

Euro zone lending growth slows further as rate hikes bite

Euro zone lending growth slows further as rate hikes bite

Growth in lending to euro zone companies slowed again in July, adding to already mounting evidence that sharply higher interest rates are putting a brake on credit creation and economic growth. Lending to firms in the 20-nation currency bloc expanded by 2.2% year-on-year after a 3.0% reading a month earlier, while household credit growth slowed to 1.3% from 1.7% in June, according to an ECB report. The European Central Bank raised interest rates for the ninth time in a row in July, increasing the rate that the ECB pays on banks' deposits from 3.50% to 3.75%, its highest level since 2000, before euro banknotes and coins had been put into circulation. At 5.3% in July, inflation remains far above the bank's target and could take until 2025 to fall back to the 2% target.

China new home prices growth likely flat in 2023, dragging on economy

China's new home prices will likely show no growth this year, according to a Reuters poll, highlighting the intense pressure in the crisis-hit property sector that has put a choke-hold on the economy and left policymakers in a scramble to restore confidence. The expected 0% year-on-year growth in home prices compared with a 1.4% gain tipped in the previous forecast in May, a Reuters poll of 12 economists conducted from Aug. 16-25 showed. Confidence in the real estate sector, which accounts for a quarter of China's economy, suffered last year after many homebuyers threatened to stop repaying mortgages because developers couldn't build pre-sold housing projects due to strapped liquidity and strict COVID-19 restrictions.

Thailand's employment growth drops in Q2 as economy slows

Thailand's employment in the second quarter rose 1.7% from a year earlier, slowing from a 2.4% increase in the previous three months, the state planning agency said on Monday, as economic growth slowed. Southeast Asia's second-largest economy grew 1.8% in the April-June period year-on-year and 0.2% quarter-on-quarter, slowing sharply from the first quarter as weaker exports and investment undercut tourism strength. Thailand's jobless rate was at 1.06% in the April-June period versus 1.05% in January-March, the National Economic and Social Development Council (NESDC) said in a statement. The jobs growth was mainly in the tourism and construction sectors.

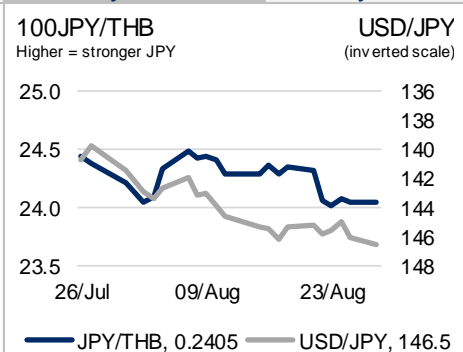
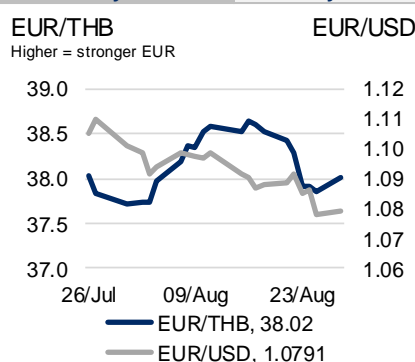
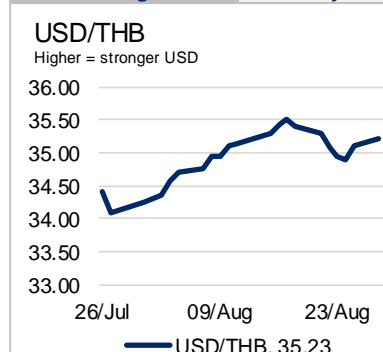
Dollar index dips, briefly hits 9-month high against yen

The 10-year government bond yield (interpolated) on the previous trading day was 2.79, -0.36 bps. The benchmark government bond yield (LB31DA) was 2.79, -1.00 bps. Meantime, the latest closed US 10-year bond yields was 4.20, -5.00 bps. USDTHB on the previous trading day closed around 35.23. Moving in a range of 35.20-35.255 this morning. USDTHB could be closed between 35.00-35.30 today. The dollar briefly hit a nine-month high against the Japanese yen on Monday and dipped against a basket of currencies, as investors waited on key data due later this week and kept an eye out for potential intervention to shore up the struggling Japanese currency. The greenback hit 146.75 Japanese yen, the highest since Nov. 9, and last traded at 146.51, up 0.05% on the day. Traders are watching out for any signs of intervention in the currency market from Japanese authorities as the yen weakens. Analysts at Bank of America noted on Monday that the Federal Reserve's foreign reverse repurchase facility and U.S. Treasury securities held in custody have fallen by about \$18 billion since August 9, which "may reflect modest intervention activity."

