

Key Theme – Equities rally to new high in Thailand and US

This week Economic calendar

Highlight:

- **Market trade in risk on tone as equities gain across the board while in FX USD gain versus JPY but weakened vs. EM currencies.**
- Germany, Eurozone and UK Service PMI posted mostly in line at 55.8, 56.6 and 54.2 respectively.
- ADP Employment Change posted at 250k vs. 190k forecast.
- Key economic indicator this week: Eurozone CPI, US Non Farm Payrolls, Unemployment, ISM Non Manf and Durable Goods Orders on Friday.

Our take:

- **Remain upside biased EURUSD, stop loss to 1.2000.**
- **Focus for tonight US Employment report will still be on wage growth component. Economists median forecast at 0.3% MoM seem relatively high compare to last six month average.**

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%	0.78%	0.99%
Wed	Germany	Unemployment Change (000's)	Dec	-13k	-29k	-18k
Wed	United States	MBA Mortgage Applications	Dec-29--	--	0.70%	-4.90%
Wed	United States	Construction Spending MoM	Nov	0.50%	0.80%	1.40%
Wed	United States	ISM Manufacturing	Dec	58.2	59.7	58.2
Thu	Japan	Nikkei Japan PMI Mfg	Dec F	--	54.0	54.2
Thu	United Kingdom	Nationwide House PX MoM	Dec	0.10%	0.60%	0.10%
Thu	United Kingdom	Nationwide House Px NSA YoY	Dec	2.00%	2.60%	2.50%
Thu	United Kingdom	Mortgage Approvals	Nov	64.0k	65.1k	64.6k
Thu	United States	ADP Employment Change	Dec	190k	250k	190k
Thu	United States	Initial Jobless Claims	Dec-30	242k	250k	245k
Fri	Japan	Monetary Base YoY	Dec	--	11.20%	13.20%
Fri	Australia	Trade Balance	Nov	A\$550m	-A\$628m	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: 5 January 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We see key support for USDTHB at 31.90, however we expect the pace of depreciation to slow from the first two days of this year. Resistance at 32.30.

USDJPY: Key support at 111.80-112.00. Key resistance at 113.50.

EURUSD: Remain Upside Biased and shift stop loss to 1.1200. Tested key resistance at 1.2090 but could not breakthrough.

Bond:

US Treasury: UST curve flattened last night. UST 10Y still traded in range 2.42-2.47%

Exchange Rate

	28-Dec-17	4-Jan-18	5-Jan-18
USD/THB	32.69	32.25	32.21
JPY/THB	28.96	28.60	28.54
EUR/THB	39.04	38.92	38.86
GBP/THB	43.94	43.70	43.65
AUD/THB	25.49	25.36	25.26
USD/JPY	112.87	112.74	112.81
EUR/USD	1.194	1.207	1.207
GBP/USD	1.344	1.355	1.356
AUD/USD	0.780	0.786	0.784

Government Bond Yields

Tenor	28-Dec-17	3-Jan-18	4-Jan-18
UST 3-mth	1.407	1.404	1.404
UST 6-mth	1.532	1.592	1.594
UST 1-yr	1.740	1.814	1.806
UST 5-yr	2.235	2.246	2.268
UST 10-yr	2.432	2.445	2.453
TGB 6-mth	1.37	1.37	1.35
TGB 2-yr	1.47	1.47	1.46
TGB 5-yr	1.86	1.87	1.87
TGB 10-yr	2.55	2.55	2.55

Stock market

	3-Jan-18	4-Jan-18	%Change
SET Index	1,778.53	1,791.02	0.70
DJIA	24,922.68	25,075.13	0.61

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	61.63	62.01	0.62
Gold	1,313.21	1,321.18	0.61

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.941	0.903	0.985	1.345

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.160	1.190
2-yr	1.390	1.420
3-yr	1.570	1.600
5-yr	1.860	1.890
10-yr	2.23	2.28

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