

Strong US retail sales underscore economy's momentum heading into 2024

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US retail sales rose more than expected in December, boosted by an increase in motor vehicle and online purchases, keeping the economy on solid ground heading into the new year. The upbeat report from the Commerce Department, which prompted economists to upgrade their economic growth estimates for the fourth quarter, cast further doubt on financial market expectations that the Federal Reserve would start cutting interest rates in March. Retail sales rose 0.6% last month after an unrevised 0.3% gain in November, the Commerce Department's Census Bureau said. Economists polled by Reuters had forecast retail sales would gain 0.4%. Retail sales are mostly goods and are not adjusted for inflation. Sales increased 5.6% on a year-on-year basis in December. Sales were likely partially boosted by difficulties adjusting the data for seasonal fluctuations following distortions during the COVID-19 pandemic. In the last couple of years, consumers started their holiday shopping early to avoid empty shelves.

ECB President Lagarde hints at potential summer rate cuts

Christine Lagarde, President of the European Central Bank (ECB), suggested today that interest rate cuts could be on the horizon by summer, but she also underscored the importance of moving cautiously due to persistent inflation risks. In an interview with Bloomberg, Lagarde addressed the current market expectations, which have shown a more measured outlook on rate cuts, with Euribor futures indicating a less aggressive stance than previously anticipated. Lagarde cautioned against hasty monetary policy decisions that might lead to the necessity of reversing course with rate increases later on. She stressed the importance of the ECB's policy planning not being swayed by market speculation and the challenges of forecasting market sentiments. The markets have adjusted their expectations accordingly, with Euribor futures dropped by up to 6.5 ticks with around 139bps of reductions priced in for 2024.

Japan Nov machinery orders fall more than expected

Japan's core machinery orders fell more than expected in November, underscoring uncertainty about domestic and global economic outlook. Core orders, a highly volatile data series regarded as a leading indicator of capital spending in the coming six to nine months, fell 4.9% in November from the previous month, Cabinet Office data showed. That compared with a 0.8% contraction expected by economists in a Reuters poll. On a year-on-year basis, core orders, which excludes volatile numbers from shipping and electric utilities, declined 5.0% versus a forecast for 0.2% growth, the data showed. Capital spending is one of the key drivers for Japan's economy and a major indicator of business confidence.

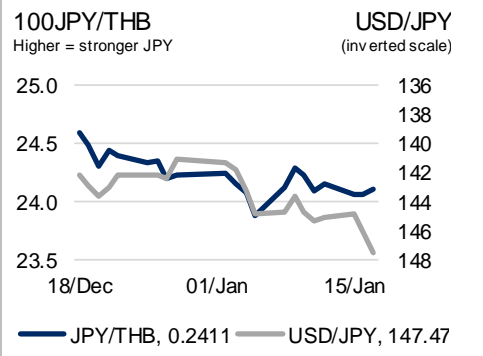
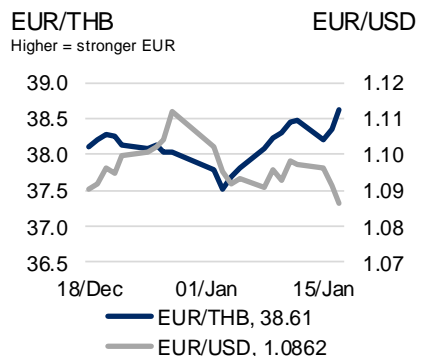
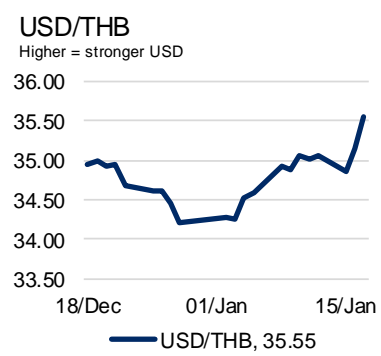
Dollar holds near one-month peak as dovish Fed bets recede

The 10-year government bond yield (interpolated) on the previous trading day was 2.75, +1.59 bps. The benchmark government bond yield (LB31DA) was 2.715, +3.50 bps. Meantime, the latest closed US 10-year bond yields was 4.10, +3.00 bps. USDTHB on the previous trading day closed around 35.55 Moving in a range of 35.445-35.59 this morning. USDTHB could be closed between 35.35-35.60 today. The dollar held close to a one-month peak versus major peers after robust US retail sales data overnight added to building expectations the Federal Reserve will not rush to lower interest rates. Australia's dollar weakened after data showed an unexpected decline in employment. The US dollar index, which measures the currency against a basket of six rivals, traded little changed at 103.36 in the Asian morning, after reaching 103.69 on Wednesday for the first time since Dec. 13. The yen was a notable underperformer, as it tends to move in the opposite direction of US long-term yields, which also touched a one-month high overnight as dovish Fed bets receded.

