Daily Market Review At-A-Glance

Monday, November 9, 2020

Market Highlight

- UST yields rose Friday as market kept a close eye on the latest election developments that showed Democrat Joe Biden on the verge of winning the presidency.
- Yields also climbed after the U.S. Labour Department's closely watched employment report showed the unemployment rate fell to a lower-than-expected 6.9% in October from 7.9% in September, although a 638,000 increase in nonfarm payrolls was the smallest gain since a jobs recovery started in May.
- The DIJA fell 0.24%, S&P lost 0.03% and Nasdaq added 0.04%. For the week the Dow rose 6.87%, the S&P 500 7.33% and the Nasdaq 9.02%. All three posted their best weekly percentage gains since April.
- Although the Democrats have captured the White House, the current vote count suggests they have failed to take control of the Senate. A run-off in the state of Georgia in early January will finalize this result. The Democrats still control the House of Representatives but they gave up seats. Biden will face the challenge of enacting his agenda amid a deeply divided Congress.

Views on Exchange Rates

USDTHB: USDTHB continue its sell off amid a flux of inflow into Fixed income market especially on the front end of the curve as on Friday alone Offshore net buy <1 year bond as much as 13.6 Billion THB. We started to see the resumption of buying interest from the very BIG name but the amount they bought so far is pretty small compared to their usual buying amount.

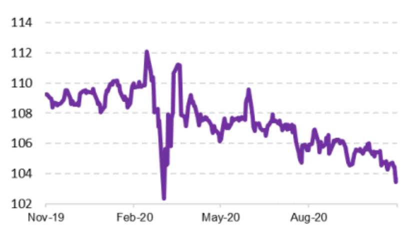
Support/Resistance: 30.44/30.60

USDTHB Exchange Rates

USDJPY: Last week, USDJPY for the first time since the peak of the pandemic where the spot broke 104 level and since then we saw an intensified selling interest on the break. Market continue to perceive JPY as safe haven and at the same time boosted by USD weakening trend. We continue to recommend to fade the move on USDJPY.

Support/Resistance: 102.3/104.4

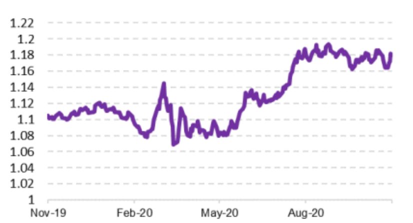
USDJPY Exchange Rates



EURUSD: EUR traded higher after Biden declared the major victory. The rally was supported by the positive risk sentiment.

Support/Resistance: 1.176/1.195

EURUSD Exchange Rates

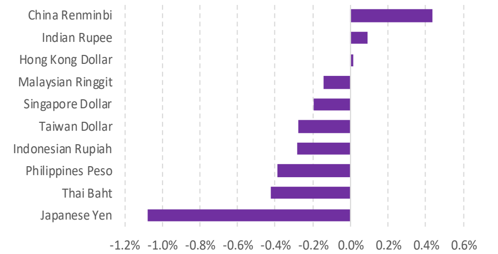


Exchange Rate

	2/11/20	6/11/20	9/11/20
USD/THB	31.11	30.62	30.59
JPY/THB	29.70	29.62	29.61
EUR/THB	36.21	36.35	36.36
GBP/THB	40.18	40.28	40.30
AUD/THB	21.94	22.21	22.26

	2/11/20	6/11/20	9/11/20
USD/JPY	104.71	103.33	103.27
EUR/USD	1.164	1.187	1.189
GBP/USD	1.291	1.316	1.317
AUD/USD	0.705	0.726	0.728

Regional foreign exchange rate spot return (7D)



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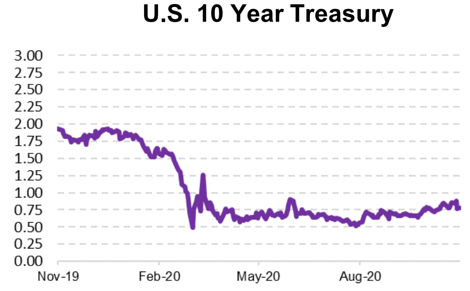
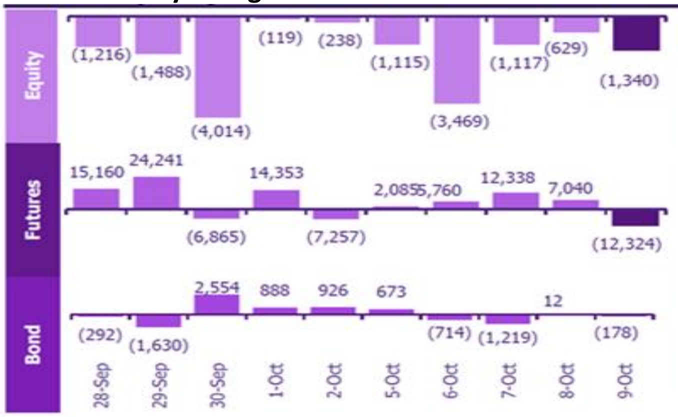
Views on Interest Rates



US : Better than expected US Job report sent UST yield higher around 5 bps to 0.82% for 10Y tenor. Despite splitting congress, more certainty on Presidential Election result which supported risk sentiments such as higher global equities , also moved yield higher in short term. Key support for yield is at 0.72% and resistance is still at high on election last week at 0.95%..

