US service sector activity surges to its highest level in over two year

US service sector activity surges to its highest level in over two year

The US service sector grew at its fastest pace in over two years in October, with the ISM non-manufacturing index rising to 56, the highest since July 2022. Economists had expected a decline to 53.8. The increase was driven by a rebound in the employment component, which rose to 53.0 from 48.1. Meanwhile, the Prices Paid component also saw a slight uptick, rising to 58.1 from 59.4, signaling continued price pressures, albeit at a slightly slower rate. New orders and business activity also showed solid growth, signaling continued economic momentum in Q4.

Japan's service sector contracts as sales weaken and confidence drops

The final services PMI fell to 49.7 in October from 53.1 in September, slightly above the flash reading of 49.3 but dipping below the 50.0 threshold for the first time since June. Labor shortages weighed on the business outlook, and new business growth slowed, while overseas demand contracted. The composite PMI, which combines manufacturing and services, dropped to 49.6 from 52.0, marking the lowest level since November of last year.

RBA keeps interest rates steady and plans to continue restrictive policy

The Reserve Bank of Australia kept interest rates unchanged, maintaining a restrictive monetary policy due to ongoing concerns over inflation. The RBA held its benchmark cash rate at 4.35%, unchanged since it was last raised a year ago, a decision widely expected by markets. While headline inflation slowed to 2.8% in Q3, mainly due to government electricity rebates, underlying inflation remained at 3.5%. The RBA's priority is returning inflation to its 2-3% target, with forecasts showing this may happen by 2026.

China's services sector strengthens as business conditions improve

China's services activity grew at its fastest pace in three months in October, with the Caixin/S&P Global services PMI rising to 52.0 from 50.3. This suggests Beijing's stimulus measures are improving business conditions. New business edged up to 52.1, though overseas demand slowed. Confidence hit a five-month high, with some firms boosting promotions for future sales. The Caixin/S&P Global Composite PMI also increased to 51.9 from 50.3.

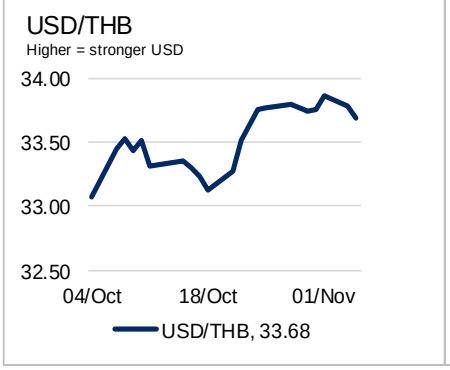
Dollar falls as US election nears, uncertainty prevails

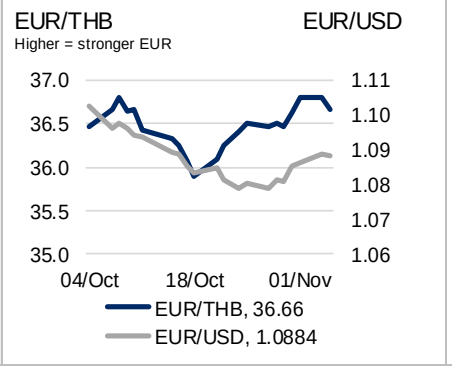
The 10-year government bond yield (interpolated) on the previous trading day was 2.433, -0.92 bps. The benchmark government bond yield (LB346A) was 2.43, +0.5 bps. Meantime, the latest closed US 10-year bond yields was 4.26, -5.0 bps. USDTHB on the previous trading day closed around 33.68, moving in a range of 33.55 – 33.85 this morning. USDTHB could be closed between 33.50 – 34.00 today. The dollar weakened as the index retreated from around 104.00, continuing its decline in US trading ahead of the election results and amid a risk-on sentiment in stocks, despite a strong ISM Non-Manufacturing report. The euro gained ground against the weaker dollar, pushing above the 1.0900 level, supported by EU-specific factors. Meanwhile, the Japanese yen strengthened, with USD/JPY falling below 152.00 as long-term US yields softened.

