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US manufacturing activity contracted for the fifth consecutive month in August, with declines in orders and production accelerating. The ISM Manufacturing PMI rose to 47.2 from 46.8 but was below the anticipated 47.5. A PMI reading under 50 signals contraction. Production fell further into contraction territory, reaching its lowest point since May 2020. New orders dropped to their lowest level in 15 months, and export orders decreased at the fastest rate of the year. However, the employment sub-index improved to 46.0 from 43.4, likely due to fewer temporary layoffs following the auto sector's summer updates.

Japan's service activity grows further in August

Japan's service sector continued to grow in August, buoyed by an increase in overseas sales despite a worsening global outlook. The final au Jibun Bank Service PMI remained steady at 53.7, staying above the 50.0 mark that distinguishes expansion from contraction for the second month in a row. Although the overall index matched July's level, growth in new business for service companies slowed compared to the previous month. However, export sales bounced back from a decline in July, marking their largest increase in three months and supporting the service sector. This contrasts with Japan's manufacturing PMI for August, which showed the weakest export performance in five months due to reduced demand from China, South Korea, and other major markets.

Ueda reaffirms BOJ will raise rates if projections are met

On Tuesday, Bank of Japan Governor Kazuo Ueda reaffirmed that the central bank will continue to raise interest rates if economic conditions and inflation align with the BOJ's expectations. Ueda made this statement in a document presented to a government panel led by outgoing Prime Minister Fumio Kishida, where he outlined the BOJ's policy decision from July. Ueda noted that even after the July rate increase, the economic environment remains accommodative, with real interest rates still significantly negative. He emphasized that the current rates are effectively supporting economic activity. His remarks served as a reminder to market participants that, despite the global market turmoil partly triggered by the BOJ's July rate hike, Ueda remains committed to increasing borrowing costs if the bank's projections prove accurate.

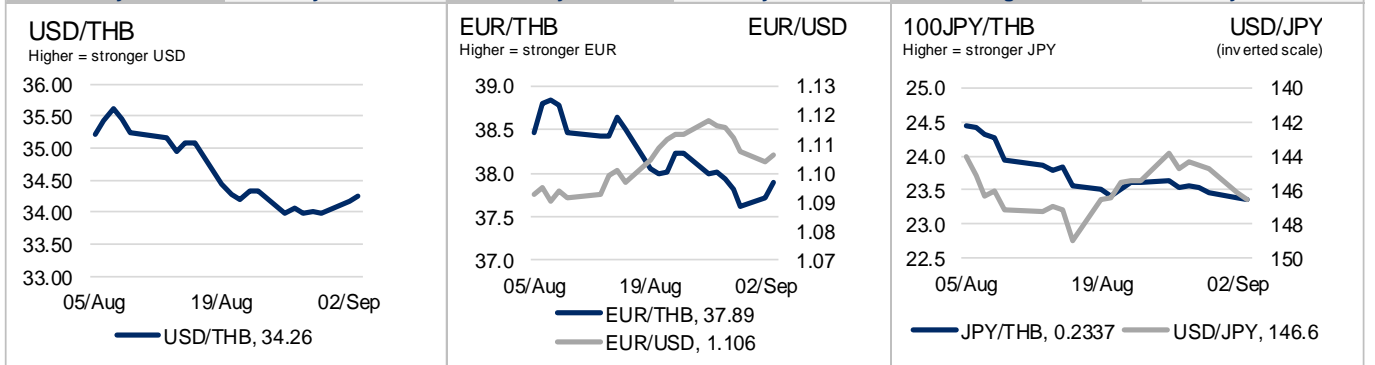
US dollar little changed after hitting a two-week high

The 10-year government bond yield (interpolated) on the previous trading day was 2.575, +0.12 bps. The benchmark government bond yield (LB346A) was 2.57, -1.0 bps. Meantime, the latest closed US 10-year bond yields was 3.84, -7.0 bps. USDTHB on the previous trading day closed around 35.24 moving in a range of 34.25 – 34.29 this morning. USDTHB could be closed between 34.20 - 34.40 today. The Dollar Index continued the trend of strength observed last week, although the gains were relatively modest compared to those of the previous week. The dollar's movements were choppy, but after the ISM Manufacturing index for August fell short of expectations, the dollar strengthened. The Euro weakened against the dollar, primarily due to the influence of the US ISM report, which overshadowed any Euro-specific factors and reversed an earlier rebound in the currency pair. Safe-haven currencies outperformed other major currencies against the dollar, driven by declining US Treasury yields and a risk-off sentiment with falling equities. This was particularly evident in the Japanese yen, which saw increased strength.

