

Dollar down as US rate cut bets rise, yen surges

US service sector rebounds in July

In July, U.S. services sector activity recovered from a four-year low, with new orders and employment rising for the first time in six months. This uptick may alleviate recession concerns prompted by last month's unemployment spike and ongoing stock market declines. The Institute for Supply Management (ISM) reported that its nonmanufacturing PMI rose to 51.4 from 48.8 in June, the lowest since May 2020. Economists had expected a PMI of 51.0. The index for new orders increased to 52.4 from 47.3 in June, while the services employment measure rose to 51.1 from 46.1 in June, marking its first increase since January.

Goolsbee: Fed won't overreact like markets

Goolsbee, a 2025 Fed voter, discussed the Fed's current restrictive stance on CNBC, noting it's only necessary if there's a risk of overheating, which current data doesn't suggest. He mentioned that if the economy worsens, the Fed will take action and that the current level of restrictiveness is among the highest in decades. Regarding the stock market, Goolsbee said the Fed would respond if trends indicate a slowdown in growth. He avoided commenting on emergency rate cuts, stating that all options are on the table. Finally, he acknowledged the recent weak jobs report but cautioned against overinterpreting it, emphasizing the Fed's need to monitor labor market conditions closely.

Investor confidence in the euro zone drops in August

Investor confidence in the euro zone fell for the second straight month in August, dropping to its lowest level since January. The Sentix index declined to -13.9 from -7.3, while expectations fell sharply to -8.8 from 1.5. Concerns about geopolitical instability, German state elections, and the U.S. presidential election are contributing to the weakened sentiment.

China's services activity expands further

China's services sector saw accelerated growth in July, driven by increased new orders. The Caixin/S&P Global services PMI rose to 52.1 from 51.2 in June, marking expansion for the 19th consecutive month. However, the pace of overseas demand slowed to its lowest in 11 months. In contrast, the official services PMI indicated a slowdown in July, with declines in retail sales, capital market services, and real estate services.

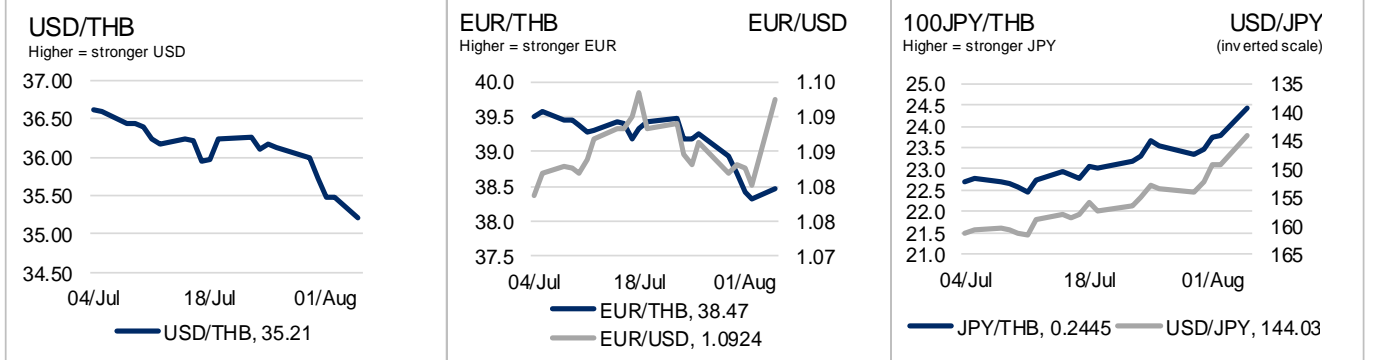
Dollar down as US rate cut bets rise, yen surges

The 10-year government bond yield (interpolated) on the previous trading day was 2.521, -3.74 bps. The benchmark government bond yield (LB346A) was 2.52, -4.00 bps. Meantime, the latest closed US 10-year bond yields was 3.78, -2.0 bps. USDTHB on the previous trading day closed around 35.21 moving in a range of 35.45 – 35.51 this morning. USDTHB could be closed between 35.35 - 35.60 today. The dollar continued to decline following the non-farm payrolls report as recession concerns drove demand for safe-haven currencies. Money markets briefly anticipated a 50 basis point cut at the September meeting, and a Bloomberg report indicated a 60% chance of a 25 basis point emergency rate cut in the coming week. The euro gained from the dollar's weakness, with EUR/USD briefly rising above 1.1000 before facing resistance. The Japanese yen also strengthened amid market turmoil during the Asian session, though USD/JPY rebounded from its lows near the 142.00 level.

