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Chicago Fed President Austan Goolsbee conveyed a sense of hope, suggesting the economy may be navigating a "golden path" towards reducing inflation without plunging into a significant recession. While Goolsbee refrained from providing specific forecasts or discussing future interest rate schedules, he acknowledged the market's inclination towards anticipating rate cuts, with a 28% probability by March and 58% by May. The potential easing of monetary policy is backed by recent inflation trends, which show a decline to 3.2% in October, down from June's peak of 9.1%. This progress inches closer to the Fed's target of below 2%, marking a significant turnaround from last year's heightened levels. The current benchmark short-term interest rate stands at around 5.4%, following eleven consecutive raises over the past eighteen months. These increases have influenced borrowing costs across consumer and business loans.

Bundesbank sees Germany's economy shrinking further in Q4

The Bundesbank's latest forecast suggests that Germany's economy will continue to face difficulties in the final quarter of 2023. This period marks an extension of the industrial downturn that has been exacerbated by the ongoing war against Ukraine, rising energy prices, and increasing interest rates. Out of all quarters this year, only one has experienced growth, highlighting the severity of the economic headwinds. However, there is a glimmer of hope on the horizon for 2024. The Bundesbank notes solid employment figures and wage increases that could underpin an eventual upturn. Tentative signs of recovery in foreign demand and an anticipated boost in real consumption from higher net incomes are also among the positive factors cited.

China's central bank to announce Loan Prime Rate, expected steady

The People's Bank of China (PBoC), under Governor Pan Gongsheng, has announced its Loan Prime Rate (LPR) today, a critical benchmark for bank lending and mortgage rates in the country. The one-year and five-year LPRs have been maintained at 3.45% and 4.20% respectively. This decision aligns with market expectations following August's reduction of the one-year rate by 10 basis points from 3.55%, with no further changes enacted since then. The LPR is a reference interest rate set monthly by the PBoC based on submissions from a panel of domestic and foreign commercial banks operating in China. This rate influences the cost of borrowing for businesses and consumers and plays a substantial role in the broader economic landscape. The panel's submissions are weighted according to each bank's importance in the financial system, with the highest and lowest figures excluded to determine the median rate.

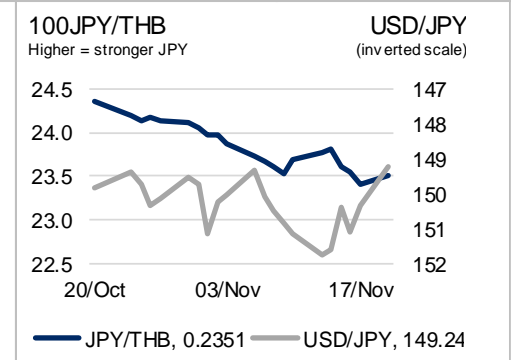
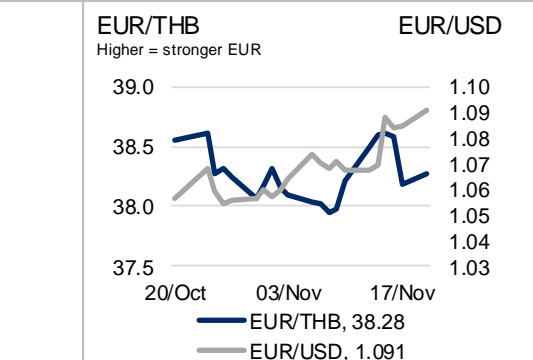
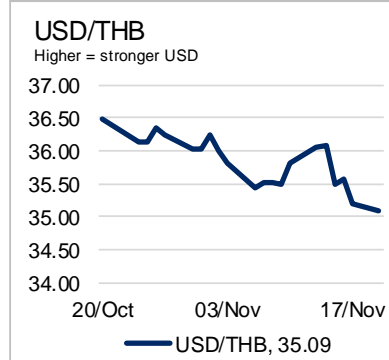
Dollar falls to 2-1/2 month low on Fed expectations, yen strengthens

The 10-year government bond yield (interpolated) on the previous trading day was 3.02, -0.13 bps. The benchmark government bond yield (LB31DA) was 2.97, +5.00 bps. Meantime, the latest closed US 10-year bond yields was 4.42, -2.00 bps. USDTHB on the previous trading day closed around 35.09. Moving in a range of 35.055-35.145 this morning. USDTHB could be closed between 35.00-35.30 today. The dollar index fell to its lowest in more than two months, continuing a drop from the prior week, as investors largely believe the U.S. Federal Reserve has completed its interest rate hike cycle and look towards when the central bank may start to cut rates. The dollar index hit a low of 103.37, its weakest level since Sept. 1, after a tumble of nearly 2% last week, which marked the biggest weekly percentage drop since mid-July. Markets have priced out any additional Fed rate hikes, as recent data has shown a slowing of the economy and inflation pressures - but not enough to increase fears a sharp recession is looming.

