

Key Theme – Market paused but for how long?

This week Economic calendar

Highlight:

- **Equities paused from rally, USD rebound but overall momentum has not changed.**
- Eurozone Consumer confidence posted at 0.5 in line, Retail Sales MoM posted at 1.5% vs. 1.3% forecast.
- Key economic indicator this week: Germany Industrial Production on Tuesday, China PPI and CPI, UK Industrial Production and US Import Price Index on Wednesday, Australia Retail Sales, US PPI on Thursday, China Trade figures, US CPI and Retail Sales on Friday.

Our take:

- **We are now neutral EURUSD after it trade below 1.2000. We still maintain upside biased medium term but prefer to look for opportunity to buy. 1.1880 could be a good point to start looking.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Germany	Factory Orders MoM	Nov	0.00%	-0.40%	0.50%
Mon	United Kingdom	Halifax House Prices MoM	Dec	0.20%	-0.60%	0.50%
Mon	Eurozone	Consumer Confidence	Dec F	0.5	0.5	0.5
Tue	Australia	Building Approvals MoM	Nov	-1.30%	11.7%	0.90%
Tue	Germany	Industrial Production SA MoM	Nov	1.80%	--	-1.40%
Wed	China	PPI YoY	Dec	4.80%	--	5.80%
Wed	China	CPI YoY	Dec	1.90%	--	1.70%
Wed	United Kingdom	Industrial Production MoM	Nov	0.40%	--	0.00%
Wed	United Kingdom	Manufacturing Production MoM	Nov	0.30%	--	0.10%
Wed	United States	MBA Mortgage Applications	Jan-05 --	--	--	0.70%
Wed	United States	Import Price Index MoM	Dec	0.40%	--	0.70%
Wed	United States	Wholesale Inventories MoM	Nov F	0.70%	--	0.70%
Thu	China	Money Supply M2 YoY	Dec	9.20%	--	9.10%
Thu	Australia	Retail Sales MoM	Nov	0.40%	--	0.50%
Thu	United States	PPI Final Demand MoM	Dec	0.20%	--	0.40%
Thu	United States	Initial Jobless Claims	Jan-06	245k	--	250k
Fri	United States	Monthly Budget Statement	Dec	-\$46.0b	--	-\$138.5b
Fri	Japan	BoP Current Account Balance	Nov	¥1836.1b	--	¥2176.4b
Fri	Singapore	Retail Sales YoY	Nov	1.90%	--	-0.10%
Fri	Thailand	Foreign Reserves	Jan-05 --	--	--	\$202.6b
Fri	United States	CPI MoM	Dec	0.10%	--	0.40%
Fri	United States	CPI Ex Food and Energy MoM	Dec	0.20%	--	0.10%
Fri	United States	Retail Sales Advance MoM	Dec	0.50%	--	0.80%
Fri	China	Trade Balance	Dec	\$37.00b	--	\$40.21b

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

Daily Market Review At-A-Glance: 9 January 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: Support at 32.10 while key support remain at 31.90. Rebound of low at 32.10 but we still recommend sell on rally if reached 32.45-55 range. Resistance at 32.30.

USDJPY: Report of BoJ reducing purchase of JGB with maturity over 10 years spooked market but USDJPY remain in range with key support at 111.80-112.00 and key resistance at 113.50.

EURUSD: Trade below our stop at 1.1200 so we are now in wait and see mode. Support at 1.1880 might be a good spot to enter long again but Germany political impasse will remain a weight on EURUSD. Key resistance at 1.1290.

Bond:

US Treasury: UST yield continued to move higher for a third consecutive trading session as investors move to riskier asset.

Exchange Rate

	1-Jan-18	8-Jan-18	9-Jan-18
USD/THB	32.55	32.21	32.22
JPY/THB	28.89	28.48	28.62
EUR/THB	39.09	38.54	38.57
GBP/THB	43.95	43.70	43.75
AUD/THB	25.40	25.25	25.32
USD/JPY	112.64	113.08	112.57
EUR/USD	1.201	1.197	1.197
GBP/USD	1.350	1.357	1.357
AUD/USD	0.780	0.784	0.786

Stock market

	5-Jan-18	8-Jan-18	%Change
SET Index	1,795.45	1,792.81	(0.15)
DJIA	25,295.87	25,283.00	(0.05)

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	61.44	61.73	0.47
Gold	1,319.59	1,319.07	(0.04)

Government Bond Yields

Tenor	1-Jan-18	5-Jan-18	8-Jan-18
UST 3-mth	#N/A	1.404	1.414
UST 6-mth	#N/A	1.589	1.578
UST 1-yr	#N/A	1.803	1.787
UST 5-yr	#N/A	2.285	2.287
UST 10-yr	#N/A	2.476	2.482
TGB 6-mth	#N/A	1.33	1.32
TGB 2-yr	#N/A	1.44	1.43
TGB 5-yr	#N/A	1.84	1.85
TGB 10-yr	#N/A	2.54	2.52

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	1.026	0.974	1.011	1.325

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.190	1.220
2-yr	1.430	1.460
3-yr	1.610	1.640
5-yr	1.880	1.910
10-yr	2.27	2.32

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