



ธนาคารทหารไทย จำกัด (มหาชน)

TMB BANK PUBLIC COMPANY LIMITED

Money Market Watch

Capital Markets Group

26 August 2010

FX Market

- **U.S. stocks ended modestly higher Wednesday** as the market looked past disappointing economic data in the hopes that the housing market has finally bottomed. However, The economic data came out as a lower-than-forecast rise in durable-goods orders still cast more doubt on the strength of the economic recovery
- **EUR gained against USD as sales of U.S. new homes unexpectedly dropped in July** to the lowest level on record. Meanwhile, JPY fell from the strongest level in nine years against EUR after Japanese Finance Minister Yoshihiko Noda pledged “appropriate action” and the Nikkei newspaper said that the Bank of Japan is considering further monetary easing.
- **JPY retreated from a 15-year high versus USD at level 83.60 yen per dollar**, the highest since June 1995 on speculation Japanese authorities will act to stem gains that risk derailing the nation’s recovery. JPY has appreciated 17 percent this year, the biggest gain among its developed-world counterparts. The currency’s rally has fueled speculation the government may intervene to curb the gains as they hamper the nation’s export-led economy.
- **USD/THB goes lower on capital inflows, pair closed at 31.48 versus 31.54 intraday high.** BOT's decision to hike policy rate by 0.25% to 1.75% also support THB. THB's strength tends to continue as the policy rate hike reflects the country's strong economic growth and this would continue to attract capital inflows. We expect THB would break through 31.47, which is the 28-month high level, tomorrow. Support tipped at 31.45, resistance at 31.50.

FX Market Contributors

Warapong Ruangpat

0 2230 5333 warapong.rua@tmbbank.com

Skarin Srichansook

0 2230 5888 skarin.sri@tmbbank.com

Bond Market Contributors

Anongpat Kingchar

0 2230 5693 anongpat.kin@tmbbank.com

Valairat Limpasuwanna

0 2230 5692 valairat.lim@tmbbank.com

Fig 1 Currency Prices

Currency	Close	High	Low	Note
USD Index	83.177	83.26	83.14	
EUR/USD	1.2658	1.2725	1.2610	
USD/JPY	84.58	84.83	84.11	
GBP/USD	1.5471	1.5473	1.5392	
AUD/USD	0.8846	0.8893	0.8773	
USD/THB	31.460	31.52	31.46	

Source: Reuters, TMB Capital Markets Group

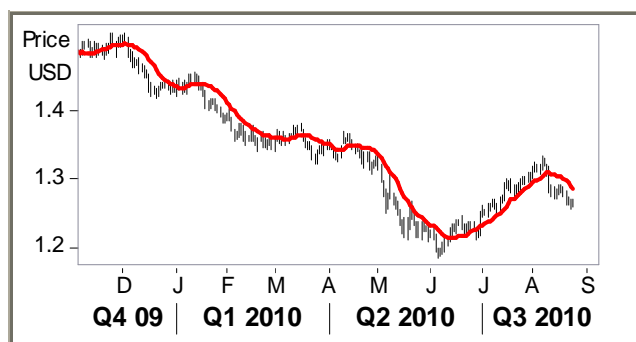
Additional Information

Fig 2 Key Economic Indicators

Date	Event	Forecast	Result	Previous	Note
25-Aug	US Durable goods orders - Jul	2.8	0.3	-1.2	pct

