

Key Theme – Oil and Equity rally

This week Economic calendar

Highlight:

- Oil rallied above 70\$ a barrel for the first time since 2014 and later erased gain after Trump said he will announce his decision whether US would stay in the Iran nuclear accord.
- Post announcement, equities erased gain while gold flat. USD retraced slightly led by USDJPY.
- DJIA closed 0.39% higher while SP500 closed 0.35% higher.
- Atlanta FED president expressed unconcern about rising price and impact of higher oil price as he prefer inflation to hit the target of 2%.
- Today we have China trade balance, and Australia retail sales.
- Key economic indicator this week: China Trade Balance and Exports on Today, US PPI on Wed, Japan BoP Current Account Balance, China PPI and CPI, US CPI on Thu, Japan Money Stock and Thailand Foreign Reserves on Fri.

Our take:

- Range Expected: Intraday range 31.65-31.80.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Germany	Factory Orders MoM	Mar	0.50%	-0.90%	0.30%
Tue	Australia	Retail Sales MoM	Mar	0.20%	0.00%	0.60%
Tue	Germany	Industrial Production SA MoM	Mar	0.80%	--	-1.60%
Tue	UK	Halifax House Prices MoM	Apr	-0.20%	--	1.50%
Tue	China	Trade Balance	Apr	\$27.50b	--	-\$4.98b
Tue	China	Exports YoY	Apr	7.00%	--	-2.70%
Wed	United States	MBA Mortgage Applications	38108	--	--	-2.50%
Wed	United States	PPI Final Demand MoM	Apr	0.20%	--	0.30%
Wed	United States	Wholesale Inventories MoM	Mar F	0.60%	--	0.50%
Thu	Japan	BoP Current Account Balance	Mar	¥2899.0b	--	¥2076.0b
Thu	China	PPI YoY	Apr	3.40%	--	3.10%
Thu	China	CPI YoY	Apr	1.90%	--	2.10%
Thu	UK	Industrial Production MoM	Mar	0.20%	--	0.10%
Thu	UK	Manufacturing Production MoM	Mar	-0.20%	--	-0.20%
Thu	UK	Bank of England Bank Rate	40299	0.50%	--	0.50%
Thu	United States	CPI MoM	Apr	0.30%	--	-0.10%
Thu	United States	CPI Ex Food and Energy MoM	Apr	0.20%	--	0.20%
Thu	United States	Initial Jobless Claims	38473	218k	--	211k
	China	Money Supply M2 YoY	Apr	8.50%	--	8.20%
Fri	United States	Monthly Budget Statement	Apr	\$215.0b	--	-\$208.7b
Fri	Japan	Money Stock M2 YoY	Apr	3.20%	--	3.20%
Fri	Japan	Money Stock M3 YoY	Apr	2.80%	--	2.80%
Fri	Australia	Home Loans MoM	Mar	-1.80%	--	-0.20%
Fri	Thailand	Foreign Reserves	38108	--	--	\$215.4b
Fri	United States	Import Price Index MoM	Apr	0.50%	--	0.00%
Fri	United States	U. of Mich. Sentiment	May P	98.3	--	98.8

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

Daily Market Review At-A-Glance: 8 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB rallied further as offshore continue to buy USD. Current level is critical for future path as clear break above 31.85 could potentially reduce the market conviction that spot could go lower in the medium term. Support 31.77/31.50 resistance at 31.87/32.00.

USDJPY: USDJPY continued to trade heavy as mentioned earlier after the move was capped at resistance 110. Upside remained heavy with major resistance at 109.45/110.0 support at 108.3/107.25.

EURUSD: EUR continued to trade heavy on topside. Still bias to buy EUR here as fundamental of Euro area is unchanged. Support 1.1910/1.184 resistance at 1.1970/1.204.

Bond:

USD : U.S. government bond almost unchanged as investors looked ahead to a series of debt auctions and releases of inflation data.

Exchange Rate

	30-Apr-18	7-May-18	8-May-18
USD/THB	31.54	31.85	31.84
JPY/THB	28.85	29.19	29.20
EUR/THB	38.09	37.97	37.93
GBP/THB	43.43	43.17	43.17
AUD/THB	23.75	23.95	23.86
USD/JPY	109.33	109.08	109.01
EUR/USD	1.208	1.192	1.192
GBP/USD	1.377	1.356	1.356
AUD/USD	0.753	0.752	0.750

Stock market

	4-May-18	7-May-18	%Change
SET Index	1,779.87	1,779.80	(0.00)
DJIA	24,262.51	24,357.32	0.39

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	69.72	70.73	1.45
Gold	1,315.35	1,313.05	(0.17)

Government Bond Yields

Tenor	30-Apr-18	4-May-18	7-May-18
UST 3-mth	1.807	1.836	1.835
UST 6-mth	2.012	2.030	2.032
UST 1-yr	2.239	2.236	2.241
UST 5-yr	2.789	2.780	2.784
UST 10-yr	2.936	2.944	2.950
TGB 6-mth	1.36	1.38	1.38
TGB 2-yr	1.51	1.55	1.57
TGB 5-yr	1.95	1.96	1.97
TGB 10-yr	2.62	2.64	2.65

THBFIX (%)

	1-mth	3-mth	6-mth	1-yr
	0.924	1.196	1.318	1.491

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.375	1.405
2-yr	1.605	1.635
3-yr	1.795	1.825
5-yr	2.100	2.130
10-yr	2.535	2.585

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