

US small business sentiment up, but labor, inflation worries persist

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US small business sentiment rose for the first time in five months in December but hiring costs and ongoing concerns around inflation continue to sour business owners' confidence. The National Federation of Independent Business (NFIB) index rose to 91.9 in December from November's 90.6. It was the first increase since July and matched that month's reading, but it held below its 50-year average of 98 for a 24th-straight month. Conditions have tracked the Federal Reserve's most aggressive rate hike campaign since the 1980s, launched in 2022, during which small business owners have described tightened credit conditions. Inflation was the top problem for owners, and the share of owners reporting inflation as their main concern rose to a seasonally adjusted 23%.

German industrial output drops unexpectedly in November

German industrial production unexpectedly fell in November, marking the sixth monthly decline in a row. Industrial production decreased in November by 0.7% compared to the previous month. Analysts polled by Reuters had predicted a 0.2% rise. Industrial orders rose by only 0.3% month-on-month in November. The decline in output was broad-based. The production of capital goods decreased by 0.7% on the month, the production of intermediate goods fell by 0.5% and that of consumer goods by 0.1%. Outside manufacturing, there was a 3.9% increase in energy production, while production in construction dropped by 2.9% from the previous month. The Purchasing Managers' Index for manufacturing showed that German manufacturing activity continued to contract in December, pointing to a larger decline of 2% in the fourth quarter.

Japan's Nov real wages down for 20th straight month

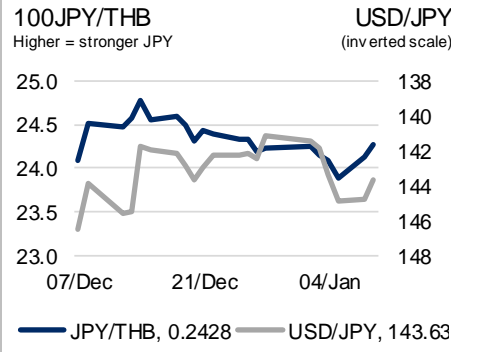
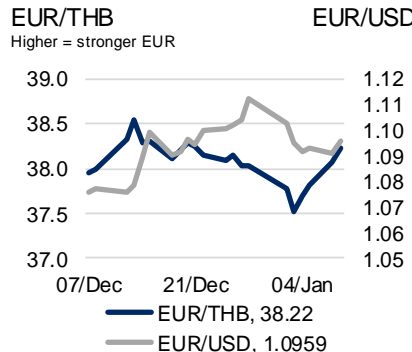
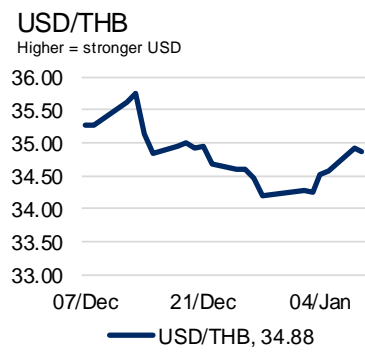
Japanese workers' real wages kept shrinking for a 20th month in November, raising fresh alarm for the sustainability of the country's economic recovery as firms enter the period of annual pay negotiation with labour unions. Japan's wage trend draws an unusual amount of attention from financial markets worldwide since the Bank of Japan regards pay and inflation outlooks as the most important data in considering the dismantling of its negative interest rate policy. Inflation-adjusted real wages, a key determinant of consumer purchasing power, fell 3.0% in November from a year earlier, faster than a 2.3% decrease in October, data from the labour ministry showed. The consumer inflation rate the government uses to calculate real wages, which includes fresh food prices but excludes owner's equivalent rent, decelerated to 3.3%, the lowest since July 2022, thanks to falling fuel costs and moderating food price hikes.

Dollar gains before inflation data, bitcoin slips

The 10-year government bond yield (interpolated) on the previous trading day was 2.75, -2.96 bps. The benchmark government bond yield (LB31DA) was 2.775, -3.5 bps. Meantime, the latest closed US 10-year bond yields was 4.02, +1.00 bps. USDTHB on the previous trading day closed around 34.88 Moving in a range of 34.99-35.04 this morning. USDTHB could be closed between 34.90-35.20 today. The dollar rose against the euro and yen as traders awaited inflation data on Thursday for clues on when the Federal Reserve is likely to cut rates. In cryptocurrencies, bitcoin dipped but remained near its strongest level since April 2022 as anticipation mounted the Securities and Exchange Commission will imminently approve spot bitcoin exchange-traded funds (ETFs). The dollar index had hit a five-month low in December when investors priced for the likelihood that the Fed will cut rates sooner rather than later as inflation eases closer to its 2% annual target and economic data shows signs of softness. It has recovered from some of that weakness this year, with the sell-off seen by some as overdone heading into year-end. But Fed expectations are likely to continue to drive dollar moves.

