

Dollar gains from the risk-off mood; pound slips after rate cut

US weekly jobless claims rise to 11-month high

Last week, new unemployment benefit applications in the U.S. rose to an 11-month high, indicating potential labor market softness, though claims are typically volatile at this time of year. Initial claims for state benefits climbed by 14,000 to a seasonally adjusted 249,000 for the week ending July 27, the highest since August. Economists had predicted 236,000.

US manufacturing gauge drops to eight-month low

In July, U.S. manufacturing activity fell to an eight-month low due to a decline in new orders, though this may overstate the industry's difficulties since factory production rebounded significantly in the second quarter. The Institute for Supply Management (ISM) reported that its manufacturing PMI fell to 46.8 last month, the lowest level since November, down from 48.5 in June. Economists had expected a slight increase to 48.8.

Bank of England cautious after narrow rate cut vote

The Bank of England cut interest rates from a 16-year high on Thursday following a tight vote by its policymakers, who were split over whether inflation pressures had eased sufficiently. Governor Andrew Bailey led the 5-4 decision to reduce rates by a quarter point to 5%. The BOE offered no specific guidance on where rates may settle or on the pace of any future moves needed to reach that point. Officials will simply study and react to the facts at each of their forthcoming meetings.

China's manufacturing shrinks in July, Caixin PMI reports

Chinese manufacturing activity unexpectedly contracted, suggesting a slowdown in the country's major economic sectors. The Caixin manufacturing PMI fell to 49.8, below the expected 51.4 and down from 51.8 in June. A reading under 50 signifies contraction, with this being the first decline since October. This result aligns with official manufacturing PMI data released on Wednesday, which also indicated sector contraction for the third month in a row. While the Caixin data, which focuses on smaller private firms in Southern China, has often differed from the official figures, which cover larger state-run enterprises in the North, both reports now reflect similar downturns.

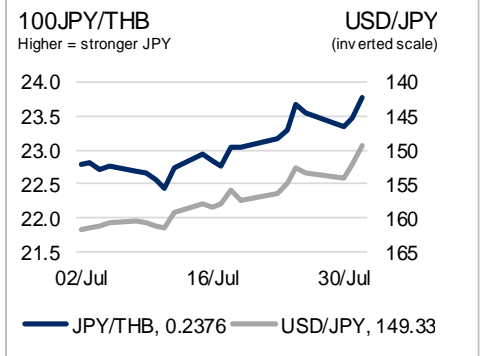
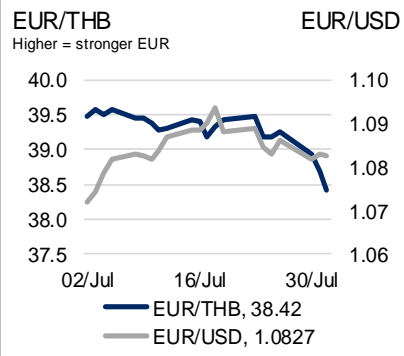
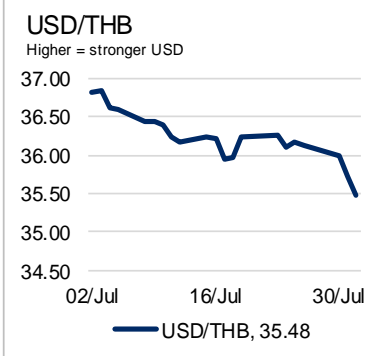
Dollar gains from the risk-off mood; pound slips after rate cut

The 10-year government bond yield (interpolated) on the previous trading day was 2.579, -0.88 bps. The benchmark government bond yield (LB346A) was 2.58, +0.00 bps. Meantime, the latest closed US 10-year bond yields was 3.99, -10.0 bps. USDTHB on the previous trading day closed around 35.48 moving in a range of 35.55 – 35.60 this morning. USDTHB could be closed between 35.40 - 35.70 today. The dollar gained strength and safe-haven currencies saw the most benefit from the risk-off sentiment prompted by disappointing ISM Manufacturing PMI data. The euro fell below 1.08, with further weakness following the release of European PMIs. The British pound lagged after the BoE cut rates by 25bps to 5.00%, as anticipated. The Japanese yen strengthened due to haven demand, with USD/JPY remaining below 150.00, though it was off its Asia-Pacific lows.

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

SET Index	1,322.8	S&P500	5,446.7	10Y UST	3.99%	Brent	81.5	Gold	2,434.0
1-Aug	▲ 0.14%	1-Aug	▼ -1.38%	1-Aug	▼ -10.0 bps	31-Jul	▲ 3.6%	1-Aug	▲ 0.59%

USD/THB 35.48	Daily ▼ -0.68%	EUR/THB 38.42	Daily ▼ -0.72%	JPY/THB 0.2376	Daily ▲ 1.25%
Falling Trend	Weekly ▼ -1.90%	Falling Trend	Weekly ▼ -1.94%	Rising Trend	Weekly ▲ 0.36%
	Monthly ▼ -3.71%		Monthly ▼ -2.72%		Monthly ▲ 4.20%



