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The U.S. economy continues to show "sustained improvement" from the impact of the coronavirus pandemic and ongoing job market gains, but inflation has "increased notably in recent months," Jerome Powell said. In his remarks, which were released by the Fed late Monday afternoon, Powell said he regards the current jump in inflation, in fact, as likely to fade. He also restated his concern that the recovery remained uneven, with joblessness still hitting lower-wage workers, Blacks and Hispanics the hardest. Powell in his remarks said he felt that jobs gains "should pick up in coming months" as COVID-19 vaccinations continue and the reopening of the economy proceeds. Still "the pandemic continues to pose risks," he said.

ECB's Centeno says euro zone inflation rise is temporary, sees no permanent effects

The recent rise in inflation in the euro zone and the United States is temporary and is unlikely to have permanent effects, European Central Bank (ECB) Governing Council member Mario Centeno said on Monday. This means the ECB should be able to maintain its current asset purchase programme until March 2022 and liquidity support measures are expected to be in place "at least until June 2022", Centeno told a banking conference in Lisbon. Inflation in Europe could be explained by changes to the tax framework in some countries in the region, according to Centeno, alongside supply chain difficulties. "There is no evidence of permanent effects on the inflation rate," he added. Inflation in the 19 countries sharing the euro rose 0.3% month-on-month in May for a 2.0% year-on-year increase. The ECB aims to keep inflation below, but close to, 2%.

Asia needs to keep Covid under control before the Fed hikes rates, says economist

Asian countries have to tame the current waves of the coronavirus outbreak in order to get their economies ready for future rate hikes by the U.S. Federal Reserve, an economist said Monday. Fed officials last week indicated that interest rate hikes could come as soon as 2023, shifting from earlier comments in March that said the U.S. central bank was not expecting any increases until at least 2024. Higher U.S. rates would lure investors from abroad, and central banks in other countries may have to raise their own rates in defense. Raising interest rates could help countries prevent too much capital from leaving their economies, but increasing rates too quickly heightens the risk of an economic slowdown.

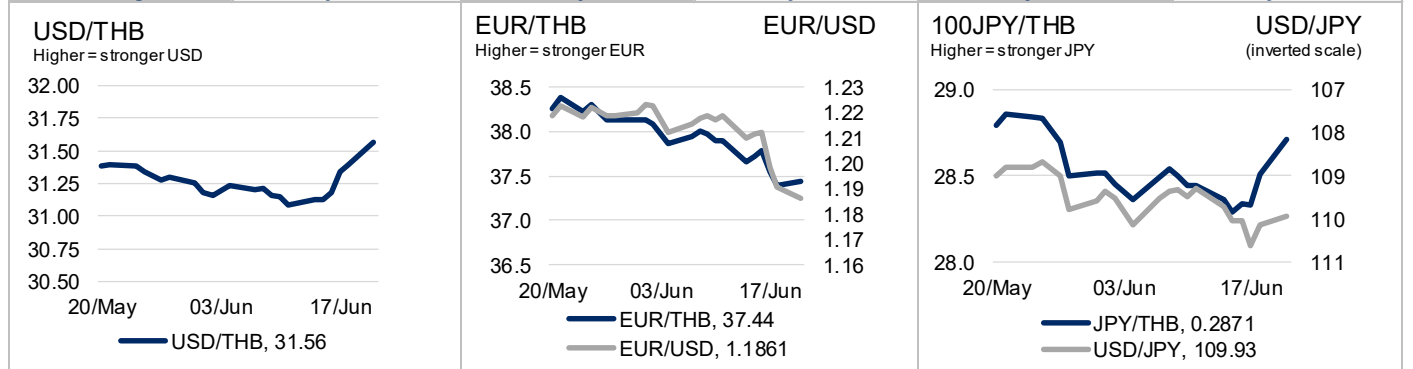
Dollar catches breath as traders await Powell testimony

The 10-year government bond yield (interpolated) on the previous trading day was 1.85, -1.00 bps. The benchmark government bond yield (LB31DA, 10.5 years) was 1.82, -1.00 bps. LB31DA could be between 1.80-1.86. Meantime, the latest closed US 10-year bond yields was 1.50%, +5.00bps. USDTHB on the previous trading day closed around 31.60 Moving in a range from 31.59-31.68 this morning. USDTHB could be closed between 31.60-31.70 today. Meantime, The dollar paused for breath on Tuesday as traders looked to testimony from U.S. Federal Reserve chair Jerome Powell for guidance, after a surprise shift in the central bank's policy outlook, while crypto-currencies nursed heavy losses.

Sources : Bloomberg, CNBC, Investing, CEIC

SET Index	1,601.1	S&P500	4,224.8	10Y UST	1.50%	Brent	73.5	Gold	1,782.5
21-Jun	▼ -0.74%	21-Jun	▲ 1.39%	21-Jun	▲ 5.0 bps	18-Jun	▲ 0.60%	21-Jun	▼ -0.55%

USD/THB	31.56	EUR/THB	37.44	JPY/THB	0.2871
Daily ▲ 0.53%	Weekly ▲ 1.39%	Daily ▲ 0.15%	Weekly ▼ -0.73%	Daily ▲ 0.71%	Weekly ▲ 1.48%
Monthly ▲ 0.56%	Monthly ▲ 0.56%	Monthly ▼ -2.15%	Monthly ▼ -2.15%	Monthly ▼ -0.28%	Monthly ▼ -0.28%