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

SET Index	1,274.7	S&P500	5,186.3	10Y UST	3.78%	Brent	76.8	Gold	2,421.8
5-Aug	▼ -2.97%	5-Aug	▼ -3.04%	5-Aug	▼ -2.0 bps	2-Aug	▼ -3.5%	5-Aug	▼ -1.64%

USD/THB 35.21	Daily ▼ -0.74%	EUR/THB 38.47	Daily ▲ 0.39%	JPY/THB 0.2445	Daily ▲ 2.77%
Falling Trend	Weekly ▼ -2.17%	Sideways Trend	Weekly ▼ -1.20%	Rising Trend	Weekly ▲ 4.66%
	Monthly ▼ -3.90%		Monthly ▼ -2.65%		Monthly ▲ 7.41%



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		102.90	-1.3%	-1.6%	-2.3%	103.77	105.99
EUR/USD		1.0924	1.1%	1.0%	1.3%	1.0693	1.0934
USD/JPY		144.03	-3.4%	-6.6%	-10.7%	149.17	161.63
USD/CHF		0.8512	-2.3%	-4.0%	-5.5%	0.8716	0.9043
GBP/USD		1.2786	0.4%	-0.5%	0.3%	1.2629	1.3005
USD/CAD		1.3880	0.2%	0.2%	1.8%	1.3608	1.3856
AUD/USD		0.6470	-0.6%	-1.2%	-3.6%	0.6508	0.6766
NZD/USD		0.5934	-0.3%	0.8%	-2.9%	0.5885	0.6144
ASEAN Dollar		104.39	-0.5%	-1.2%	-2.1%	104.94	106.72
USD/THB		35.21	-0.7%	-2.1%	-3.8%	35.47	36.83
USD/SGD		1.3222	-0.9%	-1.6%	-2.2%	1.3344	1.3586
USD/MYR		4.4148	-2.6%	-4.6%	-6.3%	4.5333	4.7210
USD/IDR		16,113	-0.3%	-0.7%	-1.0%	16,074	16,307
USD/PHP		58.07	-0.7%	-1.4%	-1.4%	58.44	59.05
USD/CNY		7.1220	-1.31%	-1.9%	-2.3%	7.2168	7.2894
USD/HKD		7.7718	-0.40%	-0.5%	-0.5%	7.7970	7.8156

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
05/08/2024	-72	-890	-962
02/08/2024	-1,843	6,794	4,951
01/08/2024	-207	7,957	7,751
31/07/2024	301	1,887	2,189
30/07/2024	101	5,909	6,011
Last 5 days	-1,719	21,657	19,939

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		228,710	987
Gold		17,999	-108
SDR		5,484	6
IMF Reserves		1,126	1
Foreign Ccy		204,101	1089
Net Fwd Position		27,475	-260

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -2,121	↑ 13,861	↑ 11,739
QTD	Quarter	↓ -3,873	↑ 41,678	↑ 37,804
YTD	Year	↓ -120,905	↓ -4,308	↓ -125,213

Last update: 26/07/2024

Money Market

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	2.61	2M					2M		0.00	0.00	0.00
3M		2.65	0.00	2.66	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		2.71	0.00	2.73	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.81	0.00	2.84	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		3.7800	-2.00	-37.00	-50.00	3.78	4.43
Gilt 10y		3.8610	-11.11	-22.39	-31.61	3.86	4.25
Bund 10y		2.1300	-9.00	-24.00	-44.00	2.13	2.63
JGB 10y		0.7810	-19.30	-23.10	-29.10	0.78	1.10
TGB 1y		2.3420	-2.12	-3.44	-3.09	2.36	2.39
TGB 2y		2.2355	-4.06	-9.13	-12.33	2.28	2.36
TGB 5y		2.2633	-3.22	-9.22	-22.35	2.30	2.50
TGB 7y		2.3724	-2.33	-8.54	-22.09	2.40	2.60
TGB 10y		2.5217	-3.74	-7.19	-17.33	2.56	2.70
AAA Spread		60.30	1.07	1.46	-11.02	58.17	73.77
AA Spread		77.52	1.81	-1.92	-3.93	67.14	82.63
A Spread		99.97	-2.22	-15.08	-22.02	99.97	124.56
BBB Spread		0.00	0.00	-236.25	-239.72	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		76.81	-3.41%	-3.7%	-11.2%	76.81	87.43
London Gold		2421.8	-1.62%	1.4%	2.1%	2,342.6	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)		5,186.3	-3.0%	-4.6%	-6.8%	5,186.3	5,667.2
STOXX (EU)		472.8	-1.7%	-5.7%	-7.3%	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)		17,339.0	-1.8%	-5.8%	-6.1%	17,339.0	18,748.2
CAC All-Tradable(FR)		5,302.8	-1.5%	-4.5%	-6.1%	5,302.8	5,718.5
TOPIX (JP)		2,227.2	-12.2%	-19.1%	-22.8%	2,227.2	2,929.2
Shanghai (CH)		2,998.6	-1.5%	-0.6%	-2.1%	2,998.6	3,126.6
Hang Seng (HK)		16,698.4	-1.5%	-1.8%	-4.7%	16,698.4	18,293.4
ASX 200 (AU)		7,649.6	-3.7%	-3.8%	-1.5%	7,649.6	8,114.7
SET (TH)		1,274.7	-2.9%	-2.6%	-2.0%	1,274.7	1,332.0
SET50 (TH)		806.0	-2.6%	-2.0%	-0.3%	800.1	832.8
Straits Times (SG)		3,243.7	-4.1%	-5.8%	-4.7%	3,243.7	3,499.9
FTSE Malay (MY)		1,536.5	-4.6%	-4.7%	-4.6%	1,536.5	1,636.6
JSX Index (ID)		7,059.7	-3.4%	-2.5%	-2.6%	7,059.7	7,327.6
PSE Index (PH)		6,434.7	-2.6%	-2.6%	-0.9%	6,359.0	6,791.7
Vn Index (VN)		1,188.1	-3.9%	-4.6%	-7.4%	1,188.1	1,293.7

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.