

# Daily Market Review At-A-Glance

Friday, March 13, 2020

## Market Highlight



- A glooming night opened the curtain with ECB where they surprised the market by keeping deposit rates unchanged. However, these following measures are implemented
  - (1) A new, temporary program of longer-term refinancing operations (LTROs), at the deposit rate (-0.5%).
  - (2) Considerably more favorable terms in the current TLTRO III program to support bank lending to SME.
  - (3) A temporary increase in QE to EUR 120bn until the end of the year focusing on the private sector purchase program.
 Assuming that this package is evenly spread through the rest of the year, it implies QE rising to EUR 35bn/month from EUR 20bn/month currently. (earlier expected to be 40Billion per month)
- US equities is on the wide swing with US market tanked and S&P trading was halted at the beginning of the session on circuit breaks.
- Fed later ramped up operation as they expanded repo operations with overnight raised to 175bio from 150bio and monthly term repo was introduced at 50bio. USD is showing sign of funding squeeze as the basis swaps of 3mth EURUSD basis moved down from -20 to -60bps. Still far from the Lehman when it went down to -200bps.
- US equities briefly rebounded post FED announcement but in the end the session ended with Dow of 9.99% while S&P was off 9.51%. Gold did not perform as safe haven asset as the commodity was sold off on margin calls and extreme fear of crisis to the extent that cash is king with price collapsed from 1640 to 1560.88.

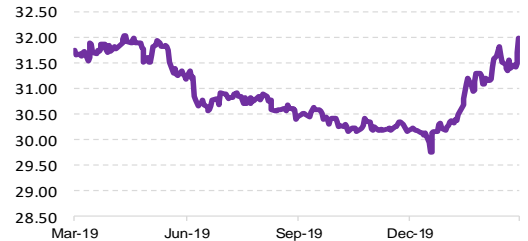
## Views on Exchange Rates



**USDTHB:** USDTHB edged higher on SET sold off and full blown risk off sentiment. Local bond sold off 20-30 bps throughout the whole curve which help accelerated the pace of USDTHB.

*Support/Resistance: 31.97/32.12*

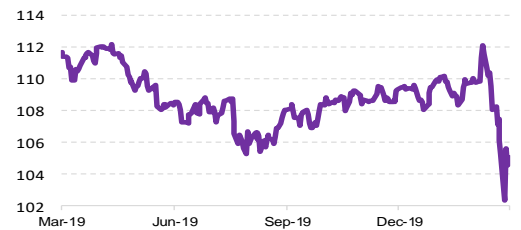
USDTHB Exchange Rates



**USDJPY:** USDJPY movement was pretty contained considering the wide ride in the market. Headline this morning showed MOF, BOJ, and Government will arrange the meeting prompted market for the package or strategy to support the market.

*Support/Resistance: 103.81/106.9*

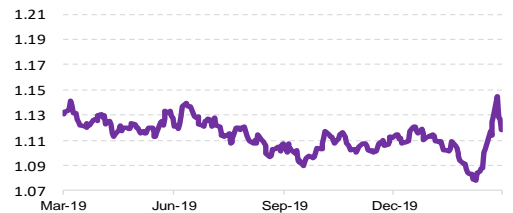
USDJPY Exchange Rates



**EURUSD:** EURUSD tanked lower on ECB decision after the decision to adjust QE amount without mentioning the boost to fiscal stimulus.

*Support/Resistance: 1.1045/1.26*

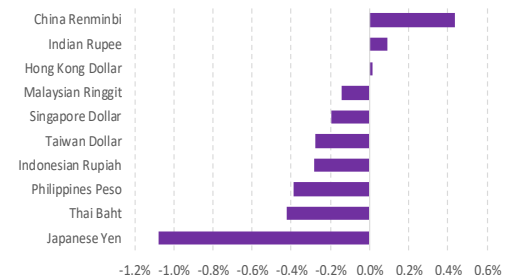
EURUSD Exchange Rates



## Exchange Rate

	6/3/20	12/3/20	13/3/20		6/3/20	12/3/20	13/3/20
USD/THB	31.39	31.71	32.00	USD/JPY	105.30	104.63	105.08
JPY/THB	29.80	30.30	30.45	EUR/USD	1.129	1.118	1.118
EUR/THB	35.42	35.46	35.77	GBP/USD	1.305	1.257	1.254
GBP/THB	40.96	39.86	40.13	AUD/USD	0.665	0.623	0.631
AUD/THB	20.88	19.77	20.18				

