.18	2.60	12M		2.68	1.59	2.71	12M		1.33	0.35	1.34

Last Updated: 29/6/2023

Last Updated: 9/3/2022

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		4.2100	5.00		20.00		77.00		3.43	4.21
Gilt 10y		4.4533	14.89		26.37		77.50		3.68	4.54
Bund 10y		2.7000	14.00		21.00		45.00		2.25	2.70
JGB 10y		0.6320	4.10		18.10		22.90		0.38	0.64
TGB 1y		2.1906	0.07		0.09		14.82		2.04	2.19
TGB 2y		2.3040	0.59		1.66		10.33		2.17	2.30
TGB 5y		2.5192	1.05		3.94		13.93		2.35	2.52
TGB 7y		2.6496	0.50		5.38		15.48		2.45	2.65
TGB 10y		2.7929	0.63		5.56		19.50		2.58	2.79
AAA Spread		71.37	-0.03		0.91		1.04		69.20	73.91
AA Spread		77.60	-2.06		-7.41		-2.61		77.60	85.02
A Spread		122.67	0.08		-0.44		-4.64		122.59	127.78
BBB Spread		239.99	2.38		2.41		14.03		225.85	239.99

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		84.67	1.6%		-0.2%		2.1%		82.74	86.81
London Gold		1904.1	-0.7%		-3.6%		-5.6%		1,904.1	2,029.6

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)		4,369.7	0.7%		-2.0%		-3.0%		4,369.7	4,589.0
STOXX (EU)		461.7	1.2%		1.4%		0.6%		448.2	470.4
FTSE All-Share(UK)		3,998.1	0.0%		0.9%		-4.5%		3,953.4	4,198.7
DAX (DE)		15,767.3	-0.4%		-3.9%		-1.2%		15,673.2	16,406.0
CAC All-Tradable(FR)		5,421.4	-0.9%		-2.8%		-2.2%		5,332.4	5,640.4
TOPIX (JP)		2,290.3	-0.6%		0.3%		11.3%		2,037.3	2,337.4
Shanghai (CH)		3,329.7	-0.4%		-1.3%		-4.4%		3,329.7	3,557.1
Hang Seng (HK)		18,581.1	-2.6%		-5.4%		-6.8%		18,365.7	20,367.8
ASX 200 (AU)		7,305.0	-0.5%		-2.0%		1.6%		7,004.0	7,455.9
SET (TH)		1,520.7	-0.8%		-0.2%		-1.5%		1,479.6	1,592.7
SET50 (TH)		939.8	-1.2%		-0.4%		0.6%		902.7	966.2
Straits Times (SG)		3,232.7	-1.9%		-2.2%		-1.5%		3,139.5	3,373.8
FTSE Malay (MY)		1,460.3	0.2%		0.6%		3.1%		1,374.6	1,462.0
JSX Index (ID)		6,910.2	0.2%		-0.5%		1.8%		6,633.4	6,948.3
PSE Index (PH)		6,329.2	-1.9%		-5.2%		-5.1%		6,329.2	6,679.1
Vn Index (VN)		1,234.1	0.1%		3.1%		18.6%		1,040.3	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.