

# Daily Market Review At-A-Glance

Monday, August 10, 2020

## Market Highlight



- Overnight, US equities were little changed with SP500 closed 0.1% higher while NASDAQ closed 0.9% lower led by Apple, Amazon and Microsoft as tension between US and China heated.
- Trump signed executive orders related to Virus economic relief i.e. expanded unemployment benefits, temporary payroll tax deferral, and student loan relief. The plan included extension of \$400 a week in extra jobless benefits where Democrats was unimpressed as it provide too little help to families.
- In terms of negotiations, Democrats and Republicans are trillions of dollars apart on several key spending issues. Neither side provided a timeline for a talk to be restarted despite a comment that both are willing to compromise on the difference.
- US Non farm payroll came out better than expected (actual 1763k, exp 1480 k). Unemployment rate fell to 10.2% from 11.1% last month while market expectation was 10.6%. Average hourly earnings MoM also beat forecast with actual number of 0.2% exp -0.5%.

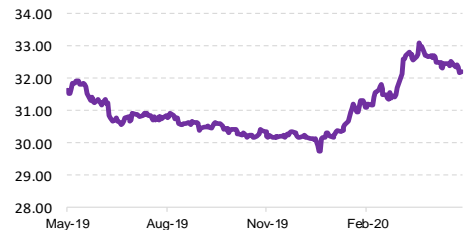
## Views on Exchange Rates



**USDTHB:** USDTHB continue to trade higher after a relentless buying interest from big name. Data on reserve showed a sharp rise in Gross reserve by more than \$3 Billion. If we included last week reserve data, reserve rose by almost \$6 Billion in mere 2 weeks. This showed more aggressive stance of intervention from BOT which in line with their recent MPC minute that THB has been rallied too fast.

*Support/Resistance: 31.10/31.25*

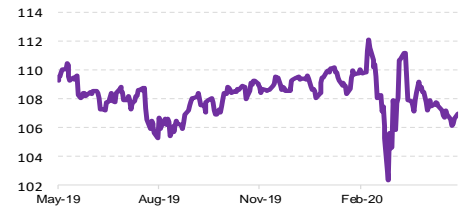
USDTHB Exchange Rates



**USDJPY:** USDJPY traded briefly higher on better than expected US number however it was quickly met with selling interest as it coincided with seasonal pattern of JPY repatriation.

*Support/Resistance: 105/106.7*

USDJPY Exchange Rates



**EURUSD:** EUR collapsed on US data however the dips still relatively shallow considering the massive rallies in the past month. Market conviction continue to be buy on dips strategy. On Chart wise, the pair was continued to be supported by rising 21-day moving average which is now at 1.166. Considering stories between US and EU, EU seems to have more bright spots through lower infection, Recovery fund approved, and US election is up ahead.

*Support/Resistance: 1.166/1.19*

EURUSD Exchange Rates

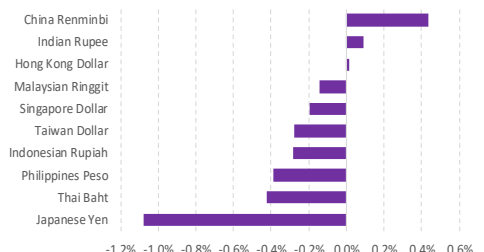


## Exchange Rate

	3/8/20	7/8/20	10/8/20
USD/THB	31.20	31.23	31.17
JPY/THB	29.44	29.48	29.47
EUR/THB	36.69	36.81	36.77
GBP/THB	40.79	40.76	40.73
AUD/THB	22.22	22.35	22.34

	3/8/20	7/8/20	10/8/20
USD/JPY	105.94	105.91	105.75
EUR/USD	1.176	1.179	1.179
GBP/USD	1.307	1.305	1.307
AUD/USD	0.712	0.716	0.717

Regional foreign exchange rate spot return (7D)

