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The Biden administration, facing resistance to its chip technology restrictions on China, is considering using the foreign direct product rule (FDPR) if companies like Tokyo Electron Ltd. and ASML Holding NV continue supplying advanced semiconductor tech to China. This rule would enable the US to control foreign products containing even minimal US technology. The aim is to persuade allies, who have already restricted key equipment shipments, to limit servicing and repairing of such equipment in China.

Industrial production was stronger than expected

US Industrial Production rose by 0.6% in June, surpassing the market expectation of 0.3%, but down from May's 0.9% increase. Manufacturing Output, accounting for 74% of Industrial Production, increased by 0.4%, exceeding the forecasted 0.2%. Capacity Utilization also outperformed expectations, reaching 78.8% compared to the predicted 78.4%. Economists observed a notable increase in utilities production, attributed to higher electricity demand from heatwaves in the Midwest, Mid-Atlantic, and Northeast.

Williams echoes Powell in stating that the Fed is "closer" to cutting interest rates

The NY Fed President said the Fed is nearing a decision on rate cuts but isn't ready yet. He indicated that a reduction might be appropriate soon, pending more data to confirm effective inflation management. Williams noted widespread declines in inflation and downplayed concerns about reaching the 2% target. He added that any rate cuts would still keep economic activity restrained and that recent data is aligning with the Fed's disinflation goals.

UK inflation remains stable at 2%, surpassing forecasts

The UK's inflation rate held steady at the Bank of England's 2% target, with the headline figure matching the previous 2% from May and surpassing analyst expectations of 1.9%. Services inflation, which the BOE closely monitors due to its significant impact on the economy and reflection of domestic price increases, remained at 5.7% in June. Core inflation, which excludes energy, food, alcohol, and tobacco, was 3.5%, consistent with the 3.5% recorded in May. Following the inflation report, investors reduced their expectations for a Bank of England rate cut on August 1 to about 35%, down from just under 50% before the announcement.

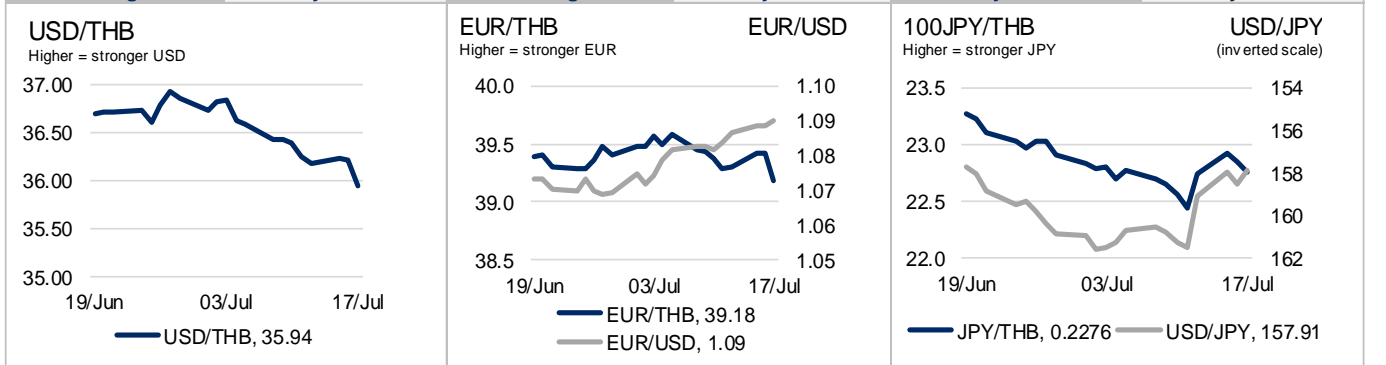
The Dollar declined further due to the strength of its major peers

The 10-year government bond yield (interpolated) on the previous trading day was 2.61, +0.63 bps. The benchmark government bond yield (LB346A) was 2.61, +2.00 bps. Meantime, the latest closed US 10-year bond yields was 4.16, -1.0 bps. USDTHB on the previous trading day closed around 35.94 moving in a range of 35.92 – 36.02 this morning. USDTHB could be closed between 35.90 - 36.10 today. The Dollar fell as its major counterparts, particularly safe-haven currencies, strengthened, despite stronger-than-expected US data. The Euro rose and managed to hold above the 1.0900 level against the Dollar in the European morning, before moving sideways during the US trading session. The Japanese yen performed well due to increased demand for safe-haven assets amid a risk-averse sentiment triggered by Trump's protectionist comments about China. Additionally, there was speculation that the Bank of Japan might have intervened in the market.