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@ttbbank.com

Pimchatr Ekkachan
pimchatr.ekk@ttbbank.com

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

Currency Market

Currency	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Dollar Index		103.99	-0.3%	-0.3%	-1.9%	103.75	105.99
EUR/USD		1.0827	0.0%	0.0%	1.0%	1.0690	1.0934
USD/JPY		149.33	-1.9%	-2.2%	-7.6%	152.24	161.63
USD/CHF		0.8761	-0.5%	-0.9%	-3.1%	0.8801	0.9043
GBP/USD		1.2848	-0.1%	-0.3%	1.7%	1.2629	1.3005
USD/CAD		1.3805	-0.2%	-0.2%	0.3%	1.3608	1.3850
AUD/USD		0.6533	0.4%	-0.2%	-1.5%	0.6508	0.6766
NZD/USD		0.5955	0.7%	0.7%	-1.6%	0.5885	0.6144
ASEAN Dollar		105.41	-0.1%	-0.2%	-1.1%	105.17	106.86
USD/THB		35.48	-0.7%	-1.9%	-3.6%	35.72	36.93
USD/SGD		1.3349	-0.4%	-0.7%	-1.7%	1.3396	1.3586
USD/MYR		4.5569	-1.0%	-2.4%	-3.5%	4.6024	4.7210
USD/IDR		16,163	-0.2%	-0.2%	-0.8%	16,074	16,334
USD/PHP		58.55	-0.3%	-0.5%	-0.8%	58.44	59.05
USD/CNY		7.2210	-0.05%	-0.4%	-0.9%	7.2246	7.2894
USD/HKD		7.8061	0.02%	0.0%	-0.1%	7.7970	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		227,723	-104
Gold		18,108	-79
SDR		5,478	-8
IMF Reserves		1,125	-2
Foreign Ccy		203,012	-16
Net Fwd Position		27,735	-525

Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
01/08/2024	-207	7,957	7,751
31/07/2024	301	1,887	2,189
30/07/2024	101	5,909	6,011
26/07/2024	-148	7,697	7,549
25/07/2024	-225	4,834	4,609
Last 5 days	-177	28,285	28,108

	Period-to-date	Equity	Bond	Total
MTD	Month	↓ -207	↑ 7,957	↑ 7,751
QTD	Quarter	↓ -1,959	↑ 35,774	↑ 33,815
YTD	Year	↓ -118,990	↓ -10,212	↓ -129,202

Last update: 19/07/2024

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		3.9900	-10.00	-21.00	-37.00	3.99	4.48
Gilt 10y		4.0268	-0.49	-10.34	-19.81	4.02	4.25
Bund 10y		2.2900	-4.00	-15.00	-31.00	2.29	2.63
JGB 10y		1.0460	-2.40	-2.20	-5.40	1.01	1.10
TGB 1y		2.3681	-0.69	-1.47	0.49	2.36	2.39
TGB 2y		2.3044	-1.89	-3.18	-4.80	2.32	2.36
TGB 5y		2.3165	-2.62	-5.48	-16.81	2.34	2.50
TGB 7y		2.4259	-2.09	-6.39	-16.06	2.45	2.60
TGB 10y		2.5787	-0.88	-4.18	-11.34	2.59	2.71
AAA Spread		60.75	1.69	1.97	-10.52	58.14	73.78
AA Spread		77.54	1.85	-1.87	-4.04	67.08	85.02
A Spread		100.31	-3.00	-14.66	-21.64	100.31	124.60
BBB Spread		0.00	0.00	-236.22	-239.72	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		81.53	3.69%	-1.0%	-6.7%	78.63	87.43
London Gold		2434.0	0.60%	2.5%	3.3%	2,327.8	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)		5,446.7	-1.4%	-0.2%	-1.6%	5,399.2	5,667.2
STOXX (EU)		493.7	-2.0%	-1.6%	-3.5%	493.7	517.7
FTSE All-Share(UK)		4,076.1	0.2%	-0.3%	2.9%	3,933.2	4,088.1
DAX (DE)		18,083.1	-2.3%	-1.8%	-2.0%	18,083.1	18,748.2
CAC All-Tradable(FR)		5,475.4	-2.1%	-1.9%	-3.8%	5,475.4	5,718.5
TOPIX (JP)		2,703.7	-3.2%	0.2%	-5.9%	2,699.5	2,929.2
Shanghai (CH)		3,073.8	-0.2%	1.4%	-0.9%	3,018.2	3,142.0
Hang Seng (HK)		17,305.0	-0.2%	1.7%	-4.0%	17,002.9	18,293.4
ASX 200 (AU)		8,114.7	0.3%	2.4%	3.6%	7,718.2	8,114.7
SET (TH)		1,322.8	0.1%	2.4%	2.7%	1,288.6	1,332.0
SET50 (TH)		832.8	0.1%	2.7%	4.1%	800.1	832.8
Straits Times (SG)		3,419.8	-1.0%	-0.2%	-0.6%	3,338.6	3,499.9
FTSE Malay (MY)		1,624.3	-0.1%	0.7%	0.6%	1,590.1	1,636.6
JSX Index (ID)		7,326.0	1.0%	0.5%	1.5%	7,125.1	7,327.6
PSE Index (PH)		6,693.8	1.1%	-0.5%	3.8%	6,359.0	6,791.7
Vn Index (VN)		1,227.0	-2.0%	-1.2%	-4.1%	1,227.0	1,293.7

Sources: ttb analytics, CEIC

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

Important Disclosures

This document is issued by ttb analytics, a division of ttb Bank PCL. All analyses are based on information available to the public. Although the information contained herein is believed to be gathered from reliable sources, ttb makes no guarantee to its accuracy and completeness. ttb may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Opinions or predictions expressed herein reflect the authors' views, not that of ttb, as of date of the analysis and are subject to change without notice. ttb shall not be responsible for the use of contents and its implication.