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Neel Kashkari, President of the Federal Reserve Bank of Minneapolis, told the Wall Street Journal that he is considering a potential interest rate cut at the next meeting due to signs of a weakening labor market. This marks a shift from his June view that a rate cut might not be necessary until later in the year. With the unemployment rate rising to 4.3% in July from 3.7% earlier, concerns about an economic slowdown have emerged. Kashkari noted that if the labor market had remained between 3.7% and 3.8%, he wouldn't be contemplating a rate cut now. However, given the progress on inflation and labor market concerns, he is open to reducing rates but prefers small adjustments, not exceeding a quarter percentage point at a time, due to stable layoffs and unemployment claims.

**China holds key lending rates steady, as expected**

China maintained its benchmark lending rates steady in its latest monthly adjustment, matching market forecasts. The one-year loan prime rate (LPR) remained at 3.35%, and the five-year LPR stayed at 3.85%. This decision reflects China's cautious approach, following PBOC Governor Pan Gongsheng's statement last week that the authorities will refrain from implementing "drastic" measures while still aiming to meet Beijing's growth targets for the year. Additionally, Chinese banks have been reluctant to lower lending rates due to their slim net interest margin, which remained at a record low of 1.54% at the end of the second quarter.

**Thailand's Q2 GDP surpassed forecasts, but policy uncertainty dims the outlook**

The National Economic and Social Development Council (NESDC) reported that Thailand's GDP increased by 2.3% in the second quarter compared to the same period last year, surpassing expectations of 2.2% and improving from a revised 1.6% growth in the first quarter. The growth was fueled by higher government spending, increased exports, and greater private consumption, though both public and private investments declined. On a quarterly basis, the GDP grew by a seasonally adjusted 0.8% in the second quarter, which is slower than the revised 1.2% growth from the previous quarter and below the forecasted 0.9% increase. The NESDC now anticipates GDP growth for the year to be between 2.3% and 2.8%, narrowing from the earlier forecast of 2.0% to 3.0%. However, the economic outlook is uncertain due to recent political instability following a court decision last week that removed former Prime Minister Srettha Thavisin for violating constitutional rules regarding a cabinet appointment.

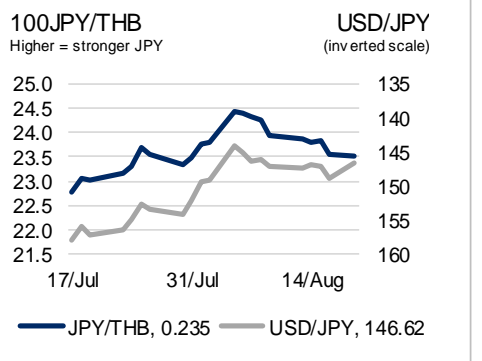
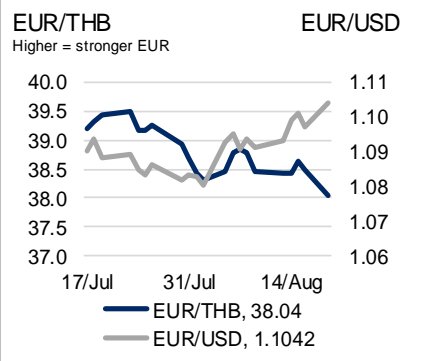
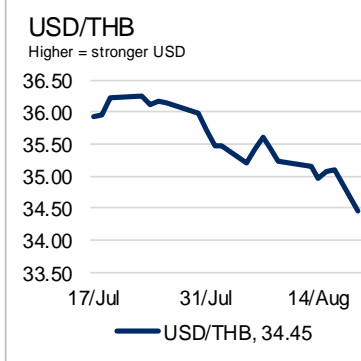
**Dollar hits 7-month low, yen gains as traders wait on Jackson Hole**

The 10-year government bond yield (interpolated) on the previous trading day was 2.544, -1.00 bps. The benchmark government bond yield (LB346A) was 2.54, -0.5 bps. Meantime, the latest closed US 10-year bond yields was 3.86, -3.0 bps. USDTHB on the previous trading day closed around 34.45 moving in a range of 34.25 – 34.35 this morning. USDTHB could be closed between 34.20 - 34.40 today. The Dollar continued to decline, falling against all of its G10 counterparts. The dollar index dropped below 102, reaching a low of 101.85, in a session with minimal news except for comments from Fed's Kashkari. The euro gained from the weaker Dollar, hitting a new year-to-date high of 1.1085. Meanwhile, the Japanese yen fell to the lower end of the 145 range on Monday, touching a low of 145.19, but has since recovered to the 146 level.

