

US trade deficit widens in April

US trade deficit widens in April

The US trade deficit widened in April as a jump in imports outpaced a slight increase in exports. The trade deficit increased 8.7% to \$74.6 billion, the Commerce Department's Bureau of Economic Analysis said on Thursday. Data for March was revised to show the trade gap narrowing slightly to \$68.6 billion instead of the \$69.4 billion as previously reported. Economists polled by Reuters had forecast the deficit would rise to \$76.1 billion in April. The economy grew at a 1.3% annualized rate last quarter after expanding at a 3.4% pace in the October-December period. Imports rose 2.4% to \$338.2 billion in April. Goods imports rose \$8.1 billion to \$271.9 billion. There were increases in imports of motor vehicles and parts and capital goods such as computer accessories and telecommunications equipment, as well as industrial supplies and materials, which include crude oil.

US productivity growth slowed in early 2024

US worker productivity grew slightly less than previously estimated in the first quarter but exceeded market expectations, and unit labor costs rose by less than first thought, data from the Labor Department showed on Thursday, although the revision seems unlikely to allay Federal Reserve officials' hesitance to turn to rate cuts in the near term. Nonfarm productivity, which measures hourly output per worker, increased at a 0.2% annualized rate in the first quarter, revised down from an initial estimate of 0.3% one month ago. Economists polled by Reuters had estimated a revision down to 0.1%. Unit labor costs, meanwhile, rose at a 4.0% annualized rate, down from the Bureau of Labor Statistics' first estimate of 4.7%. Economists had projected labor costs to be revised up to 4.9%.

ECB cuts rates, keeps next move under wraps

The European Central Bank cut interest rates for the first time in five years on Thursday but kept investors in the dark about its next move given increasing uncertainty over inflation after a sharp slowdown in the past year. The ECB lowered its record-high deposit rate by 25 basis points to 3.75%, joining the central banks of Canada, Sweden and Switzerland in starting to unwind some of the steepest rate hikes used to tame a post-pandemic inflation surge. Thursday's well-flagged move is seen as the start of an easing cycle, but lingering price and wage pressures are clouding the outlook and may force the euro zone's central bank to wait months before cutting again. Economists see another two rate cuts from the ECB this year, most likely in September and December, while markets are pricing in between one and two more moves.

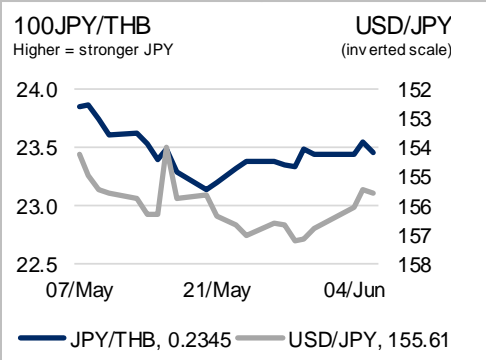
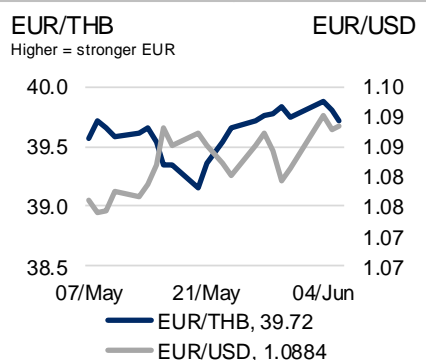
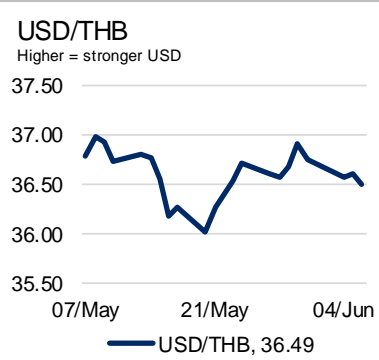
Dollar flat ahead of US jobs report, euro digests ECB cut

The 10-year government bond yield (interpolated) on the previous trading day was 2.79, -1.12 bps. The benchmark government bond yield (LB31DA) was 2.80, -2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.28, -1.00 bps. USDTHB on the previous trading day closed around 36.49. Moving in a range of 36.38-36.41 this morning. USDTHB could be closed between 36.25-36.50 today. The dollar traded sideways ahead of Friday's US employment data that could help the Federal Reserve set a timetable for easing, while the euro held steady after a widely anticipated European Central Bank rate cut. The euro rose 0.17% to \$1.0887, approaching the 2-1/2 month peak of \$1.0916 hit earlier in the week. Against the Japanese currency it was off 0.09% at 169.57 yen. The dollar index, which measures the greenback against a basket of currencies including the yen and euro, was 0.09% lower at 104.16, barely reacting to news that applications for unemployment benefits rose more than expected last week to 229,000. Weekly jobless claims were also slightly above last week's upwardly revised 221,000.

