

Daily Market Review At-A-Glance

Friday, July 31, 2020

Market Highlight



- Overnight, US data showed a sign of weaknesses as Jobless Claims and Continuing claim again showed a small uptick which was definitely a point of concern.
- US Q2 GDP data came in almost inline at -32.9% vs -34.5% exp which is the weakest data on record. Jobless claim rose from 1422k to 1434k.
- Trump's tweet to delay elections got some attention. Delaying elections would need approval from Senate and Democratic controlled House of Representative. More importantly, if one could assume on a farfetched basis that Trump manages to achieve that, his term will still get over on 20th Jan 2021 as mandated by US Constitution.
- Overnight also saw results of tech firms that all beat estimates. Stocks after falling 2% on the open recovered and closed higher on the back of good Q2 earnings from Apple, FB, Amazon and Google.

Views on Exchange Rates



USDTHB: USDTHB traded lower in line with USD weaknesses trend. Usual support that kicked in near 31.30 was missing and therefore we saw a momentum selling interest on the break below 31.30. Under current market theme where liquidity from massive stimulus is flushed, we believed that USD weaknesses trend shall continue for the time beings.

USDTHB Exchange Rates

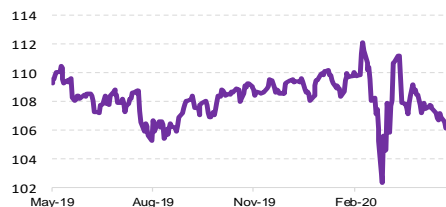


Support/Resistance: 31.10/31.25



USDJPY: USDJPY grinded lower as USD got sold off massively. Month end flow might help slow down the pace lower.

USDJPY Exchange Rates

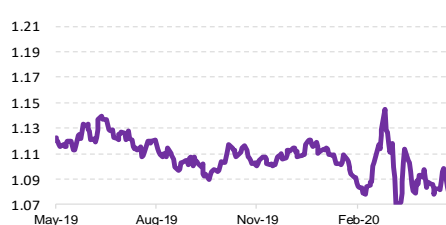


Support/Resistance: 103.5/105



EURUSD: EUR once again cleared another major hurdle at 1.18 and moved sharply higher to test next figure at 1.19. Without a lower close for at least 2-3 consecutive days, a sign of exhaustion we are looking for will not materialize.

EURUSD Exchange Rates

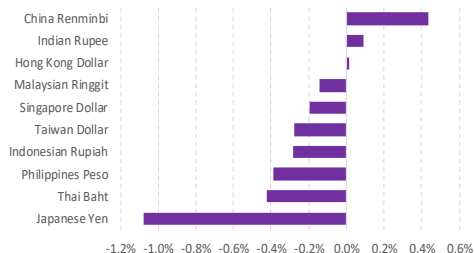


Support/Resistance: 1.175/1.194

Exchange Rate

	24/7/20	30/7/20	31/7/20		24/7/20	30/7/20	31/7/20
USD/THB	31.60	31.37	31.21	USD/JPY	106.12	104.72	104.21
JPY/THB	29.76	29.95	29.95	EUR/USD	1.165	1.185	1.189
EUR/THB	36.82	37.16	37.10	GBP/USD	1.279	1.309	1.313
GBP/THB	40.41	41.07	40.99	AUD/USD	0.710	0.719	0.722
AUD/THB	22.44	22.56	22.52				

Regional foreign exchange rate spot return (7D)



