

Former NY Fed President Dudley supports a 50-basis-point rate cut

Former NY Fed President Dudley supports a 50-basis-point rate cut

Former New York Federal Reserve President Bill Dudley endorsed a 50-basis-point interest rate cut, according to a Reuters report on Friday. Dudley noted that current rates are 150 to 200 basis points above the neutral rate, where monetary policy is balanced. He had previously supported starting rate cuts in July. Additionally, an article by WSJ's Timiraos on Thursday mentioned a former advisor to Powell suggesting that a 50-basis-point cut is under consideration.

US consumer sentiment rises in September as inflation eases

US consumer sentiment hit a four-month high in September, driven by lower short-term inflation expectations and anticipated reduced borrowing costs. The University of Michigan's index rose to 69.0 from 67.9 in August, surpassing the 68.5 forecast. One-year inflation expectations fell to 2.7%, the lowest since December 2020, while the five-year forecast edged up to 3.1%. More consumers now view unemployment as a greater concern than inflation, suggesting the Federal Reserve might lower interest rates soon.

China's economic data slowdown sparks urgent calls for stimulus

China's economy lost steam in August, with widespread cooling across various sectors, raising concerns about meeting the government's annual growth target. Factory output, consumption, and investment all slowed more than expected, and the jobless rate unexpectedly reached a six-month high. Industrial output grew 4.5% year-on-year, down from 5.1% in July and below the 4.7% forecast. Retail sales increased 2.1%, a slowdown from July's 2.7% and below the 2.5% projection. Fixed-asset investment rose 3.4% year-to-date, down from 3.6% in the first seven months and missing the 3.5% forecast. The urban unemployment rate edged up to 5.3%, the highest since February.

China's new home prices fell at their fastest rate in over nine years in August

In August, China's new home prices fell 5.3% year-on-year, the sharpest drop in over nine years and worse than July's 4.9% decline. Prices also decreased 0.7% monthly for the fourteenth straight month. Despite policy efforts like lowering mortgage rates, recovery has been uneven, with major cities seeing some demand revival, while smaller cities with high unsold inventories remain vulnerable.

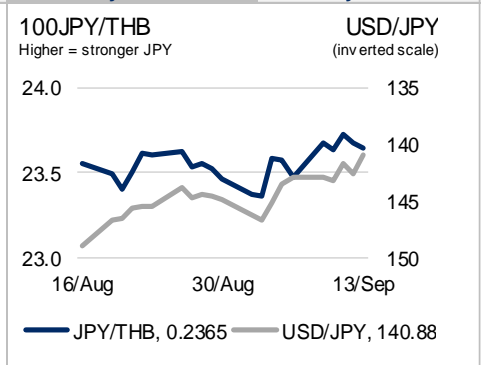
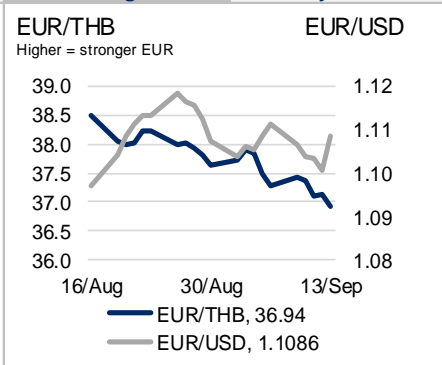
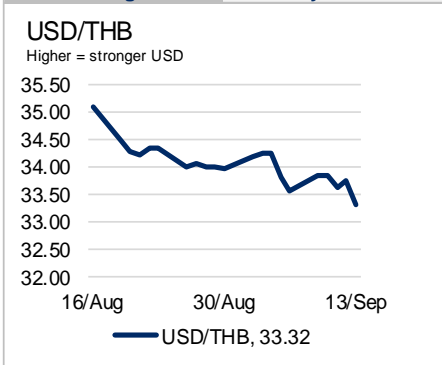
The dollar is down due to rate cut bets

The 10-year government bond yield (interpolated) on the previous trading day was 2.544, -1.23 bps. The benchmark government bond yield (LB346A) was 2.54, -1.5 bps. Meantime, the latest closed US 10-year bond yields was 3.66, -2.00 bps. USDTHB on the previous trading day closed around 33.32 moving in a range of 33.20 – 33.24 this morning. USDTHB could be closed between 33.10 – 33.40 today. On Friday, the dollar was relatively stable, trading between 100.880 and 101.190, with attention on the upcoming FOMC meeting. It briefly dipped below 101 due to dovish repricing. The Japanese yen was strong, with USD/JPY falling to 140.29, its lowest since December 2023. The euro was steady after ECB comments, peaking at 1.1101 but not sustaining this level, as reduced expectations for a dovish ECB and Fed repricing influenced its movement.

