

Daily Market Review At-A-Glance

Tuesday, August 11, 2020

Market Highlight



- Overnight, despite the rising tensions between the US and China on the international trade front and uncertainty around Trump's Executive action, there was no stopping in equities as SP500 is approaching its all time high
- US Equities ended higher with DJIA up 1.30% to 27,791.44 while S&P was up 0.27% to 3,360.47 just 1% shy away from its all time highs.
- On US fiscal stimulus talks, Mnuchin said Democrats' insistence on \$1 Trillion package is absurd however he insisted that some kind of deal is still possible.
- China reiterated US by imposing a sanction on several US officials and senators included Ted Cruz. TikTok discussion about the possible merger with either Microsoft and Twitter is reported to have a slim possibility of success due to price issues.

Views on Exchange Rates



USDTHB: USDTHB grinded lower after the buying interest from big name that supported the market in the past few days started to wane. We believed that political situation is now gaining traction and worth a close attention. So far our conviction is still the same for USDTHB to slowly grind lower. Nevertheless, with intervention from BOT and the ignition of new round protests, this could potentially slow down the pace of the move.

Support/Resistance: 31.00/31.15

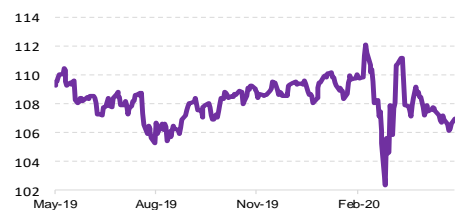
USDTHB Exchange Rates



USDJPY: Data showed Japanese pension fund sold a record of overseas equities last month. Trust account sold 1.86 Trillion Yen in July which is the most on record since 2005. This coincided with repatriation flow we mentioned earlier which pressure USDJPY to move lower.

Support/Resistance: 105/106.7

USDJPY Exchange Rates



EURUSD: EUR sold off continue for the second day in a row and now testing its previous low last week near 1.17. A break below 1.17 could see another round of EUR long unwinding. However, on Chart wise, the pair was continued to be supported by rising 21-day moving average which is now at 1.166.

Support/Resistance: 1.166/1.19

EURUSD Exchange Rates

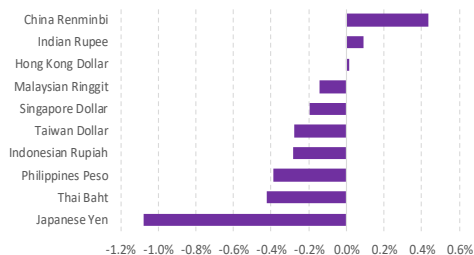


Exchange Rate

	4/8/20	10/8/20	11/8/20
USD/THB	31.04	31.12	31.09
JPY/THB	29.36	29.37	29.33
EUR/THB	36.63	36.52	36.51
GBP/THB	40.57	40.67	40.69
AUD/THB	22.22	22.25	22.29

	4/8/20	10/8/20	11/8/20
USD/JPY	105.70	105.95	106.00
EUR/USD	1.180	1.174	1.174
GBP/USD	1.306	1.307	1.309
AUD/USD	0.716	0.715	0.717

Regional foreign exchange rate spot return (7D)

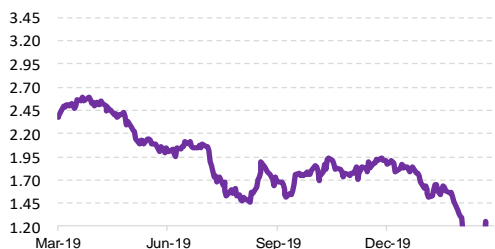


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Views on Interest Rates

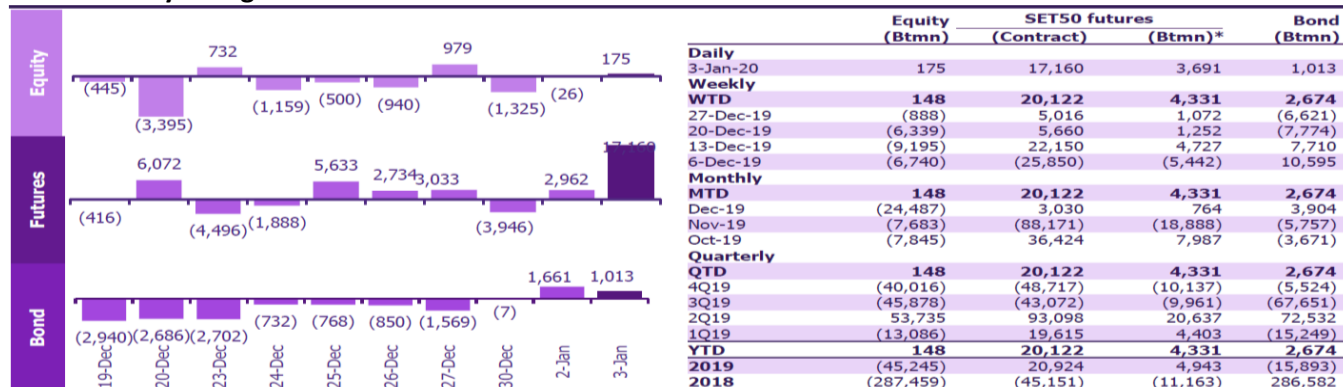
U.S. 10 Year Treasury



US : UST 10Yr yield break resistance level to 0.58%. We believe it will trade in 0.55-0.65 level.

THB : We saw investor take profit bond and wait for switching on end of Aug. We recommend to buy LB356A at 1.68 level.

Thailand daily foreign net flows



Key Indicator Update

Tenor	4/8/20	7/8/20	10/8/20
UST 3-mth	0.10	0.10	0.10
UST 6-mth	0.11	0.12	0.12
UST 1-yr	0.12	0.13	0.13
UST 5-yr	0.20	0.23	0.23
UST 10-yr	0.51	0.56	0.57

Tenor	4/8/20	7/8/20	10/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.44	0.45	0.45
TGB 5-yr	0.77	0.79	0.82
TGB 10-yr	1.25	1.29	1.32

Stock market

	7/8/20	10/8/20	%Change
SET Index	1,324.40	1,322.01	(0.18)
DJIA	27,433.48	27,791.44	1.30

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	41.22	41.94	1.75
Gold	2,030.49	2,021.11	(0.46)

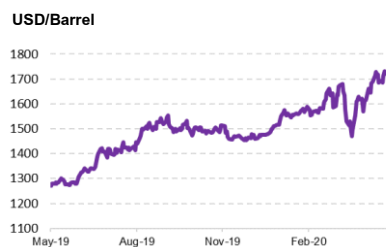
THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.457	0.471	0.493	0.498

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.490	0.530
2-yr	0.555	0.595
3-yr	0.630	0.670
5-yr	0.825	0.865
10-yr	1.120	1.180

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
13-Aug-20	Event: Announcement of August 2020 quarterly MSCI index review
	Economic release: JP – PPI for Jul
14-Aug-20	Economic release: US – Unemployment claims
	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