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Views on Interest Rates

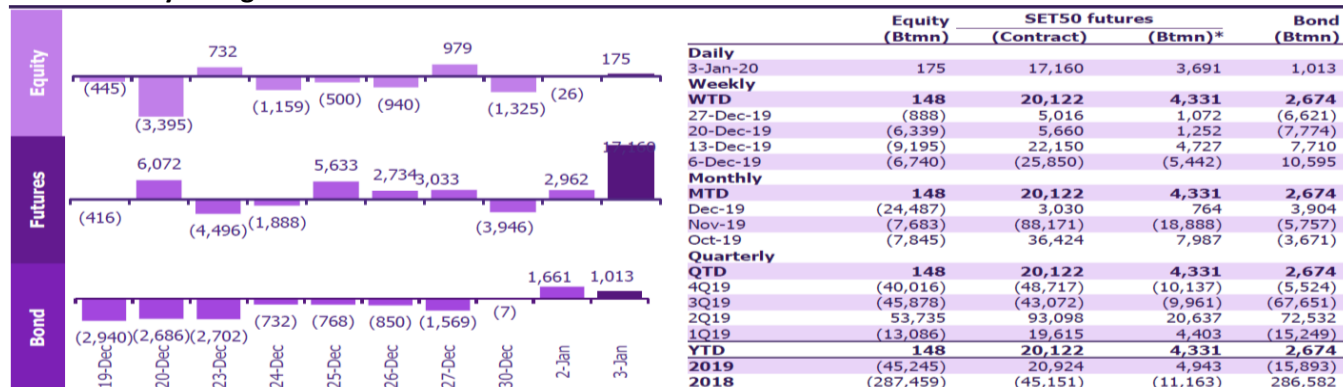
U.S. 10 Year Treasury



US : UST yields traded lower around 3 bps to 0.54% amid risk off sentiment from global stock sell off. Real yield UST 10Y still pushed lower to around the lowest level around -0.96%. Key support for UST 10y should be around 0.50 to 0.54%.

THB : THB rates traded mostly unchanged despite lower global yields. 5Y IRS still has strong support around 0.70% level while 6m THBFX has been creeping higher to around 0.40%. On bond side, yields also mostly unchanged as we have seen two way interests. All eyes will be on bond switching next month.

Thailand daily foreign net flows



Key Indicator Update

Tenor	24/7/20	29/7/20	30/7/20
UST 3-mth	0.11	0.10	0.10
UST 6-mth	0.13	0.11	0.10
UST 1-yr	0.14	0.13	0.12
UST 5-yr	0.27	0.25	0.23
UST 10-yr	0.59	0.58	0.54

Tenor	24/7/20	29/7/20	30/7/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.47	0.47	0.47
TGB 5-yr	0.81	0.81	0.81
TGB 10-yr	1.30	1.30	1.30

Stock market

	29/7/20	30/7/20	%Change
SET Index	1,338.35	1,315.74	(1.69)
DJIA	26,539.57	26,313.65	(0.85)

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	41.27	39.92	(3.27)
Gold	1,961.50	1,966.95	0.28

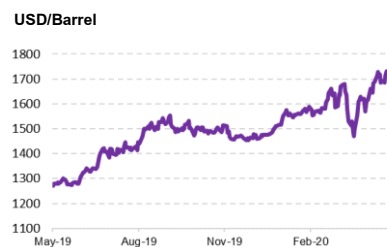
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.447	0.463	0.491	0.500

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.450	0.490
2-yr	0.515	0.555
3-yr	0.595	0.635
5-yr	0.740	0.780
10-yr	1.040	1.100

WTI Crude Oil



Gold



Economic Calendar

Date	Economic Indicator
27-Jul-20	Economic release: US – Durable and core durable goods orders for Jun
28-Jul-20	Economic release: US – CB Consumer confidence for Jul Event: FOMC meeting
29-Jul-20	Economic release: US - Pending home sales for Jun, crude oil inventories Event: FOMC meeting
30-Jul-20	Economic release: JP – Consumer confidence for Jul Economic release: US – Advanced GDP for 2020, unemployment claims
31-Jul-20	Economic release: TH – Economic and monetary conditions for Jun Economic release: JP – Retail sales for Jun Economic release: CN – Manufacturing and non-manufacturing PMI for Jul Economic release: EU – CPI flash estimate for Jul Economic release: US – Core PCE price index and personal spending for Jun