

Daily Market Review At-A-Glance

Wednesday, August 5, 2020

Market Highlight



- Overnight, demand for duration or US Treasury continues even as Stocks soar higher every single day. Continued drop in US real yields is probably giving bid to Stocks.
- A lack of agreement for US fiscal stimulus 2.0 has somehow did not have impact on equities as it is priced in that there is very slim chance that they could not come up with a deal. The latest on the issue is a consideration about delaying collection of federal payroll taxes, and extend enhanced federal unemployment benefits using unspent money already appropriated by Congress.
- For equities, DJIA once again ends up 0.62% to 26,828.47 while S&P was up 0.36% to 3,306.51.
- Potential headwinds ahead still see focus on the progress on the US stimulus talks, plan to review the US-China Phase 1 deal mid month - and with China falling behind its purchases commitments on agricultural products and Trump saying he no long sees the deal as important to him may set this event up with much volatility.

Views on Exchange Rates



USDTHB: USDTHB continue to grind lower with most of the interest were on the selling side. On data front, Markit PMI Manufacturing printed 45.9 from the previous month number of 43.5. Business sentiment index improved slightly from 38.5 to 42.9. Generally speaking, movement of USDTHB is pretty much in line with USD trend. 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: 30.95/31.15

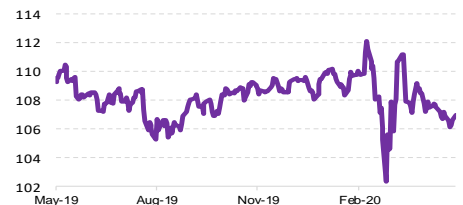
USDTHB Exchange Rates



USDJPY: USDJPY for the second day in a row resumed its path lower. Short term movement capped below 106.5 as large picture remained unchanged.

Support/Resistance: 105/106.7

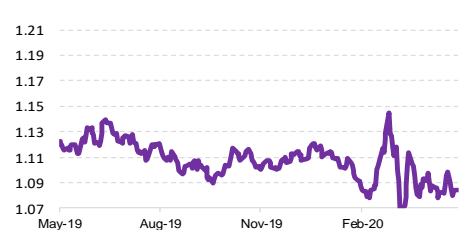
USDJPY Exchange Rates



EURUSD: EUR recoup its earlier losses and now trade barely above 1.18. Support at 1.17 will be a key indicator for the move in the foreseeable future. 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: 1.17/1.19

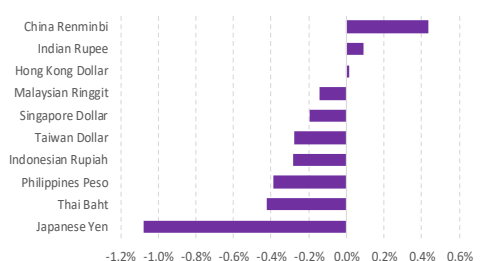
EURUSD Exchange Rates



Exchange Rate

	29/7/20	4/8/20	5/8/20		29/7/20	4/8/20	5/8/20
USD/THB	31.41	31.04	31.02	USD/JPY	104.91	105.70	105.55
JPY/THB	29.93	29.36	29.38	EUR/USD	1.179	1.180	1.181
EUR/THB	37.03	36.63	36.63	GBP/USD	1.300	1.306	1.308
GBP/THB	40.82	40.57	40.58	AUD/USD	0.719	0.716	0.718
AUD/THB	22.57	22.22	22.28				

Regional foreign exchange rate spot return (7D)

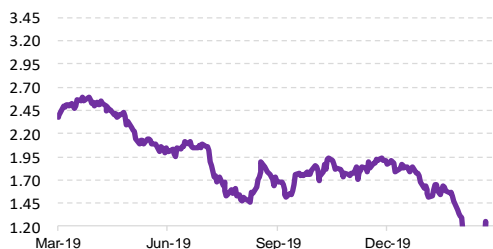


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Views on Interest Rates

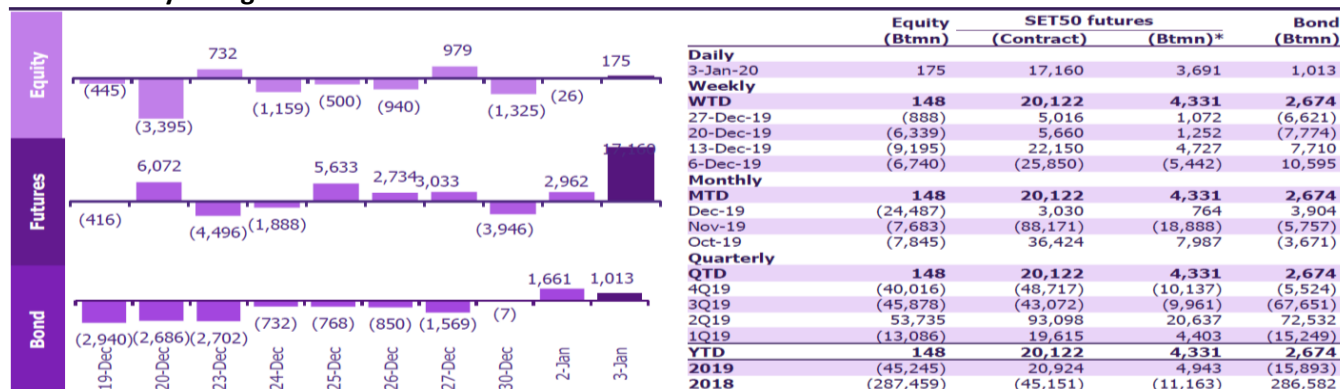
U.S. 10 Year Treasury



US : UST 10y yield moved lower significantly toward around 0.50% , lowest level since 09 mar 2020. The reason behind the move was unclear since equities and gold also higher. Also, real yield continued to edge lower to, currently -1.05%.

THB : THBIRS opened lower around 1-2 bps following global yields while on bond side, we still have seen demand in long end pushing the curve bull flattened around 2-3 bps. Today, there will be MPC meeting coming out around 2.15 pm BKK time which should be rate unchanged and not the market mover.

Thailand daily foreign net flows



Key Indicator Update

Tenor	24/7/20	3/8/20	4/8/20
UST 3-mth	0.11	0.09	0.10
UST 6-mth	0.13	0.11	0.11
UST 1-yr	0.14	0.12	0.12
UST 5-yr	0.27	0.23	0.20
UST 10-yr	0.59	0.56	0.51

Stock market

	3/8/20	4/8/20	%Change
SET Index	1,321.23	1,330.81	0.73
DJIA	26,664.40	26,828.47	0.62

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	41.01	41.7	1.68
Gold	1,975.62	2,012.75	1.88

Tenor	24/7/20	3/8/20	4/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.47	0.46	0.44
TGB 5-yr	0.81	0.78	0.77
TGB 10-yr	1.30	1.27	1.25

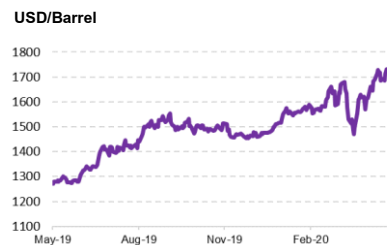
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.446	0.467	0.493	0.497

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.430	0.470
2-yr	0.500	0.540
3-yr	0.590	0.630
5-yr	0.735	0.775
10-yr	1.035	1.095

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