

Fed still on track even if inflation's path down is bumpy

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The Federal Reserve's path back to its 2% inflation target rate would still be on track even if price increases run a bit hotter-than-expected over the next few months and the central bank should be wary of waiting too long before it cuts interest rates, Chicago Fed President Austan Goolsbee said. The Fed last month kept interest rates unchanged in the 5.25% to 5.50% target range, where it has been held since last July, as it seeks more confidence that the annual pace of price increases is on a sustainable path back down to 2%. US consumer prices rose more than expected in January, government data showed on Tuesday, amid a surge in the cost of rental housing. As a result, traders piled into bets the central bank will wait until June to start reducing the policy rate, and now expect three quarter-point cuts by year-end, in line with what Fed policymakers projected in December but less than the four or more rate cuts markets had priced in at the start of the week.

Japan unexpectedly slips into recession, Germany now world's third-biggest economy

Japan unexpectedly slipped into a recession at the end of last year, losing its title as the world's third-biggest economy to Germany and raising doubts about when the central bank would begin to exit its decade-long ultra-loose monetary policy. Some analysts are warning of another contraction in the current quarter as weak demand in China, sluggish consumption and production halts at a unit of Toyota Motor (NYSE:TM) Corp all point to a challenging path to an economic recovery. Japan's gross domestic product (GDP) fell an annualised 0.4% in the October-December period after a 3.3% slump in the previous quarter, government data showed on Thursday, confounding market forecasts for a 1.4% increase.

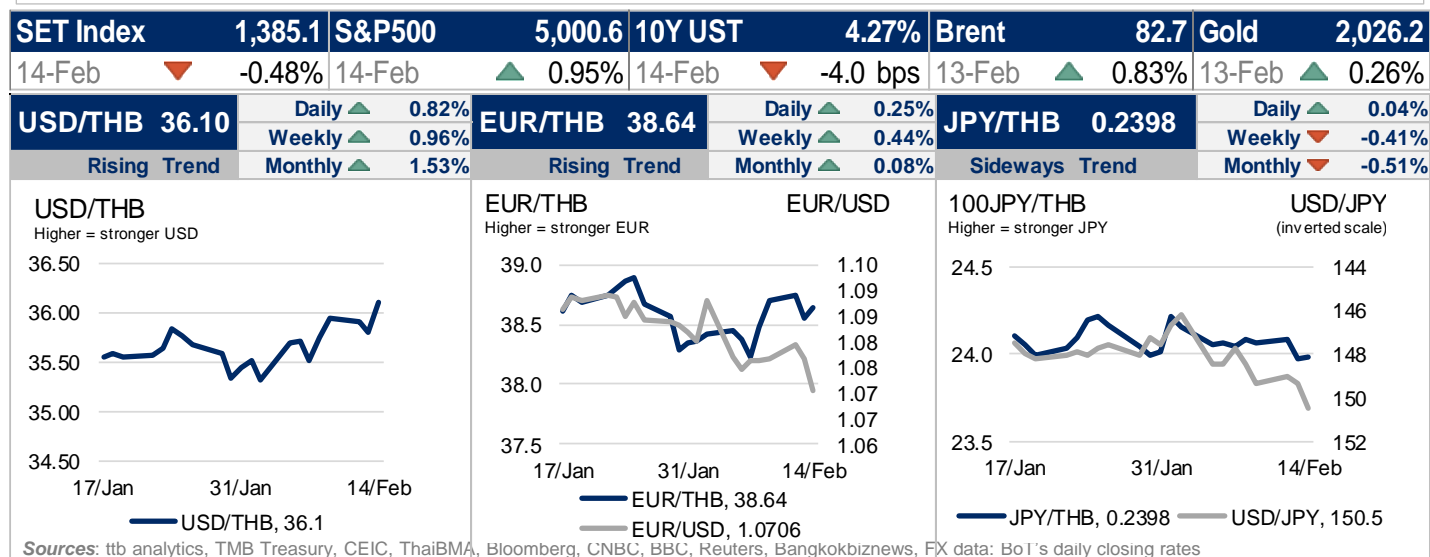
Singapore's Q4 economy grows slower than first estimates

Singapore's economy grew slower than initial estimates in the fourth quarter of last year, on downward revisions in construction and manufacturing but the city-state was still hopeful of a pick up in activity in 2024. Gross domestic product (GDP) rose 2.2% on a year-on-year basis in the fourth quarter, government data showed on Thursday, lower than an advance estimate of 2.8% released last month. The fourth-quarter expansion was also below the 2.5% in a Reuters poll of forecasts. On a quarter-on-quarter, seasonally-adjusted basis, GDP expanded 1.2% in the October-December period, compared with 1.7% in advanced estimates. The trade ministry maintained its GDP growth forecast for 2024 at 1.0% to 3.0%.

US dollar drifts lower, consolidates gains; seen rising further

The 10-year government bond yield (interpolated) on the previous trading day was 2.58, +2.56 bps. The benchmark government bond yield (LB31DA) was 2.56, +2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.27, -4.00 bps. USDTHB on the previous trading day closed around 36.10 Moving in a range of 36.065-36.175 this morning. USDTHB could be closed between 36.00-36.25 today. The dollar slid from a fresh three-month high against a major currency basket on Wednesday, as investors consolidated gains following the previous session's hotter-than-expected US inflation report. The inflation data for January pushed back bets on a first Federal Reserve rate cut to the middle of the year. The greenback also weakened against the yen after Japan's top currency officials warned against what they described as rapid and speculative yen moves. The dollar eased 0.2% to 150.52 yen, not too far from a three-month peak hit against the Japanese currency. The US unit has added about 10 yen in price since the start of this year.