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		92.29	0.4%	1.9%	2.8%	89.78	92.29
EUR/USD		1.1861	-0.4%	-2.0%	-3.0%	1.1861	1.2228
USD/JPY		109.93	-0.2%	0.2%	0.9%	108.69	110.62
USD/CHF		0.9224	0.5%	2.6%	2.7%	0.8934	0.9224
GBP/USD		1.3812	-0.8%	-2.1%	-2.7%	1.3812	1.4238
USD/CAD		1.2464	0.9%	2.5%	3.2%	1.2045	1.2464
AUD/USD		0.7499	-0.7%	-2.7%	-3.6%	0.7499	0.7787
NZD/USD		0.6955	-0.6%	-2.6%	-3.8%	0.6955	0.7281
ASEAN Dollar		110.05	0.3%	1.4%	0.9%	108.45	110.05
USD/THB		31.56	0.5%	1.4%	0.4%	31.09	31.56
USD/SGD		1.3455	0.3%	1.5%	1.2%	1.3191	1.3455
USD/MYR		4.1454	0.1%	0.8%	0.5%	4.1117	4.1454
USD/IDR		14,386	0.0%	1.8%	0.9%	14,138	14,386
USD/PHP		48.65	0.5%	1.8%	1.7%	47.66	48.65
USD/CNY		6.4539	0.2%	1.0%	0.6%	6.3524	6.4539
USD/HKD		7.7623	0.0%	0.1%	0.0%	7.7503	7.7693

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		0.15	0.10
3-month		1.00	0.13
6-month		2.00	0.00

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		250,378	-1183
Gold		14,734	-105
SDR		1,426	-3
IMF Reserves		1,276	-3
Foreign Ccy		232,942	-1073
Net Fwd Position		32,931	1090

Last update: 11/06/2021

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total	
21/06/2021	-3,244	5,960	2,715	
18/06/2021	-2,250	2,149	-101	
17/06/2021	-2,888	-965	-3,853	
16/06/2021	40	2,463	2,503	
15/06/2021	-1,964	1,820	-144	
Last 5 days	-10,306	11,426	1,121	
	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -3,183	↑ 34,249	↑ 31,066
QTD	Quarter	↓ -39,728	↑ 67,289	↑ 27,561
YTD	Year	↓ -69,397	↑ 71,302	↑ 1,905

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	0.06
1W		0.52	0.52	0.52	1W		0.29	0.16	0.47	1W		0.06	0.06	0.07
1M		0.55	0.55	0.55	1M		0.28	0.15	0.40	1M		0.07	0.07	0.10
2M		0.58	0.58	0.58	2M		0.32	0.22	0.41	2M		0.10	0.10	0.13
3M		0.62	0.62	0.63	3M		0.36	0.28	0.42	3M		0.12	0.12	0.16
6M		0.73	0.73	0.73	6M		0.37	0.30	0.41	6M		0.15	0.15	0.19
12M		0.95	0.95	0.95	12M		0.45	0.38	0.50	12M		0.24	0.24	0.27

Last Updated: 23/02/2021

Last Updated: 14/06/2021

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		1.5000	5.00	-1.00	-13.00	1.45	1.68
Gilt 10y		0.8880	4.00	3.05	-7.44	0.81	0.97
Bund 10y		-0.2000	-3.00	9.00	-11.00	-0.29	-0.09
JGB 10y		0.0530	-1.30	0.80	-3.30	0.04	0.09
TGB 1y		0.4805	0.11	0.16	2.02	0.46	0.48
TGB 2y		0.5197	-0.12	0.37	-1.09	0.52	0.53
TGB 5y		0.8865	-3.03	-9.64	-18.46	0.89	1.10
TGB 7y		1.3311	-4.36	-6.65	-11.66	1.33	1.50
TGB 10y		1.8486	-1.42	2.00	2.29	1.77	1.88
AAA Spread		71.32	-0.19	-0.39	-2.94	69.75	74.46
AA Spread		83.84	-0.10	-0.27	12.05	67.99	84.63
A Spread		183.34	0.18	-0.87	3.15	177.53	185.31
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		1782.5	-0.6%	-4.2%	-4.6%	1,782.5	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)		4,224.8	1.4%	-0.7%	1.7%	2,467.4	4,255.2
STOXX (EU)		459.7	1.6%	0.2%	3.1%	328.0	459.8
FTSE All-Share(UK)		3,694.0	-1.0%	-0.7%	2.0%	3,571.2	3,746.8
DAX (DE)		15,603.2	1.0%	-0.4%	1.5%	15,113.6	15,729.5
CAC All-Tradable(FR)		5,064.8	0.4%	-0.5%	3.2%	4,823.7	5,115.6
TOPIX (JP)		1,899.5	-2.4%	-3.1%	-0.3%	1,895.2	1,975.9
Shanghai (CH)		3,699.2	0.1%	-1.7%	0.6%	3,654.5	3,799.5
Hang Seng (HK)		28,489.0	-1.1%	-1.2%	0.1%	28,194.1	29,468.0
ASX 200 (AU)		7,235.3	-1.8%	-1.1%	3.1%	6,931.7	7,386.2
SET (TH)		1,601.1	-0.7%	-2.0%	2.5%	1,549.2	1,636.6
SET50 (TH)		963.0	-0.8%	-2.6%	2.1%	934.8	990.8
Straits Times (SG)		3,117.9	-0.8%	-1.1%	0.3%	3,104.2	3,187.2
FTSE Malay (MY)		1,572.2	-1.1%	-0.6%	-0.5%	1,562.2	1,597.9
JSX Index (ID)		5,996.3	-0.2%	-1.4%	4.1%	5,760.6	6,107.5
PSE Index (PH)		6,827.2	-0.4%	-1.3%	10.1%	6,164.9	6,976.7
Vn Index (VN)		1,372.6	-0.4%	0.8%	6.9%	1,262.5	1,377.8

Sources: ttb analytics, CEIC

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

Important Disclosures

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