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Daily Markets Commentary

March 7, 2023

Trading Snapshot

- USDTHB closed lower at 34.72 before the long weekend. The currency pair was seen heading further south this morning as UST yields consolidated. Data due out today will likely show Thailand's February headline and core consumer price inflation retreated notably to around 4.18% and 2.10% y-o-y rates, respectively.
- USD traded weaker against the euro but gained versus most other majors on Monday while Wall Street shares settled mixed and Treasury yields edged slightly higher as caution prevails ahead of Fed Chair Powell's testimony before Congress on Tuesday and Wednesday and Friday's February jobs report. U.S. January factory orders data beat estimates, reinforcing the case for higher for longer interest rates. Meanwhile, the euro climbed broadly as Eurozone sovereign yields advanced following hawkish remarks from monetary policymakers. Austrian central bank's Holzmann said the European Central Bank should raise interest rates by 50bps at each of its next four meetings amid persistently high inflation. Meanwhile, commodities initially lost ground on China's modest 5% 2023 GDP growth target. Markets will eye policy decisions by the Reserve Bank of Australia today and the Bank of Japan on Friday.
- SET fell 0.36%. Foreign investors sold Thai shares at THB969 million but bought government bonds a net THB676 million.

Bangkok Headline

- Foreign reserves fell to USD217.7 billion on Feb 24 from USD221.1 billion on Feb 17. Net forward contracts to sell the Thai baht amounted to USD27.0 billion, up from USD26.4 billion the week before.

FX Range

7-Mar	USD/THB	JPY/THB	USD/JPY	EUR/USD
Range Forecast	34.40-34.65	25.15-25.55	135.00-137.00	1.0630-1.0730

JPY/THB is per 100 yen

Interest Rates

3-Mar	Last	Change
BIBOR		
1M	1.5789%	+0.0002%
3M	1.7575%	+0.0017%
6M	1.9246%	+0.0039%
THOR		
ON	1.4920%	-0.0010%
1M	1.4936%	+0.0000%
3M	1.3466%	+0.0017%
6M	1.1378%	+0.0020%

Government Bond Yields

6-Mar	Last	Change
US		
6M	5.1500%	+0.0130%
1Y	5.0560%	+0.0270%
2Y	4.8940%	+0.0330%
3Y	4.6220%	+0.0240%
5Y	4.2690%	+0.0160%
7Y	4.1650%	+0.0140%
10Y	3.9830%	+0.0200%
Thailand		
6M	1.6754%	+0.0001%
1Y	1.7389%	-0.0020%
2Y	1.8976%	-0.0042%
3Y	1.9878%	-0.0065%
5Y	2.1707%	-0.0221%
7Y	2.3855%	-0.0125%
10Y	2.5896%	-0.0188%

Equity & Commodity

6-Mar	Last	Change
DOW	33,431.44	+40.47
NASDAQ	11,675.74	-13.27
NIKKEI	28,237.78	+310.31
SET *	1,606.88	-5.76
GOLD	1,854.60	+0.00
NYMEX	80.46	+0.78

* 3 Mar

Today's Events

- TH Consumer Price Index for February
- US Fed Chair Powell Testifies



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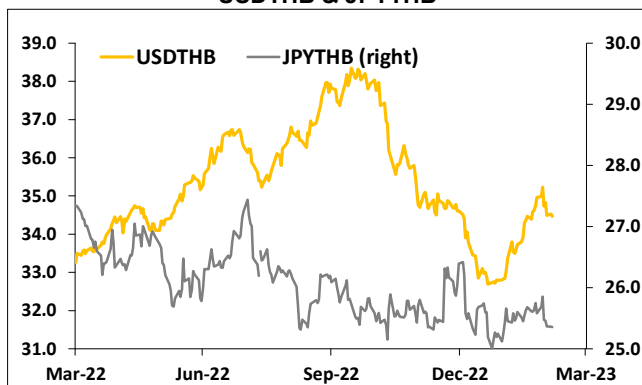
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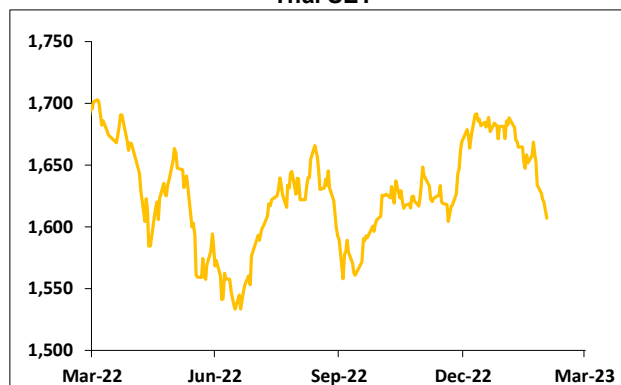
Currency Movement

USDTHB & JPYTHB



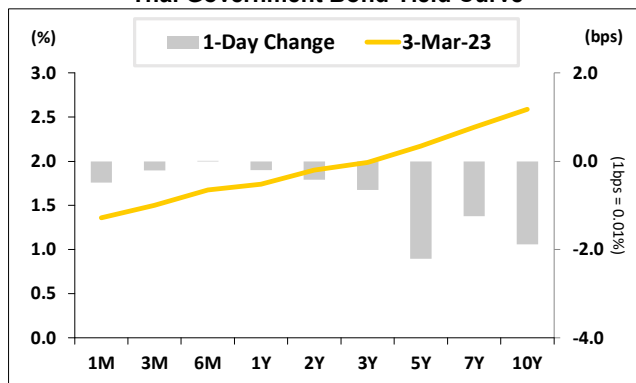
Equities

Thai SET

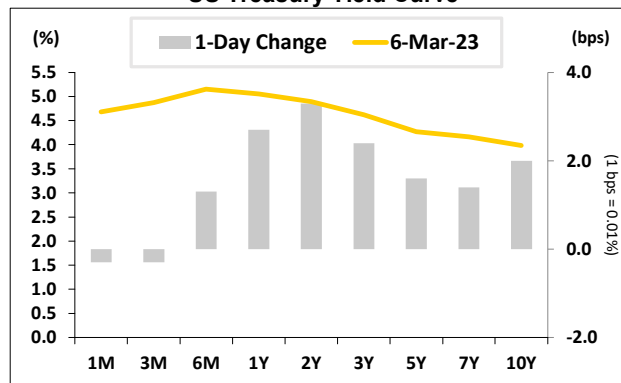


Government Bonds

Thai Government Bond Yield Curve



US Treasury Yield Curve



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