

Key Theme – RBA held rate, BoT MPC to follow.

This week Economic calendar

Highlight:

- RBA hold rate at 1.5% as market expected but market was slightly disappointed that RBA maintain a more neutral tone than market expected, while other developed countries central bank has been more hawkish biased recently.
- Yesterday market was relatively quiet as US was on holiday but Headline that North Korea has successfully tested Intercontinental Ballistic Missile (ICBM) brought some risk off volatilities.
- Eurozone PPI MoM posted at -0.4% vs. -0.2% forecast.
- China Caixin Services PMI posted at 51.6, down from 52.8 last month.
- Today we have BoT MPC statement around 2pm
- FOMC Minutes for June meeting will be released tonight. Market are closely watching for dissent argument against rate hike.
- Key economic indicators this week: US Factory Orders and Durable Goods Orders on Wednesday, Australia Trade Balance, US ADP Employment Change and ISM Non-Manf Composite on Thursday, Germany and UK Industrial Production, US Non Farm Payrolls and Unemployment rate on Friday.

Our take:

- We expect BoT to maintain slight dovish tone given soft CPI recently. We are also closely watching their statement on USDTHB.

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Japan	Tankan Large Mfg Outlook	2Q	14	15	11
Mon	Japan	Tankan Large Non-Mfg Outlook	2Q	21	18	16
Mon	Japan	Tankan Large All Industry Capex	2Q	7.20%	8.00%	0.60%
Mon	Japan	Nikkei Japan PMI Mfg	Jun F	--	52.4	52
Mon	Australia	Melbourne Institute Inflation MoM	Jun	--	0.10%	0.00%
Mon	Australia	Building Approvals MoM	May	-1.30%	-5.60%	4.40%
Mon	China	Caixin China PMI Mfg	Jun	49.8	50.4	49.6
Mon	Thailand	CPI YoY	Jun	0.00%	-0.05%	-0.04%
Mon	Australia	Commodity Index SDR YoY	Jun	--	25.00%	32.60%
Mon	Germany	Markit/BME Germany Manufacturing PMI	Jun F	59.3	59.6	59.3
Mon	Eurozone	Markit Eurozone Manufacturing PMI	Jun F	57.3	57.4	57.3
Mon	United Kingdom	Markit UK PMI Manufacturing SA	Jun	56.3	54.3	56.7
Mon	United States	Markit US Manufacturing PMI	Jun F	52.1	52.0	52.1
Mon	United States	ISM Manufacturing	Jun	55.2	57.8	54.9
Mon	United States	ISM Prices Paid	Jun	58.5	55.0	60.5
Mon	United States	Construction Spending MoM	May	0.30%	0.00%	-1.40%
Tue	Japan	Monetary Base YoY	Jun	19.20%	17.00%	19.40%
Tue	Australia	Retail Sales MoM	May	0.20%	0.60%	1.00%
Tue	Australia	RBA Cash Rate Target	Jul-04	1.50%	1.50%	1.50%
Tue	Canada	Markit Canada Manufacturing PMI	Jun	--	54.7	55.1
Wed	Thailand	BoT Benchmark Interest Rate	Jul-05	1.50%	--	1.50%
Wed	United States	Factory Orders	May	-0.50%	--	-0.20%
Wed	United States	Durable Goods Orders	May F	--	--	-1.10%
Thu	Australia	Trade Balance	May	A\$1100m	--	A\$555m
Thu	Germany	Factory Orders MoM	May	1.80%	--	-2.10%
Thu	United States	MBA Mortgage Applications	Jun-30	--	--	-6.20%
Thu	United States	ADP Employment Change	Jun	190k	--	253k
Thu	United States	Initial Jobless Claims	Jul-01	243k	--	244k
Thu	United States	Trade Balance	May	-\$46.3b	--	-\$47.6b
Thu	United States	ISM Non-Manf. Composite	Jun	56.5	--	56.9
Thu	Germany	Industrial Production SA MoM	May	0.20%	--	0.80%
Fri	United Kingdom	Halifax House Prices MoM	Jun	0.20%	--	0.40%
Fri	Thailand	Foreign Reserves	Jun-30	--	--	\$184.4b
Fri	United Kingdom	Industrial Production MoM	May	0.40%	--	0.20%
Fri	United Kingdom	Manufacturing Production MoM	May	0.40%	--	0.20%
Fri	United States	Change in Nonfarm Payrolls	Jun	177k	--	138k
Fri	Canada	Net Change in Employment	Jun	11.3k	--	54.5k
Fri	Canada	Unemployment Rate	Jun	6.60%	--	6.60%
Fri	United States	Unemployment Rate	Jun	4.30%	--	4.30%

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

Daily Market Review At-A-Glance: 5 July 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: USDJPY hovered around 113.00. If it can hold above 113.10 after Fed Minutes release, then upside open up toward 114.50.

EURUSD: Support at 1.1350 then 1.1290. Resistance at 1.1400 then 1.1450.

Bond:

US Treasury: Market was quiet during US Holiday.

Exchange Rate

	27-Jun-17	4-Jul-17	5-Jul-17
USD/THB	33.97	33.99	33.96
JPY/THB	30.23	30.00	30.10
EUR/THB	38.51	38.55	38.63
GBP/THB	43.53	43.90	44.00
AUD/THB	25.76	25.83	25.88
USD/JPY	112.34	113.26	112.87
EUR/USD	1.134	1.134	1.136
GBP/USD	1.281	1.292	1.294
AUD/USD	0.758	0.760	0.762

Government Bond Yields

Tenor	27-Jun-17	3-Jul-17	4-Jul-17
UST 3-mth	1.019	1.026	#N/A
UST 6-mth	1.132	1.147	#N/A
UST 1-yr	1.215	1.248	#N/A
UST 5-yr	1.812	1.930	#N/A
UST 10-yr	2.198	2.346	#N/A
TGB 6-mth	1.46	1.46	1.46
TGB 2-yr	1.52	1.54	1.53
TGB 5-yr	1.87	1.96	1.94
TGB 10-yr	2.46	2.55	2.54

Stock

market

	3-Jul-17	4-Jul-17	%Change
SET Index	1,579.41	1,574.11	(0.34)
DJIA	21,479.27	#N/A	#N/A

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	46.04	47.07	2.24
Gold	1,220.20	1,228.59	0.69

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	1.140	1.264	1.433	1.696

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.460	1.490
2-yr	1.570	1.600
3-yr	1.710	1.740
5-yr	1.980	2.010
10-yr	2.36	2.41

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