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The Federal Reserve's preferred measure of underlying US inflation and household spending rose modestly in August, underscoring a cooling economy. The PCE price index increased by 0.1% in August, in line with expectations, following a 0.2% rise in July. Goods prices fell 0.2%, offset by a 0.2% increase in services costs. Over the past year, the PCE price index rose 2.2%, the smallest gain since February 2021, down from 2.5% in July. Excluding food and energy, the core index rose 0.1% after a 0.2% increase in July, with core inflation up 2.7% year-over-year, slightly higher than July's 2.6%. The U.S. central bank uses these measures for its 2% inflation target. Meanwhile, Spending data indicates a gradual economic slowdown this year. Services spending, which makes up most household consumption, rose 0.2% in August, the smallest three-month gain since October 2023, while goods spending was unchanged after a solid July increase.

ECB rate-cut expectations surge as inflation in France and Spain drops below 2%

Inflation in France and Spain fell below 2%, leading investors to predict that the European Central Bank will increase the pace of interest rate cuts. In September, France's consumer prices rose 1.5% year-over-year, marking the first time inflation dipped below 2% in over three years, primarily due to lower energy costs. Service prices increased 2.5%, down from 3.0% in August, while manufactured goods prices declined slightly more than the previous month. Spain also saw inflation ease to 1.7%, driven by drops in fuel, power, and food costs. Analysts had expected both countries to report 1.9%. Additionally, an ECB survey showed consumers anticipate slower price increases in the coming years.

Shigeru Ishiba is poised to become Japan's prime minister

The Liberal Democratic Party selected Shigeru Ishiba over Sanae Takaichi, who opposes Bank of Japan rate hikes. Takaichi was expected to win, and the surprising result led to a rally in Japan's currency, with traders anticipating continued normalization efforts from the BOJ, which Ishiba supports. However, Ishiba emphasized the need for accommodative monetary policy to support fragile economic recovery, raising questions about his stance after previously criticizing the BOJ's aggressive easing. He also indicated plans to quickly implement measures to help low-income households cope with rising living costs.

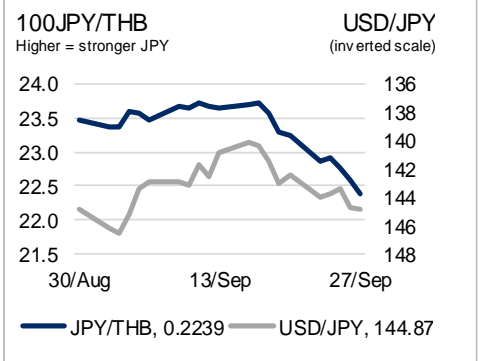
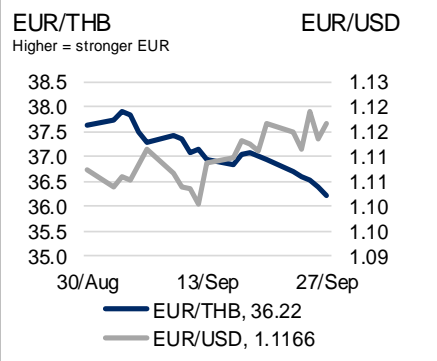
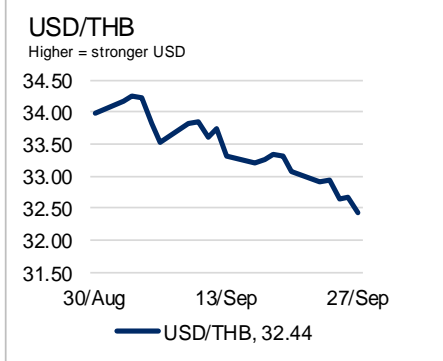
Dollar declines following inflation data, while Yen rallies after Ishiba's victory

The 10-year government bond yield (interpolated) on the previous trading day was 2.496, +1.73 bps. The benchmark government bond yield (LB346A) was 2.49, +2.00 bps. Meantime, the latest closed US 10-year bond yields was 3.75, -4.00 bps. USDTHB on the previous trading day closed around 32.44 moving in a range of 32.31 – 32.35 this morning. USDTHB could be closed between 32.20 – 32.50 today. The dollar index fell during the APAC and Euro sessions due to strong yen performance. The U.S. trading day was focused on the PCE report, which showed cooler-than-expected figures for Personal Income, Consumption and Core PCE. Although the dollar initially declined, it regained some ground amid rising geopolitical tensions but later slipped back to the day's lower range (100.150-100.880). The euro initially dropped after the CPI numbers to a low of 1.1126 but later climbed during the U.S. session, supported by the PCE report, before reversing gains to settle at 1.1165. The Yen outperformed other G10 currencies due to lower U.S. yields, increasing geopolitical tensions, and election news.

