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The Federal Reserve's preferred inflation gauge showed signs of moderation in November, supporting hopes for rate cuts in 2025. The core PCE rose 0.1% from October, below the 0.2% forecast, with an annual change of 2.8%, matching the prior month and meeting Powell's projection. The headline PCE increased by 0.128%, below the expected 0.2%, with an annual change of 2.4%. The "super core" PCE, excluding food, energy, and housing, rose 0.1%. Prices showed broad-based deceleration, with core services rising 0.2%, the slowest since August. Core goods prices fell for the first time in three months. In addition, consumer spending, adjusted for inflation, rose 0.3%, indicating resilience during the holiday season.

Biden signs US spending deal that averts a government shutdown

President Biden signed a funding bill to keep the US government running until mid-March, avoiding a shutdown and delaying future spending decisions until Trump's presidency. The bill, approved by the Senate 85-11, includes over \$100 billion for disaster relief and farmers. The last-minute move came after two previous plans by House Speaker Mike Johnson collapsed under pressure from Trump and Musk.

Michigan Consumer Sentiment matches expectations, improving from the previous reading

The final data for December from the University of Michigan showed the headline remained unchanged at 74.0, as anticipated. The conditions index was revised down to 75.1 from 77.7, while the expectations index was raised to 73.3 from 71.6. Inflation expectations decreased for both short-term and long-term periods—the 1-year expectation fell to 2.8% from 2.9%, and the 5-year expectation dropped to 3.0% from 3.1%. The report highlighted a significant 32% improvement in buying conditions, largely driven by an increase in consumers anticipating higher prices for major purchases.

Fed's Hammack says dissenting rate-cut vote was due to inflation concerns

Fed's Hammack, who opposed the December rate cut, argued that data supported maintaining current policy. She stressed more work is needed on inflation, with progress uneven, and highlighted the strong job market as allowing the Fed to focus on inflation risks, which lean toward being higher.

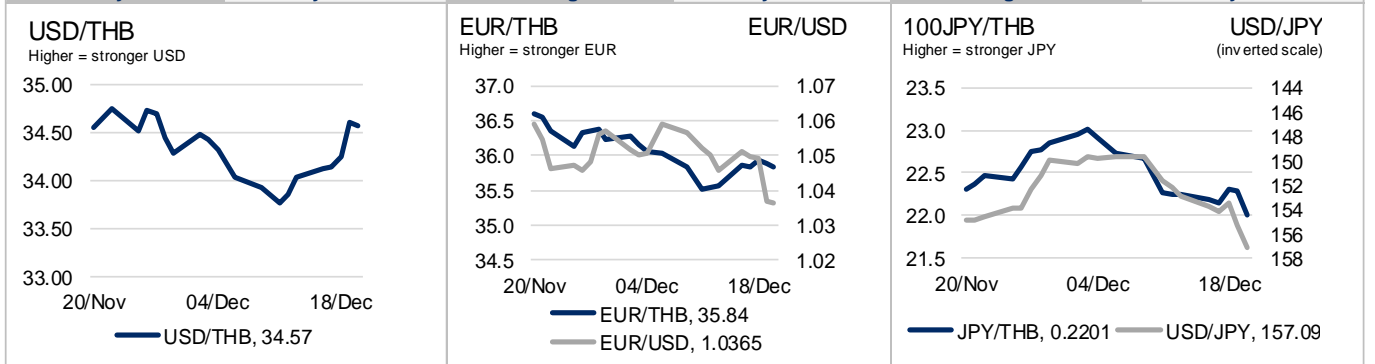
Dollar ends the week stronger following inflation data and the Fed's rate cut

The 10-year government bond yield (interpolated) on the previous trading day was 2.266, -0.25 bps. The benchmark government bond yield (LB346A) was 2.23, +0.0 bps. Meantime, the latest closed US 10-year bond yields was 4.52, -5.00 bps. USDTHB on the previous trading day closed around 34.57, moving in a range of 34.24 – 34.34 this morning. USDTHB could be closed between 34.15 – 34.45 today. The Dollar was heavily sold but still closed the week with significant gains following the hawkish FOMC meeting on Wednesday. Friday's highlight was the Core PCE release, which showed dovish data. As the holiday season approaches and market participants begin to wind down, thinner volumes could lead to increased volatility. G10 currencies generally strengthened, supported by the weaker dollar rather than specific currency news. The Japanese yen was the top performer, with USD/JPY dropping to 155.96 from an earlier high of 157.92. The euro traded between 1.0344 and 1.0444, while the British pound showed little reaction to weaker-than-expected retail sales.

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

SET Index	1,365.1	S&P500	5,930.9	10Y UST	4.52%	Brent	72.48	Gold	2,606.2
20-Dec	▼ -0.91%	20-Dec	▲ 1.08%	20-Dec	▼ -5.0 bps	19-Dec	▼ -0.9%	20-Dec	▼ -0.6%

USD/THB 34.57	Daily ▼ -0.09%	EUR/THB 35.84	Daily ▼ -0.14%	JPY/THB 0.2201	Daily ▼ -1.24%
Sideways Trend	Weekly ▲ 1.32%	Falling Trend	Weekly ▼ -0.09%	Falling Trend	Weekly ▼ -0.85%
	Monthly ▲ 0.07%		Monthly ▼ -2.08%		Monthly ▼ -1.32%



