

US CPI brings no surprises, firming up Fed rate-cut bets

U.S. Producer Price Index beats forecasts

US wholesale inflation unexpectedly rose in November, mainly due to a 55% surge in egg prices driven by bird flu. The producer price index (PPI) rose 0.4% from October, the largest increase since June, surpassing the 0.2% forecast. On annual basis, the PPI rose 3%, marking the biggest gain since early 2023. Meanwhile, core PPI rose 0.2% monthly and 3.4% annually. The BLS noted that 80% of the increase was food-related, while services costs and goods prices (excluding food and energy) rose modestly.

US jobless claims rose to highest in two months

US unemployment benefit applications reached a two-month high last week, during a typically volatile period around the holidays. Initial claims rose by 17,000 to 242,000 for the week ending December 7, above the expected 220,000. Continuing claims also climbed to 1.89 million in the prior week, which included the Thanksgiving holiday. Only four states saw slight declines, indicating that the increase in new claims was widespread.

ECB cuts rates by 25 bps, signals potential for more

The European Central Bank reduced interest rates at its Thursday meeting, as expected, and suggested that further rate cuts could occur in 2025 due to the struggling eurozone economy and inflation nearing its target. The ECB lowered its benchmark deposit rate by 25 basis points to 3.0%, and the rate on its main refinancing operations decreased to 3.15%. This brings the total reduction since June to 100 basis points. The ECB's statement removed the phrase about maintaining "sufficiently restrictive" policy, reflecting a shift in approach. In addition, its new quarterly projections also downgraded growth and inflation expectations for next year due to the weak economic outlook.

China vows bigger fiscal spending to boost consumption next year

China has indicated plans for increased public borrowing and spending in 2025, focusing on boosting consumption and providing stimulus to support growth ahead of US tariffs. Following the Central Economic Work Conference, officials, including President Xi Jinping, revealed intentions to raise the fiscal deficit target, and lower interest rates and bank reserve requirements at the right time. The priority for 2025 will be boosting consumption and stimulating domestic demand. The government also aims to sustain economic growth and price stability, while expanding the issuance of treasury bonds and local government notes for infrastructure. The exact timing of these measures is uncertain, but an RRR cut is expected by year-end, with further rate cuts likely in early 2025.

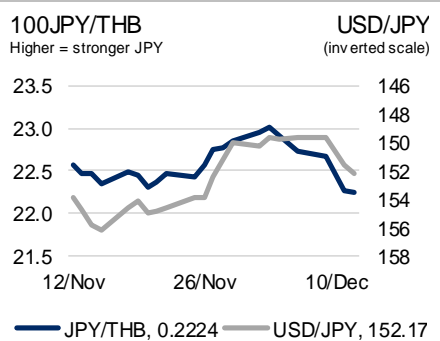
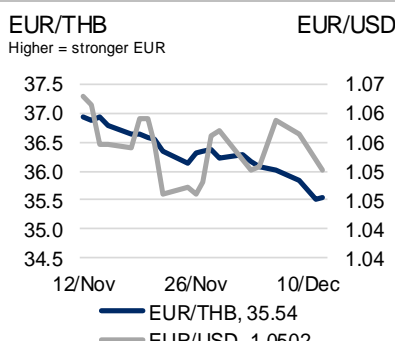
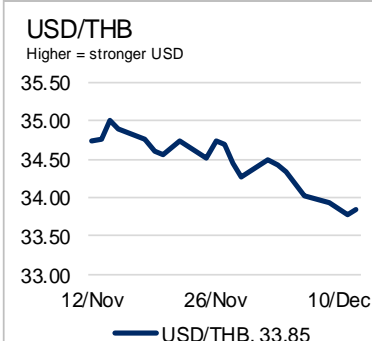
Dollar up on inflation data, euro down after ECB cut

The 10-year government bond yield (interpolated) on the previous trading day was 2.322, +0.24 bps. The benchmark government bond yield (LB346A) was 2.30, +1.0 bps. Meantime, the latest closed US 10-year bond yields was 4.32, +6.00 bps. USDTHB on the previous trading day closed around 33.85, moving in a range of 33.935 – 34.00 this morning. USDTHB could be closed between 33.80 – 34.10 today. The dollar's rally continued for a fifth day, fueled by a surprise 50bps cut from the SNB and a shift in the ECB's statement after its 25bps cut. The euro fell below 1.05, while the Japanese yen weakened on reports that the BoJ may keep rates steady next week, though no consensus has been reached.

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

SET Index	1,439.9	S&P500	6,051.3	10Y UST	4.32%	Brent	70.29	Gold	2,713.6
12-Dec	▼ -0.22%	12-Dec	▼ -0.54%	12-Dec	▲ 6.0 bps	11-Dec	▼ -2.7%	12-Dec	▲ 0.6%

USD/THB 33.85	Daily ▲ 0.23%	EUR/THB 35.54	Daily ▲ 0.06%	JPY/THB 0.2224	Daily ▼ -0.14%
Sideways Trend	Weekly ▼ -1.40%	Sideways Trend	Weekly ▼ -1.46%	Falling Trend	Weekly ▼ -2.97%
Monthly ▼ -2.58%	Monthly ▼ -3.79%	Monthly ▼ -1.44%			