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

|                  |                |                   |                |                |              |              |              |             |                |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|--------------|-------------|----------------|
| <b>SET Index</b> | <b>1,450.2</b> | <b>S&amp;P500</b> | <b>5,738.2</b> | <b>10Y UST</b> | <b>3.75%</b> | <b>Brent</b> | <b>71.09</b> | <b>Gold</b> | <b>2,660.6</b> |
| 27-Sep           | ▼ -0.34%       | 27-Sep            | ▼ -0.1%        | 27-Sep         | ▼ -4.0 bps   | 26-Sep       | ▼ -2.5%      | 27-Sep      | ▼ -0.3%        |

|                      |                  |                      |                  |                       |                  |
|----------------------|------------------|----------------------|------------------|-----------------------|------------------|
| <b>USD/THB 32.44</b> | Daily ▼ -0.76%   | <b>EUR/THB 36.22</b> | Daily ▼ -0.50%   | <b>JPY/THB 0.2239</b> | Daily ▼ -0.86%   |
| Falling Trend        | Weekly ▼ -1.49%  | Falling Trend        | Weekly ▼ -1.34%  | Falling Trend         | Weekly ▼ -2.06%  |
|                      | Monthly ▼ -4.64% |                      | Monthly ▼ -3.80% |                       | Monthly ▼ -4.69% |



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 |            | 100.66 | -0.2%     | -0.17%    | -0.7%     | 100.32   | 101.81 |
| EUR/USD      |            | 1.1166 | 0.3%      | 0.1%      | 0.8%      | 1.1004   | 1.1189 |
| USD/JPY      |            | 144.87 | 0.1%      | 0.6%      | 0.0%      | 140.15   | 146.60 |
| USD/CHF      |            | 0.8469 | -0.4%     | -0.4%     | -0.1%     | 0.8415   | 0.8526 |
| GBP/USD      |            | 1.3396 | 0.44%     | 0.7%      | 1.7%      | 1.3038   | 1.3413 |
| USD/CAD      |            | 1.3481 | 0.05%     | -0.6%     | -0.1%     | 1.3433   | 1.3608 |
| AUD/USD      |            | 0.6879 | 0.53%     | 0.9%      | 1.2%      | 0.6654   | 0.6885 |
| NZD/USD      |            | 0.6313 | 0.7%      | 1.2%      | 0.8%      | 0.6137   | 0.6337 |
| ASEAN Dollar |            | 102.97 | -0.7%     | -1.6%     | -2.7%     | 103.72   | 106.62 |
| USD/THB      |            | 32.44  | -0.8%     | -1.5%     | -4.5%     | 32.65    | 34.26  |
| USD/SGD      |            | 1.2837 | -0.3%     | -0.6%     | -1.5%     | 1.2831   | 1.3078 |
| USD/MYR      |            | 4.1228 | -0.4%     | -1.9%     | -4.5%     | 4.1228   | 4.3693 |
| USD/IDR      |            | 15,056 | -0.1%     | -0.4%     | -2.2%     | 15,052   | 15,474 |
| USD/PHP      |            | 56.08  | -0.3%     | 0.3%      | -0.8%     | 55.83    | 56.84  |
| USD/CNY      |            | 6.9894 | -0.30%    | -0.7%     | -1.3%     | 7.0073   | 7.1246 |
| USD/HKD      |            | 7.7737 | -0.08%    | -0.1%     | -0.2%     | 7.7798   | 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            |            | 240,866 | 1974         |
| Gold             |            | 19,774  | 337          |
| SDR              |            | 5,601   | 15           |
| IMF Reserves     |            | 1,147   | 3            |
| Foreign Ccy      |            | 214,344 | 1618         |
| Net Fwd Position |            | 26,240  | -280         |

Foreign Fund Flows (THB.mn)

| Date        | Equity | Bond    | Total   |
|-------------|--------|---------|---------|
| 27/09/2024  | -1,804 | -8,637  | -10,442 |
| 26/09/2024  | -1,326 | -3,230  | -4,556  |
| 25/09/2024  | -555   | 2,342   | 1,787   |
| 24/09/2024  | 2,556  | 627     | 3,183   |
| 23/09/2024  | 435    | -2,975  | -2,541  |
| Last 5 days | -695   | -11,873 | -12,568 |

|     | Period-to-date | Equity    | Bond     | Total     |
|-----|----------------|-----------|----------|-----------|
| MTD | Month          | ↑ 30,140  | ↑ 15,130 | ↑ 45,271  |
| QTD | Quarter        | ↑ 22,424  | ↑ 70,134 | ↑ 92,558  |
| YTD | Year           | ↓ -94,607 | ↑ 24,148 | ↓ -70,459 |

