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Kansas City Fed President Esther George on Monday cautioned against a "rigid" approach to monetary policy in a post-pandemic era that may involve different inflation and employment dynamics than ones seen in the last few years and worked into the Fed's current policy framework. That new framework has led the Fed to pledge to continue buying \$120 billion a month in bonds until the job market improves and to leave interest rates near zero for even longer even as prices begin to rise. While the bulk of Fed officials suspects those price pressures stem from temporary problems that will ease in coming months, "I am not inclined to dismiss today's pricing signals or to be overly reliant on historical relationships and dynamics in judging the outlook for inflation," George said.

Singapore sees uneven recovery after Q1 GDP tops forecasts

Singapore's economy expanded more than first thought in the first quarter and the government maintained its growth forecast for the year, but struck a cautious note about recovery due to uncertainties from the COVID-19 pandemic. Gross domestic product (GDP) grew 1.3% year-on-year in the first quarter, the Ministry of Trade and Industry (MTI) said on Tuesday, higher than the 0.2% forecast. Manufacturing, finance and insurance and wholesale trade supported the expansion over the quarter. MTI maintained its GDP growth forecast for 2021 at 4% to 6% for now but warned of a larger-than-usual degree of uncertainty. However, The pace of recovery of the various sectors of the economy is likely to be more uneven than earlier expected.

Bank of England mostly unfazed by inflation omens

A short-term rise in prices in Britain caused by global supply chain pressures does not foreshadow longer-term inflation problems once the economy emerges from the coronavirus pandemic, Bank of England Governor Andrew Bailey said on Monday. Britain's inflation rate jumped to 1.5% in April from 0.7% in March, due to a mix of higher oil prices, rises in regulated household energy bills and comparisons against weak prices a year ago. Bailey described public inflation expectations as "well anchored". The BoE forecast this month that consumer price inflation would rise above its 2% target to 2.5% by the end of this year, before slowly falling. However, Bailey told legislators that the central bank would need to rethink if there were signs that price pressures were becoming more widespread.

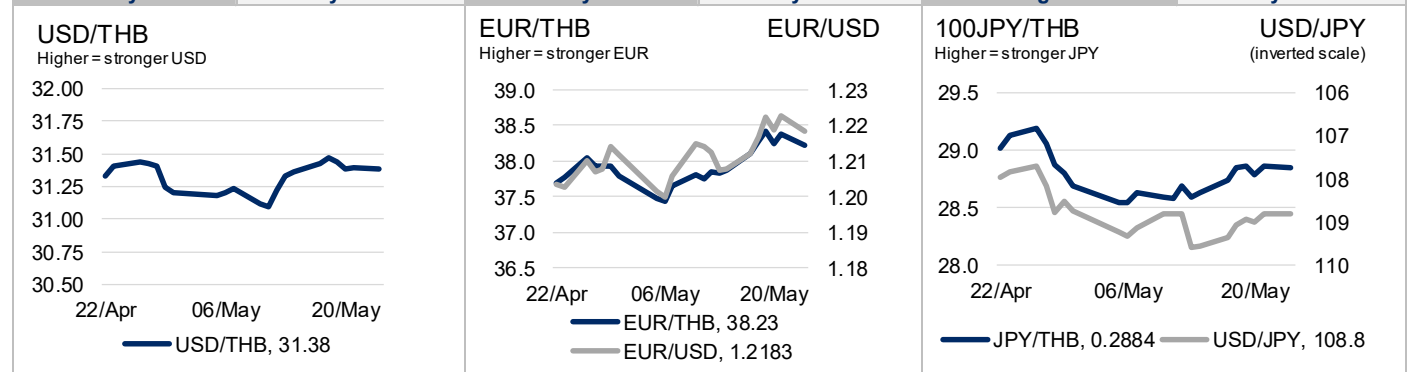
Dollar drifts lower as Fed speakers soothe inflation fears

The 10-year government bond yield (interpolated) on the previous trading day was 1.85, +0.00 bps. The benchmark government bond yield (LB31DA, 10.5 years) was 1.825, -0.50 bps. LB31DA could be between 1.80-1.84. Meantime, the latest closed US 10-year bond yields was 1.61%, -2.00bps. USDTHB on the previous trading day closed around 31.36 Moving in a range from 31.28-31.34 this morning. USDTHB could be closed between 31.28-31.36 today. Meantime, The dollar coasted at the bottom of its recent range on Tuesday, as softer-than-expected U.S. data and fresh insistence from Federal Reserve officials that policy would stay on hold allayed investor fears about inflation forcing interest rates higher.

