

Fed hawks and doves: US central bankers see 'no urgency' to cut

Fed hawks and doves: US central bankers see 'no urgency' to cut

The labels "dove" and "hawk" have long been used by central bank watchers to describe the monetary policy leanings of policymakers, with a dove more focused on risks to the labor market and a hawk more focused on the threat of inflation. The topsy-turvy economic environment of the COVID-19 pandemic sidelined those differences, turning Federal Reserve officials at first universally dovish as they sought to provide massive accommodation for a cratering US economy, and then, when inflation surged, into hawks who uniformly backed aggressive interest rate hikes. The risks are now seen as more balanced and the choices more nuanced. All 12 regional Fed presidents debate monetary policy at FOMC meetings that are held eight times a year, but only five cast votes at any given meeting.

Japan's factory activity declines slow, PMI shows

Japan's factory activity contracted but approached the break-even point in April, a business survey showed on Tuesday, suggesting the key sector is finally picking up after months of sluggishness. The au Jibun Bank flash Japan manufacturing purchasing managers' index (PMI) rose to 49.9 in April from 48.2 in March, remaining below the 50.0 threshold separating growth from contraction for 11 straight months. Still, the index was closest to the break-even level since slipping into contraction in June, the data showed. The output and new orders, the two key subindexes contributing to the headline figure, contracted at the slowest pace in six and 10 months, respectively.

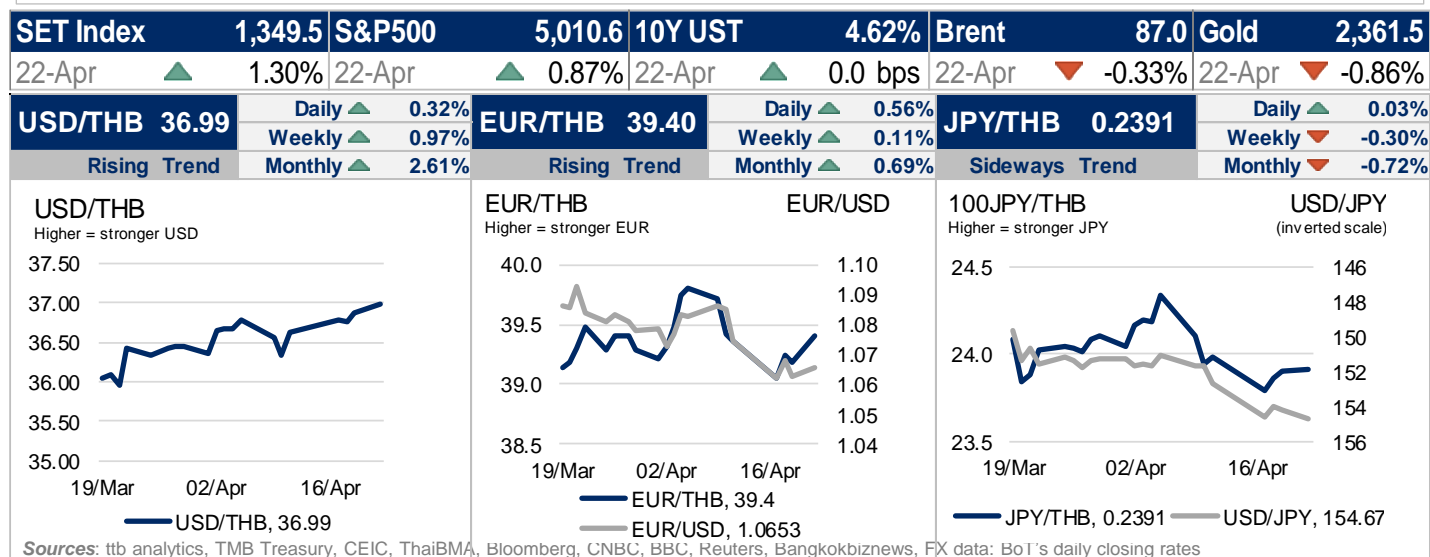
BOJ will hike rates if trend inflation accelerates, Gov Ueda says

Bank of Japan Governor Kazuo Ueda said on Tuesday the central bank will raise interest rates again if trend inflation accelerates toward its 2% target, in line with its forecast. "If our price forecasts change, that would also be a reason to change monetary policy. But we don't have any preset idea on the specific timing and pace" of rate hikes, Ueda told parliament. He also said the BOJ must maintain ultra-loose monetary policy for the time being as trend inflation, or price rises driven by domestic demand and measured by scrutinising various indicators, remains "somewhat below 2%". Ueda's remarks comes ahead of the BOJ's two-day policy meeting that ends on Friday, when the board is set to keep interest rates unchanged and announce fresh quarterly growth and inflation forecasts.

Dollar touches new 34-year peak vs yen on US rate outlook

The 10-year government bond yield (interpolated) on the previous trading day was 2.72, +0.07 bps. The benchmark government bond yield (LB31DA) was 2.71, +0.00 bps. Meantime, the latest closed US 10-year bond yields was 4.62, +0.00 bps. USDTHB on the previous trading day closed around 36.99. Moving in a range of 37.03-37.09 this morning. USDTHB could be closed between 36.85-37.15 today. The US dollar climbed to a fresh 34-year peak against the yen in quiet trading on Monday, with investors taking their cue from the Federal Reserve's higher-for-longer interest rate stance, even as they remained alert to any signs of intervention by Japan to prop up its struggling currency. The dollar rose to 154.85 yen versus the Japanese currency, its highest since mid-1990. It was last up 0.1% at 154.82 yen, a whisker away from the 155-level that is next on traders' radars for possible intervention. The yen hit fresh lows ahead of the Bank of Japan's (BOJ) policy meeting on Friday. Market players took note of the fact that Japan has refrained from intervening in the currency market despite the yen hitting several 34-year lows this year.

