

**Trump downplays recession fears, Fed and ECB meeting minutes this week**

**Trump downplays recession fears, Americans increasingly back free trade, Fed and ECB meeting minutes this week, Thailand grows slowest since 2015**

Against the dollar, Thai baht on the previous trading day, on a sideways trend, closed around 30.90, weaker than the previous week, 30.73.

Despite recession concerns in bond markets, the Trump administration saw only a trivial risk of probable US recession and insisted no damage to the US from the US-China trade dispute. Meanwhile, President Trump said that US-China trade negotiations were ongoing well but he was not ready to make a trade deal with China yet.

Nevertheless, US citizens decreasingly supported President Trump's economic handling, while increasingly backed free trade, a new NBC News/Wall Street Journal poll says. 49:46 of Americans still approved Trump's economic management, compared to 50:34 in July 2018. Meanwhile, 64:27 at present supported borderless trade, whereas merely 57:37 during Trump's early presidency. Besides, President Trump consulted with the CEOs of JP Morgan, Bank of America, and Citigroup. The CEOs said that consumers were doing fine and could be better if the US-China trade war was resolved. They also said that the trade war was harming US capital spending as uncertainty reduced corporate confidence. Besides, they commented that Fed's further 25-bps cut, which has already been priced in, would not alter capital flows.

After US tech firms were reportedly to be provided with a 90-day license to do businesses with Huawei, President Trump halted the decision and said that he did want to do businesses with Huawei owing national security threat.

After Germany's economic growth of Q2 became negative QoQ, while lowest since 2013 YoY, Germany's Ministry Finance, pressured to reconsider the balanced-budget policy, was preparing an extra fiscal stimulus package worth EUR 50 billion, or about USD 55 billion.

The Independent's survey, by BMG Research, shows that only 34% support a no-deal Brexit on 31 October if necessary, while 49% back extension, cancellation, or new referendum. Meantime, only 19% believe that PM John would be able to renegotiate with the EU and obtain a new deal.

Thailand's Q2 economy grew 2.3% YoY, missing 2.4% market expectations, mainly on deteriorations in goods exports and tourism. This is the slowest pace since 2015.

Interesting economic releases and events are as follows. US: Fed's FOMC July-meeting minutes, Jackson Hole Economic Policy Symposium with Fed Chair Powell's Speech, existing home sales, new home sales. Europe, euro area: ECB Monetary Policy Meeting Accounts, manufacturing PMI, inflation. Germany: manufacturing PMI. Japan: trade balance. Thailand: exports, imports, trade balance.

Moving around 30.85-30.90 this morning, USDTHB could be between 30.6-31.1 this week and 30.82-30.92 today.

**US treasury yields rebound, US possibly to issue 50-year and 100-year debts**

Thai benchmark government bond yield (LB28DA, 9.3 years) on the previous trading day was 1.44, -0.87 bps. Meantime, the latest closed Thai and US 10-year bond yields were 1.48%, -0.87 bps, and 1.55%, +3 bps, respectively.

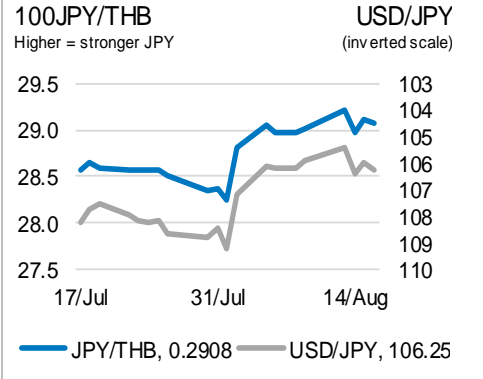
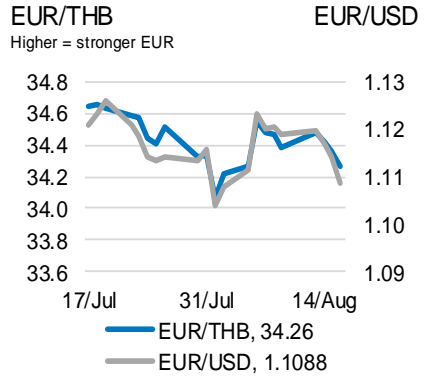
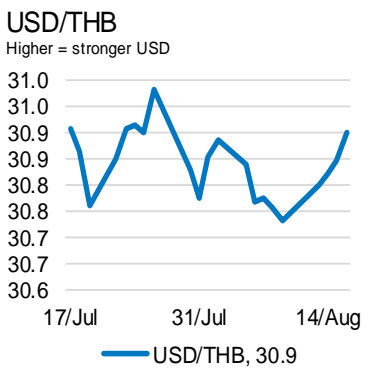
US treasury yields rebounded amid Germany reportedly to issue more debt and provide a fiscal stimulus. After 30-year yield fell and reached its record low, the US was considering to start borrowing longer by issuing 50-year and 100-year debts.

