

Key Theme – RBA held rate, equities rebound.

This week Economic calendar

Highlight:

- RBA held rate at 1.5% while remain slightly dovish as concern on household spending lingered.
- Stock bounced back from two days sell off, remain to be seen whether this correction is done.
- Germany Factory Orders MoM posted at 3.8% vs. 0.7% forecast.
- US Trade balance posted at -\$53.1b vs. -\$52.1b forecast.
- **This week we have policy decision by RBNZ and BoE on tomorrow.**
- Key economic indicator this week: Germany Industrial Production on Wednesday, China Trade figures on Thursday, China CPI and PPI, UK Industrial Production on Friday.

Our take:

- **We remain neutral USDTHB as we are not sure yesterday bounced in equities signal end of equities correction.**

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%	1.50%
Tue	Germany	Factory Orders MoM	Dec	0.80%	3.80%	-0.40%
Tue	United States	Trade Balance	Dec	-\$52.0b	-\$53.1b	-\$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: 7 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: Trade down from high at 31.70 as risk sentiment improve. Support at 31.30-35 and Resistance at 31.55.

USDJPY: Support at 108.40-50 was able to held yesterday. Remain neutral. Resistance at 109.70 then 110.30.

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

Bond:

US Treasury: 10Y UST yield closed at 2.80%, higher 10bps from previous day. U.S. government bonds fluctuated as a wave of volatility swept through financial markets.

Exchange Rate

	30-Jan-18	6-Feb-18	7-Feb-18
USD/THB	31.41	31.51	31.44
JPY/THB	28.87	28.76	28.74
EUR/THB	38.95	39.00	38.94
GBP/THB	44.43	43.95	43.90
AUD/THB	25.39	24.91	24.81
USD/JPY	108.76	109.55	109.38
EUR/USD	1.240	1.238	1.238
GBP/USD	1.415	1.395	1.396
AUD/USD	0.808	0.791	0.789

Government Bond Yields

Tenor	30-Jan-18	5-Feb-18	6-Feb-18
UST 3-mth	1.460	1.493	1.524
UST 6-mth	1.664	1.635	1.684
UST 1-yr	1.781	1.858	1.858
UST 5-yr	2.507	2.523	2.508
UST 10-yr	2.725	2.794	2.766
TGB 6-mth	1.34	1.33	1.33
TGB 2-yr	1.39	1.39	1.39
TGB 5-yr	1.83	1.84	1.82
TGB 10-yr	2.51	2.57	2.55

Stock market

	5-Feb-18	6-Feb-18	%Change
SET Index	1,810.32	1,788.43	(1.21)
DJIA	24,345.75	24,912.77	2.33

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	64.15	63.39	(1.18)
Gold	1,339.67	1,329.77	(0.74)

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.857	0.902	1.107	1.370

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.215	1.245
2-yr	1.440	1.470
3-yr	1.645	1.675
5-yr	1.990	2.020
10-yr	2.43	2.48

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