

Daily Market Review At-A-Glance

Monday, August 3, 2020

Market Highlight



- On Friday, equities started the NY session lower first but ended higher after being lifted by tech stocks. S&P rose 0.44% to close at 26,428.32 while DJIA was up 0.77% to 3,271.12.
- Other headlines saw Fitch revised down the U.S. outlook to negative from stable, citing increased debt and a deterioration in public finances. The rating was maintained at AAA.
- Trump tweets that he plan to buy TikTok from US citing national security concern. His plan has put Microsoft plan to buy TikTok US operation on hold. Pompeo said they might add other Chinese firms in the ban list.
- FED Kashkari commented on increasing borrowing by US to find its stimulus that there are no need to do so abroad as they can still borrow at cheap rate.

Views on Exchange Rates



USDTHB: USDTHB continue to grind lower despite a relatively biddish stance in USD. Gross foreign reserve drastically increased from 244.9 Bio to 247.3 Bio and Forward contract also rose from 23.7 Bio to 24.2 Bio. This implication showed BOT attempt to prevent Baht from strengthening too fast. On Friday, the move lower was accelerated once USDTHB broke its 31.30 level. Under current market theme where liquidity from massive stimulus is flushed, we believed that USD weaknesses trend shall continue for the time beings.

Support/Resistance: 31.10/31.25

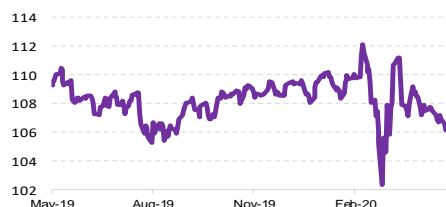
USDTHB Exchange Rates



USDJPY: USDJPY caught the market off guard with spot spiked more than 1 big figure after USD rebounded. As mentioned earlier that Month end flow might help slow down the pace lower. grinded lower as USD got sold off massively. Month end flow might help slow down the pace lower.

Support/Resistance: 105/107.5

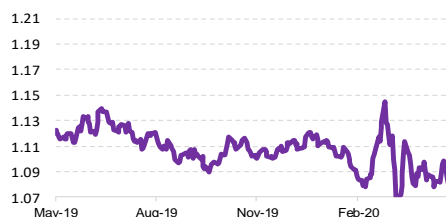
USDJPY Exchange Rates



EURUSD: EUR failed to sustain the break above 1.19 and since then we saw sharp increase in EURUSD take profit flow. Spot quickly fell below 1.18 and printed a low at 1.174. Considering stories between US and EU, EU seems to earn more bright spot through lower infection, Recovery fund approved, and US election is up ahead.

Support/Resistance: 1.163/1.185

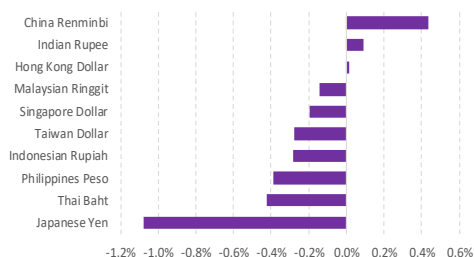
EURUSD Exchange Rates



Exchange Rate

	27/7/20	31/7/20	3/8/20		27/7/20	31/7/20	3/8/20
USD/THB	31.47	31.25	31.21	USD/JPY	105.37	105.88	106.00
JPY/THB	29.86	29.52	29.44	EUR/USD	1.175	1.177	1.176
EUR/THB	36.98	36.80	36.71	GBP/USD	1.288	1.309	1.309
GBP/THB	40.54	40.88	40.84	AUD/USD	0.715	0.714	0.712
AUD/THB	22.50	22.32	22.23				

Regional foreign exchange rate spot return (7D)

