



ธนาคารทหารไทย จำกัด (มหาชน)

TMB BANK PUBLIC COMPANY LIMITED

Money Market Watch

Capital Markets Group

31 August 2010

FX Market

- **The Dow Jones industrial average dropped 140.92 points, or 1.39 percent, to 10,009.73** in the year's lightest volume as worries about the pace of economic recovery overshadowed data showing a rise in consumer spending and income.
- **The yen rose broadly on Monday** after the Bank of Japan's decision to expand cheap loans to banks disappointed investors who had looked for more aggressive measures to curb the yen's strength. The yen rose 0.6 percent to 84.71 per dollar and advance 1.2 percent to 107.40 per euro. Euro drops against dollar 0.7 percent to \$1.2675 per euro.
- **Canada's dollar declined** from the highest in more than in a week versus the U.S. dollar as economic data that was weaker than economists' forecasts added to evidence the nation's recovery has slowed. The Canadian currency dropped 0.6 percent to C\$1.0574 per U.S.dollar.
- **USD/THB falls to fresh 29-month low of 31.27 on continuous equity-linked inflows.** However, suspected mild USD buying by central bank helps limit downside for day. Many players holding off, awaiting trading cues, being more cautious about chasing THB up further after rapid gains in recent sessions. Today's trading range is expected to be within 31.20-31.35

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Fig 1 Currency Prices

Currency	Close	High	Low	Note
USD Index	83.161	83.30	83.16	
EUR/USD	1.2664	1.2765	1.2660	
USD/JPY	84.59	85.89	84.51	
GBP/USD	1.5460	1.5574	1.5457	
AUD/USD	0.8916	0.8995	0.8916	
USD/THB	31.27	32.31	32.27	

Source: Reuters, TMB Capital Markets Group

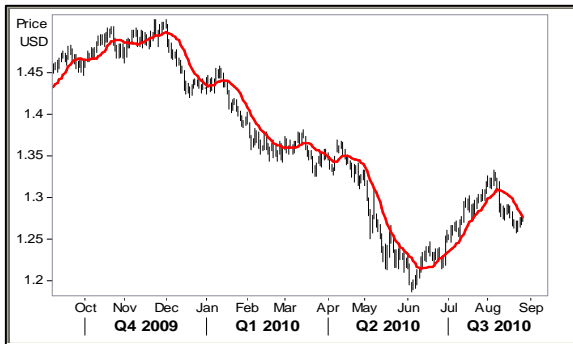
Additional Information

Fig 2 Key Economic Indicators

Date	Event	Forecast	Result	Previous	Note
30-Aug	US Personal Income-July	0.3%	0.2%	0.0%	

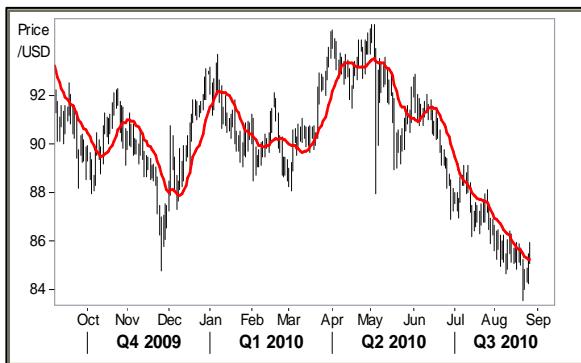
Source: Reuters

Fig 3 Daily Chart of EUR/USD



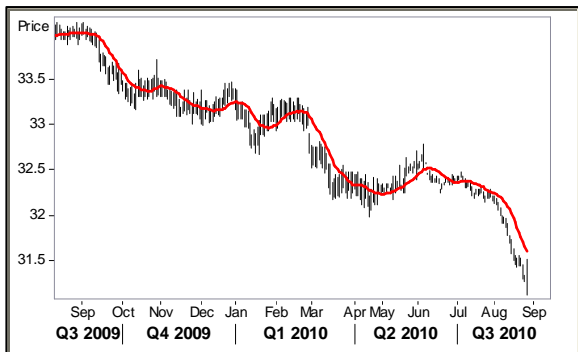
Source: Reuters

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	30 Aug 10	10,009.73	-1.39
FTSE	27 Aug 10	5,201.56	0.89
Nikkei	30 Aug 10	9,149.26	1.76
Hang Seng	30 Aug 10	20,737.22	0.68
SET	30 Aug 10	909.65	1.03

Source: Reuters

Fig 6 Key Resistance and Support Technical Levels

Level	USD/THB	USD/JPY	EUR/USD
R3	31.45	85.40	1.2730
R2	31.40	85.10	1.2700
R1	31.35	84.80	1.2670
S1	31.20	84.20	1.2600
S2	31.15	83.90	1.2570
S3	31.10	83.60	1.2540

Source: TMB Capital Markets Group

Fig 8 Forward Points (Satang)

Level	USD/THB	JPY/THB	EUR/THB
1m	1.60 / 4.10	0.01 / 0.08	-0.20 / 7.00
3m	5.00 / 9.00	0.08 / 0.17	3.50 / 12.70
6m	11.25 / 13.75	0.18 / 0.29	8.20 / 19.70

