

US inflation outlook brightens as underlying price pressures subside

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Underlying U.S. inflation moderated in August, with the annual rise in prices excluding food and energy falling below 4.0% for the first time in more than two years, welcome news for the Federal Reserve as it ponders the monetary policy outlook. The personal consumption expenditures (PCE) price index, excluding the volatile food and energy components, edged up 0.1% last month. That was the smallest rise since November 2020 and followed a 0.2% advance in July. Economists polled by Reuters had forecast the core PCE price index would climb 0.2%. In the 12 months through August, the core PCE price index increased 3.9%. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.4% last month after surging 0.9% in July. That partly reflected higher sales at services stations because of rising gasoline prices.

Euro zone inflation falls to lowest in 2 years as economy slows

Inflation in the euro zone fell to its lowest level in two years in September, suggesting the European Central Bank's steady diet of interest rate hikes was succeeding in curbing runaway prices albeit at a growing cost for economic growth. Consumer prices in the 20 countries that share the euro rose by 4.3% in September, the slowest pace since October 2021, from 5.2% one month earlier, according to Eurostat's flash reading. Inflation excluding food, energy, alcohol and tobacco -- which is closely watched by the ECB as a better gauge of the underlying trend -- fell to 4.5% from 5.3%, the biggest drop since August 2020. These readings were likely to strengthen the ECB's conviction that it had raised interest rates far enough to bring down inflation to its 2% target by 2025.

China's factory activity recovery slows in September

China's factory activity expanded at a slower pace in September, a private-sector survey showed, with sluggish external demand weighing on the outlook even as output increased. The Caixin/S&P Global manufacturing purchasing managers' index (PMI) fell to 50.6 in September from 51.0 in the previous month, missing analysts' forecasts of 51.2. The 50 index point mark separates growth from contraction. The survey comes a day after China released its official PMI, which showed factory activity expanded for the first time in six months in September, adding to the run of indicators suggesting the economy has begun to bottom out. According to the Caixin PMI, factory output and new orders remained in expansionary territory in September, however, external demand remained weak with export orders index contracting for the third month.

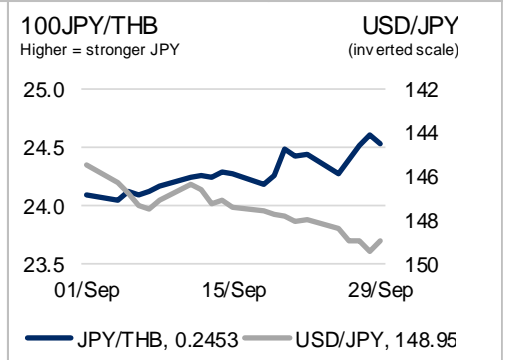
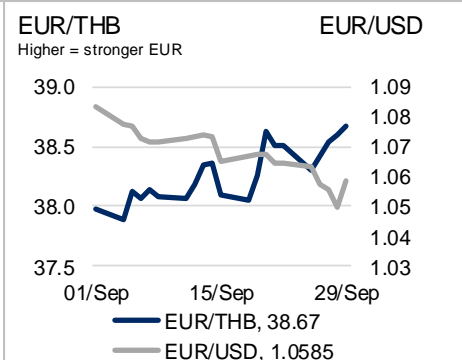
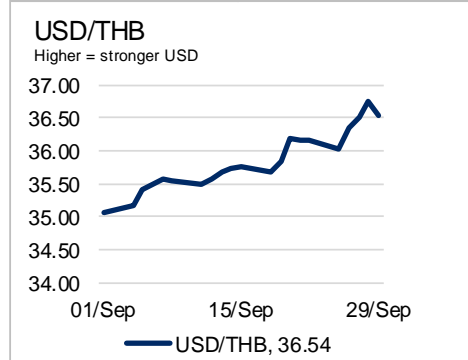
Dollar holds near 10-month high, yen under pressure amid strong U.S. economic data