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

SET Index	1,328.4	S&P500	5,353.0	10Y UST	4.28%	Brent	78.7	Gold	2,360.9
6-Jun	▼ -0.74%	6-Jun	▲ 1.16%	6-Jun	▼ -1.0 bps	5-Jun	▲ 1.45%	6-Jun	▲ 1.22%

USD/THB 36.49	Daily ▼ -0.29%	EUR/THB 39.72	Daily ▼ -0.23%	JPY/THB 0.2345	Daily ▼ -0.40%
Weekly ▼ -1.13%	Weekly ▼ -0.28%	Weekly ▼ -0.13%	Monthly ▼ -1.66%		
Monthly ▼ -0.79%	Monthly ▲ 0.37%				



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

Main Contributor

Tarathip Tanganjanapas
tarathip.tan@ttbbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbbank.com

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

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		104.20	0.1%	-0.5%	-1.0%	104.10	105.85
EUR/USD		1.0878	-0.2%	0.3%	1.4%	1.0705	1.0902
USD/JPY		155.43	-0.4%	-1.1%	1.6%	153.03	157.66
USD/CHF		0.8908	-0.5%	-2.4%	-2.0%	0.8908	0.9154
GBP/USD		1.2777	-0.2%	0.2%	1.8%	1.2491	1.2803
USD/CAD		1.3676	0.2%	0.1%	0.1%	1.3609	1.3749
AUD/USD		0.6653	-0.3%	0.1%	1.2%	0.6531	0.6698
NZD/USD		0.6186	0.0%	0.8%	3.6%	0.5930	0.6186
ASEAN Dollar		105.98	0.0%	0.5%	-0.5%	104.77	106.62
USD/THB		36.60	0.1%	-0.2%	-0.6%	36.01	37.06
USD/SGD		1.3458	0.0%	-0.3%	-0.5%	1.3429	1.3611
USD/MYR		4.6965	0.1%	-0.1%	-0.8%	4.6814	4.7721
USD/IDR		16,180	0.2%	0.7%	0.6%	15,895	16,217
USD/PHP		59.01	0.1%	0.7%	2.3%	57.47	59.01
USD/CNY		7.2395	0.0%	-0.2%	0.5%	7.2035	7.2566
USD/HKD		7.8049	-0.1%	-0.1%	-0.1%	7.7966	7.8256

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		225,127	-837
Gold		17,601	-612
SDR		5,471	-7
IMF Reserves		1,116	-1
Foreign Ccy		200,939	-216
Net Fwd Position		27,920	-305

Last update: 24/05/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
06/06/2024	-3,185	-331	-3,515
05/06/2024	-121	2,528	2,407
04/06/2024	-2,243	993	-1,251
31/05/2024	-4,098	271	-3,827
30/05/2024	-1,373	-2,065	-3,438
Last 5 days	-11,020	1,395	-9,625

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -5,549	↑ 3,190	↓ -2,359
QTD	Quarter	↓ -18,383	↓ -3,646	↓ -22,029
YTD	Year	↓ -87,709	↓ -32,224	↓ -119,933

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		2.69	0.00	2.73	6M		1.95	1.31	1.99	6M		0.44	0.15	0.44
12M		2.79	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		4.6400	28.00		57.00		87.00		3.77	4.95
Gilt 10y		4.2034	26.96		32.43		-8.06		3.56	4.61
Bund 10y		2.4400	8.00		21.00		5.00		1.92	2.94
JGB 10y		0.8640	13.40		24.30		44.20		0.40	0.90
TGB 1y		2.3279	0.55		1.02		4.42		2.28	2.33
TGB 2y		2.3754	0.09		-1.15		2.92		2.34	2.41
TGB 5y		2.5223	0.80		0.23		-1.00		2.47	2.57
TGB 7y		2.6658	0.40		-0.07		0.85		2.60	2.69
TGB 10y		2.8020	0.13		-1.69		5.23		2.73	2.84
AAA Spread		59.61	0.83		-2.98		-13.64		58.78	73.76
AA Spread		75.80	-3.62		1.07		-5.04		67.14	84.99
A Spread		115.68	0.71		6.93		-7.59		108.03	127.33
BBB Spread		236.06	-0.16		0.38		-1.71		234.22	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		78.65	1.5%		-5.9%		-5.2%		77.52	84.22
London Gold		2360.9	1.2%		1.0%		2.0%		2,300.6	2,444.4

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)		5,321.4	0.0%		4.0%		5.0%		5,011.1	5,321.4
STOXX (EU)		512.1	1.7%		3.3%		9.9%		457.7	521.0
FTSE All-Share(UK)		4,088.1	0.8%		2.6%		2.4%		3,954.4	4,172.4
DAX (DE)		17,837.4	-2.4%		7.6%		10.9%		14,731.1	18,283.1
CAC All-Tradable(FR)		5,932.3	-1.3%		7.6%		7.6%		5,116.9	6,012.4
TOPIX (JP)		2,697.1	-2.6%		8.6%		17.8%		2,161.7	2,768.6
Shanghai (CH)		3,152.5	0.5%		1.8%		-7.0%		3,046.8	3,470.5
Hang Seng (HK)		16,251.8	-0.9%		1.0%		-18.4%		15,485.1	19,916.6
ASX 200 (AU)		7,642.1	-3.1%		3.1%		6.1%		6,854.3	7,887.9
SET (TH)		1,408.2	2.0%		-0.7%		-9.6%		1,367.4	1,568.8
SET50 (TH)		868.3	2.4%		-0.1%		-8.6%		833.9	963.5
Straits Times (SG)		3,154.7	-2.2%		-1.2%		-1.1%		3,083.9	3,304.1
FTSE Malay (MY)		1,535.0	-0.2%		2.6%		10.6%		1,383.2	1,538.6
JSX Index (ID)		7,254.4	-0.7%		0.2%		9.4%		6,633.4	7,339.6
PSE Index (PH)		6,523.2	-5.5%		-1.4%		0.2%		5,962.0	6,903.5
Vn Index (VN)		1,216.6	-5.7%		4.9%		7.7%		1,064.6	1,290.2

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.