

Fed's hawkish stance signals extended restrictive monetary policy

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Federal Reserve Chairman Jerome Powell has emphasized a commitment to an extended restrictive US monetary policy, leading to stock dips and increases in US 10-year Treasury yield and US dollar against yen. The move is designed to maintain the restrictive policy until there is confidence that inflation is sustainably down to 2% over time. Despite recent US inflation rates aligning with the Fed's 2% target, Powell did not suggest that the mission to curb inflation had been achieved. He further indicated that significant measures of inflation are expected to decrease significantly soon. This stricter warning than investors expected contradicts recent rises in long-term US interest rates and tightening financial conditions since the last Fed rate increase.

German producer prices post biggest decline on record in September

German producer prices posted their biggest year-on-year decline in September since data collection began in 1949, spurring hopes for further easing of inflation in Europe's largest economy. Producer prices fell slightly more than expected in September, decreasing by 14.7% on the year, the federal statistics office reported. Analysts polled by Reuters had expected a 14.2% decline. As a result of the war in Ukraine, the increase in producer prices in September 2022 was 45.8% on the year, the highest registered since records began. Therefore, the comparison between September 2022 and September 2023 showed a strong decline. Germany's producer prices index, considered a key inflation indicator, has been easing steadily since September of last year.

Japan's core inflation slows below 3% for first time in over a year

Japan's core inflation in September slowed below the 3% threshold for the first time in over a year but stayed above the central bank target, keeping alive expectations that policymakers will phase out ultra-easy monetary policy. The data will be among a host of indicators the Bank of Japan (BOJ) will scrutinize at its two-day policy meeting ending on Oct. 31, when it produces fresh quarterly growth and price forecasts. The core consumer price index (CPI), which excludes volatile fresh food costs, rose 2.8% in September from a year earlier, government data showed on Friday, slightly exceeding a median market forecast for a 2.7% gain but easing from 3.1% in August. Utility bills fell reflecting the lagged effect of past oil price falls, helping inflation slow below 3% for the first time since August 2022.

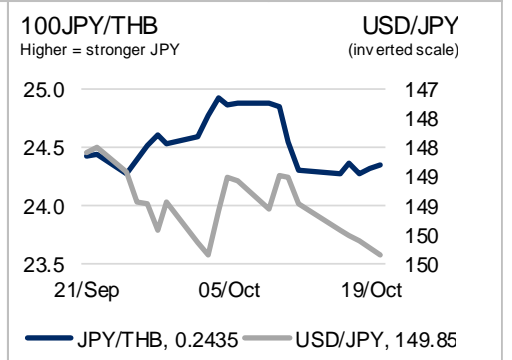
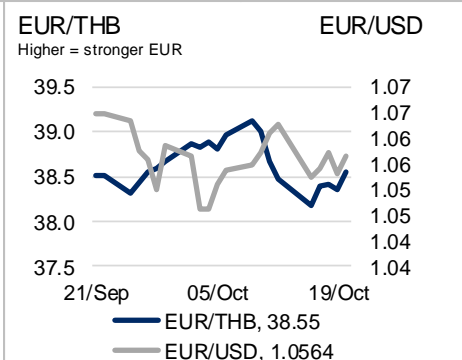
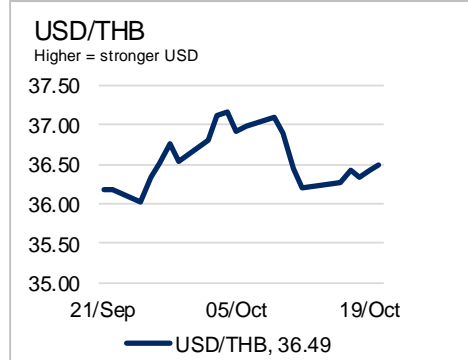
Dollar falls as Treasury yields retreat

