

The US dollar strengthened broadly as inflation data supports a smaller Fed rate cut

The Fed's inflation gauge and strong consumer spending set the stage for a potential rate cut

In July, Core PCE increased by 0.2%, aligning with previous results and forecasts. The exact figure was 0.1611%, down from last month's 0.1818%. Annually, Core PCE rose by 2.6%, consistent with the previous rate but below the 2.7% prediction. Annualized rates for the 3-month and 6-month periods fell to 1.7% and 2.6%, respectively. Headline PCE also increased by 0.2%, improving from the prior 0.1%, with prices for goods slightly declining and service prices rising by 0.2%. The Fed is likely to view this as a positive development, although Core PCE remains slightly above the target. Additionally, Personal Income rose by 0.3%, exceeding forecasts, while consumption grew by 0.5%, as expected. Real consumption increased by 0.4%, up from the previously revised 0.3%. Solid consumer spending suggests the economy is on stable footing early in the third quarter, which may argue against a half-percentage-point rate cut by the Federal Reserve this month.

Eurozone inflation falls sharply; September rate cut likely

Eurozone inflation fell to its lowest level in three years, pointing to another European Central Bank interest rate cut next month. Eurozone consumer price growth slowed to 2.2% in August on an annual basis, from 2.6% the prior month, moving closer to the ECB's 2% target after three years of above-target price growth. Core inflation, which excludes volatile food and energy costs, eased to 2.8% from 2.9% a month earlier, also in line with expectations.

China's factory activity continues to decline amid growing challenges

In August, China's manufacturing activity dropped to a six-month low, with the PMI falling to 49.1 from 49.4 in July, missing the 49.5 forecast. This marks the sixth straight decline, indicating contraction. The drop reflects weaker factory prices and order volumes, amid ongoing property issues and possible Western trade restrictions. Conversely, the non-manufacturing PMI rose to 50.3, slightly above the forecast and July's 50.2, driven by summer consumption. The composite index stood at 50.1.

South Korea's exports rise for the 11th month, but growth slows

South Korea's exports rose for the 11th month in August, but growth slowed to 11.4% from 13.9% in July due to weaker demand for chips and sluggish auto sales. Imports increased 6.0%, slower than July's 10.5% rise, resulting in a trade surplus of \$3.83 billion, up from \$3.60 billion the previous month.

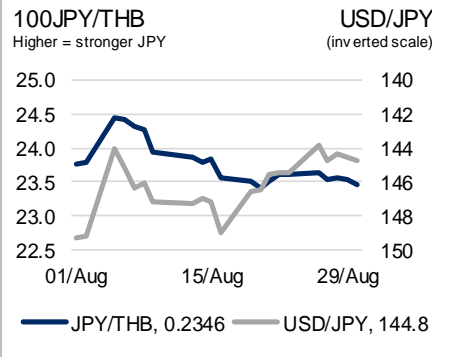
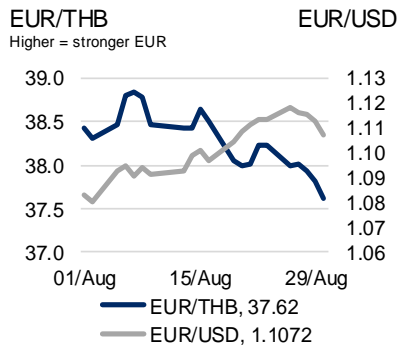
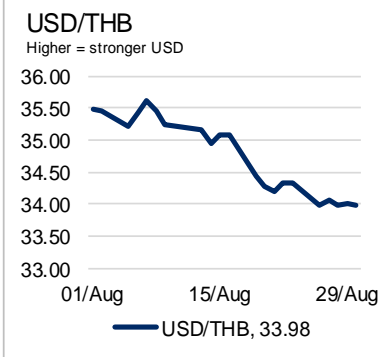
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The 10-year government bond yield (interpolated) on the previous trading day was 2.557, +0.66 bps. The benchmark government bond yield (LB346A) was 2.555, +1.5 bps. Meantime, the latest closed US 10-year bond yields was 3.91, +4.0 bps. USDT/THB on the previous trading day closed around 33.98 moving in a range of 34.06 – 34.08 this morning. USDT/THB could be closed between 33.90 - 34.20 today. On Friday, the Dollar Index gained for the third consecutive day, marking its first week of strength since mid-July, boosted by another U.S. data release. The Euro faced its worst week since April due to the rising dollar. The Japanese yen remained relatively stable overnight despite hotter-than-expected Tokyo CPI, with the yen trading just below its session high of 146.24.

