

The dollar braces for data impact on rate cut concerns

Fed's Bowman warns of inflation risks and cautions against rate cuts

Fed Governor Bowman mentioned over the weekend that she expects inflation to continue falling given the current monetary policy. She indicated that if U.S. inflation trends closer to 2%, it might be suitable to slowly reduce the policy rate. However, she urged patience, as she still perceives some potential risks of rising inflation. Bowman also pointed out that the increase in the unemployment rate might be overstating the extent of the labor market's cooling and emphasized that the Fed must remain vigilant about inflation while monitoring potential labor market weaknesses.

Westpac reports a rise in Australian consumer sentiment in August after the RBA held rates steady

Australian consumer sentiment saw a boost after the Reserve Bank decided to keep interest rates steady and the benefits of recent tax cuts began to show. However, overall consumer outlook remained generally pessimistic. The Westpac-Melbourne Institute consumer sentiment index increased by 2.8% in August, surpassing the anticipated 0.5% rise and recovering from a 1.1% drop the previous month. Despite this gain, the index stayed within the same range observed over the past two years, with sentiment still held back by persistent inflation and elevated interest rates.

China's CPI inflation rose more than anticipated in July, while PPI continued to contract

In July, China's consumer prices increased at a slightly faster rate than anticipated, largely due to weather-related disruptions affecting food supplies. Despite this, producer prices continued to decline, indicating that underlying consumption trends remain weak and posing a challenge for policymakers. The consumer price index (CPI) rose to 0.5% year-on-year in July, its highest in five months and above the 0.3% forecast, driven partly by higher food prices due to weather. On a monthly basis, the CPI increased by 0.5%, reversing June's drop. Meanwhile, producer price index (PPI) inflation fell 0.8% year-on-year for the 22nd month in a row, matching June's decline and slightly better than the expected 0.9% drop.

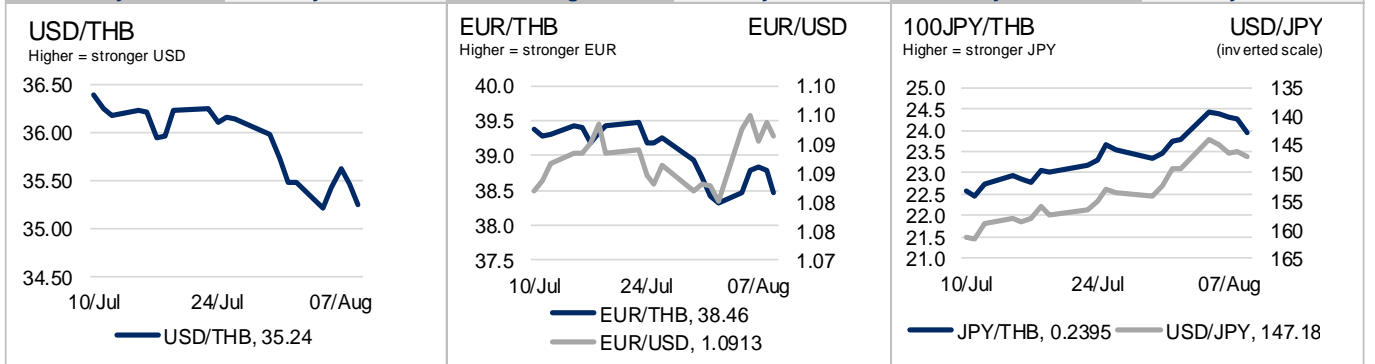
The dollar braces for data impact on rate cut concerns

The 10-year government bond yield (interpolated) on the previous trading day was 2.603, +0.13 bps. The benchmark government bond yield (LB346A) was 2.60, +1.00 bps. Meantime, the latest closed US 10-year bond yields was 3.90, -4.0 bps. USDTHB on the previous trading day closed around 35.24 moving in a range of 35.10 – 35.155 this morning. USDTHB could be closed between 35.00 - 35.30 today. The dollar index snapped its three-day rally on Friday, ending the week back where it started, albeit way off the 102.15 weekly lows set. On Monday, The Dollar remained stable, with the dollar index around 103.09 as it entered APAC trading, lacking direction ahead of key economic data releases like US CPI, PPI, Retail Sales, and UoM. The Euro and Pound held steady against the Dollar, while the Yen was the strongest performer against it in the G10 on Friday. USD/JPY was at about 146.6, significantly above the lows of 141.68 from the previous Monday and the 200-week moving average of 144.54. Although the Yen weakened yesterday, it stayed well above its intraday lows after USD/JPY briefly touched 148.00.

