

## Key Theme – BoE Carney surprising hawkish speech

### This week Economic calendar

#### Highlight:

- Market are still driven by central bank comments. Start with ECB official mentioning that market misunderstood Draghi comment on Tuesday, follow by BoE Carney surprising hawkish comment about rate hike discussion.
- US Wholesale Inventories posted at 0.3% vs. 0.2% forecast.
- US Pending home sales MoM posted at -0.8% vs. 1.0% forecast.
- Japan Retail Sales MoM -1.6% vs. -1.0% forecast.
- Key economic indicators this week: Japan Retail Trade, Eurozone Consumer Confidence, Germany CPI and US GDP on Thursday, Japan Jobless Rate, CPI and Industrial Production, China Manufacturing PMI, UK GDP, Eurozone CPI and US Personal Income, Personal Spending and Core PCE.

#### Our take:

- We maintain downside biased USDTHB and recommend sell on rally around 34.10-15 area.
- EURUSD reached our first target at 1.1410. Remain to be seen if can break above and hold, if so then our next target is at 1.1490-1.1500.

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Germany	IFO Business Climate	Jun	114.5	115.1	114.6
Mon	Germany	IFO Expectations	Jun	106.4	106.8	106.5
Mon	Germany	IFO Current Assessment	Jun	123.2	124.1	123.2
Mon	United States	Durable Goods Orders	May P	-0.60%	-1.10%	-0.80%
Tue	United States	Conf. Board Consumer Confidence	Jun	116	118.90	117.9
Wed	Eurozone	M3 Money Supply YoY	May	5.00%	5.00%	4.90%
Wed	United States	MBA Mortgage Applications	Jun-23--		-6.20%	0.60%
Wed	United States	Wholesale Inventories MoM	May P	0.20%	0.30%	-0.50%
Wed	United States	Pending Home Sales MoM	May	0.80%	-0.80%	-1.30%
	United Kingdom	Nationwide House PX MoM	Jun	0.00%	1.10%	-0.20%
	United Kingdom	Nationwide House Px NSA YoY	Jun	1.90%	3.10%	2.10%
Thu	Japan	Retail Trade YoY	May	2.60%	2.00%	3.20%
Thu	United Kingdom	Mortgage Approvals	May	64.0k	--	64.6k
Thu	Eurozone	Consumer Confidence	Jun F	-1.3--		-1.3
Thu	Germany	CPI MoM	Jun P	0.00%--		-0.20%
Thu	Germany	CPI YoY	Jun P	1.40%--		1.50%
Thu	Germany	CPI EU Harmonized YoY	Jun P	1.30%--		1.40%
Thu	United States	GDP Annualized QoQ	1Q T	1.20%--		1.20%
Thu	United States	GDP Price Index	1Q T	2.20%--		2.20%
Thu	United States	Initial Jobless Claims	Jun-24	240k	--	241k
Fri	Japan	Jobless Rate	May	2.80%--		2.80%
Fri	Japan	Job-To-Applicant Ratio	May	1.48--		1.48
Fri	Japan	Natl CPI YoY	May	0.50%--		0.40%
Fri	Japan	Tokyo CPI Ex-Fresh Food YoY	Jun	0.20%--		0.10%
Fri	Japan	Industrial Production MoM	May P	-3.00%--		4.00%
Fri	Japan	Industrial Production YoY	May P	6.90%--		5.70%
Fri	China	Manufacturing PMI	Jun	51--		51.2
Fri	Thailand	Foreign Reserves	Jun-23--	--		\$184.5b
Fri	Thailand	BoP Current Account Balance	May	\$2000m	--	\$2906m
Fri	Germany	Unemployment Change (000's)	Jun	-10k	--	-9k
Fri	United Kingdom	GDP QoQ	1Q F	0.20%--		0.20%
Fri	United Kingdom	GDP YoY	1Q F	2.00%--		2.00%
Fri	Eurozone	CPI Estimate YoY	Jun	1.20%--		1.40%
Fri	United States	Personal Income	May	0.30%--		0.40%
Fri	United States	Personal Spending	May	0.10%--		0.40%
Fri	United States	Chicago Purchasing Manager	Jun	58--		59.4
Fri	United States	U. of Mich. Sentiment	Jun F	94.5--		94.5

Source: Thomson Reuters, Bloomberg, TBMA, and The Nation

# Daily Market Review At-A-Glance: 29 June 2017

## Views on Interest Rate and Exchange Rates

### Currency:

**USDTHB:** We remain downside biased USDTHB. Support at 33.95 then 33.85. Maintain sell on rally recommendation at 34.10-15 range.

**USDJPY:** GBP and EUR rise put USD under pressure. We still see short term upside reaching 113.20 as USDJPY still hold above 111.60 support.

**EURUSD:** Testing resistance at 1.1410, if can break above and hold then our next target is 1.1500.

### Bond:

**US Treasury:** After selling off when London opened yesterday, UST saw some relief as yield dropped 3-4 bps to currently 2.23%. Still expect UST yield to go up if it can stand around 2.20%

## Exchange Rate

	21-Jun-17	28-Jun-17	29-Jun-17
USD/THB	33.99	33.95	33.95
JPY/THB	30.51	30.23	30.25
EUR/THB	37.95	38.62	38.73
GBP/THB	43.06	43.88	44.01
AUD/THB	25.66	25.94	25.99
USD/JPY	111.37	112.28	112.22
EUR/USD	1.117	1.138	1.141
GBP/USD	1.267	1.292	1.296
AUD/USD	0.755	0.764	0.766

## Stock market

	27-Jun-17	28-Jun-17	%Change
SET Index	1,586.45	1,582.63	(0.24)
DJIA	21,310.66	21,454.61	0.68

## Repurchase rate

	1-day	7-day	14-day	1-mth
	1.50%	1.50%	1.50%	1.50%

## Commodities

	Previous Day	Last	%Change
WTI Crude oil	44.24	44.74	1.13
Gold	1,247.17	1,252.32	0.41

## Government Bond Yields

Tenor	21-Jun-17	27-Jun-17	28-Jun-17
UST 3-mth	0.994	1.019	1.011
UST 6-mth	1.124	1.132	1.124
UST 1-yr	1.220	1.215	1.212
UST 5-yr	1.768	1.812	1.816
UST 10-yr	2.155	2.198	2.223
TGB 6-mth	1.47	1.46	1.46
TGB 2-yr	1.53	1.52	1.53
TGB 5-yr	1.93	1.87	1.93
TGB 10-yr	2.52	2.46	2.51

## THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	1.243	1.336	1.480	1.716

## THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.505	1.535
2-yr	1.605	1.635
3-yr	1.730	1.760
5-yr	2.005	2.035
10-yr	2.385	2.435

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