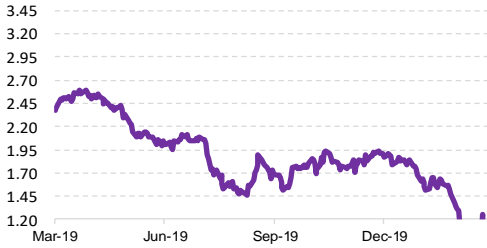


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## Views on Interest Rates

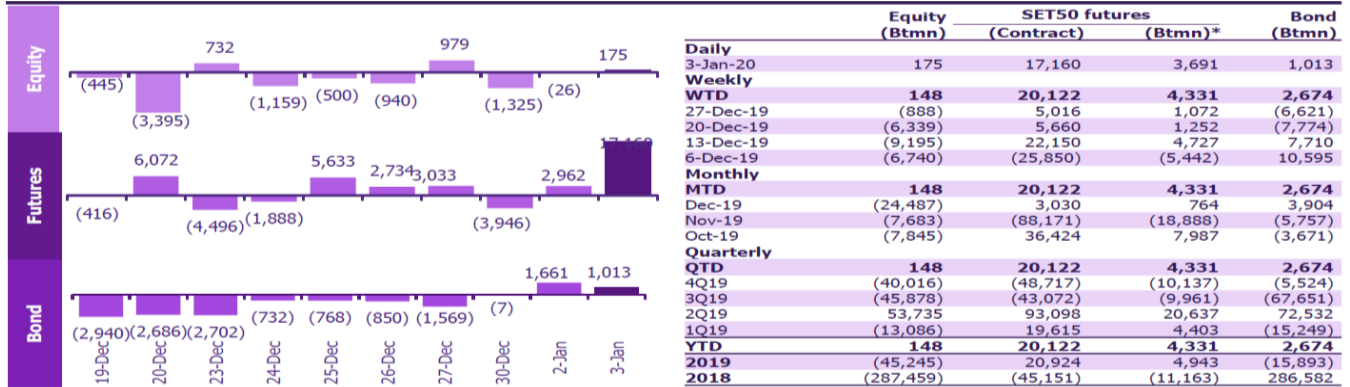
U.S. 10 Year Treasury



**US** : UST yields moved higher around 3 bps and closed at 0.56% on Friday after better than expected Job report. The key support for yields at around 0.50 to 0.55% still held as the yield still closed the week above the key level. On real yields, 10Y real yields closed the week at -1.05% , lower around 10 bps but higher 5 bps than the low at -1.10%

**THB** : THBIRS opened the week higher around 2-3 bps following higher global yields. On front end , THBFXI also moved higher almost 4 bps on Friday to around 0.42%. On Bond side, curve has also steepened as the long end higher around 2-3 bps.

## Thailand daily foreign net flows



## Key Indicator Update

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

Tenor	3/8/20	6/8/20	7/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.46	0.45	0.45
TGB 5-yr	0.78	0.79	0.79
TGB 10-yr	1.27	1.27	1.29

### Stock market

	6/8/20	7/8/20	%Change
SET Inde	1,333.22	1,324.40	(0.66)
DJIA	27,386.98	27,433.48	0.17

### THBFXI (%)

Tenor	3-mth	6-mth	1-yr
1-mth	0.452	0.469	0.494
1-yr	0.452	0.469	0.494

### Repurchase rate

Tenor	1-day	7-day	14-day	1-mth
1-day	1.25%	1.25%	1.25%	1.25%

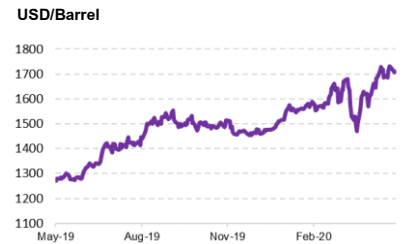
### THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.450	0.490
2-yr	0.515	0.555
3-yr	0.595	0.635
5-yr	0.765	0.805
10-yr	1.055	1.115

### Commodities

	Previous Day	Last	%Change
WTI Crud	41.95	41.22	(1.74)
Gold	2,063.62	2,030.49	(1.61)

### WTI Crude Oil



### Gold



## Economic Calendar

Date	Economic Indicator
10-Aug-20	Economic release: CN – CPI and PPI for Jul
11-Aug-20	Economic release: EU – ZEW economic sentiment for Aug Economic release: US – PPI and core PPI for Jul
12-Aug-20	Economic release: US - CPI and core CPI for Jul, crude oil inventories Economic release: EU - Industrial production for Jun Event: Announcement of August 2020 quarterly MSCI index review
13-Aug-20	Economic release: JP – PPI for Jul Economic release: US – Unemployment claims
14-Aug-20	Economic release: CN – Fixed asset investment and industrial production for Jul, retail sales for Jul Economic release: EU – Flash GDP 2020 Economic release: US – Retail sales and core retail sales for Jul, industrial production for Jul