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The annual rotation on the U.S. Federal Reserve's interest-rate-setting committee means its 2024 voting members lean slightly more hawkish than the outgoing group from 2023 – but that won't budge the outlook for a pivot to interest-rate cuts next year. In fact, plenty of analysts make the opposite argument: if inflation continues to fall more quickly than expected, Fed policymakers will want to reduce rates even more than the three-quarters-of-a-percentage point implied in fresh projections published last week. Release of the personal consumption expenditures price index, the Fed's preferred measure of inflation, only served to strengthen that view. Both headline and core measures cooled more than economists had anticipated, bringing the annualized rates over the past three and six months down to at or below the Fed's 2% target.

Japan corporate service inflation steady in November

Japan's business-to-business service inflation was steady at 2.3% in November, data showed on Tuesday, suggesting companies were gradually passing on rising labour costs amid prospects for sustained wage gains. The data underscores the Bank of Japan's (BOJ) view that rising service prices will start to replace cost-push inflation as a key driver of price gains, and help achieve its 2% inflation target on a sustainable basis. The year-on-year rise in the services producer price index, which measures what companies charge each other for services, was unchanged from October and higher than a 2.0% gain in September, BOJ data showed.

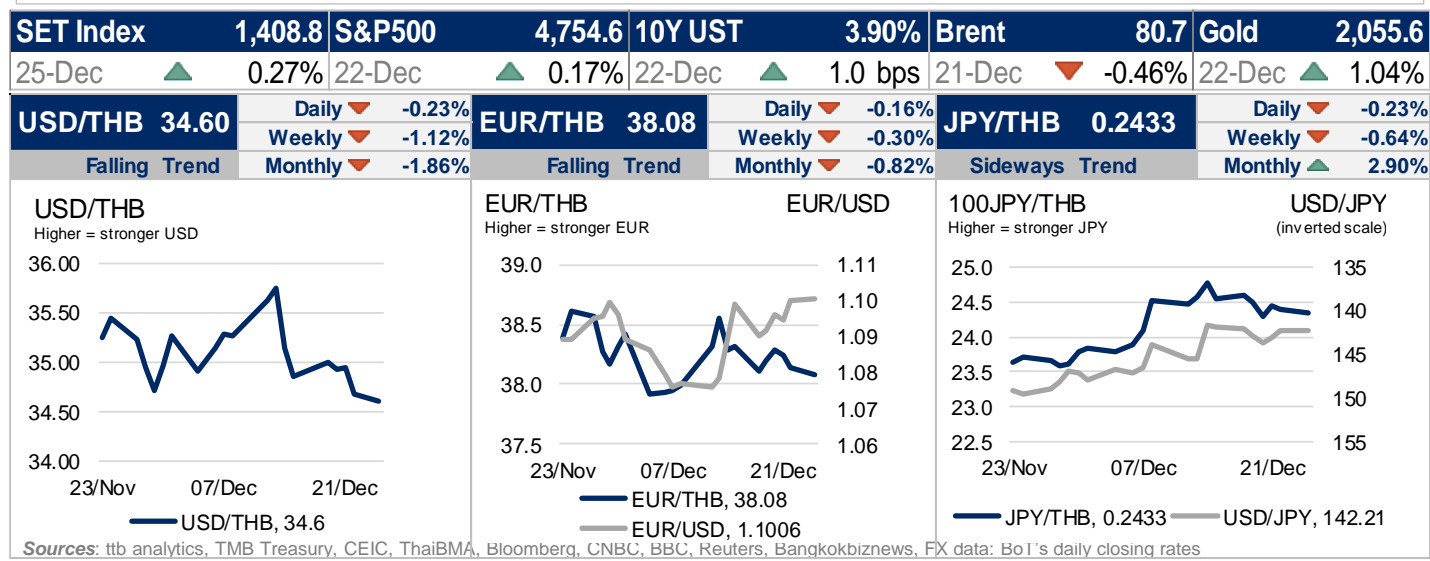
BOJ's Ueda signals chance of policy shift, progress on price goal