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

SET Index	1,380.7	S&P500	4,739.2	10Y UST	4.10%	Brent	78.3	Gold	2,027.6
17-Jan	▼ -1.51%	17-Jan	▼ -0.56%	17-Jan	▲ 3.0 bps	16-Jan	▲ 0.18%	17-Jan	▼ -0.60%

USD/THB 35.55	Daily ▲ 1.15%	EUR/THB 38.61	Daily ▲ 0.67%	JPY/THB 0.2411	Daily ▲ 0.17%
Weekly ▲ 1.52%	Weekly ▲ 0.44%	Weekly ▲ 0.04%	Monthly ▲ 1.30%	Monthly ▼ -1.97%	
Rising Trend	Monthly ▲ 1.69%	Rising Trend	Monthly ▲ 1.30%	Sideways Trend	Monthly ▼ -1.97%



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		102.91	0.0%	0.3%	1.0%	100.75	104.07
EUR/USD		1.0914	-0.5%	-0.1%	-0.7%	1.0758	1.1121
USD/JPY		146.03	0.8%	0.9%	2.9%	141.15	146.03
USD/CHF		0.8583	0.7%	0.7%	-0.9%	0.8402	0.8783
GBP/USD		1.2680	-0.6%	-0.2%	-0.7%	1.2549	1.2820
USD/CAD		1.3470	0.6%	0.6%	0.6%	1.3189	1.3606
AUD/USD		0.6619	-1.1%	-1.1%	-1.3%	0.6552	0.6860
NZD/USD		0.6169	-1.1%	-1.1%	-0.7%	0.6111	0.6362
ASEAN Dollar		105.69	0.0%	-0.2%	-1.0%	104.64	106.69
USD/THB		35.14	0.8%	0.2%	0.8%	34.20	35.75
USD/SGD		1.3371	0.5%	0.4%	0.7%	1.3167	1.3430
USD/MYR		4.6827	0.8%	0.7%	0.4%	4.6016	4.6986
USD/IDR		15,509	0.3%	0.1%	0.6%	15,359	15,582
USD/PHP		56.04	0.0%	-0.7%	0.5%	55.45	56.42
USD/CNY		7.1867	0.0%	0.1%	1.1%	7.1108	7.1871
USD/HKD		7.8202	0.1%	0.0%	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		222,473	-2011
Gold		16,059	-133
SDR		5,499	-28
IMF Reserves		1,202	-6
Foreign Ccy		199,713	-1843
Net Fwd Position		30,010	-95

Last update: 05/01/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
17/01/2024	-5,749	-1,143	-6,892
16/01/2024	-834	-4,208	-5,043
15/01/2024	-471	-3,541	-4,012
12/01/2024	-67	-5,792	-5,859
11/01/2024	-1,066	-8,781	-9,847
Last 5 days	-8,189	-23,464	-31,653

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -13,381	↑ 744	↓ -12,636
QTD	Quarter	↓ -13,381	↑ 744	↓ -12,636
YTD	Year	↓ -13,381	↑ 744	↓ -12,636





















































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	1.14	1.72	ON		0.07	0.07	0.08
1W		2.52	0.00	2.52	1W		1.61	0.22	1.61	1W		0.00	0.00	0.09
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: 29/06/2023









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	-10.00 	20.00 	80.00 	3.30	4.91
Gilt 10y		4.2365	-4.30 	-17.53 	100.50 	3.23	4.54
Bund 10y		2.6300	-1.00 	6.00 	60.00 	2.03	2.97
JGB 10y		0.7860	-9.60 	12.90 	47.20 	0.31	0.88
TGB 1y		2.3558	-0.29 	-1.14 	-0.57 	2.36	2.38
TGB 2y		2.3176	1.45 	1.51 	-3.25 	2.30	2.39
TGB 5y		2.4057	0.80 	0.89 	-6.90 	2.40	2.52
TGB 7y		2.5507	0.74 	1.88 	-10.89 	2.53	2.71
TGB 10y		2.7335	0.98 	1.50 	-7.19 	2.70	2.85
AAA Spread		67.33	-1.39 	-3.94 	-5.90 	64.94	73.91
AA Spread		74.83	6.83 	-6.76 	-9.00 	67.08	94.44
A Spread		110.15	0.18 	-11.80 	-14.92 	109.98	128.18
BBB Spread		235.20	0.65 	-4.52 	9.38 	225.63	239.72

































































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		78.29	0.2% 	0.9% 	2.2% 	73.24	81.07
London Gold		2011.7	3.3% 	4.9% 	2.3% 	1,813.4	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)		4,769.8	-0.1% 	3.2% 	13.1% 	4,117.4	4,774.8
STOXX (EU)		472.4	0.3% 	3.8% 	4.3% 	423.0	473.6
FTSE All-Share(UK)		4,088.1	0.8% 	2.6% 	0.5% 	3,954.4	4,175.9
DAX (DE)		15,966.4	4.0% 	1.1% 	6.7% 	14,957.2	16,163.4
CAC All-Tradable(FR)		5,394.5	2.2% 	-1.2% 	2.8% 	5,132.8	5,642.7
TOPIX (JP)		2,390.9	2.5% 	6.7% 	22.8% 	1,947.5	2,390.9
Shanghai (CH)		3,168.1	-0.8% 	-3.2% 	-7.4% 	3,081.8	3,499.0
Hang Seng (HK)		17,525.1	0.1% 	-1.5% 	-9.0% 	17,331.2	20,782.5
ASX 200 (AU)		7,040.8	0.6% 	-1.0% 	0.4% 	6,943.4	7,365.5
SET (TH)		1,401.4	0.9% 	-10.2% 	-10.5% 	1,389.6	1,620.0
SET50 (TH)		866.4	0.7% 	-9.8% 	-7.6% 	860.5	974.3
Straits Times (SG)		3,065.9	-2.2% 	-3.9% 	-3.4% 	3,065.9	3,319.3
FTSE Malay (MY)		1,448.0	-0.3% 	0.2% 	4.1% 	1,383.2	1,459.0
JSX Index (ID)		7,013.4	2.6% 	1.7% 	2.9% 	6,565.7	7,013.4
PSE Index (PH)		6,246.2	1.9% 	-1.9% 	-5.5% 	6,131.3	6,685.9
Vn Index (VN)		1,102.8	0.2% 	-8.2% 	5.4% 	1,032.4	1,226.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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