The 10-year government bond yield (interpolated) on the previous trading day was 3.18, -7.76 bps. The benchmark government bond yield (LB31DA) was 3.27, -10.00 bps. Meantime, the latest closed US 10-year bond yields was 4.59, +0.00 bps. USDTHB on the previous trading day closed around 36.54. Moving in a range of 36.71-36.75 this morning. USDTHB could be closed between 36.60-36.85 today. The dollar was on track to post its biggest quarterly gain in a year and gains for the 11th consecutive week as investors priced in the likelihood of a still solid economy and higher rates for longer. The greenback retraced most earlier losses against a basket of currencies to be only slightly lower on the day, following data that showed that U.S. consumer spending increased in August, but underlying inflation moderated, with the year-on-year rise in prices excluding food and energy slowing to less than 4.0%. The dollar index, which tracks the U.S. currency against six others, fell 0.05% to 106.09 on Friday and is track to end the quarter up 3.13% and post an 11th straight weekly rally - its longest such run in nine years.

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

DAX Index	1,471.4	S&P500	4,288.1	10Y UST	4.59%	Brent	95.1	Gold	1,871.0
29-Sep	▼ -0.73%	29-Sep	▲ 0.32%	29-Sep	▲ 0.0 bps	28-Sep	▼ -2.29%	29-Sep	▼ -0.13%

USD/THB 36.54	Daily ▼ -0.63%	EUR/THB 38.67	Daily ▲ 0.19%	JPY/THB 0.2453	Daily ▼ -0.31%
Weekly ▲ 1.39%	Weekly ▲ 0.95%	Weekly ▲ 1.03%	Weekly ▲ 1.83%	Weekly ▲ 1.03%	Weekly ▲ 1.79%
Monthly ▲ 4.14%	Monthly ▲ 1.83%	Monthly ▲ 1.79%	Monthly ▲ 1.83%	Monthly ▲ 1.79%	Monthly ▲ 1.79%



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		106.84	0.0%	1.2%	3.5%	103.20	106.84
EUR/USD		1.0498	-0.6%	-1.4%	-3.8%	1.0498	1.0917
USD/JPY		149.43	0.3%	1.0%	2.5%	145.49	149.43
USD/CHF		0.9213	0.5%	1.8%	4.9%	0.8783	0.9213
GBP/USD		1.2132	-0.1%	-1.2%	-4.6%	1.2132	1.2720
USD/CAD		1.3507	-0.1%	0.2%	-0.2%	1.3474	1.3672
AUD/USD		0.6360	-0.4%	-0.9%	-1.9%	0.6360	0.6486
NZD/USD		0.5932	-0.1%	0.0%	-0.5%	0.5872	0.5962
ASEAN Dollar		110.42	0.0%	0.5%	1.9%	107.79	110.42
USD/THB		36.77	0.7%	1.7%	5.3%	34.93	36.77
USD/SGD		1.3722	0.2%	0.5%	1.7%	1.3493	1.3722
USD/MYR		4.7085	0.1%	0.4%	1.5%	4.6383	4.7085
USD/IDR		15,472	0.0%	1.0%	2.0%	15,173	15,472
USD/PHP		57.06	0.0%	0.3%	0.6%	56.66	57.06
USD/CNY		7.3109	0.0%	0.1%	0.3%	7.2580	7.3429
USD/HKD		7.8331	0.2%	0.2%	-0.1%	7.8186	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		213,587	-1152
Gold		15,113	12
SDR		5,402	-9
IMF Reserves		1,229	-5
Foreign Ccy		191,843	-1150
Net Fwd Position		29,905	-230

Last update: 22/09/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
29/09/2023	1,071	2,152	3,223
28/09/2023	-2,702	-2,946	-5,648
27/09/2023	2,056	-1,503	553
26/09/2023	-789	833	45
25/09/2023	-2,662	-5,405	-8,066
Last 5 days	-3,025	-6,868	-9,893