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

| | | | | | | | | | |
|------------------|----------------|-------------------|----------------|----------------|--------------|--------------|-------------|-------------|----------------|
| SET Index | 1,319.8 | S&P500 | 5,588.3 | 10Y UST | 4.16% | Brent | 83.8 | Gold | 2,470.4 |
| 17-Jul | ▼ -0.12% | 17-Jul | ▼ -1.40% | 17-Jul | ▼ -1.0 bps | 16-Jul | ▼ -1.3% | 17-Jul | ▲ 1.26% |

| | | | | | |
|----------------------|------------------|----------------------|------------------|-----------------------|------------------|
| USD/THB 35.94 | Daily ▼ -0.74% | EUR/THB 39.18 | Daily ▼ -0.59% | JPY/THB 0.2276 | Daily ▼ -0.37% |
| Falling Trend | Weekly ▼ -0.83% | Falling Trend | Weekly ▼ -0.25% | Sideways Trend | Weekly ▲ 1.43% |
| | Monthly ▼ -2.08% | | Monthly ▼ -0.54% | | Monthly ▼ -2.22% |



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 | | 104.18 | -0.2% | -0.7% | -1.1% | 104.29 | 105.99 |
| EUR/USD | | 1.0900 | 0.2% | 0.6% | 1.5% | 1.0690 | 1.0884 |
| USD/JPY | | 157.91 | -0.4% | -2.2% | 0.1% | 156.93 | 161.63 |
| USD/CHF | | 0.8931 | -0.3% | -0.6% | 1.0% | 0.8841 | 0.9043 |
| GBP/USD | | 1.2984 | 0.2% | 1.0% | 2.1% | 1.2629 | 1.2967 |
| USD/CAD | | 1.3678 | -0.1% | 0.4% | -0.3% | 1.3608 | 1.3758 |
| AUD/USD | | 0.6734 | -0.1% | -0.4% | 1.1% | 0.6600 | 0.6766 |
| NZD/USD | | 0.6076 | 0.3% | -0.3% | -1.0% | 0.6050 | 0.6174 |
| ASEAN Dollar | | 106.19 | 0.1% | -0.5% | -1.0% | 106.11 | 107.54 |
| USD/THB | | 35.94 | -0.7% | -0.8% | -2.1% | 36.17 | 36.93 |
| USD/SGD | | 1.3422 | -0.2% | -0.4% | -0.6% | 1.3423 | 1.3586 |
| USD/MYR | | 4.6719 | -0.2% | -0.4% | -0.8% | 4.6681 | 4.7210 |
| USD/IDR | | 16,081 | -0.2% | -0.3% | -1.4% | 16,078 | 16,383 |
| USD/PHP | | 58.66 | -0.2% | 0.4% | -0.5% | 58.44 | 59.10 |
| USD/CNY | | 7.2711 | 0.03% | -0.1% | 0.2% | 7.2557 | 7.2894 |
| USD/HKD | | 7.8027 | -0.05% | 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 |
|-------------|--------|--------|--------|
| 17/07/2024 | 695 | 7,958 | 8,653 |
| 16/07/2024 | -68 | -1,495 | -1,564 |
| 15/07/2024 | -443 | -4,041 | -4,484 |
| 12/07/2024 | 14 | 4,031 | 4,045 |
| 11/07/2024 | -584 | 1,536 | 952 |
| Last 5 days | -385 | 7,987 | 7,602 |

| | Period-to-date | Equity | Bond | Total |
|-----|----------------|------------|-----------|------------|
| MTD | Month | ↓ -3,811 | ↑ 2,780 | ↓ -1,031 |
| QTD | Quarter | ↓ -3,811 | ↑ 2,780 | ↓ -1,031 |
| YTD | Year | ↓ -120,842 | ↓ -43,206 | ↓ -164,048 |

