

China takes center stage after Trump delays tariffs on Mexico and Canada

Trump and leaders of Canada and Mexico announce one-month tariff delay after talks

President Trump agreed to delay the 25% tariffs on Canada and Mexico for a month after both nations pledged stronger actions to combat migration and drug trafficking, avoiding a trade war for now. Canada will appoint a fentanyl czar, designate cartels as terrorist groups, and launch a joint "strike force" with the US to tackle organized crime and drug trafficking. At the same time, Mexican President Claudia Sheinbaum and Trump agreed that Mexico would deploy 10,000 National Guard troops to the border to curb fentanyl and migration, a crucial condition for Trump to lift the tariffs. For China, Trump's 10% tariffs on China are still scheduled to take effect on Tuesday. However, he mentioned that his administration plans to hold talks with China, suggesting a potential delay of the tariff.

US manufacturing activity grows for the first time since 2022

US factory activity grew in January for the first time since 2022, driven by an increase in orders and faster production, signaling a positive manufacturing outlook. ISM Manufacturing climbed to 50.9, up from 49.2 and above the expected 49.8. New orders rose by 3 points to 55.1, marking the strongest growth since May 2022. This marked the fifth consecutive monthly increase, indicating rising demand that spurred higher output. The inflation measure also rose to 54.9. The surveys were conducted before President Trump announced 25% tariffs on imports from Canada and Mexico, which could disrupt supply chains for US manufacturers.

Euro-zone inflation unexpectedly rises, reinforcing ECB's cautious stance

Euro-area inflation unexpectedly increased, supporting the European Central Bank's cautious approach to rate cuts as the weakening economy deals with rising trade threats from the US. In January, the CPI grew by 2.5% compared to the previous year, up from 2.4% in December and surpassing expectations. Core inflation remained higher than forecasted at 2.7%, while price increases in the key services sector slightly slowed. The data follows reports from Europe's leading economies, showing stable inflation in Germany and France, with accelerations in Italy and Spain.

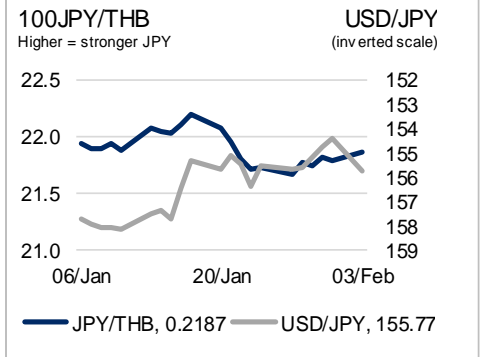
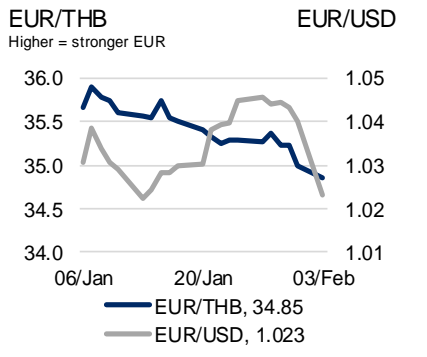
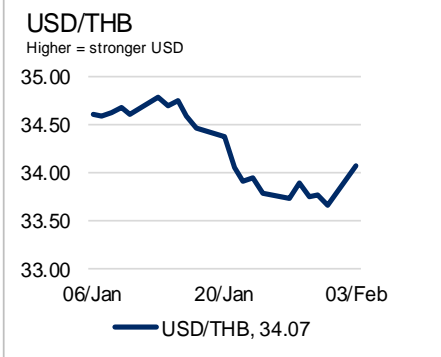
Dollar fluctuates amid Trump's tariff negotiations

The 10-year government bond yield (interpolated) on the previous trading day was 2.312, +1.02 bps. The benchmark government bond yield (LB346A) was 2.32, +1.0 bps. Meantime, the latest closed US 10-year bond yields was 4.54, -4.0 bps. USDTHB on the previous trading day closed around 33.65, moving in a range of 33.87 – 33.92 this morning. USDTHB could be closed between 33.85 – 34.20 today. The dollar initially gained strength following Trump's tariff announcement on Saturday, but most of its early gains were reversed after Mexican President Sheinbaum announced a one-month delay on US tariffs. However, the index stayed positive as market participants awaited the outcome of talks between President Trump and Canadian PM Trudeau, which also resulted in a 30-day tariff delay. Despite several strong data releases, the focus remained on the tariff news. The euro faced pressure as President Trump considered imposing a 10% tariff on the eurozone. The Japanese yen outperformed, with USD/JPY pressured due to haven demand and weaker US yields.