China's PBoC said it would improve the mechanism used to form the loan prime rate (LPR) from this month, in a move to further lower real interest rates for firms as economic stimulation and part of broader market reforms.

On yield spreads between long- and short-dated bonds, US 10-year-3-month spread inversion has been existing for 66 days in 2019. 10-year: 1.55% v 3-month: 1.87%, spread: -32 bps; while, US 10-year-2-year treasury spread: +7 bps. Thai 10-year-2-year government yield spread was 6.38 bps.

Thai benchmark government bond yield (LB28DA, 9.3 years) could be between 1.40-1.48% this week and 1.43-1.45% today.

<b>SET Index</b>	1,631.4	<b>S&amp;P500</b>	2,888.7	<b>10Y UST</b>	1.55%	<b>Brent</b>	58.8	<b>Gold</b>	1,509.1
16-Aug	▲ 1.69%	16-Aug	▲ 1.43%	16-Aug	▲ 3.0 bps	16-Aug	▲ 1.30%	16-Aug	▼ -0.57%
<b>USD/THB 30.90</b>	Daily ▲ 0.17%	<b>EUR/THB 34.26</b>	Daily ▼ -0.29%	<b>JPY/THB 0.2908</b>	Daily ▼ -0.10%				
	Weekly ▲ 0.55%		Weekly ▼ -0.37%		Weekly ▲ 0.25%				
	Monthly ▼ -0.02%		Monthly ▼ -1.10%		Monthly ▲ 1.80%				
Sideways Trend		Falling Trend		Sideways Trend					



Sources: TMB Analytics, TMB Treasury, CEIC, ThaiBMA, Bloomberg, CNBC, BBC, Reuters, Bangkokbiznews, FX data: BoT's daily closing rates

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## Currency Market

Currency	1M History	Last	% Chg (1D)	% Chg (1W)	% Chg (1M)	1M Range	
						Min	Max
Dollar Index		98.30	0.3%	0.7%	1.5%	96.82	98.87
EUR/USD		1.1088	-0.5%	-1.0%	-1.6%	1.1041	1.1267
USD/JPY		106.25	0.3%	0.1%	-1.6%	105.43	109.20
USD/CHF		0.9790	0.5%	0.4%	-0.6%	0.9712	0.9966
GBP/USD		1.2088	0.2%	-0.6%	-3.8%	1.2053	1.2571
USD/CAD		1.3331	0.1%	0.3%	2.2%	1.3028	1.3331
AUD/USD		0.6773	0.2%	0.2%	-3.5%	0.6724	0.7066
NZD/USD		0.6427	-0.2%	-0.4%	-4.2%	0.6427	0.6778
ASEAN Dollar		107.21	0.0%	0.4%	1.7%	105.26	107.21
USD/THB		30.90	0.2%	0.5%	0.0%	30.60	30.98
USD/SGD		1.3888	0.0%	0.5%	2.3%	1.3553	1.3888
USD/MYR		4.1867	-0.1%	0.1%	1.9%	4.1070	4.1927
USD/IDR		14,168	0.0%	0.3%	2.1%	13,868	14,228
USD/PHP		52.47	0.2%	0.6%	2.9%	50.78	52.47
USD/CNY		7.0484	0.2%	-0.1%	2.5%	6.8688	7.0769
USD/HKD		7.8414	0.1%	0.1%	0.2%	7.8022	7.8471

## FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		-2.25	0.05
3-month		-6.75	0.00
6-month		-12.88	0.13

Reserves (\$mn)	3M History	Last	\$mn Chg(1W)
Total		221,265	2175
Gold		7,406	280
SDR		1,356	3
IMF Reserves		837	2
Foreign Ccy		211,668	1891
Net Fwd Position		31,921	142

Last update: 9/8/2019

## Foreign Fund Flows (THB.mn)

Date	Equity	Bond	Total
16/8/2019	-5,069	-1,668	-6,737
15/8/2019	-11,946	-4,442	-16,388
14/8/2019	-3,966	-1,011	-4,977
13/8/2019	-3,395	-2,779	-6,174
9/8/2019	-2,025	-629	-2,654
Last 5 days	-26,402	-10,529	-36,931
Period-to-date	Equity	Bond	Total
Month	↓ -40,489	↓ -2,289	↓ -42,778
Quarter	↓ -20,436	↓ -27,395	↓ -47,830
Year	↑ 20,213	↑ 30,956	↑ 51,169

## Money Market

THB BIBOR	1M Hist	Last	1M Range		THB Implied	1M Hist	Last	1M Range		USD LIBOR	1M Hist	Last	1M Range	
			Min	Max				Min	Max				Min	Max
ON		1.50	1.50	1.75	ON		1.47	0.79	1.88	ON		2.10	2.10	2.36
1W		1.52	1.52	1.77	1W		1.26	1.18	1.59	1W		2.14	2.14	2.38
1M		1.55	1.55	1.80	1M		1.29	1.20	2.22	1M		2.19	2.19	2.37
2M		1.58	1.58	1.83	2M		1.31	1.20	1.52	2M		2.21	2.21	2.36
3M		1.63	1.63	1.87	3M		1.26	1.19	1.47	3M		2.18	2.18	2.34
6M		1.72	1.72	1.96	6M		1.20	1.10	1.42	6M		2.05	2.05	2.26
12M		1.95	1.95	2.20	12M		1.27	1.15	1.51	12M		1.99	1.98	2.29

Last Updated: 15/8/2019

Last Updated: 9/8/2019

Note: D=d=day; M=mth=month; Y=year; %chg = percentage change; chg = change; USTH FX Sp = USD/THB FX Swap point; \$mn=million US dollar; THB.mn= Thai baht million; Hist=history; THB implied = Thai baht rate that are calculated by FX forward rate; ASEAN Index = value average ASEAN FX Jan2008=100

## Fixed Income Market

Fixed Income	1M History	YTM (%) spread (bps)	Bps Chg (1D)	Bps Chg (1W)	Bps Chg (1M)	1M Range	
						Min	Max
UST10y		1.550	3.00	-19.00	-49.00	1.52	2.13
Gilt 10y		1.036	0.00	51.23	0.00	0.52	1.04
Bund 10y		-0.660	-3.00	-10.00	-38.00	-0.66	-0.23
JGB 10y		-0.238	-1.70	-4.00	-11.50	-0.24	-0.12
TGB 1y		1.466	0.30	2.25	-29.05	1.44	1.76
TGB 2y		1.415	0.81	0.31	-30.86	1.41	1.73
TGB 5y		1.397	0.08	-1.41	-39.39	1.40	1.80
TGB 7y		1.408	-0.95	-2.44	-46.19	1.41	1.88
TGB 10y		1.479	-0.87	-4.91	-54.16	1.48	2.03
AAA Spread		49.17	-1.61	-2.16	0.53	48.41	51.33
AA Spread		89.06	0.02	-0.11	5.06	83.13	89.30
A Spread		92.15	-0.23	0.19	2.39	89.67	92.38
BBB Spread		229.40	2.63	4.27	2.18	223.67	229.40