Last update: 05/07/2024

Money Market

| THB BIBOR | 1M Hist | Last | 1M Range | | THBFIX | 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 | | 4.1600 | -1.00 | -4.00 | -12.00 | 4.16 | 4.48 |
| Gilt 10y | | 4.0801 | -1.35 | -6.28 | 0.36 | 4.02 | 4.25 |
| Bund 10y | | 2.4100 | -3.00 | -13.00 | 1.00 | 2.37 | 2.63 |
| JGB 10y | | 1.0420 | 1.00 | -5.10 | 7.90 | 0.95 | 1.10 |
| TGB 1y | | 2.3806 | 0.33 | 0.52 | 2.79 | 2.34 | 2.38 |
| TGB 2y | | 2.3415 | 0.17 | -0.06 | -2.31 | 2.34 | 2.37 |
| TGB 5y | | 2.3696 | 0.71 | -1.57 | -13.36 | 2.36 | 2.51 |
| TGB 7y | | 2.4837 | 0.59 | -2.11 | -12.50 | 2.48 | 2.63 |
| TGB 10y | | 2.6102 | 0.63 | -1.14 | -13.21 | 2.60 | 2.77 |
| AAA Spread | | 53.90 | -1.20 | -7.43 | -16.39 | 53.90 | 73.77 |
| AA Spread | | 75.68 | -1.86 | -0.52 | -4.02 | 67.08 | 85.02 |
| A Spread | | 102.40 | -3.67 | -9.50 | -20.71 | 102.40 | 124.56 |
| BBB Spread | | 0.00 | -235.27 | -236.13 | -237.66 | 0.00 | 239.72 |

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 | | 83.83 | -1.25% | -1.5% | -1.8% | 82.08 | 87.43 |
| London Gold | | 2470.4 | 1.27% | 3.6% | 6.1% | 2,310.6 | 2,470.4 |

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) | | 5,588.3 | -1.4% | 0.1% | 1.8% | 5,431.6 | 5,667.2 |
| STOXX (EU) | | 505.2 | -0.9% | -1.4% | 0.5% | 499.0 | 517.7 |
| FTSE All-Share(UK) | | 4,076.1 | 0.2% | -0.3% | 2.9% | 3,933.2 | 4,088.1 |
| DAX (DE) | | 18,437.3 | -0.4% | -0.5% | 2.0% | 18,002.0 | 18,748.2 |
| CAC All-Tradable(FR) | | 5,612.0 | -0.1% | -0.7% | 0.1% | 5,528.3 | 5,718.5 |
| TOPIX (JP) | | 2,915.2 | 0.4% | 0.2% | 7.3% | 2,700.0 | 2,929.2 |
| Shanghai (CH) | | 3,106.0 | -0.5% | -0.3% | -1.8% | 3,063.6 | 3,179.2 |
| Hang Seng (HK) | | 17,739.4 | 0.1% | -0.5% | -1.0% | 17,471.7 | 18,430.4 |
| ASX 200 (AU) | | 8,057.9 | 0.7% | 2.1% | 3.7% | 7,700.3 | 8,057.9 |
| SET (TH) | | 1,319.8 | -0.1% | -0.7% | 1.2% | 1,288.6 | 1,332.0 |
| SET50 (TH) | | 824.3 | 0.2% | -0.3% | 1.6% | 800.1 | 827.4 |
| Straits Times (SG) | | 3,489.6 | 0.0% | 0.4% | 5.6% | 3,297.6 | 3,499.9 |
| FTSE Malay (MY) | | 1,633.5 | 0.5% | 0.6% | 1.7% | 1,584.9 | 1,633.5 |
| JSX Index (ID) | | 7,224.2 | 0.0% | -1.0% | 7.4% | 6,726.9 | 7,327.6 |
| PSE Index (PH) | | 6,687.7 | 0.3% | 1.2% | 5.1% | 6,158.5 | 6,689.4 |
| Vn Index (VN) | | 1,268.7 | -1.0% | -1.2% | -0.9% | 1,245.3 | 1,293.7 |

Sources: ttb analytics, CEIC

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

Important Disclosures

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