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Tuesday 12 November 2024

Dollar stays strong ahead of CPI and Fed talks

BOJ cautious on rate hike, no clear December signal

A summary of opinions from the Bank of Japan's October meeting, released on Monday, revealed that policymakers were divided on when to raise interest rates. Some members cautioned that renewed market volatility could follow the U.S. presidential election. Several BOJ officials emphasized the importance of addressing the economic impact of market movements, especially as the meeting took place just days before the U.S. election on November 5. This suggests that fluctuations in the yen will play a crucial role in determining when the BOJ may increase rates. Although the risk of a U.S. economic downturn has decreased, the BOJ noted that it was too soon to assume markets would stabilize, given that trade activity was influenced by speculation about the election outcome.

China's October new lending tumbles more than expected despite policy support

New bank lending in China dropped more than anticipated in October compared to the previous month, falling short of analysts' forecasts. Despite increased policy stimulus aimed at supporting the struggling economy, credit demand remained weak. Chinese banks issued 500 billion yuan ($69.51 billion) in new yuan loans in October, a significant decline from September and below analysts' projections. Economists had expected new loans to decrease to 700 billion yuan in October, down from 1.59 trillion yuan the month before and 738.4 billion yuan in the same month last year.

Thai panel picks government's candidate for central bank board chair

On Monday, a Thai panel selected Kittiratt na Ranong, a loyalist of the ruling party and former Finance Minister, to lead the central bank's board, according to two government sources. This decision supports the government's nominee despite worries about potential political interference. The move comes amid concerns from economists and four former central bank governors regarding the nomination and the possibility of the government exerting influence over the monetary authority.

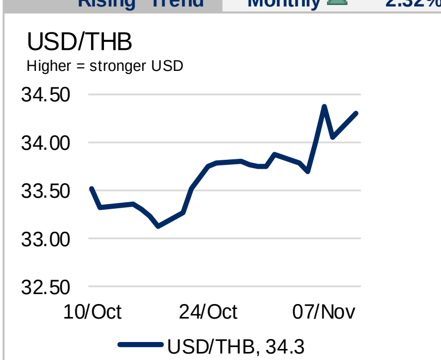
Dollar stays strong ahead of CPI and Fed talks

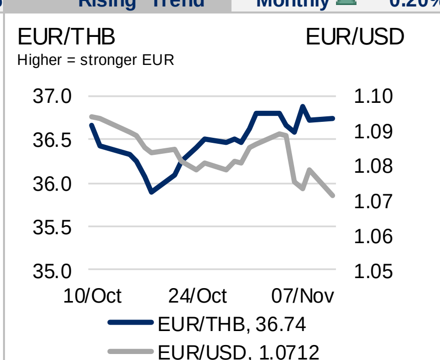
The 10-year government bond yield (interpolated) on the previous trading day was 2.440, +0.21 bps. The benchmark government bond yield (LB346A) was 2.42, +1.00 bps. Meantime, the latest closed US 10-year bond yields was 4.30, -1.00 bps. USDTHB on the previous trading day closed around 34.30, moving in a range of 34.55 – 34.62 this morning. USDTHB could be closed between 34.45 – 34.75 today. The Dollar Index began the week with an uptick, reflecting typical "Trump Trade" behavior, amid limited market movement due to the US holiday, Veteran's Day. The G10 currencies were all lower against the US dollar, though to varying extents, with the Japanese yen underperforming, partly due to the latest Bank of Japan (BoJ) Summary of Opinions, which highlighted a lack of urgency regarding interest rate hikes. Consequently, USD/JPY reached a high of 153.95, compared to an earlier low of 152.65. In the eurozone, discussions continued to focus on the risks of tariffs under a potential Trump presidency and ongoing political instability in Germany, which led EUR/USD to trade within a 1.0629-1.0727 range, hitting its lowest level in over six months.

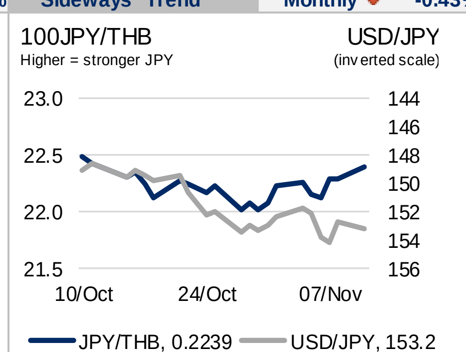
Sources : ttb analytics , Bloomberg, CNBC, Trading economics, Investing, CEIC

SET Index	1,456.5	S&P500	6,001.4	10Y UST	4.30%	Brent	73.87	Gold	2,670.6
11-Nov ▼	-0.56%	11-Nov ▲	0.10%	8-Nov ▼	-1.0 bps	8-Nov ▼	-2.4%	11-Nov ▼	-0.55%

USD/THB 34.30	Daily ▲	0.73%	EUR/THB 36.74	Daily ▲	0.04%	JPY/THB 0.2239	Daily ▲	0.44%
	Weekly ▲	1.80%		Weekly ▲	0.21%		Weekly ▲	1.09%
Rising Trend	Monthly ▲	2.32%	Rising Trend	Monthly ▲	0.20%	Sideways Trend	Monthly ▼	-0.43%







