

Key Theme – BoE hawkish hold, Asset Sell off continue, US heading for another shut down.

This week Economic calendar

Highlight:

- US equities and bond sell off continue last night which drove USD up against Asian currencies.
- **BoE held rate but signal another hike could be in play in the near future.**
- **US Government could be heading for another shut down despite leader of both parties agreeing to a deal, they could not get enough vote in the senate.**
- China Import posted unexpectedly strong at 36.9% vs. 10.6% forecast. With export about in line, Trade balance fall from \$54.69b to \$20.34b.
- China PPI YoY posted in line at 4.3% and CPI also posted in line at 1.5%.
- Key economic indicator this week: UK Industrial Production on Friday.

Our take:

- **We remain neutral USDTHB, expect 31.90-32.00 to provide strong resistance. Keep close watch on US and Thai equities today heading for weekly close.**

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%	-0.60%	3.40%
Wed	United Kingdom	Halifax House Prices MoM	Jan	0.20%	-0.60%	-0.60%
Wed	United States	MBA Mortgage Applications	Feb-02	--	0.70%	-2.60%
Thu	Japan	BoP Current Account Balance	Dec	¥1056.9b	¥797.2b	¥1347.3b
Thu	United Kingdom	Bank of England Bank Rate	Feb-08	0.50%	0.50%	0.50%
Thu	United States	Initial Jobless Claims	Feb-03	233k	221k	230k
Thu	China	Trade Balance	Jan	\$54.85b	\$20.34b	\$54.69b
Fri	Japan	Money Stock M2 YoY	Jan	3.60%	3.40%	3.60%
Fri	Japan	Money Stock M3 YoY	Jan	3.10%	2.90%	3.10%
Fri	Australia	Home Loans MoM	Dec	-1.00%	-2.30%	2.10%
Fri	China	PPI YoY	Jan	4.30%	4.30%	4.90%
Fri	China	CPI YoY	Jan	1.50%	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: 9 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: : Stock sell off drove USDTHB to high at 31.90. We see strong resistance at 31.90-32.00. Support at 31.77 then 70.

USDJPY: Remain neutral. Support at 108.40. Resistance at 109.70 then 110.30.

EURUSD: Resistance at 1.2330. Support at 1.2220. Key support at 1.2150.

Bond:

US Treasury: USD rates firstly went higher to test the previous high. However, the US equity sell off boosted demand for safe heaven. All eyes should be on how US equity react tonight and close the week

Exchange Rate

	1-Feb-18	8-Feb-18	9-Feb-18
USD/THB	31.29	31.89	31.84
JPY/THB	28.60	29.32	29.24
EUR/THB	39.14	39.05	38.99
GBP/THB	44.63	44.36	44.34
AUD/THB	25.15	24.81	24.73
USD/JPY	109.39	108.74	108.87
EUR/USD	1.251	1.225	1.224
GBP/USD	1.426	1.391	1.392
AUD/USD	0.804	0.778	0.777

Stock market

	7-Feb-18	8-Feb-18	%Change
SET Index	1,785.44	1,786.66	0.07
DJIA	24,893.35	23,860.46	(4.15)

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	61.79	61.15	(1.04)
Gold	1,318.39	1,317.54	(0.06)

Government Bond Yields

Tenor	1-Feb-18	7-Feb-18	8-Feb-18
UST 3-mth	1.488	1.547	1.552
UST 6-mth	1.648	1.726	1.733
UST 1-yr	1.895	1.894	1.899
UST 5-yr	2.559	2.563	2.568
UST 10-yr	2.773	2.843	2.849
TGB 6-mth	1.34	1.33	1.33
TGB 2-yr	1.37	1.39	1.39
TGB 5-yr	1.82	1.83	1.85
TGB 10-yr	2.52	2.56	2.56

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.741	0.854	1.073	1.333

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.210	1.240
2-yr	1.470	1.500
3-yr	1.700	1.730
5-yr	2.040	2.070
10-yr	2.485	2.535

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