

Fed's Bowman cautions about upside risks on the inflation, not yet to consider rate cuts

**US consumer confidence fell on weaker outlook for economy**

The Conference Board reported a decline in sentiment from 101.3 in May (revised down) to 100.4 in June, slightly below the expected 100. The decrease reflects reduced confidence in business conditions, job prospects, and incomes looking ahead. Expectations for the next six months dropped by nearly 2 points to 73, while current conditions showed a slight improvement from the revised May figures. Consumer confidence has been restrained in recent years, influenced by factors such as higher living costs, increased borrowing expenses, and more recently, a weakening job market.

**Canada inflation surprisingly increases in May, markets trim July rate cut bets**

Consumer prices in Canada unexpectedly increased in May, reversing a trend of consistent cooling seen since the beginning of the year. This development has caused markets to lower their expectations of a rate cut in July to below 50%. Inflation rose to 2.9% annually in May, up from 2.7% the previous month. Key measures of core inflation, closely monitored by the Bank of Canada (BoC), also rose for the first time in five months. The unexpected acceleration in headline inflation was driven by higher prices for services such as cellular services, travel tours, rent, and air transportation. The BoC's preferred measures of underlying inflation, CPI-median and CPI-trim, both increased unexpectedly. CPI-median rose to 2.8% from 2.6% in April, while CPI-trim accelerated to 2.9% from 2.8%. Economists had anticipated CPI-median to remain at 2.6% and CPI-trim to be 2.8%.

**Hawkish tone from Fed Bowman**

Fed's Bowman indicated that she believes it is not yet appropriate to reduce rates. She emphasized that the baseline expectation remains for inflation to return to 2%, with the policy rate staying unchanged "for some time." Bowman stated that once data indicates inflation sustainably reaching 2%, it would eventually be suitable to gradually lower the policy rate. She also expressed readiness to raise the target rate in future meetings if inflation progress stalls or reverses. Additionally, Bowman noted that she does not foresee any rate cuts in 2024 and has shifted the possibility of cuts to 2025. Meanwhile, Fed's Cook characterized the current policy as "well positioned" to address the economic outlook. She acknowledged that there may come a time when reducing rates would be appropriate.

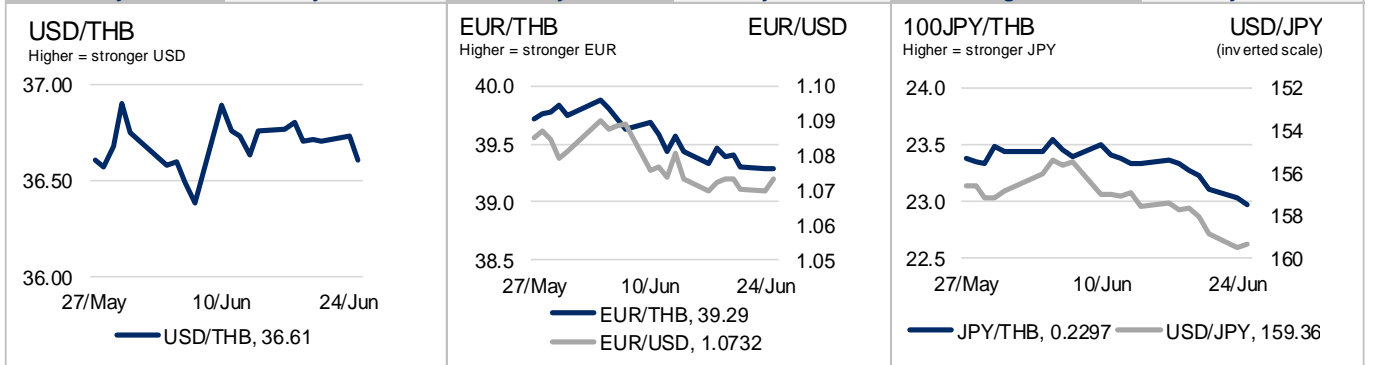
**US dollar advances after hawkish Fed comment**

The 10-year government bond yield (interpolated) on the previous trading day was 2.68, -0.54 bps. The benchmark government bond yield (LB346A) was 2.685, +0.5 bps. Meantime, the latest closed US 10-year bond yields was 4.23, -2.00 bps. USDTHB on the previous trading day closed around 36.61 moving in a range of 36.755 - 36.76 this morning. USDTHB could be closed between 36.60-36.85 today. The dollar rose on Tuesday, bolstered by hawkish comments from Federal Reserve officials, suggesting that the central bank will not be in a rush to kickstart its rate-cutting cycle. The greenback firmed against the euro, yen, Swiss franc, and commodity currencies, such as the Australian and New Zealand dollars.

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

<b>SET Index</b>	<b>1,319.1</b>	<b>S&amp;P500</b>	<b>5,469.3</b>	<b>10Y UST</b>	<b>4.23%</b>	<b>Brent</b>	<b>85.2</b>	<b>Gold</b>	<b>2,332.4</b>
25-Jun ▲	0.18%	25-Jun ▲	0.39%	25-Jun ▼	-2.0 bps	24-Jun ▲	1.04%	25-Jun ▲	0.22%

<b>USD/THB 36.61</b>	Daily ▼ -0.32%	<b>EUR/THB 39.29</b>	Daily ▼ 0.01%	<b>JPY/THB 0.2297</b>	Daily ▼ -0.22%
Sideways Trend	Weekly ▼ -0.25%	Sideways Trend	Weekly ▼ -0.27%	Falling Trend	Weekly ▼ -1.30%
	Monthly ▼ 0.00%		Monthly ▼ -1.10%		Monthly ▼ -1.74%