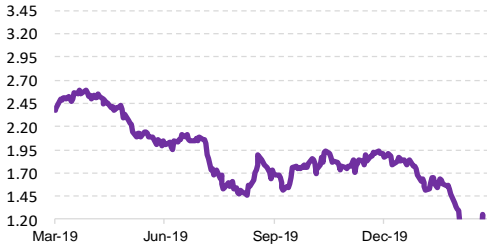


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Views on Interest Rates

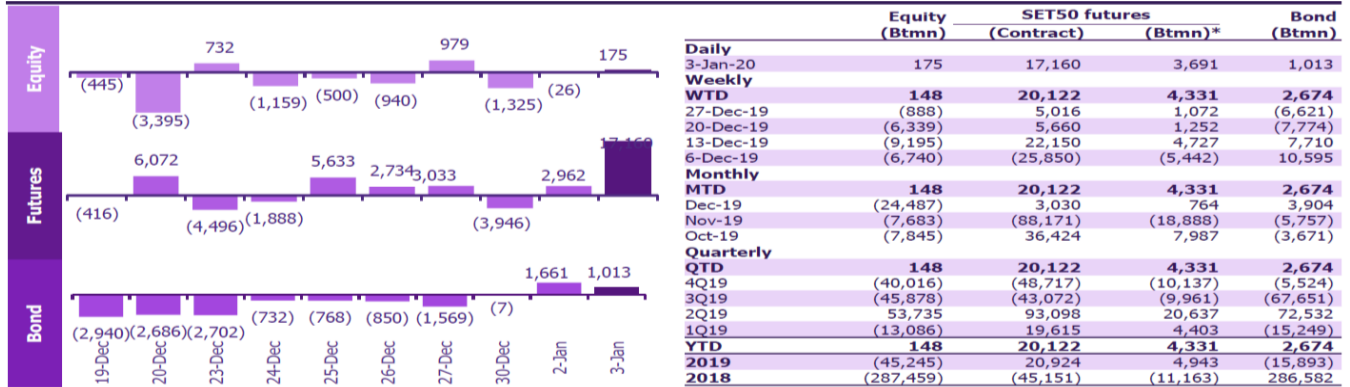
U.S. 10 Year Treasury



US : On Friday, UST 10y closed below key support level around 0.54% despite higher US stock market. Some sources cited on month end buying UST pushing yields lower. However, The yield opened higher around 2-3 bps to current 0.55% amid slightly risk on sentiment and stronger than expected China PMI.

THB : THBIRS have been in biddish mode especially in the long end despite mostly lower global yields. The long end IRS especially 15Y tenor has got paying interest pushing curve steepened in that part while front to belly part still haven't moved much. On bond side, market has got two way interest as all eyes will focus on bond switching this month.

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	24/7/20	30/7/20	31/7/20
UST 3-mth	0.11	0.10	0.09
UST 6-mth	0.13	0.10	0.10
UST 1-yr	0.14	0.12	0.12
UST 5-yr	0.27	0.23	0.21
UST 10-yr	0.59	0.54	0.54

Tenor	24/7/20	30/7/20	31/7/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.47	0.47	0.46
TGB 5-yr	0.81	0.81	0.78
TGB 10-yr	1.30	1.30	1.27

Stock market

	30/7/20	31/7/20	%Change
SET Index	1,315.74	1,328.53	0.97
DJIA	26,313.65	26,428.32	0.44

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	39.92	40.27	0.88
Gold	1,966.95	1,972.55	0.28

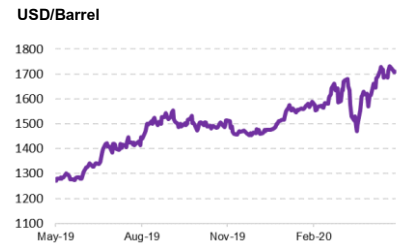
THBFIX (%)

1-mth	3-mth	6-mth	1-yr
0.447	0.463	0.492	0.498

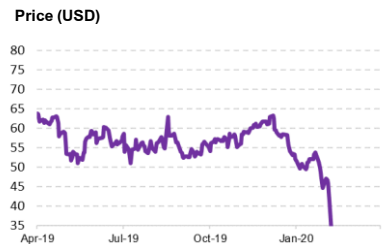
THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.435	0.475
2-yr	0.510	0.550
3-yr	0.600	0.640
5-yr	0.750	0.790
10-yr	1.060	1.120

WTI Crude Oil



Gold



Economic Calendar

Date	Economic Indicator
03-Aug-20	Economic release: JP/US/EU – Final manufacturing PMI for Jul
	Economic release: CN – Caixin Manufacturing PMI for Jul
	Economic release: US – ISM manufacturing PMI for Jul
04-Aug-20	Economic release: EU – PPI for Jun
05-Aug-20	Economic release: TH - CPI and core CPI for Jul
	Economic release: CN - Caixin service PMI for Jul
	Economic release: EU/US - Final service PMI for Jul
	Economic release: EU - Retail sales for Jun
	Economic release: US - ADP non-farm employment change for Jul, ISM non-manufacturing PMI for Jul, crude oil inventories
06-Aug-20	Event: MPC meeting
	Economic release: US – Unemployment claims
07-Aug-20	Event: BOE meeting
	Economic release: JP – Household spending for Jun
	Economic release: US – Average hourly earnings, non-farm employment change and unemployment rate by for Jul