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Goldman Sachs notes that two factors offset this improvement: rising interest expense, projected to hit nearly $900 billion this year, and accounting complications related to student loan policies. Overall, the bank believes that over the next few years, the primary deficit looks likely to drift slightly lower, on average, while interest expense continues to climb. However, the election could change the medium-term fiscal outlook, though potentially less than one might imagine. While a Republican sweep would involve an extension of the expiring tax cuts, for the most part this would simply extend current policy (and the current effect on the deficit). While a Democratic sweep would likely involve tax increases, much of this would likely go toward new spending. Fiscal tailwinds have played key roles in driving solid economic growth & rising stock prices in the post-pandemic environment

Fed to cut twice or not at all
The Federal Reserve is likely to cut rates twice this year starting in September, but if inflation data doesn't show enough of a slowdown by September, then the Fed is unlikely to deliver any cuts at all this year as there will be little chance of the data improving enough by year end. The forecast comes as the market continues to debate whether one, two or no rates cuts are needed this year. Current market consensus continues to side with about two cuts for this year. The two-rate cut camp believe in Fed chairman Jerome Powell's dovish thesis that monetary policy is restrictive, the recent upside surprises in inflation were backward looking, representing a blip along a bumpy road toward the 2% inflation target, and inflation will downshift at some point in the coming months, paving the way for September rate cut.

China's central bank pledges to support economic recovery
China's central bank said on Friday it will ensure reasonably ample liquidity and credit expansion to consolidate the country's economic recovery, which still faces many challenges. The People's Bank of China (PBOC) said it will make its monetary policy flexible, precise and effective and promote a moderate recovery in consumer prices, writing in its quarterly monetary policy implementation report. "We will maintain the stability of monetary policy, enhance the consistency of macroeconomic policy orientation, strengthen counter-cyclical and cross-cyclical adjustments, increase support for the real economy, and effectively consolidate and enhance the positive trend of economic recovery," it said.

Dollar just lower; steadying after key inflation data
The 10-year government bond yield (interpolated) on the previous trading day was 2.77, -0.24 bps. The benchmark government bond yield (LB31DA) was 2.76, +0.00 bps. Meantime, the latest closed US 10-year bond yields was 4.48, -2.00 bps. USDTHB on the previous trading day closed around 36.80. Moving in a range of 36.80-36.82 this morning. USDTHB could be closed between 36.65-36.85 today. The dollar saw wild swings last week as mixed US economic readings sparked questions over just when the central bank will begin cutting interest rates this year. However, this volatility is likely to retreat at the start of this new week as traders await the release of the latest US inflation data, which will likely dictate near-term sentiment regarding potential rate cuts. Analysts expect Wednesday's crucial CPI report to show underlying inflation rising 3.6% on a year-over-year basis, which would be the smallest increase in over three years. But a hotter-than-expected inflation reading would likely price out rate cuts for the rest of the year, likely boosting the greenback.

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

SET Index	1,372.5	S&P500	5,222.7	10Y UST	4.48%	Brent	82.8	Gold	2,340.3
13-May ▲	0.04%	10-May ▲	0.16%	13-May ▼	-2.0 bps	10-May ▼	-1.31%	13-May ▼	-1.31%

USD/THB 36.80		Daily ▲	0.20%	EUR/THB 39.62		Daily ▲	0.11%	JPY/THB 0.2362		Daily ▲	0.07%
		Weekly ▲	0.05%			Weekly ▲	0.12%			Weekly ▼	-0.93%
Rising Trend		Monthly ▲	0.07%	Sideways Trend		Monthly ▼	-0.48%	Sideways Trend		Monthly ▼	-2.99%

USD/THB
Higher = stronger USD
— USD/THB, 36.8

EUR/THB   EUR/USD
Higher = stronger EUR
— EUR/THB, 39.62
— EUR/USD, 1.0767

100JPY/THB   USD/JPY
Higher = stronger JPY   (inverted scale)
— JPY/THB, 0.2362   — USD/JPY, 155.78

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

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Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range Min	1M Range Max
Dollar Index		105.27	-0.1%	0.0%	0.9%	104.10	106.27
EUR/USD		1.0776	0.3%	0.4%	-0.5%	1.0618	1.0863
USD/JPY		155.58	0.1%	1.7%	2.6%	151.08	157.66
USD/CHF		0.9060	-0.2%	-0.3%	0.2%	0.9018	0.9150
GBP/USD		1.2525	0.3%	-0.2%	-1.0%	1.2357	1.2677
USD/CAD		1.3681	-0.4%	0.1%	1.2%	1.3525	1.3827
AUD/USD		0.6609	0.5%	0.5%	0.5%	0.6388	0.6620
NZD/USD		0.6025	0.4%	0.9%	0.0%	0.5879	0.6066
ASEAN Dollar		107.56	0.0%	-0.8%	0.1%	106.66	108.50
USD/THB		36.72	-0.5%	-0.2%	0.1%	36.33	37.12
USD/SGD		1.3527	-0.2%	0.0%	0.3%	1.3445	1.3640
USD/MYR		4.7372	-0.1%	0.0%	-0.1%	4.7228	4.7935
USD/IDR		15,994	0.2%	-0.6%	0.9%	15,768	16,217
USD/PHP		57.47	-0.1%	-0.4%	1.5%	56.35	58.15
USD/CNY		7.2196	0.0%	0.2%	-0.3%	7.2035	7.2590
USD/HKD		7.8115	0.0%	0.0%	-0.2%	7.8099	7.8363

