

Key Theme – Oil Rally, made a New 4 Years High!

This week Economic calendar

Highlight:

- Oil rallied further post US withdrawal from Iran nuclear accord made a new 4 years high at 77.67\$ per barrel.
- Equities closed higher as DJIA closed 0.75% higher while SP500 closed 0.97% higher.
- Malaysia opposition won the election ending coalition parties 61 years ruling. Ex-PM Mahathir won the majority and is expected to be new PM.
- New Zealand kept its policy rate unchanged with more cautious tone that the next move could be balanced between up and down while the last meeting was flagged as the up move.
- Market awaits BOE decision today where market expected them to be on hold. Tonight we will have US CPI.
- Key economic indicator this week: Japan BoP Current Account Balance, China PPI and CPI, US CPI on Today, Japan Money Stock and Thailand Foreign Reserves on Fri.

Our take:

- Range Expected: Intraday range 31.05-32.25**

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%	1.00%	-1.60%
Tue	UK	Halifax House Prices MoM	Apr	-0.20%	-3.10%	1.50%
Tue	China	Trade Balance	Apr	\$27.75b	\$28.78b	-\$4.98b
Tue	China	Exports YoY	Apr	8.00%	12.90%	-2.70%
Wed	United States	MBA Mortgage Applications	38108	--	-0.40%	-2.50%
Wed	United States	PPI Final Demand MoM	Apr	0.20%	0.10%	0.30%
Wed	United States	Wholesale Inventories MoM	Mar F	0.50%	0.30%	0.50%
Thu	Japan	BoP Current Account Balance	Mar	¥2899.0b	¥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	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: 10 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB made new high this morning at 32.225 before being sold off to 32.10 after USD EM reverted the move. Short term momentum will remain in biddish tone. Support 32.03/31.91 resistance at 32.13/32.38.

USDJPY: USDJPY traded in tight range as UST 10 year dipped below 3% again. Topside near 110 remained critical level. Support at 109.10/108.4 resistance at 110/110.50.

EURUSD: EUR continued its momentum lower and expected to continue unless resistance at 1.1880 is bleached. Still bias to buy EUR here as fundamental of Euro area is unchanged. Support 1.184/1.18 resistance at 1.1880/1.194.

Bond:

USD : UST yield held around 3.00% before CPI data tonight. Good CPI data will clearly push the mkt above this psychological level. Otherwise, the yield could fall down and consolidate around 2.90%.

Exchange Rate

	2-May-18	9-May-18	10-May-18
USD/THB	31.76	32.13	32.13
JPY/THB	28.91	29.28	29.29
EUR/THB	37.95	38.07	38.10
GBP/THB	43.12	43.52	43.53
AUD/THB	23.79	23.98	23.98
USD/JPY	109.83	109.74	109.66
EUR/USD	1.195	1.185	1.186
GBP/USD	1.358	1.354	1.355
AUD/USD	0.749	0.746	0.746

Stock market

	8-May-18	9-May-18	%Change
SET Index	1,760.25	1,756.90	(0.19)
DJIA	24,360.21	24,542.54	0.75

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	69.06	71.14	3.01
Gold	1,314.55	1,314.07	(0.04)

Government Bond Yields

Tenor	2-May-18	8-May-18	9-May-18
UST 3-mth	1.823	1.874	1.885
UST 6-mth	2.028	2.043	2.061
UST 1-yr	2.239	2.244	2.251
UST 5-yr	2.802	2.807	2.838
UST 10-yr	2.964	2.968	3.004
TGB 6-mth	1.37	1.40	1.42
TGB 2-yr	1.54	1.60	1.63
TGB 5-yr	1.98	2.00	2.03
TGB 10-yr	2.64	2.67	2.71

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.854	1.215	1.315	1.488

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.415	1.445
2-yr	1.660	1.690
3-yr	1.865	1.895
5-yr	2.210	2.240
10-yr	2.66	2.71

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