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US producer prices grew by a faster-than-anticipated rate of 0.5% on a monthly basis in April, due mainly to elevated costs for services and goods, in a sign of lingering inflationary pressures early in the second quarter. It was a quicker pace than an increase of 0.3% economists had predicted and up from a downwardly revised month-on-month contraction of 0.1% in March. In the twelve months through April, the producer price index (PPI) for final demand moved up by 2.2% as expected -- the largest uptick since a jump of 2.3% in April 2023. An updated mark for the previous month was also revised lower to 1.8%. The index for the cost of services increased by 0.6% in April, the sharpest rise since last July, according to the US Bureau of Labor Statistics. Portfolio management expenses played a major role in the number, offsetting a drop in airline passenger costs.

Waning Fed rate cut bets boost US Treasury yield forecasts

Bond strategists upgraded their US Treasury yield forecasts for coming months to their highest since at least November amid sticky inflation and greater conviction in financial markets of fewer Federal Reserve rate cuts this year, a Reuters poll found. After hitting a cycle peak of 5.02% in October 2023, the benchmark US 10-year Treasury yield plummeted over 110 basis points by year-end as traders rapidly priced in nearly 150 basis points of Fed interest rate cuts in 2024. Persistent inflation and strong US economic data have forced markets to dramatically delay those rate cut bets and slash 2024 rate cut pricing to roughly 50 basis points. Ten-year yields, which move inversely to price, have surged roughly 70 basis points from a recent low of 3.78% in late December back to 4.48% currently.

China strongly opposes US tariff hikes, pledging measures to defend rights

China strongly opposed the United States' tariff hikes, its commerce ministry said on Tuesday, vowing it will take resolute measures to defend its rights and interests. "US raising Section 301 tariffs violates President Biden's commitment to 'not seek to suppress and contain China's development' and 'not to seek to decouple and break links with China'," said a statement by the ministry, adding the move will "seriously affect the atmosphere of bilateral cooperation." US President Joe Biden on Tuesday unveiled a bundle of steep tariff increases on an array of Chinese imports. The new measures affect \$18 billion in Chinese imported goods including steel and aluminum, semiconductors, batteries, critical minerals, solar cells and cranes, while retaining Trump-era tariffs on over \$300 billion in goods. The announcement confirmed earlier Reuters reporting.

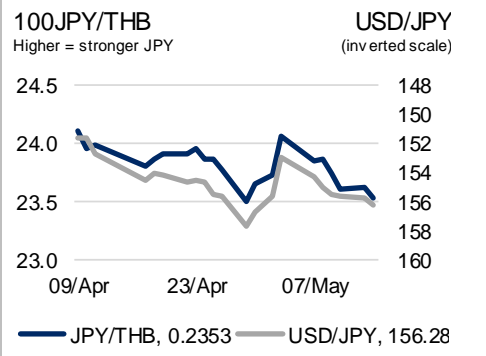
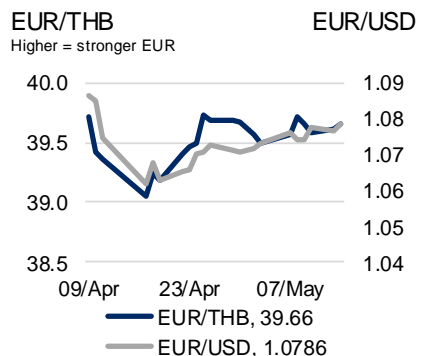
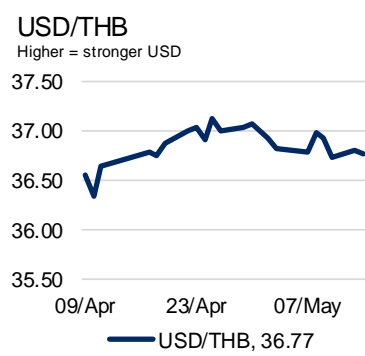
Dollar steady ahead of inflation data; sterling slips after job numbers

The 10-year government bond yield (interpolated) on the previous trading day was 2.76, -0.49 bps. The benchmark government bond yield (LB31DA) was 2.76, +0.00 bps. Meantime, the latest closed US 10-year bond yields was 4.45, -3.00 bps. USDTHB on the previous trading day closed around 36.77. Moving in a range of 36.495-36.57 this morning. USDTHB could be closed between 36.40-36.60 today. The US dollar steadied Tuesday, largely drifting ahead of the release of key inflation data that are likely to factor into the outlook for interest rates. The Dollar Index, which tracks the greenback against a basket of six other currencies, edged 0.1% higher to 105.250, in rangebound trading. The dollar, like the foreign exchange market as a whole, has seen calm trading at the start of this week, as traders await the release of the latest US inflation data, which will likely dictate near-term sentiment regarding potential rate cuts. The April producer prices index is due later Tuesday, ahead of Wednesday's crucial CPI report which is expected to show core CPI rose 0.3% month-on-month in April, less than 0.4% growth the prior month.