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		106.56	0.1%	0.19%	0.8%	104.44	107.24
EUR/USD		1.0502	-0.2%	-0.1%	-1.2%	1.0459	1.0786
USD/JPY		152.17	0.4%	1.6%	-1.1%	149.64	156.13
USD/CHF		0.8838	0.0%	-0.3%	0.2%	0.8723	0.8903
GBP/USD		1.2767	-0.01%	0.7%	-0.5%	1.2536	1.2976
USD/CAD		1.4150	-0.17%	0.6%	1.4%	1.3873	1.4174
AUD/USD		0.6408	0.59%	-0.5%	-2.2%	0.6370	0.6658
NZD/USD		0.5806	0.2%	-0.9%	-2.5%	0.5795	0.6016
ASEAN Dollar		107.70	0.1%	-0.7%	0.3%	106.54	108.95
USD/THB		33.85	0.2%	-1.4%	-2.6%	33.77	35.01
USD/SGD		1.3427	0.1%	-0.1%	0.5%	1.3208	1.3486
USD/MYR		4.4316	0.2%	-0.5%	0.1%	4.3813	4.4782
USD/IDR		15,876	0.2%	0.1%	1.3%	15,608	15,877
USD/PHP		58.58	0.2%	0.0%	-0.8%	57.97	59.25
USD/CNY		7.2609	0.18%	-0.2%	0.3%	7.1479	7.2788
USD/HKD		7.7739	-0.02%	0.0%	-0.1%	7.7625	7.7966

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		237,501	2874
Gold		20,013	-445
SDR		5,469	44
IMF Reserves		1,106	9
Foreign Ccy		210,913	3266
Net Fwd Position		26,990	470

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
12/12/2024	-1,528	-5,407	-6,935
11/12/2024	-2,147	-1,747	-3,894
09/12/2024	-1,748	3,502	1,754
06/12/2024	-1,586	5,111	3,525
04/12/2024	-763	-421	-1,183
Last 5 days	-7,771	1,038	-6,733

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -6,780	↑ 3,932	↓ -2,848
QTD	Quarter	↓ -48,682	↓ -58,328	↓ -107,010
YTD	Year	↓ -144,252	↓ -34,955	↓ -179,207

Last update: 29/11/2024

Money Market

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		2.25	0.00	2.50	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		2.27	0.00	2.52	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		2.30	0.00	2.55	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		2.35	0.00	2.60	2M					2M		0.00	0.00	0.00
3M		2.40	0.00	2.65	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		2.46	0.00	2.71	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.56	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		4.3200	6.00	9.00	1.00	4.17	4.44
Gilt 10y		4.3003	-0.24	9.17	-10.49	4.21	4.54
Bund 10y		2.1700	5.00	10.00	-15.00	2.06	2.48
JGB 10y		1.0830	0.50	-0.80	7.20	0.94	1.11
TGB 1y		2.0738	-0.07	-1.60	-7.03	2.07	2.15
TGB 2y		1.9945	0.76	0.74	-8.55	1.98	2.09
TGB 5y		2.0926	1.02	0.22	-11.61	2.06	2.22
TGB 7y		2.1835	0.82	1.34	-8.35	2.14	2.28
TGB 10y		2.3225	0.24	-0.20	-11.29	2.29	2.45
AAA Spread		71.89	5.34	18.00	4.54	53.90	71.89
AA Spread		71.17	-0.46	-4.52	-4.17	67.72	81.90
A Spread		103.96	-2.54	1.57	-6.05	99.31	119.10
BBB Spread		0.00	0.00	0.00	-235.23	0.00	238.94

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		70.29	-2.6%	-2.5%	-2.8%	70.29	75.17
London Gold		2713.6	0.6%	2.9%	6.5%	2,548.5	2,713.6

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)		6,051.3	-0.54%	0.0%	0.8%	5,870.6	6,084.2
STOXX (EU)		512.57	-0.01%	1.6%	1.72%	491.4	514.0
FTSE All-Share(UK)		4,076.1	0.2%	0.5%	2.5%	3,933.2	4,088.2
DAX (DE)		20,399.2	0.3%	2.3%	6.2%	19,003.1	20,399.2
CAC All-Tradable(FR)		5,500.1	-0.1%	2.4%	-0.2%	5,302.0	5,539.8
TOPIX (JP)		2,773.0	0.9%	0.7%	1.2%	2,665.3	2,773.0
Shanghai (CH)		3,628.3	0.8%	2.4%	-0.2%	3,416.8	3,638.0
Hang Seng (HK)		20,397.1	1.2%	3.3%	-0.1%	19,151.0	20,953.3
ASX 200 (AU)		8,330.3	-0.3%	-1.9%	0.8%	8,193.4	8,495.2
SET (TH)		1,439.9	-0.2%	0.2%	-1.7%	1,427.5	1,481.7
SET50 (TH)		930.0	-0.2%	0.4%	-1.2%	918.5	952.3
Straits Times (SG)		3,809.3	0.4%	0.6%	1.9%	3,603.0	3,822.7
FTSE Malay (MY)		1,602.1	-0.1%	-0.3%	-0.4%	1,588.7	1,634.2
JSX Index (ID)		7,394.2	-0.9%	2.8%	1.5%	7,047.0	7,491.9
PSE Index (PH)		6,641.4	0.0%	-1.4%	-4.3%	6,557.1	7,165.4
Vn Index (VN)		1,267.4	-0.1%	1.4%	1.4%	1,205.2	1,273.8

Sources: ttb analytics, CEIC

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

Important Disclosures

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