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -21,973	↓ -22,113	↓ -44,086
QTD	Quarter	↓ -50,031	↓ -26,109	↓ -76,141
YTD	Year	↓ -157,171	↓ -10,681	↓ -167,852

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	1.80	2.28	1W		1.47	0.89	1.65	1W		0.00	0.00	0.08
1M		2.33	1.91	2.33	1M		1.20	0.87	1.72	1M		0.23	0.09	0.23
2M		2.40	1.98	2.40	2M					2M		0.00	0.00	0.16
3M		2.46	2.04	2.46	3M		1.91	1.09	2.02	3M		0.52	0.14	0.52
6M		2.55	2.14	2.55	6M		2.27	1.31	2.27	6M		0.83	0.22	0.83
12M		2.65	2.29	2.65	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		4.3700	4.00	25.00	67.00	3.64	4.37
Gilt 10y		4.3080	0.47	-6.34	16.43	4.12	4.64
Bund 10y		2.6400	1.00	7.00	32.00	2.27	2.70
JGB 10y		0.7150	0.00	6.50	26.50	0.38	0.72
TGB 1y		2.4646	-1.41	4.18	27.47	2.19	2.48
TGB 2y		2.5375	-2.24	-1.39	23.67	2.30	2.56
TGB 5y		2.8110	-5.72	2.12	29.52	2.51	2.87
TGB 7y		2.9968	-4.70	2.29	34.38	2.65	3.04
TGB 10y		3.1821	-7.76	-1.50	41.05	2.77	3.26
AAA Spread		67.39	-0.12	-3.17	-5.26	67.39	73.91
AA Spread		71.81	-0.54	-8.68	-7.07	71.81	85.03
A Spread		120.90	0.22	-1.56	-2.72	120.69	126.88
BBB Spread		234.30	-0.12	-0.71	-3.67	234.30	244.50

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		95.13	-2.3%	2.0%	10.8%	84.42	97.33
London Gold		1935.0	0.8%	-0.5%	-0.6%	1,890.1	1,981.5

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)		4,320.1	0.4%	-2.6%	-1.5%	4,320.1	4,515.8
STOXX (EU)		452.8	1.3%	1.2%	0.1%	445.3	457.4
FTSE All-Share(UK)		4,127.2	0.2%	-1.1%	1.7%	4,048.7	4,197.8
DAX (DE)		15,664.5	-1.4%	-1.8%	-1.8%	15,528.5	16,406.0
CAC All-Tradable(FR)		5,423.4	-1.4%	-0.7%	0.5%	5,287.7	5,576.1
TOPIX (JP)		2,430.3	1.0%	5.1%	8.7%	2,130.6	2,430.3
Shanghai (CH)		3,277.4	0.0%	-0.3%	-2.2%	3,242.5	3,449.9
Hang Seng (HK)		17,997.2	-1.0%	-2.6%	-5.8%	17,950.9	20,078.9
ASX 200 (AU)		7,196.6	-1.1%	-1.5%	1.4%	7,078.7	7,455.9
SET (TH)		1,523.0	-1.2%	-2.7%	-0.4%	1,478.1	1,568.8
SET50 (TH)		933.5	-1.3%	-2.5%	1.1%	902.7	966.2
Straits Times (SG)		3,240.8	-1.2%	0.6%	1.6%	3,139.5	3,374.0
FTSE Malay (MY)		1,459.0	0.4%	1.0%	5.5%	1,374.6	1,462.7
JSX Index (ID)		6,936.1	-0.3%	-0.4%	4.5%	6,619.8	6,991.7
PSE Index (PH)		6,048.0	-1.3%	-2.1%	-7.3%	6,048.0	6,661.1
Vn Index (VN)		1,211.5	-1.3%	0.6%	9.2%	1,063.8	1,245.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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