

Dollar rises as unexpected surge in hiring pushes yields up

Strong US jobs report backs case for pause in Fed rate cuts

The latest US labor market data confirms that interest rate cuts are on hold for now. Nonfarm payrolls rose by 256,000 in December, the highest since March, while the unemployment rate unexpectedly dropped to 4.1%, and hourly earnings increased by 0.3%. Despite high borrowing costs and inflation, the labor market had a strong year, adding 2.2 million jobs in 2024, slightly fewer than in 2023 but more than in 2019. December's gains were led by healthcare, retail, and leisure, while manufacturing saw job losses for the fourth time in five months.

Michigan consumer sentiment index drops below expectations

The preliminary January UoM sentiment dropped to 73.2 from 74.0, slightly below the expected 73.8. Current conditions rose to 77.9 from 75.1, while future expectations declined to 70.2 from 73.3. Inflation expectations for both the 1-year and 5–10-year outlooks increased to 3.3% from 2.8% and 3.0%, respectively, with the 5–10-year forecast reaching its highest level since 2008. The report noted that inflation expectations rose across demographic groups, particularly among lower-income consumers and Independents, driven by concerns over potential tariffs under the incoming Trump administration.

BOJ may raise inflation forecast due to rice prices and weak yen

Bank of Japan officials are likely to discuss raising their inflation outlook at a policy meeting later this month, though no rate decision has been made yet. They may upgrade projections for inflation excluding food and energy, driven by rising rice costs and a weakening yen. The BOJ currently forecasts 2% inflation this fiscal year, 1.9% next year, and 2.1% in the following year. Any upgrades would bring forecasts to or above 2%, potentially supporting a rate hike.

US intensifies pressure on Russia with new energy sanctions

The US imposed its toughest sanctions yet on Russia's oil industry, targeting firms handling a quarter of its seaborne oil exports, key insurers, and traders. The measures, aimed at boosting Ukraine's leverage ahead of potential peace talks after Trump's return to office, also expanded restrictions on disruptive tankers. These actions go beyond previous sanctions aimed at weakening Russia's war efforts. While Trump could lift them, it may be politically difficult due to bipartisan support for Ukraine.

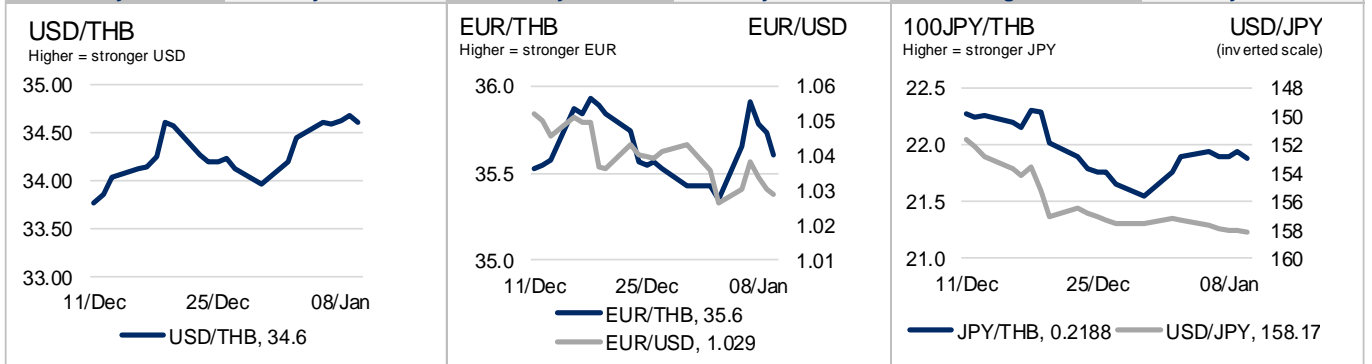
US dollar rises as strong jobs data backs Fed's rate cut pause

The 10-year government bond yield (interpolated) on the previous trading day was 2.354, +1.02 bps. The benchmark government bond yield (LB346A) was 2.34, +1.0 bps. Meantime, the latest closed US 10-year bond yields was 4.77, +9.0 bps. USDTHB on the previous trading day closed around 34.60, moving in a range of 34.72 – 34.77 this morning. USDTHB could be closed between 34.55 – 34.85 today. The dollar strengthened notably to end the week, reaching a high of 109.97 compared to 109.12 before the US jobs report. The data prompted a broad hawkish reaction, leading to declines in treasuries, US equity futures, and a significant shift in Fed money market expectations. G10 currencies generally weakened due to dollar strength and a risk-off sentiment following the jobs report. The Japanese yen outperformed in risk-averse trading, with USD/JPY dropping to 157.23 from an earlier peak of 158.87. Before the US data, the yen gained strength in the European morning, amid reports that the BoJ is considering adjusting its rate decision and inflation forecasts for FY24 and FY25.