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



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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		104.18	0.0%	0.1%	1.2%	102.23	104.38
EUR/USD		1.0767	-0.2%	0.0%	-1.4%	1.0746	1.0981
USD/JPY		149.33	0.2%	1.1%	2.3%	144.89	149.33
USD/CHF		0.8764	0.2%	0.8%	2.1%	0.8496	0.8764
GBP/USD		1.2627	-0.1%	0.1%	-0.4%	1.2549	1.2771
USD/CAD		1.3459	0.0%	-0.2%	-0.1%	1.3364	1.3525
AUD/USD		0.6519	-0.1%	-0.2%	-1.5%	0.6489	0.6716
NZD/USD		0.6115	-0.3%	0.1%	-0.9%	0.6063	0.6246
ASEAN Dollar		108.85	0.0%	0.3%	1.6%	106.65	108.85
USD/THB		35.80	-0.3%	0.8%	1.9%	34.85	36.10
USD/SGD		1.3451	0.0%	0.2%	0.6%	1.3291	1.3470
USD/MYR		4.7642	0.0%	0.1%	1.7%	4.6375	4.7769
USD/IDR		15,538	-0.1%	-0.6%	0.2%	15,467	15,769
USD/PHP		56.10	-0.2%	-0.2%	0.1%	56.02	56.59
USD/CNY		7.2010	0.0%	0.2%	0.2%	7.1593	7.2093
USD/HKD		7.8140	-0.1%	0.0%	-0.1%	7.8085	7.8298

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		220,832	-321
Gold		16,004	158
SDR		5,458	-15
IMF Reserves		1,164	-3
Foreign Ccy		198,207	-460
Net Fwd Position		30,605	290

Last update: 02/02/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
14/02/2024	-2,701	-5,079	-7,780
13/02/2024	-201	-1,217	-1,418
12/02/2024	66	-142	-75
09/02/2024	-859	-2,892	-3,751
08/02/2024	-1,936	2,679	743
Last 5 days	-5,630	-6,652	-12,281

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 315	↓ -19,745	↓ -19,429
QTD	Quarter	↓ -30,559	↓ -23,978	↓ -54,537
YTD	Year	↓ -30,559	↓ -23,978	↓ -54,537

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: 09/03/2023

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		3.8900	-25.00	-60.00	-8.00	3.37	4.88
Gilt 10y		3.5577	-46.99	-69.37	-26.68	3.10	4.56
Bund 10y		1.9300	-24.00	-86.00	-61.00	1.93	2.83
JGB 10y		0.6100	-7.70	-10.50	7.80	0.32	0.88
TGB 1y		2.2672	-0.59	-2.58	-8.86	2.27	2.37
TGB 2y		2.1694	-1.19	-7.30	-14.82	2.17	2.34
TGB 5y		2.2645	-0.35	-7.41	-14.12	2.25	2.45
TGB 7y		2.4016	-0.76	-8.12	-14.91	2.40	2.59
TGB 10y		2.5527	-1.82	-7.01	-18.08	2.55	2.78
AAA Spread		62.91	-4.38	-3.49	-10.99	62.91	73.91
AA Spread		73.58	0.09	1.76	-20.89	67.14	94.59
A Spread		108.93	0.00	-11.48	-14.85	108.93	128.21
BBB Spread		235.64	0.22	1.40	10.04	225.55	244.50

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		82.68	0.8%	5.2%	6.8%	76.12	83.55
London Gold		2055.6	1.7%	6.7%	11.0%	1,833.2	2,055.6

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)		4,927.9	1.2%	3.0%	12.9%	4,137.2	4,927.9
STOXX (EU)		470.7	-1.8%	-2.5%	1.8%	421.2	474.1
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		16,742.1	0.7%	8.7%	8.5%	14,923.3	16,742.1
CAC All-Tradable(FR)		5,625.8	2.1%	5.1%	2.5%	5,106.1	5,630.3
TOPIX (JP)		2,326.0	-0.7%	-4.2%	16.7%	1,955.3	2,428.4
Shanghai (CH)		3,060.1	-1.8%	-6.5%	-11.2%	3,060.1	3,559.0
Hang Seng (HK)		16,621.1	1.8%	-7.6%	-16.9%	16,327.9	22,566.8
ASX 200 (AU)		7,504.1	6.3%	6.2%	1.9%	6,772.9	7,539.0
SET (TH)		1,410.4	2.1%	-7.4%	-13.1%	1,381.0	1,681.2
SET50 (TH)		873.8	2.5%	-6.4%	-9.5%	852.7	1,002.7
Straits Times (SG)		3,140.0	2.1%	-2.0%	-3.1%	3,067.7	3,384.3
FTSE Malay (MY)		1,455.6	0.4%	-0.1%	0.0%	1,376.1	1,499.5
JSX Index (ID)		7,219.7	1.8%	3.4%	4.0%	6,619.8	7,219.7
PSE Index (PH)		6,501.0	3.0%	6.1%	-4.4%	6,039.7	7,069.7
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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