Sources : Bloomberg, CNBC, Investing, CEIC

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,551.9 | S&P500 | 4,197.1 | 10Y UST | 1.61% | Brent | 66.7 | Gold | 1,876.9 |
| 24-May | ▼ -0.04% | 24-May | ▲ 0.99% | 24-May | ▼ -2.0 bps | 21-May | ▲ 2.46% | 24-May | ▼ -0.04% |

| | | | | | | | | | | | |
|-----------------|--------------|----------------|----------|-----------------|--------------|----------------|----------|----------------|---------------|----------------|----------|
| USD/THB | 31.38 | Daily | ▼ -0.04% | EUR/THB | 38.23 | Daily | ▼ -0.40% | JPY/THB | 0.2884 | Daily | ▼ -0.05% |
| | | Weekly | ▼ -0.28% | | | Weekly | ▼ -0.15% | | | Weekly | ▼ -0.03% |
| Sideways | Trend | Monthly | ▲ 0.17% | Sideways | Trend | Monthly | ▲ 1.39% | Falling | Trend | Monthly | ▼ -0.60% |



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 | | 90.01 | 0.2% | -0.5% | -1.3% | 89.80 | 91.61 |
| EUR/USD | | 1.2183 | -0.4% | 0.5% | 1.3% | 1.1962 | 1.2226 |
| USD/JPY | | 108.80 | 0.0% | -0.5% | 0.8% | 107.71 | 109.58 |
| USD/CHF | | 0.8978 | 0.0% | -0.5% | -2.0% | 0.8975 | 0.9201 |
| GBP/USD | | 1.4149 | -0.2% | 0.5% | 1.5% | 1.3839 | 1.4189 |
| USD/CAD | | 1.2070 | -0.1% | -0.5% | -4.3% | 1.2045 | 1.2608 |
| AUD/USD | | 0.7725 | -0.4% | -0.3% | 0.1% | 0.7718 | 0.7845 |
| NZD/USD | | 0.7168 | -0.2% | -0.7% | -0.1% | 0.7143 | 0.7275 |
| ASEAN Dollar | | 108.88 | 0.0% | 0.1% | 0.0% | 108.06 | 109.10 |
| USD/THB | | 31.38 | 0.0% | -0.2% | 0.2% | 31.10 | 31.47 |
| USD/SGD | | 1.3308 | 0.0% | -0.4% | 0.2% | 1.3239 | 1.3361 |
| USD/MYR | | 4.1395 | -0.1% | 0.1% | 0.5% | 4.0974 | 4.1416 |
| USD/IDR | | 14,353 | -0.1% | 0.9% | -0.8% | 14,154 | 14,519 |
| USD/PHP | | 47.97 | 0.2% | 0.3% | -0.8% | 47.80 | 48.43 |
| USD/CNY | | 6.4219 | 0.0% | -0.2% | -1.0% | 6.4102 | 6.5118 |
| USD/HKD | | 7.7603 | 0.0% | -0.1% | 0.0% | 7.7557 | 7.7693 |

FX Swap Market and BoT's Reserves

| USTH FX Sp | 1M History | Last | %Chg(1D) |
|------------|------------|------|----------|
| 1-month | | 0.50 | 0.00 |
| 3-month | | 1.38 | 0.08 |
| 6-month | | 2.38 | 0.02 |

| Reserves (\$mn) | 3M History | Last | \$mn Chg(1W) |
|------------------|------------|---------|--------------|
| Total | | 251,653 | -435 |
| Gold | | 13,154 | 1039 |
| SDR | | 1,426 | 0 |
| IMF Reserves | | 1,276 | -1 |
| Foreign Ccy | | 235,796 | -1473 |
| Net Fwd Position | | 30,741 | -260 |

Last update: 14/05/2021

Foreign Fund Flows (THB.mn)

| Date | Equity | Bond | Total | |
|-------------|----------------|-----------|----------|-----------|
| 24/05/2021 | -2,013 | 483 | -1,530 | |
| 21/05/2021 | -2,015 | 1,275 | -740 | |
| 20/05/2021 | -1,639 | -2,773 | -4,413 | |
| 19/05/2021 | -2,395 | -2,609 | -5,003 | |
| 18/05/2021 | -1,746 | -5,312 | -7,058 | |
| Last 5 days | -9,808 | -8,935 | -18,743 | |
| | Period-to-date | Equity | Bond | Total |
| MTD | Month | ↓ -29,435 | ↓ -4,496 | ↓ -33,931 |
| QTD | Quarter | ↓ -32,794 | ↑ 28,418 | ↓ -4,377 |
| YTD | Year | ↓ -62,464 | ↑ 32,431 | ↓ -30,033 |

