

Daily Market Review At-A-Glance

Friday, November 13, 2020

Market Highlight



- Overnight, optimism from the vaccine faded as reality struck on the rising COVID cases in US again as warning of a very dark winter resounds alongside the probability of partial cities closure again.
- Equities ended lower with Dow off 1.08% to 29,080.17 while S&P was off 1.00% to 3,537.01.
- Powell's speech lacked confidence and he was fairly clear that Covid-19 vaccine isn't enough to put an end to the economic challenges. Powell's caution was joined by BOE Governor Andrew Bailey and ECB President Christine Lagarde who both echoed the same thoughts. Fed officials next meet Dec. 15-16 and may tweak their bond-buying program in a bid to offer the economy further support, a possibility Powell alluded to following their policy meeting last week.
- On data front, US Initial jobless claim came out 709k (exp 731k) while continuing claim came out 6786k (exp 6825k). US CPI MoM came out slightly weaker than expected at 0% (exp 0.1%).

Views on Exchange Rates



USDTHB: USDTHB continue to trade heavy however offshore seems to switch side as we see constant buying flow from offshore throughout the day. Local corps are in the meantime main sellers. T/N offshore continue to trade near par level indicating fairly neutral position.

USDTHB Exchange Rates

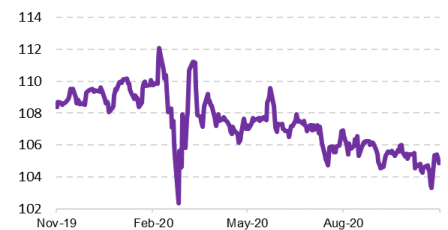


Support/Resistance: 30.20/30.35



USDJPY: USDJPY pull back from its key resistance near 105.5. A pull back in risk sentiment has triggered the move into JPY as a means to hedge risk sentiment. We continue to see demand for USDJPY Put low delta. We prefer to sell USDJPY on rallies unless we see a meaningful break above 107.

USDJPY Exchange Rates

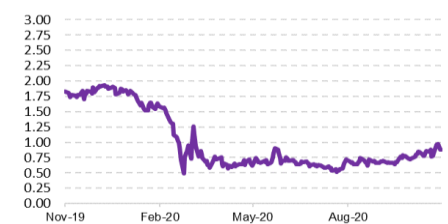


Support/Resistance: 103.8/106



EURUSD: EURUSD trading down to 1.1787 in early NY session but managed a move back higher to 1.182 high. 1.1790 seems to be pivotal point on the daily chart with topside range btw 1.1800 - 1.1930 while below at 1.1695 - 1.1790 range.

EURUSD Exchange Rates



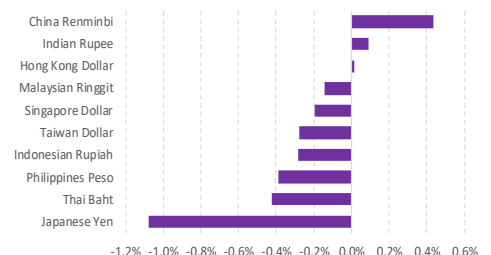
Support/Resistance: 1.165/1.19

Exchange Rate

	6/11/20	12/11/20	13/11/20
USD/THB	30.62	30.22	30.20
JPY/THB	29.62	28.74	28.79
EUR/THB	36.35	35.67	35.67
GBP/THB	40.28	39.63	39.63
AUD/THB	22.21	21.85	21.86

	6/11/20	12/11/20	13/11/20
USD/JPY	103.33	105.12	104.87
EUR/USD	1.187	1.180	1.181
GBP/USD	1.316	1.311	1.312
AUD/USD	0.726	0.723	0.724

Regional foreign exchange rate spot return (7D)



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Views on Interest Rates

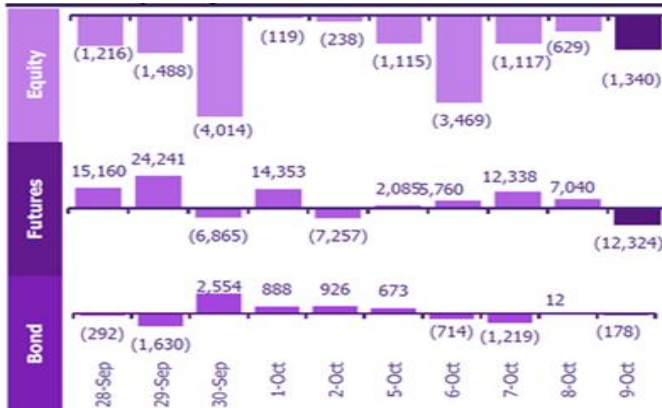
U.S. 10 Year Treasury



US : UST yield dropped around 5-6 bps from 0.94% to 0.89% currently by lower US equities and dovish Powell. It seems that the good news from vaccine during the mid week has been over played and now markets are consolidating and adjusting by reversing move on that day (higher equities, yield and higher oil prices). So, expect UST to move sideways between 0.80% to 1.00% in short term.

THB : THBIRS opened lower around 1-2 bps following UST yield. However, overall week, THBIRS has been higher around 4 bps as 5Y IRS moved higher from 0.77 to 0.81% currently, The curve has also steepened around 2-3 bps. On bond side, offshore investors are the main player buying Thai bonds this week as we can see from significant strong THB this week. ThaiBMA reported offshore buying this week so far 18b THB (long end 4.5b and short end 13.5b) sending front end yield lower 3-5 bps. On long end , 10y bonds and longer traded almost unchanged despite significantly higher UST yield.

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	6/11/20	10/11/20	12/11/20
UST 3-mth	0.09	0.10	0.09
UST 6-mth	0.10	0.10	0.10
UST 1-yr	0.12	0.12	0.12
UST 5-yr	0.36	0.46	0.40
UST 10-yr	0.82	0.97	0.89

Tenor	6/11/20	10/11/20	12/11/20
TGB 6-mth	0.51	0.51	0.51
TGB 2-yr	0.59	0.59	0.57
TGB 5-yr	0.87	0.89	0.88
TGB 10-yr	1.39	1.43	1.43

Stock market

	10/11/20	12/11/20	%Change
SET Index	1,341.24	1,336.31	(0.37)
DJIA	29,420.92	29,080.17	(1.16)

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	41.45	41.12	(0.80)
Gold	1,870.86	1,880.71	0.53

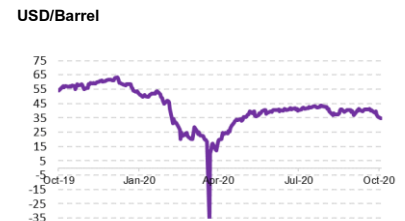
THBFIX (%)

1-mth	3-mth	6-mth	1-yr
0.475	0.489	0.509	0.520

THB Swap rate (IRS)

Tenor	bid	ask
1-yr	0.440	0.480
2-yr	0.510	0.550
3-yr	0.605	0.645
5-yr	0.820	0.860
10-yr	1.215	1.275

WTI Crude Oil



Gold



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