

Daily Market Review At-A-Glance

Friday, August 14, 2020

Market Highlight



- Overnight, US yields traded higher and 10 years yield was able to break 0.7%. Curve naturally bear steepened with 2x10 led the steepening trend with 55bps while real yields jumped higher.
- Precious Metals managed to rally another \$40 from \$1910 to \$1950 while equities struggled to make new all time highs but stay bid nonetheless.
- The better than expected Jobless Claims added to optimism with claims falling below 1mio for the first time since COVID started. Actual number was 963k vs 1100k exp while continuing claim fell to 15486k from 16090k. Pelosi updated about fiscal stimulus talk that talk is going nowhere.
- Equities ended the session lower with DJIA off 0.29% to 27,896.72 while S&P was off 0.20% to 3,373.43.

Views on Exchange Rates



USDTHB: USDTHB lingers near its bottom range support near 31.00. Buying interest from the big name persists however it was mostly countered by the selling interest from Bullion Clients. Flow was largely quiet from both corps and FI name. With intervention from BOT and possible change in gold trend, this could potentially slow down the pace of the move lower.

USDTHB Exchange Rates

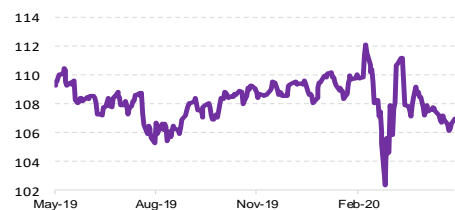


Support/Resistance: 31.00/31.15



USDJPY: USDJPY closed barely below its 107.2 resistance level.

USDJPY Exchange Rates

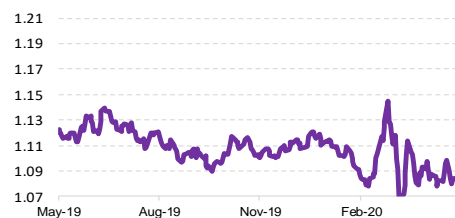


Support/Resistance: 106/108



EURUSD: EURUSD once again hitting an overnight high of 1.1830 and will likely see range of 1.1720 - 1.1850. Spot need to trade above 1.18 for 3-5 more sessions to negate a conviction of near term 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

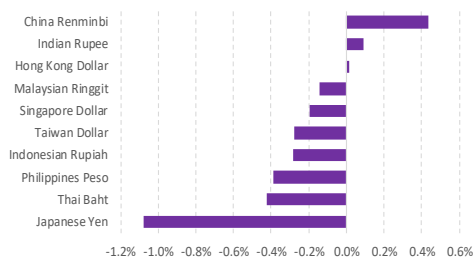


Support/Resistance: 1.166/1.19

Exchange Rate

	7/8/20	13/8/20	14/8/20		7/8/20	13/8/20	14/8/20
USD/THB	31.23	31.04	31.04	USD/JPY	105.91	106.92	106.92
JPY/THB	29.48	29.03	29.02	EUR/USD	1.179	1.181	1.181
EUR/THB	36.81	36.66	36.66	GBP/USD	1.305	1.306	1.306
GBP/THB	40.76	40.55	40.53	AUD/USD	0.716	0.715	0.714
AUD/THB	22.35	22.19	22.16				

Regional foreign exchange rate spot return (7D)

