

Elevated inflation and unresolved geopolitical tensions

Fragile ceasefire and Iran conditions keep geopolitical risks elevated

Geopolitical tensions remained elevated as markets monitored the risk of renewed Middle East conflict after Donald Trump described the ceasefire as “very weak”. Reports suggested Iran targeted Kuwait, while Saudi Arabia was also said to have struck Iran earlier in the conflict. Iran meanwhile reiterated it would not resume negotiations without conditions including sanctions relief, compensation and recognition of its sovereignty over Hormuz. In a separate report, there were suggestions that crude exports from Iran’s Kharg Island have been halted.

US core inflation accelerates, clouding Fed easing outlook

US headline CPI rose 0.6% M/M in April, matching expectations and slowing from March’s 0.9% gain, although the annual rate accelerated to 3.8% from 3.3%, above forecasts. Energy prices climbed 3.8% on the month, accounting for more than 40% of the increase in headline inflation. Underlying inflation was firmer, with core CPI rising 0.4% M/M, above expectations and up from 0.2% previously, while the Y/Y rate accelerated to 2.8%. Core services and supercore inflation also strengthened, reinforcing concerns that underlying price pressures remain sticky beyond energy-related effects.

BoJ Summary of Opinions points to further rate hikes

Bank of Japan’s April Summary of Opinions showed policymakers leaning towards further rate hikes, with some warning the BoJ may need to accelerate tightening if upside inflation risks increase. Others noted deeply negative real rates and suggested prolonged Middle East tensions could bring forward moves toward neutral policy settings.

British politics is back to instability

Reports indicate that 79 Labour MPs have now publicly urged Keir Starmer to resign, close to the 81 required to formally trigger a leadership challenge. Starmer faces a pivotal cabinet meeting today, while senior ministers including Shabana Mahmood, Yvette Cooper and John Healey are reportedly encouraging him behind closed doors to consider a handover. Pressure mounted further after four ministerial aides quit, citing doubts over his ability to restore confidence. The escalating political uncertainty is weighing on the pound and gilts, with the risk of a sharper sell-off if Labour moves further to the left.

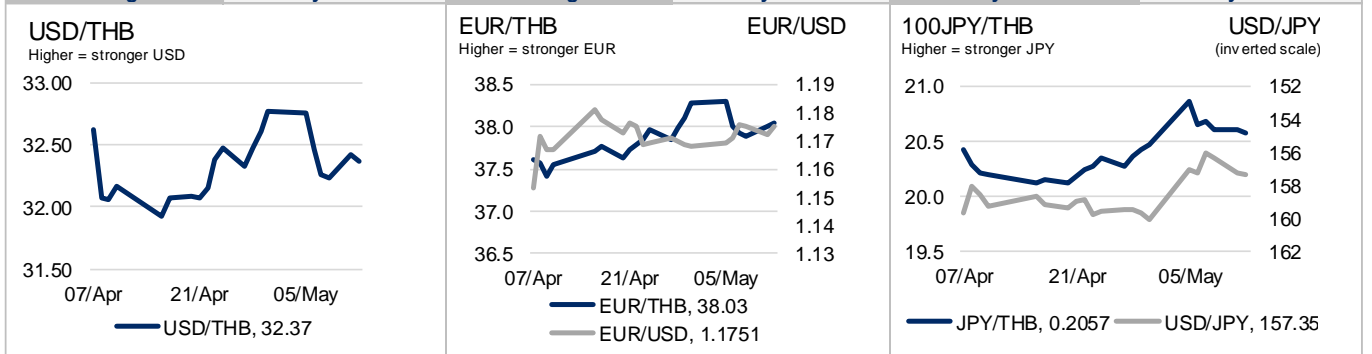
Dollar rallies on hot CPI, rising oil prices

The 10-year government bond yield (interpolated) on the previous trading day was 2.162, +0.11 bps. The benchmark government bond yield (LB365A) was 2.17, +3.00 bps. Meantime, the latest closed US 10-year bond yields was 4.46, +4.0 bps. USDTHB on the previous trading day closed around 32.37, moving in a range of 32.38 – 32.39 this morning. USDTHB could be closed between 32.30 – 32.50 today. The dollar strengthened broadly as higher oil prices and hotter-than-expected US CPI lifted Treasury yields and reinforced inflation concerns. Core CPI accelerated to 0.4% M/M, while sticky services inflation kept the Fed cautious, with Goolsbee again flagging persistent price pressures. The euro slipped despite hawkish comments from ECB’s Nagel, while the British pound underperformed amid growing political uncertainty surrounding Keir Starmer. The Japanese yen also weakened as higher US yields pushed USD/JPY above 157.

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

SET Index	1,483.56	S&P500	7,400.96	10Y UST	4.46%	Brent	107.77	Gold	4,698.65
12-May	▼ -0.4%	12-May	▼ -0.16%	12-May	▲ 4.0 bps	12-May	▲ 3.4%	12-May	▲ 1.0%

USD/THB 32.37	Daily ▼ -0.15%	EUR/THB 38.03	Daily ▲ 0.10%	JPY/THB 0.2057	Daily ▼ -0.18%
Weekly ▼ -0.28%	Weekly ▲ 0.06%	Weekly ▼ -0.36%	Monthly ▼ -0.77%	Monthly ▲ 1.12%	Monthly ▲ 0.71%
Falling Trend	Rising Trend	Sideways Trend			



