

Dollar falls after Powell approves September rate cuts

Fed's Powell says it's time to cut rates

At the Fed's Jackson Hole conference, Jerome Powell indicated that a rate cut is likely at the September meeting, stating, "the time has come for policy to adjust." This aligns with the July minutes released on Wednesday, which suggested a September reduction. However, Powell did not specify the extent of the cut, noting instead that "the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks." Regarding the labor market, Powell emphasized, "We do not seek or welcome further labor market cooling," highlighting the importance of the US jobs report on September 6, which is expected to influence the Fed's decision on the rate cut size.

BOJ's Ueda hints at rate hikes if growth and inflation stay on track

On Friday, Bank of Japan Governor Kazuo Ueda reiterated that the BOJ would raise interest rates if inflation steadily hits the 2% target, though he acknowledged ongoing financial market instability. He linked recent market volatility to fears of a U.S. recession and noted that the BOJ's July rate hike had reversed the yen's decline. Ueda emphasized that the BOJ will carefully assess how these factors affect economic conditions before making further rate adjustments, suggesting a more gradual approach to future rate hikes.

US new home sales rise to highest level in more than a year

In July, U.S. sales of new single-family homes hit a year-high, rising 10.6% to an annual rate of 739,000 units due to lower mortgage rates. This marked the highest sales rate since May 2023, with June's rate revised to 668,000 units. Economists had expected 625,000 units. The average 30-year fixed mortgage rate fell to 6.46%, the lowest since May 2023 and over half a percentage point below last year's rate.

ECB survey indicates Euro zone consumers' inflation expectations remain stable

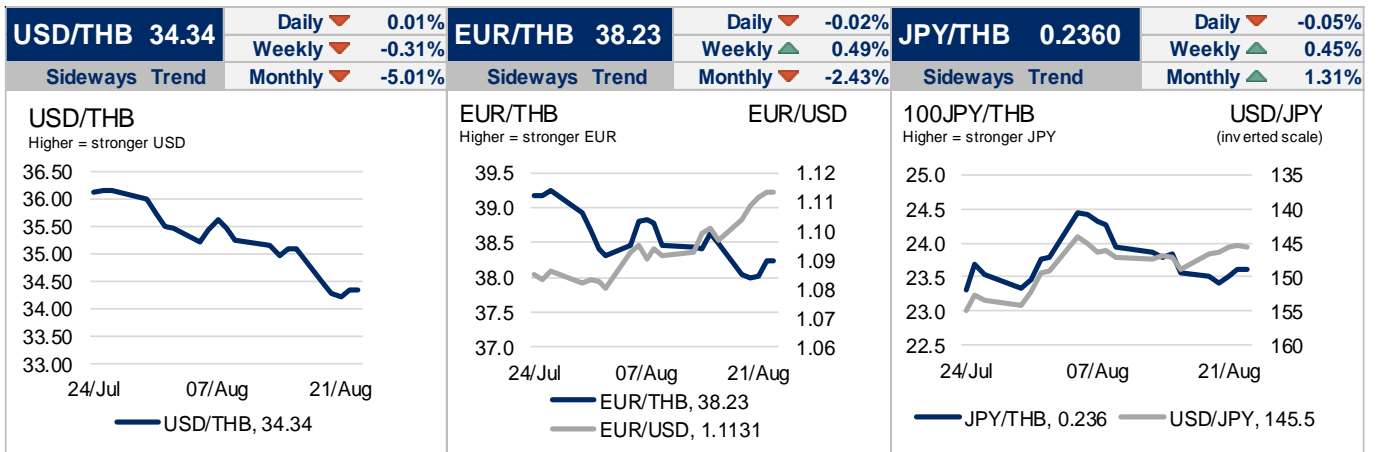
A European Central Bank survey shows that Eurozone consumers' inflation expectations for the next year have held steady at 2.8% for the third month in a row. This follows a decline from 3.3% in January. Expectations for inflation three years out rose slightly to 2.4% from 2.3% last month. Additionally, projections for income and spending growth have decreased, and consumer sentiment on economic growth has turned more negative.

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The 10-year government bond yield (interpolated) on the previous trading day was 2.569, +0.69 bps. The benchmark government bond yield (LB346A) was 2.57, +1.0 bps. Meantime, the latest closed US 10-year bond yields was 3.81, -5.0 bps. USDTHB on the previous trading day closed around 34.34 moving in a range of 33.88 – 33.95 this morning. USDTHB could be closed between 33.80 - 34.00 today. The Dollar Index fell significantly after Fed Chair Powell's comments at Jackson Hole. His dovish remarks caused the DXY to drop to 101.051 within five minutes. The index continued to weaken throughout the session, falling below its December 2023 low of 100.61. The Euro gained from Powell's statements, pushing EUR/USD up to 1.1200 and approaching the 2023 high of 1.1275. Similarly, the Japanese yen strengthened due to the Dollar's decline, with USD/JPY reaching a low of 144.14.

