

Fed's Powell highlights inflation progress

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Fed Chair Powell stated that the economy has performed exceptionally well over the past few years. He anticipates a slowdown in economic activity and continued progress on inflation this year, noting that these trends are already occurring. Powell mentioned that the inflation data for Q2 shows improvement, with three better-than-expected readings, which bolsters confidence in the reduction of inflation. With inflation decreasing, the Fed will now focus on both of its mandates. He indicated that an unexpected deterioration in the labor market would prompt a response but emphasized that no specific signals about future meetings will be given, with decisions being made on a meeting-by-meeting basis. Powell also noted that waiting for inflation to reach 2% before making cuts would be too late, and that officials need to be assured that inflation is on a downward trajectory. Recent favorable data has helped build this confidence.

China GDP disappoints at 4.7% in Q2 as weak spending weighs

China's economy grew less than expected in the second quarter, gross, as weak consumption largely offset a fledgling recovery in manufacturing activity and industrial production. Gross domestic product grew 4.7% year-on-year in the three months to June 30. The reading was softer than expectations for growth of 5.1% and slowed from the 5.3% seen in the first quarter. Quarter-on-quarter GDP rose 0.7% against expectations for a 1.1% increase. The reading indicated that the Chinese economy was cooling as the initial boost from a string of stimulus measures earlier this year wore thin. Soft consumer spending and a battered property market were key drivers of this downturn.

China's new home prices decline sharply, highlighting the need for additional support

In June, China's new home prices fell at the fastest rate in nine years, while property sales and investment also dropped, putting more pressure on policymakers to introduce stimulus measures to support the struggling sector. New home prices decreased by 4.5% year-over-year, the sharpest decline since June 2015, and were down 0.7% from the previous month. The property market's severe downturn since 2021 has caused many developers to default and left construction sites idle, undermining confidence in the sector, which has traditionally been a favored investment for Chinese households.

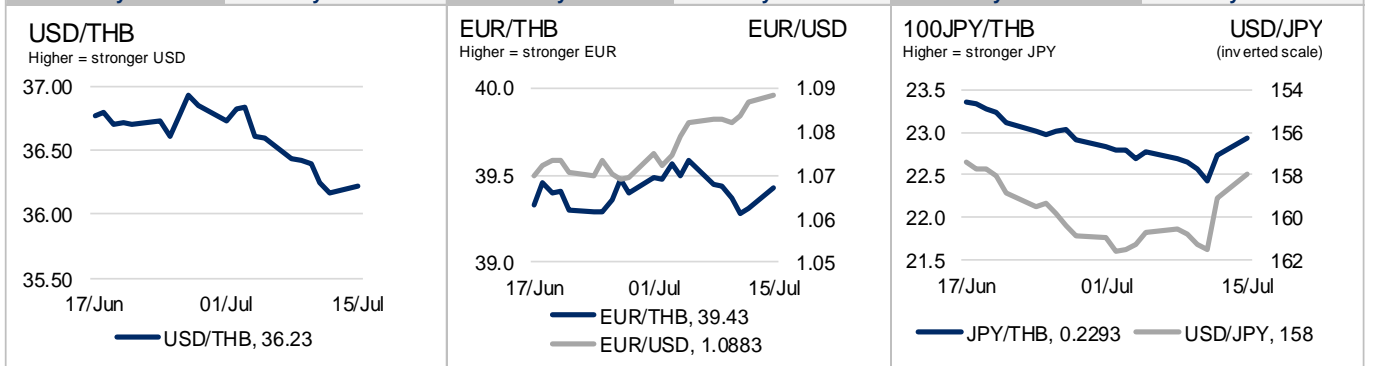
The dollar edges slightly lower after Powell

The 10-year government bond yield (interpolated) on the previous trading day was 2.63, +2.52 bps. The benchmark government bond yield (LB346A) was 2.60, +2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.23, +5.0 bps. USDTHB on the previous trading day closed around 36.23 moving in a range of 36.14 - 36.21 this morning. USDTHB could be closed between 36.10-36.30 today. The dollar was volatile and ended up little changed for the session. Initially, it gained following the attempted assassination of Donald Trump, which raised his re-election prospects. However, the dollar index later retreated to a floor at 104.00 after comments from Fed Chair Powell. The decline was reversed as Powell also indicated that additional data would bolster confidence. The Euro returned to relatively flat territory after trading on both sides of the 1.0900 level against the dollar. The Japanese yen slightly weakened on the day but briefly showed notable strength, with USD/JPY falling below 158.00 before recovering fully shortly after.

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

SET Index	1,327.4	S&P500	5,631.2	10Y UST	4.23%	Brent	85.0	Gold	2,408.5
15-Jul	▼ -0.35%	15-Jul	▲ 0.28%	15-Jul	▲ 5.0 bps	12-Jul	▼ -0.4%	15-Jul	▲ 0.18%

USD/THB 36.23	Daily ▲ 0.15%	EUR/THB 39.43	Daily ▲ 0.31%	JPY/THB 0.2293	Daily ▲ 0.84%
Sideways Trend	Weekly ▼ -0.55%	Sideways Trend	Weekly ▼ -0.03%	Sideways Trend	Weekly ▲ 1.19%
	Monthly ▼ -1.47%		Monthly ▲ 0.24%		Monthly ▼ -1.87%



Sources: ttb analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoT's daily closing rates

Main Contributor

Wajarawij Ramindra
wajarawij.ram@ttbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbank.com

ttb analytics ttbanalytics@ttbank.com
Naris Sathapholdeja naris.sat@ttbank.com
Kasem Harnchanpanich kasem.har@ttbank.com