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

SET Index	1,563.0	S&P500	4,433.3	10Y UST	4.20%	Brent	84.7	Gold	1,917.9
28-Aug	▲ 0.18%	28-Aug	▲ 0.62%	28-Aug	▼ -5.0 bps	25-Aug	▲ 1.56%	25-Aug	▼ -0.15%

USD/THB 35.23	Daily ▲ 0.31%	EUR/THB 38.02	Daily ▲ 0.43%	JPY/THB 0.2405	Daily ▲ 0.02%
Weekly ▲ 0.42%	Weekly ▼ -0.69%	Weekly ▼ -0.04%	Monthly ▲ 2.37%	Monthly ▼ -0.01%	Monthly ▼ -1.60%
Rising Trend	Sideways Trend	Sideways Trend	Sideways Trend	Sideways Trend	Sideways Trend



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

Main Contributor

Arisa Chantarakontha
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		104.20	0.0%	0.9%	2.9%	100.13	104.20
EUR/USD		1.0779	-0.7%	-1.0%	-2.6%	1.0779	1.1206
USD/JPY		146.07	0.7%	0.6%	3.4%	139.37	146.24
USD/CHF		0.8862	1.0%	0.6%	2.0%	0.8575	0.8862
GBP/USD		1.2572	-1.1%	-1.4%	-2.0%	1.2572	1.2964
USD/CAD		1.3601	0.6%	0.5%	3.2%	1.3157	1.3601
AUD/USD		0.6410	-0.9%	0.0%	-5.0%	0.6393	0.6812
NZD/USD		0.5910	-0.9%	-0.2%	-4.8%	0.5910	0.6287
ASEAN Dollar		108.19	0.0%	-0.6%	1.4%	105.63	108.82
USD/THB		35.12	0.6%	-0.5%	1.8%	33.97	35.52
USD/SGD		1.3572	0.4%	0.1%	2.1%	1.3226	1.3602
USD/MYR		4.6530	0.2%	0.1%	1.9%	4.5237	4.6530
USD/IDR		15,222	-0.1%	-0.2%	1.8%	14,949	15,274
USD/PHP		56.83	0.2%	1.0%	4.1%	54.56	56.89
USD/CNY		7.2860	0.0%	-0.2%	1.9%	7.1275	7.3196
USD/HKD		7.8459	0.1%	0.3%	0.4%	7.7926	7.8459

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: 8/18/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
8/28/2023	-1,528	-910	-2,438
8/25/2023	-297	1,295	997
8/24/2023	808	942	1,750
8/23/2023	-162	1,065	903
8/22/2023	510	4,065	4,575
Last 5 days	-669	6,457	5,787

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -12,752	↓ -33,154	↓ -45,906
QTD	Quarter	↓ -25,361	↓ -209	↓ -25,571
YTD	Year	↓ -132,501	↑ 15,219	↓ -117,282

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	1.91	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: 6/29/2023

Last Updated: 3/9/2022

Note: D=d=day; M=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		4.2800	9.00	32.00	90.00	3.38	4.28
Gilt 10y		4.4533	14.89	26.37	77.50	3.68	4.54
Bund 10y		2.6600	5.00	16.00	35.00	2.24	2.66
JGB 10y		0.6310	1.00	18.80	21.80	0.39	0.63
TGB 1y		2.1898	-0.08	0.02	14.72	2.04	2.19
TGB 2y		2.3011	-0.29	1.76	9.23	2.19	2.30
TGB 5y		2.5192	0.00	3.65	12.90	2.37	2.52
TGB 7y		2.6517	0.21	5.20	14.99	2.47	2.65
TGB 10y		2.7893	-0.36	4.19	18.44	2.58	2.79
AAA Spread		71.29	-0.08	0.83	0.42	67.91	73.93
AA Spread		80.31	0.67	-4.38	0.06	78.69	85.03
A Spread		122.57	-0.17	-0.30	-4.69	122.57	127.74
BBB Spread		239.83	-8.86	2.30	13.80	225.89	248.70

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%	0.5%	82.92	87.55
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)		4,399.8	-0.3%	-1.1%	-3.7%	4,369.7	4,589.0
STOXX (EU)		456.1	-1.2%	-0.4%	-1.3%	451.7	470.4
FTSE All-Share(UK)		3,998.1	0.0%	0.9%	-4.7%	3,953.4	4,198.7
DAX (DE)		15,789.5	-0.7%	-4.1%	-1.0%	15,726.9	16,469.8
CAC All-Tradable(FR)		5,415.2	-1.2%	-3.0%	-2.4%	5,343.9	5,607.1
TOPIX (JP)		2,260.8	-0.9%	-1.5%	8.8%	2,040.4	2,320.8
Shanghai (CH)		3,302.5	-0.9%	-3.8%	-6.0%	3,302.5	3,532.8
Hang Seng (HK)		18,329.3	-2.4%	-8.0%	-7.0%	18,234.3	20,397.0
ASX 200 (AU)		7,195.2	-1.1%	-2.8%	-0.3%	7,099.2	7,403.6
SET (TH)		1,519.6	-1.0%	-0.4%	-0.8%	1,485.3	1,600.4
SET50 (TH)		938.9	-1.3%	-0.8%	1.5%	908.3	966.1
Straits Times (SG)		3,213.6	-1.1%	-3.7%	-1.5%	3,149.3	3,337.4
FTSE Malay (MY)		1,463.5	0.4%	0.9%	2.6%	1,376.1	1,463.5
JSX Index (ID)		6,915.1	0.5%	0.3%	1.4%	6,618.9	6,917.7
PSE Index (PH)		6,329.2	-1.9%	-5.2%	-5.1%	6,329.2	6,679.1
Vn Index (VN)		1,243.3	0.5%	2.9%	18.0%	1,039.6	1,243.3

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.