

The US manufacturing PMI rose to a nine-month high, but challenges loom

US manufacturing index rose slightly at year-end

The ISM manufacturing index rose nearly one point to 49.3, marking the highest level since March. Although it remains below 50, indicating continued contraction, the reading exceeded expectations. New orders surged by over 2 points to 52.5, the strongest result since early last year and the highest since May 2022. This boost in demand led to the first month of production growth since May. However, the employment index dropped nearly 3 points, the largest decline since July, to 45.3 in December. Meanwhile, the other four components of the overall PMI all saw improvements. Seven industries contracted, led by textiles, fabricated metals, and printing, while seven sectors expanded, including primary metals and electrical equipment.

Barkin says he prefers Fed keep rates restrictive for longer

Fed's Barkin expressed a positive outlook for 2025, with more upside than downside risks to growth, as strong employment and asset values support consumer spending. He expects the labor market to lean towards more hiring than layoffs. While inflation remains above target, he sees core inflation decreasing and anticipates a decline in 12-month inflation, partly due to base effects. He favors keeping policy restrictive longer due to potential inflation risks and emphasized that rate cuts depend on inflation reaching 2% or weakening demand.

German unemployment rose less than expected in December

German unemployment rose by 10,000 in December, a smaller increase than the 15,000 anticipated, indicating that the labor market is managing the current economic downturn well. The unemployment rate remained steady at 6.1%. Despite the economy contracting in 2023 and 2024, the job market has been one of its few resilient sectors and is projected to grow by only 0.2% this year.

Japan's service sector experiences growth driven by robust demand

Japan's service sector expanded for the second month in December, with the final service PMI rising to 50.9 from 50.5 in November. Despite being lower than the flash estimate of 51.4, it stayed above 50.0. New business grew for the sixth month, driven by domestic customer acquisitions. Employment increased for the 15th month, though at a slower pace. The composite PMI, combining manufacturing and services, rose to 50.5 from 50.1 in November.

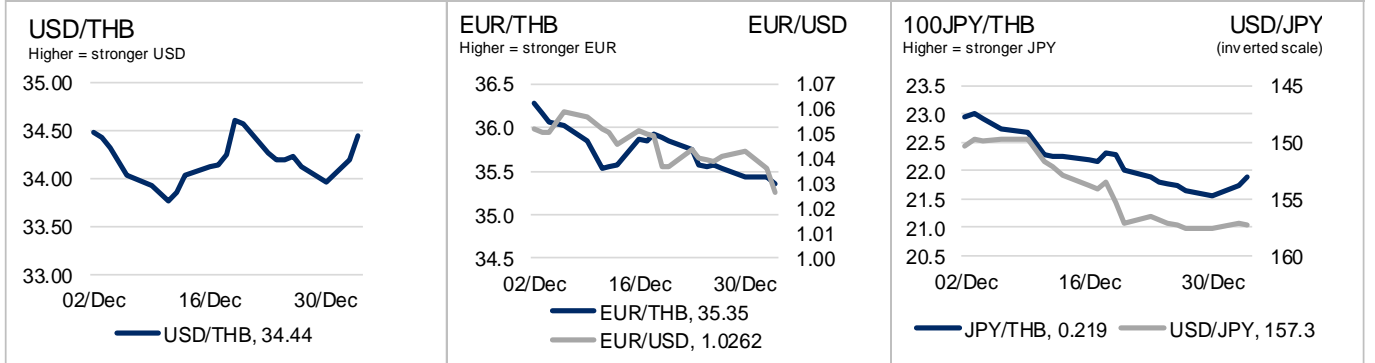
Dollar dips but eyes strong weekly gains

The 10-year government bond yield (interpolated) on the previous trading day was 2.306, -0.40 bps. The benchmark government bond yield (LB346A) was 2.28, +0.0 bps. Meantime, the latest closed US 10-year bond yields was 4.60, +3.0 bps. USDTHB on the previous trading day closed around 34.44, moving in a range of 34.52 – 34.55 this morning. USDTHB could be closed between 34.40 – 34.60 today. The dollar pared back its weekly gains by the weekend, with the index dipping just around the 108 mark. Losses were observed both before and after the ISM PMIs, where manufacturing saw an unexpected rise in December. Most G10 currencies regained the losses from Thursday, with the GBP and EUR, which had been lagging, emerging as the top performers. The euro ended the week slightly above 1.03, while the Japanese yen managed to reverse its Thursday losses.

