

EU Commission cuts euro zone growth forecast as Germany in recession

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The euro zone economy will grow slower than previously expected this year and next, the European Commission forecast as consumer demand suffers from high inflation and the biggest economy, Germany, slips into recession this year. In its interim forecasts for gross domestic product and inflation of the euro zone's five biggest economies, the Commission said the single currency area's GDP (gross domestic product) would expand 0.8% in 2023 and 1.3% in 2024, against forecasts of 1.1% and 1.6% respectively made in May. The Commission forecast euro zone consumer inflation of 5.6% in 2023 and 2.9% in 2024, both well above the European Central Bank's target of 2.0%. Inflation this year is to be lower than the 5.8% forecast in May, but higher than previously forecast in 2024, as the May forecast was for 2.8%.

BOJ's hawkish tilt suggests end to super-easy policy approaching

Bank of Japan policymakers are increasingly talking up the need to shift away from the massive monetary stimulus of the past decade, even as growing global risks heighten concerns about a fragile economic recovery. A series of hawkish comments by BOJ speakers in recent weeks suggest the bank is preparing markets for an eventual policy change amid growing price pressures in deflation-prone Japan. Even dovish members of the BOJ board have expressed an openness to talk about a long-awaited exit from the extremely accommodative policy of former governor Haruhiko Kuroda, acknowledging changes in conditions may warrant a tweak in monetary settings. Governor Kazuo Ueda told a newspaper interview on Saturday the BOJ could get enough data by year-end to judge whether conditions are in place to raise short-term interest rates.

Australia consumer sentiment worsens in September

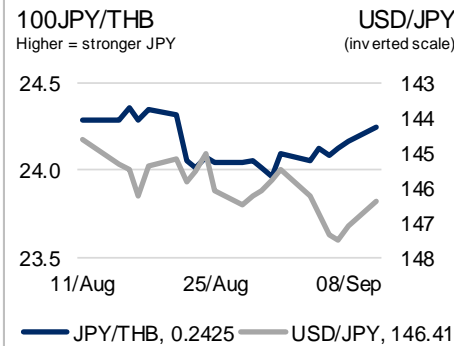
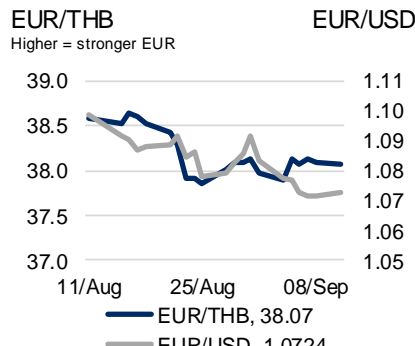
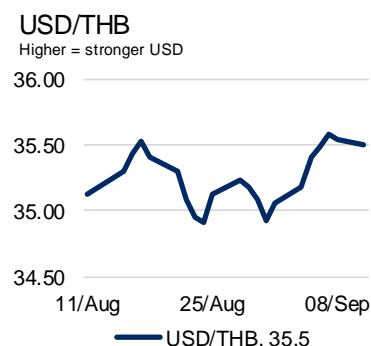
Australian consumer sentiment deteriorated further in early-September, a private survey showed on Tuesday, as dwindling household savings, sticky inflation, and high interest rates largely outweighed a less hawkish outlook for the RBA. The Westpac-Melbourne Institute Index of Consumer Sentiment dropped 1.5% to 79.7 in September, remaining close to its worst level since the 2020 COVID-19 pandemic. The reading was driven by persistent pessimism among consumers, especially over rising rents and a renewed surge in fuel prices. While consumers saw a lower chance of more interest rate hikes from the Reserve Bank of Australia, especially after inflation eased substantially this year, they also saw few chances of an interest rate cut over the next year.

Dollar retreats ahead of inflation data; Yen soars on Ueda's comments

The 10-year government bond yield (interpolated) on the previous trading day was 2.94, +5.37 bps. The benchmark government bond yield (LB31DA) was 2.88, +6.00 bps. Meantime, the latest closed US 10-year bond yields was 4.29, +3.00 bps. USDTHB on the previous trading day closed around 35.50. Moving in a range of 35.52-35.57 this morning. USDTHB could be closed between 35.45-35.65 today. The U.S. dollar fell in early European trade Monday, retreating from a six-month high, while the Japanese yen surged as comments from Bank of Japan Governor Kazuo Ueda signaled a potential change in monetary policy. The Dollar Index traded 0.5% lower to 104.212, falling from last week's six-month high of 105.15. Dragging the dollar index lower Monday has been sharp gains in the yen, with USD/JPY 1.2% lower at 146.06, as BOJ head Kazuo Ueda flagged a potential pivot away from negative interest rates. This extremely easy monetary policy has contributed significantly to the yen falling to 10-month lows against the dollar given the growing interest rate differentials.