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

SET Index	1,368.0	S&P500	5,827.0	10Y UST	4.77%	Brent	79.68	Gold	2,679.5
10-Jan	▲ 0.37%	10-Jan	▼ -1.55%	10-Jan	▲ 9.0 bps	10-Jan	▲ 3.1%	10-Jan	▲ 0.5%

USD/THB 34.60	Daily ▼ -0.21%	EUR/THB 35.60	Daily ▼ -0.36%	JPY/THB 0.2188	Daily ▼ -0.29%
Weekly ▼ -0.01%	Weekly ▼ -0.15%	Weekly ▼ -0.30%	Monthly ▲ 2.43%	Monthly ▲ 0.23%	Monthly ▼ -1.81%
Sideways Trend	Sideways Trend	Falling Trend			



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		109.26	0.2%	0.29%	2.7%	105.64	109.25
EUR/USD		1.0290	-0.1%	-0.1%	-2.2%	1.0262	1.0589
USD/JPY		158.17	0.1%	0.3%	4.3%	149.64	158.07
USD/CHF		0.9123	0.1%	0.3%	3.3%	0.8775	0.9121
GBP/USD		1.2295	-0.40%	-1.1%	-3.7%	1.2344	1.2773
USD/CAD		1.4411	0.17%	0.0%	1.7%	1.4007	1.4455
AUD/USD		0.6192	-0.09%	-0.5%	-2.8%	0.6197	0.6480
NZD/USD		0.5595	-0.1%	-0.5%	-3.4%	0.5599	0.5888
ASEAN Dollar		107.99	-0.1%	-0.1%	1.2%	0.00	108.14
USD/THB		34.60	-0.2%	0.0%	2.5%	33.77	34.67
USD/SGD		1.3687	0.0%	-0.1%	2.0%	1.3366	1.3700
USD/MYR		4.4946	-0.2%	-0.3%	1.6%	4.4138	4.5066
USD/IDR		16,114	-0.3%	0.0%	1.8%	15,745	16,195
USD/PHP		58.65	0.0%	0.2%	0.3%	57.97	59.25
USD/CNY		7.3412	0.01%	-0.1%	1.3%	7.2439	7.3460
USD/HKD		7.7818	0.01%	0.0%	0.1%	7.7563	7.7814

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		236,445	-684
Gold		19,905	145
SDR		5,393	-24
IMF Reserves		1,058	-5
Foreign Ccy		210,090	-799
Net Fwd Position		24,910	-510

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
10/01/2025	-1,104	460	-644
09/01/2025	-2,216	-1,446	-3,662
08/01/2025	-1,115	1,107	-8
07/01/2025	2,401	-719	1,683
06/01/2025	650	-2,734	-2,084
Last 5 days	-1,383	-3,331	-4,714

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -2,162	↓ -9,209	↓ -11,371
QTD	Quarter	↓ -2,162	↓ -9,209	↓ -11,371
YTD	Year	↓ -2,162	↓ -9,209	↓ -11,371

Money Market

Last update: 03/01/2025

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		2.45	0.00	2.71	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.55	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		4.7700	9.00	19.00	35.00	4.17	4.77
Gilt 10y		4.7985	0.33	20.26	34.39	4.22	4.80
Bund 10y		2.5800	2.00	19.00	19.00	2.06	2.58
JGB 10y		1.1780	-0.40	9.20	10.90	1.01	1.18
TGB 1y		1.9291	0.55	-0.34	-14.53	1.92	2.09
TGB 2y		1.9877	0.01	-2.98	0.09	1.98	2.02
TGB 5y		2.1175	1.00	-0.24	3.50	2.06	2.12
TGB 7y		2.2112	1.23	0.33	3.58	2.14	2.21
TGB 10y		2.3541	1.02	0.55	3.40	2.26	2.35
AAA Spread		68.07	-3.33	6.83	-2.40	0.00	71.63
AA Spread		68.83	-1.60	-13.70	-16.20	0.00	85.03
A Spread		104.25	-0.43	3.03	-19.01	0.00	124.29
BBB Spread		0.00	0.00	0.00	-237.57	0.00	239.76

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		79.68	3.2%	4.4%	8.5%	72.14	79.68
London Gold		2679.5	0.5%	1.8%	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)		5,827.0	-1.5%	-1.9%	-1.5%	5,827.0	6,084.2
STOXX (EU)		511.26	-0.8%	-0.3%	3.7%	491.4	515.5
FTSE All-Share(UK)		4,076.1	0.2%	0.9%	1.6%	3,954.4	4,128.5
DAX (DE)		20,214.8	-0.5%	1.5%	4.9%	19,003.1	20,405.9
CAC All-Tradable(FR)		5,496.6	-0.8%	0.5%	1.7%	5,329.2	5,542.1
TOPIX (JP)		2,714.1	-0.8%	-1.9%	0.1%	2,665.3	2,784.9
Shanghai (CH)		3,321.1	-1.3%	-5.5%	-5.9%	3,321.1	3,628.3
Hang Seng (HK)		19,064.3	-0.9%	-5.0%	-2.6%	19,064.3	20,311.3
ASX 200 (AU)		8,294.1	-0.4%	1.7%	-0.1%	8,159.1	8,462.6
SET (TH)		1,368.0	0.4%	-2.3%	-5.2%	1,363.0	1,462.5
SET50 (TH)		892.3	0.5%	-1.5%	-4.2%	883.7	948.0
Straits Times (SG)		3,801.6	-1.6%	0.4%	1.2%	3,708.1	3,887.0
FTSE Malay (MY)		1,602.4	0.1%	-2.4%	0.0%	1,588.7	1,642.3
JSX Index (ID)		7,088.9	0.3%	0.1%	-1.7%	6,983.9	7,437.7
PSE Index (PH)		6,496.3	-0.2%	-0.5%	-0.9%	6,395.6	6,975.6
Vn Index (VN)		1,230.5	-1.2%	-2.9%	1.1%	1,205.2	1,275.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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