Money Market

Last update: 20/09/2024

| 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     | 2.81 | 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

Fixed Income Market

| Fixed Income | 1M History | YTM (%) | Bps Chg (1D) | Bps Chg (1W) | Bps Chg (1M) | 1M Range |        |
|--------------|------------|---------|--------------|--------------|--------------|----------|--------|
|              |            |         |              |              |              | Min      | Max    |
| UST10y       |            | 3.7500  | -4.00        | 0.00         | -12.00       | 3.63     | 3.91   |
| Gilt 10y     |            | 3.9675  | -0.35        | 7.31         | -2.28        | 3.72     | 4.02   |
| Bund 10y     |            | 2.1300  | -2.00        | -3.00        | -13.00       | 2.10     | 2.33   |
| JGB 10y      |            | 0.8720  | 2.00         | -1.70        | -3.40        | 0.85     | 0.95   |
| TGB 1y       |            | 2.2661  | -0.03        | -0.01        | -1.67        | 2.26     | 2.28   |
| TGB 2y       |            | 2.1452  | 0.58         | 1.71         | -4.47        | 2.12     | 2.20   |
| TGB 5y       |            | 2.2387  | 1.06         | 2.83         | -4.35        | 2.18     | 2.29   |
| TGB 7y       |            | 2.3403  | 1.08         | 0.33         | -8.30        | 2.32     | 2.44   |
| TGB 10y      |            | 2.4959  | 1.73         | 0.35         | -6.14        | 2.47     | 2.58   |
| AAA Spread   |            | 62.04   | 7.75         | 2.80         | -3.12        | 54.29    | 69.29  |
| AA Spread    |            | 79.76   | -2.71        | 4.05         | 12.69        | 67.07    | 82.55  |
| A Spread     |            | 101.29  | 2.66         | -0.90        | -10.36       | 98.63    | 121.03 |
| BBB Spread   |            | 0.00    | 0.00         | 0.00         | -235.82      | 0.00     | 236.13 |

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 |            | 71.09  | -2.5%     | -4.6%     | -11.1%    | 69.19    | 81.43   |
| London Gold |            | 2660.6 | -0.3%     | 1.7%      | 5.4%      | 2,474.5  | 2,668.9 |

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)          |            | 5,738.2  | -0.13%    | 0.3%      | 1.6%      | 5,408.4  | 5,745.4  |
| STOXX (EU)           |            | 518.9    | 1.9%      | 2.6%      | 1.48%     | 492.4    | 518.9    |
| FTSE All-Share(UK)   |            | 4,076.1  | 0.2%      | -0.3%     | 2.9%      | 3,933.2  | 4,088.1  |
| DAX (DE)             |            | 19,238.4 | 1.7%      | 2.8%      | 1.7%      | 18,265.9 | 19,238.4 |
| CAC All-Tradable(FR) |            | 5,773.1  | 0.7%      | 3.6%      | 2.0%      | 5,456.2  | 5,773.1  |
| TOPIX (JP)           |            | 2,740.9  | 0.7%      | 3.7%      | 1.8%      | 2,530.7  | 2,740.9  |
| Shanghai (CH)        |            | 3,236.3  | 2.9%      | 12.3%     | 8.8%      | 2,834.0  | 3,236.3  |
| Hang Seng (HK)       |            | 20,632.3 | 3.6%      | 13.1%     | 16.6%     | 17,108.7 | 20,632.3 |
| ASX 200 (AU)         |            | 8,212.2  | 0.1%      | 0.7%      | 1.5%      | 7,950.5  | 8,212.2  |
| SET (TH)             |            | 1,450.2  | -0.3%     | 0.2%      | 6.7%      | 1,353.6  | 1,462.1  |
| SET50 (TH)           |            | 915.4    | -0.5%     | 0.2%      | 6.8%      | 854.2    | 924.6    |
| Straits Times (SG)   |            | 3,573.4  | -0.2%     | -1.8%     | 3.8%      | 3,391.0  | 3,638.5  |
| FTSE Malay (MY)      |            | 1,660.1  | -0.7%     | -0.3%     | 0.4%      | 1,638.3  | 1,678.8  |
| JSX Index (ID)       |            | 7,696.9  | -0.6%     | -1.0%     | 0.9%      | 7,597.9  | 7,905.4  |
| PSE Index (PH)       |            | 7,428.3  | -0.4%     | 0.1%      | 7.7%      | 6,882.1  | 7,458.7  |
| Vn Index (VN)        |            | 1,290.9  | 0.0%      | 1.8%      | 0.7%      | 1,239.3  | 1,291.5  |

Sources: ttb analytics, CEIC

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

Important Disclosures

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