

Dollar rises as Fed's Powell takes a hawkish stance on the economy

Fed Chair Powell says there's no rush to cut rates as economic confidence grows

Fed Chair Powell reiterated his September comments, noting the Fed isn't in a hurry to cut rates. He suggested that if the economy continues as expected, there could be two 25-basis-point cuts this year, countering expectations for a larger reduction. He highlighted that revisions to Gross Domestic Income and Personal Income have reduced downside risks. Powell also indicated that the savings rate revisions suggest healthy spending can continue. While he's monitoring productivity, he feels it's too early to determine if improvements will last. On the labor market, he stated that job creation may not suffice to keep the unemployment rate steady amid rising supply, acknowledging that while the labor market remains solid, it has "cooled" and doesn't need to cool further to lower inflation.

German inflation eases, spurring hopes for another ECB cut

German inflation dropped to its lowest level since February 2021 this month, bolstering the case for another interest rate cut by the European Central Bank next month. In September, German inflation decreased to 1.8%, below the market expectation of 1.9%, following a 2.0% year-on-year rise in consumer prices in August. This decline is largely attributed to favorable energy price base effects, with energy prices falling 7.6% year-on-year in September, which helped counter a slight increase in food inflation that rose to 1.6% from 1.5% in August. Additionally, services inflation, which had been relatively stable in previous months, edged down to 3.8% in September from 3.9% in August. Core inflation, which excludes volatile food and energy prices, also decreased to 2.7% in September from 2.8% in August.

China's weak factory activity highlights urgent need for stimulus

China's factory activity contracted for the fifth month in a row, and the services sector saw a notable slowdown in September. This suggests that Beijing will need to implement additional stimulus measures to meet its 2024 growth target with just three months left in the year. The data highlights a persistent economic slump, even as Chinese officials prepare to announce a comprehensive growth-boosting package. The National Bureau of Statistics (NBS) reported a slight increase in the purchasing managers' index (PMI) to 49.8 in September, up from 49.1 in August and surpassing the median forecast of 49.5, marking the highest reading in five months.

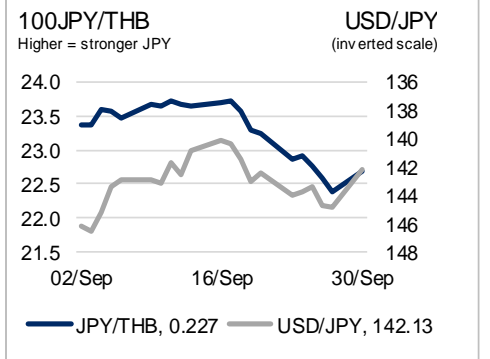
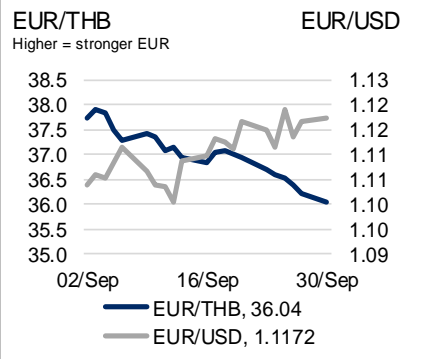
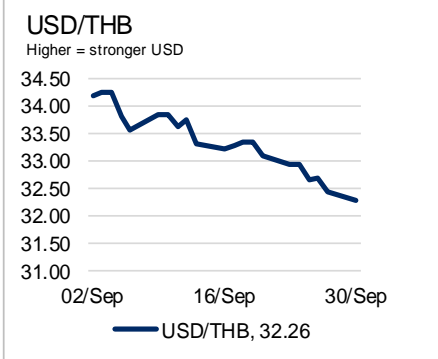
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The 10-year government bond yield (interpolated) on the previous trading day was 2.483, -1.30 bps. The benchmark government bond yield (LB346A) was 2.485, -0.5 bps. Meantime, the latest closed US 10-year bond yields was 3.81, +6.00 bps. USDTHB on the previous trading day closed around 32.26 moving in a range of 32.45 – 32.505 this morning. USDTHB could be closed between 32.30 – 32.60 today. The dollar climbed throughout the day, boosted by Fed Chair Powell's hawkish comments at the NABE conference. The euro initially rose in the European session but failed to stay above 1.12, impacted by lower-than-expected German inflation, which contributed to a trend of soft inflation reports in Europe. The euro then weakened significantly after Powell's remarks, deepening its intraday decline. Meanwhile, the Japanese yen also fell against the dollar, with USD/JPY returning to the 143.00 level as US yields increased following Powell's statements.