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

| | | | | | | | | | |
|------------------|---------|-------------------|---------|----------------|------------|--------------|---------|-------------|----------|
| SET Index | 1,419.4 | S&P500 | 4,547.4 | 10Y UST | 4.42% | Brent | 80.6 | Gold | 1,976.1 |
| 20-Nov | ▲ 0.26% | 20-Nov | ▲ 0.86% | 20-Nov | ▼ -2.0 bps | 17-Nov | ▲ 4.04% | 20-Nov | ▼ -0.81% |

| | | | | | |
|----------------------|------------------|----------------------|------------------|-----------------------|------------------|
| USD/THB 35.09 | Daily ▼ -0.34% | EUR/THB 38.28 | Daily ▲ 0.26% | JPY/THB 0.2351 | Daily ▲ 0.41% |
| Falling Trend | Weekly ▼ -2.80% | Sideways Trend | Weekly ▼ -0.83% | Sideways Trend | Weekly ▼ -1.24% |
| | Monthly ▼ -3.93% | | Monthly ▼ -0.71% | | Monthly ▼ -3.52% |



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 | | 104.34 | 0.0% | -1.6% | -2.1% | 104.18 | 106.73 |
| EUR/USD | | 1.0845 | 0.0% | 1.6% | 3.0% | 1.0524 | 1.0878 |
| USD/JPY | | 150.35 | -0.5% | -0.9% | 0.4% | 149.34 | 151.73 |
| USD/CHF | | 0.8881 | 0.0% | -1.7% | -1.2% | 0.8881 | 0.9098 |
| GBP/USD | | 1.2401 | 0.0% | 1.5% | 2.2% | 1.2082 | 1.2491 |
| USD/CAD | | 1.3739 | 0.3% | -0.7% | 0.1% | 1.3633 | 1.3885 |
| AUD/USD | | 0.6466 | -0.1% | 1.8% | 2.6% | 0.6280 | 0.6515 |
| NZD/USD | | 0.5957 | -0.5% | 1.3% | 2.1% | 0.5782 | 0.6018 |
| ASEAN Dollar | | 110.12 | 0.0% | -0.5% | -1.4% | 110.35 | 112.88 |
| USD/THB | | 35.21 | -1.1% | -2.4% | -3.3% | 35.21 | 36.49 |
| USD/SGD | | 1.3477 | -0.2% | -1.0% | -1.9% | 1.3476 | 1.3733 |
| USD/MYR | | 4.6846 | -0.4% | -0.5% | -1.6% | 4.6601 | 4.7881 |
| USD/IDR | | 15,465 | -0.4% | -1.2% | -1.8% | 15,465 | 15,888 |
| USD/PHP | | 55.70 | -0.2% | -0.6% | -2.0% | 55.70 | 57.01 |
| USD/CNY | | 7.2468 | 0.0% | -0.7% | -1.0% | 7.2398 | 7.3234 |
| USD/HKD | | 7.7998 | 0.0% | -0.2% | -0.3% | 7.7932 | 7.8268 |

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 | | 212,756 | -1353 |
| Gold | | 15,205 | -436 |
| SDR | | 5,399 | -17 |
| IMF Reserves | | 1,176 | -4 |
| Foreign Ccy | | 190,976 | -897 |
| Net Fwd Position | | 30,710 | 320 |

Last update: 10/11/2023

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|--------|--------|
| 20/11/2023 | -1,405 | 1,383 | -22 |
| 17/11/2023 | 97 | -1,839 | -1,742 |
| 16/11/2023 | -1,615 | 70 | -1,546 |
| 15/11/2023 | 3,559 | 4,017 | 7,576 |
| 14/11/2023 | 5 | -702 | -697 |
| Last 5 days | 640 | 2,929 | 3,569 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|----------|------------|
| MTD | Month | ↓ -8,850 | ↑ 10,632 | ↑ 1,782 |
| QTD | Quarter | ↓ -24,586 | ↑ 27,190 | ↑ 2,604 |
| YTD | Year | ↓ -181,757 | ↑ 16,509 | ↓ -165,248 |

