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The Federal Reserve is not expected to take any policy actions after its two-day meeting this week, but it is likely to signal that it is thinking about them. Some economists expect the Fed to mention a coming tapering of its bond-buying program and give preliminary guidance on the discussion but not fully commit to tapering yet. The real details of the tapering of its \$120 billion monthly purchases are expected to come later this year. The Fed will also release new economic forecasts, which it does quarterly. There's a chance it could pencil in an initial rate hike in 2023. In its previous forecast, there was no consensus for a rate hike among Fed officials though 2023.

Japan exports jump most in 41 years, machine orders rise

Japan's exports rose at the fastest pace since 1980 in May and a key gauge of capital spending grew, helping the world's third largest economy offset sluggish domestic demand as COVID-19 vaccinations boost business activity in key markets. The jump in exports largely reflected a rebound in shipments from last year's pandemic-driven plunge, but was a welcome sign as the economy struggles to rebound from the first quarter's doldrums amid a prolonged coronavirus state of emergency. Ministry of Finance data on Wednesday showed exports grew 49.6% year-on-year in May, versus a 51.3% increase expected by economists in a Reuters poll, led by U.S.-bound car shipments. The jump followed a 38% rise in April and marked the sharpest monthly increase since April 1980, when shipments surged 51.4%. May's rise largely reflected the recoil effect of a 28.3% plunge in May of 2020.

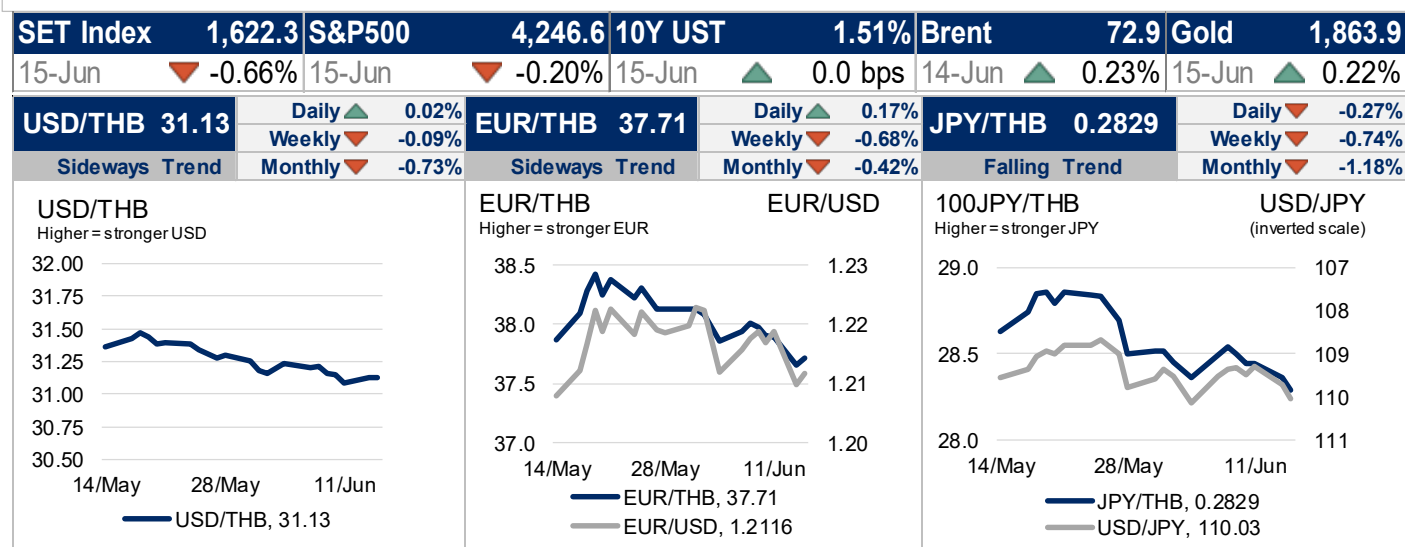
U.S. corporate bond spreads narrow to multi-year lows

Yield spreads on benchmark corporate high-yield and investment-grade bond indexes narrowed to multi-year lows on Monday as investors snapped up debt throughout the credit spectrum amid a willingness to accept more risk for heftier returns. The yield spread on the ICE BofA U.S. High Yield Index, a commonly used benchmark for the junk bond market, fell to 317 basis points as of late Monday, the lowest since October 2018. For the ICE BofA U.S. Investment Grade Index, the yield spread slid to 89 basis points, the lowest since February 2007. The narrowing of spreads, which refers to the interest rate premium investors demand to hold corporate debt over safer U.S. Treasury bonds, driving money into securities with lower credit ratings than Treasuries.

Dollar holds near one-month high; focus on Fed's inflation take

The 10-year government bond yield (interpolated) on the previous trading day was 1.83, +0.00 bps. The benchmark government bond yield (LB31DA, 10.5 years) was 1.83, +1.50 bps. LB31DA could be between 1.80-1.85. Meantime, the latest closed US 10-year bond yields was 1.51%, +0.00bps. USDTHB on the previous trading day closed around 31.13 Moving in a range from 31.14-31.19 this morning. USDTHB could be closed between 31.14-31.21 today. Meantime, The dollar held near a one-month high against a basket of currencies on Wednesday as investors tried to ascertain if the Federal Reserve might alter the language on its stimulus following a recent jump in U.S. inflation.

