

Key Theme – USD took a hit but still trade in recent range.

This week Economic calendar

Highlight:

- Eurozone GDP YoY posted in line at 2.7%.
- Eurozone Consumer Confidence posted at 1.3 in line
- Germany CPI EU Harmonized YoY posted at 1.4% vs. 1.6% forecast.
- US Consumer Confidence posted at 125.4 vs. 123.0 forecast.
- Australia CPI YoY posted at 1.9% vs. 2.0% forecast.
- China Manufacturing PMI posted at 51.3 vs. 51.6 forecast.
- **FOMC meeting tonight will be Yellen's last meeting as Chairwoman.**
- Key economic indicator this week: 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:

- **Market expect Fed to hold rate and keep slight hawkish stance.**
- **Still downside biased USDJPY shift stop loss to 109.70.**
- **We still 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%	0.60%
Tue	Eurozone	GDP SA YoY	4Q A	2.70%	2.70%	2.60%
Tue	Eurozone	Consumer Confidence	Jan F	1.3	1.3	1.3
Tue	Germany	CPI MoM	Jan P	-0.60%	-0.70%	0.60%
Tue	Germany	CPI YoY	Jan P	1.70%	1.60%	1.70%
Tue	Germany	CPI EU Harmonized YoY	Jan P	1.60%	1.40%	1.60%
Tue	United States	Conf. Board Consumer Confidence	Jan	123	125.4	122.1
Wed	Japan	Industrial Production MoM	Dec P	1.50%	2.70%	0.50%
Wed	Australia	CPI QoQ	4Q	0.70%	0.60%	0.60%
Wed	Australia	CPI YoY	4Q	2.00%	1.90%	1.80%
Wed	China	Manufacturing PMI	Jan	51.6	61.3	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: 31 January 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We remain downside biased with stop loss at 31.55. We still 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 bet on a pickup in growth and inflation following the passage of the U.S. corporate tax cuts. 10Y UST closed at 2.725%, higher 3bps from previous day.

Exchange Rate

	23-Jan-18	30-Jan-18	31-Jan-18
USD/THB	31.81	31.41	31.35
JPY/THB	28.83	28.87	28.80
EUR/THB	39.12	38.95	38.96
GBP/THB	44.53	44.43	44.45
AUD/THB	25.44	25.39	25.33
USD/JPY	110.29	108.76	108.83
EUR/USD	1.230	1.240	1.243
GBP/USD	1.400	1.415	1.418
AUD/USD	0.800	0.808	0.808

Stock market

	29-Jan-18	30-Jan-18	%Change
SET Index	1,837.49	1,826.61	(0.59)
DJIA	26,439.48	26,076.89	(1.37)

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	65.56	64.5	(1.62)
Gold	1,340.33	1,341.18	0.06

Government Bond Yields

Tenor	23-Jan-18	29-Jan-18	30-Jan-18
UST 3-mth	1.447	1.409	1.460
UST 6-mth	1.638	1.633	1.664
UST 1-yr	1.761	1.781	1.781
UST 5-yr	2.419	2.497	2.507
UST 10-yr	2.622	2.699	2.725
TGB 6-mth	1.33	1.34	1.34
TGB 2-yr	1.41	1.40	1.39
TGB 5-yr	1.81	1.81	1.83
TGB 10-yr	2.48	2.47	2.51

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.864	1.011	1.120	1.385

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.215	1.245
2-yr	1.420	1.450
3-yr	1.630	1.660
5-yr	1.955	1.985
10-yr	2.375	2.425

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