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

| | | | | | | | | | |
|------------------|-----------------|-------------------|----------------|----------------|----------------|--------------|----------|-------------|---------|
| SET Index | 1,414.9 | S&P500 | 4,756.5 | 10Y UST | 4.02% | Brent | 76.3 | Gold | 2,038.2 |
| 9-Jan | ▼ -0.25% | 9-Jan | ▼ -0.15% | 9-Jan | ▲ 1.0 bps | 8-Jan | ▼ -2.28% | 9-Jan | ▲ 0.50% |
| USD/THB | 34.88 | EUR/THB | 38.22 | JPY/THB | 0.2428 | | | | |
| Daily ▼ -0.11% | Weekly ▲ 1.77% | Daily ▲ 0.37% | Weekly ▲ 1.83% | Daily ▲ 0.66% | Weekly ▲ 0.55% | | | | |
| Monthly ▼ -1.15% | Monthly ▲ 0.70% | Monthly ▲ 0.83% | | | | | | | |
| Sideways Trend | Rising Trend | Rising Trend | | | | | | | |



Sources: ttb 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

ttb analytics ttbanalytics@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 | | 102.73 | 0.0% | 1.2% | -1.2% | 100.74 | 104.16 |
| EUR/USD | | 1.0907 | -0.2% | -1.0% | 1.0% | 1.0758 | 1.1121 |
| USD/JPY | | 144.74 | -0.1% | 2.4% | -1.6% | 141.15 | 147.99 |
| USD/CHF | | 0.8533 | 0.3% | 1.1% | -2.4% | 0.8402 | 0.8783 |
| GBP/USD | | 1.2680 | 0.0% | -0.3% | 0.6% | 1.2549 | 1.2820 |
| USD/CAD | | 1.3403 | 0.3% | 1.1% | -1.3% | 1.3189 | 1.3622 |
| AUD/USD | | 0.6690 | -0.1% | -1.8% | 1.6% | 0.6539 | 0.6860 |
| NZD/USD | | 0.6227 | 0.0% | -1.2% | 1.0% | 0.6111 | 0.6362 |
| ASEAN Dollar | | 103.83 | 0.0% | 0.4% | -0.8% | 102.98 | 105.35 |
| USD/THB | | 34.91 | 0.9% | 1.8% | -0.6% | 34.20 | 35.75 |
| USD/SGD | | 1.3333 | 0.2% | 0.9% | -0.5% | 1.3167 | 1.3430 |
| USD/MYR | | 4.6561 | 0.2% | 1.2% | -0.3% | 4.6016 | 4.6986 |
| USD/IDR | | 15,474 | 0.2% | 0.4% | 0.2% | 15,359 | 15,582 |
| USD/PHP | | 55.85 | 0.1% | 0.1% | 0.6% | 55.45 | 56.08 |
| USD/CNY | | 7.1713 | 0.0% | 0.7% | 0.2% | 7.1108 | 7.1871 |
| USD/HKD | | 7.8266 | 0.2% | 0.2% | 0.2% | 7.7962 | 7.8266 |

FX Swap Market and BoT's Reserves

| USTH FX Sp | 1M History | Last | %Chg(1D) |
|------------|------------|------|----------|
| 1-month | | 0.35 | -0.20 |
| 3-month | | 1.10 | -0.30 |
| 6-month | | 2.00 | -0.40 |

| Reserves (\$mn) | 3M History | Last | \$mn Chg(1W) |
|------------------|------------|---------|--------------|
| Total | | 224,484 | 1949 |
| Gold | | 16,192 | 75 |
| SDR | | 5,527 | 12 |
| IMF Reserves | | 1,208 | 3 |
| Foreign Ccy | | 201,557 | 1861 |
| Net Fwd Position | | 30,105 | -465 |

Last update: 29/12/2023

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total |
|-------------|--------|--------|--------|
| 9/1/2024 | -1,006 | 1,785 | 779 |
| 8/1/2024 | -271 | -4,791 | -5,061 |
| 5/1/2024 | -3,096 | 356 | -2,740 |
| 4/1/2024 | 651 | 1,220 | 1,871 |
| 3/1/2024 | -899 | 10,426 | 9,527 |
| Last 5 days | -4,621 | 8,996 | 4,375 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|----------|---------|---------|
| MTD | Month | ↓ -3,364 | ↑ 9,847 | ↑ 6,483 |
| QTD | Quarter | ↓ -3,364 | ↑ 9,847 | ↑ 6,483 |
| YTD | Year | ↓ -3,364 | ↑ 9,847 | ↑ 6,483 |