Note: UST = US Treasury; Gilt = UK Government Bond; JGB = Japanese Government bond; Bund = German Government Bond; TGB = Thai government Bond; tenors of the bonds are put after their name; bps=basis point; Corporate spreads are Thai and reported in basis points over government bond for the tenors between 3yrs to 5yrs;

## Commodity Market

Commodity	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
Brent Crude		58.82	1.3%	0.4%	-6.0%	56.88	65.18
London Gold		1509.1	-0.6%	0.4%	6.2%	1,400.8	1,527.2

Note: Unit of Brent crude oil price is \$/barrel; unit of gold price is \$/ounce

## Equity Market

Equity Index	1M History	Last	%Chg (1D)	%Chg (1W)	%Chg (1M)	1M Range	
						Min	Max
S&P500 (US)		2,888.7	1.4%	-1.0%	-3.6%	2,840.6	3,025.9
STOXX (EU)		359.8	1.4%	-0.7%	-4.6%	354.8	383.7
FTSE All-Share(UK)		3,893.7	0.7%	-1.8%	-4.8%	3,865.5	4,186.2
DAX (DE)		11,562.7	1.3%	-1.1%	-5.4%	11,412.7	12,522.9
CAC All-Tradable(FR)		4,103.5	1.3%	-0.7%	-4.3%	4,050.4	4,346.7
TOPIX (JP)		1,485.3	0.1%	-0.9%	-5.2%	1,483.9	1,577.9
Shanghai (CH)		2,958.2	0.3%	1.8%	-2.6%	2,900.3	3,092.4
Hang Seng (HK)		25,734.2	0.9%	-0.8%	-9.6%	25,281.3	28,765.4
ASX 200 (AU)		6,405.5	0.0%	-2.7%	-3.7%	6,405.5	6,845.1
SET (TH)		1,631.4	1.7%	-2.0%	-5.6%	1,604.0	1,740.5
SET50 (TH)		1,075.8	1.8%	-1.9%	-5.8%	1,056.3	1,150.2
Straits Times (SG)		3,115.0	-0.4%	-2.2%	-7.3%	3,115.0	3,381.3
FTSE Malay (MY)		1,599.2	-0.1%	-1.0%	-4.2%	1,592.9	1,672.4
JSX Index (ID)		6,286.7	0.5%	0.1%	-1.8%	6,119.5	6,456.5
PSE Index (PH)		7,796.0	-0.4%	-1.5%	-5.3%	7,766.8	8,365.3
Vn Index (VN)		980.0	0.1%	0.6%	0.4%	964.6	997.9

19 August 2019	20 August 2019	14 January 1900	22 August 2019	23 August 2019
(JP) Balance of Trade JUL P¥589.5B C¥-200B; (EA) Core Inflation Rate YoY Final JUL P1.1% C0.9%; Inflation Rate YoY Final JUL P1.3% C1.1%; (DE) Bundesbank Monthly Report	(AU) RBA Meeting Minutes	(CA) Inflation Rate YoY JUL P2% C1.7%; (US) Existing Home Sales MoM JUL P-1.7% C2.5%; Existing Home Sales JUL P5.27M C5.4M	(US) FOMC Minutes, Jackson Hole Economic Policy Symposium; (DE) Markit Manufacturing PMI Flash AUG P43.2 C43.1; (EA) Markit Manufacturing PMI Flash AUG P46.5 C46.2, Consumer Confidence Flash AUG P-6.6 C-7	(JP) Inflation Rate YoY JUL P0.7% C0.5%; (MX) GDP Growth Rate YoY Final Q2 P1.2% C-0.7%; (US) New Home Sales MoM JUL P7% C-0.2%; Fed Chair Powell Speech

Note: A = actual, P = previous; C = consensus

Sources: TMB Analytics, CEIC

### Important Disclosures

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