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

SET Index	1,384.8	S&P500	5,942.5	10Y UST	4.60%	Brent	76.51	Gold	2,654.3
3-Jan	▲ 0.36%	3-Jan	▲ 1.25%	3-Jan	▲ 3.0 bps	3-Jan	▲ 0.8%	3-Jan	▲ 0.4%

USD/THB 34.44	Daily ▲ 0.70%	EUR/THB 35.35	Daily ▼ -0.22%	JPY/THB 0.2190	Daily ▲ 0.64%
Sideways Trend	Weekly ▲ 0.62%	Falling Trend	Weekly ▼ -0.61%	Sideways Trend	Weekly ▲ 0.65%
	Monthly ▼ -0.12%		Monthly ▼ -2.59%		Monthly ▼ -4.68%



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		109.25	0.8%	0.96%	2.8%	105.64	108.42
EUR/USD		1.0262	-0.9%	-1.2%	-2.4%	1.0358	1.0589
USD/JPY		157.30	0.1%	0.0%	4.7%	149.64	157.61
USD/CHF		0.9121	0.7%	1.3%	3.1%	0.8775	0.9054
GBP/USD		1.2383	-1.13%	-1.2%	-2.4%	1.2495	1.2773
USD/CAD		1.4410	0.30%	0.3%	2.6%	1.3994	1.4455
AUD/USD		0.6204	-0.10%	-0.5%	-4.4%	0.6211	0.6512
NZD/USD		0.5600	-0.2%	-0.9%	-5.1%	0.5614	0.5912
ASEAN Dollar		107.39	0.5%	0.5%	0.7%	0.00	107.60
USD/THB		34.44	0.7%	0.6%	-0.1%	33.77	34.68
USD/SGD		1.3693	0.5%	0.7%	1.9%	1.3366	1.3623
USD/MYR		4.4925	0.4%	0.5%	0.8%	4.4138	4.5057
USD/IDR		16,140	0.4%	0.1%	2.0%	15,745	16,195
USD/PHP		58.31	0.4%	-0.2%	-1.2%	57.97	59.25
USD/CNY		7.3214	0.11%	0.3%	0.9%	7.2292	7.3132
USD/HKD		7.7814	0.11%	0.2%	0.0%	7.7563	7.7820

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		237,129	940
Gold		19,760	-8
SDR		5,417	-3
IMF Reserves		1,063	-1
Foreign Ccy		210,889	952
Net Fwd Position		25,420	-890

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
03/01/2025	479	-6,118	-5,639
02/01/2025	-1,258	241	-1,017
30/12/2024	-361	-1,982	-2,343
27/12/2024	-80	559	480
26/12/2024	434	-1,489	-1,055
Last 5 days	-786	-8,789	-9,575

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -779	↓ -5,878	↓ -6,657
QTD	Quarter	↓ -779	↓ -5,878	↓ -6,657
YTD	Year	↓ -779	↓ -5,878	↓ -6,657

Money Market

Last update: 27/12/2024

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	2.52	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

Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.6000	3.00	1.00	30.00	4.19	4.60
Gilt 10y		4.5777	0.77	0.04	17.25	4.21	4.62
Bund 10y		2.3800	2.00	13.00	-10.00	2.08	2.48
JGB 10y		1.1030	1.70	0.90	11.00	0.94	1.10
TGB 1y		1.9383	-1.67	-5.43	-16.49	1.95	2.12
TGB 2y		2.0062	-0.49	0.56	0.12	1.98	2.02
TGB 5y		2.0752	-0.02	-0.34	0.20	2.06	2.13
TGB 7y		2.1797	-1.18	3.07	1.88	2.14	2.22
TGB 10y		2.3064	-0.40	3.96	-1.72	2.26	2.39
AAA Spread		70.76	-0.85	10.37	-1.06	0.00	73.80
AA Spread		67.02	-4.50	-11.58	-15.88	0.00	82.90
A Spread		105.23	1.43	3.97	-19.22	0.00	124.61
BBB Spread		0.00	0.00	0.00	-237.74	0.00	239.68

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		76.51	0.8%	3.2%	6.1%	71.12	76.51
London Gold		2654.3	0.4%	1.1%	0.3%	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)		5,942.5	1.3%	-0.5%	-0.7%	5,867.1	6,086.5
STOXX (EU)		503.32	-0.8%	0.5%	2.0%	491.4	514.0
FTSE All-Share(UK)		4,076.1	0.2%	0.5%	1.6%	3,954.4	4,128.5
DAX (DE)		19,906.1	-0.6%	-1.7%	2.8%	19,003.1	20,426.3
CAC All-Tradable(FR)		5,400.7	-1.4%	0.2%	-2.0%	5,302.0	5,512.0
TOPIX (JP)		2,784.9	-0.6%	2.6%	1.6%	2,664.3	2,801.7
Shanghai (CH)		3,366.1	-1.6%	-5.4%	-6.6%	3,366.1	3,637.4
Hang Seng (HK)		19,760.3	0.7%	0.2%	-3.3%	19,151.0	20,953.3
ASX 200 (AU)		8,250.5	0.6%	2.3%	-0.2%	8,067.0	8,495.2
SET (TH)		1,384.8	0.4%	-0.2%	-5.5%	1,377.5	1,481.7
SET50 (TH)		896.1	0.5%	-0.4%	-4.8%	891.0	952.3
Straits Times (SG)		3,801.8	0.0%	1.3%	2.4%	3,673.5	3,810.4
FTSE Malay (MY)		1,629.5	-0.2%	2.1%	1.3%	1,589.8	1,637.7
JSX Index (ID)		7,164.4	0.0%	2.7%	-1.1%	6,977.2	7,491.9
PSE Index (PH)		6,603.8	0.8%	2.1%	-5.9%	6,406.4	7,257.9
Vn Index (VN)		1,254.6	-1.2%	-0.5%	0.7%	1,205.2	1,272.9

Sources: ttb analytics, CEIC

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

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