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 | 0.00 | 2.50 | ON | | 1.72 | 1.04 | 1.72 | ON | | 0.07 | 0.07 | 0.08 |
| 1W | | 2.53 | 0.00 | 2.53 | 1W | | 1.61 | 0.22 | 1.61 | 1W | | 0.00 | 0.00 | 0.08 |
| 1M | | 2.55 | 0.00 | 2.55 | 1M | | 1.59 | 0.88 | 1.72 | 1M | | 0.11 | 0.08 | 0.11 |
| 2M | | 2.60 | 0.00 | 2.60 | 2M | | | | | 2M | | 0.00 | 0.00 | 0.15 |
| 3M | | 2.65 | 0.00 | 2.65 | 3M | | 1.81 | 1.09 | 1.82 | 3M | | 0.26 | 0.11 | 0.26 |
| 6M | | 2.72 | 0.00 | 2.72 | 6M | | 1.95 | 1.31 | 1.99 | 6M | | 0.44 | 0.15 | 0.44 |
| 12M | | 2.84 | 0.00 | 2.84 | 12M | | 2.26 | 1.59 | 2.26 | 12M | | 0.80 | 0.22 | 0.80 |

Last Updated: 29/6/2023

Last Updated: 9/3/2023

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 | | 4.4400 | -33.00 | 16.00 | 90.00 | 3.38 | 4.77 |
| Gilt 10y | | 4.2039 | -35.84 | -32.07 | 39.90 | 3.40 | 4.56 |
| Bund 10y | | 2.5200 | -31.00 | -9.00 | 19.00 | 2.28 | 2.83 |
| JGB 10y | | 0.8070 | -6.80 | 21.60 | 34.20 | 0.38 | 0.88 |
| TGB 1y | | 2.3821 | -0.20 | 0.02 | 1.32 | 2.36 | 2.38 |
| TGB 2y | | 2.3501 | -0.21 | -0.21 | -6.53 | 2.34 | 2.44 |
| TGB 5y | | 2.4584 | -3.48 | -1.38 | -6.92 | 2.45 | 2.61 |
| TGB 7y | | 2.6112 | -1.11 | -0.13 | -12.17 | 2.59 | 2.80 |
| TGB 10y | | 2.7830 | -0.56 | 5.28 | -10.08 | 2.70 | 2.98 |
| AAA Spread | | 67.39 | -1.92 | -3.98 | -3.49 | 65.56 | 73.91 |
| AA Spread | | 75.38 | 7.35 | -4.25 | -7.77 | 68.03 | 86.28 |
| A Spread | | 110.05 | -0.28 | -12.69 | -16.34 | 110.05 | 128.06 |
| BBB Spread | | 235.13 | 0.82 | -13.57 | 9.20 | 225.85 | 248.70 |

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 | | 76.29 | -2.3% | -1.0% | 2.7% | 73.24 | 81.07 |
| London Gold | | 1992.2 | 0.5% | 5.2% | 0.3% | 1,870.0 | 2,038.9 |

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) | | 4,698.4 | -0.4% | 2.3% | 13.6% | 4,117.4 | 4,754.6 |
| STOXX (EU) | | 466.0 | 1.4% | 4.4% | 5.2% | 423.0 | 472.5 |
| FTSE All-Share(UK) | | 4,088.1 | 0.8% | 2.6% | -1.6% | 3,954.4 | 4,175.9 |
| DAX (DE) | | 15,919.2 | 6.7% | 2.2% | 0.8% | 14,923.3 | 16,290.1 |
| CAC All-Tradable(FR) | | 5,373.0 | 4.5% | 0.6% | -3.4% | 5,140.5 | 5,620.8 |
| TOPIX (JP) | | 2,373.2 | 5.3% | 3.0% | 18.2% | 1,983.8 | 2,406.0 |
| Shanghai (CH) | | 3,216.5 | 1.2% | -3.5% | -8.1% | 3,177.6 | 3,532.8 |
| Hang Seng (HK) | | 17,454.2 | 2.1% | -7.0% | -16.0% | 17,101.8 | 20,782.5 |
| ASX 200 (AU) | | 7,058.4 | 4.1% | -1.2% | -3.6% | 6,780.7 | 7,450.7 |
| SET (TH) | | 1,419.4 | 1.1% | -7.2% | -11.3% | 1,404.0 | 1,609.2 |
| SET50 (TH) | | 879.2 | 1.2% | -6.9% | -9.0% | 869.2 | 974.3 |
| Straits Times (SG) | | 3,111.6 | 1.1% | -2.7% | -6.1% | 3,076.8 | 3,374.0 |
| FTSE Malay (MY) | | 1,456.9 | 1.5% | -0.5% | 1.5% | 1,376.1 | 1,463.5 |
| JSX Index (ID) | | 6,977.7 | 5.0% | 1.1% | 2.3% | 6,619.8 | 6,998.4 |
| PSE Index (PH) | | 6,171.1 | 1.9% | -5.5% | -4.6% | 6,048.0 | 6,672.7 |
| Vn Index (VN) | | 1,110.5 | 3.1% | -5.7% | 6.6% | 1,039.6 | 1,245.4 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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