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

<b>SET Index</b>	<b>1,354.9</b>	<b>S&amp;P500</b>	<b>5,634.6</b>	<b>10Y UST</b>	<b>3.81%</b>	<b>Brent</b>	<b>77.2</b>	<b>Gold</b>	<b>2,500.3</b>
23-Aug	▲ 1.03%	23-Aug	▲ 1.14%	23-Aug	▼ -5.0 bps	22-Aug	▲ 1.5%	23-Aug	▼ -0.19%



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		101.28	-0.02%	-0.9%	-3.0%	101.30	104.58
EUR/USD		1.1131	-0.03%	0.8%	2.6%	1.0801	1.1134
USD/JPY		145.50	0.1%	-0.8%	-6.1%	144.03	157.91
USD/CHF		0.8506	-0.2%	-1.6%	-4.5%	0.8512	0.8931
GBP/USD		1.3119	0.3%	1.2%	1.7%	1.2691	1.3082
USD/CAD		1.3585	-0.1%	-0.6%	-1.4%	1.3598	1.3880
AUD/USD		0.6721	-0.2%	0.5%	1.8%	0.6470	0.6737
NZD/USD		0.6157	0.1%	1.3%	3.7%	0.5885	0.6150
ASEAN Dollar		101.55	-0.1%	-1.5%	-4.6%	101.67	106.47
USD/THB		34.34	0.0%	-0.3%	-4.9%	34.21	36.25
USD/SGD		1.3065	0.0%	-0.3%	-2.8%	1.3062	1.3444
USD/MYR		4.3736	-0.1%	-0.1%	-6.4%	4.3681	4.6761
USD/IDR		15,465	-0.1%	-0.5%	-4.3%	15,382	16,229
USD/PHP		56.65	0.0%	-0.6%	-3.4%	56.63	58.87
USD/CNY		7.1283	0.01%	-0.1%	-2.0%	7.1220	7.2748
USD/HKD		7.7892	-0.08%	0.1%	-0.2%	7.7718	7.8110

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
23/08/2024	2,843	-2,087	755
22/08/2024	-849	-1,035	-1,884
21/08/2024	756	3,693	4,450
20/08/2024	1,789	-1,542	247
19/08/2024	-10,487	5,098	-5,388
Last 5 days	-5,948	4,127	-1,821

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

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -7,143	↑ 27,000	↑ 19,857
QTD	Quarter	↓ -8,896	↑ 54,817	↑ 45,922
YTD	Year	↓ -125,927	↑ 8,832	↓ -117,095

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		2.53	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		3.8100	-5.00	-5.00	-39.00	3.78	4.28
Gilt 10y		3.8863	-1.28	-2.48	-24.39	3.81	4.13
Bund 10y		2.2500	3.00	3.00	-19.00	2.13	2.46
JGB 10y		0.9000	0.40	0.20	-18.40	0.78	1.08
TGB 1y		2.2808	0.13	-0.10	-10.54	2.28	2.39
TGB 2y		2.2066	0.30	-0.14	-13.64	2.20	2.35
TGB 5y		2.3110	0.18	2.91	-7.67	2.26	2.40
TGB 7y		2.4396	0.15	1.90	-6.70	2.37	2.51
TGB 10y		2.5696	0.69	2.51	-6.65	2.52	2.64
AAA Spread		58.25	-2.09	-1.07	-9.30	58.10	71.25
AA Spread		81.84	3.23	5.95	1.16	67.08	82.61
A Spread		101.69	0.94	-10.77	-19.25	100.76	122.95
BBB Spread		0.00	0.00	-235.80	-234.46	0.00	239.73

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		77.22	1.54%	-3.1%	-6.3%	76.05	82.40
London Gold		2500.3	-0.19%	0.0%	5.3%	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)		5,634.6	1.1%	0.5%	4.4%	5,186.3	5,634.6
STOXX (EU)		505.4	0.6%	0.9%	0.7%	472.8	507.3
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,633.1	0.8%	1.1%	1.2%	17,339.0	18,633.1
CAC All-Tradable(FR)		5,615.7	0.7%	1.0%	0.6%	5,291.7	5,629.1
TOPIX (JP)		2,684.7	0.5%	1.7%	-0.9%	2,227.2	2,833.4
Shanghai (CH)		2,991.6	0.2%	-1.4%	-1.3%	2,985.7	3,080.4
Hang Seng (HK)		17,612.1	-0.2%	0.2%	3.5%	16,647.3	17,641.0
ASX 200 (AU)		8,023.9	0.0%	0.5%	1.3%	7,649.6	8,114.7
SET (TH)		1,354.9	1.0%	2.4%	4.4%	1,274.0	1,354.9
SET50 (TH)		854.3	0.9%	2.0%	5.0%	806.0	854.3
Straits Times (SG)		3,388.0	0.4%	1.0%	-1.2%	3,198.4	3,461.2
FTSE Malay (MY)		1,635.7	-0.4%	-0.8%	1.4%	1,536.5	1,648.7
JSX Index (ID)		7,544.3	0.7%	1.0%	3.5%	7,059.7	7,554.6
PSE Index (PH)		6,962.0	0.9%	1.7%	4.4%	6,433.2	6,962.0
Vn Index (VN)		1,285.3	0.2%	1.9%	3.5%	1,188.1	1,285.3

Sources: ttb analytics, CEIC

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

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