

The Fed left rates unchanged and reduced the pace of QT

Fed holds rates steady, sees slower growth and higher inflation

The Federal Reserve kept rates unchanged at 4.25%-4.5%, as expected, and maintained its median dot plot, which still forecasts two rate cuts in 2025. The Fed removed language about balanced risks and noted increased economic uncertainty. Projections for 2025 and 2026 growth were lowered, with higher unemployment and PCE forecasts. Powell reiterated a wait-and-see approach, stressing that the Fed isn't rushing to adjust policy. He emphasized uncertainty and cautioned against overinterpreting Fed forecasts. He also indicated that the central bank did not deem it necessary to take significant action in response to US tariffs, noting that their effect on consumer prices could be "transitory." Regarding the balance sheet, the Fed announced plans to reduce the pace of its runoff starting in April, lowering the monthly Treasury redemption cap from USD 25 billion to USD 5 billion, while keeping the cap for MBS redemptions at USD 35 billion.

The BOJ keeps interest rates steady as expected

The Bank of Japan (BoJ) kept its short-term interest rate at 0.5%, as expected, with a unanimous vote. It noted a moderate recovery in Japan's economy, driven by rising consumption and inflation expectations. The central bank also added US trade policies to its list of risks. The BoJ remains cautious about the impacts on financial and FX markets but expects continued economic growth. At the press conference, Governor Ueda emphasized multiple times that domestic data largely aligned with the outlook, with wages slightly stronger than expected but still within the anticipated range. He provided little insight into the timing of the next rate hike but mentioned that the BoJ does not necessarily need to wait for complete clarity on the impact of U.S. tariffs before taking action.

Eurozone February inflation estimate lowered due to Germany revision

Euro-area inflation slowed more than initially reported, reinforcing the case for the ECB to continue reducing interest rates. The CPI increased by 2.3% annually, lower than the 2.4%, due to a revision following an unexpected decline in Germany's inflation rate. However, there are still risks that inflation could rise again, as trade tensions with the US and a surge in defense and infrastructure spending could push prices up more rapidly.

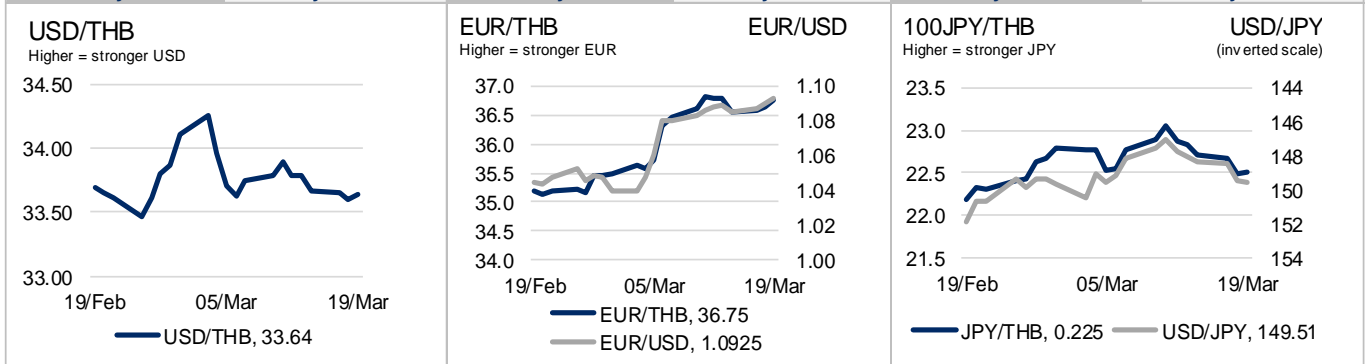
Dollar pares gains as Fed holds rates and lowers growth forecasts

The 10-year government bond yield (interpolated) on the previous trading day was 2.104, -2.89 bps. The benchmark government bond yield (LB353A) was 2.11, -2.0 bps. Meantime, the latest closed US 10-year bond yields was 4.25, -4.0 bps. USDTHB on the previous trading day closed around 33.64, moving in a range of 33.57 – 33.58 this morning. USDTHB could be closed between 33.50 – 33.70 today. The dollar was mostly stronger against other currencies, though its gains were reduced after the Fed's announcement, which left the FFR unchanged as expected and decided to slow the pace of Treasury securities runoff. Fed Chair Powell also reiterated his earlier stance from January, stressing there was no urgency to cut rates. The euro weakened with early dollar strength but later recovered, reclaiming the 1.0900 level. The Japanese yen weakened as the BoJ kept rates steady but strengthened after Ueda's hawkish tone and a decline in risk sentiment. In response to the FOMC decision, the currency overall appreciated, with USD/JPY falling below 149.00 as US yields eased after the FOMC meeting.

