

## Key Theme – FOMC came in as expected with no change to rates

### This week Economic calendar

#### Highlight:

- Overnight FOMC came in as expected with no change to rates and no dissent vote.
- FED says inflation moved close to 2% and see economy warranting further gradual hike.
- In US data, ADP prints 204k (exp 198k). Equities ended the session lower with Dow and S&P each off 0.72%.
- Post FOMC, USD pulled back broadly against both G10 and EM as EURUSD rallied back up to 1.2026 high, AUDUSD to 0.7537 high, and USDJPY to a low of 109.60 before revert all the move to pre FOMC level.
- Market awaits the result of trade discussion between China and US.
- Key economic indicator this week: US FOMC rate decision and US Trade Balance on Today, and Thailand Foreign Reserves and US Unemployment Rate on Fri.

#### Our take:

- Range Expected: Intraday range 31.60-31.75.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	China	Manufacturing PMI	Apr	51.3	51.4	51.5
Mon	Thailand	BoP Current Account Balance	Mar	\$4400m	\$5751m	\$6157m
Mon	Eurozone	M3 Money Supply YoY	Mar	4.10%	3.70%	4.20%
Mon	Germany	CPI MoM	Apr P	-0.10%	0.00%	0.40%
Mon	Germany	CPI YoY	Apr P	1.50%	1.60%	1.60%
Mon	United States	Personal Income	Mar	0.40%	0.30%	0.40%
Mon	United States	Personal Spending	Mar	0.40%	0.40%	0.20%
Tue	Japan	Nikkei Japan PMI Mfg	Apr F	--	53.8	53.3
Tue	Thailand	CPI YoY	Apr	1.50%	1.60%	0.79%
Tue	Australia	RBA Cash Rate Target	May-01	1.50%	1.50%	1.50%
Tue	UK	Mortgage Approvals	Mar	63.0k	62.9k	63.9k
Tue	UK	Markit UK PMI Manufacturing SA	Apr	54.8	53.9	55.1
Tue	United States	Markit US Manufacturing PMI	Apr F	56.5	56.5	56.5
Tue	United States	Construction Spending MoM	Mar	0.50%	-1.70%	0.10%
Tue	United States	ISM Manufacturing	Apr	58.5	57.3	59.3
Wed	Japan	Monetary Base YoY	Apr	--	7.80%	9.10%
Wed	China	Caixin China PMI Mfg	Apr	50.9	51.1	51
Wed	Germany	Markit/BME Germany Manufacturing PMI	Apr F	58.1	58.1	58.1
Wed	Eurozone	Markit Eurozone Manufacturing PMI	Apr F	56	56.2	56
Wed	Eurozone	GDP SA QoQ	1Q A	0.40%	0.40%	0.60%
Wed	Eurozone	GDP SA YoY	1Q A	2.50%	2.50%	2.70%
Wed	United States	MBA Mortgage Applications	Apr-27	--	-2.50%	-0.20%
Thu	United States	FOMC Rate Decision (Upper Bound)	May-02	1.75%	--	1.75%
Thu	Australia	Trade Balance	Mar	A\$883m	--	A\$825m
Thu	Australia	Building Approvals MoM	Mar	1.00%	--	-6.20%
Thu	United States	Initial Jobless Claims	Apr-28	224k	--	209k
Thu	United States	Trade Balance	Mar	-\$50.0b	--	-\$57.6b
Thu	United States	Durable Goods Orders	Mar F	--	--	2.60%
Fri	Thailand	Foreign Reserves	Apr-27	--	--	\$216.6b
Fri	United States	Change in Nonfarm Payrolls	Apr	195k	--	103k
Fri	United States	Unemployment Rate	Apr	4.00%	--	4.10%

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

# Daily Market Review At-A-Glance: 3 May 2018

## Views on Interest Rate and Exchange Rates

### Currency:

**USDTHB:** USDTHB inched higher post FOMC to major resistance near 31.80 but retraced after market digested FOMC matters. Medium term spot should stay heavy as long as spot trade below 31.85. We kept our recommendation to sell toward 31.80. Support 31.65/31.44 resistance at 31.85/32.00.

**USDJPY:** USDJPY failed to break resistance at 110. Major resistance lining up at 110/110.5 support at 109.10/108.35.

**EURUSD:** EUR traded briefly higher post FOMC but retraced to 1.193 on market interpretation that FED is now comfortable with inflation overshoot. Still bias to buy EUR here as fundamental of Euro area is unchanged. Support 1.196/1.1915 resistance at 1.202/1.214.

### Bond:

**USD :** Muted reaction from FOMC meeting since the market had expected Fed to hold rate at 1.5-1.75 %. 10Y UST is still in range 2.95 to 3.00%.

## Exchange Rate

	25-Apr-18	2-May-18	3-May-18
USD/THB	31.52	31.76	31.70
JPY/THB	28.80	28.91	28.91
EUR/THB	38.33	37.95	37.96
GBP/THB	43.90	43.12	43.08
AUD/THB	23.84	23.79	23.81
USD/JPY	109.41	109.83	109.62
EUR/USD	1.216	1.195	1.197
GBP/USD	1.393	1.358	1.359
AUD/USD	0.756	0.749	0.751

## Stock market

	1-May-18	2-May-18	%Change
SET Index	#N/A	1,791.13	#N/A
DJIA	24,099.05	23,924.98	(0.72)

## 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	67.25	67.93	1.01
Gold	1,303.91	1,309.40	0.42

## Government Bond Yields

Tenor	25-Apr-18	1-May-18	2-May-18
UST 3-mth	1.854	1.854	1.823
UST 6-mth	2.030	2.036	2.028
UST 1-yr	2.253	2.252	2.239
UST 5-yr	2.835	2.821	2.802
UST 10-yr	3.024	2.976	2.964
TGB 6-mth	1.35	#N/A	1.37
TGB 2-yr	1.49	#N/A	1.54
TGB 5-yr	1.95	#N/A	1.98
TGB 10-yr	2.60	#N/A	2.64

## THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	1.032	1.270	1.318	1.509

## THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.405	1.435
2-yr	1.630	1.660
3-yr	1.810	1.840
5-yr	2.085	2.115
10-yr	2.53	2.58

*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.*