

Canada and Mexico retaliate against Trump's tariffs, while China promises to take action

Trump imposed broad tariffs on US trading partners

On Saturday, Trump signed orders imposing a 10% levy on Canadian energy imports, as well as 25% tariffs on goods from Canada and Mexico, and 10% on Chinese imports. The tariffs will take effect at midnight on Tuesday. In response, Canada and Mexico pledged to retaliate, sparking a trade war that is expected to alter global supply chains.

Fed's favored inflation gauge ends 2024 with a muted advance

US PCE data matched expectations for both headline and core, with consumption surpassing forecasts, similar to the Q4 report released Thursday. Core PCE rose 0.156%, slightly below the 0.2% forecast but up from 0.1% last month. For annual basis, the data increased 2.8%, steady from the previous month. Meanwhile, headline month-over-month rose 0.2557%, in line with expectations, while yearly term rose to 2.6%, up from 2.4% in November.

German and French inflation remain stable at the start of the year

German inflation stayed high, signaling to the European Central Bank that caution is still required as it proceeds with lowering interest rates. In January, consumer prices increased by 2.8% compared to the previous year, maintaining the same rate as in December and aligning with the median forecast. On the other hand, French consumer prices unexpectedly remained unchanged at the beginning of the year, rising by 1.8% from January of the previous year.

Thai factory output misses expectations due to slumping car production

Thailand's manufacturing production index fell 2.11% in December, worse than the expected 0.50% drop, due to a slowdown in the automotive industry and weak demand. This followed a 3.58% decline in November. Car production sank 17.37% in December, marking the 17th month of decline, hurt by low domestic sales, high production costs, and cheap imports from China. For the entire year of 2024, factory output decreased by 1.79%.

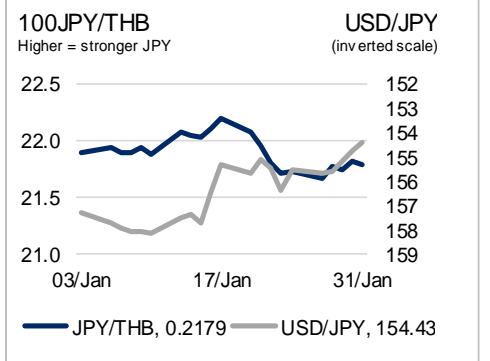
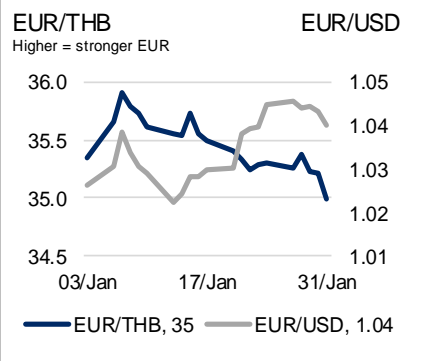
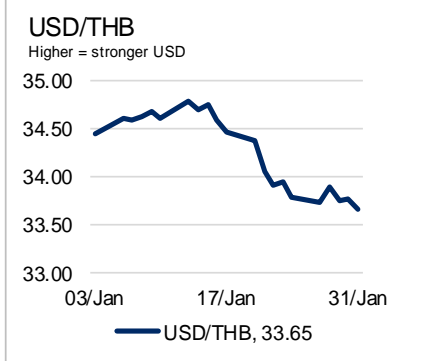
US dollar climbs as markets evaluate tariff messages

The 10-year government bond yield (interpolated) on the previous trading day was 2.302, +3.11 bps. The benchmark government bond yield (LB346A) was 2.31, +3.0 bps. Meantime, the latest closed US 10-year bond yields was 4.58, +6.0 bps. USDTHB on the previous trading day closed around 33.65, moving in a range of 34.025 – 34.17 this morning. USDTHB could be closed between 33.90 – 34.20 today. The dollar strengthened on Friday following a volatile day, driven by mixed tariff reports. Key developments included a Reuters report suggesting President Trump would delay tariffs on Canada and Mexico until March 1st, instead of imposing them on February 1st. This caused the dollar to dip to a low of 107.78, benefiting G10 currencies, particularly the CAD and MXN. However, the White House quickly refuted the Reuters report, confirming that the February 1st deadline remained, and that Trump would impose 25% tariffs on Canada and Mexico, and 10% on China. This clarification resulted in a reversal of those movements, with the index climbing to a high of 108.470. The euro traded between 1.0361 and 1.0433, falling for the fourth day as traders digested the ECB's rate decision. The Japanese yen underperformed throughout the day and overnight, following a wave of data from Japan. USD/JPY stayed within the 153.78-155.23 range from Thursday and is near its 50-day moving average at 154.84.

