

US trade deficit rises marginally in December; narrows sharply in 2023

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The US trade deficit widened slightly in December but contracted by the most in 14 years in 2023 as imports declined and exports jumped to a record high. The report from the Commerce Department on Wednesday also showed the United States' rising status as a major oil producer, with the inflation-adjusted value of petroleum exports surging 15.9% to a record high in December. The nation is now a net oil exporter and has reduced its dependence of foreign oil, helping to shrink the current account deficit. Economists expected trade, which contributed to gross domestic product growth last year, to remain mostly supportive to the economy in 2024, though Red Sea shipping disruptions and drought in the Panama Canal posed risks.

Fed policymakers signal no rush to cut US interest rates

US central bankers want to hold off on cutting interest rates until they have more confidence that inflation is headed down to 2%, and on Wednesday gave a range of reasons for feeling little urgency to start easing policy soon or to move quickly once they do. Last week the Federal Reserve held the policy rate steady in the 5.25%-5.5% range, where it has been since last July, and Fed Chair Jerome Powell said there would likely not be enough data by the next meeting, in March, to feel sure they have made enough progress against inflation to reduce borrowing costs. The strength of the labor market and the economy, she said, suggests that cooling will take some time, and rate cuts should be gradual and methodical when they start. In December most Fed policymakers forecast three or more interest-rate cuts this year.

China's consumer prices fall 0.8% y/y, factory deflation persists

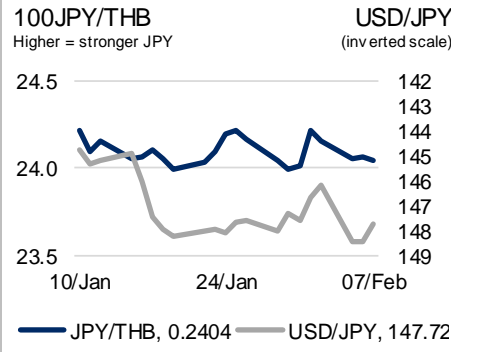
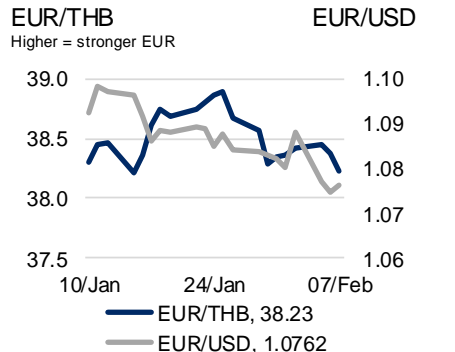
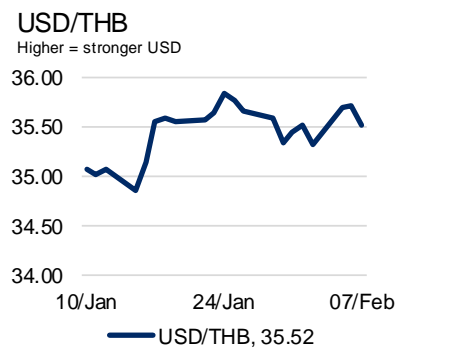
China's consumer prices extended their decline for a fourth month in January while producer prices also dropped, underscoring deflationary risks facing the world's second-biggest economy as it struggles to mount a solid recovery. The consumer price index (CPI) fell 0.8% in January from a year earlier, after a 0.3% drop in December, data from the National Bureau of Statistics (NBS) showed. The CPI rose 0.3% month-on-month from a 0.1% uptick the previous month. Economists polled by Reuters had forecast a 0.5% fall year-on-year and a 0.4% gain month-on-month. The producer price index (PPI) slid 2.5% from a year earlier in January after a 2.7% fall the previous month, compared with a 2.6% slide forecast in the Reuters poll.

Dollar oscillates on less dovish Fed comments; yuan steady after inflation data

The 10-year government bond yield (interpolated) on the previous trading day was 2.62, -2.02 bps. The benchmark government bond yield (LB31DA) was 2.63, -4.00 bps. Meantime, the latest closed US 10-year bond yields was 4.09, +0.00 bps. USDTHB on the previous trading day closed around 35.52 Moving in a range of 35.60-35.63 this morning. USDTHB could be closed between 35.45-35.70 today. The US dollar was trading in a tight range on Thursday as traders digested less dovish remarks from policymakers overnight and looked ahead to fresh economic data from the United States. Attention was also on inflation data out of China in the Asian morning amid concerns about deflation in the world's second-largest economy. Overnight, several Fed speakers gave a range of reasons for feeling little urgency to start easing policy in the United States soon or to move quickly once they do. The market is pricing in an 18.5% chance the Fed will begin to cut rates in March, down significantly from the start of the year, according to CME Group's FedWatch Tool shows. Traders see a nearly 60% chance of a 25 basis point cut in May.

