

Daily Market Review At-A-Glance

Tuesday, August 4, 2020

Market Highlight



- Overnight, data in US continues to surprise on the upside with ISM Manufacturing coming in at 54.2 (exp 53.6) which pushed Stocks higher as composition of the report showed improvements in the production, new orders and employment.
- Fed speakers did not add anything new, all of them echoed the need to do more for supporting the economy.
- S&P managed to briefly break 3300 and Nasdaq made a new all time highs which is almost every day now. Equities ended higher with Dow up 0.89% to 26,664.40 while S&P was up 0.72% to 3,294.61.
- Tension between the U.S. and China continue to simmer as Trump said TikTok will have to close its U.S. business by Sept. 15 unless there's a deal to sell the social media network's American operations.

Views on Exchange Rates



USDTHB: USDTHB resumed its movement lower amid moderate USD bids across the board. Key event this week is MPC tomorrow where market expects them to remain status quo. 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

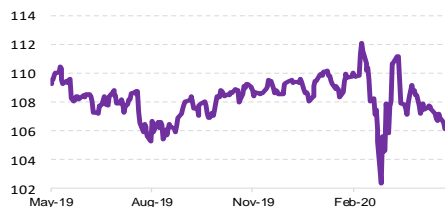


Support/Resistance: 31.10/31.25



USDJPY: USDJPY pull back slightly after the upside momentum waned ahead of 106.5. USD weakness trend pauses for the second day however the large picture remained unchanged.

USDJPY Exchange Rates

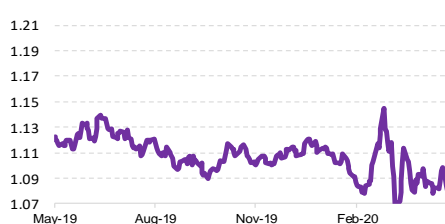


Support/Resistance: 105/107.5



EURUSD: EUR for the second consecutive days closed weaker however it managed to hold above 1.17. Market conviction continue to be higher Euro with buy on dips strategy. 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.

EURUSD Exchange Rates

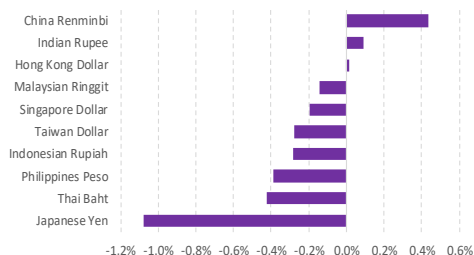


Support/Resistance: 1.163/1.185

Exchange Rate

	28/7/20	3/8/20	4/8/20		28/7/20	3/8/20	4/8/20
USD/THB	31.47	31.20	31.15	USD/JPY	105.08	105.94	106.17
JPY/THB	29.94	29.44	29.34	EUR/USD	1.171	1.176	1.176
EUR/THB	36.86	36.69	36.63	GBP/USD	1.293	1.307	1.307
GBP/THB	40.69	40.79	40.72	AUD/USD	0.716	0.712	0.712
AUD/THB	22.52	22.22	22.17				

Regional foreign exchange rate spot return (7D)

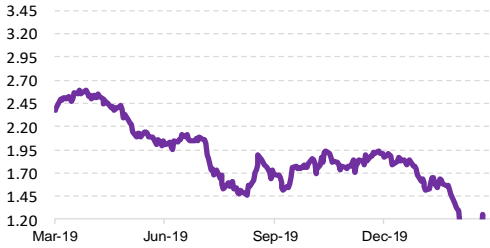


Daily Market Review At-A-Glance

Tuesday, August 4, 2020

Views on Interest Rates

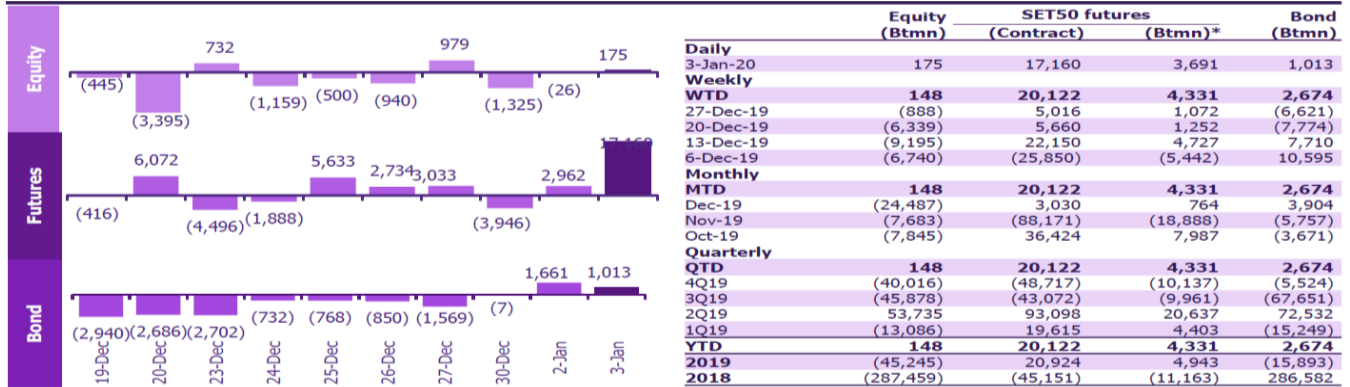
U.S. 10 Year Treasury



US : U.S. government bond yield bear steepened as stock rallied. ISM manufacturing came in above expectations. 10y benchmark yield higher 2bps from Friday closed.

THB : Market was quiet. Yield was almost unchanged. Foreign investors net buy long term bond THB 2.7bn mostly in belly of the curve. Market expected BOT will keep rate unchanged in MPC meeting this week.

Thailand daily foreign net flows



Key Indicator Update

Tenor	24/7/20	31/7/20	3/8/20
UST 3-mth	0.11	0.09	0.09
UST 6-mth	0.13	0.10	0.11
UST 1-yr	0.14	0.12	0.12
UST 5-yr	0.27	0.21	0.23
UST 10-yr	0.59	0.54	0.56

Stock market

	31/7/20	3/8/20	%Change
SET Index	1,328.53	1,321.23	(0.55)
DJIA	26,428.32	26,664.40	0.89

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	40.27	41.01	1.84
Gold	1,966.95	1,975.62	0.44

Tenor	24/7/20	31/7/20	3/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.47	0.46	0.46
TGB 5-yr	0.81	0.78	0.78
TGB 10-yr	1.30	1.27	1.27

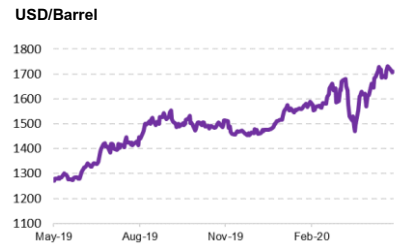
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.446	0.462	0.491	0.498

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.420	0.460
2-yr	0.510	0.550
3-yr	0.610	0.650
5-yr	0.760	0.800
10-yr	1.065	1.125

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
	Economic release: TH - CPI and core CPI for Jul
05-Aug-20	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