

US PPI falls short of expectations, hinting at potential inflation slowdown

US wholesale inflation unexpectedly slows because of a decline in food prices

US wholesale inflation unexpectedly slowed in December, aided by a decline in food prices and stable services costs, which may help ease concerns about persistent price pressures. The Producer Price Index (PPI) increased by 0.2% from the previous month, falling short of the 0.4% rise expected. A core PPI remained unchanged from November. On an annual basis, the overall PPI rose 3.3%, while the core measure gained 3.5%. Meanwhile, the components that impact the Personal Consumption Expenditures (PCE) index showed a mixed performance in December, with hospital care costs remaining unchanged and modest increases seen in physician services and portfolio management. In contrast, airfares saw their largest rise since March 2022.

Trump team considers gradual tariff hikes under emergency powers

Trump's incoming economic team is considering a gradual approach to raising tariffs, increasing them by 2% to 5% each month to boost negotiating leverage while minimizing inflation risks. The proposal, still in early stages, would use executive powers under the International Emergency Economic Powers Act and has not yet been presented to Trump.

BOJ Deputy Governor hints at the possibility of a rate hike next week

BoJ Deputy Governor Himino highlighted the need to monitor economic, price, and financial trends, noting inflation expectations have risen to around 1.5%. He suggested a rate hike is likely if forecasts hold, but stressed the timing is crucial. The board will likely discuss a rate hike at next week's meeting, as it's unusual for real rates to stay negative after deflationary shocks. The decision will depend on meeting discussions.

China's new loans decline for the first time in 13 years due to weak demand

Chinese banks issued fewer new loans in 2024, marking the first decline since 2011, highlighting weak financing demand amid ongoing deflation and a housing downturn. Banks provided 18.09 trillion yuan (\$2.47 trillion) in new loans, surpassing economists' median estimate but falling short of 2023's 22.75 trillion yuan, the first annual drop in 13 years. Aggregate financing, a broader credit measure, increased by 32.26 trillion yuan, lower than the previous year's 35.59 trillion yuan, but above the median forecast of 31.56 trillion yuan.

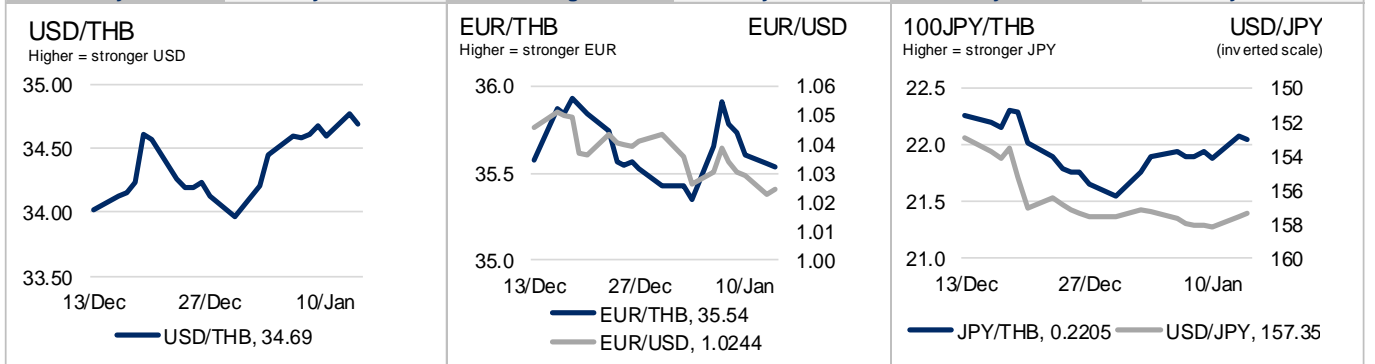
US Dollar cools off ahead of CPI release

The 10-year government bond yield (interpolated) on the previous trading day was 2.405, +1.87 bps. The benchmark government bond yield (LB346A) was 2.39, +1.0 bps. Meantime, the latest closed US 10-year bond yields was 4.78, -1.0 bps. USDTHB on the previous trading day closed around 34.69, moving in a range of 34.70 – 34.73 this morning. USDTHB could be closed between 34.60 – 34.80 today. The dollar lost its early gains and weakened against other currencies following softer-than-expected PPI data. There was little new information from the Fed, and macro updates were sparse, leaving market participants focused on the upcoming US CPI data and several Fed speeches. The euro strengthened, benefiting from the weak US PPI data, and rose back to the 1.0300 level against the dollar. ECB's Holzmann made hawkish remarks, suggesting the ECB cannot cut rates too quickly and that core inflation remains closer to 3% than 2%. The Japanese yen weakened by the end of the day, but price action was volatile as traders remained uncertain about whether the BoJ will raise rates next week.

