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Against the dollar, Thai baht on the previous trading day, on a sideways trend, closed at 30.86.

The US extended the ban on Huawei for 90 days to smoothen US tech businesses' transitioning away from doing transactions with the Chinese tech giant. This certainly boosted stocks to rebound. However, the US also added 46 more subsidiaries and affiliates of Huawei to the national security's blacklist, raising the total on the list to more than 100.

Amid President Trump requesting a 100-bps cut from the Fed, Fed Chairman Powell will have a chance to communicate with markets on Friday at the Jackson Hole symposium after stating on 31 July that reducing rates was policy adjustment without necessary sequential rate cuts. Meantime, Boston Fed President Rosengren, although realizing global slowdown, demanded more evidence to back rate cuts, while mentioning that unnecessary cuts come with costs, especially financial instability.

China's PBoC would establish a new loan prime rate (LPR) to be less controlled but more connected with market mechanism. The rate, currently at 4.31%, is expected to be lower to 4.24% to stimulate the slowing economy.

PM Johnson wrote to EU to remove the Irish backstop but proposed alternative arrangements to ensure no hard Irish border. This is because if the Irish backstop takes effect, the UK will need to obey some EU rules. Nonetheless, previously, the EU insisted not to renegotiate a new Brexit deal with the UK.

Euro area's inflation still remained subdued. The bloc's headline inflation in July was 1% yoy, lowest since late 2016, while the core inflation was 0.9% yoy.

Japan's exports kept worsening. The exports growth, -1.6% in July, stayed below zero for eight months consecutively. Meanwhile, its trade balance became negative in July, JPY -249.6 billion.

Moving around 30.81-30.87 this morning, USDTHB could be between 30.79-30.89 today.

US treasury yields keep bouncing on lessening recession fears

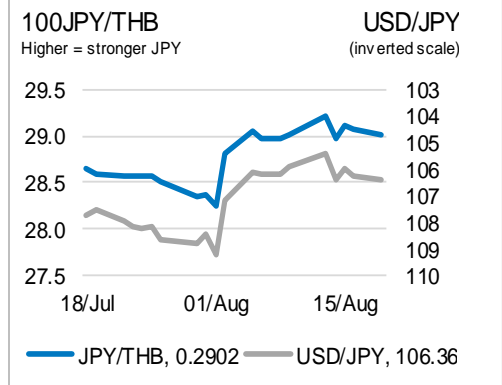
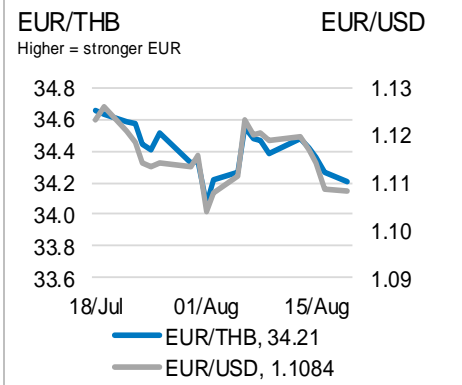
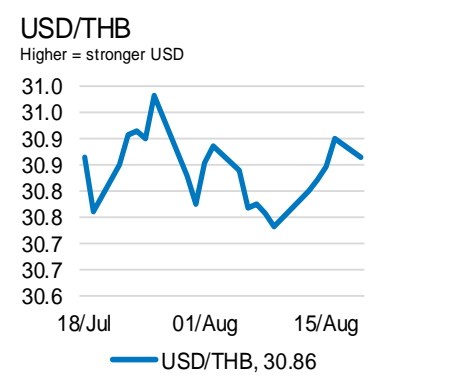
Thai benchmark government bond yield (LB28DA, 9.3 years) on the previous trading day was 1.49%, +5.25 bps. Meantime, the latest closed Thai and US 10-year bond yields were 1.52%, +3.21 bps, and 1.60%, +5 bps, respectively.

Since recession fears eased on Huawei's ban extension and possible economic stimulation from Germany and China, US treasury yields and other countries' government bond yields kept ticking higher.

On yield spreads between long- and short-dated bonds, US 10-year-3-month spread inversion has been existing for 67 days in 2019. 10-year: 1.60% v 3-month: 1.94%, spread: -34 bps; while, US 10-year-2-year treasury spread: +7 bps. Thai 10-year-2-year government yield spread was 7.98 bps.

Thai benchmark government bond yield (LB28DA, 9.3 years) could be between 1.48-1.52% today.

SET Index 1,637.3	S&P500 2,923.7	10Y UST 1.60%	Brent 59.8	Gold 1,499.4
19-Aug ▲ 0.36%	19-Aug ▲ 1.20%	19-Aug ▲ 5.0 bps	19-Aug ▲ 1.64%	19-Aug ▼ -0.64%
USD/THB 30.86	EUR/THB 34.21	JPY/THB 0.2902		
Daily ▼ -0.12%	Daily ▼ -0.16%	Daily ▼ -0.22%		
Weekly ▲ 0.21%	Weekly ▼ -0.78%	Weekly ▼ -0.67%		
Monthly ▼ 0.00%	Monthly ▼ -1.30%	Monthly ▲ 1.29%		
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

