

Daily Market Review At-A-Glance

Thursday, March 12, 2020

Market Highlight



- Overnight, another blood shed session with equities leading lower on sour risk appetite. DJIA ended off 5.86% while S&P was off 4.89%. All in all market comes off 20% from Feb high entering a bear market.
- Central bank and government started to react with BoE cutting 50bps yesterday on special meeting while Canada's Trudeau announcing C\$1.1billion fund. Australia's PM Morrison announcing a A\$17.7bio stimulus to help economy from the virus.
- WHO announcing the Covid 19 as a global pandemic and Trump decided to suspend all travel from Europe for the next 30 days.
- Focus will be on ECB meeting today and with Lagarde's warning yesterday that this may turn out to be a 2008 style crisis if not enough actions are being taken. Markets are fully factoring in a 10bps cut in the deposit rate. Market also expect an increase in QE purchases doubling the pace to EUR 40bio per month for a temporary period.

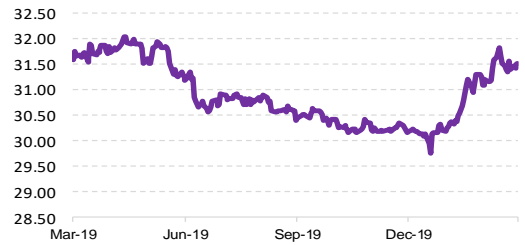
Views on Exchange Rates



USDTHB: USDTHB continue to trade heavy with an interest to flush USD from offshore. A rally in USD Asian only manage USDTHB not to fall further, however considering risk of level 3 wide spread a room to the downside should be somehow limited. We still believed that USDTHB should have traded in range 31.30-31.70.

Support/Resistance: 31.45/31.60

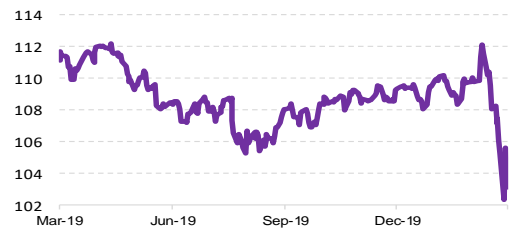
USDTHB Exchange Rates



USDJPY: USDJPY collapsed this morning after Trump decision to ban travel from Europe for 30 days. US future extended losses to 2.5% post his announcement.

Support/Resistance: 102.9/104.45

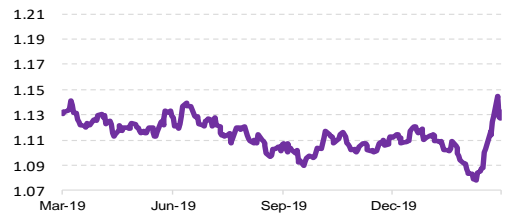
USDJPY Exchange Rates



EURUSD: EURUSD traded briefly this morning on risk off sentiment however market has entered wait and see mode for the ECB decision tonight. Market expectation for the easing is high with at least 2-3 big figure move if ECB fails to deliver what market has expected. Base assumption is 10 bps cut, and probably a boost in QE purchase.

Support/Resistance: 1.126/1.14

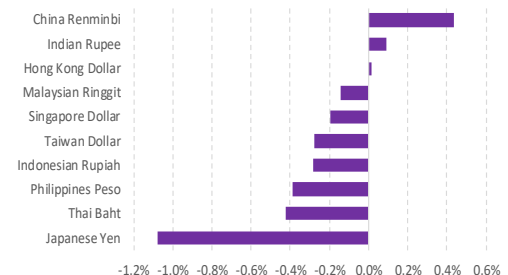
EURUSD Exchange Rates



Exchange Rate

	5/3/20	11/3/20	12/3/20		5/3/20	11/3/20	12/3/20
USD/THB	31.57	31.49	31.53	USD/JPY	106.16	104.53	103.15
JPY/THB	29.74	30.11	30.56	EUR/USD	1.124	1.127	1.133
EUR/THB	35.48	35.48	35.72	GBP/USD	1.295	1.282	1.284
GBP/THB	40.93	40.37	40.48	AUD/USD	0.661	0.648	0.646
AUD/THB	20.88	20.42	20.37				

Regional foreign exchange rate spot return (7D)