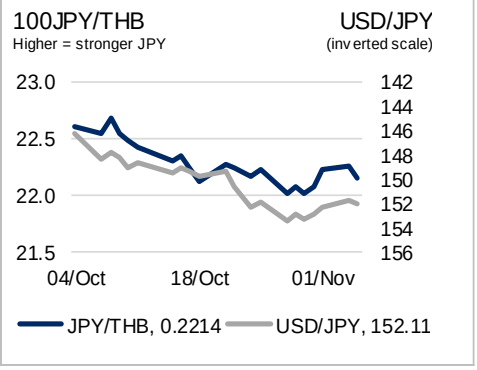
Sources : ttb analytics , Bloomberg, CNBC, Trading economics, Investing, CEIC

SET Index	S&P500	10Y UST	Brent	Gold
1,481.7	5,782.8	4.26%	75.28	2,738.8
5-Nov ▲ 1.27%	5-Nov ▲ 1.22%	5-Nov ▼ -5.0 bps	4-Nov ▲ 3%	5-Nov ▼ -0.1%

USD/THB 33.68		EUR/THB 36.66		JPY/THB 0.2214	
	Daily ▼ -0.30%		Daily ▼ -0.34%		Daily ▼ -0.54%
	Weekly ▼ -0.17%		Weekly ▲ 0.53%		Weekly ▲ 0.62%
Sideways Trend	Monthly ▲ 1.84%	Sideways Trend	Monthly ▲ 0.55%	Sideways Trend	Monthly ▼ -2.05%







Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoT's daily closing rates

Main Contributor

Wajarawij Ramindra
Wajarawij.ram@ttbbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbbank.com

ttb analytics ttbanalytics@ttbbank.com
Naris Sathapholdeja naris.sat@ttbbank.com
Kasem Harnchanpanich kasem.har@ttbbank.com

ttb analytics

www.ttbbank.com/analytics

Daily Market | INSIGHT

Wednesday 6 November 2024

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range Min	1M Range Max
Dollar Index		103.82	0.1%	-0.51%	1.9%	100.33	104.49
EUR/USD		1.0884	0.0%	0.7%	-1.3%	1.0788	1.1172
USD/JPY		152.11	0.2%	-0.8%	4.0%	142.13	153.49
USD/CHF		0.8634	-0.2%	-0.5%	1.4%	0.8406	0.8690
GBP/USD		1.2971	-0.08%	-0.2%	-1.2%	1.2884	1.3399
USD/CAD		1.3889	-0.12%	-0.3%	2.5%	1.3496	1.3947
AUD/USD		0.6596	-0.07%	0.7%	-3.6%	0.6549	0.6931
NZD/USD		0.5984	-0.3%	0.3%	-3.7%	0.5966	0.6372
ASEAN Dollar		110.36	0.2%	0.2%	3.0%	105.25	110.36
USD/THB		33.68	-0.3%	-0.2%	1.9%	32.26	33.87
USD/SGD		1.3176	0.0%	-0.6%	1.6%	1.2786	1.3251
USD/MYR		4.3606	-0.1%	-0.5%	3.1%	4.1044	4.3822
USD/IDR		15,645	-0.1%	-0.1%	1.6%	15,044	15,664
USD/PHP		58.58	0.2%	0.1%	3.5%	56.18	58.63
USD/CNY		7.0933	0.00%	-0.6%	0.8%	6.9837	7.1383
USD/HKD		7.7633	-0.06%	-0.2%	0.0%	7.7604	7.7821

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		238,460	-2058
Golds		20,722	200
SDR		5,504	-22
IMF Reserves		1,117	-5
Foreign Ccy		211,117	-2231
Net Fwd Position		25,730	-245

Last update: 25/10/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
05/11/2024	1,443	-246	1,197
04/11/2024	25	-3,011	-2,986
01/11/2024	-2,442	-2,893	-5,335
31/10/2024	-437	33	-404
30/10/2024	-4,269	-139	-4,407
Last 5 days	-5,680	-6,256	-11,936

Period-to-date		Equity	Bond	Total
MTD	Month	-974	-6,150	-7,124
QTD	Quarter	-29,140	-39,171	-68,311
YTD	Year	-124,710	-15,798	-140,509

Money Market

THB BIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		2.50	0.00	2.50
1W		2.52	0.00	2.53
1M		2.55	0.00	2.55
2M		2.60	0.00	2.60
3M		2.65	0.00	2.65
6M		2.70	0.00	2.71
12M		2.81	0.00	2.81

THBFIX	1M Hist	Last	1M Range Min	1M Range Max
ON		1.72	1.14	1.72
1W		1.61	0.22	1.61
1M		1.59	0.88	1.72
3M		1.81	1.09	1.82
6M		1.95	1.31	1.99
12M		2.26	1.59	2.26

