

**Powell says the Fed is not rushing to lower rates**

**Fed keeps rates unchanged and removes reference to inflation progress**

The Federal Reserve kept rates between 4.25% - 4.50% as expected, with a unanimous decision. It made hawkish adjustments to its economic outlook, noting inflation remains "somewhat elevated" and removing the reference to inflation making progress toward the 2% target. It also revised the labor market statement, now saying the "unemployment rate has stabilized at a low level" instead of easing conditions. The rest of the statement remained largely the same, with the Fed maintaining that risks to employment and inflation goals are "roughly in balance." In the press conference, Chair Powell said the Fed isn't in a rush to adjust policy and is not on a preset course. He explained the removal of the inflation progress reference was just a "language clean-up," causing a dovish market reaction. Powell noted good inflation data but wants more progress, especially with shelter inflation dropping. He cautioned that while conditions are set for progress, it's not guaranteed. Regarding Trump's policies, he stated the Fed is waiting to see what happens with fiscal and regulatory changes.

**Trump officials consider stronger restrictions on Nvidia sales to China**

Officials in the Trump administration are considering further restrictions on Nvidia Corp.'s chip sales to China, according to sources familiar with the matter. These discussions are still in the early stages as the new team prioritizes policy matters. The focus is on potentially expanding the curbs to include Nvidia's H20 chips, which are designed to run artificial intelligence software and meet current US restrictions on shipments to China. A decision on these restrictions is expected to be some time away, as the administration is still in the process of filling key positions.

**The Bank of Canada cuts rates and drops guidance amid tariff risks**

The Bank of Canada cut rates by 25bps to 3.00%, in line with expectations, aligning with its neutral rate range of 2.25-3.25%. It also removed forward guidance, noting the substantial rate cuts since June and no longer suggesting further reductions would be evaluated one step at a time. The BoC acknowledged that easing is boosting household spending and expects gradual economic growth, with inflation staying near target. While inflation forecasts for 2025-2026 were revised upward, growth projections were lowered. These forecasts don't include potential US tariffs starting February 1, which could test the economy's resilience.

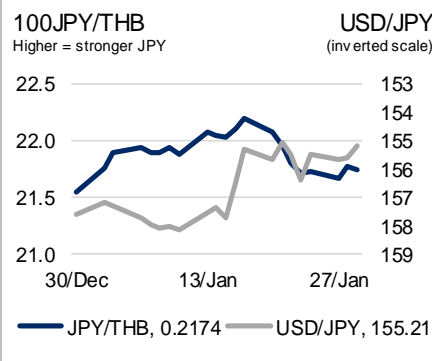
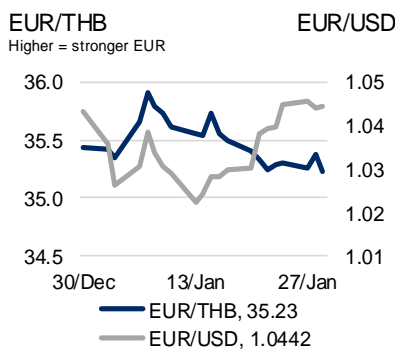
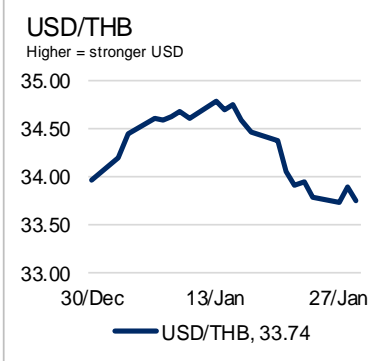
**US dollar steadies as Fed holds rates unchanged**

The 10-year government bond yield (interpolated) on the previous trading day was 2.276, -0.21 bps. The benchmark government bond yield (LB346A) was 2.2625, -1.75 bps. Meantime, the latest closed US 10-year bond yields was 4.55, +0.0 bps. USDTHB on the previous trading day closed around 33.74, moving in a range of 33.72 – 33.77 this morning. USDTHB could be closed between 33.60 – 33.90 today. The dollar fluctuated after the FOMC meeting, where the Fed kept rates steady but removed language about inflation making progress toward the 2% goal while noting solid labor market conditions. The initial hawkish reaction reversed during Powell's press conference, where he explained the inflation change was just a "language cleanup" and reiterated the Fed isn't rushing to cut rates, despite two positive inflation reports. The euro weakened and briefly fell below the 1.0400 mark before recovering after the FOMC meeting and press conference. The Japanese yen strengthened slightly, with USD/JPY finding support around the 155.00 level, limiting further downside.

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

<b>SET Index</b>	<b>1,343.2</b>	<b>S&amp;P500</b>	<b>6,039.3</b>	<b>10Y UST</b>	<b>4.55%</b>	<b>Brent</b>	<b>76.86</b>	<b>Gold</b>	<b>2,759.4</b>
29-Jan	▼ -0.19%	29-Jan	▼ -0.47%	29-Jan	▲ 0.0 bps	29-Jan	▼ -0.8%	29-Jan	▲ 0.6%

<b>USD/THB 33.74</b>	Daily ▼ -0.43%	<b>EUR/THB 35.23</b>	Daily ▼ -0.40%	<b>JPY/THB 0.2174</b>	Daily ▼ -0.18%
Falling Trend	Weekly ▼ -0.61%	Falling Trend	Weekly ▼ -0.16%	Sideways Trend	Weekly ▲ 0.15%
	Monthly ▼ -0.66%		Monthly ▼ -0.56%		Monthly ▲ 0.87%



