

Key Theme – Thailand CPI remain soft, US Non farm in focus.

This week Economic calendar

Highlight:

- Thailand CPI posted soft at 0.68% YoY vs. 0.80% forecast. CPI Core YoY posted at 0.58% vs. 0.66% forecast. Softer Fresh food still weighted on CPI while stronger THB pushed LPG price lower.
- US ISM Manufacturing posted at 59.1 vs. 58.6 forecast.
- Eurozone, Germany and US Manufacturing PMI mostly posted in line with projection.
- Key economic indicator this week: US Non Farm Payrolls and unemployment on Friday.

Our take:

- Still downside biased USDJPY despite trading above our stop loss at 109.70 briefly yesterday. If close today above our stop loss then we will change view to neutral.
- Bond Sell off continue with UST 10y yield trading close to 2.80%. Wage growth will be in focus for non farm report today but we maintain our view that UST yield will move 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-Applciant 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%	0.68%	0.78%
Thu	Australia	Commodity Index SDR YoY	Jan	--	-0.60%	-5.90%
Thu	United Kingdom	Nationwide House Px NSA YoY	Jan	2.50%	3.20%	2.60%
Thu	Germany	Markit/BME Germany Manufacturing PMI	Jan F	61.2	61.1	61.2
Thu	Eurozone	Markit Eurozone Manufacturing PMI	Jan F	59.6	59.6	59.6
Thu	United Kingdom	Markit UK PMI Manufacturing SA	Jan	56.5	55.3	56.3
Thu	United States	Initial Jobless Claims	Jan-27	235k	230k	233k
Thu	United States	Markit US Manufacturing PMI	Jan F	55.5	55.5	55.5
Thu	United States	ISM Manufacturing	Jan	58.6	59.1	59.7
Fri	Japan	Monetary Base YoY	Jan	--	9.70%	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: 2 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 despite USDJPY briefly trade above our stop loss at 109.70 yesterday. If USDJPY can close today above our stop loss then we will change our view to neutral.

EURUSD: Support at 1.2330-60 and resistance at 1.2500. Testing resistance at 1.2500 this morning, if can close today above then we see EURUSD moving higher next week.

Bond:

US Treasury: UST Yield rose to 2.79% which is highest level since April 2014.

Exchange Rate	Exchange Rate		
	25-Jan-18	1-Feb-18	2-Feb-18
USD/THB	31.45	31.29	31.31
JPY/THB	28.74	28.60	28.59
EUR/THB	38.98	39.14	39.13
GBP/THB	44.47	44.63	44.65
AUD/THB	25.23	25.15	25.08
USD/JPY	109.39	109.39	109.49
EUR/USD	1.240	1.251	1.250
GBP/USD	1.415	1.426	1.426
AUD/USD	0.803	0.804	0.801

Tenor	Government Bond Yields		
	25-Jan-18	31-Jan-18	1-Feb-18
UST 3-mth	1.427	1.465	1.488
UST 6-mth	1.635	1.664	1.648
UST 1-yr	1.776	1.897	1.895
UST 5-yr	2.418	2.526	2.559
UST 10-yr	2.621	2.72	2.773
TGB 6-mth	1.33	1.34	1.34
TGB 2-yr	1.40	1.37	1.37
TGB 5-yr	1.79	1.82	1.82
TGB 10-yr	2.47	2.51	2.52

Stock market

	31-Jan-18	1-Feb-18	%Change
SET Index	1,826.86	1,833.60	0.37
DJIA	26,149.39	26,186.71	0.14

Repurchase rate

	1-day	7-day	14-day	1-mth
	1.50%	1.50%	1.50%	1.50%

Commodities

	Commodities		
	Previous Day	Last	%Change
WTI Crude oil	64.73	65.8	1.65
Gold	1,345.14	1,348.99	0.29

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.977	1.004	1.187	1.436

THB Swap rate (IRS)

Tenor	THB Swap rate (IRS)	
	bid	ask
1-yr	1.285	1.315
2-yr	1.480	1.510
3-yr	1.680	1.710
5-yr	2.015	2.045
10-yr	2.435	2.485

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