Regional foreign exchange rate spot return (7D)

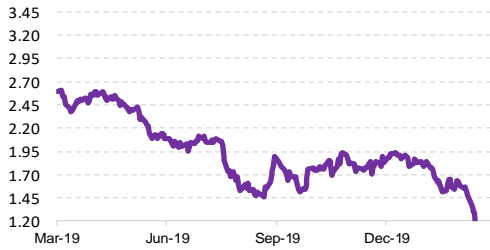


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## Views on Interest Rates

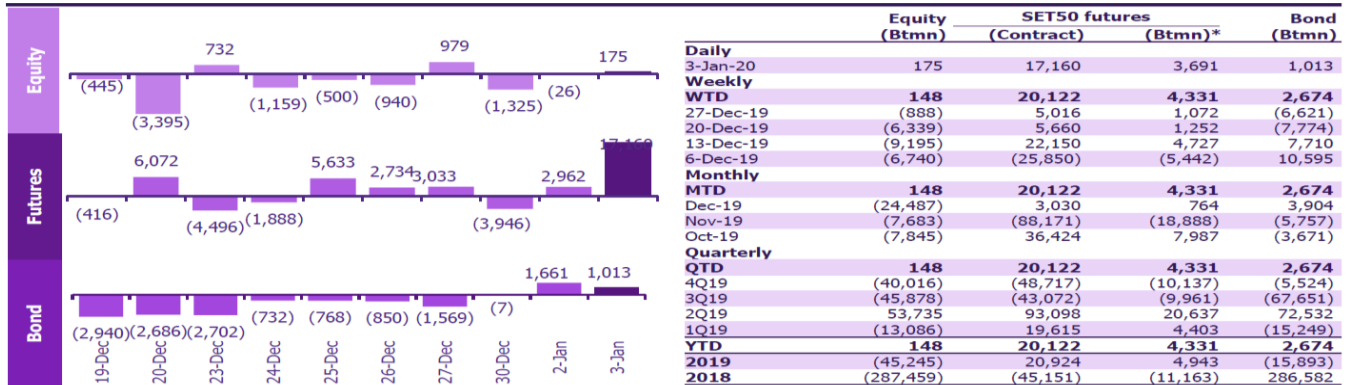
### U.S. 10 Year Treasury



**US** : UST 10Yr yield traded in range 0.65-0.80%. Although market risk-off but bond was sell-off as USD short liquidity.

**THB** : THB bond sell off yesterday. Long-end bond rose 30bps while front-end bond we saw local fund sell.

## Thailand daily foreign net flows



## Key Indicator Update

Tenor	5/3/20	11/3/20	12/3/20
UST 3-mth	0.63	0.43	0.33
UST 6-mth	0.52	0.39	0.36
UST 1-yr	0.48	0.40	0.36
UST 5-yr	0.67	0.66	0.65
UST 10-yr	0.93	0.82	0.85

Tenor	5/3/20	11/3/20	12/3/20
TGB 6-mth	0.87	0.79	0.81
TGB 2-yr	0.72	0.67	0.75
TGB 5-yr	0.79	0.78	0.88
TGB 10-yr	1.01	0.98	1.18

### Stock market

	11/3/20	12/3/20	%Change
SET Index	1,249.89	1,114.91	(10.80)
DJIA	23,553.22	21,200.62	(9.99)

### 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	32.98	31.5	(4.49)
Gold	1,634.03	1,561.68	(4.43)

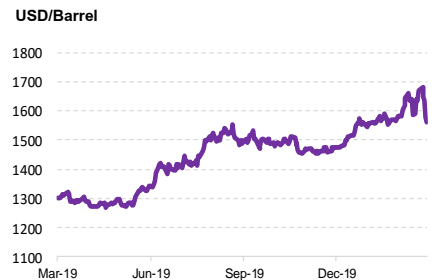
### THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.923	0.845	0.806	0.789

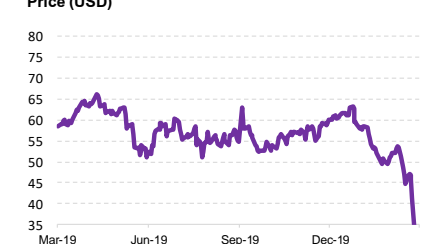
### THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.770	0.810
2-yr	0.815	0.855
3-yr	0.845	0.885
5-yr	0.950	0.990
10-yr	1.045	1.105

### 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