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		104.29	-0.2%	-0.7%	-1.2%	104.48	105.99
EUR/USD		1.0883	0.2%	0.5%	1.7%	1.0690	1.0867
USD/JPY		158.00	-0.7%	-1.7%	0.4%	156.93	161.63
USD/CHF		0.8959	0.0%	-0.2%	0.6%	0.8841	0.9043
GBP/USD		1.2967	0.4%	1.2%	2.3%	1.2629	1.2915
USD/CAD		1.3660	0.3%	0.2%	-0.6%	1.3608	1.3762
AUD/USD		0.6766	0.1%	0.4%	2.5%	0.6598	0.6758
NZD/USD		0.6094	0.0%	-0.5%	-0.5%	0.6050	0.6174
ASEAN Dollar		106.00	-0.3%	-0.5%	-0.9%	106.31	107.30
USD/THB		36.23	0.2%	-0.6%	-1.5%	36.17	36.93
USD/SGD		1.3423	0.0%	-0.5%	-0.8%	1.3428	1.3586
USD/MYR		4.6741	0.1%	-0.7%	-0.9%	4.6681	4.7210
USD/IDR		16,083	0.0%	-0.6%	-1.5%	16,078	16,383
USD/PHP		58.75	0.1%	0.1%	-0.3%	58.44	59.10
USD/CNY		7.2657	0.07%	-0.1%	0.1%	7.2534	7.2894
USD/HKD		7.8082	0.06%	0.0%	0.0%	7.7975	7.8156

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		225,682	1354
Gold		18,036	489
SDR		5,461	25
IMF Reserves		1,121	5
Foreign Ccy		201,063	835
Net Fwd Position		28,445	130

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
15/07/2024	-443	-4,041	-4,484
12/07/2024	14	4,031	4,045
11/07/2024	-584	1,536	952
10/07/2024	-2,048	3,136	1,088
09/07/2024	-916	1,738	822
Last 5 days	-3,976	6,399	2,423

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -4,438	↓ -3,682	↓ -8,120
QTD	Quarter	↓ -4,438	↓ -3,682	↓ -8,120
YTD	Year	↓ -121,469	↓ -49,668	↓ -171,137

Last update: 05/07/2024

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		2.50	0.00	2.50	ON		1.72	1.14	1.72	ON		0.08	0.07	0.08
1W		2.52	0.00	2.53	1W		1.61	0.22	1.61	1W		0.00	0.00	0.00
1M		2.55	0.00	2.55	1M		1.59	0.88	1.72	1M		0.35	0.12	0.35
2M		2.60	0.00	2.61	2M					2M		0.00	0.00	0.00
3M		2.65	0.00	2.65	3M		1.81	1.09	1.82	3M		0.75	0.34	0.75
6M		2.71	0.00	2.73	6M		1.95	1.31	1.99	6M		1.04	0.56	1.04
12M		2.81	0.00	2.84	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		4.2300	5.00	-7.00	-1.00	4.18	4.48
Gilt 10y		4.0551	-5.55	-4.86	-6.29	4.02	4.29
Bund 10y		2.4700	-4.00	-9.00	7.00	2.37	2.63
JGB 10y		1.0890	-0.40	1.70	10.70	0.95	1.10
TGB 1y		2.3790	0.43	0.59	3.39	2.34	2.38
TGB 2y		2.3418	0.36	-1.08	-2.66	2.34	2.38
TGB 5y		2.3746	0.73	-6.04	-13.32	2.37	2.52
TGB 7y		2.4972	0.74	-4.57	-13.15	2.49	2.64
TGB 10y		2.6294	2.52	-3.46	-13.83	2.60	2.78
AAA Spread		59.08	0.99	-1.94	-11.38	58.10	73.76
AA Spread		75.72	-1.79	-0.47	-4.16	66.99	84.99
A Spread		102.38	-3.94	-9.49	-20.79	102.38	124.56
BBB Spread		0.00	-235.94	-236.14	-237.50	0.00	273.39

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		85.03	-0.43%	-0.8%	3.6%	81.54	87.43
London Gold		2408.5	0.18%	2.0%	3.8%	2,310.6	2,408.5

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)		5,631.2	0.3%	1.0%	2.9%	5,421.0	5,633.9
STOXX (EU)		512.5	-1.0%	1.6%	2.1%	499.0	518.1
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,590.9	-0.8%	1.9%	2.9%	18,002.0	18,748.2
CAC All-Tradable(FR)		5,655.0	-1.1%	1.8%	0.9%	5,528.3	5,835.9
TOPIX (JP)		2,894.6	-1.2%	0.9%	5.4%	2,700.0	2,929.2
Shanghai (CH)		3,117.8	0.1%	0.5%	-1.4%	3,063.6	3,184.2
Hang Seng (HK)		18,015.9	-1.5%	2.8%	0.4%	17,471.7	18,430.4
ASX 200 (AU)		8,017.6	0.7%	2.4%	4.1%	7,700.3	8,017.6
SET (TH)		1,327.4	-0.3%	0.6%	2.4%	1,288.6	1,332.0
SET50 (TH)		826.1	-0.1%	0.9%	3.0%	800.1	827.4
Straits Times (SG)		3,499.9	0.1%	2.2%	6.1%	3,297.6	3,499.9
FTSE Malay (MY)		1,629.8	0.7%	1.0%	1.2%	1,584.9	1,629.8
JSX Index (ID)		7,278.9	-0.7%	0.1%	6.5%	6,726.9	7,327.6
PSE Index (PH)		6,689.4	0.6%	2.0%	4.8%	6,158.5	6,689.4
Vn Index (VN)		1,279.8	-0.1%	-1.1%	0.4%	1,245.3	1,301.5

Sources: ttb analytics, CEIC

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

Important Disclosures

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