

US service sector expands moderately in March; price pressures easing

US service sector expands moderately in March; price pressures easing

U.S. services industry growth slowed further in March, while a measure of prices paid by businesses for inputs dropped to a four-year low, which bodes well for the inflation outlook. The Institute for Supply Management (ISM) said on Wednesday that its non-manufacturing PMI fell to 51.4 last month from 52.6 in February. It was the second straight monthly decline in the index since rebounding in January. A reading above 50 indicates growth in the services industry, which accounts for more than two-thirds of the economy. Economists polled by Reuters had forecast the index edging up to 52.7 in March. The PMI remains consistent with an economy that continues to expand, though at a moderate pace. Growth is slowing following 525 basis points worth of interest rate hikes from the Federal Reserve since March 2022. The U.S. central bank is expected to start cutting rates this year, but the timing will depend on how inflation behaves.

U.S. private employers add 184,000 jobs in March

The U.S. private sector added far more jobs than expected in March, pointing to continued strength in the labor market that may impact how Federal Reserve policymakers approach potential interest rate cuts this year. Private sector employment increased by 184,000 jobs last month, according to data from payrolls processor ADP. Economists had forecast jobs growth of 148,000. It was the largest increase in hiring since July, led by leisure and hospitality. Job gains were strong across industries with the exception of professional services, where hiring fell, the report said. For job-stayers, year-over-year pay gains were flat at 5.1% after months of steady deceleration. At the same time, gains for job-changers rose dramatically to 10%, the second straight increase.

Euro zone inflation unexpectedly eases, boosting rate cut case

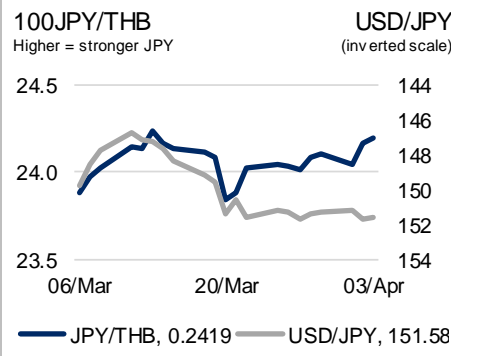
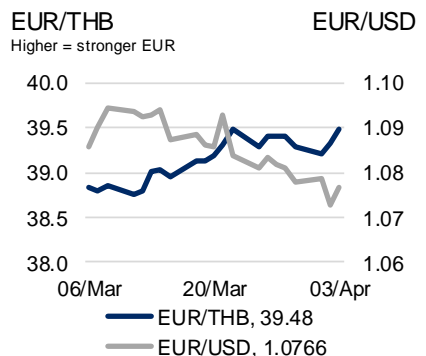
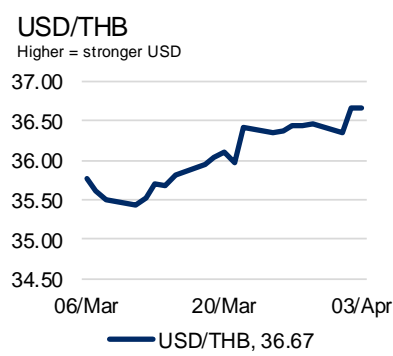
Euro zone inflation fell unexpectedly last month, solidifying the case for the European Central Bank to start lowering borrowing costs from record highs. Consumer price growth in the 20 nations sharing the euro currency slowed to 2.4% in March from 2.6% a month earlier, defying expectations for a steady rate as food, energy and industrial goods prices all pulled the headline figure lower. Underlying inflation, closely watched by the ECB to gauge the durability of price pressures, meanwhile fell to 2.9% from 3.1%, coming below expectations for 3.0%, data from Eurostat, the EU's statistic's agency showed. The only potential concern for the ECB will be that services inflation has been holding steady at 4.0% for months now, suggesting that relatively quick wage growth is keeping prices in the sector under constant pressure.

Dollar takes a breather ahead of US jobs data

The 10-year government bond yield (interpolated) on the previous trading day was 2.57, +3.61 bps. The benchmark government bond yield (LB31DA) was 2.53, +4.00 bps. Meantime, the latest closed US 10-year bond yields was 4.36, +0.00 bps. USDTHB on the previous trading day closed around 36.67. Moving in a range of 36.58-36.695 this morning. USDTHB could be closed between 36.50-36.80 today. The dollar was pinned beneath recent peaks on Thursday with traders taking remarks from Federal Reserve Chair Jerome Powell as reassuring on the likelihood of interest rate cuts this year while waiting for the latest U.S. labor market readout. An unexpected slowdown in U.S. services growth also supported cut expectations and weighed on the dollar, though for the year so far it remains the best-performing G10 currency as those expectations are far more modest than three months ago. The yen, which has been frozen lately by the risk of official intervention, hardly enjoyed much relief either, and at 151.56 was more or less where it has been for three weeks.