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

<b>SET Index</b>	<b>1,424.4</b>	<b>S&amp;P500</b>	<b>5,626.0</b>	<b>10Y UST</b>	<b>3.66%</b>	<b>Brent</b>	<b>72.2</b>	<b>Gold</b>	<b>2,571.4</b>
13-Sep ▲	0.20%	13-Sep ▲	0.5%	13-Sep ▼	-2.0 bps	12-Sep ▲	2.2%	13-Sep ▲	2.15%

<b>USD/THB 33.32</b>	Daily ▼ -1.26%	<b>EUR/THB 36.94</b>	Daily ▼ -0.52%	<b>JPY/THB 0.2365</b>	Daily ▼ -0.12%
Falling Trend	Weekly ▼ -1.52%	Falling Trend	Weekly ▼ -1.34%	Sideways Trend	Weekly ▼ -0.10%
	Monthly ▼ -5.18%		Monthly ▼ -4.12%		Monthly ▲ 0.40%



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		101.03	-0.8%	-0.34%	-1.9%	100.67	103.18
EUR/USD		1.1086	0.7%	0.2%	1.1%	1.0913	1.1181
USD/JPY		140.88	-1.1%	-1.4%	-5.4%	141.65	148.96
USD/CHF		0.8490	-0.4%	0.4%	-2.6%	0.8415	0.8718
GBP/USD		1.3151	0.9%	0.3%	2.3%	1.2751	1.3239
USD/CAD		1.3571	-0.1%	0.0%	-1.3%	1.3459	1.3746
AUD/USD		0.6724	0.7%	0.8%	1.6%	0.6585	0.6796
NZD/USD		0.6189	0.8%	0.4%	3.2%	0.5996	0.6280
ASEAN Dollar		102.71	-0.4%	-0.2%	-2.7%	102.48	106.36
USD/THB		33.32	-1.3%	-1.5%	-5.0%	33.54	35.16
USD/SGD		1.2983	-0.5%	-0.4%	-1.7%	1.2984	1.3240
USD/MYR		4.3119	-0.4%	-0.9%	-3.1%	4.3149	4.4594
USD/IDR		15,330	-0.1%	-0.2%	-1.9%	15,331	15,852
USD/PHP		56.24	-0.1%	-0.5%	-2.0%	56.24	57.62
USD/CNY		7.0979	-0.26%	-0.1%	-1.0%	7.0761	7.1726
USD/HKD		7.7934	-0.04%	-0.1%	-0.1%	7.7811	7.8010

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		236,897	1212
Gold		18,978	100
SDR		5,583	16
IMF Reserves		1,144	3
Foreign Ccy		211,192	1092
Net Fwd Position		26,680	195

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
13/09/2024	1,761	1,718	3,479
12/09/2024	827	246	1,074
11/09/2024	2,680	2,863	5,542
10/09/2024	560	-720	-160
09/09/2024	3,646	-352	3,294
Last 5 days	9,474	3,755	13,229

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 24,970	↑ 13,778	↑ 38,748
QTD	Quarter	↑ 17,254	↑ 68,782	↑ 86,035
YTD	Year	↓ -99,778	↑ 22,796	↓ -76,982

Money Market

Last update: 06/09/2024

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		3.6600	-2.00	-4.00	-26.00	3.65	3.92
Gilt 10y		3.7245	-8.54	-16.71	-14.41	3.72	4.02
Bund 10y		2.1300	0.00	-11.00	-11.00	2.11	2.33
JGB 10y		0.8960	1.00	1.60	3.50	0.83	0.95
TGB 1y		2.2792	-0.19	-0.04	-0.51	2.28	2.31
TGB 2y		2.1685	-0.95	-1.87	-3.87	2.18	2.23
TGB 5y		2.2545	-2.37	-2.84	-3.17	2.27	2.33
TGB 7y		2.4113	-1.11	-2.15	-1.77	2.41	2.45
TGB 10y		2.5440	-1.23	-1.25	-1.05	2.54	2.59
AAA Spread		55.85	-0.81	0.84	-9.79	55.01	71.27
AA Spread		82.42	1.84	4.86	12.73	67.08	82.42
A Spread		98.86	-2.56	-7.23	-17.13	98.86	121.95
BBB Spread		0.00	0.00	0.00	-234.37	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		72.16	2.2%	1.5%	-11.0%	69.19	82.30
London Gold		2571.4	2.18%	3.0%	4.7%	2,442.1	2,571.4

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)		5,626.0	0.54%	2.8%	1.3%	5,408.4	5,648.4
STOXX (EU)		502.8	0.8%	1.3%	0.9%	485.7	512.1
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,699.4	1.0%	1.4%	2.1%	17,812.1	18,930.9
CAC All-Tradable(FR)		5,538.8	0.5%	0.6%	0.3%	5,398.7	5,665.2
TOPIX (JP)		2,571.1	-0.8%	-0.3%	-4.0%	2,530.7	2,733.3
Shanghai (CH)		2,834.0	-0.5%	-1.2%	-6.1%	2,834.0	3,032.9
Hang Seng (HK)		17,369.1	0.7%	1.0%	1.5%	17,108.7	17,989.1
ASX 200 (AU)		8,099.9	0.3%	1.4%	1.6%	7,826.8	8,109.9
SET (TH)		1,424.4	0.2%	-0.5%	9.3%	1,289.8	1,431.1
SET50 (TH)		899.8	0.3%	-0.5%	9.0%	817.7	905.3
Straits Times (SG)		3,562.7	0.2%	1.9%	6.3%	3,258.6	3,562.7
FTSE Malay (MY)		1,652.2	0.8%	0.0%	1.7%	1,609.5	1,678.8
JSX Index (ID)		7,798.2	0.5%	1.0%	5.2%	7,297.6	7,798.2
PSE Index (PH)		7,022.9	0.0%	0.6%	4.7%	6,613.4	7,024.7
Vn Index (VN)		1,251.7	-0.4%	-1.3%	1.7%	1,223.6	1,285.3

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.