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	1M Range Max
Dollar Index		105.06	0.6%	1.19%	2.1%	101.92	105.06
EUR/USD		1.0712	-0.7%	-1.6%	-2.1%	1.0731	1.1026
USD/JPY		153.20	0.3%	0.7%	2.8%	146.31	154.20
USD/CHF		0.8765	0.5%	1.5%	1.9%	0.8514	0.8759
GBP/USD		1.2918	-0.45%	-0.4%	-1.2%	1.2884	1.3133
USD/CAD		1.3917	0.31%	0.2%	1.5%	1.3554	1.3952
AUD/USD		0.6588	-1.04%	-0.1%	-2.0%	0.6543	0.6842
NZD/USD		0.5972	-0.7%	-0.2%	-1.8%	0.5933	0.6212
ASEAN Dollar		112.63	0.3%	0.8%	2.5%	108.47	112.63
USD/THB		34.30	0.7%	1.8%	2.3%	33.07	34.36
USD/SGD		1.3275	0.5%	0.8%	1.6%	1.2962	1.3309
USD/MYR		4.3983	0.4%	0.9%	2.6%	4.2280	4.4118
USD/IDR		15,608	0.0%	-0.2%	0.3%	15,395	15,774
USD/PHP		58.67	0.2%	0.1%	2.3%	56.58	58.99
USD/CNY		7.1816	0.47%	1.2%	1.6%	7.0403	7.1832
USD/HKD		7.7711	0.09%	0.1%	0.1%	7.7618	7.7966

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		237,866	-594
Golds		20,635	-87
SDR		5,507	3
IMF Reserves		1,142	26
Foreign Ccy		210,581	-535
Net Fwd Position		25,950	220

Last update: 01/11/2024

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
11/11/2024	-757	-2,013	-2,769
08/11/2024	-1,582	-6,396	-7,978
07/11/2024	-1,744	-10,490	-12,234
06/11/2024	-1,782	-3,522	-5,305
05/11/2024	1,443	-246	1,197
Last 5 days	**-4,422**	**-22,667**	**-27,089**

	Period-to-date	Equity	Bond	Total
MTD	Month	-6,839	-28,571	-35,410
QTD	Quarter	-35,005	-61,592	-96,597
YTD	Year	-130,575	-38,219	-168,795

Money Market

THB BIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		2.50	0.00	2.50
1W		2.52	0.00	2.53
1M		2.55	0.00	2.55
2M		2.60	0.00	2.60
3M		2.65	0.00	2.65
6M		2.70	0.00	2.71
12M		2.81	0.00	2.81

THBFIX	1M Hist	Last	1M Range Min	1M Range Max
ON		1.72	1.14	1.72
1W		1.61	0.22	1.61
1M		1.59	0.88	1.72
3M		1.81	1.09	1.82
6M		1.95	1.31	1.99
12M		2.26	1.59	2.26

Last Updated: 29/06/2023

USD LIBOR	1M Hist	Last	1M Range Min	1M Range Max
ON		0.08	0.07	0.08
1W		0.00	0.00	0.00
1M		0.35	0.12	0.35
2M		0.00	0.00	0.00
3M		0.75	0.34	0.75
6M		1.04	0.56	1.04
12M		1.49	1.00	1.49

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

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Fixed Income Market

Fixed Income	1M History	YTM (%)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		4.3000	-1.00	-1.00	21.00	4.02	4.42
Gilt 10y		4.4052	-6.29	-1.11	20.48	4.04	4.54
Bund 10y		2.3200	-6.00	-10.00	6.00	2.19	2.48
JGB 10y		1.0110	-0.50	5.90	7.50	0.89	1.02
TGB 1y		2.1506	0.14	-0.32	-10.94	2.15	2.26
TGB 2y		2.0883	-0.23	0.49	-11.45	2.08	2.21
TGB 5y		2.2117	0.31	0.36	-9.01	2.17	2.32
TGB 7y		2.2679	-0.52	-0.98	-11.75	2.25	2.40
TGB 10y		2.4403	0.21	0.73	-10.35	2.39	2.57
AAA Spread		68.05	2.21	11.17	0.66	55.23	68.79
AA Spread		74.84	1.80	-5.78	-0.07	67.08	83.14
A Spread		104.43	0.46	3.50	-4.32	99.13	116.55
BBB Spread		0.00	0.00	0.00	-235.43	0.00	238.85

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		73.87	-2.3%	-1.6%	-6.5%	71.12	79.40
London Gold		2670.6	-0.55%	-2.5%	0.4%	2,617.3	2,784.0

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)		6,001.4	0.1%	3.8%	2.4%	5,705.5	6,001.4
STOXX (EU)		503.9	1.0%	0.1%	-2.84%	497.5	518.7
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		19,448.6	1.2%	1.0%	-0.3%	19,039.3	19,657.4
CAC All-Tradable(FR)		5,512.0	1.1%	0.3%	-2.2%	5,450.2	5,646.2
TOPIX (JP)		2,739.7	-0.1%	2.8%	1.0%	2,618.3	2,743.1
Shanghai (CH)		3,637.4	0.5%	2.5%	5.7%	3,322.0	3,638.0
Hang Seng (HK)		20,426.9	-1.5%	-2.8%	-3.9%	20,079.1	23,099.8
ASX 200 (AU)		8,266.2	-0.3%	1.7%	0.2%	8,118.8	8,355.9
SET (TH)		1,456.5	-0.6%	-1.7%	-0.8%	1,447.2	1,495.0
SET50 (TH)		936.9	-0.5%	-1.6%	0.2%	922.0	956.5
Straits Times (SG)		3,739.5	0.4%	4.4%	4.0%	3,555.4	3,739.5
FTSE Malay (MY)		1,609.3	-0.7%	-0.7%	-1.5%	1,601.9	1,646.0
JSX Index (ID)		7,266.5	-0.3%	-3.0%	-3.9%	7,243.9	7,789.0
PSE Index (PH)		6,940.0	-0.5%	-4.4%	-5.1%	6,940.0	7,537.3
Vn Index (VN)		1,250.3	-0.2%	0.4%	-2.8%	1,244.7	1,288.4

Sources: *ttb* **analytics, CEIC**

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

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