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



Main Contributor

Tarathip Tangkanjanapas
tarathip.tan@ttbank.com

Pimchatr Ekkachan
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		106.24	0.1%	2.0%	2.7%	102.85	106.34
EUR/USD		1.0628	-0.5%	-2.0%	-2.4%	1.0618	1.0940
USD/JPY		154.21	0.1%	1.7%	3.4%	147.28	154.58
USD/CHF		0.9080	-0.2%	0.5%	2.8%	0.8772	0.9128
GBP/USD		1.2415	-0.4%	-2.1%	-2.5%	1.2415	1.2800
USD/CAD		1.3775	0.1%	1.5%	1.8%	1.3472	1.3827
AUD/USD		0.6388	-0.9%	-3.5%	-2.6%	0.6388	0.6620
NZD/USD		0.5879	-0.8%	-3.1%	-3.5%	0.5879	0.6167
ASEAN Dollar		108.97	0.0%	0.7%	1.5%	106.02	108.97
USD/THB		36.87	0.3%	1.5%	2.5%	35.68	36.99
USD/SGD		1.3638	0.4%	1.4%	1.9%	1.3314	1.3640
USD/MYR		4.7856	0.1%	0.8%	1.4%	4.6799	4.7935
USD/IDR		16,188	0.4%	2.7%	4.0%	15,493	16,188
USD/PHP		57.55	0.5%	1.4%	2.9%	55.67	57.55
USD/CNY		7.2463	0.0%	0.2%	0.6%	7.1779	7.2527
USD/HKD		7.8318	0.1%	0.0%	0.1%	7.8181	7.8354

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		222,060	-1627
Gold		17,674	106
SDR		5,426	-40
IMF Reserves		1,203	-9
Foreign Ccy		197,756	-1684
Net Fwd Position		28,925	-465

Last update: 12/04/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
22/04/2024	372	-208	164
19/04/2024	-3,768	-1,411	-5,179
18/04/2024	-341	1,978	1,637
17/04/2024	-6,395	-3,510	-9,905
11/04/2024	-1,816	-7,666	-9,482
Last 5 days	-11,948	-10,817	-22,764

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -368	↓ -28,013	↓ -28,381
QTD	Quarter	↓ -368	↓ -28,013	↓ -28,381
YTD	Year	↓ -69,694	↓ -56,591	↓ -126,285

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	2.61	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		2.71	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		4.2200	-5.00	-12.00	79.00	3.43	4.73
Gilt 10y		4.1356	4.15	-15.29	40.54	3.50	4.61
Bund 10y		2.4100	4.00	-13.00	2.00	2.02	2.89
JGB 10y		0.7250	-3.90	-6.10	30.10	0.38	0.88
TGB 1y		2.2919	0.19	3.94	5.43	2.23	2.29
TGB 2y		2.3489	-0.02	11.01	20.77	2.13	2.38
TGB 5y		2.4915	0.97	10.22	24.62	2.20	2.54
TGB 7y		2.6165	0.68	9.60	26.85	2.30	2.64
TGB 10y		2.7196	1.29	5.64	18.03	2.50	2.77
AAA Spread		62.68	-0.13	-4.69	-8.19	62.29	73.91
AA Spread		76.25	-5.78	1.38	-4.00	67.92	85.25
A Spread		111.33	1.45	1.14	-15.93	107.88	128.05
BBB Spread		236.09	0.02	0.77	10.05	225.91	239.72

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		87.00	-0.3%	-3.4%	1.4%	85.43	91.17
London Gold		2361.5	-0.9%	0.6%	9.7%	2,153.4	2,394.8

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)		5,147.2	0.0%	-0.5%	7.6%	4,704.8	5,243.8
STOXX (EU)		511.2	0.8%	3.2%	18.2%	423.4	515.2
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		17,735.1	4.7%	10.9%	9.7%	15,229.8	17,735.1
CAC All-Tradable(FR)		5,863.6	3.1%	8.7%	6.2%	5,201.3	5,863.6
TOPIX (JP)		2,706.3	4.7%	13.2%	30.7%	2,022.8	2,706.3
Shanghai (CH)		3,173.2	8.5%	-0.6%	-7.9%	2,924.3	3,499.0
Hang Seng (HK)		16,511.4	4.9%	-7.8%	-17.2%	15,308.7	20,397.0
ASX 200 (AU)		7,735.8	1.7%	10.7%	6.9%	6,925.5	7,735.8
SET (TH)		1,382.1	-0.5%	-1.1%	-11.5%	1,382.1	1,609.2
SET50 (TH)		841.8	-0.8%	-2.4%	-11.4%	841.8	974.3
Straits Times (SG)		3,135.8	-0.1%	2.3%	-2.9%	3,065.9	3,325.0
FTSE Malay (MY)		1,551.4	1.3%	6.8%	8.4%	1,385.4	1,551.4
JSX Index (ID)		7,349.0	2.0%	7.1%	8.3%	6,633.3	7,349.0
PSE Index (PH)		6,876.5	1.0%	10.8%	3.1%	5,989.3	6,876.5
Vn Index (VN)		1,261.4	4.9%	15.1%	18.2%	1,040.8	1,261.4

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.