

US dollar hits over one-year low against yen amid expectations of a significant Fed rate cut

New York's manufacturing index increased in September

Factory activity in New York state unexpectedly grew for the first time in nearly a year, driven by stronger orders and shipments. The Federal Reserve Bank of New York's general business conditions index for September increased by 16.2 points to 11.5, surpassing all forecasts. Values above zero signify growth. The new orders measure surged more than 17 points to 9.4, the highest since April 2023, and the shipments gauge reached its highest level in over a year. Conversely, employment continued to contract for the 11th consecutive month, though hours worked grew modestly. Additionally, the six-month outlook for overall activity rose to its highest since March 2022, indicating that producers in the state are more optimistic about the economy. Both the outlooks for orders and shipments also improved.

Bill Dudley: Fed should cut rates by 50bps

Bill Dudley, former President of the New York Federal Reserve, recommends that the US Federal Reserve consider a 50-basis-point interest rate cut at its next meeting. He argues that this larger cut is necessary to prevent a potential recession and to better align policy with the Fed's goals of price stability and sustainable employment. Dudley notes that while current conditions are somewhat balanced, the high interest rate remains problematic. He highlights that the unemployment rate has risen by 0.8 percentage points since January 2023 and warns that further increases could signal a recession. Dudley believes that a 50-basis-point cut would better match market expectations, whereas a smaller 25-basis-point cut might cause confusion about future policy. He also acknowledges the Fed's caution about inflation, with Chair Jerome Powell wary of repeating past mistakes.

Kazimir suggests the ECB delay its next rate cut until December

On Monday, ECB Governing Council member Peter Kazimir suggested that the European Central Bank should likely wait until December before cutting interest rates again. Kazimir, known for his hawkish stance, emphasized the need for confirmation from incoming data to avoid the risk of easing policy too quickly and potentially regretting a premature rate cut before inflation is firmly under control.

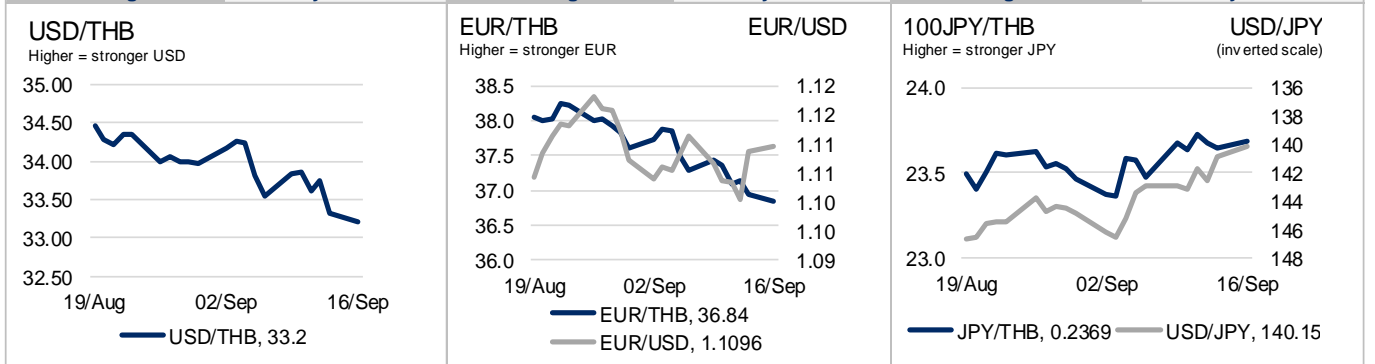
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The 10-year government bond yield (interpolated) on the previous trading day was 2.531, -1.33 bps. The benchmark government bond yield (LB346A) was 2.525, -1.5 bps. Meantime, the latest closed US 10-year bond yields was 3.63, -3.00 bps. USDTHB on the previous trading day closed around 33.20 moving in a range of 33.26 – 33.36 this morning. USDTHB could be closed between 33.20 – 33.45 today. On Monday, the Dollar weakened as markets anticipated a 50 basis point Fed rate cut. Former NY Fed President Dudley supported this view, forecasting the Fed's easing cycle to start with such a cut. The Dollar fell to lows before a strong NY Fed manufacturing report helped it recover slightly. The DXY index dropped from 101.01 to 100.58, then rebounded to around 100.75. The Euro benefited from the Dollar's weakness, with EUR/USD rising from 1.1076 to 1.1137, where it stayed just below as APAC trading started. The Japanese Yen remained mostly stable, with USD/JPY initially falling to 139.59 in the European morning but rebounding to 140.90 after the NY Fed manufacturing data.

