

Fed's Bostic seeks more data before deciding on next month's rate cut

Fed's Bostic seeks more data before deciding on next month's rate cut

Federal Reserve Bank of Atlanta President Raphael Bostic noted that with inflation decreasing more than expected and unemployment rising beyond his forecasts, it might be time to consider rate cuts. However, he wants to be certain before making any decisions. Bostic indicated he will look for confirmation from the upcoming monthly jobs report and two inflation reports, which will be available before the Fed's meeting on September 17-18, to ensure the economic trends are consistent. Throughout most of this year, Bostic had anticipated that the Fed would only need to reduce rates once, likely in the fourth quarter. Recently, he has suggested that he might be open to initiating cuts sooner.

BOJ's Himino confirms readiness to raise rates if economy supports it

Bank of Japan Deputy Governor Ryozi Himino confirmed that the central bank will keep raising interest rates if inflation remains steady, while monitoring financial market conditions. His comments echoed Governor Kazuo Ueda's recent remarks, indicating that market volatility won't alter their rate hike plans. Himino emphasized the importance of closely watching unstable markets and assessing the impact of recent market changes, the July rate hike, and the U.S. economy on BOJ's forecasts.

Australia's CPI exceeds expectations in July; core inflation drops

In July, Australia's CPI inflation rose to 3.5% year-on-year, above the expected 3.4% but down from 3.8% the previous month, mainly due to persistent fresh food costs. Core CPI, excluding volatile items, fell to 3.7% from 4% in June. The rise in overall inflation was driven by higher fresh food prices, while housing and energy costs decreased slightly. Inflation remains above the Reserve Bank of Australia's 2% to 3% target.

Thai central bank chief signals caution on policy changes

At a business forum, Bank of Thailand Governor Sethaput Suthiwartnarueput stated that the central bank's rate decisions are based on the economic outlook and can be adjusted as needed. He noted that the current 2.5% policy interest rate is among the lowest globally and attributed slow economic growth to structural issues. The BOT forecasts 2.6% growth for Thailand this year and 3% for 2025, with a uneven recovery. Sethaput emphasized the need for flexible policy to handle uncertainty and mentioned signs of declining credit quality and potential credit contraction among SMEs.

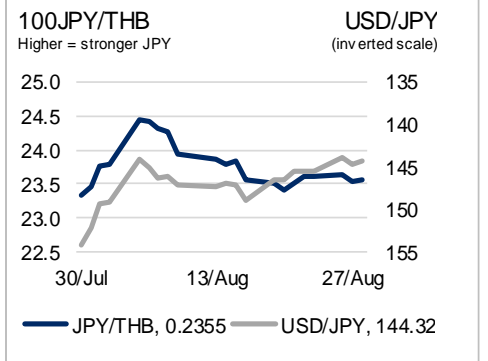
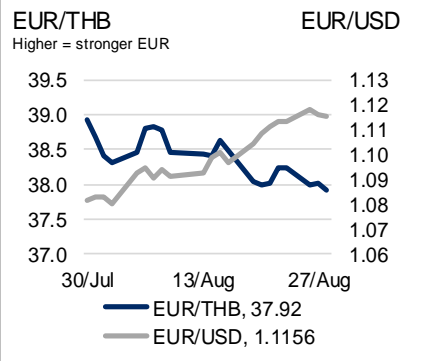
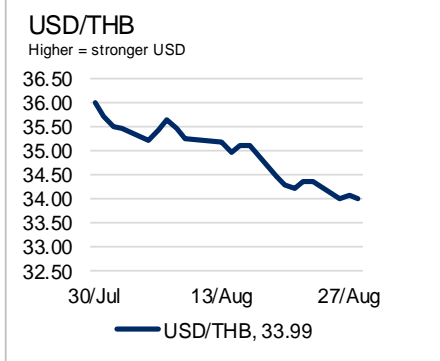
The Dollar experienced a significant increase on Wednesday

The 10-year government bond yield (interpolated) on the previous trading day was 2.55, +0.55 bps. The benchmark government bond yield (LB346A) was 2.545, +0.00 bps. Meantime, the latest closed US 10-year bond yields was 3.84, +1.0 bps. USDTHB on the previous trading day closed around 33.99 moving in a range of 34.00 – 34.04 this morning. USDTHB could be closed between 33.80 - 34.10 today. On Wednesday, the Dollar rose notably from 100.59 to 101.17, outperforming other major currencies amid a risk-off sentiment as US stocks fell and with no major economic data. The Euro lagged, with EUR/USD dipping to 1.1106 but staying above 1.1100. The Japanese yen also weakened, despite recovering from its worst levels.