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	Max
Dollar Index		105.77	0.3%	0.3%	0.6%	104.07	105.77
EUR/USD		1.0697	-0.1%	-0.2%	-1.0%	1.0697	1.0902
USD/JPY		159.52	0.4%	1.1%	1.6%	155.43	159.52
USD/CHF		0.8932	0.2%	0.3%	-2.4%	0.8841	0.9154
GBP/USD		1.2653	-0.1%	-0.3%	-0.3%	1.2653	1.2803
USD/CAD		1.3691	0.1%	-0.4%	-0.4%	1.3609	1.3777
AUD/USD		0.6638	-0.3%	0.4%	0.7%	0.6583	0.6698
NZD/USD		0.6116	-0.1%	-0.1%	0.4%	0.6090	0.6205
ASEAN Dollar		107.24	0.0%	0.2%	0.8%	105.43	107.24
USD/THB		36.73	0.1%	-0.2%	0.0%	36.01	36.90
USD/SGD		1.3537	0.0%	0.1%	0.1%	1.3446	1.3537
USD/MYR		4.7085	-0.1%	-0.1%	-0.2%	4.6841	4.7194
USD/IDR		16,334	-0.3%	0.1%	2.5%	15,909	16,383
USD/PHP		59.05	-0.1%	0.2%	1.1%	58.01	59.15
USD/CNY		7.2680	0.0%	0.1%	0.3%	7.2274	7.2740
USD/HKD		7.7975	-0.1%	-0.1%	-0.2%	7.7966	7.8194

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.15	0.15
3-month		0.70	-0.05
6-month		1.50	-0.20

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		225,305	1479
Gold		17,592	293
SDR		5,445	-19
IMF Reserves		1,118	4
Foreign Ccy		201,151	1201
Net Fwd Position		27,935	-705

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
25/06/2024	-1,844	1,963	118
24/06/2024	-1,088	-3,082	-4,170
21/06/2024	-1,580	-1,558	-3,138
20/06/2024	-1,960	1,787	-173
19/06/2024	-2,693	2,342	-351
Last 5 days	-9,165	1,452	-7,714

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -29,034	↓ -4,950	↓ -33,984
QTD	Quarter	↓ -41,868	↓ -11,785	↓ -53,653
YTD	Year	↓ -111,194	↓ -40,364	↓ -151,557

Money Market

Last update: 14/06/2024

THB BIBOR	1M Hist	Last	1M Range		THBFIX	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		0.08	0.07	0.08
1W		2.52	0.00	2.53	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		2.55	0.00	2.55	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		2.60	0.00	2.61	2M					2M		0.00	0.00	0.00
3M		2.65	0.00	2.65	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		2.71	0.00	2.73	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.81	0.00	2.84	12M		2.26	1.59	2.26	12M		1.49	1.00	1.49

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

Sources: ttb analytics, CEIC

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.2300	-2.00	-5.00	-24.00	4.20	4.61
Gilt 10y		4.0538	1.87	3.52	-13.55	4.02	4.35
Bund 10y		2.4100	-1.00	-1.00	-18.00	2.37	2.70
JGB 10y		1.0100	1.10	6.30	-0.60	0.95	1.08
TGB 1y		2.3485	-0.25	-0.31	3.32	2.30	2.35
TGB 2y		2.3532	-0.20	-1.33	-5.19	2.35	2.41
TGB 5y		2.4602	-1.19	-5.46	-6.95	2.46	2.55
TGB 7y		2.5583	-1.13	-7.22	-11.19	2.56	2.67
TGB 10y		2.6903	-1.34	-7.30	-13.29	2.69	2.84
AAA Spread		58.17	-0.98	-3.89	-15.74	58.17	73.91
AA Spread		75.78	0.17	-3.18	-4.92	67.14	82.62
A Spread		105.73	-7.82	-2.30	-18.56	105.73	124.36
BBB Spread		235.89	0.17	0.08	-1.86	234.20	239.68

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		85.21	1.0%	2.0%	3.8%	77.27	85.21
London Gold		2332.4	0.2%	0.9%	-0.3%	2,297.7	2,414.3

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)		5,469.3	0.4%	-0.5%	#DIV/0!	5,235.5	5,487.0
STOXX (EU)		507.1	-0.4%	0.3%	-3.2%	499.0	524.0
FTSE All-Share(UK)		4,076.1	0.2%	0.9%	2.1%	3,933.2	4,088.1
DAX (DE)		18,177.6	-0.8%	0.3%	-3.2%	18,002.0	18,774.7
CAC All-Tradable(FR)		5,668.1	-0.6%	0.3%	-6.1%	5,557.3	6,035.7
TOPIX (JP)		2,787.4	1.7%	2.6%	0.8%	2,700.0	2,798.1
Shanghai (CH)		3,092.5	-0.4%	-2.6%	-4.5%	3,092.5	3,311.0
Hang Seng (HK)		18,072.9	0.3%	0.9%	-2.9%	17,915.6	19,195.6
ASX 200 (AU)		7,838.8	1.4%	0.8%	1.4%	7,628.2	7,860.0
SET (TH)		1,319.1	0.2%	1.7%	-3.3%	1,296.6	1,370.8
SET50 (TH)		816.6	0.1%	1.8%	-2.8%	802.4	844.8
Straits Times (SG)		3,326.3	0.4%	0.7%	0.3%	3,297.6	3,348.9
FTSE Malay (MY)		1,585.4	-0.3%	-1.3%	-2.7%	1,585.4	1,629.2
JSX Index (ID)		6,882.7	-0.1%	2.2%	-4.2%	6,726.9	7,317.2
PSE Index (PH)		6,299.1	0.4%	-1.1%	-5.4%	6,158.5	6,660.0
Vn Index (VN)		1,256.6	0.2%	-1.8%	-0.9%	1,254.1	1,301.5

Sources: ttb analytics, CEIC

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

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