

Key Theme – Powell swore in as Fed Chair.

This week Economic calendar

Highlight:

- **Jerome Powell officially begin his tenure as Fed Chairman after completing a ceremonial swearing-in yesterday, pledging to keep gradually raising interest rate and closely watching market risk.**
- UK CPI posted at 3.0% YoY vs. 2.9% forecast.
- UK PPI posted at 2.8% YoY vs. 3.0% forecast.
- Japan GDP Annualized QoQ posted at 0.5% vs. 1.0% forecast.
- **BoT MPC policy announcement this afternoon.**
- Key economic indicator this week: 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:

- **Maintain downside biased USDTHB in medium term. We expect BoT to held rate and possibly tilted more dovish than previous meeting. Comment on Foreign Exchange will be closely watch for any changes.**

Day	Country/Region	Event	Period	Surv(M)	Actual	Prior
Tue	United States	Monthly Budget Statement	Jan	\$51.0b	\$49.2b	\$51.3b
Tue	Japan	PPI YoY	Jan	2.80%	2.70%	3.10%
Tue	United Kingdom	CPI MoM	Jan	-0.60%	-0.50%	0.40%
Tue	United Kingdom	CPI YoY	Jan	2.90%	3.00%	3.00%
Tue	United Kingdom	CPI Core YoY	Jan	2.60%	2.70%	2.50%
Tue	United Kingdom	PPI Output NSA MoM	Jan	0.20%	0.10%	0.40%
Wed	Australia	Westpac Consumer Conf SA MoM	Feb	--	-2.30%	1.80%
Wed	Japan	GDP SA QoQ	4Q P	0.20%	0.10%	0.60%
Wed	Japan	GDP Annualized SA QoQ	4Q P	1.00%	0.50%	2.50%
Wed	Japan	GDP Deflator YoY	4Q P	0.00%	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: 14 February 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: : Stronger than expected US CPI could spark another stock sell off. For now support at 31.30-35. Resistance at 31.45 then 31.55.

USDJPY: We see key support for USDJPY at 106.30-50. Resistance at 108.50.

EURUSD: : Maintain recommend buy on dip at range 1.2150-70 but having break above 1.2330 yesterday, EURUSD is more likely to test 1.2500 again than testing key support at 1.2130-50

Bond:

US Treasury: 10y UST yield lower 4bps a day ahead of the release of inflation data that some expect may mark a turning point in market sentiment.

Exchange Rate

	6-Feb-18	13-Feb-18	14-Feb-18
USD/THB	31.51	31.47	31.35
JPY/THB	28.76	29.19	29.28
EUR/THB	39.00	38.87	38.81
GBP/THB	43.95	43.71	43.61
AUD/THB	24.91	24.73	24.71
USD/JPY	109.55	107.82	107.03
EUR/USD	1.238	1.235	1.238
GBP/USD	1.395	1.389	1.391
AUD/USD	0.791	0.786	0.788

Stock market

	12-Feb-18	13-Feb-18	%Change
SET Index	1,799.45	1,800.03	0.03
DJIA	24,601.27	24,640.45	0.16

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	59.29	59.19	(0.17)
Gold	1,322.70	1,335.31	0.95

Government Bond Yields

Tenor	6-Feb-18	12-Feb-18	13-Feb-18
UST 3-mth	1.524	1.572	1.608
UST 6-mth	1.684	1.785	1.803
UST 1-yr	1.858	1.925	1.938
UST 5-yr	2.508	2.554	2.549
UST 10-yr	2.766	2.855	2.840
TGB 6-mth	1.33	1.33	1.33
TGB 2-yr	1.39	1.40	1.40
TGB 5-yr	1.82	1.85	1.84
TGB 10-yr	2.55	2.56	2.55

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.782	0.782	0.987	1.288

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.175	1.205
2-yr	1.435	1.465
3-yr	1.650	1.680
5-yr	2.005	2.035
10-yr	2.46	2.51

The information contained in this document has been obtained from sources believed to be reliable. However, neither we nor any of our respective affiliates, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of any of the information contained in this document, and we and each of such persons expressly disclaims any and all liability relating to or resulting from the use of this document or such information by the recipient and any persons in whatever manner.

Any opinions presented herein represent the subject views of ours and our current estimates and judgments which are based on various assumptions that may be subject to changes without notice, and may or may not prove to be correct.

This document is for the recipient's information only. It does not represent or constitutes an advice, offer, recommendation, or solicitation by us and should not be relied as such. We or any of our associates may also have an interest in the companies mentioned herein.