

Eurozone manufacturing sector continues to struggle

Eurozone manufacturing sector continues to struggle

Eurozone manufacturing continued to contract in August, with data indicating that a recovery may be distant as demand dropped at its fastest rate this year. According to HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI) from S&P Global, the index was at 45.8 in August, slightly above the preliminary estimate of 45.6 but still well below the 50 mark that separates growth from decline. The index for new orders dropped to 43.3 from 44.1, reaching its lowest point since December. Additionally, international demand decreased at the quickest pace of the year. This drop occurred as euro zone manufacturers increased their prices for the first time in 16 months, particularly in France, the Netherlands, Greece, and Italy. The decline in German manufacturing intensified, and in France, activity contracted at the quickest rate since January.

China's August manufacturing improved, but export outlook weakened

In August, China's manufacturing sector returned to growth, driven by an increase in new orders which boosted production and provided a rare piece of positive news amid a series of disappointing economic reports this summer. Despite this, a drop in new export orders after eight months of growth raised concerns, especially as exports data had already been subdued in July. The Caixin/S&P Global manufacturing PMI climbed to 50.4 in August, up from 49.8 the previous month, surpassing analysts' predictions of 50.0. This was more optimistic compared to an official PMI report released on Saturday, which indicated that manufacturing activity continued to decline in August.

South Korea's inflation hits a 3.5-year low, meeting the central bank's target

In August, South Korea's consumer inflation slowed to its lowest level in nearly 3.5 years, aligning with market expectations for a potential monetary policy easing. The consumer price index increased by 2.0% year-over-year, down from 2.6% the previous month, marking the slowest annual growth since March 2021. This figure matched the median 2.0% increase forecasted by economists and the central bank's medium-term target of 2%. On a monthly basis, the index rose 0.4%, the highest in six months, following a 0.3% increase the month before and exceeding the 0.3% forecast. Core CPI, which excludes volatile food and energy prices, climbed 2.1% year-over-year, down from 2.2% the previous month and the weakest increase since November 2021.

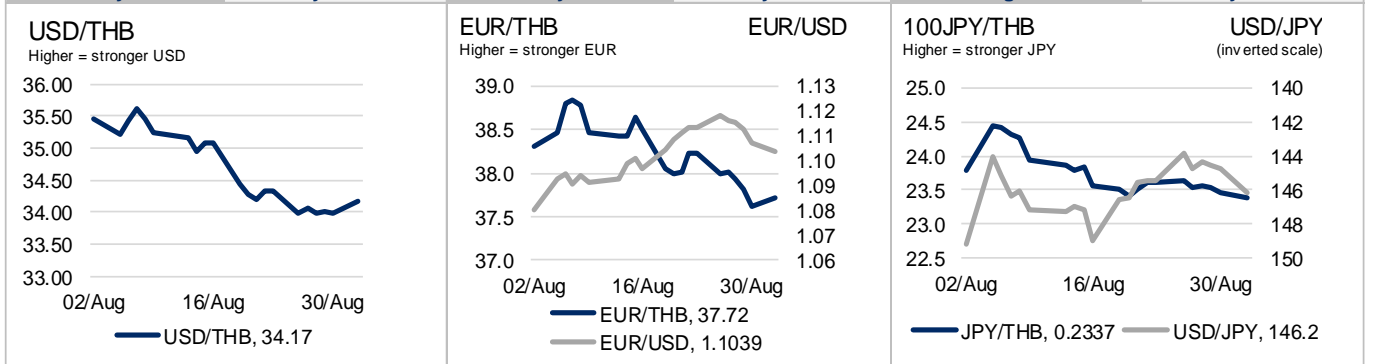
The US dollar traded in a tight range amid the Labor Day holiday

The 10-year government bond yield (interpolated) on the previous trading day was 2.574, +1.65 bps. The benchmark government bond yield (LB346A) was 2.58, +2.5 bps. Meantime, the latest closed US 10-year bond yields was 3.91, +4.0 bps. USDTHB on the previous trading day closed around 34.17 moving in a range of 34.205 – 34.255 this morning. USDTHB could be closed between 34.10 - 34.30 today. The dollar index stayed within a narrow range of 101.64 to 101.79 after rising from 101.24 to 101.78 on Friday. The euro moved similarly to the USD, trading between 1.1040 and 1.1055, compared to 1.1043 and 1.1094 on Friday. The Japanese yen saw a slight increase as APAC traders reacted to Friday's USD and bond market activity. Japanese data, including higher-than-previous Q2 Capex and an upward revision of August's manufacturing PMI, had little impact. The USD/JPY traded between 145.89 and 146.59 after rising above its 21-day moving average (145.97) on Friday.