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

SET Index	1,340.3	S&P500	5,842.9	10Y UST	4.78%	Brent	80.25	Gold	2,666.4
14-Jan	▼ -1.05%	14-Jan	▲ 0.11%	14-Jan	▼ -1.0 bps	14-Jan	▼ -0.9%	14-Jan	▼ -0.5%

USD/THB 34.69	Daily ▼ -0.23%	EUR/THB 35.54	Daily ▼ -0.04%	JPY/THB 0.2205	Daily ▼ -0.11%
Sideways Trend	Weekly ▲ 0.23%	Falling Trend	Weekly ▼ -0.68%	Sideways Trend	Weekly ▲ 0.69%
	Monthly ▲ 1.94%		Monthly ▼ -0.11%		Monthly ▼ -0.92%



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		109.61	-0.2%	0.82%	2.3%	105.64	109.81
EUR/USD		1.0244	0.2%	-0.9%	-2.0%	1.0225	1.0589
USD/JPY		157.35	-0.1%	-0.5%	2.9%	149.64	158.17
USD/CHF		0.9159	-0.1%	0.7%	2.6%	0.8775	0.9172
GBP/USD		1.2189	0.15%	-2.3%	-3.7%	1.2171	1.2773
USD/CAD		1.4382	-0.39%	0.1%	1.0%	1.4007	1.4455
AUD/USD		0.6174	0.44%	-0.7%	-2.9%	0.6146	0.6442
NZD/USD		0.5587	0.5%	-0.7%	-3.0%	0.5561	0.5881
ASEAN Dollar		107.90	-0.1%	0.2%	2.2%	0.00	108.03
USD/THB		34.69	-0.2%	0.2%	2.0%	33.77	34.77
USD/SGD		1.3699	-0.2%	0.3%	1.6%	1.3366	1.3724
USD/MYR		4.4969	-0.2%	0.0%	1.0%	4.4138	4.5066
USD/IDR		16,156	0.1%	0.3%	1.6%	15,745	16,195
USD/PHP		58.83	-0.1%	0.3%	0.3%	57.97	59.25
USD/CNY		7.3373	-0.09%	0.0%	0.8%	7.2439	7.3460
USD/HKD		7.7801	-0.1%	0.0%	0.0%	7.7563	7.7869

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
14/01/2025	-2,187	-1,388	-3,575
13/01/2025	118	-5,096	-4,978
10/01/2025	-1,104	460	-644
09/01/2025	-2,216	-1,446	-3,662
08/01/2025	-1,115	1,107	-8
Last 5 days	-6,503	-6,363	-12,866

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -4,231	↓ -15,693	↓ -19,924
QTD	Quarter	↓ -4,231	↓ -15,693	↓ -19,924
YTD	Year	↓ -4,231	↓ -15,693	↓ -19,924

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	2.53	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		2.45	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		4.7800	-1.00	18.00	37.00	4.17	4.79
Gilt 10y		4.8725	2.56	29.48	45.85	4.22	4.87
Bund 10y		2.6200	0.00	24.00	23.00	2.06	2.62
JGB 10y		1.2020	2.40	9.90	12.00	1.02	1.20
TGB 1y		1.9481	1.33	2.12	-12.47	1.92	2.08
TGB 2y		2.0458	3.57	3.75	5.29	1.98	2.05
TGB 5y		2.1646	1.25	4.92	7.50	2.06	2.16
TGB 7y		2.2667	1.95	6.59	8.01	2.14	2.27
TGB 10y		2.4053	1.87	5.90	8.42	2.26	2.41
AAA Spread		66.62	-4.57	6.26	-3.84	0.00	71.82
AA Spread		64.89	-3.16	-17.65	-19.79	0.00	85.02
A Spread		104.34	-0.89	3.15	-18.53	0.00	124.45
BBB Spread		0.00	0.00	0.00	-237.53	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		80.25	-0.9%	5.4%	8.6%	72.63	81.01
London Gold		2666.4	-0.50%	0.5%	-1.7%	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)		5,842.9	0.1%	-1.1%	-1.8%	5,827.0	6,084.2
STOXX (EU)		511.35	0.5%	-0.4%	3.6%	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)		20,132.9	-0.4%	0.5%	4.8%	19,003.1	20,426.3
CAC All-Tradable(FR)		5,491.4	0.2%	1.7%	2.8%	5,329.2	5,544.6
TOPIX (JP)		2,682.6	-1.2%	-4.3%	-0.3%	2,682.6	2,801.7
Shanghai (CH)		3,397.0	2.5%	0.9%	-0.8%	3,312.9	3,628.3
Hang Seng (HK)		19,219.8	1.8%	-2.7%	-2.5%	18,874.1	20,397.1
ASX 200 (AU)		8,231.0	0.5%	-0.2%	-1.1%	8,159.1	8,462.6
SET (TH)		1,340.3	-1.0%	-3.2%	-8.2%	1,340.3	1,462.5
SET50 (TH)		874.3	-0.9%	-2.4%	-7.5%	874.3	948.0
Straits Times (SG)		3,788.8	-0.1%	-0.3%	1.3%	3,708.1	3,828.2
FTSE Malay (MY)		1,576.5	-0.6%	-3.3%	-0.8%	1,576.5	1,642.3
JSX Index (ID)		6,956.7	-0.9%	-2.9%	-2.5%	6,956.7	7,464.8
PSE Index (PH)		6,299.7	-0.7%	-4.6%	-6.8%	6,299.7	6,975.6
Vn Index (VN)		1,229.1	-0.5%	-2.0%	0.1%	1,205.2	1,275.1

Sources: ttb analytics, CEIC

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

Important Disclosures

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