

Daily Market Review At-A-Glance

Friday, August 7, 2020

Market Highlight



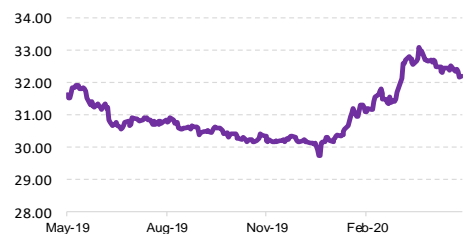
- Overnight, equities continued to rally making new local highs while MSCI all country world index managed to erase all the losses for the year.
- On data front; better than expected data sustained market sentiment. US Initial Jobless Claims number coming in at 1186k vs 1400k exp, while Continuing Claims was 16107k (exp 16900k).
- Equities ended higher with Dow up 0.68% to 27,386.98 while S&P was up 0.64% to 3,349.16. Trump signed executive order to address the threat posed by WeChat; another Chinese mobile application; after prohibited US jurisdiction from doing transaction with Bytedance (TikTok owner).
- Market focus will be on US Non-farm today. Offshore houses think the number can cause some serious volatility as Trump's tweets that big number is coming.

Views on Exchange Rates



USDTHB: USDTHB sharply rebounded from the major support at 30.97 after we saw a relentless buying interest from the GRAND name. Better than expected CPI did little to curb Baht weaknesses. CPI YoY came out -0.98% (exp-1.49%) while MoM came out 0.66% (exp 0.17%).

USDTHB Exchange Rates

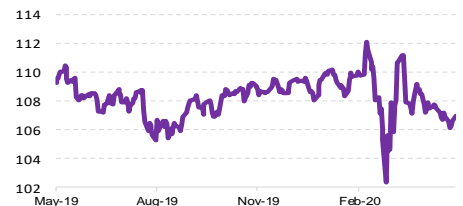


Support/Resistance: 31.10/31.25



USDJPY: USDJPY traded in tight range 105-106. Speculative selling interest in USDJPY may take place before Japan long weekend this week and next week. Exporter sales and seasonal repatriation from Treasury interest payment may underpin the pair.

USDJPY Exchange Rates

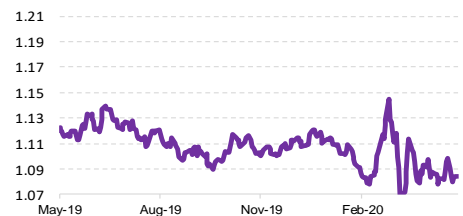


Support/Resistance: 105/106.7



EURUSD: As we mentioned yesterday that we will see its third attempt to test 1.19 resistance again, the test came in when London is about to open however the break was half-success as spot failed to sustain the break above 1.19. EUR since then grinded lower toward 1.182 as those who buy on break unwounded their position. Market conviction continue to be 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

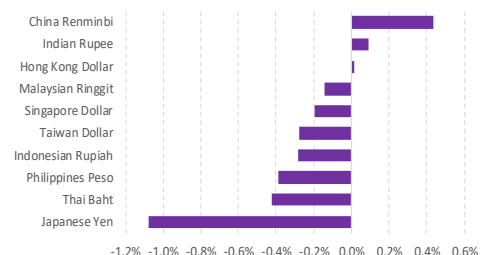


Support/Resistance: 1.18/1.197

Exchange Rate

	31/7/20	6/8/20	7/8/20		31/7/20	6/8/20	7/8/20
USD/THB	31.25	31.10	31.19	USD/JPY	105.88	105.54	105.57
JPY/THB	29.52	29.46	29.53	EUR/USD	1.177	1.188	1.185
EUR/THB	36.80	36.93	36.95	GBP/USD	1.309	1.315	1.312
GBP/THB	40.88	40.88	40.90	AUD/USD	0.714	0.723	0.721
AUD/THB	22.32	22.49	22.50				

Regional foreign exchange rate spot return (7D)



