

World stocks at highest in over a year on rate cut bets

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World stocks rallied to their highest level in more than a year on Wednesday, while the US dollar hit a five-month low, as expectations mounted that key central banks such as the Federal Reserve will start to cut interest rates early next year. In line with expectations of lower interest rates, the benchmark 10-year Treasury yield fell to a five-month low, while the two-year Treasury yield tumbled to a low not seen in seven months. Investor hopes that monetary conditions might be loosening boosted the MSCI's gauge of stocks across the globe by 0.46% to a level not seen since October 2022. On Wall Street, the Dow Jones Industrial Average added 0.21%, while the S&P 500 and the Nasdaq Composite were flat. European shares edged up 0.21%, with trade subdued given public holidays across the region.

Japan Nov factory output falls on weaker autos

Japan's factory output declined in November, weighed by falls in autos production and clouding the outlook for the export-reliant economy. Industrial production fell 0.9% in November from the previous month, data from the Ministry of Economy, Trade and Industry (METI) showed. The reading was better than the median market forecast for a 1.6% drop. Motor vehicle production, which has underpinned industrial output, fell 2.5% in November from the prior month due to slowdowns in the manufacturing of small cars and engines, a METI official said. Output of electrical machinery and information and communication electronics equipment also fell 3.5%, due to sluggish demand in semiconductor and integrated-circuit testing equipment, the official said.

China's industrial profits post double-digit gains but recovery uneven

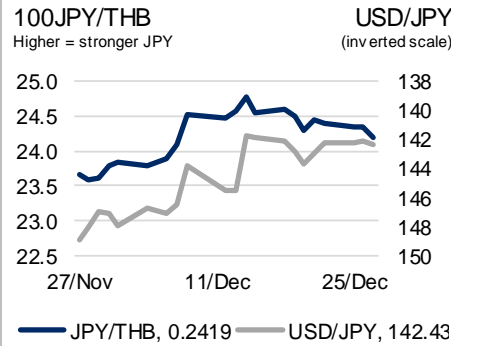
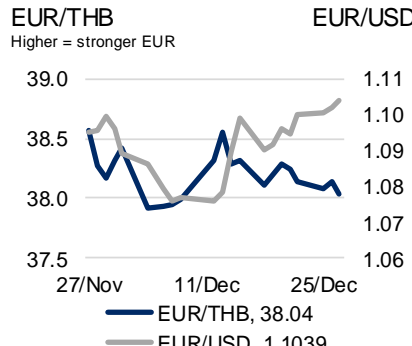
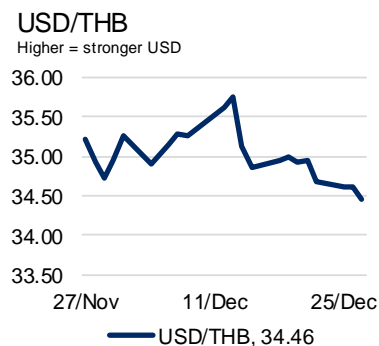
China's November industrial profits posted double-digit gains as overall manufacturing improved, although soft demand continued to constrain business growth expectations, emboldening calls for more macro policy support. The 29.5% profit rise came on top of a 2.7% increase in October and alongside a pickup in industrial output in November, although other sectors of the world's second-largest economy still missed forecasts. In the first 11 months of 2023, industrial earnings shrank 4.4% from a year earlier, further narrowing from a 7.8% decline in January to October, National Bureau of Statistics (NBS) data showed. Behind the November profit rise was an accelerated uptick in industrial profits and returns on investments over the month.

Bruised dollar wobbles as traders eye US rate cuts next year

The 10-year government bond yield (interpolated) on the previous trading day was 2.72, -0.43 bps. The benchmark government bond yield (LB31DA) was 2.82, -8.00 bps. Meantime, the latest closed US 10-year bond yields was 3.79, -10.00 bps. USDTHB on the previous trading day closed around 34.46 Moving in a range of 34.245-34.27 this morning. USDTHB could be closed between 34.15-34.40 today. The dollar nursed steep losses on Thursday and was headed for a yearly decline after two years of strong gains as expectations of interest rate cuts from the Federal Reserve next year grip markets. With the year coming to a close, thin liquidity and limited moves are expected until the New Year. The dollar index, which measures the US currency against six rivals, fell to a fresh five month low of 100.81. The index fell 0.5% on Wednesday and is on course for a 2.6% decline this year, snapping two straight years of strong gains. Investor focus remains on the timing of the interest rate cuts from the Fed, with markets pricing in a 89% chance of a cut in March 2024, according to CME FedWatch tool. Futures imply as much as 158 basis points of Fed easing next year. Some analysts though remain unconvinced the US central bank would be so aggressive.