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

SET Index	1,304.4	S&P500	5,994.6	10Y UST	4.54%	Brent	75.45	Gold	2,794.2
3-Feb	▼ -0.77%	3-Feb	▼ -0.76%	3-Feb	▼ -4.0 bps	3-Feb	▼ -1.7%	3-Feb	▲ 0.1%

USD/THB 34.07	Daily ▲ 1.23%	EUR/THB 34.85	Daily ▼ -0.42%	JPY/THB 0.2187	Daily ▲ 0.36%
Sideways Trend	Weekly ▲ 0.54%	Falling Trend	Weekly ▼ -1.49%	Sideways Trend	Weekly ▲ 0.43%
	Monthly ▼ -1.56%		Monthly ▼ -2.29%		Monthly ▼ -0.32%



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@ttbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbank.com

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

Currency Market

Currency	1M History	Last	% Chg (1D)	% Chg (1W)	% Chg (1M)	1M Range	
						Min	Max
Dollar Index		109.70	1.5%	1.7%	0.7%	107.76	109.81
EUR/USD		1.0230	-1.63%	-2.0%	-0.7%	1.0225	1.0456
USD/JPY		155.77	0.9%	0.1%	-1.2%	154.43	158.17
USD/CHF		0.9169	0.9%	1.3%	0.8%	0.8991	0.9172
GBP/USD		1.2281	-1.21%	-1.3%	-1.2%	1.2171	1.2589
USD/CAD		1.4742	2.00%	2.4%	2.3%	1.4334	1.4454
AUD/USD		0.6116	-1.75%	-2.3%	-1.8%	0.6146	0.6304
NZD/USD		0.5546	-1.8%	-2.2%	-1.3%	0.5561	0.5698
ASEAN Dollar		107.07	1.1%	1.3%	0.9%	0.00	107.47
USD/THB		34.07	1.2%	0.5%	-1.5%	33.65	34.77
USD/SGD		1.3680	1.2%	1.3%	-0.1%	1.3484	1.3724
USD/MYR		4.4869	1.5%	2.1%	-0.4%	4.3745	4.5066
USD/IDR		16,340	0.7%	1.5%	1.4%	16,072	16,289
USD/PHP		58.90	0.5%	0.5%	0.7%	58.05	58.96
USD/CNY		7.3200	0.55%	0.7%	-0.4%	7.2480	7.3460
USD/HKD		7.7930	0.0%	0.0%	0.2%	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
03/02/2025	-363	-4,622	-4,985
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
Last 5 days	-2,186	-9,336	-11,522

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -363	↓ -4,622	↓ -4,985
QTD	Quarter	↓ -11,697	↓ -17,067	↓ -28,764
YTD	Year	↓ -11,697	↓ -17,067	↓ -28,764

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		4.5400	-4.00	-11.00	32.00	4.15	4.78
Gilt 10y		4.5379	-2.22	-6.16	28.49	4.22	4.89
Bund 10y		2.4000	-8.00	-14.00	28.00	2.07	2.63
JGB 10y		1.2540	0.40	3.90	18.60	1.05	1.26
TGB 1y		2.0608	0.05	0.50	12.83	1.92	2.06
TGB 2y		2.0481	0.30	1.26	3.05	1.99	2.08
TGB 5y		2.1269	0.57	4.00	0.71	2.08	2.18
TGB 7y		2.2292	1.31	4.63	2.13	2.15	2.28
TGB 10y		2.3122	1.02	3.41	-3.63	2.27	2.42
AAA Spread		70.97	4.40	17.66	-0.27	0.00	73.93
AA Spread		64.07	-0.65	-16.02	-13.58	0.00	81.86
A Spread		103.13	-1.15	4.18	-19.20	0.00	123.05
BBB Spread		0.00	0.00	0.00	-239.73	0.00	239.83

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		75.45	-1.7%	-2.6%	-1.1%	74.64	82.03
London Gold		2794.2	0.1%	1.8%	6.2%	2,610.9	2,794.2

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)		5,994.6	-0.8%	-0.3%	-1.5%	5,836.2	6,101.2
STOXX (EU)		534.75	-1.2%	0.3%	4.3%	500.6	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)		5,799.7	-1.2%	-0.3%	5.7%	5,388.2	5,869.4
TOPIX (JP)		2,720.4	-2.4%	-1.1%	-0.3%	2,679.4	2,788.7
Shanghai (CH)		3,407.0	-0.1%	0.4%	-3.5%	3,321.1	3,597.9
Hang Seng (HK)		20,217.3	0.0%	1.5%	3.4%	19,064.3	20,414.1
ASX 200 (AU)		8,379.4	-1.8%	-0.6%	-0.5%	8,159.1	8,532.3
SET (TH)		1,304.4	-0.8%	-3.0%	-9.6%	1,304.4	1,452.0
SET50 (TH)		849.5	-0.8%	-3.2%	-8.8%	849.5	936.7
Straits Times (SG)		3,826.5	-0.8%	0.8%	0.8%	3,752.3	3,862.6
FTSE Malay (MY)		1,553.6	-0.2%	-1.7%	-3.6%	1,552.7	1,637.7
JSX Index (ID)		7,030.1	-1.1%	-2.0%	-4.0%	6,956.7	7,453.3
PSE Index (PH)		5,883.0	0.3%	-7.3%	-12.1%	5,862.6	6,742.9
Vn Index (VN)		1,253.0	-1.0%	0.9%	-1.1%	1,229.1	1,275.1

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.