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

| | | | | | | | | | |
|----------------------|-----------------|----------------------|------------------|-----------------------|------------------|--------------|---------|-------------|---------|
| SET Index | 1,540.9 | S&P500 | 4,487.5 | 10Y UST | 4.29% | Brent | 90.7 | Gold | 1,926.0 |
| 1-Sep | ▼ -0.40% | 11-Sep | ▲ 0.81% | 11-Sep | ▲ 3.0 bps | 8-Sep | ▲ 0.81% | 11-Sep | ▲ 0.05% |
| USD/THB 35.50 | Daily ▼ -0.13% | EUR/THB 38.07 | Daily ▼ -0.05% | JPY/THB 0.2425 | Daily ▲ 0.33% | | | | |
| | Weekly ▲ 0.25% | | Weekly ▼ -0.16% | | Weekly ▲ 0.49% | | | | |
| Sideways Trend | Monthly ▲ 1.05% | Falling Trend | Monthly ▼ -1.37% | Sideways Trend | Monthly ▼ -0.18% | | | | |



Sources: ttb 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 | | 104.89 | 0.0% | 0.6% | 2.2% | 102.22 | 104.90 |
| EUR/USD | | 1.0716 | 0.0% | -0.5% | -2.3% | 1.0716 | 1.0988 |
| USD/JPY | | 147.09 | -0.3% | 0.6% | 2.2% | 141.98 | 147.49 |
| USD/CHF | | 0.8906 | -0.1% | 0.6% | 1.5% | 0.8740 | 0.8911 |
| GBP/USD | | 1.2496 | 0.0% | -0.8% | -1.7% | 1.2493 | 1.2781 |
| USD/CAD | | 1.3672 | 0.2% | 0.5% | 1.8% | 1.3386 | 1.3672 |
| AUD/USD | | 0.6388 | 0.2% | -1.1% | -2.2% | 0.6376 | 0.6574 |
| NZD/USD | | 0.5897 | 0.4% | -0.8% | -2.6% | 0.5872 | 0.6102 |
| ASEAN Dollar | | 111.79 | 0.0% | 1.1% | 2.1% | 108.86 | 111.79 |
| USD/THB | | 35.54 | -0.1% | 1.0% | 1.2% | 34.76 | 35.58 |
| USD/SGD | | 1.3635 | -0.1% | 0.7% | 1.2% | 1.3401 | 1.3644 |
| USD/MYR | | 4.6745 | 0.0% | 0.4% | 2.2% | 4.5548 | 4.6745 |
| USD/IDR | | 15,268 | 0.0% | 0.5% | 0.7% | 15,125 | 15,274 |
| USD/PHP | | 56.80 | -0.4% | 0.2% | 0.7% | 55.84 | 57.03 |
| USD/CNY | | 7.3429 | 0.0% | 1.0% | 1.8% | 7.1929 | 7.3429 |
| USD/HKD | | 7.8350 | -0.1% | -0.2% | 0.2% | 7.8078 | 7.8507 |

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 | | 217,059 | 1863 |
| Gold | | 15,229 | 196 |
| SDR | | 5,441 | -1 |
| IMF Reserves | | 1,241 | 0 |
| Foreign Ccy | | 195,148 | 1668 |
| Net Fwd Position | | 30,485 | -420 |

Last update: 1/9/2023

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|--------|---------|
| 11/9/2023 | -2,601 | -1,211 | -3,812 |
| 8/9/2023 | -2,183 | -5,364 | -7,546 |
| 7/9/2023 | -850 | 1,095 | 245 |
| 6/9/2023 | -740 | 1,238 | 498 |
| 5/9/2023 | -1,528 | -2,825 | -4,353 |
| Last 5 days | -7,902 | -7,068 | -14,969 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|-----------|------------|
| MTD | Month | ↓ -9,372 | ↓ -9,754 | ↓ -19,126 |
| QTD | Quarter | ↓ -37,430 | ↓ -13,750 | ↓ -51,180 |
| YTD | Year | ↓ -144,569 | ↑ 1,678 | ↓ -142,891 |