Sources : Bloomberg, CNBC, Investing, CEIC



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		90.52	0.0%	0.5%	-0.3%	89.78	90.76
EUR/USD		1.2116	0.1%	-0.5%	0.3%	1.2074	1.2228
USD/JPY		110.03	0.3%	0.6%	0.4%	108.69	110.12
USD/CHF		0.8995	0.1%	0.2%	-1.0%	0.8934	0.9087
GBP/USD		1.4107	0.0%	-0.4%	0.3%	1.4042	1.4238
USD/CAD		1.2149	-0.1%	0.5%	0.2%	1.2045	1.2174
AUD/USD		0.7703	0.0%	-0.6%	-0.3%	0.7663	0.7835
NZD/USD		0.7140	0.0%	-1.1%	-0.4%	0.7138	0.7281
ASEAN Dollar		108.09	0.1%	0.0%	-0.3%	107.89	108.83
USD/THB		31.13	0.0%	-0.3%	-0.7%	31.09	31.47
USD/SGD		1.3265	0.0%	0.3%	-0.5%	1.3191	1.3355
USD/MYR		4.1134	0.0%	-0.1%	-0.3%	4.1117	4.1420
USD/IDR		14,191	0.4%	-0.3%	0.2%	14,138	14,370
USD/PHP		47.95	0.4%	0.6%	0.0%	47.66	48.13
USD/CNY		6.3921	0.1%	0.2%	-0.8%	6.3524	6.4441
USD/HKD		7.7589	0.0%	0.0%	-0.1%	7.7503	7.7693

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.30	0.00
3-month		1.15	-0.10
6-month		2.38	-0.02

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		251,561	-321
Gold		14,839	-99
SDR		1,429	-2
IMF Reserves		1,279	-1
Foreign Ccy		234,015	-218
Net Fwd Position		31,841	130

Last update: 04/06/2021

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
15/06/2021	-1,964	1,820	-144	
14/06/2021	-325	1,313	988	
11/06/2021	1,570	701	2,271	
10/06/2021	-1,644	2,313	669	
09/06/2021	2,847	8,872	11,719	
Last 5 days	484	15,019	15,503	
	Period-to-date	Equity	Bond	Total
MTD	Month	↑ 5,159	↑ 24,643	↑ 29,802
QTD	Quarter	↓ -31,386	↑ 57,683	↑ 26,297
YTD	Year	↓ -61,055	↑ 61,696	↑ 640














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	0.05	0.07
1W		0.52	0.52	0.52	1W		0.29	0.16	0.47	1W		0.06	0.06	0.08
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.08	0.08	0.11
2M		0.58	0.58	0.58	2M		0.32	0.22	0.41	2M		0.11	0.11	0.14
3M		0.62	0.62	0.63	3M		0.36	0.28	0.42	3M		0.13	0.12	0.17
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.15	0.15	0.20
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.24	0.24	0.28

Last Updated: 23/02/2021



Last Updated: 08/06/2021

Note: D=d=day; M=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		1.5100	0.00	-2.00	-12.00	1.45	1.69
Gilt 10y		0.8137	-4.38	-8.23	-17.31	0.81	1.00
Bund 10y		-0.2700	2.00	-7.00	-16.00	-0.29	-0.09
JGB 10y		0.0560	1.10	-2.40	-2.60	0.04	0.10
TGB 1y		0.4794	0.05	0.17	2.00	0.45	0.48
TGB 2y		0.5187	0.27	-0.26	-0.53	0.52	0.53
TGB 5y		0.9779	-0.50	-4.41	-6.24	0.98	1.10
TGB 7y		1.4010	0.34	-2.24	-1.74	1.39	1.50
TGB 10y		1.8374	0.87	0.41	4.76	1.77	1.88
AAA Spread		71.09	-0.62	-0.68	-5.26	69.75	77.94
AA Spread		84.13	0.02	15.64	9.32	67.99	84.13
A Spread		183.32	-0.90	-0.32	-4.31	177.53	187.68
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		1863.9	0.2%	-1.5%	1.7%	1,814.3	1,907.7

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)		4,246.6	-0.2%	0.5%	2.0%	2,467.4	4,255.2
STOXX (EU)		454.6	-0.9%	-0.1%	2.4%	328.0	458.6
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		15,729.5	0.4%	0.6%	2.0%	15,113.6	15,729.5
CAC All-Tradable(FR)		5,102.7	0.2%	1.3%	4.1%	4,823.7	5,102.7
TOPIX (JP)		1,975.5	0.8%	0.7%	5.1%	1,849.0	1,975.5
Shanghai (CH)		3,727.9	-0.9%	-1.2%	1.9%	3,594.7	3,799.5
Hang Seng (HK)		28,638.5	-0.7%	-0.5%	3.3%	27,718.7	29,468.0
ASX 200 (AU)		7,379.5	0.9%	1.3%	5.2%	6,931.7	7,379.5
SET (TH)		1,622.3	-0.7%	0.6%	4.8%	1,548.1	1,636.6
SET50 (TH)		979.4	-0.9%	0.6%	4.4%	934.8	990.8
Straits Times (SG)		3,174.9	0.7%	0.2%	3.9%	3,055.0	3,187.2
FTSE Malay (MY)		1,581.4	-0.1%	-0.4%	0.2%	1,562.2	1,597.9
JSX Index (ID)		6,089.0	0.1%	1.5%	1.9%	5,760.6	6,107.5
PSE Index (PH)		6,976.7	0.9%	2.5%	11.0%	6,164.9	6,976.7
Vn Index (VN)		1,367.4	0.4%	3.6%	8.6%	1,252.7	1,374.1

Sources: ttb analytics, CEIC

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

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