

The US dollar strengthens ahead of a potential Fed rate cut

US retail sales unexpectedly increased in August

US retail sales unexpectedly increased in August, easing some worries about a potential economic slowdown just before a crucial Federal Reserve interest rate decision this week. Overall, the data points to robust household spending in the middle of the third quarter, even as employment and wage growth appear to be slowing. Retail sales grew by 0.1% on a monthly basis, a slowdown from the revised 1.1% rise in July. Economists had predicted a decline of 0.2%. Out of the 13 categories reported, five showed gains, while others, including electronics and appliances, clothing, and furniture, saw decreases. Gasoline sales dropped due to lower pump prices. The report also highlighted that the control-group sales—used to estimate GDP—rose by 0.3% in August.

US manufacturing output rebounds in August

In August, U.S. factory production saw a significant increase, driven by a recovery in motor vehicle manufacturing. However, the data for the previous month was revised downward, indicating that overall manufacturing has been stagnating. Factory output grew by 0.9% last month, following a revised 0.7% decline in July. Economists had predicted a 0.3% increase in factory output, after a previously reported 0.3% drop in July. Year-on-year, factory production was up 0.2% in August.

German investor confidence plummets after spate of bad news

Investor confidence in Germany's economy has dropped to its lowest point in nearly a year due to growing concerns about the uncertain future facing the country's major manufacturing companies. The ZEW institute's expectations index fell sharply to 3.6 in September, down from 19.2 in August, with economists predicting only a modest decline to 17 and not anticipating such a steep drop. Additionally, the index measuring current conditions decreased to -84.5. The outlook for Europe's largest economy has worsened following an unexpected contraction in output during the second quarter, driven by weak industrial performance.

Canada's inflation cools to 2% in August, reaches central bank's target

Canada's inflation slowed to its lowest annual rate since February 2021, with core measures also easing, possibly leading the Bank of Canada to consider larger rate cuts. The consumer price index rose by 2% in August, down from 2.5% in July and below the 2.1% forecast. Monthly, the index fell by 0.2%, but rose 0.1% seasonally adjusted. Core inflation averaged 2.35%, down from 2.55% the previous month, and the three-month moving average decreased to 2.4% from 2.8%.

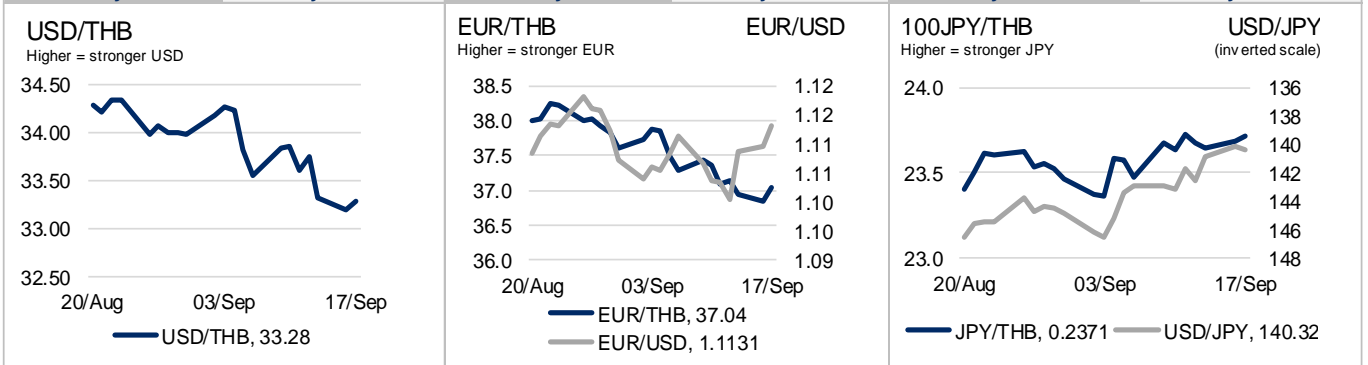
The US dollar strengthens ahead of a potential Fed rate cut