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

SET Index 1,400.0	S&P500 4,995.1	10Y UST 4.09%	Brent 78.8	Gold 2,033.2
7-Feb ▲ 0.22%	7-Feb ▲ 0.82%	7-Feb ▲ 0.0 bps	6-Feb ▲ 1.00%	7-Feb ▲ 0.40%
USD/THB 35.52	EUR/THB 38.23	JPY/THB 0.2404		
Daily ▼ -0.56%	Daily ▼ -0.40%	Daily ▼ -0.07%		
Weekly ▲ 0.01%	Weekly ▼ -0.35%	Weekly ▼ -0.70%		
Monthly ▲ 1.30%	Monthly ▼ -0.21%	Monthly ▼ -0.73%		
Sideways Trend	Falling Trend	Falling Trend		



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		104.38	0.0%	0.8%	2.1%	102.20	104.38
EUR/USD		1.0746	-0.2%	-0.7%	-1.9%	1.0746	1.0981
USD/JPY		148.44	0.0%	0.6%	3.3%	143.34	148.44
USD/CHF		0.8703	0.3%	0.8%	2.7%	0.8472	0.8703
GBP/USD		1.2549	-0.5%	-1.0%	-1.6%	1.2549	1.2771
USD/CAD		1.3525	0.3%	0.8%	1.3%	1.3348	1.3525
AUD/USD		0.6498	0.0%	-1.0%	-3.3%	0.6498	0.6733
NZD/USD		0.6065	0.0%	-0.9%	-3.1%	0.6063	0.6257
ASEAN Dollar		107.91	0.0%	-0.9%	1.3%	106.30	108.93
USD/THB		35.72	0.0%	0.8%	2.4%	34.52	35.83
USD/SGD		1.3453	0.1%	0.4%	1.4%	1.3272	1.3453
USD/MYR		4.7609	0.2%	0.7%	2.6%	4.6375	4.7609
USD/IDR		15,686	0.3%	-0.2%	1.7%	15,429	15,769
USD/PHP		56.41	0.1%	-0.2%	0.8%	55.79	56.59
USD/CNY		7.1982	0.0%	0.2%	0.7%	7.1512	7.2072
USD/HKD		7.8172	-0.1%	0.0%	0.2%	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		221,153	-85
Gold		15,846	-83
SDR		5,472	-5
IMF Reserves		1,167	-1
Foreign Ccy		198,667	5
Net Fwd Position		30,315	165

Last update: 1/26/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
2/7/2024	-2,006	1,128	-879
2/6/2024	3,613	-6,279	-2,666
2/5/2024	160	-4,462	-4,301
2/2/2024	2,097	-2,310	-212
2/1/2024	2,080	-1,171	910
Last 5 days	5,945	-13,093	-7,148

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 5,945	↓ -13,093	↓ -7,148
QTD	Quarter	↓ -24,929	↓ -17,326	↓ -42,256
YTD	Year	↓ -24,929	↓ -17,326	↓ -42,256

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: 6/29/2023

Last Updated: 3/9/2023

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		3.9500	-42.00	-34.00	3.00	3.30	4.83
Gilt 10y		3.8064	-36.25	-41.87	7.27	3.39	4.61
Bund 10y		2.0200	-40.00	-66.00	-68.00	2.02	2.84
JGB 10y		0.6930	-7.50	3.50	16.50	0.33	0.88
TGB 1y		2.3153	-1.65	-2.33	-5.93	2.32	2.38
TGB 2y		2.2553	-0.99	-1.96	-6.62	2.26	2.35
TGB 5y		2.3666	-0.89	-0.24	-7.34	2.35	2.49
TGB 7y		2.5055	-1.18	0.50	-7.03	2.49	2.62
TGB 10y		2.6431	-2.24	-0.36	-11.04	2.64	2.79
AAA Spread		65.90	-2.69	-1.66	-8.00	65.40	75.12
AA Spread		73.48	-1.46	-7.20	-16.47	67.72	94.51
A Spread		109.02	0.59	-11.93	-14.86	108.43	128.06
BBB Spread		235.62	0.25	1.15	10.00	225.49	239.74

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		78.77	1.0%	-4.4%	1.5%	75.89	83.55
London Gold		2021.0	-0.8%	4.9%	11.6%	1,810.2	2,037.9

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)		4,850.4	2.3%	3.1%	16.4%	4,166.8	4,868.6
STOXX (EU)		469.1	0.1%	-1.3%	4.8%	422.0	475.7
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		16,650.6	2.7%	5.9%	6.9%	14,892.2	16,650.6
CAC All-Tradable(FR)		5,617.8	3.5%	3.7%	1.8%	5,116.9	5,642.7
TOPIX (JP)		2,332.3	-1.4%	-1.2%	16.6%	1,926.9	2,364.5
Shanghai (CH)		3,042.7	-4.0%	-7.5%	-11.8%	3,042.7	3,495.5
Hang Seng (HK)		16,629.2	-2.4%	-7.9%	-19.0%	16,629.2	21,678.0
ASX 200 (AU)		7,377.9	5.2%	2.7%	1.6%	6,844.1	7,481.7
SET (TH)		1,400.4	1.5%	-9.2%	-16.1%	1,371.2	1,684.0
SET50 (TH)		869.2	1.9%	-8.1%	-12.9%	846.9	1,006.1
Straits Times (SG)		3,116.6	0.9%	-4.5%	-4.5%	3,078.8	3,378.3
FTSE Malay (MY)		1,462.5	1.1%	0.6%	-0.8%	1,377.7	1,499.4
JSX Index (ID)		7,119.5	0.5%	2.0%	3.5%	6,584.5	7,119.5
PSE Index (PH)		6,475.5	3.4%	3.9%	-5.1%	6,131.3	7,014.0
Vn Index (VN)		1,100.8	-1.8%	-10.2%	7.4%	1,024.8	1,226.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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