

Daily Market Review At-A-Glance

Friday, November 6, 2020

Market Highlight



- Equity markets rallied worldwide with US indexes posting their biggest four-day percentage gain in nearly seven months as investors were upbeat over the prospect of a divided Congress and less risk of major policy changes. Both the S&P and Dow were up 1.95%, while the Nasdaq posted higher gains at +2.59%.
- Despite a Day 3 but we still does not have result as dialogue heats up in NV, AZ, GA and PA. While Biden is winning the Presidency, it will take some more time for authorities to actually call and probably even more time for Trump to actually concede. In NV, majority of the votes left to be counted are from Clark County which is Dem dominated. Similarly, in AZ, majority of the votes left are from Maricopa County and Biden is leading there but it was the one Trump won last time so he would need to grab 60% of the remaining 12% votes to flip.
- On the Senate race despite an earlier Republicans Majority win, a new issues has arise in Georgia. As States law has given that two GA Senator seats has to be reelected on 5th Jan as the leading President candidate failed to get to the 50% mark. Since the probability of that happening is non zero, these new developments stalled the further rally in Stocks and traded sideways after a strong open.
- In FOMC, the Fed left its federal funds rate at a target of zero to 0.25% as expected, saying it will leave the rate where it is until the labour market reaches maximum employment and inflation has risen to 2%. The committee said it will increase Treasury holdings and MBS at its current pace to sustain smooth market functioning and help foster accommodative financial conditions. At press conference, Fed Chair Jerome Powell noted that the Fed has not looked at reducing the current pace of QE purchases. He also reiterated the need for more fiscal relief to combat the economic fallout from the pandemic.

Views on Exchange Rates



USDTHB: USDTHB failed like rock in the bottomless well as selling interest completely overwhelmed buying interest. On shore selling interest intensified which drove T/N offshore a tad lower toward -0.3 Satang. The big buyer who usually supported the market was nowhere to be seen in the past few weeks.

Support/Resistance: 30.60/30.85

USDTHB Exchange Rates



USDJPY: USDJPY sold off 1 big figure as DXY trend lower across the board. As mentioned earlier that market continue to perceive JPY as safe haven and at the same time it was accelerated by USD trend. We continue to recommend to fade the move on USDJPY as a mean to hedge uncertainties.

Support/Resistance: 103/104.4

USDJPY Exchange Rates



EURUSD: EUR shot higher as Biden chance to win the election and the divided Congress has in turned seem to keep policy in balance which is positive for the risk sentiment.

Support/Resistance: 1.17/1.195

EURUSD Exchange Rates

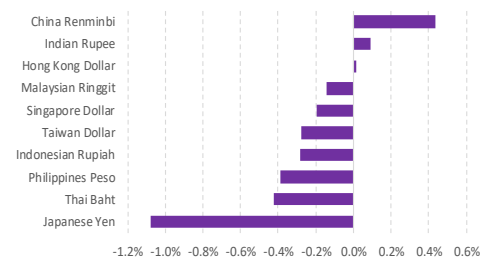


Exchange Rate

	30/10/20	5/11/20	6/11/20
USD/THB	31.14	30.76	30.70
JPY/THB	29.75	29.71	29.69
EUR/THB	36.27	36.38	36.39
GBP/THB	40.30	40.43	40.43
AUD/THB	21.88	22.40	22.36

	30/10/20	5/11/20	6/11/20
USD/JPY	104.64	103.47	103.64
EUR/USD	1.165	1.182	1.180
GBP/USD	1.294	1.314	1.312
AUD/USD	0.703	0.728	0.726

Regional foreign exchange rate spot return (7D)

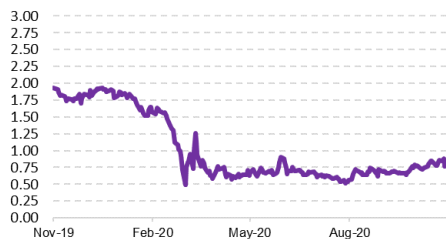


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Views on Interest Rates

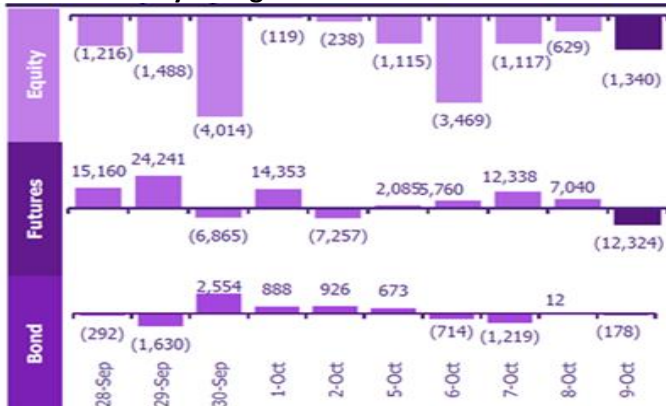
U.S. 10 Year Treasury



US : Last night, UST yield bounced a bit around 2-3 bps to 0.78% for 10Y tenor after yield coming down around 15-18 bps from high at 0.95%. FOMC kept fed fund rate unchanged at 0.00% to 0.25% as expected. The language has balanced to a bit dovish but market reaction has muted to the FOMC last night. Tonight, the market will focus on the US Job report.