Money Market

| THB BIBOR | 1M Hist | Last | 1M Range | | THBFI X | 1M Hist | Last | 1M Range | | USD LIBOR | 1M Hist | Last | 1M Range | |
|-----------|---------|------|----------|------|---------|---------|------|----------|------|-----------|---------|------|----------|------|
| | | | Min | Max | | | | Min | Max | | | | Min | Max |
| ON | | 0.50 | 0.50 | 0.50 | ON | | 0.39 | 0.33 | 0.54 | ON | | 0.06 | 0.06 | 0.07 |
| 1W | | 0.52 | 0.52 | 0.52 | 1W | | 0.29 | 0.16 | 0.47 | 1W | | 0.07 | 0.07 | 0.09 |
| 1M | | 0.55 | 0.55 | 0.55 | 1M | | 0.28 | 0.15 | 0.40 | 1M | | 0.10 | 0.09 | 0.12 |
| 2M | | 0.58 | 0.58 | 0.58 | 2M | | 0.32 | 0.22 | 0.41 | 2M | | 0.12 | 0.12 | 0.15 |
| 3M | | 0.62 | 0.62 | 0.63 | 3M | | 0.36 | 0.28 | 0.42 | 3M | | 0.15 | 0.15 | 0.19 |
| 6M | | 0.73 | 0.73 | 0.73 | 6M | | 0.37 | 0.30 | 0.41 | 6M | | 0.19 | 0.19 | 0.22 |
| 12M | | 0.95 | 0.95 | 0.95 | 12M | | 0.45 | 0.38 | 0.50 | 12M | | 0.26 | 0.26 | 0.29 |

Last Updated: 23/02/2021

Last Updated: 17/05/2021

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

| Fixed Income | 1M History | YTM (%) | Bps Chg (1D) | Bps Chg (1W) | Bps Chg (1M) | 1M Range | |
|--------------|------------|----------------|--------------|--------------|--------------|----------|--------|
| | | | | | | Min | Max |
| UST10y | | 1.6100 | -2.00 | -3.00 | 3.00 | 1.57 | 1.69 |
| Gilt 10y | | 0.9440 | 0.22 | -5.64 | 11.98 | 0.82 | 1.00 |
| Bund 10y | | -0.1000 | -1.00 | 1.00 | 15.00 | -0.27 | -0.09 |
| JGB 10y | | 0.0830 | -0.30 | 0.10 | -0.10 | 0.07 | 0.10 |
| TGB 1y | | 0.4590 | 0.12 | 0.13 | 0.70 | 0.44 | 0.46 |
| TGB 2y | | 0.5323 | -0.02 | 1.25 | 4.79 | 0.46 | 0.54 |
| TGB 5y | | 1.0553 | -1.02 | 2.53 | -1.65 | 1.00 | 1.10 |
| TGB 7y | | 1.4393 | -0.86 | 4.83 | -1.92 | 1.37 | 1.50 |
| TGB 10y | | 1.8548 | -0.19 | 8.63 | -2.70 | 1.75 | 1.91 |
| AAA Spread | | 74.28 | -0.04 | -0.19 | -8.55 | 74.22 | 84.00 |
| AA Spread | | 71.40 | -0.04 | -1.84 | -3.92 | 70.88 | 75.90 |
| A Spread | | 180.02 | -0.17 | -5.29 | 6.24 | 171.05 | 187.74 |
| BBB Spread | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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 | | 60.75 | -1.2% | -5.6% | -0.3% | 58.31 | 67.93 |
| London Gold | | 1876.9 | 0.0% | 1.5% | 5.1% | 1,764.2 | 1,877.7 |

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) | | 4,197.1 | 1.0% | 0.8% | 0.4% | 2,467.4 | 4,232.6 |
| STOXX (EU) | | 437.6 | -1.9% | -1.4% | -1.1% | 328.0 | 446.9 |
| FTSE All-Share(UK) | | 3,694.0 | -1.0% | -0.7% | 2.0% | 3,571.2 | 3,746.8 |
| DAX (DE) | | 15,437.5 | 0.4% | 0.1% | 0.8% | 14,856.5 | 15,437.5 |
| CAC All-Tradable(FR) | | 4,925.2 | 0.3% | 0.5% | 2.0% | 4,795.6 | 4,926.9 |
| TOPIX (JP) | | 1,913.0 | 0.4% | 1.8% | -2.2% | 1,849.0 | 1,960.9 |
| Shanghai (CH) | | 3,665.8 | 0.3% | -0.6% | 0.7% | 3,583.5 | 3,699.0 |
| Hang Seng (HK) | | 28,412.3 | -0.2% | 1.4% | -1.2% | 27,718.7 | 29,303.3 |
| ASX 200 (AU) | | 7,045.9 | 0.2% | 0.3% | -0.2% | 6,931.7 | 7,172.8 |
| SET (TH) | | 1,551.9 | 0.0% | 0.2% | -1.8% | 1,548.1 | 1,590.5 |
| SET50 (TH) | | 934.8 | -0.3% | -0.4% | -2.8% | 929.6 | 964.6 |
| Straits Times (SG) | | 3,123.6 | 0.2% | 1.4% | -2.0% | 3,055.0 | 3,221.6 |
| FTSE Malay (MY) | | 1,571.8 | 0.6% | -0.7% | -2.2% | 1,562.2 | 1,623.5 |
| JSX Index (ID) | | 5,763.6 | -0.2% | -1.2% | -4.5% | 5,760.6 | 6,086.3 |
| PSE Index (PH) | | 6,164.9 | -0.6% | -1.9% | -3.9% | 6,164.9 | 6,500.4 |
| Vn Index (VN) | | 1,298.0 | 1.1% | 3.1% | 2.3% | 1,215.8 | 1,298.0 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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