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		107.76	-0.1%	-0.5%	-0.2%	107.76	109.81
EUR/USD		1.0442	0.03%	0.4%	0.1%	1.0225	1.0456
USD/JPY		155.21	-0.3%	-0.8%	-1.5%	155.09	158.17
USD/CHF		0.9029	-0.3%	-0.4%	0.2%	0.8982	0.9172
GBP/USD		1.2461	0.16%	1.3%	-1.0%	1.2171	1.2589
USD/CAD		1.4378	-0.13%	-0.1%	0.0%	1.4334	1.4454
AUD/USD		0.6245	-0.28%	-0.2%	0.1%	0.6146	0.6304
NZD/USD		0.5670	0.0%	0.3%	0.2%	0.5561	0.5698
ASEAN Dollar		104.90	-0.2%	-0.7%	-1.0%	0.00	106.79
USD/THB		33.74	-0.4%	-0.6%	-0.7%	33.73	34.77
USD/SGD		1.3489	-0.1%	-0.5%	-0.5%	1.3484	1.3724
USD/MYR		4.3872	-0.2%	-1.2%	-1.7%	4.3745	4.5066
USD/IDR		16,103	0.1%	-0.8%	0.2%	16,072	16,289
USD/PHP		58.65	0.1%	-0.3%	0.9%	58.05	58.96
USD/CNY		7.2523	-0.23%	-0.4%	-0.6%	7.2480	7.3460
USD/HKD		7.7783	-0.2%	-0.2%	0.3%	7.7513	7.7914

## 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		237,330	1972
Gold		20,375	90
SDR		5,380	6
IMF Reserves		1,052	-2
Foreign Ccy		210,522	1877
Net Fwd Position		23,945	-405

## Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
29/01/2025	-702	5,882	5,180
28/01/2025	1,918	3,884	5,801
27/01/2025	-1,013	2,792	1,779
24/01/2025	1,270	1,157	2,427
23/01/2025	-4,388	2,712	-1,676
Last 5 days	-2,915	16,427	13,511

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -8,295	↑ 2,034	↓ -6,261
QTD	Quarter	↓ -8,295	↑ 2,034	↓ -6,261
YTD	Year	↓ -8,295	↑ 2,034	↓ -6,261

## Money Market

Last update: 17/01/2025

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

## Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.5500	0.00	-6.00	38.00	4.15	4.79
Gilt 10y		4.6110	3.31	-3.73	38.67	4.21	4.87
Bund 10y		2.5400	-1.00	0.00	47.00	2.06	2.62
JGB 10y		1.2010	0.00	0.20	11.00	1.05	1.25
TGB 1y		2.0569	0.11	1.69	7.81	1.92	2.06
TGB 2y		2.0393	0.38	-2.99	1.76	1.99	2.08
TGB 5y		2.0888	0.19	-3.09	-0.69	2.07	2.18
TGB 7y		2.1883	0.54	-3.72	0.62	2.14	2.28
TGB 10y		2.2761	-0.21	-3.72	-2.85	2.26	2.42
AAA Spread		71.12	5.58	16.78	-0.25	0.00	71.39
AA Spread		64.95	0.06	-16.18	-14.69	0.00	82.54
A Spread		103.43	-0.98	3.58	-19.30	0.00	123.20
BBB Spread		0.00	0.00	0.00	-248.70	0.00	248.70

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		76.86	-0.8%	-1.8%	3.0%	73.26	82.03
London Gold		2759.4	0.6%	0.4%	5.7%	2,610.3	2,771.1

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)		6,039.3	-0.5%	-0.8%	-0.8%	5,827.0	6,118.7
STOXX (EU)		536.09	0.6%	0.4%	4.4%	501.2	536.1
FTSE All-Share(UK)		4,076.1	0.2%	0.9%	1.6%	3,954.4	4,128.5
DAX (DE)		21,637.5	1.0%	3.1%	8.1%	19,425.7	21,637.5
CAC All-Tradable(FR)		5,809.4	-0.3%	1.7%	6.9%	5,358.6	5,831.0
TOPIX (JP)		2,775.6	0.7%	2.4%	0.8%	2,680.7	2,786.6
Shanghai (CH)		3,407.0	-0.1%	0.4%	-3.5%	3,321.1	3,597.9
Hang Seng (HK)		20,225.1	0.1%	3.3%	2.4%	18,874.1	20,414.1
ASX 200 (AU)		8,447.0	0.6%	1.6%	-0.2%	8,067.0	8,495.2
SET (TH)		1,343.2	-0.2%	0.2%	-7.4%	1,340.3	1,454.8
SET50 (TH)		875.5	-0.1%	-0.1%	-6.4%	873.9	939.6
Straits Times (SG)		3,801.1	0.1%	-0.3%	-0.6%	3,751.4	3,862.6
FTSE Malay (MY)		1,552.7	-0.4%	-0.9%	-3.9%	1,552.7	1,637.7
JSX Index (ID)		7,166.1	-0.9%	1.2%	0.7%	6,977.2	7,464.8
PSE Index (PH)		6,153.5	-0.7%	-3.1%	-8.7%	6,153.5	6,742.9
Vn Index (VN)		1,265.1	0.4%	2.3%	2.0%	1,235.7	1,273.8

Sources: ttb analytics, CEIC

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

### Important Disclosures

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