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 | 1.78 | 2.28 | 1W | | 1.47 | 0.89 | 1.65 | 1W | | 0.00 | 0.00 | 0.08 |
| 1M | | 2.30 | 1.81 | 2.30 | 1M | | 1.20 | 0.87 | 1.72 | 1M | | 0.23 | 0.09 | 0.23 |
| 2M | | 2.36 | 1.88 | 2.36 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.16 |
| 3M | | 2.41 | 1.94 | 2.41 | 3M | | 1.91 | 1.09 | 2.02 | 3M | | 0.52 | 0.14 | 0.52 |
| 6M | | 2.51 | 2.06 | 2.51 | 6M | | 2.27 | 1.31 | 2.27 | 6M | | 0.83 | 0.22 | 0.83 |
| 12M | | 2.61 | 2.20 | 2.61 | 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=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 | | 4.1200 | -13.00 | 3.00 | 58.00 | 3.37 | 4.34 |
| Gilt 10y | | 4.3832 | -2.86 | 6.90 | 60.59 | 3.65 | 4.65 |
| Bund 10y | | 2.5500 | -2.00 | -1.00 | 15.00 | 2.28 | 2.69 |
| JGB 10y | | 0.6610 | -0.80 | 7.00 | 26.60 | 0.38 | 0.67 |
| TGB 1y | | 2.2774 | 1.76 | 8.65 | 8.87 | 2.19 | 2.28 |
| TGB 2y | | 2.4119 | 1.91 | 10.49 | 15.74 | 2.25 | 2.41 |
| TGB 5y | | 2.6828 | 3.04 | 13.02 | 26.84 | 2.41 | 2.68 |
| TGB 7y | | 2.8291 | 2.00 | 14.64 | 33.33 | 2.50 | 2.83 |
| TGB 10y | | 2.9424 | 5.37 | 13.49 | 33.36 | 2.61 | 2.94 |
| AAA Spread | | 70.55 | 0.06 | -0.84 | 0.48 | 68.09 | 73.93 |
| AA Spread | | 80.49 | 0.00 | 0.83 | 0.40 | 77.65 | 84.99 |
| A Spread | | 122.47 | 0.19 | -0.12 | -5.05 | 121.95 | 127.78 |
| BBB Spread | | 235.02 | -4.74 | -2.59 | -2.96 | 225.86 | 239.76 |

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 | | 90.65 | 0.8% | 2.4% | 4.9% | 83.21 | 90.65 |
| London Gold | | 1938.4 | 1.1% | 1.0% | -2.0% | 1,890.1 | 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) | | 0.0 | -0.4% | 0.0% | -0.5% | 4,369.7 | 4,518.4 |
| STOXX (EU) | | 447.9 | 0.1% | 0.6% | -4.7% | 445.3 | 470.4 |
| FTSE All-Share(UK) | | 4,083.2 | 0.3% | 0.5% | -1.7% | 3,953.4 | 4,155.7 |
| DAX (DE) | | 15,891.9 | 0.6% | 0.4% | -2.0% | 15,603.4 | 16,446.8 |
| CAC All-Tradable(FR) | | 5,489.8 | 0.6% | 0.3% | -1.6% | 5,313.2 | 5,592.3 |
| TOPIX (JP) | | 2,313.4 | 0.6% | 0.4% | 7.2% | 2,071.2 | 2,337.4 |
| Shanghai (CH) | | 3,288.9 | 1.2% | -1.6% | -4.8% | 3,231.3 | 3,559.0 |
| Hang Seng (HK) | | 18,130.7 | -0.4% | -5.8% | -9.2% | 17,791.0 | 20,078.9 |
| ASX 200 (AU) | | 7,297.7 | 1.9% | -0.6% | 0.3% | 7,042.3 | 7,410.4 |
| SET (TH) | | 1,576.7 | 0.9% | 2.8% | 2.4% | 1,466.9 | 1,576.7 |
| SET50 (TH) | | 966.7 | 0.6% | 1.6% | 3.5% | 896.4 | 966.7 |
| Straits Times (SG) | | 3,223.1 | 1.0% | -3.0% | 0.3% | 3,154.0 | 3,374.0 |
| FTSE Malay (MY) | | 1,454.4 | 0.7% | -0.3% | 2.2% | 1,378.7 | 1,463.5 |
| JSX Index (ID) | | 6,966.7 | 0.6% | 1.1% | 2.3% | 6,626.1 | 6,966.7 |
| PSE Index (PH) | | 6,295.3 | 2.2% | -3.6% | -4.5% | 6,160.6 | 6,684.4 |
| Vn Index (VN) | | 1,201.7 | 1.0% | -2.6% | 12.5% | 1,053.4 | 1,241.4 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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