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The euro zone's economy stagnated last year, underperforming the rest of the world as former powerhouse Germany struggled with an industrial malaise that has no end in sight. The 20 countries that share the euro barely avoided a recession in the final quarter of last year even as the global economy expanded and the eurozone's biggest trading partner, the United States, chalked up impressively brisk growth. The euro area's underperformance was mostly due to weakness in Germany, which has seen its business model relying on cheap energy from Russia and intense two-way trade with China upended by geopolitical events. Europe's largest economy shrank by 0.3% in the last three months of 2023 while the bloc as a whole saw steady output, helped by expansions in Spain and Italy.

Japan Dec factory output rises on production machinery

Japan's industrial output rose in December, government data showed on Wednesday, lifted by machinery production although a safety scandal at Toyota's small-car unit threatened to weigh heavily on future output. Industrial production rose 1.8% in December from the previous month, data from the Ministry of Economy, Trade and Industries (METI) data showed. The reading was below the median market forecast for a 2.4% rise followed by 0.9% contraction in November. General-purpose and business-oriented machinery output jumped 9.3% in December from the previous month. Strong demand for conveyor belts and testing equipment contributed to the increase. Production machinery also went up 4.3% month-on-month in December. The output of semiconductor manufacturing equipment increased 6.2% while exports to China, South Korea and Taiwan rose.

BOJ made hawkish tilt in January, debated stimulus exit scenarios

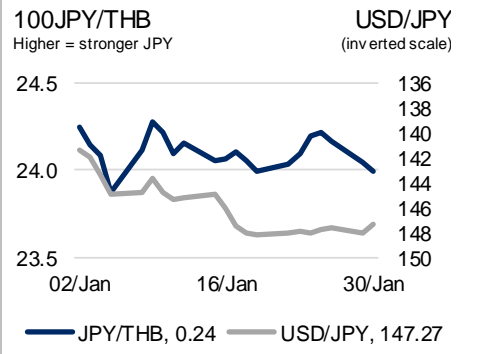
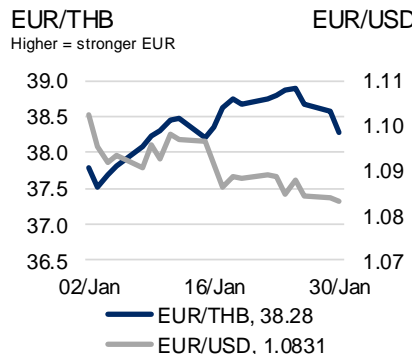
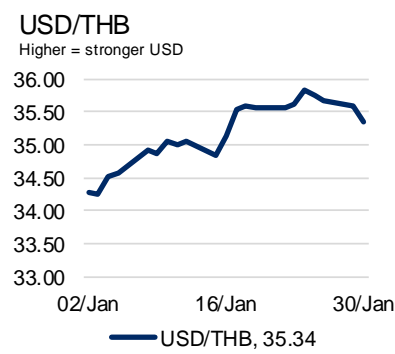
Bank of Japan policymakers discussed in January the likelihood of a near-term exit from negative interest rates and possible scenarios for phasing out the bank's massive stimulus program, a summary of opinions at the meeting showed on Wednesday. The summary highlights a growing view within the board that conditions were falling in place to soon pull short-term interest rates out of negative territory, which would be Japan's first interest rate hike since 2007. "It seems that conditions for policy revision, including the termination of our negative interest rate policy, are being met," one member was quoted as saying in the summary. Another opinion called for the BOJ to end negative rates "at an appropriate timing," as delaying the decision for too long could require subsequent interest rate hikes to be rapid.

Dollar mixed in tight trading range before Fed statement

The 10-year government bond yield (interpolated) on the previous trading day was 2.64, -1.53 bps. The benchmark government bond yield (LB31DA) was 2.64, -1.00 bps. Meantime, the latest closed US 10-year bond yields was 4.06, -2.00 bps. USDTHB on the previous trading day closed around 35.34. Moving in a range of 35.35-35.435 this morning. USDTHB could be closed between 35.25-35.50 today. The dollar edged lower against the euro and higher against the yen on Tuesday, but failed to find strong direction ahead of the conclusion of the Federal Reserve's two-day meeting. The US central bank is expected to leave interest rates unchanged on Wednesday and investors will focus on any clues from Fed Chairman Jerome Powell on the likelihood of a rate cut in March. Solid US economic data has led traders to pare bets of a March cut to a 42% probability, from around 89% a month ago, according to the CME Group's FedWatch Tool. The Fed may "feel more confident than they were in December that rates are restrictive enough to bring inflation down," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

