

Key Theme – Equities rebounded

This week Economic calendar

Highlight:

- USD continued its rallies against its major peers after 10year UST rallies further made new high at 3.11.
- Weak Euro-area CPI data weighed on the EUR as core CPI slowed 1.1% YoY from 1.3% the month before.
- Document leaked showed Five star movement who are trying to form coalition government in Italy planned to ask ECB to write off debt 250Billion Euro weighed down the market.
- Equities rebounded as Dow was up 0.25% while S&P was up 0.41%.
- US data front US housing starts/permits came out 1287k (exp 1310k) and US April IP came out 0.7% (exp 0.6%).
- Key economic indicator this week: US Initial Jobless Claims on Today and Thailand Foreign Reserves on Fri.

Our take:

- **Range Expected: Intraday range 31.90-32.10**

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%	7.00%	6.00%
Tue	Japan	Tertiary Industry Index MoM	Mar	-0.20%	-0.30%	0.00%
Tue	Germany	GDP SA QoQ	1Q P	0.40%	0.30%	0.60%
Tue	Germany	GDP NSA YoY	1Q P	1.70%	1.60%	2.30%
Tue	UK	Jobless Claims Change	Apr	--	31.2k	11.6k
Tue	UK	ILO Unemployment Rate 3Mths	Mar	4.20%	4.20%	4.20%
Tue	Eurozone	GDP SA QoQ	1Q P	0.40%	0.40%	0.40%
Tue	Eurozone	GDP SA YoY	1Q P	2.50%	2.50%	2.50%
Tue	Germany	ZEW Survey Current Situation	May	85.5	87.4	87.9
Tue	Germany	ZEW Survey Expectations	May	-8.2	-8.2	-8.2
Tue	United States	Retail Sales Advance MoM	Apr	0.30%	0.30%	0.60%
Wed	Japan	GDP SA QoQ	1Q P	0.00%	-0.20%	0.40%
Wed	Japan	GDP Annualized SA QoQ	1Q P	-0.10%	-0.60%	1.60%
Wed	Japan	GDP Deflator YoY	1Q P	0.30%	0.50%	0.10%
Wed	Japan	Industrial Production MoM	Mar F	--	1.40%	1.20%
Wed	Germany	CPI MoM	Apr F	0.00%	0.00%	0.00%
Wed	Germany	CPI YoY	Apr F	1.60%	1.60%	1.60%
Wed	Thailand	BoT Benchmark Interest Rate	May-16	1.50%	1.50%	1.50%
Wed	Eurozone	CPI YoY	Apr F	1.20%	1.20%	1.30%
Wed	Eurozone	CPI MoM	Apr	0.30%	0.30%	1.00%
Wed	United States	MBA Mortgage Applications	May-11	--	-2.70%	-0.40%
Wed	United States	Housing Starts	Apr	1310k	1287k	1319k
Wed	United States	Industrial Production MoM	Apr	0.60%	0.70%	0.50%
Thu	Japan	Core Machine Orders MoM	Mar	-3.00%	-3.90%	2.10%
Thu	Australia	Employment Change	Apr	20.0k	22.6k	4.9k
Thu	Australia	Unemployment Rate	Apr	5.50%	5.60%	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: 17 May 2018

Views on Interest Rate and Exchange Rates

Currency:

USDTHB: USDTHB traded heavy as EM assets outperform via risk on sentiment. USDTHB initially trader higher post MPC after headline showed vote to hold rate was unanimous but later says one of the member was absent. Spot grinded lower after the headline. Tone in the statement unchanged and slightly optimistic on economic recovery. Support 32.00/31.77 resistance at 32.10/32.23.

USDJPY: USDJPY halted its rallies despite further rallies in US yield. Like previously mentioned that market axes USDJPY to go lower via option space. Support at 109.95/109.6 resistance at 110.5/111.25.

EURUSD: EUR sold off after the headline from Italy came out about debt write off. Spot briefly made new low at 1.177. Still bias to buy EUR on dips with support 1.177/1.172 resistance at 1.1855/1.194.

Bond:

USD : UST yield continue to shift higher and is at currently at 3.104. Next resistance for yield is around 3.20%.

Exchange Rate

	9-May-18	16-May-18	17-May-18
USD/THB	32.13	32.03	32.03
JPY/THB	29.28	29.01	29.03
EUR/THB	38.07	37.82	37.82
GBP/THB	43.52	43.19	43.38
AUD/THB	23.98	24.07	24.07
USD/JPY	109.74	110.38	110.31
EUR/USD	1.185	1.181	1.181
GBP/USD	1.354	1.349	1.354
AUD/USD	0.746	0.751	0.751

Stock market

	15-May-18	16-May-18	%Change
SET Index	1,766.86	1,750.62	(0.92)
DJIA	24,706.41	24,768.93	0.25

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	71.31	71.49	0.25
Gold	1,290.52	1,291.43	0.07

Government Bond Yields

Tenor	9-May-18	15-May-18	16-May-18
UST 3-mth	1.885	1.915	1.905
UST 6-mth	2.061	2.085	2.085
UST 1-yr	2.251	2.285	2.282
UST 5-yr	2.838	2.925	2.934
UST 10-yr	3.004	3.08	3.095
TGB 6-mth	1.42	1.45	1.45
TGB 2-yr	1.63	1.63	1.64
TGB 5-yr	2.03	2.03	2.05
TGB 10-yr	2.71	2.73	2.75

THBFX (%)

	1-mth	3-mth	6-mth	1-yr
	0.940	1.201	1.316	1.513

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	1.415	1.445
2-yr	1.645	1.675
3-yr	1.860	1.890
5-yr	2.225	2.255
10-yr	2.655	2.705

The information contained in this document has been obtained from sources believed to be reliable. However, neither we nor any of our respective affiliates, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of any of the information contained in this document, and we and each of such persons expressly disclaims any and all liability relating to or resulting from the use of this document or such information by the recipient and any persons in whatever manner.

Any opinions presented herein represent the subject views of ours and our current estimates and judgments which are based on various assumptions that may be subject to changes without notice, and may or may not prove to be correct.

This document is for the recipient's information only. It does not represent or constitutes an advice, offer, recommendation, or solicitation by us and should not be relied as such. We or any of our associates may also have an interest in the companies mentioned herein.