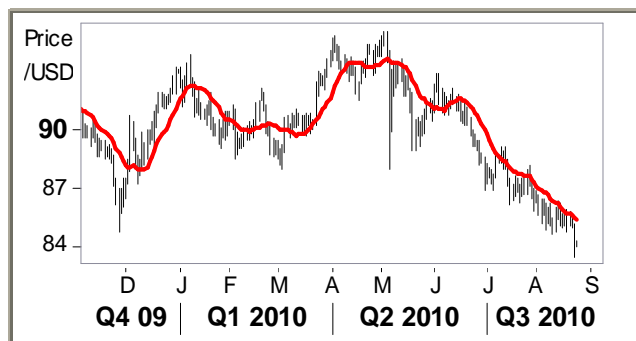
Source: Reuters

Fig 3 Daily Chart of EUR/USD



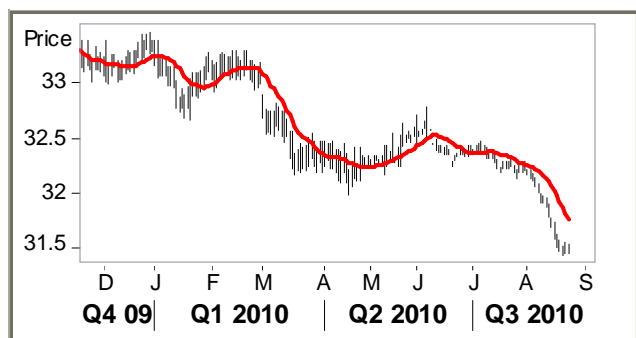
Source: Reuters

Fig 5 Daily Chart of USD/JPY



Source: Reuters

Fig 7 Daily Chart of USD/THB



Source: Reuters

Fig 4 Equity Market Development

Index	Close Date	Close	Change (%)
Dow Jones	25 Aug 10	10,060.06	0.20
FTSE	25 Aug 10	5,109.40	-0.90
Nikkei	25 Aug 10	8,845.39	-1.66
Hang Seng	25 Aug 10	20,634.98	-0.11
SET	25 Aug 10	884.51	-0.67

Source: Reuters

Fig 6 Key Resistance and Support Technical Levels

Level	USD/THB	USD/JPY	EUR/USD
R3	31.60	85.35	1.2724
R2	31.55	85.03	1.2695
R1	31.50	84.85	1.2681
S1	31.45	84.53	1.2653
S2	31.40	84.39	1.2637
S3	31.35	84.07	1.2608

Source: TMB Capital Markets Group

Fig 8 Forward Points (Satang)

Level	USD/THB	JPY/THB	EUR/THB
1m	1.50 / 2.90	0.01 / 0.07	-0.30 / 5.50
3m	5.00 / 7.50	0.08 / 0.15	3.70 / 11.00
6m	11.25 / 14.25	0.18 / 0.30	8.70 / 20.80

Source: Reuters, TMB Capital Markets Group

Local Bond Market

- Yesterday, Yield of government bond in secondary market for tenors more than 5 years move lower as capital inflows continue; BOT's 25 bp rate hike expected to help attract foreign funds as THB-assets would offer higher return. Closing yield of government bond for tenors more than 5 years move lower around -1 to -8 bps.

- Yesterday there were no auction schedule.

- Today auction will take place for 1 type of Central bank bond :
 - a) 1.55%-1.60% expected for 14 days tenor amount THB 70bio.

Additional Information

Fig 9 US and Thai Government Bond Yields

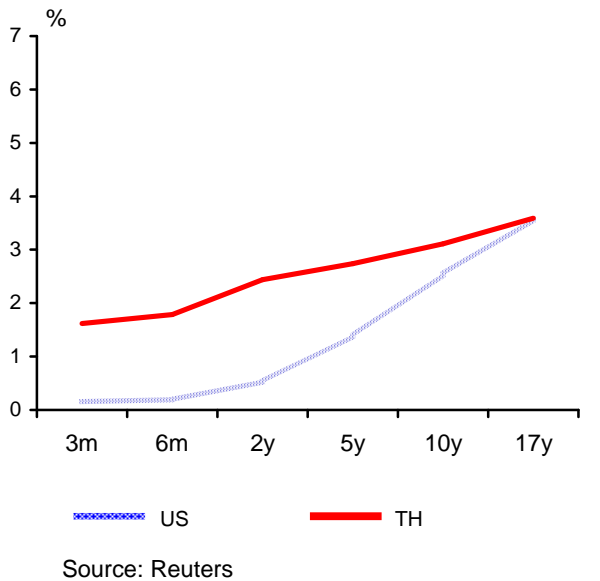


Fig 10 US and Thai Government Bond Yields

Thai		US	
Tenor	Yield (%)	Tenor	Yield (%)
3m	1.617	3m	0.157
6m	1.785	6m	0.193
2y	2.439	2y	0.529
5y	2.740	5y	1.385
10y	3.109	10y	2.541

Source: Reuters

Fig 11 Daily Volume of Bond Market Activity

Type of Bond	Volume (Btm)
Treasury Bill	610
Government Bond	7,525
State Agency Bond (BOT)	15,795
State Enterprise Bond	500
Corporate Bond	1,084

Source: Thai Bond Market Association Bond

Fig 12 Selected Central Bank Announcement Dates in 2010 (First line are current rates in %.)

