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The number of Americans filing new claims for unemployment benefits rose moderately last week, while layoffs declined in September, pointing to still-tight labor market conditions at the end of the third quarter. Initial claims for state unemployment benefits increased 2,000 to a seasonally adjusted 207,000 for the week ended Sept. 30, the Labor Department said. Economists polled by Reuters had forecast 210,000 claims for the latest week. For much of September, claims hovered in the lower end of their 194,000-265,000 band for this year. A separate report showed U.S. companies announced 47,457 job cuts in September, down 37% from August. Announced layoffs were, however, 58% higher compared to the same period last year. Employers announced 146,305 job cuts in the third quarter, down 22% from the April-June quarter.

**U.S. 10-year yields leap as bond market anticipates end of rate hikes**

In a significant development this Thursday, the long-end of the bond market is seemingly concluding its final round of rate hikes, resulting in a notable jump in US 10-year yields from 4.00% to 4.72%. This shift underscores the market's focus on short-term rates and the potential implications for the Federal Reserve's monetary policy. The movement in the bond market suggests a decreasing likelihood of further intervention by the Federal Reserve. Observers have noted that rising long-term rates could reduce the need for the central bank to step in, as it often does when attempting to control inflation or stabilize economic activity. Specifically, chances of a 22% rate hike in November have diminished, and the likelihood of any increase reaching 37% this year appears less likely.

**ECB officials signal potential end to monetary tightening**

European Central Bank (ECB) officials have indicated that the era of monetary tightening may be coming to an end, with key figures projecting a stabilization of consumer-price gains by 2025. The projections come amidst ongoing discussions and varied opinions within the ECB about the future direction of monetary policy. François Villeroy de Galhau, a member of the ECB Governing Council and the Bank of France Chief, expressed optimism that monetary tightening has run its course. He anticipates consumer-price gains to normalize at 2% by 2025 in both the euro area and France. This sentiment was echoed by Slovak central bank Governor Peter Kažimír, who suggested that the rate hike implemented in their last meeting could possibly be the final one. However, this is contingent on forecasts scheduled for December and March.

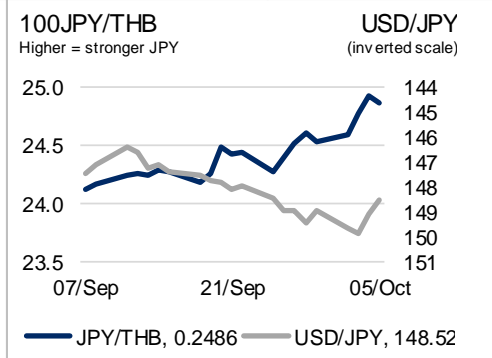
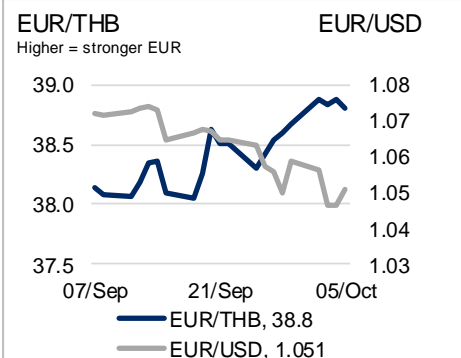
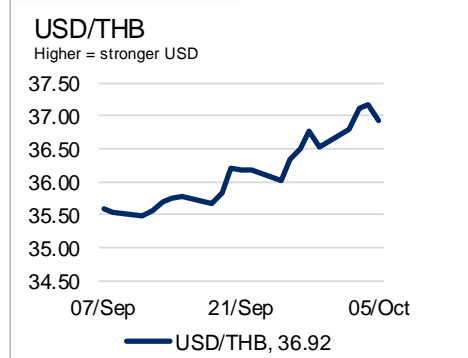
**US dollar's rally supercharged by soaring real yields on Treasuries**

The 10-year government bond yield (interpolated) on the previous trading day was 3.36, -1.12 bps. The benchmark government bond yield (LB31DA) was 3.34, -0.00 bps. Meantime, the latest closed US 10-year bond yields was 4.72, -1.00 bps. USD/THB on the previous trading day closed around 36.92. Moving in a range of 36.93-36.98 this morning. USD/THB could be closed between 36.70-36.80 today. Surging U.S. real yields are aiding the dollar's rebound, rewarding bullish investors while making bears think twice before betting against the buck. The real yield on U.S. 10-year Treasuries - which measure how much investors stand to make on U.S. government bonds after inflation is stripped out - hit 2.47% on Tuesday, the highest in nearly 15 years, according to data from the U.S. Treasury Department. That has made betting on the U.S. currency more profitable, since bullish investors can collect yield while sitting on their dollar positions. The dollar is up 7% from its 2023 lows against a basket of currencies and stands at a 10-month high. At the same time, climbing real yields make it more expensive to bet against the dollar.