The 10-year government bond yield (interpolated) on the previous trading day was 2.501, -3.01 bps. The benchmark government bond yield (LB346A) was 2.49, -3.5 bps. Meantime, the latest closed US 10-year bond yields was 3.65, -2.00 bps. USDTHB on the previous trading day closed around 33.28 moving in a range of 33.36 – 33.415 this morning. USDTHB could be closed between 33.30 – 33.50 today. The dollar gained strength, with the dollar index approaching the 101.00 mark after US economic data exceeded expectations. Despite a significantly weaker-than-forecast German ZEW Economic Sentiment index, which dropped to its lowest level since October 2023, the euro saw only slight losses against the dollar. Meanwhile, the Japanese yen lagged behind, with USD/JPY climbing above 141.00 and eventually surpassing 142.00 as the dollar strengthened following the US economic data.

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

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,436.6 | S&P500 | 5,634.6 | 10Y UST | 3.65% | Brent | 73.0 | Gold | 2,575.5 |
| 17-Sep ▲ | 0.07% | 17-Sep ▲ | 0.0% | 17-Sep ▲ | 2.0 bps | 16-Sep ▲ | 1.9% | 17-Sep ▼ | -0.5% |

| | | | | | |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|---------------|
| USD/THB 33.28 | Daily ▲ 0.23% | EUR/THB 37.04 | Daily ▲ 0.54% | JPY/THB 0.2371 | Daily ▲ 0.11% |
| Weekly ▼ -1.00% | EUR/THB 37.04 | Weekly ▼ -0.14% | JPY/THB 0.2371 | Weekly ▼ -0.06% | |
| Monthly ▼ -2.99% | EUR/THB 37.04 | Monthly ▼ -2.56% | JPY/THB 0.2371 | Monthly ▲ 1.32% | |



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 | | 100.64 | -0.2% | -0.83% | -1.2% | 100.67 | 103.00 |
| EUR/USD | | 1.1131 | 0.3% | 0.9% | 0.4% | 1.0970 | 1.1181 |
| USD/JPY | | 140.32 | 0.1% | -0.9% | -4.2% | 140.15 | 148.96 |
| USD/CHF | | 0.8437 | -0.3% | -0.1% | -2.0% | 0.8415 | 0.8718 |
| GBP/USD | | 1.3214 | 0.4% | 0.9% | 1.7% | 1.2840 | 1.3239 |
| USD/CAD | | 1.3585 | 0.1% | -0.1% | -0.3% | 1.3459 | 1.3742 |
| AUD/USD | | 0.6751 | 0.5% | 1.5% | 0.4% | 0.6608 | 0.6796 |
| NZD/USD | | 0.6194 | 0.4% | 0.8% | 1.1% | 0.5996 | 0.6280 |
| ASEAN Dollar | | 102.64 | -0.5% | -0.7% | -1.2% | 102.38 | 105.11 |
| USD/THB | | 33.28 | 0.2% | -1.0% | -2.9% | 33.20 | 35.09 |
| USD/SGD | | 1.2940 | -0.1% | -0.6% | -1.0% | 1.2955 | 1.3210 |
| USD/MYR | | 4.2819 | -0.4% | -1.2% | -2.0% | 4.2987 | 4.4487 |
| USD/IDR | | 15,308 | -0.1% | -0.5% | -0.7% | 15,330 | 15,683 |
| USD/PHP | | 55.91 | -0.4% | -0.7% | -1.6% | 56.14 | 57.42 |
| USD/CNY | | 7.0849 | -0.02% | -0.4% | -0.6% | 7.0761 | 7.1726 |
| USD/HKD | | 7.7824 | -0.10% | -0.2% | 0.0% | 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 | ↑ 24,905 | ↑ 13,527 | ↑ 38,432 |
| QTD | Quarter | ↑ 17,188 | ↑ 68,530 | ↑ 85,718 |
| YTD | Year | ↓ -99,843 | ↑ 22,545 | ↓ -77,299 |

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 | | 2.52 | 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 | 2.71 | 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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