

Key Theme – USD rebounded on relieve trade tension

This week Economic calendar

Highlight:

- Market quiet overnight with USD rebounded on relieve trade tension after Trump lift ban on Chinese telecom company.
- Equities ended the session higher with Dow up 0.27% while S&P was up 0.09%.
- No major data released overnight and oil traded higher on OPEC supply report while 10y UST traded back above the 3%.
- FED Bullard urged his colleagues to avoid aggressive rate increases that could push short term rate above long term rates.
- Key economic indicator this week: Euro GDP on Today, 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 31.80-31.95**

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: 15 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB traded sideway with demand below 31.80 ahead of its critical level at 31.77. If erode, the momentum to downside could pick up. Support 31.77/31.55 resistance at 31.93/32.15.

USDJPY: USDJPY still traded in range 109-110 as UST 10 year hovering around 3%. Topside at 110 remained critical level. Support at 109.10/108.4 resistance at 110/110.50.

EURUSD: EUR retraced after hit the resistance at 1.20 and pull back to EMA233 day at 1.1915. Still bias to buy EUR on dips with support 1.1915/1.188 resistance at 1.20/1.204.

Bond:

USD : U.S. government bond yield higher 4bps push 10y UST trade in 3.00% area as investors focused on comments by central bank officials that some perceived as hawkish.

Exchange Rate

	7-May-18	14-May-18	15-May-18
USD/THB	31.85	31.89	31.88
JPY/THB	29.19	29.09	29.04
EUR/THB	37.97	38.04	38.03
GBP/THB	43.17	43.24	43.24
AUD/THB	23.95	24.00	23.98
USD/JPY	109.08	109.65	109.76
EUR/USD	1.192	1.193	1.193
GBP/USD	1.356	1.355	1.356
AUD/USD	0.752	0.753	0.752

Stock market

	11-May-18	14-May-18	%Change
SET Index	1,765.93	1,773.10	0.41
DJIA	24,831.17	24,899.41	0.27

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	70.7	70.96	0.37
Gold	1,318.30	1,314.48	(0.29)

Government Bond Yields

Tenor	7-May-18	11-May-18	14-May-18
UST 3-mth	1.835	1.905	1.899
UST 6-mth	2.032	2.051	2.058
UST 1-yr	2.241	2.259	2.266
UST 5-yr	2.784	2.838	2.852
UST 10-yr	2.95	2.971	2.995
TGB 6-mth	1.38	1.44	1.44
TGB 2-yr	1.57	1.61	1.61
TGB 5-yr	1.97	1.99	2.00
TGB 10-yr	2.65	2.70	2.71

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.915	1.157	1.287	1.470

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.380	1.410
2-yr	1.610	1.640
3-yr	1.820	1.850
5-yr	2.135	2.165
10-yr	2.555	2.605

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