Last Updated: 29/06/2023

USD LIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		0.08	0.07	0.08
1W		0.00	0.00	0.00
1M		0.35	0.12	0.35
2M		0.00	0.00	0.00
3M		0.75	0.34	0.75
6M		1.04	0.56	1.04
12M		1.49	1.00	1.49

Last Updated: 09/03/2022

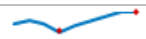
Note: D=d=day; M=mth=month; Y=year; %chg = percentage change; chg = change; USTH FX Sp = USD/THB FX Swap point; $mn=million US dollar; THB.mn= Thai baht million; Hist=history; THB implied = Thai baht rate that are calculated by FX forward rate; ASEAN Index = value average ASEAN FX Jan2008=100

***Sources*: ttb analytics, CEIC**

Daily Market | INSIGHT

Wednesday 6 November 2024

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range Min	1M Range Max
UST10y		4.2600	-5.00	-3.00	23.00	3.79	4.37
Gilt 10y		4.4163	-0.96	13.07	23.25	4.00	4.43
Bund 10y		2.4200	-1.00	11.00	17.00	2.13	2.43
JGB 10y		0.9440	-0.80	-3.70	5.80	0.86	0.98
TGB 1y		2.1538	-0.46	-0.64	-9.46	2.16	2.26
TGB 2y		2.0834	-1.38	-2.95	-8.79	2.09	2.21
TGB 5y		2.2081	-1.34	-0.42	-7.28	2.17	2.32
TGB 7y		2.2777	-1.19	-1.38	-8.92	2.25	2.40
TGB 10y		2.4330	-0.92	-0.35	-9.72	2.39	2.57
AAA Spread		66.85	0.46	8.59	-0.49	52.99	69.31
AA Spread		75.06	-4.89	-6.78	0.23	67.14	82.49
A Spread		104.68	1.84	2.99	-5.47	99.03	114.93
BBB Spread		0.00	0.00	0.00	-235.20	0.00	236.28

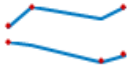
Note: UST = US Treasury; Gilt = UK Government Bond; JGB = Japanese Government bond; Bund = German Government Bond; TGB = Thai government Bond; tenors of the bonds are put after their name; bps=basis point; Corporate spreads are Thai and reported in basis points over government bond for the tenors 3-5 years.

Commodity Market

Commodity	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range Min	1M Range Max
Brent Crude		75.28	3.0%	5.8%	-7.0%	71.12	80.93
London Gold		2738.8	-0.1%	-1.6%	3.8%	2,617.3	2,784.0

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	1M Range Max
S&P500 (US)		5,782.8	1.2%	-0.5%	0.5%	5,695.9	5,864.7
STOXX (EU)		503.6	0.4%	-0.1%	-1.31%	499.2	518.7
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		19,256.3	0.6%	0.0%	1.0%	19,015.4	19,657.4
CAC All-Tradable(FR)		5,497.0	0.5%	-0.2%	-1.4%	5,455.5	5,646.2
TOPIX (JP)		2,664.3	0.8%	-0.7%	-1.1%	2,618.3	2,739.4
Shanghai (CH)		3,550.2	2.3%	3.7%	-2.9%	3,145.6	3,657.6
Hang Seng (HK)		21,007.0	2.1%	3.1%	-7.6%	20,079.1	23,099.8
ASX 200 (AU)		8,131.8	-0.4%	-0.6%	-0.6%	8,118.8	8,355.9
SET (TH)		1,481.7	1.3%	2.4%	2.6%	1,442.7	1,495.0
SET50 (TH)		952.3	1.6%	3.0%	3.8%	914.9	956.5
Straits Times (SG)		3,581.6	0.3%	0.6%	0.2%	3,555.4	3,640.2
FTSE Malay (MY)		1,620.7	0.3%	0.3%	-0.9%	1,601.9	1,646.0
JSX Index (ID)		7,491.9	0.2%	-1.0%	-0.9%	7,479.5	7,789.0
PSE Index (PH)		7,257.9	1.7%	0.2%	-3.9%	7,136.1	7,554.7
Vn Index (VN)		1,245.8	0.1%	-1.0%	-2.1%	1,244.7	1,288.4

Sources: ***ttb*** **analytics, CEIC**

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.