THB : THB bonds have attracted foreign investors yesterday. ThaiBMA reports net foreign buying around 9 b THB yesterday a THB bonds have bull flattened significantly as long end yields came off around 6-8 bps. Expect more offshore buying to come in near term, For IRS, THBIRS curve has also bull flattened but as not much as bonds. Expect THBIRS to trade heavy from bond sentiment

Thailand daily foreign net flows

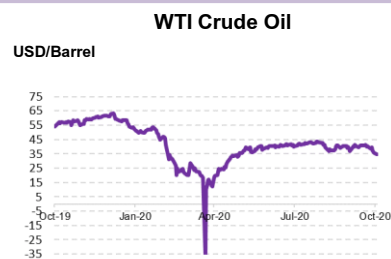


	Equity (Btmn)	SET50 futures (Contract)	Bond (Btmn)
Daily			
9-Oct-20	(1,340)	(12,324)	(1,969)
Weekly	(7,671)	14,899	2,364
2-Oct-20	(7,075)	39,632	6,337
25-Sep-20	(6,363)	(44,345)	(7,236)
18-Sep-20	(3,646)	26,102	4,334
11-Sep-20	(1,686)	(1,609)	(267)
Monthly			
MTD	(8,028)	21,995	3,495
Sep-20	(23,189)	17,315	2,820
Aug-20	(27,661)	1,988	405
Jul-20	(10,178)	581	48
Quarterly			
QTD	(8,028)	21,995	3,495
3Q20	(61,028)	19,884	3,273
2Q20	(101,291)	(35,741)	(6,505)
1Q20	(115,355)	140,898	23,248
4Q19	(40,016)	(48,717)	(10,137)
YTD	(285,702)	147,036	23,513
2019	(45,245)	20,924	4,943
2018	(287,459)	(52,336)	(11,997)

Key Indicator Update

Tenor	30/10/20	4/11/20	5/11/20
UST 3-mth	0.09	0.09	0.09
UST 6-mth	0.10	0.10	0.10
UST 1-yr	0.13	0.12	0.12
UST 5-yr	0.38	0.32	0.34
UST 10-yr	0.86	0.77	0.78

Tenor	30/10/20	4/11/20	5/11/20
TGB 6-mth	0.53	0.52	0.52
TGB 2-yr	0.59	0.60	0.59
TGB 5-yr	0.87	0.88	0.88
TGB 10-yr	1.41	1.42	1.39



Stock market

	4/11/20	5/11/20	%Change
SET Index	1,222.44	1,264.32	3.43
DJIA	27,847.66	28,390.18	1.95

Repurchase rate

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

Commodities

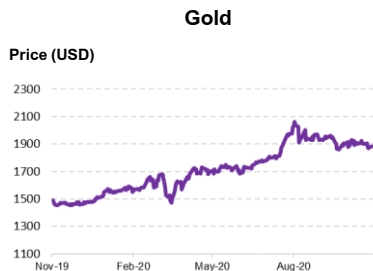
	Previous Day	Last	%Change
WTI Crud	39.15	38.79	(0.92)
Gold	1,907.06	1,939.71	1.71

THBFX (%)

1-mth	3-mth	6-mth	1-yr
0.484	0.499	0.522	0.529

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.425	0.465
2-yr	0.500	0.540
3-yr	0.595	0.635
5-yr	0.780	0.820
10-yr	1.150	1.210



Economic Calendar

Date	Economic Indicator
02-Nov-20	Economic release: CN – Caixin manufacturing PMI for Oct
	Economic release: US/EU/JP – Final manufacturing PMI for Oct
	Economic release: US – ISM manufacturing PMI for Oct
03-Nov-20	Event: The 2020 United State presidential election
04-Nov-20	Economic release: CN – Caixin service PMI for Oct
	Economic release: US/EU – Final service PMI for Oct
	Economic release: US – ISM non-manufacturing PMI for Oct, ADP non-farm employment change for Oct, crude oil inventories
	Economic release: EU – Economic forecast
	Economic release: TH – Consumer confidence for Oct
05-Nov-20	Event: FOMC meeting
	Economic release: TH – CPI and core CPI for Oct
	Economic release: EU – Retail sales for Sep
	Economic release: US – Unemployment claims
06-Nov-20	Event: FOMC meeting, BOE meeting
	Economic release: JP – Household spending for Sep
	Economic release: US – Average hourly earnings, non-farm employment change and unemployment rate for Oct