The 10-year government bond yield (interpolated) on the previous trading day was 3.37, -1.53 bps. The benchmark government bond yield (LB31DA) was 3.37,-3.00 bps. Meantime, the latest closed US 10-year bond yields was 4.86, -7.00 bps. USDTHB on the previous trading day closed around 36.49. Moving in a range of 36.175-36.30 this morning. USDTHB could be closed between 36.15-36.35 today. The US dollar fell against a basket of currencies on Monday, tracking a retreat in US Treasury yields from the 5% level hit earlier in the session, and as traders awaited fresh US economic data due later this week. The yield on the benchmark 10-year US Treasury note declined on Monday after briefly rising above 5.0%, hitting the July 2007 milestone that it briefly attempted to scale last week and further threatening an economic slowdown on higher borrowing costs. Traders are on watch for several events this week, including a European Central Bank meeting, and the release of US GDP data and the Federal Reserve's preferred inflation gauge. But the main news on Monday was the yield on 10-year US Treasuries reaching as high as 5.021%, the latest stage of a relentless sell-off in government bond markets, driven by investors accepting central banks will keep rates persistently high, particularly in the United States, an increase in supply of bonds and widening term premia.

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

SET Index	1,399.4	S&P500	4,217.0	10Y UST	4.86%	Brent	92.2	Gold	1,981.0
20-Oct	▼ -1.68%	23-Oct	▼ -1.44%	23-Oct	▼ -7.0 bps	20-Oct	▼ -0.24%	23-Oct	▼ -0.16%

USD/THB 36.49	Daily ▲ 0.20%	EUR/THB 38.55	Daily ▲ 0.51%	JPY/THB 0.2435	Daily ▲ 0.12%
Weekly ▲ 0.60%	Weekly ▲ 0.97%	Weekly ▲ 0.32%	Monthly ▲ 0.88%	Monthly ▲ 0.10%	Monthly ▼ -0.30%
Rising Trend	Rising Trend	Sideways Trend	Sideways Trend	Sideways Trend	Sideways Trend



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoI'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		106.57	0.0%	0.9%	1.2%	105.21	107.22
EUR/USD		1.0531	-0.4%	-0.9%	-1.3%	1.0462	1.0674
USD/JPY		149.73	0.1%	0.5%	1.3%	147.41	149.85
USD/CHF		0.8993	-0.1%	-0.1%	0.1%	0.8954	0.9213
GBP/USD		1.2132	-0.4%	-1.5%	-2.0%	1.2068	1.2422
USD/CAD		1.3728	0.6%	1.0%	1.8%	1.3471	1.3736
AUD/USD		0.6304	-1.0%	-1.8%	-2.2%	0.6303	0.6457
NZD/USD		0.5837	-1.1%	-2.9%	-1.7%	0.5837	0.6040
ASEAN Dollar		108.15	0.0%	0.2%	0.5%	106.99	108.37
USD/THB		36.42	0.3%	0.6%	0.6%	35.68	37.16
USD/SGD		1.3733	0.4%	0.9%	0.6%	1.3612	1.3743
USD/MYR		4.7610	0.4%	0.9%	1.5%	4.6824	4.7610
USD/IDR		15,743	0.5%	0.6%	2.6%	15,307	15,743
USD/PHP		56.83	0.2%	0.3%	-0.1%	56.60	57.06
USD/CNY		7.3165	0.0%	0.3%	0.3%	7.2679	7.3165
USD/HKD		7.8268	0.1%	0.1%	0.1%	7.8108	7.8344

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.40	0.70
3-month		1.30	0.90
6-month		2.35	1.10

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		211,420	951
Gold		15,173	787
SDR		5,373	-16
IMF Reserves		1,223	-4
Foreign Ccy		189,651	184
Net Fwd Position		30,220	440

Last update: 13/10/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
20/10/2023	-1,215	-3,234	-4,450
19/10/2023	-1,897	-1,313	-3,210
18/10/2023	2,800	-842	1,958
17/10/2023	-841	-1,474	-2,315
16/10/2023	-2,900	-2,910	-5,810
Last 5 days	-4,053	-9,773	-13,827