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

<b>SET Index</b>	<b>1,323.4</b>	<b>S&amp;P500</b>	<b>5,608.3</b>	<b>10Y UST</b>	<b>3.86%</b>	<b>Brent</b>	<b>79.6</b>	<b>Gold</b>	<b>2,462.2</b>
19-Aug	▲ 1.55%	19-Aug	▲ 0.97%	19-Aug	▼ -3.0 bps	16-Aug	▼ -1.8%	16-Aug	▲ 0.24%

<b>USD/THB 34.45</b>	Daily ▼ -1.83%	<b>EUR/THB 38.04</b>	Daily ▼ -1.18%	<b>JPY/THB 0.2350</b>	Daily ▼ -0.25%
Falling Trend	Weekly ▼ -2.03%	Falling Trend	Weekly ▼ -1.01%	Sideways Trend	Weekly ▼ -1.55%
Monthly ▼ -4.24%	Monthly ▼ -2.95%	Monthly ▲ 3.18%			



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		102.20	-0.8%	-0.9%	-1.9%	102.59	104.92
EUR/USD		1.1042	0.7%	1.0%	1.3%	1.0801	1.1010
USD/JPY		146.62	-1.6%	-0.5%	-7.2%	144.03	161.53
USD/CHF		0.8648	-0.8%	-0.2%	-3.2%	0.8512	0.8983
GBP/USD		1.2966	0.8%	1.5%	-0.1%	1.2691	1.3005
USD/CAD		1.3665	-0.6%	-0.6%	-0.1%	1.3619	1.3880
AUD/USD		0.6687	1.1%	1.5%	-0.7%	0.6470	0.6766
NZD/USD		0.6078	1.4%	0.9%	0.0%	0.5885	0.6094
ASEAN Dollar		101.91	0.0%	-1.0%	-3.7%	101.89	105.97
USD/THB		34.45	-1.8%	-2.0%	-4.2%	34.96	36.25
USD/SGD		1.3102	-0.8%	-1.0%	-2.4%	1.3165	1.3471
USD/MYR		4.3771	-1.6%	-1.6%	-6.3%	4.4148	4.6884
USD/IDR		15,543	-0.5%	-2.0%	-3.3%	15,623	16,229
USD/PHP		56.97	-0.8%	-0.8%	-2.9%	57.21	58.87
USD/CNY		7.1350	-0.52%	-0.5%	-1.9%	7.1220	7.2767
USD/HKD		7.7840	-0.17%	-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
19/08/2024	-10,487	5,098	-5,388
16/08/2024	335	-2,587	-2,253
15/08/2024	-516	-8,832	-9,348
14/08/2024	438	-8,537	-8,098
13/08/2024	173	-6,867	-6,694
Last 5 days	-10,057	-21,725	-31,781

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		232,191	83
Gold		18,334	-93
SDR		5,514	-1
IMF Reserves		1,132	0
Foreign Ccy		207,211	178
Net Fwd Position		26,535	-705

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,682	↑ 27,972	↑ 16,289
QTD	Quarter	↓ -13,434	↑ 55,789	↑ 42,354
YTD	Year	↓ -130,466	↑ 9,803	↓ -120,663

Money Market

Last update: 09/08/2024

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	2.72	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		3.8600	-3.00	1.00	-40.00	3.78	4.28
Gilt 10y		3.9111	9.99	-1.82	-11.32	3.81	4.13
Bund 10y		2.2200	-2.00	-1.00	-26.00	2.13	2.48
JGB 10y		0.9140	1.60	4.50	-13.90	0.78	1.08
TGB 1y		2.2818	-0.25	-2.47	-9.88	2.28	2.39
TGB 2y		2.2080	0.08	-2.53	-13.35	2.20	2.35
TGB 5y		2.2819	-0.42	-3.92	-8.77	2.26	2.40
TGB 7y		2.4206	-0.83	-3.33	-6.31	2.37	2.51
TGB 10y		2.5445	-1.00	-4.22	-6.56	2.52	2.64
AAA Spread		60.33	-0.39	0.68	-8.76	54.72	71.39
AA Spread		82.54	7.02	3.88	2.51	67.14	85.03
A Spread		101.45	1.12	-14.63	-19.20	100.33	123.27
BBB Spread		0.00	0.00	-236.21	-234.71	0.00	273.39

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		79.58	-1.80%	-3.3%	-3.7%	76.30	85.11
London Gold		2462.2	0.24%	0.8%	1.9%	2,371.3	2,472.0

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)		5,608.3	1.0%	3.2%	1.9%	5,186.3	5,608.3
STOXX (EU)		501.1	0.6%	3.2%	-1.0%	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)		18,421.7	0.5%	3.4%	0.1%	17,339.0	18,557.7
CAC All-Tradable(FR)		5,560.5	0.7%	3.0%	-1.5%	5,291.7	5,645.3
TOPIX (JP)		2,641.1	-1.4%	3.4%	-7.7%	2,227.2	2,915.2
Shanghai (CH)		3,032.9	0.5%	0.9%	-2.4%	2,987.7	3,126.4
Hang Seng (HK)		17,569.6	0.8%	2.3%	-0.4%	16,647.3	17,778.4
ASX 200 (AU)		7,980.4	0.1%	2.0%	0.6%	7,649.6	8,114.7
SET (TH)		1,323.4	1.6%	2.0%	0.3%	1,274.0	1,332.0
SET50 (TH)		837.3	1.4%	1.7%	1.6%	806.0	837.3
Straits Times (SG)		3,355.6	0.1%	3.0%	-2.7%	3,198.4	3,489.6
FTSE Malay (MY)		1,648.7	1.5%	2.4%	1.6%	1,536.5	1,648.7
JSX Index (ID)		7,466.8	0.5%	1.5%	2.0%	7,059.7	7,466.8
PSE Index (PH)		6,889.9	0.6%	3.6%	1.4%	6,433.2	6,889.9
Vn Index (VN)		1,261.6	0.7%	2.5%	0.6%	1,188.1	1,274.4

Sources: ttb analytics, CEIC

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

### Important Disclosures

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