

Key Theme – High market volatility continued.

This week Economic calendar

Highlight:

- Market continue to be dictate by high volatilities in equities market. With Equities rebounding, USD weakened against Asian currencies, while USDJPY and Cross JPY traded higher.
- UK Industrial production MoM posted at -1.3% vs. -0.90%, Manufacturing production posted in line at 0.3% MoM. Soft IP figures weighting on GBP.
- This week we have BoT policy announcement on Wednesday.**
- Key economic indicator this week: UK CPI on Tuesday, Australia Consumer confidence, Japan GDP, Germany GDP and CPI, Eurozone GDP, US CPI and Retail Sales on Wednesday, Australia Unemployment, Japan Industrial Production, US Empire Manufacturing and PPI on Thursday, UK Retail Sales and US Import Price Index on Friday.

Our take:

- We expect last week correction in equities to be short lived. Maintain downside biased USDTHB in medium term. Support for now at 31.55.**

Day	Country/Region	Event	Period	Surv(M)	Actual	Prior
Tue	United States	Monthly Budget Statement	Jan	\$51.0b	--	\$51.3b
Tue	Japan	PPI YoY	Jan	2.70%	--	3.10%
Tue	United Kingdom	CPI MoM	Jan	-0.60%	--	0.40%
Tue	United Kingdom	CPI YoY	Jan	2.90%	--	3.00%
Tue	United Kingdom	CPI Core YoY	Jan	2.60%	--	2.50%
Tue	United Kingdom	PPI Output NSA MoM	Jan	0.20%	--	0.40%
Wed	Australia	Westpac Consumer Conf SA MoM	Feb	--	--	1.80%
Wed	Japan	GDP SA QoQ	4Q P	0.20%	--	0.60%
Wed	Japan	GDP Annualized SA QoQ	4Q P	1.00%	--	2.50%
Wed	Japan	GDP Deflator YoY	4Q P	0.00%	--	0.10%
Wed	Germany	GDP SA QoQ	4Q P	0.60%	--	0.80%
Wed	Germany	GDP NSA YoY	4Q P	2.20%	--	2.30%
Wed	Germany	CPI MoM	Jan F	-0.70%	--	-0.70%
Wed	Germany	CPI YoY	Jan F	1.60%	--	1.60%
Wed	Germany	CPI EU Harmonized YoY	Jan F	1.40%	--	1.40%
Wed	Thailand	BoT Benchmark Interest Rate	Feb-14	1.50%	--	1.50%
Wed	Eurozone	GDP SA QoQ	4Q P	0.60%	--	0.60%
Wed	Eurozone	GDP SA YoY	4Q P	2.70%	--	2.70%
Wed	United States	MBA Mortgage Applications	Feb-09	--	--	0.70%
Wed	United States	CPI MoM	Jan	0.30%	--	0.10%
Wed	United States	CPI Ex Food and Energy MoM	Jan	0.20%	--	0.30%
Wed	United States	Retail Sales Advance MoM	Jan	0.20%	--	0.40%
Thu	Japan	Core Machine Orders MoM	Dec	-2.30%	--	5.70%
Thu	Australia	Employment Change	Jan	15.0k	--	34.7k
Thu	Australia	Unemployment Rate	Jan	5.50%	--	5.50%
Thu	Australia	Participation Rate	Jan	65.60%	--	65.70%
Thu	Japan	Industrial Production MoM	Dec F	--	--	2.70%
Thu	United States	Empire Manufacturing	Feb	18	--	17.7
Thu	United States	Initial Jobless Claims	Feb-10	228k	--	221k
Thu	United States	PPI Final Demand MoM	Jan	0.40%	--	-0.10%
Thu	United States	Philadelphia Fed Business Outlook	Feb	22	--	22.2
Thu	United States	Industrial Production MoM	Jan	0.20%	--	0.90%
Fri	Thailand	Foreign Reserves	Feb-09	--	--	\$214.4b
Fri	United Kingdom	Retail Sales Ex Auto Fuel MoM	Jan	0.60%	--	-1.60%
Fri	United Kingdom	Retail Sales Ex Auto Fuel YoY	Jan	2.40%	--	1.30%
Fri	United Kingdom	Retail Sales Inc Auto Fuel MoM	Jan	0.60%	--	-1.50%
Fri	United Kingdom	Retail Sales Inc Auto Fuel YoY	Jan	2.50%	--	1.40%
Fri	United States	Import Price Index MoM	Jan	0.60%	--	0.10%
Fri	United States	Housing Starts	Jan	1231k	--	1192k
Fri	United States	U. of Mich. Sentiment	Feb P	95.5	--	95.7

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

Daily Market Review At-A-Glance: 12 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: : We expect stock correction last week to be temporary and rebound in asset price will put pressure on USDTHB. Maintain medium term view of downside biased USDTHB. Support at 31.55. Resistance at 31.70 then 31.77.

USDJPY: Remain neutral. Support at 108.40. Resistance at 109.30 then 109.70.

EURUSD: Resistance at 1.2330. Support at 1.2200-20. Key support at 1.2130-50. Recommend buy on dip at range 1.2150-70.

Bond:

US Treasury: UST traded very volatile on Friday. The 10-y yield went as low as 2.78% when the Dow dropped around 300 points. However, the yield bounced back and closed at 2.85% when the Dow rebounded.

Exchange Rate

	2-Feb-18	9-Feb-18	12-Feb-18
USD/THB	31.44	31.71	31.62
JPY/THB	28.55	29.14	29.07
EUR/THB	39.17	38.79	38.83
GBP/THB	44.39	43.87	43.78
AUD/THB	24.90	24.77	24.76
USD/JPY	110.09	108.78	108.73
EUR/USD	1.246	1.223	1.228
GBP/USD	1.412	1.384	1.385
AUD/USD	0.792	0.781	0.783

Stock market

	8-Feb-18	9-Feb-18	%Change
SET Index	1,786.66	1,786.45	(0.01)
DJIA	23,860.46	24,190.90	1.38

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	61.15	59.2	(3.19)
Gold	1,318.76	1,323.25	0.34

Government Bond Yields

Tenor	2-Feb-18	8-Feb-18	9-Feb-18
UST 3-mth	1.486	1.552	1.562
UST 6-mth	1.643	1.733	1.736
UST 1-yr	1.881	1.899	1.881
UST 5-yr	2.598	2.568	2.516
UST 10-yr	2.852	2.849	2.831
TGB 6-mth	1.34	1.33	1.33
TGB 2-yr	1.37	1.39	1.40
TGB 5-yr	1.82	1.85	1.86
TGB 10-yr	2.52	2.56	2.56

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.857	0.883	1.078	1.339

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.205	1.235
2-yr	1.460	1.490
3-yr	1.700	1.730
5-yr	2.065	2.095
10-yr	2.515	2.565

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