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -10,054	↑ 4,569	↓ -5,485
QTD	Quarter	↓ -10,054	↑ 4,569	↓ -5,485
YTD	Year	↓ -167,224	↓ -6,113	↓ -173,337

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		2.50	1.75	2.50	ON		1.90	0.43	2.00	ON		0.08	0.07	0.08
1W		2.52	1.79	2.52	1W		1.64	0.22	1.64	1W		0.00	0.00	0.08
1M		2.55	1.87	2.55	1M		1.55	0.69	1.72	1M		0.19	0.09	0.19
2M		2.60	1.95	2.60	2M					2M		0.00	0.00	0.16
3M		2.63	2.00	2.63	3M		2.02	1.07	2.02	3M		0.50	0.12	0.50
6M		2.72	2.11	2.72	6M		2.27	1.31	2.27	6M		0.83	0.16	0.83
12M		2.82	2.26	2.82	12M		2.71	1.59	2.71	12M		1.34	0.24	1.34

Last Updated: 29/06/2023

Last Updated: 09/03/2022

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		4.7800	9.00		58.00		114.00		3.64	4.78
Gilt 10y		4.5238	13.15		14.06		45.87		3.97	4.65
Bund 10y		2.8400	-9.00		29.00		52.00		2.27	2.93
JGB 10y		0.8030	2.90		14.00		35.50		0.38	0.80
TGB 1y		2.4628	0.01		1.49		5.48		2.35	2.48
TGB 2y		2.5896	0.06		1.94		3.70		2.51	2.59
TGB 5y		2.9419	1.17		8.72		14.64		2.74	2.94
TGB 7y		3.1522	0.32		10.27		18.39		2.89	3.15
TGB 10y		3.3725	-1.53		8.91		19.77		3.02	3.39
AAA Spread		65.64	0.71		-4.85		-3.55		64.94	73.91
AA Spread		69.71	0.34		-10.79		-9.84		69.38	84.99
A Spread		116.01	-0.48		-6.02		-7.60		116.01	127.52
BBB Spread		234.40	-0.04		-5.34		-3.43		234.24	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		92.16	-0.2%		1.4%		-1.5%		84.07	96.55
London Gold		1852.3	1.3%		-4.4%		-4.6%		1,828.3	1,975.2

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)		4,349.6	0.6%		3.4%		-2.5%		4,229.5	4,505.1
STOXX (EU)		431.4	0.0%		-3.0%		-5.3%		431.3	457.4
FTSE All-Share(UK)		3,990.6	-1.3%		-2.6%		-4.3%		3,990.6	4,197.8
DAX (DE)		15,128.1	0.3%		-4.8%		-5.4%		15,085.2	16,469.8
CAC All-Tradable(FR)		5,216.3	0.3%		-5.0%		-3.2%		5,200.9	5,582.2
TOPIX (JP)		2,264.1	-2.2%		-1.6%		6.3%		2,130.6	2,383.4
Shanghai (CH)		3,247.0	-0.6%		-0.7%		-3.2%		3,247.0	3,470.5
Hang Seng (HK)		17,486.0	-1.8%		-4.0%		-5.7%		17,486.0	19,978.3
ASX 200 (AU)		6,970.2	0.4%		-4.5%		-3.4%		6,943.4	7,403.6
SET (TH)		1,452.6	-1.3%		-7.1%		-5.7%		1,452.6	1,563.0
SET50 (TH)		887.9	-1.3%		-7.6%		-4.7%		887.9	960.8
Straits Times (SG)		3,166.5	-0.8%		-1.8%		0.2%		3,158.8	3,374.0
FTSE Malay (MY)		1,417.3	-0.2%		-1.9%		1.5%		1,381.7	1,463.5
JSX Index (ID)		6,891.5	-0.7%		-1.0%		2.8%		6,633.3	6,996.8
PSE Index (PH)		6,252.2	-0.9%		-0.7%		-3.5%		6,142.8	6,679.1
Vn Index (VN)		1,137.4	1.7%		-5.4%		4.3%		1,065.9	1,243.3

Sources: ttb analytics, CEIC

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

Important Disclosures

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