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

SET Index	1,364.6	S&P500	5,528.9	10Y UST	3.84%	Brent	77.5	Gold	2,503.3
3-Sep ▲	0.81%	3-Sep ▼	-2.1%	3-Sep ▼	-7.0 bps	2-Sep ▼	-1.6%	3-Sep ▲	0.05%

USD/THB 34.26	Daily ▲ 0.24%	EUR/THB 37.89	Daily ▲ 0.43%	JPY/THB 0.2337	Daily ▼ -0.03%
Weekly ▲ 0.77%	EUR/USD 1.106	Weekly ▼ -0.09%	USD/JPY 146.6	Weekly ▼ -0.79%	
Monthly ▼ -2.75%	Monthly ▼ -1.51%	Monthly ▼ -4.51%			



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		101.71	-0.1%	0.9%	-1.2%	100.70	104.58
EUR/USD		1.1060	0.2%	-0.9%	1.2%	1.0801	1.1181
USD/JPY		146.60	0.3%	1.6%	1.8%	143.82	154.21
USD/CHF		0.8522	0.2%	1.1%	0.1%	0.8415	0.8862
GBP/USD		1.3136	0.1%	-0.8%	2.7%	1.2691	1.3239
USD/CAD		1.3509	0.0%	0.4%	-2.7%	1.3459	1.3880
AUD/USD		0.6765	0.1%	-0.4%	4.6%	0.6470	0.6796
NZD/USD		0.6214	-0.3%	-0.4%	4.7%	0.5885	0.6280
ASEAN Dollar		100.49	0.0%	-0.1%	-4.5%	100.50	106.34
USD/THB		34.26	0.2%	0.8%	-2.7%	33.98	35.72
USD/SGD		1.3078	0.1%	0.4%	-1.1%	1.3014	1.3431
USD/MYR		4.3693	0.8%	0.6%	-1.0%	4.3149	4.6301
USD/IDR		15,474	0.2%	0.4%	-4.0%	15,345	16,229
USD/PHP		56.84	0.4%	0.5%	-2.1%	56.50	58.87
USD/CNY		7.1130	0.18%	-0.2%	-0.1%	7.0814	7.2588
USD/HKD		7.7933	-0.10%	-0.1%	0.3%	7.7718	7.8074

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		236,959	2458
Gold		18,947	33
SDR		5,593	58
IMF Reserves		1,146	9
Foreign Ccy		211,273	2357
Net Fwd Position		26,575	60

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
03/09/2024	-700	-956	-1,656
02/09/2024	-1,478	2,283	805
30/08/2024	-3,184	-3,181	-6,365
29/08/2024	968	-1,319	-351
28/08/2024	1,761	9,940	11,701
Last 5 days	-2,633	6,767	4,134

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -2,178	↑ 1,327	↓ -851
QTD	Quarter	↓ -9,894	↑ 56,331	↑ 46,436
YTD	Year	↓ -126,926	↑ 10,345	↓ -116,581

Money Market

Last update: 23/08/2024

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	2.60	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	2.71	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.81	0.00	2.82	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		3.8400	-7.00	1.00	6.00	3.78	4.09
Gilt 10y		3.9710	-1.93	7.46	11.00	3.81	4.03
Bund 10y		2.3300	0.00	8.00	16.00	2.13	2.33
JGB 10y		0.9520	1.60	3.10	17.10	0.78	1.07
TGB 1y		2.2830	-0.09	0.05	-5.90	2.28	2.37
TGB 2y		2.1912	-0.08	-0.39	-4.43	2.19	2.32
TGB 5y		2.2931	0.10	1.34	2.98	2.26	2.34
TGB 7y		2.4414	0.48	2.54	6.90	2.37	2.46
TGB 10y		2.5751	0.12	2.54	5.34	2.52	2.61
AAA Spread		54.33	-6.91	-3.47	-12.26	54.33	71.82
AA Spread		80.81	-1.72	5.04	11.53	67.07	82.53
A Spread		100.64	-0.58	-7.10	-19.37	99.77	122.83
BBB Spread		0.00	0.00	-235.86	-234.42	0.00	263.02

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		77.52	-1.6%	-2.6%	1.6%	76.05	82.30
London Gold		2503.3	0.05%	-0.3%	3.4%	2,392.9	2,524.2

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)		5,528.9	-2.1%	-1.1%	5.5%	5,186.3	5,648.4
STOXX (EU)		506.4	-1.1%	0.0%	7.0%	472.8	512.1
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,747.1	-1.0%	-0.2%	8.0%	17,339.0	18,930.9
CAC All-Tradable(FR)		5,612.8	-0.9%	-0.1%	6.1%	5,291.7	5,665.2
TOPIX (JP)		2,733.3	0.6%	1.5%	22.7%	2,227.2	2,794.3
Shanghai (CH)		2,937.7	-0.3%	-1.2%	-2.3%	2,937.7	3,073.8
Hang Seng (HK)		17,651.5	-0.2%	-0.2%	6.0%	16,647.3	17,989.1
ASX 200 (AU)		8,103.2	-0.1%	0.4%	5.5%	7,649.6	8,114.7
SET (TH)		1,364.6	0.8%	-0.1%	7.1%	1,274.0	1,365.7
SET50 (TH)		860.2	0.7%	-0.4%	6.7%	806.0	863.3
Straits Times (SG)		3,480.3	0.5%	2.6%	7.3%	3,198.4	3,480.3
FTSE Malay (MY)		1,676.7	-0.1%	0.1%	6.5%	1,536.5	1,678.8
JSX Index (ID)		7,616.5	-1.0%	-0.6%	6.8%	7,059.7	7,694.5
PSE Index (PH)		6,882.9	-0.6%	-1.1%	4.2%	6,433.2	6,973.4
Vn Index (VN)		1,283.9	0.2%	0.3%	3.8%	1,188.1	1,285.3

Sources: ttb analytics, CEIC

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

Important Disclosures

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