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

SET Index	1,410.4	S&P500	4,781.6	10Y UST	3.79%	Brent	80.9	Gold	2,061.7
27-Dec	▼ -0.21%	27-Dec	▲ 0.14%	27-Dec	▼ -10.0 bps	26-Dec	▲ 2.23%	27-Dec	▲ 0.30%
USD/THB	34.46	EUR/THB	38.04	JPY/THB	0.2419				
Daily	▼ -0.43%	Daily	▼ -0.27%	Daily	▼ -0.61%				
Weekly	▼ -1.40%	Weekly	▼ -0.56%	Weekly	▼ -1.00%				
Monthly	▼ -2.20%	Monthly	▼ -1.38%	Monthly	▲ 2.25%				
Falling Trend		Falling Trend		Sideways Trend					



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		101.66	0.0%	-0.6%	-2.1%	101.66	104.16
EUR/USD		1.1022	0.1%	0.5%	1.2%	1.0758	1.1022
USD/JPY		142.16	0.0%	-1.1%	-4.9%	141.77	149.50
USD/CHF		0.8566	0.0%	-0.6%	-3.1%	0.8563	0.8844
GBP/USD		1.2710	0.1%	0.0%	1.5%	1.2498	1.2765
USD/CAD		1.3272	0.0%	-0.6%	-3.2%	1.3272	1.3730
AUD/USD		0.6803	0.2%	0.7%	3.8%	0.6539	0.6803
NZD/USD		0.6318	0.4%	0.8%	4.4%	0.6039	0.6318
ASEAN Dollar		103.35	0.0%	-1.0%	-2.2%	103.52	105.97
USD/THB		34.60	0.0%	-0.9%	-2.4%	34.60	35.75
USD/SGD		1.3227	-0.2%	-0.5%	-1.4%	1.3227	1.3430
USD/MYR		4.6160	-0.3%	-0.9%	-1.5%	4.6160	4.6986
USD/IDR		15,395	-0.1%	-0.3%	-0.8%	15,350	15,582
USD/PHP		55.45	-0.1%	-1.0%	0.0%	55.35	56.08
USD/CNY		7.1328	0.0%	0.1%	-0.3%	7.1108	7.1871
USD/HKD		7.8049	-0.1%	0.0%	0.1%	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
27/12/2023	-792	-3,126	-3,917
26/12/2023	294	5,318	5,611
25/12/2023	-299	-143	-442
22/12/2023	-2,078	-1,018	-3,096
21/12/2023	479	-980	-500
Last 5 days	-2,396	52	-2,344

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -4,175	↓ -14,111	↓ -18,286
QTD	Quarter	↓ -39,291	↑ 19,009	↓ -20,283
YTD	Year	↓ -196,462	↑ 8,328	↓ -188,134

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	2.24	2.65	3M		1.84	1.09	1.84	3M		0.38	0.12	0.38
6M		2.72	2.35	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	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.3900	-19.00	-20.00	70.00	3.69	4.93
Gilt 10y		4.1005	-28.25	-19.64	1.34	4.09	4.61
Bund 10y		2.6400	-6.00	-22.00	20.00	2.27	2.92
JGB 10y		0.7680	-8.40	0.30	33.80	0.39	0.88
TGB 1y		2.3709	0.21	0.89	-1.19	2.36	2.38
TGB 2y		2.3410	-0.31	-1.19	-14.52	2.34	2.50
TGB 5y		2.4577	-0.68	-2.14	-19.83	2.45	2.68
TGB 7y		2.5975	-0.69	-5.55	-24.13	2.60	2.89
TGB 10y		2.7224	-0.43	-5.08	-34.74	2.72	3.12
AAA Spread		67.33	-1.47	1.97	-5.39	65.15	73.80
AA Spread		74.83	6.77	5.03	-4.48	67.07	85.27
A Spread		110.15	0.12	-9.22	-13.55	110.03	126.94
BBB Spread		235.20	0.76	0.87	-2.77	234.29	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		80.85	2.3%	3.7%	-0.7%	73.24	83.10
London Gold		1995.2	1.4%	6.6%	1.6%	1,859.7	1,995.2

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)		4,643.7	0.5%	1.7%	7.5%	4,193.8	4,707.1
STOXX (EU)		455.6	1.6%	1.8%	6.4%	421.2	462.7
FTSE All-Share(UK)		4,071.1	-0.4%	1.4%	1.0%	3,954.4	4,137.3
DAX (DE)		16,029.5	5.8%	4.2%	0.2%	14,731.1	16,406.0
CAC All-Tradable(FR)		5,415.2	4.4%	2.0%	0.3%	5,054.9	5,576.1
TOPIX (JP)		2,275.5	-1.3%	-3.0%	4.3%	2,146.2	2,392.5
Shanghai (CH)		3,257.8	1.8%	-0.3%	-3.0%	3,105.8	3,431.5
Hang Seng (HK)		17,195.8	-2.7%	-2.4%	-5.7%	17,044.6	20,040.4
ASX 200 (AU)		6,925.5	-1.0%	-1.4%	-2.9%	6,854.3	7,402.0
SET (TH)		1,447.3	2.5%	-2.4%	-4.9%	1,388.2	1,563.0
SET50 (TH)		876.8	0.5%	-3.6%	-4.4%	859.3	960.8
Straits Times (SG)		3,155.1	0.6%	-1.2%	-0.8%	3,064.3	3,337.4
FTSE Malay (MY)		1,415.6	-3.3%	-0.6%	2.4%	1,378.7	1,463.5
JSX Index (ID)		6,874.8	0.5%	-0.9%	2.9%	6,633.4	7,016.8
PSE Index (PH)		6,304.5	5.3%	2.6%	-3.5%	5,989.3	6,628.6
Vn Index (VN)		1,113.9	0.0%	-0.4%	1.1%	1,042.4	1,245.4

Sources: ttb analytics, CEIC

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

Important Disclosures

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