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

SET Index	1,365.7	S&P500	5,592.2	10Y UST	3.84%	Brent	78.7	Gold	2,509.6
28-Aug	▲ 0.10%	28-Aug	▼ -0.60%	28-Aug	▲ 1.0 bps	27-Aug	▼ -3.5%	28-Aug	▼ -0.03%

USD/THB 33.99	Daily ▼ -0.20%	EUR/THB 37.92	Daily ▼ -0.25%	JPY/THB 0.2355	Daily ▲ 0.09%
Falling Trend	Weekly ▼ -1.02%	Falling Trend	Weekly ▼ -0.82%	Sideways Trend	Weekly ▲ -0.27%
	Monthly ▼ -5.69%		Monthly ▼ -2.62%		Monthly ▲ 0.94%



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@ttbbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbbank.com

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

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		100.78	-0.1%	-0.5%	-3.6%	100.70	104.58
EUR/USD		1.1156	0.0%	0.2%	3.1%	1.0801	1.1181
USD/JPY		144.32	-0.3%	-0.7%	-6.4%	143.82	156.42
USD/CHF		0.8431	-0.5%	-1.0%	-4.9%	0.8468	0.8909
GBP/USD		1.3239	0.3%	1.2%	3.0%	1.2691	1.3203
USD/CAD		1.3459	-0.2%	-1.0%	-2.8%	1.3486	1.3880
AUD/USD		0.6789	0.2%	0.8%	3.7%	0.6470	0.6778
NZD/USD		0.6238	0.5%	1.4%	6.0%	0.5885	0.6217
ASEAN Dollar		100.79	-0.6%	-0.5%	-5.3%	101.21	106.58
USD/THB		33.99	-0.2%	-1.0%	-5.5%	33.98	36.16
USD/SGD		1.3032	-0.1%	-0.3%	-3.0%	1.3014	1.3444
USD/MYR		4.3438	-0.2%	-0.8%	-6.2%	4.3466	4.6741
USD/IDR		15,414	0.1%	-0.4%	-5.0%	15,357	16,229
USD/PHP		56.54	0.1%	-0.2%	-4.0%	56.50	58.87
USD/CNY		7.1246	0.07%	0.0%	-1.8%	7.1139	7.2748
USD/HKD		7.7985	0.05%	0.0%	-0.1%	7.7718	7.8096

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		234,501	2311
Gold		18,914	580
SDR		5,535	21
IMF Reserves		1,137	4
Foreign Ccy		208,916	1705
Net Fwd Position		26,515	-20

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
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
23/08/2024	2,843	-2,087	755
22/08/2024	-849	-1,035	-1,884
Last 5 days	5,389	1,563	6,952

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -3,748	↑ 31,686	↑ 27,938
QTD	Quarter	↓ -5,500	↑ 59,503	↑ 54,003
YTD	Year	↓ -122,532	↑ 13,517	↓ -109,014

Money Market

Last update: 16/08/2024

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

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		3.8400	1.00	-2.00	-25.00	3.78	4.20
Gilt 10y		3.8964	-5.14	-3.03	-18.85	3.81	4.13
Bund 10y		2.2500	-2.00	3.00	-8.00	2.13	2.44
JGB 10y		0.9210	1.50	2.10	-9.10	0.78	1.08
TGB 1y		2.2826	0.08	0.31	-9.39	2.28	2.39
TGB 2y		2.1951	0.29	-0.85	-13.17	2.19	2.34
TGB 5y		2.2797	-0.18	-2.96	-7.58	2.26	2.39
TGB 7y		2.4160	0.24	-2.21	-4.18	2.37	2.51
TGB 10y		2.5496	0.55	-1.31	-4.39	2.52	2.64
AAA Spread		56.66	-2.66	-2.31	-11.12	53.90	71.27
AA Spread		80.58	1.95	4.69	8.23	67.14	81.59
A Spread		101.41	0.74	-9.71	-19.16	100.68	123.20
BBB Spread		0.00	0.00	-235.77	-234.44	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		78.66	-3.40%	3.4%	0.0%	76.05	82.37
London Gold		2509.6	-0.03%	0.1%	5.0%	2,371.3	2,521.6

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)		5,592.2	-0.6%	0.4%	2.9%	5,186.3	5,634.6
STOXX (EU)		506.6	0.3%	0.8%	0.5%	472.8	506.6
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,782.3	0.5%	1.6%	1.5%	17,339.0	18,782.3
CAC All-Tradable(FR)		5,617.1	0.1%	0.7%	0.5%	5,291.7	5,625.5
TOPIX (JP)		2,692.1	0.4%	0.8%	-2.3%	2,227.2	2,794.3
Shanghai (CH)		2,973.9	-0.4%	-0.4%	-3.5%	2,973.9	3,080.4
Hang Seng (HK)		17,692.5	-1.0%	0.3%	2.0%	16,647.3	17,874.7
ASX 200 (AU)		8,071.4	0.0%	0.6%	-0.3%	7,649.6	8,114.7
SET (TH)		1,365.7	0.1%	1.8%	4.4%	1,274.0	1,365.7
SET50 (TH)		863.3	0.3%	1.9%	4.9%	806.0	863.3
Straits Times (SG)		3,391.0	-0.2%	0.5%	-1.5%	3,198.4	3,455.9
FTSE Malay (MY)		1,675.2	1.4%	2.0%	3.1%	1,536.5	1,675.2
JSX Index (ID)		7,658.9	0.8%	2.3%	5.6%	7,059.7	7,658.9
PSE Index (PH)		6,958.0	-0.2%	0.2%	4.6%	6,433.2	6,973.4
Vn Index (VN)		1,281.4	0.1%	-0.1%	2.4%	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.