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

SET Index	1,189.7	S&P500	5,675.3	10Y UST	4.25%	Brent	70.78	Gold	3,021.7
19-Mar	▲ 1.1%	19-Mar	▲ 1.1%	19-Mar	▼ -4.0 bps	19-Mar	▲ 0.3%	19-Mar	▲ 0.4%

USD/THB 33.64	Daily ▲ 0.11%	EUR/THB 36.75	Daily ▲ 0.32%	JPY/THB 0.2250	Daily ▲ 0.08%
Weekly ▼ -0.42%	Weekly ▼ -0.11%	Weekly ▼ -1.42%	Weekly ▼ -1.42%	Monthly ▼ -1.42%	Monthly ▼ -1.42%
Monthly ▼ -0.16%	Monthly ▲ 4.34%				



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		103.42	-0.2%	-0.1%	-3.4%	103.56	107.80
EUR/USD		1.0925	0.2%	0.32%	4.6%	1.0383	1.0903
USD/JPY		149.51	0.0%	1.0%	-1.6%	147.00	152.70
USD/CHF		0.8779	-0.4%	-0.4%	-2.8%	0.8782	0.9107
GBP/USD		1.2984	0.1%	0.2%	3.0%	1.2430	1.2971
USD/CAD		1.4308	-0.3%	-0.7%	0.7%	1.4165	1.4495
AUD/USD		0.6355	-0.2%	0.7%	0.2%	0.6205	0.6390
NZD/USD		0.5816	0.2%	1.7%	1.9%	0.5603	0.5807
ASEAN Dollar		106.20	0.0%	-0.1%	-0.2%	0.00	107.48
USD/THB		33.64	0.1%	-0.4%	-0.2%	33.47	34.26
USD/SGD		1.3312	0.0%	0.0%	-0.9%	1.3313	1.3503
USD/MYR		4.4310	-0.2%	0.1%	-0.3%	4.3999	4.4637
USD/IDR		16,363	0.1%	0.1%	0.6%	16,176	16,486
USD/PHP		57.41	-0.2%	-0.2%	-1.5%	57.45	58.42
USD/CNY		7.2311	-0.02%	-0.1%	-0.7%	7.2315	7.2964
USD/HKD		7.7712	0.0%	0.0%	-0.1%	7.7591	7.7830

FX Swap Market and BoT's Reserves

Foreign Fund Flows (THB.mn)

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

Date	Equity	Bond	Total
19/03/2025	-708	-1,321	-2,028
18/03/2025	886	2,245	3,131
17/03/2025	-1,315	-5,042	-6,358
14/03/2025	-120	4,339	4,219
13/03/2025	-929	-3,741	-4,670
Last 5 days	-2,186	-3,520	-5,706

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		247,421	2665
Gold		21,958	400
SDR		5,530	93
IMF Reserves		1,068	18
Foreign Ccy		218,865	2154
Net Fwd Position		23,540	370

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -13,907	↑ 13,228	↓ -680
QTD	Quarter	↓ -31,909	↑ 4,979	↓ -26,930
YTD	Year	↓ -31,909	↑ 4,979	↓ -26,930

Money Market

Last update: 07/03/2025

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	2.70	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		4.2500	-4.00	3.00	-28.00	4.22	4.65
Gilt 10y		4.6179	1.51	-0.71	4.00	4.47	4.66
Bund 10y		2.7800	-6.00	-3.00	23.00	2.35	2.92
JGB 10y		1.5070	-0.60	-1.60	29.20	1.19	1.55
TGB 1y		1.8836	-1.11	-1.88	-18.53	1.89	2.07
TGB 2y		1.8134	-3.46	-4.23	-23.13	1.85	2.05
TGB 5y		1.8865	-2.95	-3.39	-22.73	1.91	2.12
TGB 7y		2.0000	-3.04	-5.09	-21.66	2.03	2.22
TGB 10y		2.1039	-2.89	-3.49	-19.37	2.13	2.31
AAA Spread		71.93	0.01	-0.50	2.16	68.38	72.92
AA Spread		64.11	-0.35	0.01	-1.33	63.67	65.69
A Spread		105.00	0.18	0.23	2.33	102.44	105.00
BBB Spread		313.66	0.34	0.38	-21.75	312.98	335.60

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		70.78	0.3%	0.9%	-6.5%	69.28	76.05
London Gold		3034.0	0.4%	3.0%	3.0%	2,861.4	3,034.0

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)		5,675.3	1.1%	2.78%	-7.6%	5,521.5	6,144.2
STOXX (EU)		569.12	0.3%	3.3%	2.1%	548.1	569.1
FTSE All-Share(UK)		4,700.8	0.0%	2.0%	-0.4%	4,591.0	4,784.8
DAX (DE)		23,288.1	-0.4%	3.2%	3.8%	22,287.6	23,419.5
CAC All-Tradable(FR)		6,051.4	0.6%	3.0%	1.2%	5,876.0	6,068.9
TOPIX (JP)		2,796.0	0.4%	3.6%	1.0%	2,670.7	2,796.0
Shanghai (CH)		3,590.9	-0.1%	2.0%	2.2%	3,476.5	3,594.4
Hang Seng (HK)		24,771.1	0.1%	5.6%	8.0%	22,577.0	24,771.1
ASX 200 (AU)		7,828.3	-0.4%	1.0%	-7.0%	7,749.1	8,555.8
SET (TH)		1,189.7	1.15%	2.6%	-5.8%	1,159.6	1,272.1
SET50 (TH)		753.9	1.2%	2.9%	-6.8%	732.8	828.9
Straits Times (SG)		3,908.3	0.3%	1.8%	-0.7%	3,825.8	3,934.0
FTSE Malay (MY)		1,517.7	-0.7%	0.5%	-4.0%	1,484.8	1,591.6
JSX Index (ID)		6,311.7	1.4%	-5.1%	-7.1%	6,223.4	6,873.6
PSE Index (PH)		6,313.1	0.5%	1.1%	3.2%	5,993.5	6,360.8
Vn Index (VN)		1,324.6	-0.5%	-0.1%	2.8%	1,272.7	1,336.3

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.