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

|                  |         |                   |         |                |            |              |          |             |          |
|------------------|---------|-------------------|---------|----------------|------------|--------------|----------|-------------|----------|
| <b>DAX Index</b> | 1,452.6 | <b>S&amp;P500</b> | 4,258.2 | <b>10Y UST</b> | 4.72%      | <b>Brent</b> | 86.3     | <b>Gold</b> | 1,822.1  |
| 5-Oct            | ▲ 0.09% | 5-Oct             | ▲ 0.68% | 5-Oct          | ▼ -1.0 bps | 4-Oct        | ▼ -3.27% | 5-Oct       | ▼ -0.03% |

|                      |                 |                      |                 |                       |                |
|----------------------|-----------------|----------------------|-----------------|-----------------------|----------------|
| <b>USD/THB 36.92</b> | Daily ▼ -0.65%  | <b>EUR/THB 38.80</b> | Daily ▼ -0.19%  | <b>JPY/THB 0.2486</b> | Daily ▼ -0.27% |
| Weekly ▲ 1.05%       | Weekly ▲ 0.34%  | Weekly ▲ 1.34%       | Monthly ▲ 1.73% | Monthly ▲ 3.00%       |                |
| Sideways Trend       | Monthly ▲ 3.69% | Sideways Trend       |                 | Sideways Trend        |                |



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

**Main Contributor**

Tarathip Tanganjanapas  
tarathip.tan@ttbank.com

Pimchatr Ekkachan  
pimchatr.ekk@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 |            | 107.16 | 0.0%      | 0.3%      | 2.3%      | 103.73   | 107.22 |
| EUR/USD      |            | 1.0462 | 0.0%      | -0.3%     | -2.5%     | 1.0462   | 1.0832 |
| USD/JPY      |            | 149.09 | -0.5%     | -0.2%     | 1.2%      | 145.49   | 149.85 |
| USD/CHF      |            | 0.9213 | 0.2%      | 0.0%      | 3.6%      | 0.8840   | 0.9213 |
| GBP/USD      |            | 1.2068 | 0.0%      | -0.5%     | -4.0%     | 1.2068   | 1.2659 |
| USD/CAD      |            | 1.3718 | 0.1%      | 1.6%      | 0.5%      | 1.3471   | 1.3718 |
| AUD/USD      |            | 0.6303 | -0.5%     | -0.9%     | -1.1%     | 0.6303   | 0.6467 |
| NZD/USD      |            | 0.5886 | -0.6%     | -0.8%     | 0.1%      | 0.5872   | 0.6006 |
| ASEAN Dollar |            | 110.39 | 0.0%      | 1.0%      | 1.6%      | 107.39   | 110.39 |
| USD/THB      |            | 37.16  | 0.1%      | 1.1%      | 4.7%      | 35.05    | 37.16  |
| USD/SGD      |            | 1.3743 | 0.0%      | 0.2%      | 1.0%      | 1.3514   | 1.3743 |
| USD/MYR      |            | 4.7311 | 0.1%      | 0.5%      | 1.3%      | 4.6396   | 4.7311 |
| USD/IDR      |            | 15,584 | 0.3%      | 0.7%      | 2.2%      | 15,190   | 15,584 |
| USD/PHP      |            | 56.81  | -0.1%     | -0.4%     | -0.3%     | 56.60    | 57.06  |
| USD/CNY      |            | 7.3146 | 0.0%      | 0.1%      | 0.1%      | 7.2580   | 7.3429 |
| USD/HKD      |            | 7.8308 | 0.0%      | 0.0%      | -0.1%     | 7.8186   | 7.8497 |

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  |
|-------------|--------|--------|--------|
| 05/10/2023  | -2,140 | -1,483 | -3,624 |
| 04/10/2023  | 34     | -3,049 | -3,015 |
| 03/10/2023  | -4,440 | -2,549 | -6,989 |
| 02/10/2023  | -670   | 2,435  | 1,766  |
| 29/09/2023  | 1,071  | 2,152  | 3,223  |
| Last 5 days | -6,145 | -2,494 | -8,639 |

|     | Period-to-date | Equity     | Bond      | Total      |
|-----|----------------|------------|-----------|------------|
| MTD | Month          | ↓ -7,216   | ↓ -4,646  | ↓ -11,863  |
| QTD | Quarter        | ↓ -7,216   | ↓ -4,646  | ↓ -11,863  |
| YTD | Year           | ↓ -164,387 | ↓ -15,327 | ↓ -179,714 |

