

Key Theme – FOMC held rate, signal more hike.

This week Economic calendar

Highlight:

- **FOMC held rate as expected while sounding more upbeat on economy. Market are now pricing almost certain hike in March.**
- Eurozone CPI Core YoY posted at 1.3% vs. 1.2% forecast.
- US ADP Employment Change posted at 234k vs. 185k forecast.
- China Caixin Mfg PMI posted at 51.5 in line.
- Key economic indicator this week: 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.**

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	\$3856m	\$5285m
Wed	Germany	Unemployment Change (000's)	Jan	-17k	-25k	-29k
Wed	Eurozone	CPI Estimate YoY	Jan	1.30%	1.30%	1.40%
Wed	United States	ADP Employment Change	Jan	185k	234k	250k
Wed	United States	Chicago Purchasing Manager	Jan	64	65.7	67.6
Thu	United States	FOMC Rate Decision (Upper Bound)	Jan-31	1.50%	1.50%	1.50%
Thu	Australia	Building Approvals MoM	Dec	-7.60%	-20.00%	11.70%
Thu	Japan	Nikkei Japan PMI Mfg	Jan F	--	54.8	54.4
Thu	China	Caixin China PMI Mfg	Jan	51.4	51.5	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: 1 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We remain downside biased with stop loss at 31.55.

USDJPY: We remained downside biased with stop loss at 109.70

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

Bond:

US Treasury: Front end yields shifted higher after FOMC meeting last night hinted for further hikes. The market has now priced in around 99% (Bloomberg) for March's hike. All eyes will be on the Job report this Friday

Exchange Rate

	24-Jan-18	31-Jan-18	1-Feb-18
USD/THB	31.53	31.34	31.37
JPY/THB	28.86	28.69	28.67
EUR/THB	39.12	38.92	38.96
GBP/THB	44.90	44.47	44.55
AUD/THB	25.42	25.24	25.24
USD/JPY	109.21	109.17	109.38
EUR/USD	1.241	1.242	1.242
GBP/USD	1.424	1.419	1.420
AUD/USD	0.806	0.805	0.805

Government Bond Yields

Tenor	24-Jan-18	30-Jan-18	31-Jan-18
UST 3-mth	1.440	1.460	1.465
UST 6-mth	1.633	1.664	1.664
UST 1-yr	1.771	1.781	1.897
UST 5-yr	2.441	2.507	2.526
UST 10-yr	2.654	2.725	2.720
TGB 6-mth	1.33	1.34	1.34
TGB 2-yr	1.41	1.39	1.37
TGB 5-yr	1.80	1.83	1.82
TGB 10-yr	2.48	2.51	2.51

Stock market

	30-Jan-18	31-Jan-18	%Change
SET Index	1,826.61	1,826.86	0.01
DJIA	26,076.89	26,149.39	0.28

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	64.5	64.73	0.36
Gold	1,338.59	1,343.12	0.34

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.852	0.919	1.100	1.389

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.230	1.260
2-yr	1.450	1.480
3-yr	1.655	1.685
5-yr	1.995	2.025
10-yr	2.41	2.46

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