Currency Market

Currency	1M History	Last	% Chg (1D)	% Chg (1W)	% Chg (1M)	1M Range	
						Min	Max
Dollar Index		98.26	0.0%	0.7%	0.9%	96.82	98.87
EUR/USD		1.1084	0.0%	-0.9%	-1.1%	1.1041	1.1266
USD/JPY		106.36	0.1%	0.4%	-1.7%	105.43	109.20
USD/CHF		0.9798	0.1%	0.6%	-0.8%	0.9712	0.9966
GBP/USD		1.2148	0.5%	0.0%	-2.2%	1.2053	1.2571
USD/CAD		1.3287	-0.3%	0.5%	1.6%	1.3028	1.3331
AUD/USD		0.6773	0.0%	-0.5%	-3.4%	0.6724	0.7066
NZD/USD		0.6414	-0.2%	-1.1%	-4.4%	0.6414	0.6778
ASEAN Dollar		106.91	-0.3%	0.2%	1.3%	105.28	107.23
USD/THB		30.86	-0.1%	0.4%	-0.1%	30.73	30.98
USD/SGD		1.3852	-0.3%	0.2%	1.9%	1.3567	1.3888
USD/MYR		4.1728	-0.3%	-0.3%	1.4%	4.1070	4.1927
USD/IDR		14,100	-0.5%	0.1%	1.5%	13,868	14,228
USD/PHP		52.24	-0.4%	0.8%	2.7%	50.78	52.47
USD/CNY		7.0476	0.0%	-0.2%	2.4%	6.8744	7.0769
USD/HKD		7.8392	0.0%	0.0%	0.4%	7.8022	7.8471

FX Swap Market and BoT's Reserves

USTH FX Sp	1M History	Last	%Chg(1D)
1-month		-2.40	-0.15
3-month		-6.63	0.13
6-month		-12.75	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
19/8/2019	-4,113	-2,548	-6,661
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
Last 5 days	-28,489	-12,448	-40,937
Period-to-date	Equity	Bond	Total
Month	↓ -44,602	↓ -4,837	↓ -49,439
Quarter	↓ -24,549	↓ -29,943	↓ -54,492
Year	↑ 16,100	↑ 28,407	↑ 44,508

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		1.600	5.00	-5.00	-45.00	1.52	2.08
Gilt 10y		1.036	0.00	45.93	0.00	0.52	1.04
Bund 10y		-0.710	-5.00	-12.00	-41.00	-0.71	-0.27
JGB 10y		-0.236	0.20	-4.50	-10.80	-0.24	-0.12
TGB 1y		1.474	0.77	3.20	-28.10	1.44	1.76
TGB 2y		1.431	1.62	2.00	-29.05	1.41	1.73
TGB 5y		1.422	2.58	-0.04	-35.90	1.40	1.80
TGB 7y		1.449	4.05	-0.01	-41.39	1.41	1.88
TGB 10y		1.511	3.21	-2.55	-50.66	1.48	2.03
AAA Spread		50.67	1.50	-0.65	2.18	48.41	51.33
AA Spread		88.39	-0.67	-0.92	4.48	83.13	89.30
A Spread		92.85	0.69	1.04	3.18	89.67	92.85
BBB Spread		226.70	-2.69	1.77	-0.91	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		59.79	1.6%	2.0%	-4.9%	56.88	65.18
London Gold		1499.4	-0.6%	-0.2%	4.3%	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)		2,923.7	1.2%	1.4%	-1.8%	2,840.6	3,025.9
STOXX (EU)		364.4	1.3%	0.9%	-3.4%	354.8	383.7
FTSE All-Share(UK)		3,936.3	1.1%	-0.3%	-4.0%	3,865.5	4,186.2
DAX (DE)		11,715.4	1.3%	0.3%	-4.4%	11,412.7	12,522.9
CAC All-Tradable(FR)		4,161.9	1.4%	1.1%	-3.0%	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)		3,020.3	2.1%	2.4%	-1.4%	2,900.3	3,092.4
Hang Seng (HK)		26,291.8	2.2%	1.8%	-8.6%	25,281.3	28,765.4
ASX 200 (AU)		6,467.4	1.0%	-1.9%	-3.5%	6,405.5	6,845.1
SET (TH)		1,637.3	0.4%	-0.8%	-4.7%	1,604.0	1,735.1
SET50 (TH)		1,079.8	0.4%	-0.7%	-5.2%	1,056.3	1,147.9
Straits Times (SG)		3,128.5	0.4%	-1.3%	-7.0%	3,115.0	3,381.3
FTSE Malay (MY)		1,596.5	-0.2%	-1.2%	-3.7%	1,592.9	1,672.4
JSX Index (ID)		6,296.7	0.2%	0.7%	-2.5%	6,119.5	6,456.5
PSE Index (PH)		7,938.4	1.8%	1.1%	-3.9%	7,766.8	8,272.2
Vn Index (VN)		981.0	0.1%	0.6%	-0.1%	964.6	997.9

19 August 2019	20 August 2019	14 January 1900	22 August 2019	23 August 2019
(JP) Exports YoY JUL A-1.6% P-6.6% C-2.2%, Balance of Trade JUL A¥-249.6B P¥589.5B C¥-200B; (EA) Core Inflation Rate YoY Final JUL A0.9% P1.1% C0.9%; Inflation Rate YoY Final JUL A1% P1.3% C1.1%; (DE) Bundesbank Monthly	(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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