

Key Theme – BOE kept rate Unchanged with slight Hawkish tone

This week Economic calendar

Highlight:

- Equities rallied overnight as DJIA closed 0.8% higher and SP500 closed 0.94% higher.
- US CPI overnight was weaker than expected (core +0.1% MoM vs +0.2% expected) which also seemed to soothe equity investors.
- BOE kept rate unchanged with slight hawkish tone as Carney says he expects an interest rise this year if there are no shocks to economy.
- Trump will meet Kim Jong Un on June 12 in Singapore with expectation that NK will abandon its nuclear program in exchange of lifting economics sanction and regime safety.
- Key economic indicator this week: Japan Money Stock and Thailand Foreign Reserves on Today.

Our take:

- Range Expected: Intraday range 31.85-32.00.

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		--	-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%	3.40%	3.10%
Thu	China	CPI YoY	Apr	1.90%	1.90%	2.10%
Thu	UK	Industrial Production MoM	Mar	0.20%	0.10%	0.10%
Thu	UK	Manufacturing Production MoM	Mar	-0.20%	-0.10%	-0.20%
Thu	UK	Bank of England Bank Rate		0.50%	0.50%	0.50%
Thu	United States	CPI MoM	Apr	0.30%	0.20%	-0.10%
Thu	United States	CPI Ex Food and Energy MoM	Apr	0.20%	0.10%	0.20%
Thu	United States	Initial Jobless Claims	May	219k	211k	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		--	--	\$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: 11 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB sold off post US CPI report and has damaged the bullish momentum. Short term view is USDTHB shall move side way down. Support 31.90/31.77 resistance at 32.00/32.22.

USDJPY: USDJPY followed USD global lower as resistance at 110 proved to be solid level. Topside remained heavy as long as spot trade below 110. Support at 109.10/108.4 resistance at 110/110.50.

EURUSD: EUR broke its downtrend channel and seems to find its footing as support 1.188 broke. Still bias to buy EUR here as fundamental of Euro area is unchanged. Support 1.188/1.184 resistance at 1.197/1.205.

Bond:

USD : UST Yield trade in range 2.94%-3.01%. We believe UST yield still in upward trend. Have a nice weekend.

Exchange Rate

	3-May-18	10-May-18	11-May-18
USD/THB	31.61	31.97	31.94
JPY/THB	28.94	29.22	29.19
EUR/THB	37.89	38.09	38.04
GBP/THB	42.91	43.22	43.19
AUD/THB	23.80	24.08	24.03
USD/JPY	109.18	109.38	109.38
EUR/USD	1.199	1.191	1.192
GBP/USD	1.357	1.352	1.353
AUD/USD	0.753	0.753	0.753

Stock market

	9-May-18	10-May-18	%Change
SET Index	1,756.90	1,746.89	(0.57)
DJIA	24,542.54	24,739.53	0.80

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	71.14	71.36	0.31
Gold	1,312.71	1,321.42	0.66

Government Bond Yields

Tenor	3-May-18	9-May-18	10-May-18
UST 3-mth	1.831	1.885	1.890
UST 6-mth	2.023	2.061	2.051
UST 1-yr	2.231	2.251	2.254
UST 5-yr	2.782	2.838	2.833
UST 10-yr	2.946	3.004	2.971
TGB 6-mth	1.38	1.42	1.43
TGB 2-yr	1.56	1.63	1.62
TGB 5-yr	1.98	2.03	2.03
TGB 10-yr	2.64	2.71	2.72

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.934	1.236	1.345	1.493

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.400	1.430
2-yr	1.615	1.645
3-yr	1.810	1.840
5-yr	2.120	2.150
10-yr	2.545	2.595

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