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

SET Index	1,435.5	S&P500	5,633.1	10Y UST	3.63%	Brent	71.6	Gold	2,587.5
16-Sep ▲	0.78%	16-Sep ▲	0.1%	16-Sep ▼	-3.0 bps	13-Sep ▼	-0.5%	16-Sep ▲	0.6%

USD/THB 33.20	Daily ▼ -0.36%	EUR/THB 36.84	Daily ▼ -0.27%	JPY/THB 0.2369	Daily ▲ 0.17%
Falling Trend	Weekly ▼ -1.94%	Falling Trend	Weekly ▼ -1.42%	Rising Trend	Weekly ▲ 0.21%
	Monthly ▼ -3.70%		Monthly ▼ -3.21%		Monthly ▲ 0.81%



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		100.87	-0.2%	-0.73%	-1.3%	100.67	103.14
EUR/USD		1.1096	0.1%	0.5%	0.5%	1.0929	1.1181
USD/JPY		140.15	-0.5%	-2.1%	-4.4%	140.88	148.96
USD/CHF		0.8459	-0.4%	-0.3%	-2.2%	0.8415	0.8718
GBP/USD		1.3156	0.0%	0.6%	1.5%	1.2776	1.3239
USD/CAD		1.3574	0.0%	0.1%	-0.7%	1.3459	1.3746
AUD/USD		0.6717	-0.1%	0.9%	0.4%	0.6585	0.6796
NZD/USD		0.6170	-0.3%	0.4%	1.5%	0.5996	0.6280
ASEAN Dollar		102.54	0.1%	0.3%	-2.7%	102.22	105.80
USD/THB		33.20	-0.4%	-1.9%	-3.6%	33.32	35.09
USD/SGD		1.2955	-0.2%	-0.7%	-1.1%	1.2983	1.3236
USD/MYR		4.2987	-0.3%	-1.3%	-1.8%	4.3119	4.4495
USD/IDR		15,331	0.0%	-0.5%	-1.4%	15,330	15,852
USD/PHP		56.14	-0.2%	-0.9%	-1.5%	56.24	57.46
USD/CNY		7.0860	-0.17%	-0.4%	-0.7%	7.0761	7.1726
USD/HKD		7.7905	-0.04%	0.0%	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
16/09/2024	350	-66	285
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
Last 5 days	6,178	4,042	10,220

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 25,320	↑ 13,713	↑ 39,033
QTD	Quarter	↑ 17,604	↑ 68,716	↑ 86,320
YTD	Year	↓ -99,428	↑ 22,730	↓ -76,697

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		3.6300	-3.00	-2.00	-26.00	3.63	3.92
Gilt 10y		3.7245	-8.54	-16.71	-14.41	3.72	4.02
Bund 10y		2.1500	2.00	-2.00	-7.00	2.11	2.33
JGB 10y		0.8780	-1.80	-4.70	-2.00	0.83	0.95
TGB 1y		2.2776	-0.16	-0.34	-0.41	2.28	2.29
TGB 2y		2.1604	-0.81	-2.61	-4.75	2.17	2.22
TGB 5y		2.2370	-1.75	-4.75	-4.49	2.25	2.33
TGB 7y		2.3978	-1.35	-3.61	-2.28	2.41	2.45
TGB 10y		2.5307	-1.33	-2.58	-1.38	2.54	2.58
AAA Spread		55.23	-1.65	0.22	-10.41	55.02	71.30
AA Spread		83.14	2.52	5.58	13.43	67.07	83.14
A Spread		99.13	-1.80	-6.89	-16.88	99.13	121.99
BBB Spread		0.00	0.00	0.00	-234.40	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		71.61	-0.5%	-0.3%	-10.1%	69.19	81.43
London Gold		2587.5	0.63%	3.4%	5.1%	2,456.3	2,587.5

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)		5,633.1	0.13%	2.5%	0.4%	5,408.4	5,648.4
STOXX (EU)		501.5	-0.3%	1.6%	0.1%	488.4	512.1
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,636.1	-0.3%	2.0%	1.2%	17,885.6	18,930.9
CAC All-Tradable(FR)		5,526.9	-0.2%	0.6%	-0.6%	5,439.4	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)		17,422.1	0.3%	1.1%	0.0%	17,108.7	17,989.1
ASX 200 (AU)		8,121.6	0.3%	1.4%	1.8%	7,850.7	8,121.6
SET (TH)		1,435.5	0.8%	0.5%	8.5%	1,289.8	1,435.5
SET50 (TH)		904.8	0.5%	0.3%	8.1%	817.7	905.3
Straits Times (SG)		3,570.4	0.2%	1.6%	6.4%	3,286.3	3,570.4
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)		7,104.2	1.2%	1.7%	6.1%	6,613.4	7,104.2
Vn Index (VN)		1,239.3	-1.0%	-1.3%	1.3%	1,223.6	1,285.3

Sources: ttb analytics, CEIC

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

Important Disclosures

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