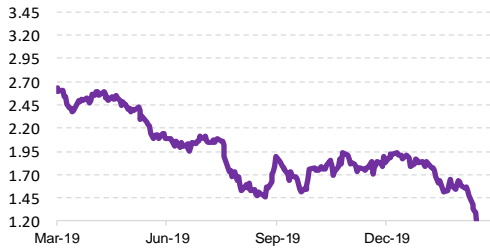


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Views on Interest Rates

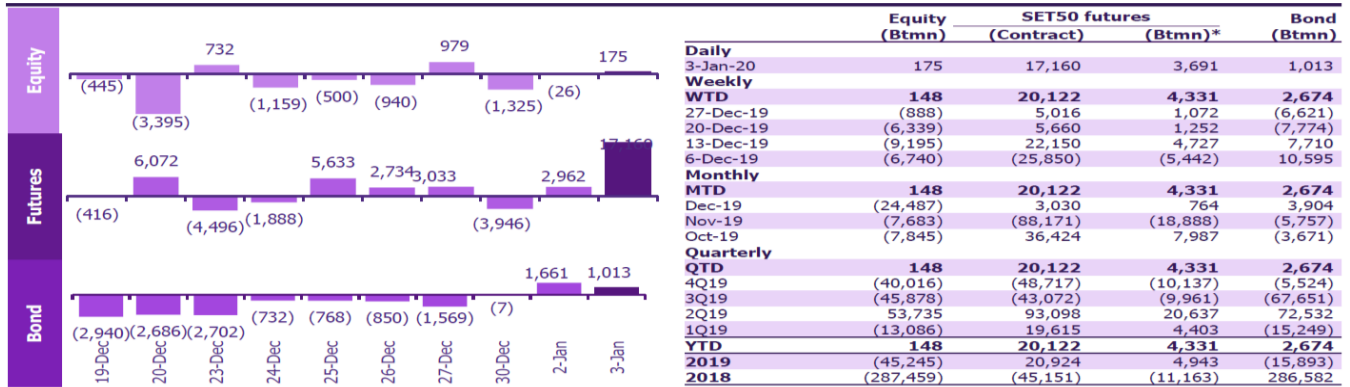
U.S. 10 Year Treasury



US : UST yields went higher around 8-12 bps with curve continue to steepened despite equities sell off. For the short end, US market still priced Fed cut very aggressive with around 100 bps cut to zero lower bound in couple months.

THB : THB bonds continue to see upward pressure in yields. Bond curve has steepened as 10 to 15y bonds rose around 7-10 bps yesterday. On IRS side, fx swap continue to trade less negative and eventually around par for 12s tenor. IRS continued to see paying interest too.

Thailand daily foreign net flows



	Equity (Btmn)	SET50 futures (Contract)	(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	4/3/20	10/3/20	11/3/20
UST 3-mth	0.71	0.43	0.43
UST 6-mth	0.66	0.42	0.39
UST 1-yr	0.58	0.40	0.40
UST 5-yr	0.73	0.62	0.66
UST 10-yr	0.99	0.75	0.82

Tenor	4/3/20	10/3/20	11/3/20
TGB 6-mth	0.88	0.80	0.79
TGB 2-yr	0.71	0.65	0.67
TGB 5-yr	0.77	0.73	0.78
TGB 10-yr	0.98	0.94	0.98

Stock market

	10/3/20	11/3/20	%Change
SET Index	1,271.25	1,249.89	(1.68)
DJIA	25,018.16	23,553.22	(5.86)

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	34.36	32.98	(4.02)
Gold	1,658.70	1,634.03	(1.49)

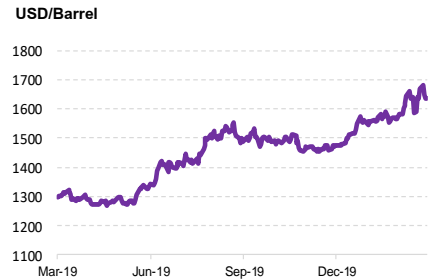
THBFIX (%)

1-mth	3-mth	6-mth	1-yr
0.912	0.821	0.788	0.775

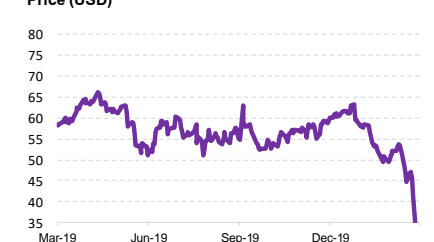
THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.680	0.720
2-yr	0.690	0.730
3-yr	0.710	0.750
5-yr	0.755	0.795
10-yr	0.785	0.845

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