

Key Theme – Stock sell off as fear crept in.

This week Economic calendar

Highlight:

- Stock sell off continue as market retracing most of the gain since beginning of the year. USDJPY and Cross JPY also plunged as classic risk off trade take market by storm.
- Eurozone Retail Sales posted at 1.9% YoY in line.
- US ISM Non-Manf posted at 59.9 vs. 56.7 forecast.
- **This week we have policy decision by RBA this morning and RBNZ and BoE on Thursday.**
- Key economic indicator this week: Germany Factory Orders on Tuesday, Germany Industrial Production on Wednesday, China Trade figures on Thursday, China CPI and PPI, UK Industrial Production on Friday.

Our take:

- **We are now neutral USDTHB as risk off trade push it above our stop loss at 31.55. If stock sell off continue then we see USDTHB moving higher. Resistance at 31.77 then 31.95.**

Day	Country/Region	Event	Period	Surv(M)	Actual	Prior
Mon	Australia	Melbourne Institute Inflation MoM	Jan	--	0.30%	0.10%
Mon	United States	ISM Non-Manf. Composite	Jan	56.7	59.9	55.9
Tue	Australia	Trade Balance	Dec	A\$200m	-A\$1358m	-A\$628m
Tue	Australia	Retail Sales MoM	Dec	-0.20%	-0.50%	1.20%
Tue	Australia	RBA Cash Rate Target	Feb-06	1.50%	--	1.50%
Tue	Germany	Factory Orders MoM	Dec	0.80%	--	-0.40%
Tue	United States	Trade Balance	Dec	-\$52.0b	--	-\$50.5b
Wed	Germany	Industrial Production SA MoM	Dec	-0.60%	--	3.40%
Wed	United Kingdom	Halifax House Prices MoM	Jan	0.20%	--	-0.60%
Wed	United States	MBA Mortgage Applications	Feb-02	--	--	-2.60%
Thu	Japan	BoP Current Account Balance	Dec	¥1056.9b	--	¥1347.3b
Thu	United Kingdom	Bank of England Bank Rate	Feb-08	0.50%	--	0.50%
Thu	United States	Initial Jobless Claims	Feb-03	233k	--	230k
Thu	China	Trade Balance	Jan	\$54.85b	--	\$54.69b
Fri	Japan	Money Stock M2 YoY	Jan	3.60%	--	3.60%
Fri	Japan	Money Stock M3 YoY	Jan	3.10%	--	3.10%
Fri	Australia	Home Loans MoM	Dec	-1.00%	--	2.10%
Fri	China	PPI YoY	Jan	4.30%	--	4.90%
Fri	China	CPI YoY	Jan	1.50%	--	1.80%
Fri	Japan	Tertiary Industry Index MoM	Dec	0.20%	--	1.10%
Fri	Thailand	Foreign Reserves	Feb-02	--	--	\$213.8b
Fri	United Kingdom	Industrial Production MoM	Dec	-0.90%	--	0.40%
Fri	United Kingdom	Manufacturing Production MoM	Dec	0.30%	--	0.40%
Fri	United States	Wholesale Inventories MoM	Dec F	0.20%	--	0.20%

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

Daily Market Review At-A-Glance: 6 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: We are now neutral USDTHB as it trade above our stop loss. If stock sell off continue we see USDTHB moving higher. Resistance now at 31.77 and 31.95. Support at 31.55.

USDJPY: Remain neutral as risk off trade push USDJPY downward. Support at 108.40-50.

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

Bond:

US Treasury: Bond yield and IRS rates higher 3-5bps on Monday as global yield moved higher on Friday. However, This morning market move lower 4bps follow UST moved.

	Exchange Rate		
	29-Jan-18	5-Feb-18	6-Feb-18
USD/THB	31.43	31.62	31.66
JPY/THB	28.85	28.98	29.14
EUR/THB	38.91	39.10	39.13
GBP/THB	44.23	44.13	44.15
AUD/THB	25.43	24.91	24.90
USD/JPY	108.95	109.09	108.63
EUR/USD	1.238	1.237	1.236
GBP/USD	1.407	1.396	1.395
AUD/USD	0.809	0.788	0.786

Stock market

	2-Feb-18	5-Feb-18	%Change
SET Index	1,827.35	1,810.32	(0.93)
DJIA	25,520.96	24,345.75	(4.60)

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	65.45	64.15	(1.99)
Gold	1,333.39	1,345.32	0.89

Government Bond Yields

Tenor	29-Jan-18	2-Feb-18	5-Feb-18
UST 3-mth	1.409	1.486	1.493
UST 6-mth	1.633	1.643	1.635
UST 1-yr	1.781	1.881	1.858
UST 5-yr	2.497	2.598	2.523
UST 10-yr	2.699	2.852	2.794
TGB 6-mth	1.34	1.34	1.33
TGB 2-yr	1.40	1.37	1.39
TGB 5-yr	1.81	1.82	1.84
TGB 10-yr	2.47	2.52	2.57

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.775	0.872	1.116	1.385

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.225	1.255
2-yr	1.430	1.460
3-yr	1.615	1.645
5-yr	1.965	1.995
10-yr	2.375	2.425

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