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

SET Index	1,314.5	S&P500	6,040.5	10Y UST	4.58%	Brent	76.76	Gold	2,791.5
31-Jan	▼ -1.60%	31-Jan	▼ -0.51%	31-Jan	▲ 6.0 bps	31-Jan	▼ -0.1%	31-Jan	▲ 0.5%

USD/THB 33.65	Daily ▼ -0.33%	EUR/THB 35.00	Daily ▼ -0.64%	JPY/THB 0.2179	Daily ▼ -0.12%
Weekly ▼ -0.22%	Weekly ▼ -0.76%	Weekly ▲ 0.58%	Monthly ▼ -2.32%	Monthly ▼ -0.99%	Monthly ▼ -0.48%
Falling Trend	Falling Trend	Sideways Trend			



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@ttbbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbbank.com

ttb analytics ttbanalytics@ttbbank.com
Naris Sathapholdeja naris.sat@ttbbank.com
Kasem Harnchanpanich kasem.har@ttbbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		108.06	0.2%	0.3%	-1.1%	107.76	109.81
EUR/USD		1.0400	-0.30%	-0.5%	1.3%	1.0225	1.0456
USD/JPY		154.43	-0.2%	-0.8%	-1.8%	154.76	158.17
USD/CHF		0.9090	0.4%	0.2%	-0.3%	0.8991	0.9172
GBP/USD		1.2432	-0.16%	-0.1%	0.4%	1.2171	1.2589
USD/CAD		1.4452	0.51%	0.4%	0.3%	1.4334	1.4454
AUD/USD		0.6225	-0.25%	-0.9%	0.3%	0.6146	0.6304
NZD/USD		0.5651	-0.2%	-0.6%	0.9%	0.5561	0.5698
ASEAN Dollar		105.84	0.2%	0.4%	-0.5%	0.00	107.41
USD/THB		33.65	-0.3%	-0.2%	-2.3%	33.73	34.77
USD/SGD		1.3523	0.2%	0.3%	-1.2%	1.3484	1.3724
USD/MYR		4.4206	0.7%	1.1%	-1.6%	4.3745	4.5066
USD/IDR		16,225	0.4%	0.7%	0.5%	16,072	16,289
USD/PHP		58.63	0.1%	0.0%	0.5%	58.05	58.96
USD/CNY		7.2799	0.31%	0.3%	-0.6%	7.2480	7.3460
USD/HKD		7.7911	0.1%	0.0%	0.1%	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		241,778	4448
Gold		20,900	524
SDR		5,433	53
IMF Reserves		1,063	10
Foreign Ccy		214,384	3861
Net Fwd Position		24,110	165

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
31/01/2025	-3,165	-9,201	-12,365
30/01/2025	126	-5,279	-5,153
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
Last 5 days	-2,836	-1,922	-4,758

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -11,334	↓ -12,445	↓ -23,779
QTD	Quarter	↓ -11,334	↓ -12,445	↓ -23,779
YTD	Year	↓ -11,334	↓ -12,445	↓ -23,779

Money Market

Last update: 24/01/2025

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		4.5800	6.00	-2.00	38.00	4.15	4.79
Gilt 10y		4.5600	-3.84	-3.33	29.67	4.22	4.87
Bund 10y		2.4800	-5.00	-2.00	41.00	2.06	2.62
JGB 10y		1.2210	2.00	2.70	15.30	1.05	1.26
TGB 1y		2.0602	0.25	0.93	12.20	1.92	2.06
TGB 2y		2.0450	0.60	0.34	3.88	1.99	2.08
TGB 5y		2.1212	2.54	3.43	4.60	2.08	2.18
TGB 7y		2.2161	2.16	1.39	3.64	2.15	2.28
TGB 10y		2.3020	3.11	1.40	-0.43	2.27	2.42
AAA Spread		70.51	3.97	16.40	-0.78	0.00	71.37
AA Spread		64.05	-0.36	-16.05	-16.25	0.00	82.55
A Spread		103.11	-0.99	3.80	-19.46	0.00	123.17
BBB Spread		0.00	0.00	0.00	-239.83	0.00	273.39

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		76.76	-0.1%	-0.4%	0.3%	74.39	82.03
London Gold		2791.5	0.5%	0.9%	5.2%	2,610.3	2,791.5

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)		6,040.5	-0.5%	-1.0%	0.1%	5,827.0	6,118.7
STOXX (EU)		541.38	0.1%	1.9%	5.9%	501.2	541.4
FTSE All-Share(UK)		4,076.1	0.2%	0.9%	1.6%	3,954.4	4,128.5
DAX (DE)		21,732.1	0.0%	2.2%	6.7%	19,848.8	21,732.1
CAC All-Tradable(FR)		5,869.4	0.1%	1.5%	6.0%	5,387.1	5,869.4
TOPIX (JP)		2,788.7	0.2%	1.9%	1.7%	2,682.6	2,801.7
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)		8,532.3	0.5%	1.5%	1.3%	8,067.0	8,532.3
SET (TH)		1,314.5	-1.6%	-3.5%	-9.2%	1,314.5	1,454.8
SET50 (TH)		856.4	-1.6%	-3.9%	-8.4%	856.4	939.6
Straits Times (SG)		3,855.8	1.4%	1.3%	1.6%	3,719.9	3,887.0
FTSE Malay (MY)		1,556.9	0.3%	-1.0%	-3.5%	1,552.7	1,642.3
JSX Index (ID)		7,109.2	0.5%	-0.6%	-1.2%	6,977.2	7,464.8
PSE Index (PH)		5,862.6	-4.0%	-7.5%	-12.9%	5,862.6	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

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.