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

SET Index	1,448.8	S&P500	5,762.5	10Y UST	3.81%	Brent	71.54	Gold	2,650.2
30-Sep	▼ -0.09%	30-Sep	▲ 0.4%	30-Sep	▲ 6.0 bps	27-Sep	▲ 0.6%	30-Sep	▼ -0.4%

USD/THB 32.26	Daily ▼ -0.54%	EUR/THB 36.04	Daily ▼ -0.48%	JPY/THB 0.2270	Daily ▲ 1.36%
Falling Trend	Weekly ▼ -2.08%	Falling Trend	Weekly ▼ -1.56%	Sideways Trend	Weekly ▼ -0.98%
	Monthly ▼ -5.77%		Monthly ▼ -4.57%		Monthly ▼ -2.94%



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		100.33	-0.3%	-0.57%	-1.5%	100.32	101.81
EUR/USD		1.1172	0.1%	0.5%	1.2%	1.1004	1.1189
USD/JPY		142.13	-1.9%	-1.1%	-2.8%	140.15	146.60
USD/CHF		0.8406	-0.7%	-0.7%	-1.1%	0.8415	0.8526
GBP/USD		1.3399	0.02%	0.3%	2.1%	1.3038	1.3413
USD/CAD		1.3500	0.14%	-0.1%	-0.1%	1.3433	1.3608
AUD/USD		0.6931	0.74%	1.3%	2.5%	0.6654	0.6885
NZD/USD		0.6372	0.9%	1.6%	2.3%	0.6137	0.6337
ASEAN Dollar		102.45	0.2%	-0.5%	-3.3%	102.21	106.75
USD/THB		32.26	-0.5%	-2.1%	-5.6%	32.44	34.26
USD/SGD		1.2786	-0.4%	-0.9%	-2.2%	1.2831	1.3078
USD/MYR		4.1044	-0.4%	-1.7%	-5.4%	4.1228	4.3693
USD/IDR		15,044	-0.1%	-0.6%	-2.6%	15,052	15,474
USD/PHP		56.18	0.2%	-0.3%	-0.8%	55.83	56.84
USD/CNY		6.9837	-0.08%	-0.7%	-1.6%	6.9894	7.1246
USD/HKD		7.7604	-0.17%	-0.2%	-0.5%	7.7737	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
30/09/2024	-963	-776	-1,738
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
Last 5 days	-2,092	-9,674	-11,766

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 29,178	↑ 14,355	↑ 43,533
QTD	Quarter	↑ 21,462	↑ 69,358	↑ 90,820
YTD	Year	↓ -95,570	↑ 23,373	↓ -72,197

Money Market

Last update: 20/09/2024

THB BIBOR	1M Hist	Last	1M Range		THBFIX	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		2.70	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

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		3.8100	6.00	7.00	-10.00	3.63	3.91
Gilt 10y		3.9752	0.78	6.03	0.42	3.72	4.02
Bund 10y		2.1600	3.00	-3.00	-17.00	2.10	2.33
JGB 10y		0.8940	4.50	4.60	-2.30	0.85	0.95
TGB 1y		2.2618	-0.43	-0.33	-2.21	2.26	2.28
TGB 2y		2.1400	-0.52	0.95	-5.20	2.12	2.20
TGB 5y		2.2329	-0.57	2.08	-5.92	2.18	2.29
TGB 7y		2.3309	-0.94	-0.62	-10.57	2.32	2.44
TGB 10y		2.4829	-1.30	-1.10	-9.09	2.47	2.58
AAA Spread		62.61	6.06	8.71	-2.65	53.90	69.21
AA Spread		80.24	-2.20	4.56	12.70	67.54	82.44
A Spread		101.65	3.07	-0.75	-9.38	98.59	120.65
BBB Spread		0.00	0.00	0.00	-238.83	0.00	238.83

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		71.54	0.6%	-3.2%	-9.2%	69.19	79.94
London Gold		2650.2	-0.4%	0.8%	5.9%	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)		5,762.5	0.42%	0.5%	2.0%	5,408.4	5,762.5
STOXX (EU)		522.7	-1.2%	1.2%	0.82%	492.4	522.7
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		19,324.9	-0.8%	1.7%	2.1%	18,265.9	19,473.6
CAC All-Tradable(FR)		5,656.7	-2.0%	0.4%	-0.2%	5,456.2	5,773.1
TOPIX (JP)		2,645.9	-3.5%	-0.4%	-1.7%	2,530.7	2,740.9
Shanghai (CH)		3,497.3	8.1%	16.5%	18.2%	2,834.0	3,497.3
Hang Seng (HK)		21,133.7	2.4%	11.2%	18.8%	17,108.7	21,133.7
ASX 200 (AU)		8,269.8	0.7%	1.6%	2.0%	7,950.5	8,269.8
SET (TH)		1,448.8	-0.1%	-0.9%	7.0%	1,353.6	1,462.1
SET50 (TH)		914.1	-0.1%	-1.1%	7.0%	854.2	924.6
Straits Times (SG)		3,585.3	0.3%	-1.0%	3.5%	3,391.0	3,638.5
FTSE Malay (MY)		1,648.9	-0.7%	-1.3%	-1.8%	1,638.3	1,678.8
JSX Index (ID)		7,527.9	-2.2%	-3.2%	-1.9%	7,527.9	7,905.4
PSE Index (PH)		7,272.7	-2.1%	-2.1%	5.0%	6,882.1	7,458.7
Vn Index (VN)		1,287.9	-0.2%	0.9%	0.5%	1,239.3	1,291.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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