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

SET Index	1,373.1	S&P500	4,925.0	10Y UST	4.06%	Brent	81.8	Gold	2,036.8
30-Jan	▼ -0.23%	30-Jan	▼ -0.06%	30-Jan	▼ -2.0 bps	29-Jan	▼ -2.08%	30-Jan	▲ 0.47%
USD/THB	35.34	EUR/THB	38.28	JPY/THB	0.2400				
Daily	▼ -0.68%	Daily	▼ -0.74%	Daily	▼ -0.18%				
Weekly	▼ -1.36%	Weekly	▼ -1.52%	Weekly	▼ -0.84%				
Monthly	▲ 3.06%	Monthly	▲ 1.31%	Monthly	▼ -1.02%				
Sideways	Trend	Sideways	Trend	Falling	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		103.55	0.0%	0.3%	2.8%	100.74	103.57
EUR/USD		1.0838	0.0%	-0.5%	-2.5%	1.0838	1.1121
USD/JPY		148.01	0.3%	0.1%	4.9%	141.15	148.19
USD/CHF		0.8634	-0.4%	-0.5%	2.8%	0.8402	0.8699
GBP/USD		1.2702	-0.1%	-0.2%	-0.9%	1.2622	1.2820
USD/CAD		1.3452	-0.1%	-0.2%	2.0%	1.3189	1.3523
AUD/USD		0.6587	0.0%	0.0%	-4.0%	0.6552	0.6860
NZD/USD		0.6101	-0.1%	0.2%	-4.1%	0.6090	0.6362
ASEAN Dollar		107.95	0.0%	0.5%	2.3%	105.09	107.99
USD/THB		35.59	-0.2%	-0.1%	4.0%	34.20	35.83
USD/SGD		1.3412	0.1%	0.0%	1.9%	1.3167	1.3441
USD/MYR		4.7323	0.1%	0.0%	2.6%	4.6016	4.7358
USD/IDR		15,765	0.0%	1.1%	2.6%	15,359	15,769
USD/PHP		56.59	0.1%	0.3%	1.6%	55.45	56.59
USD/CNY		7.1860	0.0%	0.1%	1.0%	7.1145	7.2072
USD/HKD		7.8159	0.0%	0.0%	0.1%	7.8038	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		221,238	-2270
Gold		15,929	-155
SDR		5,478	-20
IMF Reserves		1,168	-12
Foreign Ccy		198,662	-2083
Net Fwd Position		30,150	275

Last update: 19/1/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
30/1/2024	-1,397	-3,521	-4,917
29/1/2024	160	190	351
26/1/2024	-2,766	1,756	-1,010
25/1/2024	-2,042	1,946	-97
24/1/2024	-571	-1,529	-2,100
Last 5 days	-6,615	-1,157	-7,773

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -29,913	↓ -3,644	↓ -33,557
QTD	Quarter	↓ -29,913	↓ -3,644	↓ -33,557
YTD	Year	↓ -29,913	↓ -3,644	↓ -33,557

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: 29/6/2023

Last Updated: 9/3/2022

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		4.2300	-18.00	-7.00	41.00	3.30	4.88
Gilt 10y		4.0276	-8.18	-41.75	48.13	3.10	4.64
Bund 10y		2.2300	-34.00	-37.00	-29.00	2.23	2.86
JGB 10y		0.7710	1.50	13.50	25.70	0.34	0.88
TGB 1y		2.3399	-0.43	-1.08	-3.32	2.34	2.38
TGB 2y		2.2929	-0.91	-4.62	-5.00	2.29	2.35
TGB 5y		2.3638	-1.94	-5.38	-9.09	2.36	2.49
TGB 7y		2.4986	-1.21	-6.67	-9.16	2.50	2.62
TGB 10y		2.6530	-2.27	-9.00	-4.25	2.65	2.79
AAA Spread		67.29	-0.08	-3.24	-6.44	65.52	75.12
AA Spread		73.48	-1.39	-7.03	-20.64	67.14	94.12
A Spread		108.92	-1.28	-12.80	-16.26	108.92	128.06
BBB Spread		235.43	0.11	0.44	9.63	225.57	239.73

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		81.83	-2.1%	2.2%	2.7%	75.89	83.55
London Gold		2030.0	1.5%	5.4%	10.1%	1,835.5	2,030.0

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)		4,783.8	0.6%	0.6%	13.2%	4,166.8	4,783.8
STOXX (EU)		475.3	-0.3%	1.0%	5.9%	422.0	476.2
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		16,759.2	5.0%	6.5%	8.3%	14,923.3	16,759.2
CAC All-Tradable(FR)		5,574.9	3.4%	3.2%	1.7%	5,140.5	5,578.9
TOPIX (JP)		2,359.9	-0.5%	0.4%	18.8%	1,957.3	2,385.5
Shanghai (CH)		3,148.9	-1.2%	-5.5%	-8.8%	3,148.9	3,499.0
Hang Seng (HK)		16,334.4	-7.9%	-11.5%	-22.8%	16,334.4	21,842.3
ASX 200 (AU)		7,178.4	1.7%	-1.1%	-2.4%	6,772.9	7,504.1
SET (TH)		1,373.9	-2.3%	-11.4%	-17.5%	1,373.9	1,671.5
SET50 (TH)		850.6	-2.0%	-10.4%	-14.2%	850.6	993.0
Straits Times (SG)		3,090.2	-0.7%	-3.7%	-6.6%	3,076.8	3,380.8
FTSE Malay (MY)		1,442.0	-1.0%	-1.3%	-2.8%	1,376.1	1,499.4
JSX Index (ID)		7,159.6	3.7%	2.9%	3.9%	6,642.4	7,159.6
PSE Index (PH)		6,234.8	0.8%	0.9%	-9.4%	6,054.5	7,081.4
Vn Index (VN)		1,127.6	2.9%	-9.5%	7.0%	1,032.4	1,245.4

Sources: ttb analytics, CEIC

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

Important Disclosures

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