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		223,468	1956
Golds		17,357	-273
SDR		5,448	25
IMF Reserves		1,158	-44
Foreign Ccy		199,504	2248
Net Fwd Position		28,025	-200

Last update: 03/05/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
13/05/2024	1,150	1,858	3,008
10/05/2024	-616	141	-475
09/05/2024	-1,280	-1,931	-3,211
08/05/2024	-1,497	3,356	1,859
07/05/2024	1,797	1,000	2,797
Last 5 days	-447	4,424	3,978

Period-to-date		Equity	Bond	Total
MTD	Month	-4,149	9,521	5,371
QTD	Quarter	-236	-15,948	-16,184
YTD	Year	-69,562	-44,526	-114,088

Money Market

THB BIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		2.50	0.00	2.50
1W		2.53	0.00	2.53
1M		2.55	0.00	2.55
2M		2.60	0.00	2.61
3M		2.65	0.00	2.65
6M		2.71	0.00	2.73
12M		2.82	0.00	2.84

THBFIX	1M Hist	Last	1M Range Min	1M Range Max
ON		1.72	1.14	1.72
1W		1.61	0.22	1.61
1M		1.59	0.88	1.72
3M		1.81	1.09	1.82
6M		1.95	1.31	1.99
12M		2.26	1.59	2.26

Last Updated: 29/06/2023

USD LIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		0.07	0.07	0.08
1W		0.00	0.00	0.09
1M		0.11	0.08	0.11
2M		0.00	0.00	0.15
3M		0.26	0.11	0.26
6M		0.44	0.15	0.44
12M		0.80	0.22	0.80

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

Sources: ttb analytics, CEIC

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range Min	1M Range Max
UST10y		4.2500	16.00	32.00	64.00	3.44	4.88
Gilt 10y		4.0077	-4.48	20.13	-7.94	3.63	4.60
Bund 10y		2.3900	2.00	37.00	2.00	2.02	2.89
JGB 10y		0.7620	3.70	0.40	34.10	0.40	0.87
TGB 1y		2.2870	0.00	0.33	4.18	2.24	2.29
TGB 2y		2.3529	-0.13	0.68	18.84	2.15	2.38
TGB 5y		2.5298	-1.72	-0.25	24.94	2.24	2.58
TGB 7y		2.6545	-0.88	-0.28	24.49	2.36	2.69
TGB 10y		2.7716	-0.59	2.19	19.54	2.51	2.78
AAA Spread		60.13	-1.35	-7.24	-9.97	60.13	73.91
AA Spread		79.47	3.22	5.91	-0.44	67.08	85.27
A Spread		112.20	0.89	3.19	-15.32	107.97	127.74
BBB Spread		236.25	0.11	0.71	-1.63	225.89	248.70

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	1M Range Max
Brent Crude		82.79	-1.3%	0.0%	-7.7%	82.79	90.48
London Gold		2340.3	-1.3%	1.7%	0.4%	2,288.5	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	1M Range Max
S&P500 (US)		5,048.4	0.0%	-3.1%	1.8%	4,868.6	5,241.5
STOXX (EU)		513.2	-0.4%	0.0%	12.2%	425.9	519.4
FTSE All-Share(UK)		4,088.1	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		18,179.3	2.7%	9.2%	13.9%	14,731.1	18,179.3
CAC All-Tradable(FR)		6,039.9	3.1%	7.1%	12.1%	5,059.7	6,039.9
TOPIX (JP)		2,796.2	3.3%	18.8%	29.9%	2,039.7	2,796.2
Shanghai (CH)		3,210.7	1.2%	3.1%	-7.1%	2,904.6	3,499.0
Hang Seng (HK)		16,543.1	-0.3%	1.9%	-13.5%	15,878.1	19,959.9
ASX 200 (AU)		7,770.6	0.5%	4.4%	7.7%	6,772.9	7,770.6
SET (TH)		1,385.9	1.1%	0.5%	-9.7%	1,356.5	1,561.4
SET50 (TH)		848.7	1.5%	-0.7%	-8.6%	830.5	954.7
Straits Times (SG)		3,220.4	3.6%	3.4%	1.9%	3,064.3	3,373.8
FTSE Malay (MY)		1,535.8	-0.2%	6.1%	9.5%	1,374.6	1,539.3
JSX Index (ID)		7,381.9	0.4%	4.3%	8.9%	6,619.8	7,381.9
PSE Index (PH)		6,848.4	-1.0%	9.5%	3.4%	6,041.0	6,919.6
Vn Index (VN)		1,260.1	-0.1%	11.7%	16.9%	1,040.8	1,261.4

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