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The US Federal Reserve will cut the federal funds rate in June, according to a slim majority of economists polled by Reuters, who also said the greater risk was the first rate cut would come later than forecast rather than earlier. Reuters surveys since September have consistently predicted the first rate cut would come around the middle of this year. Markets, however, have gone from March to May, and now are priced for June as the most likely time for the first rate reduction. Although stock markets have surged to record highs, the US 10-year Treasury yield has jumped nearly 50 basis points to 4.28% this month alone, thanks to a series of releases showing strong growth, a tight labor market, and still-sticky inflation. A strong majority of 86 of 104 economists in a Feb. 14-20 Reuters poll said the Fed would first cut the fed funds rate - currently 5.25%-5.50% - next quarter, similar to last month's survey.

Germany likely in recession, Bundesbank says

Germany is likely in recession now as external demand is weak, consumers remain cautious and domestic investment is held back by high borrowing costs, the Bundesbank said in a regular monthly report on Monday about Europe's biggest economy. Germany has struggled since Russia's 2022 invasion of Ukraine pushed up energy costs, and its vast, industry-heavy economy is now in its fourth straight quarter of zero or negative growth, weighing on all of the euro zone. This weak performance has raised questions about the sustainability of the German economic model and critics argue that much of its energy-reliant heavy industry is now being priced out of international markets, warranting an economic transformation. The government, however, has pushed back on gloomy projections, arguing that it is merely a perfect storm of high energy costs, weak Chinese demand and rapid inflation.

Japan's exports perk up but souring factory mood darkens outlook

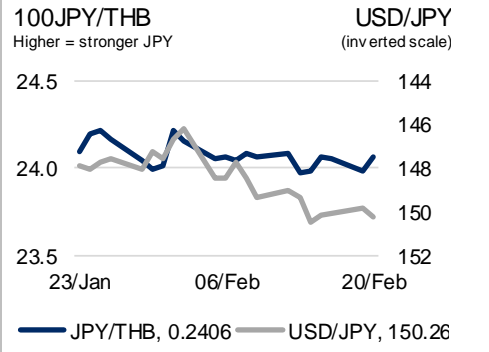
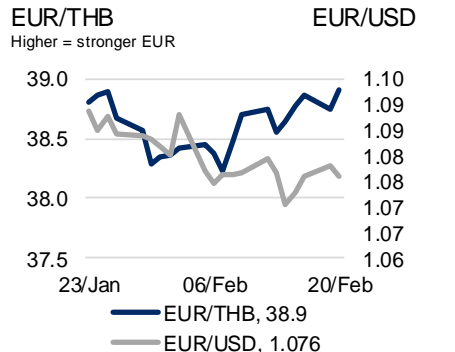
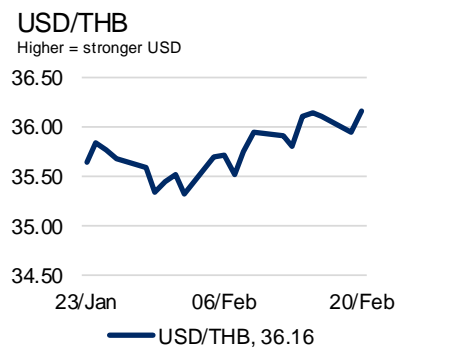
Japan's exports rose more than expected in January, driven by US-bound shipments of autos and car parts and Chinese demand for chip-making equipment, although the worsening factory sector mood added to concerns about broader economic weakness. Ministry of Finance data out showed Japan's exports rose 11.9% in January from the same month a year ago, faster than a 9.5% gain expected by economists in a Reuters poll and 9.7% growth in the previous month. While the brisk exports could ease some concerns about further economic declines, the Reuters Tankan survey showed manufacturers' business morale soured sharply in February, with pessimists outnumbering optimists for the first time in 10 months. Some analysts cautioned against reading too much into the firm export data, noting the 29.2% year-on-year increase in China-bound shipments was partly skewed by comparisons with 2023.

Dollar dips, China boosts global growth hopes

The 10-year government bond yield (interpolated) on the previous trading day was 2.56, -1.12 bps. The benchmark government bond yield (LB31DA) was 2.57, -2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.27, -3.00 bps. USDTHB on the previous trading day closed around 36.16 Moving in a range of 35.98-36.07 this morning. USDTHB could be closed between 35.85-36.15 today. The US dollar weakened after China cut interest rates in a bid to prop up its struggling property market, raising hopes of additional stimulus that would boost global growth. The yen gained, meanwhile, but stayed below the 150.88 per dollar level reached, its weakest in 11 weeks, as investors focus on whether renewed weakness in the Japanese currency is likely to prompt intervention by the Bank of Japan and Ministry of Finance. China cut the five-year loan prime rate (LPR) by 25 basis points, which was the largest since the reference rate was introduced in 2019 and far more than analysts had expected.

