

Key Theme – Trump Jr. spooked market, Yellen testimony start today.

This week Economic calendar

Highlight:

- **USD took a hit yesterday from Trump Jr. email report, however personally think that market was in profit taking before Yellen two days testimony starting today.**
- Quiet on indicator front with US Wholesales Inventories posted at 0.4% vs. 0.3%
- BoC today with market expecting a rate hike. If they do hike, we expect market to increase expectation of hawkish stance for other developed countries except Japan.
- Key economic indicators this week: Japan PPI, UK unemployment on Wednesday. Germany CPI, US PPI on Thursday and Japan Industrial Production, US CPI. Retail Sales and Industrial Production on Friday.

Our take:

- **We are now in wait and see mode for USDTHB after Sell recommendation yesterday. If bounce back to 34.10-15 then we will be looking to sell at 34.20-24 range.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Japan	Machine Orders MoM	May	1.70%	-3.60%	-3.10%
Mon	Japan	BoP Current Account Balance	May	¥1792.8b	¥1653.9b	¥1951.9b
Mon	China	CPI YoY	Jun	1.60%	1.50%	1.50%
Mon	China	PPI YoY	Jun	5.50%	5.50%	5.50%
Tue	Japan	Money Stock M2 YoY	Jun	3.90%	3.90%	3.90%
Tue	Japan	Money Stock M3 YoY	Jun	3.40%	3.30%	3.40%
Tue	Australia	NAB Business Confidence	Jun	--	9	7
Tue	Australia	Home Loans MoM	May	1.50%	1.00%	-1.90%
Tue	Canada	Housing Starts	Jun	200.0k	212.7k	194.7k
Tue	United States	Wholesale Inventories MoM	May F	0.30%	0.40%	0.30%
Wed	Japan	PPI YoY	Jun	2.00%	2.10%	2.10%
Wed	Australia	Westpac Consumer Conf SA MoM	Jul	--	0.40%	-1.80%
Wed	Japan	Tertiary Industry Index MoM	May	-0.50%	--	1.20%
Wed	Singapore	Retail Sales YoY	May	2.20%	--	2.60%
Wed	United Kingdom	Claimant Count Rate	Jun	--	--	2.30%
Wed	United Kingdom	Jobless Claims Change	Jun	--	--	7.3k
Wed	United Kingdom	ILO Unemployment Rate 3Mths	May	4.60%	--	4.60%
Wed	United States	MBA Mortgage Applications	Jul-07	--	--	1.40%
Wed	Canada	Bank of Canada Rate Decision	Jul-12	0.75%	--	0.50%
Thu	Germany	CPI MoM	Jun F	0.20%	--	0.20%
Thu	Germany	CPI YoY	Jun F	1.60%	--	1.60%
Thu	Germany	CPI EU Harmonized YoY	Jun F	1.50%	--	1.50%
Thu	United States	PPI Final Demand MoM	Jun	0.00%	--	0.00%
Thu	United States	Initial Jobless Claims	Jul-08	245k	--	248k
Thu	China	Trade Balance	Jun	\$42.60b	--	\$40.81b
Fri	United States	Monthly Budget Statement	Jun	-\$30.0b	--	--
Fri	Singapore	GDP YoY	2Q A	2.70%	--	2.70%
Fri	Singapore	GDP SAAR QoQ	2Q A	1.10%	--	-1.30%
Fri	Japan	Industrial Production MoM	May F	--	--	-3.30%
Fri	Japan	Industrial Production YoY	May F	--	--	6.80%
Fri	Thailand	Foreign Reserves	Jul-07	--	--	\$185.6b
Fri	United States	CPI MoM	Jun	0.10%	--	-0.10%
Fri	United States	CPI Ex Food and Energy MoM	Jun	0.20%	--	0.10%
Fri	United States	Retail Sales Advance MoM	Jun	0.10%	--	-0.30%
Fri	United States	Industrial Production MoM	Jun	0.30%	--	0.00%
Fri	United States	U. of Mich. Sentiment	Jul P	95	--	95.1

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

Daily Market Review At-A-Glance: 12 July 2017

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We now in wait and see mode after sell recommendation yesterday. We see support at 33.95. If USDTHB bounced back to 34.10-15 range, then we will be looking to sell more around 34.20-24 range.

USDJPY: Support at 113.40, Resistance at 114.00.

EURUSD: Broke from our range trade but still expect 1.1490-1.1500 resistance to hold before Yellen. A Break above 1.1500 will open up more upside risk.

Bond:

US Treasury: U.S. government bond yield lower 1bps. Main factor for bond was emails released by Donald Trump Jr. and FED officials concern about inflation. However, we saw this move as a correction with 10y UST support at 2.32%.

Exchange Rate

	4-Jul-17	11-Jul-17	12-Jul-17
USD/THB	33.99	34.08	33.99
JPY/THB	30.00	29.91	29.92
EUR/THB	38.55	39.08	39.01
GBP/THB	43.90	43.77	43.64
AUD/THB	25.83	26.02	26.03
USD/JPY	113.26	113.92	113.54
EUR/USD	1.134	1.147	1.148
GBP/USD	1.292	1.284	1.284
AUD/USD	0.760	0.763	0.766

Stock market

	10-Jul-17	11-Jul-17	%Change
SET Index	#N/A	1,569.24	#N/A
DJIA	21,408.52	21,409.07	0.00

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	44.4	45.04	1.44
Gold	1,214.36	1,219.22	0.40

Government Bond Yields

Tenor	4-Jul-17	10-Jul-17	11-Jul-17
UST 3-mth	#N/A	1.039	1.060
UST 6-mth	#N/A	1.134	1.145
UST 1-yr	#N/A	1.214	1.204
UST 5-yr	#N/A	1.930	1.919
UST 10-yr	#N/A	2.371	2.362
TGB 6-mth	1.46	#N/A	1.44
TGB 2-yr	1.53	#N/A	1.53
TGB 5-yr	1.94	#N/A	1.95
TGB 10-yr	2.54	#N/A	2.59

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	1.176	1.261	1.414	1.682

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.455	1.485
2-yr	1.590	1.620
3-yr	1.720	1.750
5-yr	1.995	2.025
10-yr	2.385	2.435

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