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Views on Interest Rates

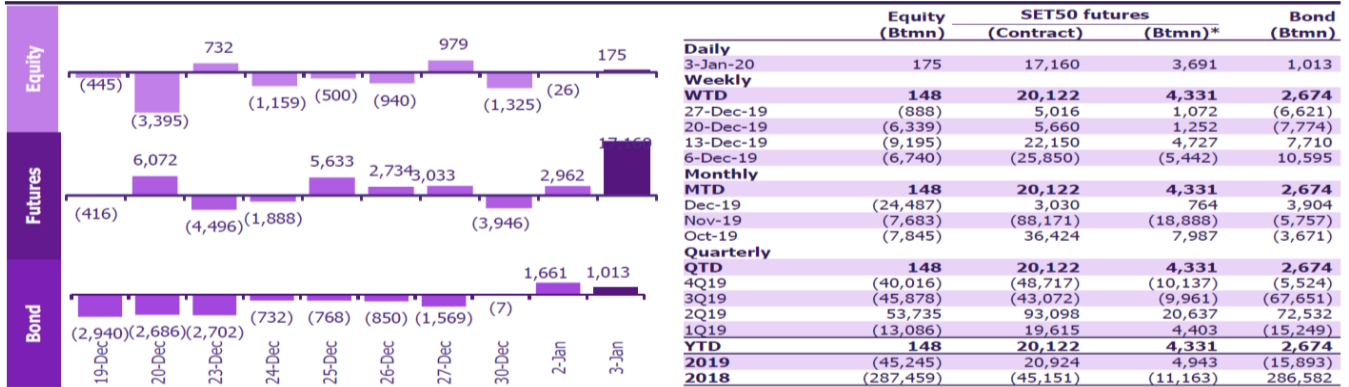
U.S. 10 Year Treasury



US : US yields saw a sudden drop even after a better than expected Initial Jobless Claims, and Continuing claim. However, once Fed was done with its daily purchases, long-end erased some gains and we gyrated back to 55bp..

THB : THBIRS continues its biddish tone despite lower global yields. 5Y IRS still has some paying support and interest around 0.705 level. On fixing side, THBFIX has been stable around 0.40%. On bond side, curve has pretty much unchanged as lower global yields have been offset by coming long end supply 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				
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	31/7/20	5/8/20	6/8/20
UST 3-mth	0.09	0.10	0.10
UST 6-mth	0.10	0.12	0.11
UST 1-yr	0.12	0.12	0.13
UST 5-yr	0.21	0.22	0.21
UST 10-yr	0.54	0.54	0.54

Tenor	31/7/20	5/8/20	6/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.46	0.44	0.45
TGB 5-yr	0.78	0.77	0.79
TGB 10-yr	1.27	1.25	1.27

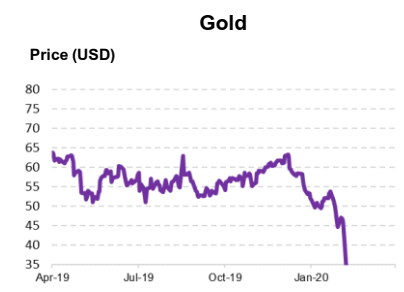
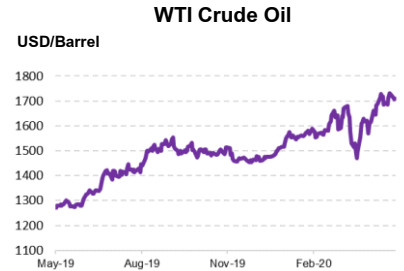
Stock market	5/8/20	6/8/20	%Change
SET Index	1,337.35	1,333.22	(0.31)
DJIA	27,201.52	27,386.98	0.68

THBFIX (%)	1-mth	3-mth	6-mth	1-yr
	0.450	0.469	0.493	0.498

Repurchase rate	1-day	7-day	14-day	1-mth
	1.25%	1.25%	1.25%	1.25%

THB Swap rate (IRS)	Tenor	bid	ask
	1-yr	0.440	0.480
	2-yr	0.510	0.550
	3-yr	0.595	0.635
	5-yr	0.755	0.795
	10-yr	1.045	1.105

Commodities	Previous Day	Last	%Change
WTI Crud	42.19	41.95	(0.57)
Gold	2,037.45	2,063.62	1.28



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