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

<b>SET Index</b>	<b>1,359.1</b>	<b>S&amp;P500</b>	<b>5,648.4</b>	<b>10Y UST</b>	<b>3.91%</b>	<b>Brent</b>	<b>78.8</b>	<b>Gold</b>	<b>2,524.2</b>
30-Aug ▲	0.12%	30-Aug ▲	1.00%	30-Aug ▲	4.0 bps	29-Aug ▲	1.6%	30-Aug ▲	0.28%

<b>USD/THB 33.98</b>	Daily ▼ -0.07%	<b>EUR/THB 37.62</b>	Daily ▼ -0.53%	<b>JPY/THB 0.2346</b>	Daily ▼ -0.28%
Falling Trend	Weekly ▼ -0.02%	Falling Trend	Weekly ▼ -1.00%	Falling Trend	Weekly ▼ -0.70%
	Monthly ▼ -4.34%		Monthly ▼ -2.10%		Monthly ▼ -1.25%



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		101.40	0.4%	0.7%	-2.5%	100.70	104.58
EUR/USD		1.1072	-0.5%	-1.0%	2.3%	1.0801	1.1181
USD/JPY		144.80	0.2%	0.7%	-3.0%	143.82	154.21
USD/CHF		0.8477	0.7%	0.1%	-3.2%	0.8415	0.8862
GBP/USD		1.3169	-0.3%	-0.3%	2.5%	1.2691	1.3239
USD/CAD		1.3490	0.1%	-0.2%	-2.3%	1.3459	1.3880
AUD/USD		0.6796	0.0%	0.3%	4.0%	0.6470	0.6793
NZD/USD		0.6262	-0.3%	0.7%	5.1%	0.5885	0.6280
ASEAN Dollar		101.96	-0.1%	-0.6%	-4.1%	101.86	107.02
USD/THB		33.98	-0.1%	0.0%	-4.2%	33.98	36.14
USD/SGD		1.3027	0.1%	0.1%	-2.4%	1.3014	1.3438
USD/MYR		4.3149	-0.4%	-0.7%	-5.3%	4.3302	4.6684
USD/IDR		15,387	0.3%	0.2%	-4.8%	15,345	16,229
USD/PHP		56.55	0.0%	-0.2%	-3.4%	56.50	58.87
USD/CNY		7.0814	-0.43%	-0.5%	-1.9%	7.1120	7.2588
USD/HKD		7.7925	-0.04%	0.0%	-0.2%	7.7718	7.8096

FX Swap Market and BoT's Reserves

Foreign Fund Flows (THB.mn)

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

Date	Equity	Bond	Total
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
26/08/2024	553	-1,245	-692
Last 5 days	1,179	186	1,365

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

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -5,964	↑ 27,186	↑ 21,222
QTD	Quarter	↓ -7,716	↑ 55,003	↑ 47,287
YTD	Year	↓ -124,748	↑ 9,018	↓ -115,730

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		3.9693	0.61	8.30	-5.75	3.81	4.11
Bund 10y		2.2600	3.00	3.00	4.00	2.13	2.37
JGB 10y		0.9170	-0.40	-0.20	-15.30	0.78	1.07
TGB 1y		2.2828	0.01	0.29	-8.53	2.28	2.38
TGB 2y		2.1899	-0.53	-0.33	-11.45	2.19	2.33
TGB 5y		2.2821	0.16	0.71	-3.44	2.26	2.37
TGB 7y		2.4233	0.62	0.68	-0.26	2.37	2.47
TGB 10y		2.5573	0.66	1.04	-2.14	2.52	2.61
AAA Spread		55.91	-5.36	-1.88	-10.49	55.06	73.93
AA Spread		80.76	-1.78	5.02	8.95	67.08	82.54
A Spread		100.66	-0.56	-9.91	-19.75	100.66	123.05
BBB Spread		0.00	0.00	-235.75	-234.24	0.00	239.72

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		78.82	1.60%	-0.3%	-0.9%	76.05	82.30
London Gold		2524.2	0.28%	1.0%	3.7%	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	1.0%	0.6%	3.7%	5,186.3	5,648.4
STOXX (EU)		511.4	0.0%	1.3%	6.4%	472.8	511.4
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,906.9	0.0%	1.6%	7.1%	17,339.0	18,912.6
CAC All-Tradable(FR)		5,657.5	-0.1%	0.6%	5.1%	5,291.7	5,661.2
TOPIX (JP)		2,712.6	0.7%	1.9%	0.3%	2,227.2	2,794.3
Shanghai (CH)		2,978.9	0.7%	-0.5%	-2.2%	2,958.8	3,080.4
Hang Seng (HK)		17,989.1	1.1%	1.1%	6.2%	16,647.3	17,989.1
ASX 200 (AU)		8,091.9	0.6%	0.1%	1.9%	7,649.6	8,114.7
SET (TH)		1,359.1	0.1%	-0.4%	2.7%	1,274.0	1,365.7
SET50 (TH)		857.4	0.0%	-0.4%	2.9%	806.0	863.3
Straits Times (SG)		3,442.9	1.1%	1.4%	0.7%	3,198.4	3,455.9
FTSE Malay (MY)		1,678.8	1.5%	2.4%	4.2%	1,536.5	1,678.8
JSX Index (ID)		7,670.7	0.6%	0.8%	5.0%	7,059.7	7,670.7
PSE Index (PH)		6,897.5	0.1%	-0.9%	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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