

Daily Market Review At-A-Glance

Monday, March 9, 2020

Market Highlight



- Over the weekend, it was a dramatic moves in the US rates USD curve flattened sharply this morning. There were no offers in long bonds and trading was halted for the first time in 12yrs as futures were up 6% in Friday session. 10yr touched 0.5% while 30yr touched 0.95%. Market priced in US lower bound rate as low as 0%.
- FED Bullard said Fed is willing to act again to shelter the economy from the virus impact. Equities staged a late session rebound and to reverse deep losses but ended lower as Dow ended off 0.99% while S&P was off 1.7%.
- Saudi Arabia announced to hike production output to 10 Million Barrel per day following a failed OPEC talk. Saudi also offered a further discounts to its client to reiterate the failed talk.
- Oil plunges 30% to USD 30 per barrel while Gold trades up to 1700 and saw FX breaking key levels. EURUSD high at 1.149 while USDJPY low 101.7. DJIA and S&P futures are down 4+% each.

Views on Exchange Rates



USDTHB: USDTHB gapped lower on risk off sentiment where we see lower USD across the board led by lower US yield. We still believed that USDTHB should have traded in range as outflow and higher local recession risk will offset lower DXY. Range 31.30-31.80 should be held for the time beings.

Support/Resistance: 31.35/31.50

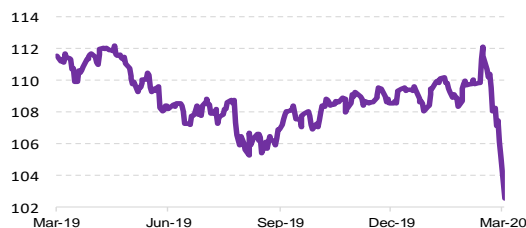
USDTHB Exchange Rates



USDJPY: JPY outperform its USD peers as risk off boost demand for safe haven currencies. Disastrous US yield tanked USDJPY from 105.5 on Friday close to 101.7 low this morning.

Support/Resistance: 102.3/103.5

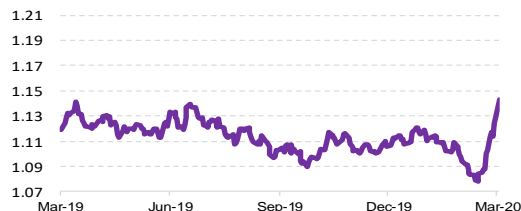
USDJPY Exchange Rates



EURUSD: EURUSD still react as a funding currency and continue to outperform its USD peers. The move was a shift in paradigm in terms of central bank easing where further ability for monetary stimulus is pretty much limited for ECB compared to US where further easing is imminent.

Support/Resistance: 1.141/1.15

EURUSD Exchange Rates



Exchange Rate

	2/3/20	6/3/20	9/3/20
USD/THB	31.48	31.39	31.47
JPY/THB	29.06	29.80	30.69
EUR/THB	35.04	35.42	35.97
GBP/THB	40.14	40.96	41.13
AUD/THB	20.58	20.88	20.46

	2/3/20	6/3/20	9/3/20
USD/JPY	108.30	105.30	102.54
EUR/USD	1.113	1.129	1.143
GBP/USD	1.275	1.305	1.307
AUD/USD	0.654	0.665	0.650

Regional foreign exchange rate spot return (7D)

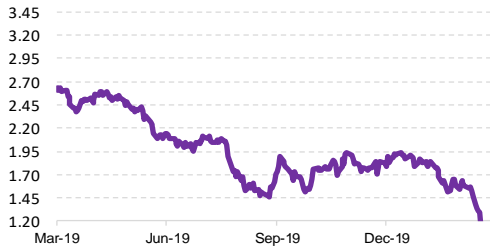


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Views on Interest Rates

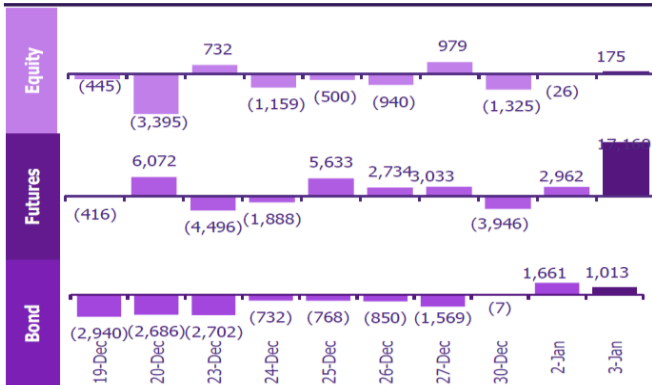
U.S. 10 Year Treasury



US : UST 10Yr yield traded below 0.50% level. Market is in Risk off mode after Oil price down 30%.