THB : THBIRS still moved in range despite volatile global rates market during the election last week. Last week, 5Y IRS still moved between 0.76% to 0.80% as it opens this week around 0.77 % mid. On front end , 6m THBFIX has firmed around 0.40% level supporting 1Y to 2Y IRS as well. On bond side, after the base case market has changed from democratic sweep to Biden as president and splitting congress, offshore investors have significantly bought EM bonds including THB bonds. ThaiBMA reported offshore buying THB bonds total around 24B THB on last Thursday and Friday. Expect this trend to still persist in short term.

Thailand daily foreign net flows



	Equity (Btmn)	SET50 futures (Contract)	(Btmn)*	Bond (Btmn)
Daily				
9-Oct-20	(1,340)	(12,324)	(1,969)	(178)
Weekly				
WTD	**(7,671)**	**14,899**	**2,364**	**(1,426)**
2-Oct-20	(7,075)	39,632	6,337	2,446
25-Sep-20	(6,363)	(44,345)	(7,236)	8,172
18-Sep-20	(3,646)	26,102	4,334	6,589
11-Sep-20	(1,686)	(1,609)	(267)	3,779
Monthly				
MTD	**(8,028)**	**21,995**	**3,495**	**388**
Sep-20	(23,189)	17,315	2,820	24,179
Aug-20	(27,661)	1,988	405	2,016
Jul-20	(10,178)	581	48	18,894
Quarterly				
QTD	**(8,028)**	**21,995**	**3,495**	**388**
3Q20	(61,028)	19,884	3,273	45,089
2Q20	(101,291)	(35,741)	(6,505)	4,628
1Q20	(115,355)	140,898	23,248	(101,771)
4Q19	(40,016)	(48,717)	(10,137)	(5,524)
YTD	**(285,702)**	**147,036**	**23,513**	**(51,667)**
2019	(45,245)	20,924	4,943	(15,893)
2018	(287,459)	(52,336)	(11,997)	286,582

Key Indicator Update

Tenor	2/11/20	5/11/20	6/11/20
UST 3-mth	0.09	0.09	0.09
UST 6-mth	0.10	0.10	0.10
UST 1-yr	0.12	0.12	0.12
UST 5-yr	0.38	0.34	0.36
UST 10-yr	0.85	0.78	0.82

Tenor	2/11/20	5/11/20	6/11/20
TGB 6-mth	0.53	0.52	0.51
TGB 2-yr	0.59	0.59	0.59
TGB 5-yr	0.87	0.88	0.87
TGB 10-yr	1.42	1.39	1.39

Stock market

	5/11/20	6/11/20	%Change
SET Index	1,264.32	1,260.08	(0.34)
DJIA	28,390.18	28,323.40	(0.24)

THBFIX (%)

1-mth	3-mth	6-mth	1-yr
0.482	0.496	0.514	0.525

Repurchase rate

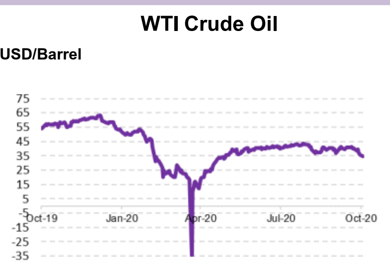
1-day	7-day	14-day	1-mth
1.25%	1.25%	1.25%	1.25%

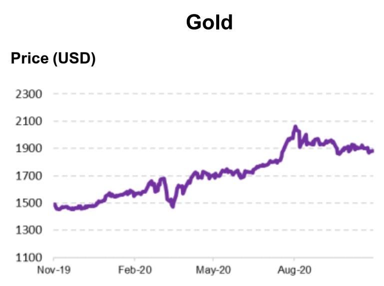
THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.435	0.475
2-yr	0.495	0.535
3-yr	0.600	0.640
5-yr	0.790	0.830
10-yr	1.155	1.215

Commodities

	Previous Day	Last	%Change
WTI Crude	38.79	37.14	(4.25)
Gold	1,939.71	1,954.17	0.75





Economic Calendar

Date	Economic Indicator
10-Nov-20	Economic release: CN– CPI and PPI for Oct
	Economic release: EU – ZEW economic sentiment for Nov
	Event: Announcement of November 2020 semi-annual MSCI index review
12-Nov-20	Economic release: JP – PPI for Oct
	Economic release: US – CPI and core CPI for Oct, unemployment claims, crude oil inventories
	Economic release: EU – Industrial production for Sep
13-Nov-20	Economic release: JP – Prelim GDP 3Q20
	Economic release: EU – Flash GDP 3Q20
	Economic release: US – PPI and core PPI for Oct