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

SET Index	1,297.1	S&P500	5,344.4	10Y UST	3.90%	Brent	80.3	Gold	2,442.1
9-Aug	▲ 0.06%	12-Aug	▲ 0.00%	12-Aug	▼ -4.0 bps	9-Aug	▲ 1.3%	12-Aug	▲ 0.77%

USD/THB 35.24	Daily ▼ -0.60%	EUR/THB 38.46	Daily ▼ -0.82%	JPY/THB 0.2395	Daily ▼ -1.33%
Sideways Trend	Weekly ▲ 0.09%	Falling Trend	Weekly ▼ -0.01%	Sideways Trend	Weekly ▼ -2.07%
	Monthly ▼ -3.21%		Monthly ▼ -2.34%		Monthly ▲ 5.94%



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		103.24	0.2%	0.3%	-1.8%	102.84	105.30
EUR/USD		1.0913	-0.2%	-0.1%	0.9%	1.0788	1.0949
USD/JPY		147.18	0.7%	2.2%	-8.7%	144.03	161.53
USD/CHF		0.8663	0.9%	1.8%	-3.4%	0.8512	0.9009
GBP/USD		1.2751	0.4%	-0.3%	-0.4%	1.2691	1.3005
USD/CAD		1.3737	0.1%	-1.0%	0.8%	1.3608	1.3880
AUD/USD		0.6590	0.6%	1.8%	-2.2%	0.6470	0.6766
NZD/USD		0.6021	0.3%	1.5%	-1.5%	0.5885	0.6144
ASEAN Dollar		103.03	0.2%	-0.5%	-2.6%	102.36	106.17
USD/THB		35.24	-0.6%	0.1%	-3.2%	35.21	36.59
USD/SGD		1.3240	0.0%	0.1%	-1.9%	1.3222	1.3523
USD/MYR		4.4594	-0.2%	1.0%	-5.2%	4.4148	4.7092
USD/IDR		15,839	-0.4%	-1.7%	-2.2%	15,900	16,268
USD/PHP		57.62	0.0%	-0.8%	-1.6%	57.62	58.90
USD/CNY		7.1687	0.19%	0.7%	-1.5%	7.1220	7.2862
USD/HKD		7.7966	0.21%	0.3%	-0.1%	7.7718	7.8110

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		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

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
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
06/08/2024	-724	13,250	12,526
05/08/2024	-72	-890	-962
Last 5 days	423	34,945	35,369

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -1,626	↑ 49,696	↑ 48,070
QTD	Quarter	↓ -3,378	↑ 77,513	↑ 74,135
YTD	Year	↓ -120,409	↑ 31,527	↓ -88,882

Money Market

Last update: 02/08/2024

THB BIBOR	1M Hist	Last	1M Range		THBFIX	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	2.83	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		3.9000	-4.00	0.00	-33.00	3.78	4.28
Gilt 10y		3.9571	0.56	12.07	-9.80	3.84	4.14
Bund 10y		2.2400	-1.00	7.00	-23.00	2.13	2.54
JGB 10y		0.8810	2.60	10.00	-20.80	0.78	1.09
TGB 1y		2.3185	-0.36	-2.35	-5.61	2.32	2.39
TGB 2y		2.2439	-0.25	0.84	-10.30	2.23	2.36
TGB 5y		2.3356	0.12	7.23	-5.55	2.26	2.47
TGB 7y		2.4609	0.19	8.85	-5.36	2.37	2.58
TGB 10y		2.6034	0.13	8.17	-2.99	2.52	2.68
AAA Spread		59.32	-1.52	0.16	-11.23	55.10	71.82
AA Spread		78.63	3.13	0.43	-1.85	67.08	82.90
A Spread		100.68	0.65	-18.42	-21.79	100.02	124.45
BBB Spread		0.00	0.00	-236.31	-235.02	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		80.31	1.29%	5.3%	-5.6%	76.30	85.40
London Gold		2442.1	0.77%	1.2%	1.4%	2,371.3	2,470.4

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)		5,344.4	0.0%	2.0%	-4.8%	5,186.3	5,667.2
STOXX (EU)		483.4	0.0%	2.1%	-5.7%	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)		17,726.5	0.0%	2.1%	-4.6%	17,339.0	18,748.2
CAC All-Tradable(FR)		5,378.8	-0.2%	1.6%	-4.9%	5,291.7	5,718.5
TOPIX (JP)		2,483.3	0.9%	11.5%	-15.2%	2,227.2	2,929.2
Shanghai (CH)		2,995.7	-0.1%	-0.3%	-3.9%	2,995.7	3,126.4
Hang Seng (HK)		17,111.7	0.1%	2.8%	-5.0%	16,647.3	18,293.4
ASX 200 (AU)		7,813.7	0.5%	1.7%	-2.5%	7,649.6	8,114.7
SET (TH)		1,297.1	0.1%	1.8%	-2.0%	1,274.0	1,332.0
SET50 (TH)		822.8	0.5%	2.1%	0.1%	806.0	832.8
Straits Times (SG)		3,235.4	-0.8%	-0.3%	-7.5%	3,198.4	3,499.9
FTSE Malay (MY)		1,606.7	0.7%	2.0%	-1.4%	1,536.5	1,636.6
JSX Index (ID)		7,297.6	0.6%	2.4%	0.3%	7,059.7	7,327.6
PSE Index (PH)		6,613.4	-0.5%	2.8%	-0.5%	6,433.2	6,791.7
Vn Index (VN)		1,230.3	0.5%	1.7%	-3.9%	1,188.1	1,285.9

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.