Bank of Japan Governor Kazuo Ueda said on Monday the likelihood of achieving the central bank's inflation target was "gradually rising" and it would consider changing policy if prospects of sustainably achieving the 2% target increase "sufficiently". While companies are becoming more open to raising wages and prices, the key is whether wages will continue rising next year and lead to further increases in service prices, Ueda said. "If the virtuous cycle between wages and prices intensifies and the likelihood of achieving our price target in a sustainable and stable manner rises sufficiently, we will likely considering changing policy," Ueda said, offering the clearest sign to date of the chance of ending ultra-easy monetary policy. Ueda said the BOJ had not decided on a specific timing to change the loosest monetary stance of any major central bank, due to uncertainties over economic and market developments.

Dollar struggles to gain footing in thin trade; yen steady

The 10-year government bond yield (interpolated) on the previous trading day was 2.74, -1.60 bps. The benchmark government bond yield (LB31DA) was 2.82, -8.00 bps. Meantime, the latest closed US 10-year bond yields was 3.90, +1.00 bps. USDTHB on the previous trading day closed around 34.60 Moving in a range of 34.58-34.715 this morning. USDTHB could be closed between 34.55-34.75 today. The dollar was trying to find a floor on Tuesday in holiday-thinned trade, pressured by signs that inflation in the world's largest economy is cooling that will likely give the Federal Reserve room to ease interest rates next year. The yen meanwhile steadied near its recent five-month peak on the prospect that the Bank of Japan (BOJ) could soon mark an end to its ultra-easy policy. For most of 2022 and 2023, the policy has kept the Japanese currency under pressure as other major central banks globally embarked on aggressive rate-hike cycles. Currency moves were largely muted in the day after Christmas, with markets in Australia, New Zealand and Hong Kong still out for the Boxing Day public holiday.

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



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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		101.85	0.0%	-0.7%	-1.7%	101.85	104.41
EUR/USD		1.0998	0.5%	0.9%	0.8%	1.0758	1.0998
USD/JPY		142.22	-0.5%	0.0%	-4.2%	141.77	150.35
USD/CHF		0.8565	-0.7%	-1.6%	-3.1%	0.8565	0.8881
GBP/USD		1.2690	0.4%	0.0%	1.3%	1.2401	1.2765
USD/CAD		1.3287	-0.5%	-0.8%	-3.1%	1.3287	1.3739
AUD/USD		0.6781	0.6%	1.1%	3.6%	0.6466	0.6781
NZD/USD		0.6285	0.5%	0.9%	4.1%	0.5957	0.6285
ASEAN Dollar		104.38	0.0%	-0.4%	-0.1%	104.53	106.19
USD/THB		34.68	-0.7%	-0.8%	-1.5%	34.68	35.75
USD/SGD		1.3257	-0.3%	-0.5%	-1.0%	1.3257	1.3477
USD/MYR		4.6302	-0.4%	-1.1%	-0.9%	4.6302	4.6986
USD/IDR		15,435	-0.3%	0.0%	-0.3%	15,350	15,582
USD/PHP		55.60	-0.4%	-0.7%	0.2%	55.35	56.08
USD/CNY		7.1413	0.0%	0.3%	0.0%	7.1108	7.2468
USD/HKD		7.8108	0.1%	0.2%	0.2%	7.7803	7.8206

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.20	-0.15
3-month		0.88	-0.23
6-month		2.00	0.00

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		221,170	2565
Gold		15,844	116
SDR		5,499	36
IMF Reserves		1,163	8
Foreign Ccy		198,665	2405
Net Fwd Position		30,560	410

Last update: 15/12/2023

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
25/12/2023	-299	-143	-442
22/12/2023	-2,078	-1,018	-3,096
21/12/2023	479	-980	-500
20/12/2023	80	-3,488	-3,408
19/12/2023	-1,528	-28	-1,556
Last 5 days	-3,345	-5,657	-9,002

