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The Bank of Japan (BoJ) maintained its short-term policy rate at 0.25% unanimously, as expected. They forecast that inflation will meet their target in the latter half of their three-year projection through fiscal 2026, with rising medium- and long-term inflation expectations. The BoJ also highlighted that exchange rate fluctuations are increasingly impacting prices and noted Japan's economy is likely to grow above potential, though caution is needed regarding financial market effects. In a dovish post-meeting press conference, Governor Ueda emphasized the significance of global economies, particularly the US after the Federal Reserve's 50 basis point rate cut. He stated that recent FX movements have lowered upside price risks and reiterated concerns about market instability, aligning with Deputy Governor Uchida's earlier comments. This has led to speculation that plans for rate hikes are now slowing.

**Fed's Waller says slowing inflation led him to support large rate cut**

Fed Governor Waller explained his support for a 50 basis point rate cut in September, noting that his prior speech had left the option open for either 25 or 50 basis points. He attributed his decision to the August inflation data, which showed core inflation below the Fed's target. Specifically, he mentioned that core PCE rose by 0.14% in August, indicating an annualized rate of less than 1.8%, below the 2% target. Waller emphasized that future rate cuts will depend on various factors, maintaining a data-driven approach. He suggested that a stable data outlook could lead to a 25 basis point cut in upcoming meetings, but larger cuts might be considered if the labor market worsens, or inflation weakens. He also mentioned the possibility of pausing rate changes based on the data.

**UK retail sales soar in August despite political and fiscal concerns**

UK retail sales rose in August, as consumers took advantage of sunny weather and summer discounts, despite growing political and fiscal concerns. The Office for National Statistics reported a 1.0% increase in the volume of goods sold, exceeding economists' expectations of 0.4% and following a revised 0.7% increase in July. This suggests British consumers remained optimistic, even amid anti-immigrant riots and warnings from Prime Minister Keir Starmer about tough fiscal choices. However, separate GfK data showed consumer confidence turned negative in September, linked to concerns over the Labour government's tax and spending plans.

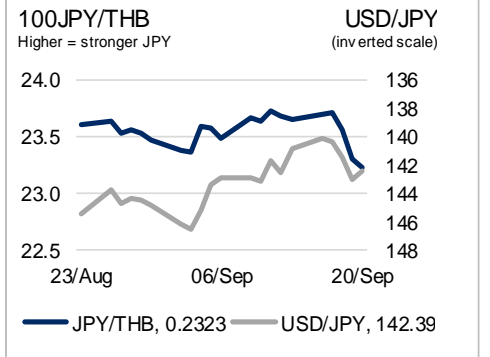
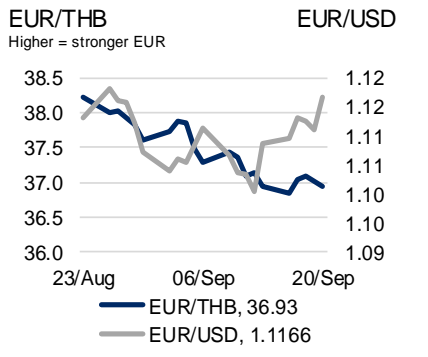
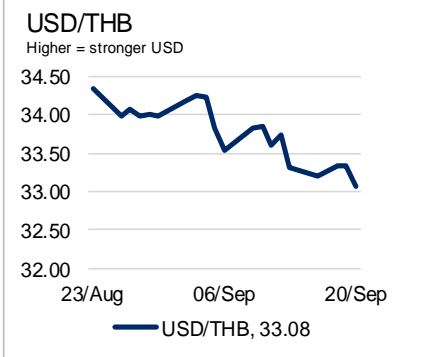
**The dollar fell in volatile trading after the Fed's major rate cut**

The 10-year government bond yield (interpolated) on the previous trading day was 2.469, -3.77 bps. The benchmark government bond yield (LB346A) was 2.465, -3.0 bps. Meantime, the latest closed US 10-year bond yields was 3.73, +0.00 bps. USDTHB on the previous trading day closed around 33.08 moving in a range of 32.94 – 32.95 this morning. USDTHB could be closed between 32.80 – 33.10 today. The dollar saw slight selling overnight due to Yen strength but gained momentum as the Yen weakened. However, following Waller's comments, the dollar weakened again, stabilizing the dollar index. The Euro remained steady, showing little reaction to the stronger-than-expected EZ Consumer Confidence Flash for September, closing around 1.1160. The Yen initially reacted erratically to the BoJ's decision to maintain its 0.25% rate but weakened after Governor Ueda expressed reluctance to raise rates. By the session's end, USD/JPY was above 143, down from a high of 144.49.