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 | 1.94     | 2.25 | ON      |         | 0.00 | 0.43     | 2.02 | ON        |         | 0.08 | 0.07     | 0.08 |
| 1W        |         | 2.29 | 2.00     | 2.29 | 1W      |         | 1.47 | 0.89     | 1.65 | 1W        |         | 0.00 | 0.00     | 0.08 |
| 1M        |         | 2.36 | 2.02     | 2.36 | 1M      |         | 1.20 | 0.87     | 1.72 | 1M        |         | 0.23 | 0.09     | 0.23 |
| 2M        |         | 2.43 | 2.06     | 2.43 | 2M      |         |      |          |      | 2M        |         | 0.00 | 0.00     | 0.16 |
| 3M        |         | 2.49 | 2.11     | 2.49 | 3M      |         | 1.91 | 1.09     | 2.02 | 3M        |         | 0.52 | 0.14     | 0.52 |
| 6M        |         | 2.58 | 2.19     | 2.58 | 6M      |         | 2.27 | 1.31     | 2.27 | 6M        |         | 0.83 | 0.22     | 0.83 |
| 12M       |         | 2.68 | 2.32     | 2.68 | 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 | 1M History | YTM (%)       | Bps Chg (1D) | Bps Chg (1W) | Bps Chg (1M) | 1M Range |        |
|--------------|------------|---------------|--------------|--------------|--------------|----------|--------|
|              |            |               |              |              |              | Min      | Max    |
| UST10y       |            | <b>4.5500</b> | 6.00         | 25.00        | 82.00        | 3.64     | 4.55   |
| Gilt 10y     |            | <b>4.2514</b> | -5.13        | -15.06       | -0.37        | 4.12     | 4.65   |
| Bund 10y     |            | <b>2.7900</b> | 6.00         | 18.00        | 31.00        | 2.32     | 2.79   |
| JGB 10y      |            | <b>0.7540</b> | 2.30         | 10.20        | 30.30        | 0.38     | 0.75   |
| TGB 1y       |            | <b>2.4643</b> | -0.13        | -1.44        | 23.38        | 2.19     | 2.48   |
| TGB 2y       |            | <b>2.5567</b> | 0.11         | -0.32        | 20.10        | 2.31     | 2.56   |
| TGB 5y       |            | <b>2.8578</b> | -0.18        | -1.04        | 23.43        | 2.55     | 2.87   |
| TGB 7y       |            | <b>3.0456</b> | -2.41        | 0.18         | 27.69        | 2.68     | 3.07   |
| TGB 10y      |            | <b>3.3559</b> | -1.12        | 9.62         | 47.76        | 2.81     | 3.37   |
| AAA Spread   |            | <b>66.58</b>  | 0.07         | -2.66        | -5.95        | 66.51    | 73.91  |
| AA Spread    |            | <b>68.49</b>  | -0.91        | -11.78       | -10.42       | 68.49    | 85.03  |
| A Spread     |            | <b>119.67</b> | -0.83        | -1.36        | -3.62        | 119.67   | 124.60 |
| BBB Spread   |            | <b>234.35</b> | 0.00         | -0.67        | -3.50        | 234.30   | 239.74 |

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 |            | <b>86.32</b>  | -3.2%     | -8.1%     | -3.0%     | 86.32    | 97.33   |
| London Gold |            | <b>1922.6</b> | 0.0%      | 0.0%      | -1.5%     | 1,894.0  | 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)          |            | <b>4,299.7</b>  | -0.3%     | -0.7%     | -4.9%     | 4,273.5  | 4,515.8  |
| STOXX (EU)           |            | <b>452.6</b>    | 0.8%      | 1.2%      | 0.7%      | 445.3    | 457.4    |
| FTSE All-Share(UK)   |            | <b>4,031.9</b>  | 0.5%      | -2.1%     | -0.4%     | 4,010.9  | 4,197.8  |
| DAX (DE)             |            | <b>15,405.5</b> | -1.1%     | -2.1%     | -5.4%     | 15,405.5 | 16,406.0 |
| CAC All-Tradable(FR) |            | <b>5,302.4</b>  | -1.3%     | -1.3%     | -2.8%     | 5,287.7  | 5,576.1  |
| TOPIX (JP)           |            | <b>2,385.5</b>  | 0.1%      | 0.3%      | 6.6%      | 2,130.6  | 2,430.3  |
| Shanghai (CH)        |            | <b>3,277.4</b>  | 0.0%      | -0.3%     | -2.2%     | 3,242.5  | 3,449.9  |
| Hang Seng (HK)       |            | <b>18,057.5</b> | 1.0%      | -4.2%     | -6.4%     | 17,623.3 | 19,916.6 |
| ASX 200 (AU)         |            | <b>7,076.5</b>  | 0.2%      | -2.5%     | -1.4%     | 7,065.2  | 7,455.9  |
| SET (TH)             |            | <b>1,507.4</b>  | -0.5%     | -2.7%     | -2.8%     | 1,478.1  | 1,563.0  |
| SET50 (TH)           |            | <b>923.5</b>    | -0.4%     | -2.7%     | -1.7%     | 902.7    | 966.2    |
| Straits Times (SG)   |            | <b>3,215.4</b>  | 0.4%      | -0.2%     | 0.6%      | 3,149.3  | 3,374.0  |
| FTSE Malay (MY)      |            | <b>1,450.2</b>  | -0.1%     | -0.3%     | 5.4%      | 1,376.1  | 1,463.5  |
| JSX Index (ID)       |            | <b>7,016.8</b>  | 0.1%      | 0.4%      | 6.0%      | 6,619.8  | 7,016.8  |
| PSE Index (PH)       |            | <b>6,172.8</b>  | 1.3%      | -1.1%     | -5.1%     | 6,048.0  | 6,661.1  |
| Vn Index (VN)        |            | <b>1,153.2</b>  | -4.9%     | -7.4%     | 2.7%      | 1,078.4  | 1,245.5  |

Sources: ttb analytics, CEIC

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

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