

**U.S. inflation's smaller-than-expected July rise boosts chances for a September rate cut**

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In July, U.S. consumer prices rose less than anticipated on a yearly basis, which increases the probability that the Federal Reserve will begin reducing interest rates at its upcoming September meeting. The Consumer Price Index (CPI) went up by 2.9% last month, a slight decrease from June's 3.0%. Economists had forecasted the rate would remain at June's level. On a monthly basis, the CPI increased by 0.2%, recovering from a 0.1% decline the previous month, aligning with expectations. Excluding more volatile categories like food and energy, the "core" CPI rose by 3.2% over the past year, below the anticipated 3.3%. Monthly core inflation saw a modest increase to 0.2%, up from 0.1% in June.

**UK inflation rises less than expected, fueling rate cut speculation**

British consumer price inflation rose for the first time this year in July. However, the increase was smaller than anticipated, as prices for services—monitored closely by the Bank of England—grew more slowly. The annual inflation rate climbed to 2.2%, up from two months at the Bank's 2% target, but slightly below the 2.3% median forecast. Core CPI, which excludes volatile food and energy items, grew by 3.3% year-over-year in July, down from 3.5% in June and below the expected 3.4%.

**Japan's economy surged in Q2 due to a rise in consumption**

In the second quarter, gross domestic product (GDP) grew 3.1% year-on-year, surpassing the 2.1% expectation and recovering from a 2.3% contraction in the first quarter. The previous quarter's contraction was also revised to a smaller decline of 1.8%. On a quarter-on-quarter basis, GDP increased by 0.8%, exceeding the forecast of 0.6% and improving from a 0.5% contraction in the prior quarter. This growth was driven by a 1% increase in private consumption, well above the anticipated 0.5% and reversing a 0.6% decline in the March quarter. The boost in consumption follows substantial wage hikes negotiated by major Japanese labor unions, aligning with the Bank of Japan's forecast that increased private spending will support economic growth and provide more room for interest rate hikes.

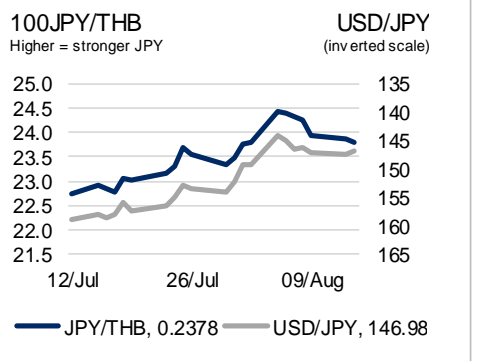
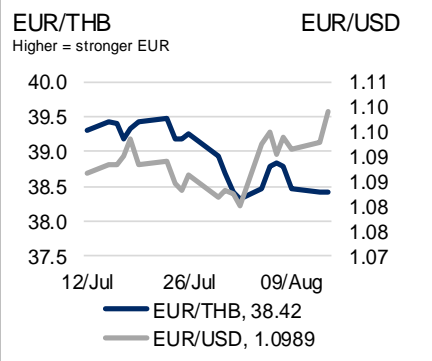
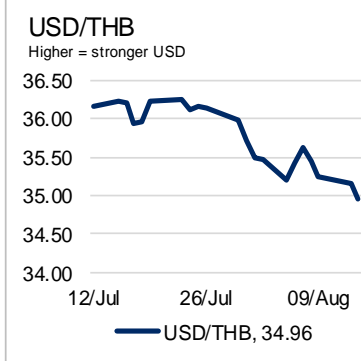
**Dollar softens against euro as inflation data shows cooling**

The 10-year government bond yield (interpolated) on the previous trading day was 2.571, -1.59 bps. The benchmark government bond yield (LB346A) was 2.53, -5.00 bps. Meantime, the latest closed US 10-year bond yields was 3.83, -2.0 bps. USDTHB on the previous trading day closed around 34.96 moving in a range of 35.07 – 35.175 this morning. USDTHB could be closed between 35.00 - 35.30 today. The Dollar experienced volatility following the US CPI data, which largely met expectations. Despite initial weakness, with the dollar index dropping to 102.26, losses were later erased as the session continued. The Euro outperformed its major counterparts on Wednesday, rising above 1.10 and reaching a session high of 1.1047, a level not seen since January. The Pound gained attention after UK CPI data came in cooler than anticipated, causing Cable to drop from 1.2860 to 1.2818. Meanwhile, the Japanese yen saw erratic movement, with USD/JPY fluctuating around the 147.00 mark.

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

<b>SET Index</b>	<b>1,292.7</b>	<b>S&amp;P500</b>	<b>5,455.2</b>	<b>10Y UST</b>	<b>3.83%</b>	<b>Brent</b>	<b>81.0</b>	<b>Gold</b>	<b>2,472.0</b>
14-Aug	▼ -0.39%	14-Aug	▲ 0.38%	14-Aug	▼ -2.0 bps	13-Aug	▼ -1.6%	14-Aug	▲ 0.46%

<b>USD/THB 34.96</b>	Daily ▼ -0.57%	<b>EUR/THB 38.42</b>	Daily ▼ -0.02%	<b>JPY/THB 0.2378</b>	Daily ▼ -0.34%
Falling Trend	Weekly ▼ -1.87%	Falling Trend	Weekly ▼ -1.09%	Sideways Trend	Weekly ▼ -2.26%
	Monthly ▼ -3.41%		Monthly ▼ -2.29%		Monthly ▲ 4.51%