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

<b>SET Index</b>	1,376.6	<b>S&amp;P500</b>	5,221.4	<b>10Y UST</b>	4.45%	<b>Brent</b>	82.5	<b>Gold</b>	2,347.4
14-May	▲ 0.30%	13-May	▼ -0.02%	14-May	▼ -3.0 bps	14-May	▼ -1.06%	14-May	▲ 0.30%

<b>USD/THB</b> 36.77	Daily ▼ -0.07%	<b>EUR/THB</b> 39.66	Daily ▲ 0.11%	<b>JPY/THB</b> 0.2353	Daily ▼ -0.39%
Weekly ▼ -0.56%	Weekly ▼ -0.14%	Weekly ▼ -1.38%	Monthly ▼ -2.43%		
Sideways Trend	Monthly ▲ 0.58%	Sideways Trend	Monthly ▼ -0.14%	Falling Trend	



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoI'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		105.36	0.1%	0.1%	1.0%	104.10	106.27
EUR/USD		1.0767	-0.1%	0.1%	-0.5%	1.0618	1.0863
USD/JPY		155.78	0.1%	1.0%	3.1%	151.08	157.66
USD/CHF		0.9068	0.1%	-0.1%	0.4%	0.9029	0.9150
GBP/USD		1.2522	0.0%	-0.2%	-0.8%	1.2357	1.2677
USD/CAD		1.3686	0.0%	0.0%	0.8%	1.3525	1.3827
AUD/USD		0.6591	-0.3%	-0.4%	0.3%	0.6388	0.6620
NZD/USD		0.6010	-0.3%	0.0%	-0.1%	0.5879	0.6066
ASEAN Dollar		107.05	0.0%	-0.9%	0.1%	106.48	108.31
USD/THB		36.80	0.2%	0.0%	0.1%	36.33	37.12
USD/SGD		1.3546	0.1%	0.2%	0.4%	1.3445	1.3640
USD/MYR		4.7432	0.1%	0.1%	0.0%	4.7364	4.7935
USD/IDR		16,011	0.1%	0.3%	1.2%	15,768	16,217
USD/PHP		57.96	0.8%	0.8%	2.0%	56.61	58.15
USD/CNY		7.2331	0.0%	0.3%	-0.1%	7.2035	7.2590
USD/HKD		7.8170	0.1%	0.0%	-0.1%	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
Gold		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
14/05/2024	2,302	558	2,860
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
Last 5 days	59	3,982	4,041

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -1,847	↑ 10,078	↑ 8,231
QTD	Quarter	↑ 2,066	↓ -15,391	↓ -13,324
YTD	Year	↓ -67,260	↓ -43,969	↓ -111,229

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		<b>4.2400</b>	15.00	38.00	55.00	3.38	4.84
Gilt 10y		<b>3.9722</b>	-11.06	24.99	-17.42	3.65	4.60
Bund 10y		<b>2.3700</b>	2.00	35.00	-7.00	2.02	2.93
JGB 10y		<b>0.7620</b>	4.80	5.30	32.10	0.40	0.85
TGB 1y		<b>2.2885</b>	0.15	0.31	4.39	2.24	2.29
TGB 2y		<b>2.3564</b>	0.35	1.86	19.54	2.16	2.38
TGB 5y		<b>2.5255</b>	-0.43	-0.19	25.58	2.26	2.58
TGB 7y		<b>2.6553</b>	0.08	0.76	23.04	2.38	2.69
TGB 10y		<b>2.7693</b>	-0.24	2.11	18.93	2.53	2.78
AAA Spread		<b>61.42</b>	0.01	-5.94	-8.67	61.41	73.91
AA Spread		<b>79.47</b>	3.27	5.91	-0.44	67.08	84.99
A Spread		<b>112.35</b>	1.12	3.39	-14.60	108.03	127.78
BBB Spread		<b>236.23</b>	0.12	0.71	-1.67	225.88	239.99

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		<b>82.48</b>	-1.1%	-0.6%	-8.5%	82.48	90.45
London Gold		<b>2347.4</b>	0.3%	1.4%	-2.0%	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	Max
S&P500 (US)		<b>5,100.0</b>	0.0%	-0.9%	3.2%	4,845.7	5,234.2
STOXX (EU)		<b>510.0</b>	-1.1%	-2.2%	10.1%	428.8	520.1
FTSE All-Share(UK)		<b>4,088.1</b>	0.8%	2.6%	2.4%	3,954.4	4,172.4
DAX (DE)		<b>18,205.9</b>	2.8%	8.7%	13.9%	14,687.4	18,205.9
CAC All-Tradable(FR)		<b>6,022.5</b>	2.5%	7.2%	11.8%	5,098.8	6,022.5
TOPIX (JP)		<b>2,813.2</b>	3.4%	19.5%	31.1%	2,035.1	2,813.2
Shanghai (CH)		<b>3,228.5</b>	1.3%	2.9%	-6.2%	2,862.1	3,559.0
Hang Seng (HK)		<b>16,863.1</b>	4.3%	2.8%	-10.0%	15,746.6	19,639.1
ASX 200 (AU)		<b>7,811.9</b>	0.6%	5.2%	9.6%	6,780.7	7,811.9
SET (TH)		<b>1,382.5</b>	1.1%	-0.6%	-9.7%	1,367.4	1,557.9
SET50 (TH)		<b>846.0</b>	1.5%	-2.0%	-8.5%	833.9	960.4
Straits Times (SG)		<b>3,218.0</b>	2.6%	3.3%	1.6%	3,067.7	3,325.0
FTSE Malay (MY)		<b>1,541.4</b>	0.3%	5.8%	9.9%	1,376.1	1,541.4
JSX Index (ID)		<b>7,421.2</b>	1.1%	5.1%	8.9%	6,666.3	7,421.2
PSE Index (PH)		<b>6,856.8</b>	-1.4%	7.0%	3.8%	6,094.7	6,951.7
Vn Index (VN)		<b>1,276.4</b>	0.5%	14.6%	18.7%	1,039.6	1,276.4

Sources: ttb analytics, CEIC

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

**Important Disclosures**

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