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

SET Index	1,375.7	S&P500	5,211.5	10Y UST	4.36%	Brent	89.6	Gold	2,270.8		
3-Apr	▼ -0.27%	3-Apr	▲ 0.11%	3-Apr	▲ 0.0 bps	3-Apr	▲ 0.77%	3-Apr	▲ 0.27%		
USD/THB	36.67	Daily ▲	0.03%	EUR/THB	39.48	Daily ▲	0.40%	JPY/THB	0.2419	Daily ▲	0.09%
		Weekly ▲	0.61%			Weekly ▲	0.19%			Weekly ▲	0.46%
		Monthly ▲	2.51%			Monthly ▲	1.66%			Monthly ▲	1.30%
Rising Trend		Rising Trend		Rising Trend		Rising Trend		Rising Trend		Rising Trend	



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoI's daily closing rates

Main Contributor

Tarathip Tangkanjanapas Pimchatr Ekkachan
tarathip.tan@ttbank.com pimchatr.ekk@ttbank.com

ttb analytics ttbanalytics@ttbank.com
Naris Sathapholdeja naris.sat@ttbank.com
Kasem Hanchanpanich kasem.har@ttbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		105.09	0.3%	0.6%	1.2%	102.72	105.09
EUR/USD		1.0726	-0.6%	-0.9%	-1.1%	1.0726	1.0945
USD/JPY		151.67	0.3%	0.0%	0.9%	146.73	151.73
USD/CHF		0.9069	0.6%	0.3%	2.4%	0.8771	0.9069
GBP/USD		1.2545	-0.7%	-0.5%	-1.1%	1.2545	1.2853
USD/CAD		1.3580	0.3%	-0.2%	-0.1%	1.3450	1.3604
AUD/USD		0.6490	-0.5%	-0.4%	-0.1%	0.6490	0.6625
NZD/USD		0.5947	-0.6%	-0.7%	-2.3%	0.5947	0.6175
ASEAN Dollar		107.12	0.0%	0.1%	0.6%	105.41	107.18
USD/THB		36.66	0.8%	0.6%	2.3%	35.43	36.67
USD/SGD		1.3531	0.4%	0.4%	0.7%	1.3306	1.3531
USD/MYR		4.7493	0.6%	0.4%	0.5%	4.6799	4.7569
USD/IDR		15,859	0.3%	0.6%	1.0%	15,493	15,859
USD/PHP		56.71	0.6%	0.1%	0.7%	55.67	56.71
USD/CNY		7.2527	0.0%	0.1%	0.7%	7.1749	7.2527
USD/HKD		7.8264	0.0%	0.0%	0.0%	7.8160	7.8265

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		223,574	-196
Gold		16,998	74
SDR		5,462	-26
IMF Reserves		1,161	-6
Foreign Ccy		199,953	-238
Net Fwd Position		29,445	60

Last update: 22/03/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
03/04/2024	1,590	-666	924
02/04/2024	-1,581	-2,793	-4,374
01/04/2024	900	83	983
29/03/2024	645	1,587	2,232
28/03/2024	-1,808	4,240	2,432
Last 5 days	-254	2,451	2,197

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 909	↓ -3,376	↓ -2,467
QTD	Quarter	↑ 909	↓ -3,376	↓ -2,467
YTD	Year	↓ -68,417	↓ -31,955	↓ -100,372

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	2.53	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	2.61	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	2.73	6M		1.95	1.31	1.99	6M		0.44	0.15	0.44
12M		2.82	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		4.3100	16.00	-18.00	74.00	3.37	4.86
Gilt 10y		4.1114	7.27	-16.81	38.83	3.34	4.65
Bund 10y		2.3600	10.00	-28.00	0.00	2.02	2.79
JGB 10y		0.7310	1.00	-18.90	26.60	0.31	0.92
TGB 1y		2.2439	0.07	-0.04	0.88	2.23	2.25
TGB 2y		2.1551	0.86	-0.50	0.59	2.12	2.16
TGB 5y		2.2614	2.00	0.25	1.85	2.19	2.28
TGB 7y		2.3780	1.57	0.56	1.36	2.30	2.40
TGB 10y		2.5313	2.62	-1.27	-1.53	2.49	2.57
AAA Spread		63.30	1.67	-5.42	-7.61	61.63	73.90
AA Spread		77.83	-1.98	9.84	-4.68	67.54	86.00
A Spread		109.97	1.94	-0.01	-16.80	108.03	127.56
BBB Spread		260.10	-13.29	25.55	34.19	225.91	273.39

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		89.61	0.8%	3.9%	8.2%	81.92	89.61
London Gold		2270.8	0.3%	4.7%	10.8%	2,025.3	2,270.8

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)		5,117.1	0.0%	0.6%	7.6%	4,704.8	5,178.5
STOXX (EU)		498.4	0.4%	3.1%	16.7%	421.2	500.3
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		16,880.8	-0.5%	10.0%	6.0%	14,879.9	16,961.4
CAC All-Tradable(FR)		5,651.7	1.8%	8.3%	1.4%	5,076.8	5,651.7
TOPIX (JP)		2,612.0	3.2%	10.7%	29.4%	1,960.1	2,612.0
Shanghai (CH)		2,966.3	2.6%	-7.5%	-14.9%	2,889.9	3,487.6
Hang Seng (HK)		15,746.6	-1.0%	-10.9%	-24.2%	15,746.6	20,782.5
ASX 200 (AU)		7,547.7	-0.4%	7.9%	3.5%	6,844.1	7,578.4
SET (TH)		1,385.1	0.6%	-0.1%	-11.5%	1,371.2	1,571.1
SET50 (TH)		844.5	0.4%	-2.0%	-10.5%	841.3	960.4
Straits Times (SG)		3,139.1	-0.6%	0.1%	-5.6%	3,083.9	3,325.0
FTSE Malay (MY)		1,529.3	1.7%	4.5%	6.6%	1,378.7	1,529.3
JSX Index (ID)		7,235.2	-0.2%	6.6%	6.0%	6,636.4	7,272.8
PSE Index (PH)		6,827.9	2.3%	12.3%	5.9%	6,078.0	6,827.9
Vn Index (VN)		1,202.5	2.1%	8.0%	15.3%	1,042.9	1,236.8

Sources: ttb analytics, CEIC

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.