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@ttbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbank.com

ttb analytics ttbanalytics@ttbank.com
Naris Sathapholdejja naris.sat@ttbank.com
Kasem Harnchanpanich kasem.har@ttbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		108.39	0.2%	1.42%	2.0%	105.64	108.17
EUR/USD		1.0365	0.0%	-1.4%	-2.1%	1.0370	1.0590
USD/JPY		157.09	1.2%	2.2%	1.4%	149.64	156.13
USD/CHF		0.8977	-0.3%	0.8%	1.7%	0.8775	0.9003
GBP/USD		1.2495	-0.69%	-1.1%	-1.6%	1.2536	1.2773
USD/CAD		1.4415	-0.27%	1.3%	3.3%	1.3948	1.4455
AUD/USD		0.6227	0.12%	-2.2%	-4.6%	0.6220	0.6528
NZD/USD		0.5629	0.0%	-2.5%	-4.7%	0.5627	0.5912
ASEAN Dollar		108.07	-0.1%	1.2%	1.2%	105.92	108.14
USD/THB		34.57	-0.1%	1.3%	0.1%	33.77	34.89
USD/SGD		1.3598	-0.2%	0.8%	1.6%	1.3366	1.3621
USD/MYR		4.5057	0.1%	1.2%	0.9%	4.4138	4.5016
USD/IDR		16,195	0.1%	1.8%	2.6%	15,745	16,183
USD/PHP		59.03	-0.3%	0.3%	-0.2%	57.97	59.25
USD/CNY		7.2986	-0.10%	0.2%	0.9%	7.2249	7.3058
USD/HKD		7.7654	-0.12%	-0.1%	-0.2%	7.7625	7.7896

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		237,919	-1419
Gold		19,975	119
SDR		5,441	-24
IMF Reserves		1,101	-5
Foreign Ccy		211,402	-1510
Net Fwd Position		26,655	200

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
20/12/2024	-2,118	3,766	1,649
19/12/2024	102	12,365	12,467
18/12/2024	-388	-101	-489
17/12/2024	-558	-374	-932
16/12/2024	-1,271	-1,463	-2,734
Last 5 days	-4,232	14,193	9,961

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,496	↑ 15,530	↑ 4,035
QTD	Quarter	↓ -53,398	↓ -46,730	↓ -100,128
YTD	Year	↓ -148,968	↓ -23,357	↓ -172,325

Money Market

Last update: 13/12/2024

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		2.25	0.00	2.50	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		2.27	0.00	2.53	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

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.5200	-5.00	26.00	10.00	4.17	4.57
Gilt 10y		4.5773	4.02	27.47	10.93	4.21	4.58
Bund 10y		2.3000	2.00	18.00	-8.00	2.07	2.48
JGB 10y		1.0970	1.80	1.90	8.10	0.94	1.11
TGB 1y		2.0237	-0.19	-4.63	-11.08	2.03	2.14
TGB 2y		1.9996	0.29	0.49	-7.10	1.98	2.08
TGB 5y		2.0804	0.26	-0.99	-13.52	2.06	2.22
TGB 7y		2.1430	-0.21	-4.77	-12.66	2.14	2.27
TGB 10y		2.2657	-0.25	-6.14	-18.01	2.27	2.45
AAA Spread		71.43	3.17	10.70	3.93	54.72	71.43
AA Spread		71.12	1.71	-4.40	-1.24	67.08	83.14
A Spread		104.76	-0.47	4.72	-15.93	99.13	123.11
BBB Spread		0.00	0.00	0.00	-234.42	0.00	239.72

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		72.48	-0.8%	-2.7%	-2.4%	71.12	75.17
London Gold		2606.2	-0.6%	-2.1%	-3.7%	2,606.2	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)		5,930.9	1.1%	-2.5%	-1.1%	5,782.8	6,084.2
STOXX (EU)		501.18	-0.2%	-2.2%	0.5%	491.4	514.0
FTSE All-Share(UK)		4,076.1	0.2%	0.5%	-1.3%	3,954.4	4,137.3
DAX (DE)		19,884.8	-0.4%	-2.5%	3.5%	19,003.1	20,405.9
CAC All-Tradable(FR)		5,388.2	-0.2%	-2.1%	-1.1%	5,302.0	5,539.8
TOPIX (JP)		2,702.0	-0.4%	-1.7%	-1.5%	2,664.3	2,753.6
Shanghai (CH)		3,530.6	-0.1%	-1.9%	-2.4%	3,424.6	3,638.0
Hang Seng (HK)		19,720.7	-0.2%	-2.2%	-4.9%	19,230.0	21,007.0
ASX 200 (AU)		8,067.0	-1.2%	-3.4%	-2.7%	8,067.0	8,495.2
SET (TH)		1,365.1	-0.9%	-5.4%	-7.1%	1,365.1	1,481.7
SET50 (TH)		883.7	-0.8%	-5.2%	-6.8%	883.7	952.3
Straits Times (SG)		3,719.9	-1.1%	-1.9%	-0.1%	3,581.6	3,822.7
FTSE Malay (MY)		1,591.4	-0.5%	-0.7%	-1.8%	1,588.7	1,634.2
JSX Index (ID)		6,983.9	0.1%	-6.4%	-3.6%	6,977.2	7,491.9
PSE Index (PH)		6,406.4	0.2%	-3.6%	-8.2%	6,395.6	7,257.9
Vn Index (VN)		1,257.5	0.2%	-0.9%	0.4%	1,205.2	1,273.8

Sources: ttb analytics, CEIC

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

Important Disclosures

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