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		102.67	-0.5%	-0.6%	-1.7%	102.84	105.09
EUR/USD		1.0989	0.6%	0.8%	1.1%	1.0801	1.0949
USD/JPY		146.98	-0.2%	0.4%	-7.6%	144.03	161.53
USD/CHF		0.8648	-0.2%	0.9%	-3.5%	0.8512	0.8983
GBP/USD		1.2848	0.6%	1.2%	-0.5%	1.2691	1.3005
USD/CAD		1.3717	-0.2%	-0.6%	0.7%	1.3619	1.3880
AUD/USD		0.6627	0.6%	1.4%	-1.9%	0.6470	0.6766
NZD/USD		0.6035	0.1%	0.6%	-0.9%	0.5885	0.6144
ASEAN Dollar		101.61	-0.3%	-0.2%	-3.6%	101.78	105.80
USD/THB		34.96	-0.6%	-1.9%	-3.4%	35.16	36.43
USD/SGD		1.3170	-0.5%	-0.8%	-1.9%	1.3222	1.3493
USD/MYR		4.4249	-0.6%	-1.4%	-5.2%	4.4148	4.7085
USD/IDR		15,683	-1.1%	-2.4%	-2.5%	15,839	16,229
USD/PHP		57.24	-0.4%	-1.3%	-2.4%	57.46	58.87
USD/CNY		7.1443	-0.38%	-0.5%	-1.6%	7.1220	7.2767
USD/HKD		7.7875	-0.04%	-0.2%	-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
14/08/2024	438	-8,537	-8,098
13/08/2024	173	-6,867	-6,694
09/08/2024	51	9,012	9,063
08/08/2024	-499	5,359	4,861
07/08/2024	1,667	8,214	9,881
Last 5 days	1,830	7,182	9,013

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		232,107	3397
Gold		18,427	428
SDR		5,515	31
IMF Reserves		1,132	6
Foreign Ccy		207,033	2932
Net Fwd Position		27,240	-235

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -1,015	↑ 34,293	↑ 33,278
QTD	Quarter	↓ -2,767	↑ 62,110	↑ 59,343
YTD	Year	↓ -119,798	↑ 16,124	↓ -103,674

Money Market

Last update: 02/08/2024

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	2.72	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.81	0.00	2.83	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		3.8300	-2.00	-16.00	-33.00	3.78	4.28
Gilt 10y		3.9252	-0.41	2.52	-15.49	3.84	4.13
Bund 10y		2.2000	-3.00	-3.00	-21.00	2.13	2.51
JGB 10y		0.8330	-3.60	-6.60	-19.90	0.78	1.09
TGB 1y		2.2947	-1.18	-3.20	-8.00	2.31	2.39
TGB 2y		2.2216	-1.17	-2.49	-11.67	2.23	2.35
TGB 5y		2.3088	-1.23	-2.64	-5.85	2.26	2.43
TGB 7y		2.4390	-1.50	-0.56	-5.08	2.37	2.54
TGB 10y		2.5708	-1.59	-3.62	-3.34	2.52	2.66
AAA Spread		61.27	0.45	1.96	-9.31	55.02	73.93
AA Spread		82.54	7.03	4.37	1.98	67.54	82.54
A Spread		101.22	1.40	-15.33	-21.22	99.82	123.56
BBB Spread		0.00	0.00	-236.26	-235.01	0.00	263.02

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		80.98	-1.60%	3.4%	-3.3%	76.30	85.40
London Gold		2472.0	0.47%	3.2%	0.1%	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)		5,455.2	0.4%	2.6%	-3.7%	5,186.3	5,667.2
STOXX (EU)		488.4	0.6%	1.3%	-3.3%	472.8	517.7
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		17,885.6	0.4%	1.2%	-3.0%	17,339.0	18,748.2
CAC All-Tradable(FR)		5,439.4	0.8%	1.2%	-3.1%	5,291.7	5,718.5
TOPIX (JP)		2,581.9	1.1%	3.7%	-11.1%	2,227.2	2,929.2
Shanghai (CH)		2,987.7	-0.6%	-0.7%	-3.8%	2,987.7	3,126.4
Hang Seng (HK)		17,113.4	-0.4%	1.3%	-3.5%	16,647.3	18,293.4
ASX 200 (AU)		7,850.7	0.3%	2.2%	-2.6%	7,649.6	8,114.7
SET (TH)		1,292.7	-0.4%	0.2%	-3.0%	1,274.0	1,332.0
SET50 (TH)		818.9	-0.5%	0.1%	-1.0%	806.0	832.8
Straits Times (SG)		3,286.3	0.9%	1.1%	-5.8%	3,198.4	3,499.9
FTSE Malay (MY)		1,612.4	0.2%	1.4%	-1.3%	1,536.5	1,636.6
JSX Index (ID)		7,436.0	1.1%	3.3%	2.9%	7,059.7	7,436.0
PSE Index (PH)		6,705.0	0.8%	2.4%	0.6%	6,433.2	6,791.7
Vn Index (VN)		1,230.4	0.0%	1.8%	-3.0%	1,188.1	1,281.2

Sources: ttb analytics, CEIC

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

### Important Disclosures

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