

Key Theme – U.S. is considering to Allow Investment in North Korea

This week Economic calendar

Highlight:

- Equities closed higher for 7 straight sessions with DJIA closed higher 0.37% and SP500 closed higher 0.17%.
- US import price index came out 0.3% (exp 0.5%) and Michigan sentiment came out 98.8 (exp98.3).
- Trump ordered US Commerce department to let ZTE (China telecom) to get back into business after weeks of ban from doing business with US firms.
- Trump also considering to allow investment in North Korean after denuclearization is verified.
- This week we have Thailand MPC, US retail sales and Industrial production as main focus.
- Key economic indicator this week: Euro GDP on Tue, Thailand BOT Benchmark Interest rate, Japan GDP and Germany CPI on Wed, US Initial Jobless Claims on Thu, and Thailand Foreign Reserves on Fri.

Our take:

- Range Expected: Intraday range 31.75-31.90.**

Day	Country	Event	Period	Surv(M)	Actual	Prior
Mon	Japan	PPI YoY	Apr	2.00%	2.00%	2.10%
Tue	China	Industrial Production YoY	Apr	6.40%	--	6.00%
Tue	Japan	Tertiary Industry Index MoM	Mar	-0.20%	--	0.00%
Tue	Germany	GDP SA QoQ	1Q P	0.40%	--	0.60%
Tue	Germany	GDP NSA YoY	1Q P	1.70%	--	2.30%
Tue	UK	Jobless Claims Change	Apr	--	--	11.6k
Tue	UK	ILO Unemployment Rate 3Mths	Mar	4.20%	--	4.20%
Tue	Eurozone	GDP SA QoQ	1Q P	0.40%	--	0.40%
Tue	Eurozone	GDP SA YoY	1Q P	2.50%	--	2.50%
Tue	Germany	ZEW Survey Current Situation	May	85.2	--	87.9
Tue	Germany	ZEW Survey Expectations	May	-8.2	--	-8.2
Tue	United States	Retail Sales Advance MoM	Apr	0.30%	--	0.60%
Wed	Japan	GDP SA QoQ	1Q P	0.00%	--	0.40%
Wed	Japan	GDP Annualized SA QoQ	1Q P	-0.10%	--	1.60%
Wed	Japan	GDP Deflator YoY	1Q P	0.30%	--	0.10%
Wed	Japan	Industrial Production MoM	Mar F	--	--	1.20%
Wed	Germany	CPI MoM	Apr F	0.00%	--	0.00%
Wed	Germany	CPI YoY	Apr F	1.60%	--	1.60%
Wed	Thailand	BoT Benchmark Interest Rate	May-16	1.50%	--	1.50%
Wed	Eurozone	CPI YoY	Apr F	1.20%	--	1.30%
Wed	Eurozone	CPI MoM	Apr	0.30%	--	1.00%
Wed	United States	MBA Mortgage Applications	May-11	--	--	-0.40%
Wed	United States	Housing Starts	Apr	1310k	--	1319k
Wed	United States	Industrial Production MoM	Apr	0.60%	--	0.50%
Thu	Japan	Core Machine Orders MoM	Mar	-3.00%	--	2.10%
Thu	Australia	Employment Change	Apr	20.0k	--	4.9k
Thu	Australia	Unemployment Rate	Apr	5.50%	--	5.50%
Thu	United States	Initial Jobless Claims	May-12	215k	--	211k
Thu	United States	Leading Index	Apr	0.40%	--	0.30%
Fri	Japan	Natl CPI YoY	Apr	0.70%	--	1.10%
Fri	Thailand	Foreign Reserves	May-11	--	--	\$214.7b

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

Daily Market Review At-A-Glance: 14 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB grinded lower after seasonal outflow subsided. Key pivotal lays around 31.70 if erode could add the momentum for spot to go lower. Support 31.70/31.55 resistance at 31.93/32.15.

USDJPY: USDJPY topside remained heavy as UST 10 year choppy below 3%. Topside at 110 remained critical level. Support at 109.10/108.4 resistance at 110/110.50.

EURUSD: EUR traded 1 big figure higher in 2 days and it seem like EUR found its footings. Still bias to buy EUR here as fundamental of Euro area is unchanged. Support 1.188/1.18 resistance at 1.198/1.203.

Bond:

USD : US rates are in consolidation mode ranging between 2.94 to 3.00%. Last week, the 10y yield tried to break 3.00% level but failed to sustain. Expect yield to trade in range with important resistance at 3.00%

Exchange Rate

	4-May-18	11-May-18	14-May-18
USD/THB	31.75	31.91	31.82
JPY/THB	29.09	29.17	29.12
EUR/THB	37.97	38.11	38.06
GBP/THB	42.96	43.21	43.18
AUD/THB	23.94	24.07	24.04
USD/JPY	109.11	109.38	109.27
EUR/USD	1.196	1.194	1.196
GBP/USD	1.353	1.354	1.357
AUD/USD	0.754	0.754	0.756

Stock market

	10-May-18	11-May-18	%Change
SET Index	1,746.89	1,765.93	1.09
DJIA	24,739.53	24,831.17	0.37

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	71.36	70.7	(0.92)
Gold	1,321.60	1,321.47	(0.01)

Government Bond Yields

Tenor	4-May-18	10-May-18	11-May-18
UST 3-mth	1.836	1.890	1.905
UST 6-mth	2.030	2.051	2.051
UST 1-yr	2.236	2.254	2.259
UST 5-yr	2.78	2.833	2.838
UST 10-yr	2.944	2.971	2.971
TGB 6-mth	1.38	1.43	1.44
TGB 2-yr	1.55	1.62	1.61
TGB 5-yr	1.96	2.03	1.99
TGB 10-yr	2.64	2.72	2.70

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.912	1.188	1.323	1.485

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.400	1.430
2-yr	1.600	1.630
3-yr	1.810	1.840
5-yr	2.135	2.165
10-yr	2.565	2.615

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