

Key Theme – UST rise supporting USD as FOMC loom.

This week Economic calendar

Highlight:

- USD rebound heading into farewell FOMC meeting for Yellen. UST gain helped supporting USD this time.
- US Personal Income posted at 0.4% vs, 0.3% forecast, Personal Spending posted at 0.4% in line.
- US PCE YoY posted at 1.5% in line.
- Japan Jobless rate posted at 2.8% vs. 2.7% forecast but Retail Sales posted positively at 0.9% vs. -0.4% forecast.
- **FOMC meeting tomorrow will be Yellen's last meeting as Chairwoman.**
- Key economic indicator this week: Eurozone GDP, Germany CPI on Tuesday, Australia CPI, Eurozone CPI and US ADP employment change on Wednesday, China Caixin PMI, Thailand CPI and US ISM Manufacturing on Thursday, US Non Farm Payrolls and unemployment on Friday.

Our take:

- **Still downside biased USDJPY shift stop loss to 109.70.**
- **10y UST traded above 2.70%, we expect UST 10y yield to trade higher**

Day	Country/Region	Event	Period	Surv(M)	Actual	Prior
Mon	United States	Personal Income	Dec	0.30%	0.40%	0.30%
Mon	United States	Personal Spending	Dec	0.40%	0.40%	0.60%
Tue	Japan	Jobless Rate	Dec	2.70%	2.80%	2.70%
Tue	Japan	Job-To-ApPLICANT Ratio	Dec	1.57	1.59	1.56
Tue	Eurozone	GDP SA QoQ	4Q A	0.60%--		0.60%
Tue	Eurozone	GDP SA YoY	4Q A	2.70%--		2.60%
Tue	Eurozone	Consumer Confidence	Jan F	1.3--		1.3
Tue	Germany	CPI MoM	Jan P	-0.60%--		0.60%
Tue	Germany	CPI YoY	Jan P	1.70%--		1.70%
Tue	Germany	CPI EU Harmonized YoY	Jan P	1.60%--		1.60%
Tue	United States	Conf. Board Consumer Confidence	Jan	123--		122.1
Wed	Japan	Industrial Production MoM	Dec P	1.50%--		0.50%
Wed	Australia	CPI QoQ	4Q	0.70%--		0.60%
Wed	Australia	CPI YoY	4Q	2.00%--		1.80%
Wed	China	Manufacturing PMI	Jan	51.6--		51.6
Wed	Thailand	BoP Current Account Balance	Dec	\$3031m	--	\$5285m
Wed	Germany	Unemployment Change (000's)	Jan	-17k	--	-29k
Wed	Eurozone	CPI Estimate YoY	Jan	1.30%--		1.40%
Wed	United States	ADP Employment Change	Jan	185k	--	250k
Wed	United States	Chicago Purchasing Manager	Jan	64--		67.6
Thu	United States	FOMC Rate Decision (Upper Bound)	Jan-31	1.50%--		1.50%
Thu	Australia	Building Approvals MoM	Dec	-7.60%--		11.70%
Thu	Japan	Nikkei Japan PMI Mfg	Jan F	--	--	54.4
Thu	China	Caixin China PMI Mfg	Jan	51.4--		51.5
Thu	Thailand	CPI YoY	Jan	0.80%--		0.78%
Thu	Australia	Commodity Index SDR YoY	Jan	--	--	-5.90%
Thu	United Kingdom	Nationwide House Px NSA YoY	Jan	2.50%--		2.60%
Thu	Germany	Markit/BME Germany Manufacturing PMI	Jan F	61.2--		61.2
Thu	Eurozone	Markit Eurozone Manufacturing PMI	Jan F	59.6--		59.6
Thu	United Kingdom	Markit UK PMI Manufacturing SA	Jan	56.5--		56.3
Thu	United States	Initial Jobless Claims	Jan-27	235k	--	233k
Thu	United States	Markit US Manufacturing PMI	Jan F	55.5--		55.5
Thu	United States	ISM Manufacturing	Jan	58.6--		59.7
Fri	Japan	Monetary Base YoY	Jan	--	--	11.20%
Fri	United States	Change in Nonfarm Payrolls	Jan	180k	--	148k
Fri	United States	Unemployment Rate	Jan	4.10%--		4.10%
Fri	United States	Factory Orders	Dec	1.20%--		1.30%
Fri	United States	Durable Goods Orders	Dec F	--	--	2.90%

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

Daily Market Review At-A-Glance: 30 January 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We remain downside biased with stop loss at 31.55. We see level from 31.45-55 attractive for exporter to reduce exposure.

USDJPY: We remained downside biased while keeping stop loss at 109.70.

EURUSD: Support at 1.2330-60 and resistance at 1.2500.

Bond:

US Treasury: Government bond around the world sold off as investors expect some recover in global economic. 10Y UST settled and 2.70%, the highest closing since April 2014. We expect U.S. government bond yield to move higher.

Exchange Rate

	22-Jan-18	29-Jan-18	30-Jan-18
USD/THB	31.84	31.43	31.46
JPY/THB	28.69	28.85	28.84
EUR/THB	39.02	38.91	38.91
GBP/THB	44.52	44.23	44.19
AUD/THB	25.52	25.43	25.42
USD/JPY	110.91	108.95	109.06
EUR/USD	1.226	1.238	1.237
GBP/USD	1.399	1.407	1.405
AUD/USD	0.802	0.809	0.808

Stock market

	26-Jan-18	29-Jan-18	%Change
SET Index	1,828.88	1,837.49	0.47
DJIA	26,616.71	26,439.48	(0.67)

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	66.14	65.56	(0.88)
Gold	1,349.12	1,335.80	(0.99)

Government Bond Yields

Tenor	22-Jan-18	26-Jan-18	29-Jan-18
UST 3-mth	1.424	1.422	1.409
UST 6-mth	1.625	1.638	1.633
UST 1-yr	1.781	1.786	1.781
UST 5-yr	2.461	2.470	2.497
UST 10-yr	2.663	2.662	2.699
TGB 6-mth	1.33	1.34	1.34
TGB 2-yr	1.41	1.40	1.40
TGB 5-yr	1.81	1.79	1.81
TGB 10-yr	2.48	2.47	2.47

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.876	1.009	1.090	1.350

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.215	1.245
2-yr	1.440	1.470
3-yr	1.640	1.670
5-yr	1.995	2.025
10-yr	2.415	2.465

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