FOMC	MPC	ECB	BOJ	BOE	RBA
0-0.25	1.25	1.0	0.1	0.5	4.50
28-Apr	2-Jun	10-Jun	15-Jun	10-Jun	1-Jun
23-Jun	14-Jul	8-Jul	15-Jul	8-Jul	6-Jul
10-Aug	25-Aug	5-Aug	10-Aug	5-Aug	3-Aug
<u>21-Sep</u>	<u>20-Oct</u>	<u>2-Sep</u>	<u>7-Sep</u>	<u>9-Sep</u>	<u>7-Sep</u>
3-Nov	1-Dec	7-Oct	28-Oct	7-Oct	5-Oct

MPC = Thailand's Monetary Policy Committee, ECB = European Central Bank

BOJ = Bank of Japan, BOE = Bank of England, RBA = Royal Bank of Australia

Source: Reuters

Fig 13 Commodity Prices

Commodity	Unit	Price (USD)	Change(%)
Aluminium	tonne	2,015.0	-1.13
Copper	tonne	7,066.0	-1.45
Gold	ounce	1,239.5	0.27
Oil	barrel	72.52	1.24
Rubber	baht/kg	105.8	0.00

Source: Reuters

Fig 14 Key Local Market Rates

Type	Rate (%)
1 Day R/P	1.75
14 Day R/P	-
Interbank	1.40
MRR	6.875
MOR	6.625
MLR	6.375

Source: Bank of Thailand, TMB Bank

Fig 15 Singapore Interbank Offered Rates (SIBOR) (%)

Value Date

27-Aug-10	1m	2m	3m	6m	12m
USD	0.27104	0.29712	0.33000	0.54400	0.90400
SGD	0.37500	0.43750	0.51042	0.62500	0.79167

Source: Reuters

Fig 16 London Interbank Offered Rates (LIBOR) (%)

Value Date

27-Aug-10	1m	2m	3m	6m	12m
USD	0.26156	0.27969	0.30375	0.51125	0.87000
GBP	0.56500	0.61938	0.72109	1.01781	1.46125
EUR	0.57638	0.67188	0.82875	1.10529	1.38688
JPY	0.14813	0.18813	0.23563	0.43875	0.66875

Source: Reuters

Fig 17 Indicative Daily Exchange Rate

Currency	Buy			Sell	
	D/D & T/C	T/T	Note	Bill	Note
USD	31.22000	31.32000		31.57000	
DENO.\$: 1-2			30.18000		31.71000
DENO.\$: 5-20			30.66000		31.71000
DENO.\$: 50-100			31.05000		31.71000
EUR	39.37470	39.50080	38.34000	40.13180	40.32000
GBP	48.14625	48.30125	47.02000	49.00375	49.54000
JPY : 100	36.63375	36.75125	35.55000	37.57500	37.80000
HKD	4.00750	4.02000	3.95000	4.06625	4.14000
MYR			9.00000		10.58000
SGD	22.87500	22.94750	22.72000	23.38875	23.52000
BND			21.94000		23.42000
PHP			0.48000		0.74000
CAD	29.37750	29.47125	28.92000	29.90500	30.02000
AUD	27.50750	27.59500	26.59000	28.03750	28.58000
NZD	21.73750	21.80750	21.55000	22.20375	22.61000
CHF	30.15250	30.24875	29.82000	30.78875	30.90000
DKK	5.29625	5.31375	5.09000	5.38500	5.42000
NOK	4.93625	4.95250	4.75000	5.02500	5.07000
SEK	4.18125	4.19500	4.02000	4.25875	4.30000
EUR	39.37470		38.34000	40.13180	40.32000
CNY			3.73000		4.88000

Source: TMB Capital Markets Group

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