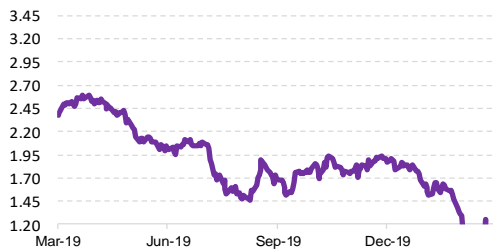


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Views on Interest Rates

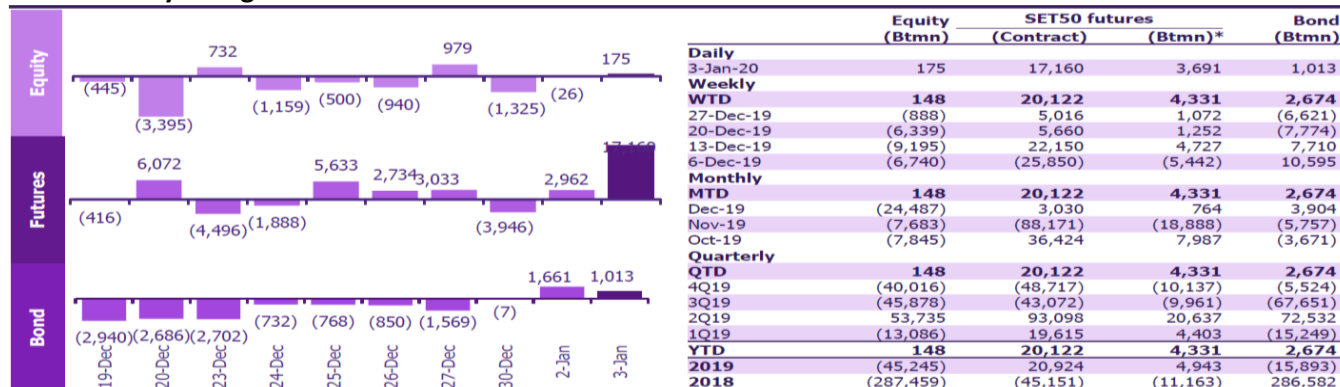
U.S. 10 Year Treasury



US : UST 10Yr yield break 0.65% resistance level to 0.70%.

THB : Bond curve was steeper 3-5 bps following US treasury. We recommend to buy LB21DA at 0.39 for bond switching and LB356A.

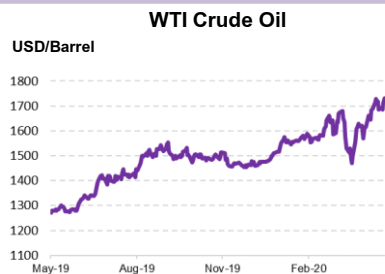
Thailand daily foreign net flows



Key Indicator Update

Tenor	7/8/20	11/8/20	13/8/20
UST 3-mth	0.10	0.11	0.10
UST 6-mth	0.12	0.12	0.12
UST 1-yr	0.13	0.14	0.14
UST 5-yr	0.23	0.29	0.32
UST 10-yr	0.56	0.66	0.72

Tenor	7/8/20	11/8/20	13/8/20
TGB 6-mth	0.49	0.49	0.49
TGB 2-yr	0.45	0.45	0.46
TGB 5-yr	0.79	0.85	0.85
TGB 10-yr	1.29	1.36	1.36



Stock market

	11/8/20	13/8/20	%Change
SET Index	1,336.84	1,346.69	0.74
DJIA	27,686.91	27,896.72	0.76

THBFX (%)

Tenor	1-mth	3-mth	6-mth	1-yr
	0.462	0.475	0.494	0.499

Repurchase rate

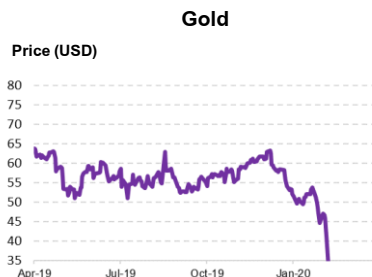
Tenor	1-day	7-day	14-day	1-mth
	1.25%	1.25%	1.25%	1.25%

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.495	0.535
2-yr	0.570	0.610
3-yr	0.660	0.700
5-yr	0.860	0.900
10-yr	1.170	1.230

Commodities

	Previous Day	Last	%Change
WTI Crud	42.67	42.24	(1.01)
Gold	1,938.79	1,951.59	0.66



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