Source: Reuters, TMB Capital Markets Group

Local Bond Market

- **Yesterday, Yield of government bond were rise** as some interbank players take profit from recent gains. However, persistent capital inflows keep bonds well-bid. Closing yielded of government bond were mixed -2 to 1 bps across the curve.
- **Result of T-Bills bond auctions were at**

 - a) avg 1.60522% 1Month tenor amount THB 3bio with a BCR of 4.78
 - b) avg 1.68844% 3Month tenor amount THB 3bio with a BCR of 5.33
 - c) avg 1.83977% 6Month tenor amount THB 2bio with a BCR of 3.62
- **Today auction will take place for 3 types of Central Bank Bond**

 - a) 1.60%-1.63% expected for 1month amount THB 22bio.
 - b) 1.69%-1.72% expected for 3month amount THB 15bio.
 - c) 1.83%-1.87% expected for 6month amount THB 12bio.

Additional Information

Fig 9 US and Thai Government Bond Yields

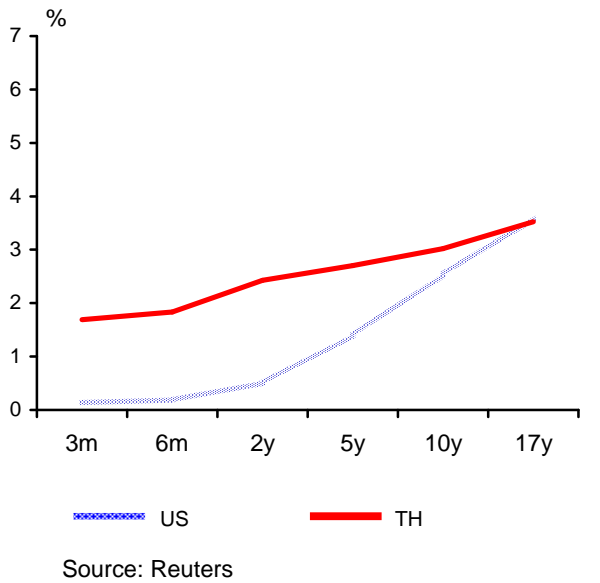


Fig 10 US and Thai Government Bond Yields

Thai		US	
Tenor	Yield (%)	Tenor	Yield (%)
3m	1.689	3m	0.137
6m	1.836	6m	0.188
2y	2.429	2y	0.505
5y	2.702	5y	1.395
10y	3.021	10y	2.537

Source: Reuters

Fig 11 Daily Volume of Bond Market Activity

Type of Bond	Volume (Btm)
Treasury Bill	7,361
Government Bond	6,705
State Agency Bond (BOT)	21,365
State Enterprise Bond	-
Corporate Bond	610

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	1,996.0	0.00
Copper	tonne	7,286.0	0.00
Gold	ounce	1,235.9	0.04
Oil	barrel	74.70	-0.63
Rubber	baht/kg	106.1	0.19

Source: Reuters

Fig 14 Key Local Market Rates

Type	Rate (%)
1 Day R/P	1.75
14 Day R/P	-
Interbank	1.63
MRR	6.875
MOR	6.625
MLR	6.375

Source: Bank of Thailand, TMB Bank

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

Value Date

1-Sep-10	1m	2m	3m	6m	12m
USD	0.27104	0.29512	0.32150	0.52700	0.88400
SGD	0.37500	0.43750	0.50000	0.62500	0.77083

Source: Reuters

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

Value Date

1-Sep-10	1m	2m	3m	6m	12m
USD	0.25938	0.27531	0.29688	0.50319	0.85831
GBP	0.56750	0.62188	0.72609	1.02031	1.46500
EUR	0.57513	0.67313	0.83000	1.10779	1.38813
JPY	0.14563	0.18438	0.23188	0.43625	0.66750

Source: Reuters

Fig 17 Indicative Daily Exchange Rate

Currency	Buy			Sell	
	D/D & T/C	T/T	Note	Bill	Note
USD	31.07000	31.17000		31.42000	
DENO.\$: 1-2			30.04000		31.56000
DENO.\$: 5-20			30.51000		31.56000
DENO.\$: 50-100			30.90000		31.56000
EUR	39.12640	39.25240	38.10000	39.88140	40.06000
GBP	47.87875	48.03250	46.76000	48.73250	49.27000
JPY : 100	36.51125	36.62875	35.43000	37.45250	37.67000
HKD	3.98625	3.99875	3.92000	4.04500	4.11000
MYR			8.97000		10.55000
SGD	22.79250	22.86625	22.63000	23.30750	23.43000
BND			21.89000		23.36000
PHP			0.48000		0.74000
CAD	29.20375	29.29750	28.75000	29.72875	29.84000
AUD	27.61750	27.70625	26.69000	28.15000	28.69000
NZD	21.73250	21.80250	21.54000	22.19875	22.60000
CHF	30.19375	30.29125	29.86000	30.83500	30.94000
DKK	5.26375	5.28125	5.06000	5.35125	5.39000
NOK	4.91375	4.92875	4.72000	5.00125	5.04000
SEK	4.17375	4.18750	4.01000	4.25125	4.30000
EUR	39.12640		38.10000	39.88140	40.06000
CNY			3.71000		4.86000

Source: TMB Capital Markets Group

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