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 | 2.00 | 2.50 | ON | | 1.90 | 0.43 | 2.00 | ON | | 0.08 | 0.07 | 0.08 |
| 1W | | 2.52 | 2.03 | 2.53 | 1W | | 1.64 | 0.22 | 1.64 | 1W | | 0.00 | 0.00 | 0.08 |
| 1M | | 2.55 | 2.05 | 2.55 | 1M | | 1.55 | 0.69 | 1.72 | 1M | | 0.19 | 0.09 | 0.19 |
| 2M | | 2.60 | 2.11 | 2.60 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.16 |
| 3M | | 2.65 | 2.17 | 2.65 | 3M | | 2.02 | 1.07 | 2.02 | 3M | | 0.50 | 0.12 | 0.50 |
| 6M | | 2.72 | 2.27 | 2.72 | 6M | | 2.27 | 1.31 | 2.27 | 6M | | 0.83 | 0.16 | 0.83 |
| 12M | | 2.84 | 2.40 | 2.84 | 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=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 | | 4.6700 | -21.00 | 11.00 | 82.00 | 3.74 | 4.93 |
| Gilt 10y | | 4.3830 | -15.28 | 9.24 | 11.78 | 4.18 | 4.63 |
| Bund 10y | | 2.7000 | -8.00 | -8.00 | 24.00 | 2.33 | 2.93 |
| JGB 10y | | 0.8760 | -1.90 | 13.80 | 47.80 | 0.39 | 0.90 |
| TGB 1y | | 2.3841 | -0.65 | -1.91 | -7.86 | 2.38 | 2.46 |
| TGB 2y | | 2.4760 | -1.98 | -6.85 | -11.31 | 2.48 | 2.59 |
| TGB 5y | | 2.6241 | -0.64 | -15.67 | -30.61 | 2.62 | 2.94 |
| TGB 7y | | 2.8185 | -0.05 | -15.90 | -33.05 | 2.82 | 3.15 |
| TGB 10y | | 3.0195 | -0.13 | -16.66 | -36.82 | 3.02 | 3.39 |
| AAA Spread | | 68.79 | -0.52 | 2.21 | -4.50 | 64.94 | 73.91 |
| AA Spread | | 68.05 | 0.02 | -0.44 | -12.60 | 67.07 | 85.03 |
| A Spread | | 110.01 | -0.32 | -9.66 | -13.17 | 110.01 | 124.60 |
| BBB Spread | | 234.49 | 0.18 | 0.14 | -3.43 | 234.24 | 239.83 |

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 | | 80.61 | 4.1% | -1.0% | -12.7% | 77.42 | 92.38 |
| London Gold | | 1987.1 | -0.5% | 4.8% | 3.8% | 1,828.3 | 1,997.6 |

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) | | 4,347.4 | 1.5% | 5.2% | 1.8% | 4,117.4 | 4,411.6 |
| STOXX (EU) | | 436.8 | 2.5% | 3.5% | -0.4% | 421.2 | 442.0 |
| FTSE All-Share(UK) | | 4,085.5 | -0.1% | 1.4% | 1.1% | 3,933.2 | 4,137.3 |
| DAX (DE) | | 15,136.0 | 2.2% | -0.5% | -5.6% | 14,798.5 | 16,446.8 |
| CAC All-Tradable(FR) | | 5,207.1 | 2.0% | -1.0% | -5.2% | 5,054.9 | 5,592.3 |
| TOPIX (JP) | | 2,264.2 | -1.9% | -5.1% | 0.5% | 2,221.5 | 2,430.3 |
| Shanghai (CH) | | 3,127.6 | -3.0% | -4.5% | -5.3% | 3,127.6 | 3,431.5 |
| Hang Seng (HK) | | 17,295.9 | -2.9% | -2.4% | -9.7% | 17,195.8 | 20,078.9 |
| ASX 200 (AU) | | 6,900.7 | -1.8% | -1.8% | -5.2% | 6,900.7 | 7,410.4 |
| SET (TH) | | 1,423.0 | -1.9% | -5.6% | -3.7% | 1,423.0 | 1,563.0 |
| SET50 (TH) | | 890.3 | -0.4% | -3.6% | -1.4% | 874.5 | 966.2 |
| Straits Times (SG) | | 3,076.7 | -2.8% | -3.9% | -4.0% | 3,076.7 | 3,337.4 |
| FTSE Malay (MY) | | 1,441.0 | 0.1% | -0.2% | 3.9% | 1,381.7 | 1,463.5 |
| JSX Index (ID) | | 6,849.2 | -0.7% | -1.1% | 2.8% | 6,626.1 | 7,011.7 |
| PSE Index (PH) | | 6,280.9 | 0.4% | 2.2% | -3.7% | 6,124.6 | 6,631.3 |
| Vn Index (VN) | | 1,108.0 | -2.9% | -4.0% | -1.1% | 1,108.0 | 1,242.2 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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