

# Daily Market Review At-A-Glance

Thursday, August 13, 2020

## Market Highlight



- Overnight, equities took flight again and S&P breaches the record high closing levels of February. Equities ended the session into the highs with Dow up 1.05% to 27,976.84 while S&P was up 1.40% to 3,380.35.
- A higher than expected CPI which came in at +0.6% MoM vs +0.3% exp taking the core to 1.6% vs 1.1% expected had minimal impact on USTs and we saw a mini sell-off and no follow through.
- WTI rebounded 2.5% reaching its 5-month high level as US crude stockpile declined for third straight weeks.
- Several FEDS spoke out about the impact of pandemic. FED Rosengren said the opening of business too soon would put people at risks and prolong the downturn. FED Daly said recovery will be slow in W-shaped not V-shaped.

## Views on Exchange Rates



**USDTHB:** USDTHB traded higher over the holiday after gold was sold off massively however the move was later reverted after gold partially recoup its losses. 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.

USDTHB Exchange Rates

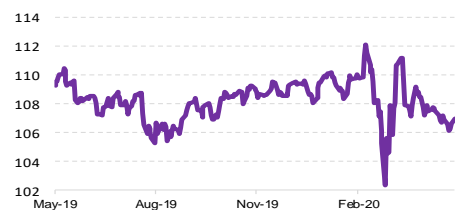


*Support/Resistance: 31.00/31.15*



**USDJPY:** USDJPY traded higher for four straight sessions as Japan entered its long holiday season where liquidity was trimmed.

USDJPY Exchange Rates

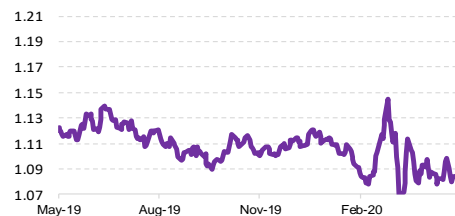


*Support/Resistance: 106/108*



**EURUSD:** EUR initially sold off to 1.172 before the buying interest from real once kicked in once gold made a reversal move. Spot need to trade near current level for the next few days to alleviate an imminent correction. Chart wise, the pair was continued to be supported by rising 21-day moving average which is now at 1.167.

EURUSD Exchange Rates

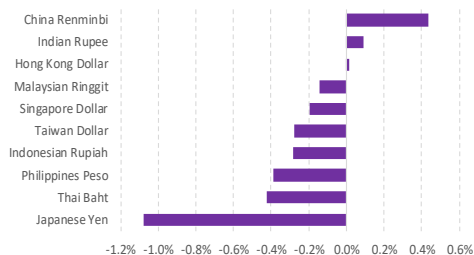


*Support/Resistance: 1.166/1.19*

## Exchange Rate

	6/8/20	11/8/20	13/8/20		6/8/20	11/8/20	13/8/20
USD/THB	31.10	31.12	31.05	USD/JPY	105.54	106.48	106.76
JPY/THB	29.46	29.22	29.08	EUR/USD	1.188	1.174	1.181
EUR/THB	36.93	36.53	36.65	GBP/USD	1.315	1.305	1.306
GBP/THB	40.88	40.61	40.54	AUD/USD	0.723	0.714	0.717
AUD/THB	22.49	22.23	22.25				

Regional foreign exchange rate spot return (7D)



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## Views on Interest Rates

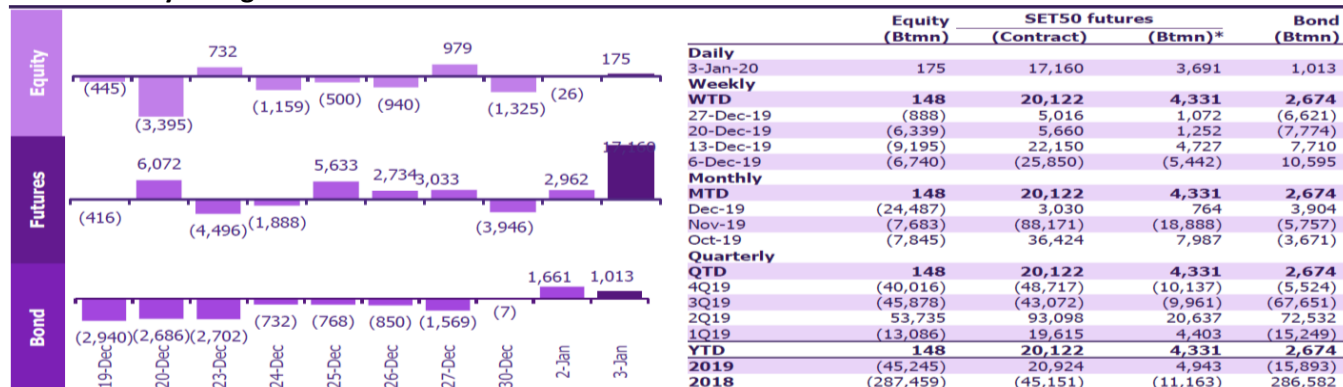
### U.S. 10 Year Treasury



**US** : UST yields have been higher with bear steepening bias in the last couple days. The move led by higher real yields (currently - 1.00%) and also a bit of breakeven inflation (current 10y breakeven inflation 1.67%). In short term, the resistance for 10y yield should be at 0.70% and 0.77%. For medium term, it's worth to watch yield development closely since this could be a sign of bottoming in global rates.

**THB** : THBIRS opened almost unchanged today after squeezing higher around 3-5 bps on Tuesday. On bond side, the yields went higher 4-5 bps with bear steepening bias on Tuesday. However, the yields have started to cap in short term. What to watch for THB bonds should be how global rates markets perform and also political factors in Thailand.

## Thailand daily foreign net flows



## Key Indicator Update

Tenor	6/8/20	10/8/20	11/8/20
UST 3-mth	0.10	0.10	0.11
UST 6-mth	0.11	0.12	0.12
UST 1-yr	0.13	0.13	0.14
UST 5-yr	0.21	0.23	0.29
UST 10-yr	0.54	0.57	0.66

### Stock market

	10/8/20	11/8/20	%Change
SET Index	1,322.01	1,336.84	1.12
DJIA	27,791.44	27,686.91	(0.38)

### 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	41.61	42.67	2.55
Gold	2,021.11	1,938.79	(4.07)

Tenor	6/8/20	10/8/20	11/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.45	0.45	0.45
TGB 5-yr	0.79	0.82	0.85
TGB 10-yr	1.27	1.32	1.36

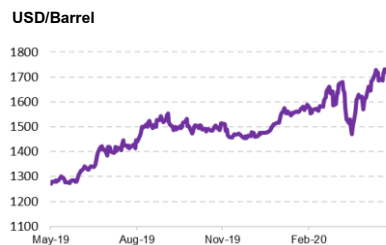
### THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.460	0.474	0.494	0.498

### THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.510	0.550
2-yr	0.580	0.620
3-yr	0.660	0.700
5-yr	0.845	0.885
10-yr	1.145	1.205

### 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