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

SET Index	1,381.1	S&P500	4,975.5	10Y UST	4.27%	Brent	83.6	Gold	2,026.8
20-Feb	▼ -0.45%	19-Feb	▼ -0.60%	20-Feb	▼ -3.0 bps	19-Feb	▲ 0.11%	20-Feb	▲ 0.32%
USD/THB 36.16	Daily ▲ 0.59%	EUR/THB 38.90	Daily ▲ 0.41%	JPY/THB 0.2406	Daily ▲ 0.32%				
	Weekly ▲ 0.16%		Weekly ▲ 0.66%		Weekly ▲ 0.32%				
	Monthly ▲ 1.45%		Monthly ▲ 0.27%		Monthly ▼ -0.13%				
Rising Trend		Rising Trend		Sideways 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		104.20	0.0%	0.0%	0.9%	102.96	104.86
EUR/USD		1.0780	0.2%	0.1%	-1.0%	1.0706	1.0892
USD/JPY		149.85	-0.2%	0.3%	1.2%	146.19	150.50
USD/CHF		0.8806	0.0%	0.5%	1.4%	0.8567	0.8868
GBP/USD		1.2620	0.3%	-0.1%	-0.7%	1.2549	1.2757
USD/CAD		1.3474	-0.1%	0.1%	0.3%	1.3371	1.3570
AUD/USD		0.6539	0.4%	0.3%	-0.8%	0.6453	0.6612
NZD/USD		0.6140	0.7%	0.4%	0.4%	0.6062	0.6152
ASEAN Dollar		108.32	0.0%	0.0%	0.6%	106.38	108.33
USD/THB		35.94	-0.5%	0.4%	1.0%	35.32	36.16
USD/SGD		1.3446	-0.1%	0.0%	0.3%	1.3350	1.3507
USD/MYR		4.7799	0.0%	0.3%	1.2%	4.7133	4.7816
USD/IDR		15,562	-0.1%	0.2%	-0.1%	15,538	15,769
USD/PHP		56.27	0.2%	0.3%	-0.1%	56.06	56.59
USD/CNY		7.1980	0.0%	0.0%	-0.1%	7.1595	7.2154
USD/HKD		7.8177	0.0%	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		220,705	-127
Gold		15,892	-112
SDR		5,454	-3
IMF Reserves		1,164	-1
Foreign Ccy		198,195	-11
Net Fwd Position		30,205	-400

Last update: 9/2/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
20/2/2024	-74	-541	-616
19/2/2024	1,223	-196	1,027
16/2/2024	834	2,653	3,486
15/2/2024	-1,342	-1,978	-3,319
14/2/2024	-2,701	-5,079	-7,780
Last 5 days	-2,060	-5,142	-7,202

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 956	↓ -19,807	↓ -18,851
QTD	Quarter	↓ -29,918	↓ -24,040	↓ -53,958
YTD	Year	↓ -29,918	↓ -24,040	↓ -53,958

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		2.53	0.00	2.53	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		2.73	0.00	2.73	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		3.8800	-32.00	-68.00	18.00	3.30	4.91
Gilt 10y		3.5803	-50.85	-74.16	-15.73	3.39	4.63
Bund 10y		2.0700	-13.00	-79.00	-21.00	2.07	2.92
JGB 10y		0.6570	-13.40	-10.10	13.00	0.34	0.95
TGB 1y		2.2539	-0.35	-1.32	-10.09	2.25	2.36
TGB 2y		2.1664	-0.59	-0.30	-17.83	2.17	2.34
TGB 5y		2.2827	-0.47	1.82	-14.72	2.25	2.45
TGB 7y		2.4177	-0.09	1.62	-15.85	2.40	2.59
TGB 10y		2.5710	-0.69	1.83	-19.00	2.55	2.78
AAA Spread		62.86	-4.52	-3.68	-10.13	62.86	75.12
AA Spread		74.67	1.08	6.23	-19.80	67.08	94.47
A Spread		108.86	-0.16	-10.52	-14.71	108.86	128.06
BBB Spread		235.71	0.01	1.42	10.13	225.58	238.85

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		83.56	0.1%	1.9%	5.6%	77.33	83.56
London Gold		2054.1	3.7%	9.7%	9.1%	1,810.2	2,054.1

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)		4,958.6	0.7%	3.7%	12.3%	4,237.9	4,958.6
STOXX (EU)		466.6	0.3%	-1.2%	4.7%	423.0	474.2
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		16,538.4	-1.4%	7.5%	10.5%	14,798.5	16,766.1
CAC All-Tradable(FR)		5,601.8	0.3%	5.8%	8.5%	5,132.8	5,607.1
TOPIX (JP)		2,365.4	0.3%	-0.5%	17.1%	1,937.1	2,391.1
Shanghai (CH)		3,060.3	-1.6%	-6.4%	-10.4%	3,060.3	3,499.0
Hang Seng (HK)		17,047.4	5.2%	-3.8%	-16.6%	16,201.5	22,072.2
ASX 200 (AU)		7,627.8	6.0%	8.5%	7.3%	6,955.2	7,627.8
SET (TH)		1,429.6	2.8%	-3.5%	-11.7%	1,391.0	1,688.4
SET50 (TH)		880.6	2.0%	-3.2%	-8.9%	863.6	1,004.2
Straits Times (SG)		3,230.0	4.0%	0.7%	1.7%	3,099.6	3,359.5
FTSE Malay (MY)		1,457.4	0.8%	1.0%	0.3%	1,381.7	1,485.5
JSX Index (ID)		7,303.9	2.0%	4.4%	5.9%	6,565.7	7,303.9
PSE Index (PH)		6,554.0	4.2%	7.5%	0.0%	5,973.8	7,052.2
Vn Index (VN)		1,122.3	-0.2%	-1.4%	6.3%	1,034.9	1,241.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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