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -3,678	↓ -16,303	↓ -19,980
QTD	Quarter	↓ -38,793	↑ 16,817	↓ -21,977
YTD	Year	↓ -195,964	↑ 6,135	↓ -189,828

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		1.26	0.92	1.83	ON		0.08	0.07	0.08
1W		2.52	2.03	2.52	1W		1.56	0.22	1.61	1W		0.00	0.00	0.08
1M		2.55	2.06	2.55	1M		1.62	0.85	1.72	1M		0.12	0.08	0.12
2M		2.60	2.15	2.60	2M					2M		0.00	0.00	0.16
3M		2.65	2.22	2.65	3M		1.84	1.09	1.84	3M		0.38	0.12	0.38
6M		2.72	2.34	2.72	6M		2.11	1.31	2.11	6M		0.63	0.16	0.63
12M		2.84	2.47	2.84	12M		2.33	1.59	2.33	12M		1.09	0.23	1.09

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		4.4200	-15.00	-14.00	73.00	3.64	4.91
Gilt 10y		4.1005	-28.25	-19.64	-6.66	4.09	4.61
Bund 10y		2.5800	-12.00	-34.00	20.00	2.28	2.94
JGB 10y		0.7420	-17.80	0.40	31.20	0.39	0.92
TGB 1y		2.3654	0.08	0.71	-1.40	2.36	2.38
TGB 2y		2.3428	0.11	-0.97	-11.90	2.34	2.50
TGB 5y		2.4675	-0.10	-0.85	-15.13	2.45	2.68
TGB 7y		2.6082	-0.76	-5.03	-20.07	2.61	2.89
TGB 10y		2.7352	-1.60	-7.82	-28.73	2.74	3.12
AAA Spread		67.37	-1.84	0.79	-5.30	65.11	73.91
AA Spread		74.87	6.95	6.38	-4.49	67.08	82.61
A Spread		110.19	0.08	-9.47	-13.41	110.11	126.88
BBB Spread		235.24	0.87	0.89	-2.70	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		80.73	-0.5%	4.8%	-1.3%	74.11	83.25
London Gold		1992.6	0.3%	6.3%	1.5%	1,852.3	1,992.6

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)		4,604.4	0.4%	0.2%	8.6%	4,166.8	4,622.4
STOXX (EU)		457.7	0.4%	1.6%	5.7%	422.0	459.6
FTSE All-Share(UK)		4,071.1	-0.4%	1.4%	0.4%	3,954.4	4,137.3
DAX (DE)		15,994.7	5.7%	4.4%	-0.6%	14,892.2	16,290.1
CAC All-Tradable(FR)		5,402.0	3.7%	2.0%	-0.4%	5,116.9	5,506.3
TOPIX (JP)		2,275.5	-3.6%	-4.1%	2.5%	2,130.6	2,406.0
Shanghai (CH)		3,257.8	1.6%	0.7%	-3.0%	3,127.6	3,450.0
Hang Seng (HK)		17,195.8	-4.3%	-1.6%	-9.3%	17,085.3	20,011.1
ASX 200 (AU)		6,925.5	-0.8%	-1.5%	-2.5%	6,856.9	7,339.7
SET (TH)		1,447.3	2.1%	-3.1%	-5.5%	1,401.7	1,562.4
SET50 (TH)		878.9	0.3%	-4.2%	-5.0%	865.0	963.0
Straits Times (SG)		3,155.1	-0.6%	-1.9%	-1.0%	3,071.3	3,292.4
FTSE Malay (MY)		1,415.6	-2.4%	-2.1%	2.5%	1,374.6	1,457.0
JSX Index (ID)		6,874.8	-0.1%	-0.9%	3.6%	6,619.8	6,996.0
PSE Index (PH)		6,304.5	5.5%	3.4%	-3.2%	5,973.8	6,677.9
Vn Index (VN)		1,113.9	3.1%	-3.5%	0.6%	1,055.5	1,243.3

Sources: ttb analytics, CEIC

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

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