

Key Theme – US CPI in focus

This week Economic calendar

Highlight:

- Yellen cast doubt on Trump 3% Growth projection citing aging labor force and low productivity as an issue.
- China Exports YoY posted at 11.3% vs. 8.9% forecast, Import posted at 17.2% vs. 14.5% forecast.
- Germany CPI EU Harmonized YoY posted at 1.5% in line.
- PPI Final Demand MoM posted at 0.1% vs. 0.0% forecast.
- Key economic indicators this week: Japan Industrial Production, US CPI, Retail Sales and Industrial Production on Friday.

Our take:

- **Analysts are expecting US CPI to slow to 1.7% YoY from 1.9% last month. Given Yellen neutral tone this week, a number below forecast would put more pressure on USD. We remain firmly downside biased USDTHB.**

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%	-0.10%	1.20%
Wed	Singapore	Retail Sales YoY	May	2.20%	0.90%	2.60%
Wed	United Kingdom	Claimant Count Rate	Jun	--	2.30%	2.30%
Wed	United Kingdom	Jobless Claims Change	Jun	--	5.9k	7.3k
Wed	United Kingdom	ILO Unemployment Rate 3Mths	May	4.60%	4.50%	4.60%
Wed	United States	MBA Mortgage Applications	Jul-07--		-7.40%	1.40%
Wed	Canada	Bank of Canada Rate Decision	Jul-12	0.75%	0.75%	0.50%
Thu	Germany	CPI MoM	Jun F	0.20%	0.20%	0.20%
Thu	Germany	CPI YoY	Jun F	1.60%	1.60%	1.60%
Thu	Germany	CPI EU Harmonized YoY	Jun F	1.50%	1.50%	1.50%
Thu	United States	PPI Final Demand MoM	Jun	0.00%	0.10%	0.00%
Thu	United States	Initial Jobless Claims	Jul-08	245k	247k	248k
Thu	China	Trade Balance	Jun	\$42.60b	%42.80b	\$40.81b
Fri	United States	Monthly Budget Statement	Jun	-\$30.0b	-\$90.2b	--
Fri	Singapore	GDP YoY	2Q A	2.70%	2.50%	2.70%
Fri	Singapore	GDP SAAR QoQ	2Q A	1.10%	0.40%	-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: 14 July 2017

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB grinding lower, we see support at 33.93 then 33.85. Resistance at 34.00.

USDJPY: Support at 113.00, Resistance at 113.50 then 114.00

EURUSD: Resistance at 1.1490-1.1500. Support at 1.1380. Focus is on US CPI today.

Bond:

US Treasury: US Curve moved up 2-3 bps. We are waiting for CPI data release tonight.

Exchange Rate

	6-Jul-17	13-Jul-17	14-Jul-17
USD/THB	34.05	33.92	33.92
JPY/THB	30.07	29.94	29.89
EUR/THB	38.89	38.65	38.67
GBP/THB	44.16	43.88	43.88
AUD/THB	25.83	26.21	26.23
USD/JPY	113.20	113.27	113.43
EUR/USD	1.142	1.140	1.140
GBP/USD	1.297	1.294	1.294
AUD/USD	0.759	0.773	0.774

Government Bond Yields

Tenor	6-Jul-17	12-Jul-17	13-Jul-17
UST 3-mth	1.034	1.050	1.039
UST 6-mth	1.145	1.132	1.137
UST 1-yr	1.233	1.204	1.209
UST 5-yr	1.942	1.879	1.891
UST 10-yr	2.369	2.327	2.348
TGB 6-mth	1.45	1.44	1.44
TGB 2-yr	1.53	1.53	1.53
TGB 5-yr	1.92	1.92	1.91
TGB 10-yr	2.54	2.56	2.55

Stock market

	12-Jul-17	13-Jul-17	%Change
SET Index	1,574.93	1,579.41	0.28
DJIA	21,532.14	21,553.09	0.10

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	45.49	46.08	1.30
Gold	1,220.51	1,216.40	(0.34)

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	1.277	1.298	1.429	1.680

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.450	1.480
2-yr	1.580	1.610
3-yr	1.720	1.750
5-yr	1.980	2.010
10-yr	2.36	2.41

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