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		98.15	-0.22%	-0.13%	-1.9%	97.96	100.61
EUR/USD		1.1751	0.3%	0.3%	1.9%	1.1447	1.1810
USD/JPY		157.35	0.0%	0.1%	-1.5%	156.01	160.06
USD/CHF		0.7796	-0.1%	-0.3%	-2.5%	0.7784	0.7998
GBP/USD		1.3590	0.4%	0.1%	2.7%	1.3185	1.3606
USD/CAD		1.3707	-0.1%	0.8%	-1.6%	1.3604	1.3932
AUD/USD		0.7224	0.2%	0.2%	4.6%	0.6846	0.7240
NZD/USD		0.5951	0.3%	0.8%	4.2%	0.5709	0.5961
ASEAN Dollar		106.40	0.1%	-0.19%	-0.4%	105.55	107.02
USD/THB		32.37	-0.2%	-0.3%	-0.8%	31.93	32.77
USD/SGD		1.2709	-0.1%	-0.2%	-1.2%	1.2672	1.2914
USD/MYR		3.9291	0.1%	-0.5%	-2.6%	3.9108	4.0340
USD/IDR		17,374	0.3%	0.3%	2.3%	16,918	17,346
USD/PHP		61.60	0.8%	-0.1%	1.8%	59.83	62.00
USD/CNY		6.7962	-0.3%	-0.3%	-1.2%	6.7848	6.9227
USD/HKD		7.8288	-0.3%	0.0%	-0.1%	7.7600	7.8533

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		286,992	-170
Gold		34,808	-711
SDR		5,742	7
IMF Reserves		1,142	1
Foreign Ccy		245,300	533
Net Fwd Position		22,265	-290

Last update: 01/05/2026

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
12/05/2026	1,753	-3,631	-1,877
11/05/2026	1,965	-981	984
08/05/2026	-1,675	5,106	3,432
07/05/2026	-2,703	7,392	4,689
06/05/2026	-131	2,610	2,479
Last 5 days	-791	10,497	9,706

	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 1,684	↑ 9,031	↑ 10,715
QTD	Quarter	↓ -745	↑ 16,102	↑ 15,357
YTD	Year	↑ 18,442	↑ 41,919	↑ 60,361

Money Market

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		1.00	1.00	1.00	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		1.02	1.02	1.02	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		1.05	1.05	1.05	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		1.10	1.10	1.10	2M					2M		0.00	0.00	0.00
3M		1.15	1.15	1.15	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		1.21	1.21	1.21	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		1.30	1.30	1.30	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		4.4600	4.00	10.00	20.00	4.26	4.46
Gilt 10y		5.0426	8.80	-5.04	30.73	4.74	5.09
Bund 10y		3.0900	7.00	-2.00	21.00	2.88	3.11
JGB 10y		2.5270	4.20	8.40	27.20	2.18	2.53
TGB 1y		0.9931	-0.12	-0.60	-3.26	0.99	1.04
TGB 2y		1.1856	0.25	-5.62	-5.97	1.18	1.28
TGB 5y		1.5387	0.53	-8.09	-10.45	1.53	1.68
TGB 7y		1.9147	-0.89	-4.05	-2.80	1.80	1.98
TGB 10y		2.1620	0.11	-7.75	3.93	2.00	2.24
AAA Spread		69.05	-0.10	-0.81	-0.93	68.21	70.83
AA Spread		56.58	-0.02	1.07	-0.41	54.06	57.26
A Spread		93.14	-0.31	1.25	-0.15	91.52	94.11
BBB Spread		363.74	0.00	9.43	16.36	346.43	363.76

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		107.77	3.4%	6.4%	13.7%	90.38	118.03
London Gold		4698.65	1.0%	0.0%	-0.4%	4,554.2	4,813.0

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)		7,400.96	-0.16%	0.49%	6.2%	6,816.9	7,412.8
STOXX (EU)		625.31	-1.4%	-3.2%	-2.3%	620.3	647.3
FTSE All-Share(UK)		5,509.7	-0.2%	-1.6%	-2.6%	5,477.2	5,720.0
DAX (DE)		23,954.9	-1.6%	-3.9%	0.9%	23,742.4	24,918.7
CAC All-Tradable(FR)		5,951.5	-1.0%	-3.7%	-2.6%	5,943.8	6,252.8
TOPIX (JP)		3,872.9	0.8%	3.9%	2.6%	3,644.8	3,872.9
Shanghai (CH)		4,419.5	-0.2%	1.3%	6.3%	4,068.5	4,430.5
Hang Seng (HK)		26,347.9	-0.2%	0.5%	2.7%	25,660.9	26,626.3
ASX 200 (AU)		8,670.7	-0.4%	-1.4%	-3.3%	8,665.8	8,978.7
SET (TH)		1,483.56	-0.38%	-2.20%	1.3%	1,454.0	1,516.9
SET50 (TH)		974.2	0.0%	-1.3%	-0.1%	955.9	989.6
Straits Times (SG)		4,946.0	0.1%	0.4%	-0.8%	4,861.0	5,021.2
FTSE Malay (MY)		1,750.6	0.3%	-0.4%	4.2%	1,680.5	1,758.9
JSX Index (ID)		6,858.9	-0.7%	-3.3%	-8.6%	6,858.9	7,676.0
PSE Index (PH)		5,972.0	-0.2%	0.1%	-1.4%	5,833.6	6,098.2
Vn Index (VN)		1,901.1	0.3%	0.5%	8.1%	1,736.7	1,915.4

Sources: ttb analytics, CEIC

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

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