

Daily Market Review At-A-Glance

Thursday, August 8, 2019

Market Highlight



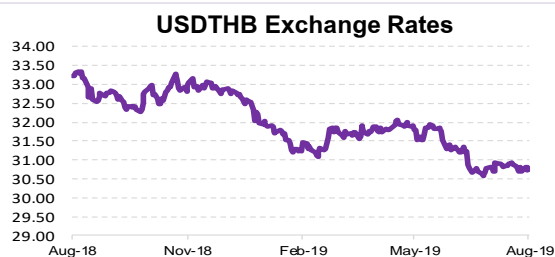
- Overnight, we saw a wild swing in the markets as Dow dropped almost 600 pts in the earlier NY session before managed to close higher.
- Equities closed flat with DJIA ending just 0.09% lower while S&P added 0.08%.
- Three central banks cut rate yesterday caught market off guard with RBNZ cut 50bps (exp 25bps), India cut 35 bps (exp 25bps), and Thailand cut 25 bps (exp unchanged).
- FED Evans said inflation outlook alone could trigger more accommodation after Trump has attacked FED for not cut rate fast enough.

Views on Exchange Rates



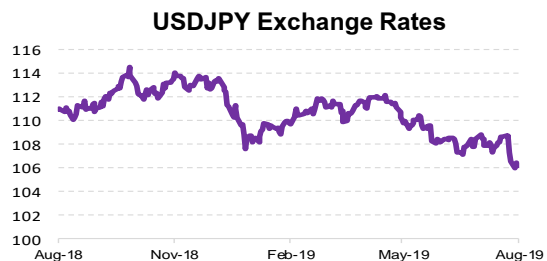
USDTHB: USDTHB was choppy after MPC cut rate from 1.75% to 1.5% with 5-2 votes. Spot initially taken higher to 30.90 however we saw massive selling interest from offshore and in the end spot was largely unchanged despite surprise rate cut.

Support/Resistance: 30.70/30.85



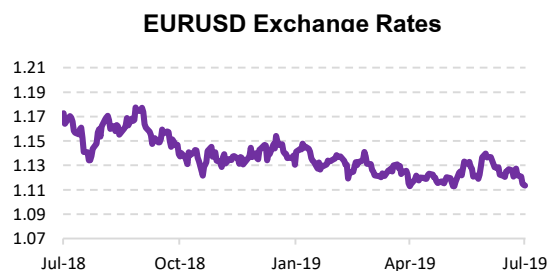
USDJPY: USDJPY closed unchanged after US equities erased earlier losses. Market seem to lack clear conviction on either side as spot now move closely in line with risk sentiment.

Support/Resistance: 105.50/106.90



EURUSD: EUR action was pretty much in line with yesterday move where spot was in biddish tone. Risk sentiment is still the main force behind EUR movement.

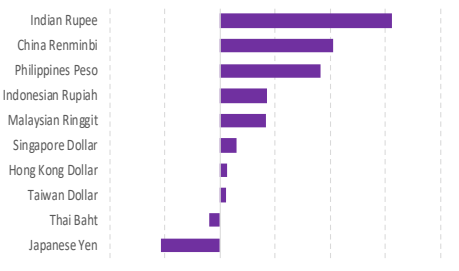
Support/Resistance: 1.1168/1.1300



Exchange Rate

	1/8/19	7/8/19	8/8/19		1/8/19	7/8/19	8/8/19
USD/THB	30.82	30.80	30.76	USD/JPY	107.33	106.26	106.18
JPY/THB	28.71	28.98	28.96	EUR/USD	1.108	1.120	1.121
EUR/THB	34.16	34.49	34.47	GBP/USD	1.213	1.214	1.216
GBP/THB	37.39	37.39	37.40	AUD/USD	0.680	0.676	0.677
AUD/THB	20.95	20.81	20.84				

Regional foreign exchange rate spot return (7D)

