

Daily Market Review At-A-Glance

Thursday, August 6, 2020

Market Highlight



- Overnight, US Stocks rallied once again and SP500 managed to close the gap from February when the sell-off actually began. NASDAQ in the meantime managed to close at another all-time high.
- On data front, a fairly soft ADP coming in at 167k (exp 1.2mio) however the disappoint number was compensated by the revise of last month number from 2369k to 4314k. Market somehow tried to explain the lack of move in asset price amid a relatively weak data as they recently saw a break down implication between ADP and Non-farm last month. Meanwhile, Trump has been tweeting that there is a big number expected later this week.
- US Service PMI came out 50 slightly higher than expectation of 49.6. ISM Service Index printed 58.1 (exp 55).
- Equities managed to close higher with DJIA ended up 1.39% to 27,201.52 while S&P was up 0.64% to 3,327.77. Jobless Claims today will be crucial after the jump seen in last few prints, followed by NFP on Friday.

Views on Exchange Rates



USDTHB: MPC held rate unchanged at 0.5% with unanimous vote. MPC saw economy is improving while they voiced a concern that Baht strength could affect economy recovery. They will also monitor Baht closely and ready to take necessary steps. After the meeting, USDTHB stalled its move lower as buying interest near 30.97 from the big name came in.

Support/Resistance: 30.95/31.10

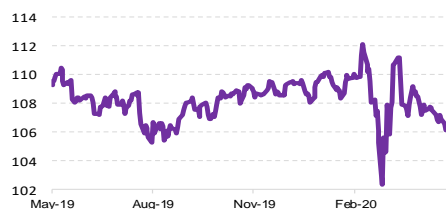
USDTHB Exchange Rates



USDJPY: USDJPY grinded lower as the pair falls in sympathy with the broad USD complex, although the pace of decline has clearly paled in comparison to its G10 counterparts.

Support/Resistance: 105/107.5

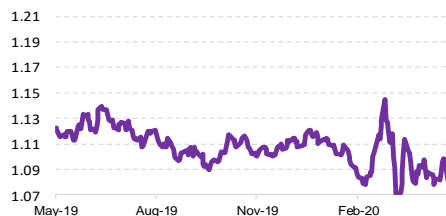
USDJPY Exchange Rates



EURUSD: EUR resumed its trend higher after a very brief correction near 1.17. EURUSD traded up to 1.19 but once again fail to sustain the break above 1.19. We probably see its third attempt to test 1.19 again today and if it were succeed it would look to be on track to 1.20. 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.

Support/Resistance: 1.18/1.197

EURUSD Exchange Rates

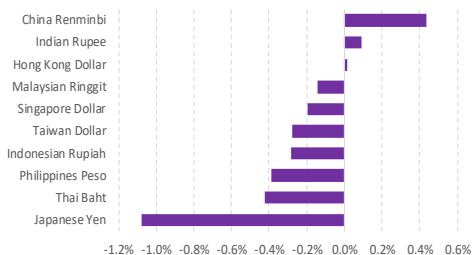


Exchange Rate

	30/7/20	5/8/20	6/8/20
USD/THB	31.37	31.03	31.06
JPY/THB	29.95	29.38	29.42
EUR/THB	37.16	36.80	36.86
GBP/THB	41.07	40.69	40.77
AUD/THB	22.56	22.31	22.33

	30/7/20	5/8/20	6/8/20
USD/JPY	104.72	105.57	105.57
EUR/USD	1.185	1.186	1.186
GBP/USD	1.309	1.311	1.313
AUD/USD	0.719	0.719	0.719

Regional foreign exchange rate spot return (7D)

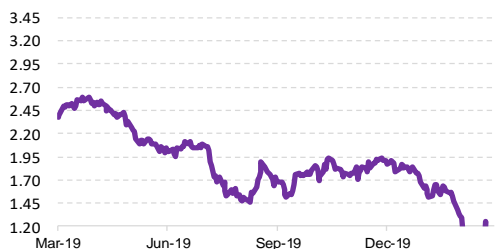


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Views on Interest Rates

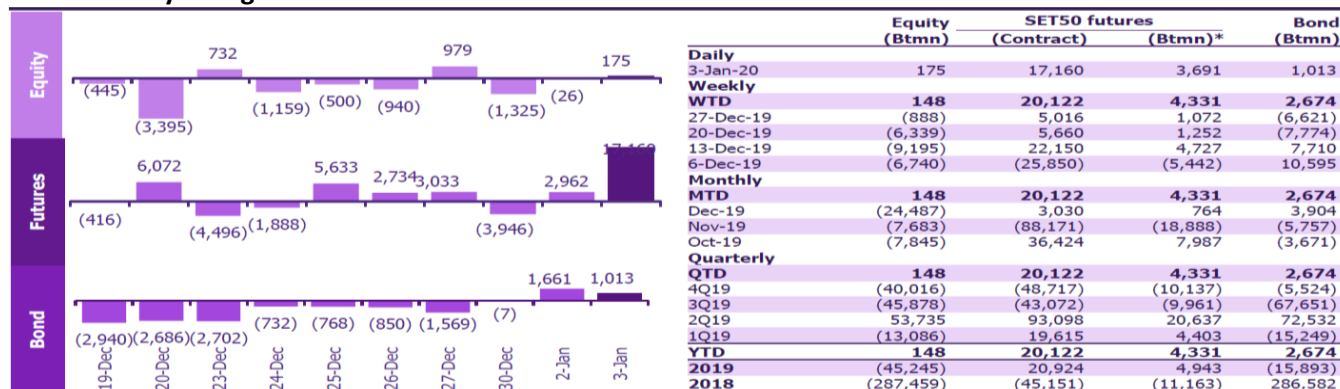
U.S. 10 Year Treasury



US : UST 10Yr yield test 0.55% as resistance level after U.S. rise on stimulus hopes.

THB : Long-end bond curve lower following UST 10Yr yesterday. However, bond curve shift up a bit after MPC hold rate at 0.50%. We recommend to buy LB35DA as lack of supply.

Thailand daily foreign net flows



Key Indicator Update

Tenor	24/7/20	4/8/20	5/8/20
UST 3-mth	0.11	0.10	0.10
UST 6-mth	0.13	0.11	0.12
UST 1-yr	0.14	0.12	0.12
UST 5-yr	0.27	0.20	0.22
UST 10-yr	0.59	0.51	0.54

Stock market

	4/8/20	5/8/20	%Change
SET Index	1,330.81	1,337.35	0.49
DJIA	26,828.47	27,201.52	1.39

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	41.7	42.19	1.18
Gold	2,012.75	2,037.45	1.23

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

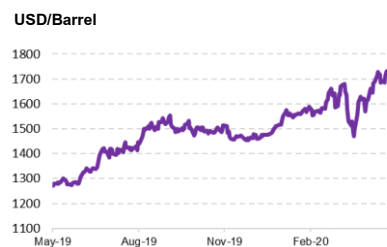
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.447	0.467	0.493	0.497

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.450	0.490
2-yr	0.515	0.555
3-yr	0.600	0.640
5-yr	0.755	0.795
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