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

<b>SET Index</b>	<b>1,451.7</b>	<b>S&amp;P500</b>	<b>5,702.6</b>	<b>10Y UST</b>	<b>3.73%</b>	<b>Brent</b>	<b>74.9</b>	<b>Gold</b>	<b>2,606.5</b>
20-Sep	▼ -0.22%	20-Sep	▼ -0.2%	20-Sep	▲ 0.0 bps	19-Sep	▲ 1.7%	20-Sep	▲ 0.6%

<b>USD/THB 33.08</b>	Daily ▼ -0.75%	<b>EUR/THB 36.93</b>	Daily ▼ -0.24%	<b>JPY/THB 0.2323</b>	Daily ▼ -0.30%
Falling Trend	Weekly ▼ -0.37%	Sideways Trend	Weekly ▲ 0.25%	Falling Trend	Weekly ▼ -1.96%
	Monthly ▼ -3.76%		Monthly ▼ -3.44%		Monthly ▼ -1.60%



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		100.57	-0.5%	-0.30%	-0.7%	100.64	102.16
EUR/USD		1.1166	0.5%	0.6%	0.3%	1.1004	1.1181
USD/JPY		142.39	-0.4%	1.6%	-2.1%	140.15	146.62
USD/CHF		0.8462	-0.3%	0.0%	-0.5%	0.8415	0.8648
GBP/USD		1.3303	0.7%	1.1%	1.4%	1.2966	1.3239
USD/CAD		1.3559	-0.4%	-0.1%	-0.2%	1.3459	1.3665
AUD/USD		0.6813	0.4%	1.4%	1.4%	0.6654	0.6796
NZD/USD		0.6244	0.4%	1.2%	1.4%	0.6078	0.6280
ASEAN Dollar		102.68	-0.1%	-1.0%	-1.8%	102.83	104.89
USD/THB		33.08	-0.7%	-0.4%	-3.7%	33.20	34.34
USD/SGD		1.2900	-0.4%	-0.4%	-1.3%	1.2940	1.3102
USD/MYR		4.1878	-1.5%	-2.6%	-4.2%	4.2440	4.3778
USD/IDR		15,067	-1.2%	-1.7%	-2.6%	15,245	15,543
USD/PHP		55.83	-0.4%	-0.6%	-1.5%	55.91	56.97
USD/CNY		7.0455	-0.48%	-0.6%	-1.2%	7.0761	7.1350
USD/HKD		7.7878	-0.07%	0.0%	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		238,892	1995
Gold		19,437	459
SDR		5,585	2
IMF Reserves		1,144	0
Foreign Ccy		212,726	1534
Net Fwd Position		26,520	-160

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
20/09/2024	1,399	1,358	2,758
19/09/2024	1,038	2,370	3,407
18/09/2024	3,494	9,749	13,242
17/09/2024	-416	-186	-601
16/09/2024	350	-66	285
Last 5 days	5,865	13,226	19,091

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 30,835	↑ 27,004	↑ 57,839
QTD	Quarter	↑ 23,119	↑ 82,007	↑ 105,126
YTD	Year	↓ -93,913	↑ 36,022	↓ -57,891

Money Market

Last update: 13/09/2024

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		3.7300	0.00	10.00	-13.00	3.63	3.91
Gilt 10y		3.7487	1.43	2.42	-17.80	3.72	4.02
Bund 10y		2.1800	-2.00	3.00	-7.00	2.10	2.33
JGB 10y		0.8890	2.90	-0.70	-0.70	0.86	0.95
TGB 1y		2.2592	0.11	-1.85	-2.16	2.26	2.29
TGB 2y		2.1203	-2.14	-4.01	-8.63	2.14	2.22
TGB 5y		2.1817	-2.30	-5.53	-12.93	2.20	2.33
TGB 7y		2.3234	-3.16	-7.44	-11.62	2.36	2.45
TGB 10y		2.4690	-3.77	-6.18	-10.07	2.50	2.58
AAA Spread		56.75	2.41	2.03	-8.77	54.34	70.50
AA Spread		81.00	-0.13	4.19	13.86	67.14	82.54
A Spread		100.49	0.64	-3.80	-12.86	99.86	122.29
BBB Spread		0.00	0.00	0.00	-234.20	0.00	260.10

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		74.88	1.7%	4.6%	-3.0%	69.19	81.43
London Gold		2606.5	0.61%	0.7%	4.0%	2,474.5	2,606.5

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)		5,702.6	-0.19%	1.2%	1.2%	5,408.4	5,713.6
STOXX (EU)		511.5	0.0%	2.0%	1.2%	492.4	512.1
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		19,002.4	1.6%	1.6%	2.8%	18,265.9	19,002.4
CAC All-Tradable(FR)		5,565.2	-1.5%	0.7%	-0.9%	5,456.2	5,665.2
TOPIX (JP)		2,642.4	1.0%	2.8%	-1.1%	2,530.7	2,733.3
Shanghai (CH)		2,868.4	0.0%	0.7%	-4.2%	2,834.0	3,032.9
Hang Seng (HK)		18,258.6	1.4%	5.1%	5.0%	17,108.7	18,258.6
ASX 200 (AU)		8,209.5	0.2%	1.1%	2.3%	7,950.5	8,209.5
SET (TH)		1,451.7	-0.2%	1.1%	7.1%	1,328.1	1,454.8
SET50 (TH)		913.6	-0.5%	1.0%	6.9%	840.0	917.7
Straits Times (SG)		3,624.8	-0.2%	1.5%	7.0%	3,370.3	3,633.2
FTSE Malay (MY)		1,668.8	0.2%	1.0%	1.7%	1,635.3	1,678.8
JSX Index (ID)		7,743.0	-2.1%	-0.9%	3.4%	7,466.8	7,905.4
PSE Index (PH)		7,252.3	0.7%	2.1%	5.1%	6,847.4	7,252.3
Vn Index (VN)		1,272.0	0.1%	2.6%	-0.9%	1,239.3	1,285.3

Sources: ttb analytics, CEIC

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

Important Disclosures

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