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

SET Index	1,353.6	S&P500	5,648.4	10Y UST	3.91%	Brent	76.9	Gold	2,502.0
2-Sep	▼ -0.40%	30-Aug	▲ 0.00%	30-Aug	▲ 4.0 bps	30-Aug	▼ -3.8%	2-Sep	▼ -0.88%

USD/THB 34.17	Daily ▲ 0.58%	EUR/THB 37.72	Daily ▲ 0.28%	JPY/THB 0.2337	Daily ▼ -0.38%
Sideways Trend	Weekly ▲ 0.33%	Sideways Trend	Weekly ▼ -0.78%	Falling Trend	Weekly ▼ -0.67%
	Monthly ▼ -3.73%		Monthly ▼ -1.55%		Monthly ▼ -1.72%



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

Main Contributor

Wajarawij Ramindra
wajarawij.ram@ttbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbank.com

ttb analytics ttbanalytics@ttbank.com
Naris Sathapholdeja naris.sat@ttbank.com
Kasem Harnchanpanich kasem.har@ttbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		101.80	0.4%	0.9%	-2.3%	100.70	104.58
EUR/USD		1.1039	-0.3%	-1.1%	2.2%	1.0801	1.1181
USD/JPY		146.20	1.0%	1.0%	-2.0%	143.82	154.21
USD/CHF		0.8504	0.3%	0.3%	-2.4%	0.8415	0.8862
GBP/USD		1.3118	-0.4%	-0.6%	3.0%	1.2691	1.3239
USD/CAD		1.3512	0.2%	0.2%	-2.5%	1.3459	1.3880
AUD/USD		0.6759	-0.5%	-0.2%	3.9%	0.6470	0.6796
NZD/USD		0.6232	-0.5%	0.3%	4.7%	0.5885	0.6280
ASEAN Dollar		101.13	-0.2%	-0.7%	-4.0%	101.22	106.49
USD/THB		34.17	0.6%	0.3%	-3.7%	33.98	35.98
USD/SGD		1.3071	0.3%	0.2%	-2.0%	1.3014	1.3431
USD/MYR		4.3366	0.5%	-0.3%	-4.3%	4.3149	4.6552
USD/IDR		15,446	0.4%	0.3%	-4.5%	15,345	16,229
USD/PHP		56.64	0.1%	0.2%	-3.1%	56.50	58.87
USD/CNY		7.1004	0.27%	-0.3%	-1.6%	7.0814	7.2588
USD/HKD		7.8010	0.11%	0.1%	0.0%	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
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
27/08/2024	1,081	-4,009	-2,928
Last 5 days	-852	3,714	2,862

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -1,478	↑ 2,283	↑ 805
QTD	Quarter	↓ -9,195	↑ 57,287	↑ 48,092
YTD	Year	↓ -126,226	↑ 11,301	↓ -114,925

Money Market

Last update: 23/08/2024

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		0.08	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		3.9100	4.00	9.00	11.00	3.78	4.15
Gilt 10y		3.9903	2.10	4.25	1.82	3.81	4.08
Bund 10y		2.3300	7.00	6.00	20.00	2.13	2.33
JGB 10y		0.9360	1.40	3.00	-3.80	0.78	1.07
TGB 1y		2.2839	0.11	0.22	-7.94	2.28	2.38
TGB 2y		2.1920	0.21	-0.02	-8.41	2.19	2.33
TGB 5y		2.2921	1.00	1.06	-0.34	2.26	2.36
TGB 7y		2.4366	1.32	2.30	4.09	2.37	2.46
TGB 10y		2.5739	1.65	2.97	1.48	2.52	2.61
AAA Spread		55.98	-5.28	-1.95	-10.53	55.04	70.50
AA Spread		80.79	-1.75	5.01	11.39	67.08	82.54
A Spread		100.43	-0.81	-8.99	-20.07	100.02	123.11
BBB Spread		0.00	0.00	-235.78	-234.34	0.00	239.74

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		76.93	-3.77%	-5.5%	0.2%	76.05	82.30
London Gold		2502.0	-0.88%	-0.3%	1.6%	2,389.2	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)		5,648.4	0.0%	0.6%	3.7%	5,186.3	5,648.4
STOXX (EU)		512.1	0.1%	1.4%	8.3%	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)		18,930.9	0.1%	1.3%	9.2%	17,339.0	18,930.9
CAC All-Tradable(FR)		5,665.2	0.1%	1.0%	6.8%	5,291.7	5,665.2
TOPIX (JP)		2,716.0	0.1%	1.3%	7.0%	2,227.2	2,794.3
Shanghai (CH)		2,946.2	-1.1%	-1.3%	-1.7%	2,946.2	3,080.4
Hang Seng (HK)		17,692.0	-1.7%	-1.0%	6.0%	16,647.3	17,989.1
ASX 200 (AU)		8,109.9	0.2%	0.5%	6.0%	7,649.6	8,114.7
SET (TH)		1,353.6	-0.4%	-0.8%	3.1%	1,274.0	1,365.7
SET50 (TH)		854.2	-0.4%	-0.7%	3.2%	806.0	863.3
Straits Times (SG)		3,463.1	0.6%	1.9%	2.4%	3,198.4	3,463.1
FTSE Malay (MY)		1,678.2	0.0%	1.6%	9.2%	1,536.5	1,678.8
JSX Index (ID)		7,694.5	0.3%	1.3%	9.0%	7,059.7	7,694.5
PSE Index (PH)		6,923.4	0.4%	-0.7%	3.4%	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

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.