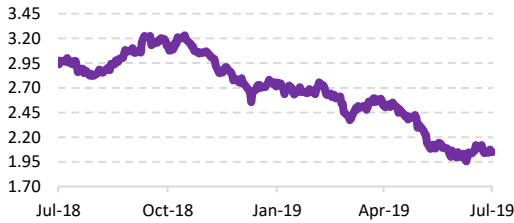


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Views on Interest Rates

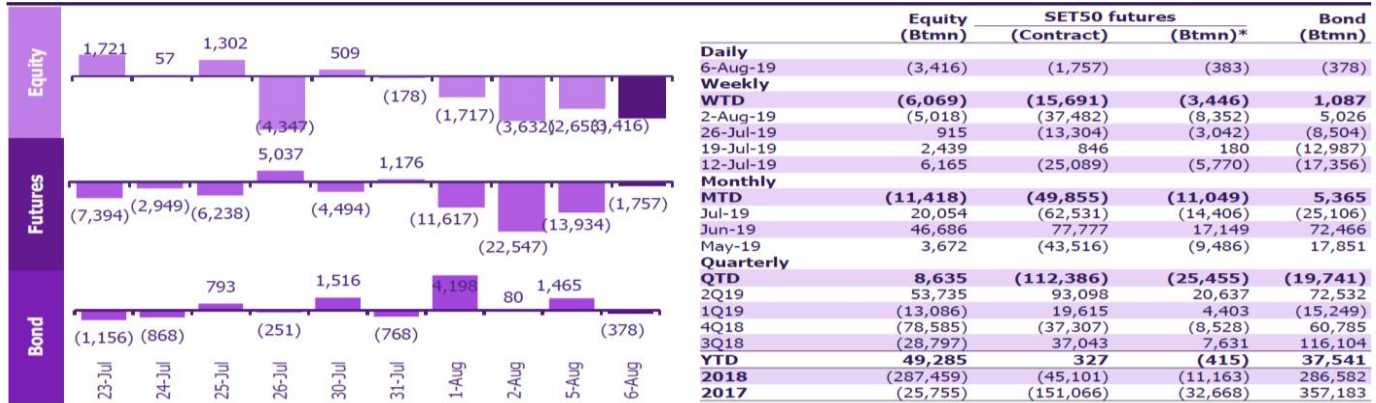
U.S. 10 Year Treasury



US : 10Y UST initially went lower to as low as 1.60% when US market opened as US equities dropped. However, UST has reversed all loss after US equities rebounded and closed around 1.72%.

THB: BOT surprised market by cutting policy rate 25 bps from 1.75 to 1.50%. 5Y IRS traded lower around 8 bps while 2YIRS lower by 8 to 10 bps. On Bond side, we have seen some continued buying interest from offshore investors after the meeting as the market would price more cuts from BOT.

Thailand daily foreign net flows



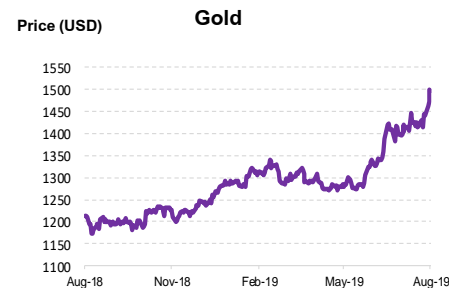
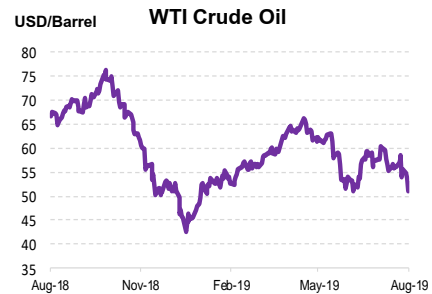
Key Indicator Update

Tenor	1/8/19	6/8/19	7/8/19	Tenor	1/8/19	6/8/19	7/8/19
UST 3-mth	2.09	2.05	2.02	TGB 6-mth	1.75	1.69	1.53
UST 6-mth	2.05	2.00	1.94	TGB 2-yr	1.69	1.63	1.52
UST 1-yr	1.89	1.83	1.76	TGB 5-yr	1.73	1.62	1.52
UST 5-yr	1.68	1.55	1.50	TGB 10-yr	1.86	1.72	1.63
UST 10-yr	1.89	1.74	1.68				

Stock market				THBFX (%)			
	6/8/19	7/8/19	%Change	1-mth	3-mth	6-mth	1-yr
SET Index	1,671.48	1,669.44	(0.12)	1.532	1.532	1.532	1.525
DJIA	26,029.52	26,007.07	(0.09)				

Repurchase rate				THB Swap rate (IRS)		
1-day	7-day	14-day	1-mth	Tenor	bid	ask
1.50%	1.50%	1.50%	1.50%	1-yr	1.200	1.240
				2-yr	1.185	1.225
				3-yr	1.215	1.255
				5-yr	1.240	1.280
				10-yr	1.380	1.440

Commodities		
	Previous Day	Last %Change
WTI Crud	53.63	51.09 (4.74)
Gold	1,484.11	1,496.40 0.83



Economic Calendar

Date	Economic Indicator
5 Aug 19	Economic release: CN – Caixin service PMI, EU/US – Final service PMI US – ISM non-manufacturing PMI
6 Aug 19	Economic release: US – Crude oil inventories
7 Aug 19	Event: MPC meetings
8 Aug 19	Economic release: CN – Trade balance (tentative), US – Unemployment claims Event: Announcement of August 2019 quarterly MSCI index review
9 Aug 19	Economic release: CN – CPI and PPI for July, US – PPI and core PPI for July