

Key Theme – USD free fall continue.

This week Economic calendar

Highlight:

- USD continued to weaken after first day of trading yesterday, following same theme as last week of 2017.
- **Main theme of trade this year will be global growth and reflation trade which would likely to hurt USD. On the other hand US domestic politics will shift focus to Infrastructure spending bill which will provide support for USD. Upcoming mid-term election toward the end of this year and Federal Reserve board of governor composition will also increase market volatilities.**
- Key economic indicator this week: Thailand CPI and US ISM Manufacturing on Wednesday, US ADP Employment Change on Thursday, Australia Trade Balance, Eurozone CPI, US Non Farm Payrolls, Unemployment, ISM Non Manf and Durable Goods Orders on Friday.

Our take:

- **Remain upside biased EURUSD shift stop loss to 1.2000.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Tue	China	Caixin China PMI Mfg	Dec	50.7	51.5	50.8
Tue	Australia	Commodity Index SDR YoY	Dec	--	-5.90%	-3.30%
Tue	Germany	Markit/BME Germany Manufacturing PMI	Dec F	63.3	63.3	63.3
Tue	Eurozone	Markit Eurozone Manufacturing PMI	Dec F	60.6	60.6	60.6
Tue	United Kingdom	Markit UK PMI Manufacturing SA	Dec	57.9	56.3	58.2
Tue	United States	Markit US Manufacturing PMI	Dec F	55	55.1	55
Wed	Thailand	CPI YoY	Dec	0.99%	--	0.99%
Wed	Germany	Unemployment Change (000's)	Dec	-13k	--	-18k
Wed	United States	MBA Mortgage Applications	Dec-29--	--	--	-4.90%
Wed	United States	Construction Spending MoM	Nov	0.50%	--	1.40%
Wed	United States	ISM Manufacturing	Dec	58.2	--	58.2
Thu	Japan	Nikkei Japan PMI Mfg	Dec F	--	--	54.2
Thu	United Kingdom	Nationwide House PX MoM	Dec	0.10%	--	0.10%
Thu	United Kingdom	Nationwide House Px NSA YoY	Dec	2.00%	--	2.50%
Thu	United Kingdom	Mortgage Approvals	Nov	64.0k	--	64.6k
Thu	United States	ADP Employment Change	Dec	190k	--	190k
Thu	United States	Initial Jobless Claims	Dec-30	242k	--	245k
Fri	Japan	Monetary Base YoY	Dec	--	--	13.20%
Fri	Australia	Trade Balance	Nov	A\$550m	--	A\$105m
Fri	Thailand	Foreign Reserves	Dec-29--	--	--	\$202.8b
Fri	Eurozone	CPI Estimate YoY	Dec	1.40%	--	1.50%
Fri	United States	Change in Nonfarm Payrolls	Dec	190k	--	228k
Fri	United States	Unemployment Rate	Dec	4.10%	--	4.10%
Fri	United States	Trade Balance	Nov	-\$50.0b	--	-\$48.7b
Fri	United States	ISM Non-Manf. Composite	Dec	57.5	--	57.4
Fri	United States	Factory Orders	Nov	1.10%	--	-0.10%
Fri	United States	Durable Goods Orders	Nov F	--	--	1.30%

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

Daily Market Review At-A-Glance: 3 January 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: Trade below key support at 32.55 which now act as resistance. Support now at 32.35-40. Maintain neutral for now to see how price develop in the next few days as volume return.

USDJPY: Key support at 111.80-112.00. Resistance at 112.60.

EURUSD: Remain Upside Biased and shift stop loss to 1.1200. 2017 high at 1.2090 will likely provide stern resistance.

Bond:

US Treasury: U.S. government bond yield higher with steepening yield curve as a wave of short term bill supply together with a higher in German and U.K bond yield. Yields rose in Europe amid concerns that the strong euro may slow the European Central Bank from winding down easy money policies.

Exchange Rate

	26-Dec-17	2-Jan-18	3-Jan-18
USD/THB	32.75	32.42	32.44
JPY/THB	28.92	28.87	28.88
EUR/THB	38.84	39.09	39.07
GBP/THB	43.79	44.05	44.11
AUD/THB	25.31	25.38	25.35
USD/JPY	113.22	112.28	112.32
EUR/USD	1.186	1.206	1.205
GBP/USD	1.337	1.359	1.360
AUD/USD	0.773	0.783	0.781

Stock market

	29-Dec-17	2-Jan-18	%Change
SET Index	1,753.71	#N/A	#N/A
DJIA	24,719.22	24,824.01	0.42

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	60.42	60.37	(0.08)
Gold	1,302.80	1,314.02	0.86

Government Bond Yields

Tenor	26-Dec-17	29-Dec-17	2-Jan-18
UST 3-mth	1.345	1.391	1.411
UST 6-mth	1.532	1.535	1.566
UST 1-yr	1.729	1.737	1.796
UST 5-yr	2.237	2.211	2.250
UST 10-yr	2.467	2.411	2.465
TGB 6-mth	1.39	1.37	#N/A
TGB 2-yr	1.48	1.47	#N/A
TGB 5-yr	1.89	1.85	#N/A
TGB 10-yr	2.58	2.54	#N/A

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	#N/A	#N/A	#N/A	#N/A

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.240	1.270
2-yr	1.440	1.470
3-yr	1.635	1.665
5-yr	1.935	1.965
10-yr	2.305	2.355

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