THB : THB curve was flatten following UST 10yr. Market price MPC may cut policy more than 25bps.

Thailand daily foreign net flows



	Equity (Btmn)	SET50 futures (Contract)	SET50 futures (Btmn)*	Bond (Btmn)
Daily				
3-Jan-20	175	17,160	3,691	1,013
Weekly				
WTD	148	20,122	4,331	2,674
27-Dec-19	(888)	5,016	1,072	(6,621)
20-Dec-19	(6,339)	5,660	1,252	(7,774)
13-Dec-19	(9,195)	22,150	4,727	7,710
6-Dec-19	(6,740)	(25,850)	(5,442)	10,595
Monthly				
MTD	148	20,122	4,331	2,674
Dec-19	(24,487)	3,030	764	3,904
Nov-19	(7,683)	(88,171)	(18,888)	(5,757)
Oct-19	(7,845)	36,424	7,987	(3,671)
Quarterly				
QTD	148	20,122	4,331	2,674
4Q19	(40,016)	(48,717)	(10,137)	(5,524)
3Q19	(45,878)	(43,072)	(9,961)	(67,651)
2Q19	53,735	93,098	20,637	72,532
1Q19	(13,086)	19,615	4,403	(15,249)
YTD	148	20,122	4,331	2,674
2019	(45,245)	20,924	4,943	(15,893)
2018	(287,459)	(45,151)	(11,163)	286,582

Key Indicator Update

Tenor	28/2/20	5/3/20	6/3/20
UST 3-mth	1.29	0.63	0.48
UST 6-mth	1.14	0.52	0.40
UST 1-yr	0.98	0.48	0.39
UST 5-yr	0.91	0.67	0.55
UST 10-yr	1.13	0.93	0.71

Tenor	28/2/20	5/3/20	6/3/20
TGB 6-mth	0.95	0.87	0.87
TGB 2-yr	0.82	0.72	0.70
TGB 5-yr	0.88	0.79	0.78
TGB 10-yr	1.09	1.01	0.97

Stock market

	5/3/20	6/3/20	%Change
SET Index	1,390.83	1,364.57	(1.89)
DJIA	26,121.28	25,864.78	(0.98)

Repurchase rate

1-day	7-day	14-day	1-mth
1.25%	1.25%	1.25%	1.25%

Commodities

	Previous Day	Last	%Change
WTI Crud	45.9	41.28	(10.07)
Gold	1,670.90	1,698.45	1.65

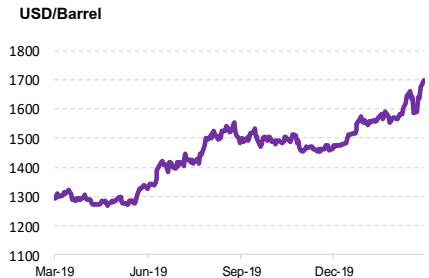
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.958	0.912	0.871	0.815

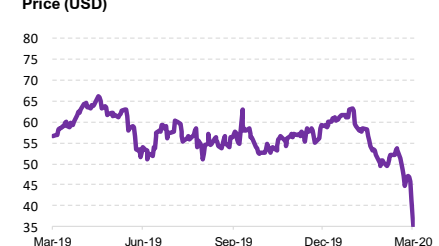
THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.650	0.690
2-yr	0.650	0.690
3-yr	0.650	0.690
5-yr	0.650	0.690
10-yr	0.690	0.750

WTI Crude Oil



Gold



Economic Calendar

Date	Event
9 Mar	Economic release: JP - Final GDP for 4Q19, CN - Trade balance for Feb
10 Mar	Economic release: CN - CPI and PPI for Feb, new loans for Feb, EU - Revised GDP for 4Q19
11 Mar	Economic release: US - CPI and core CPI for Feb, crude oil inventories
12 Mar	Economic release: US - PPI and core PPI for Feb, unemployment claims Event: ECB monetary policy meeting