



ธนาคารทหารไทย จำกัด (มหาชน)

TMB BANK PUBLIC COMPANY LIMITED

Money Market Watch

Capital Markets Group

2 September 2010

FX Market

- **Stocks were surging today**, boosting the Dow more than 200 points, after a gauge of manufacturing growth rose unexpectedly, offsetting a weak employment report.
- **The U.S. dollar fell against major currencies on Wednesday** after upbeat data around the world soothed worries about the health of the global economy, boosting investors' appetite for riskier assets.
- **The euro climbed above \$1.2850 earlier** and the Australian dollar soared 2 percent against the U.S. currency as stocks and commodities rallied amid reduced fears of a renewed global slowdown.
- **The yen's rapid advance in recent weeks** prompted Japanese authorities to announce easing measures on Monday. A strong yen makes Japan's exports more expensive and reduces their competitiveness. Traders and analysts said that, short of direct intervention in the foreign exchange markets, the yen is bound to test its all-time high against the dollar of 79.75 yen set in April 1995.
- **USD/THB slides to 31.16**, lowest since March 2008, tracking weaker USD/Regionals. Persistent portfolio inflows continue to pull pair lower. However, suspected mild intervention help limiting downside. Focus on urgent meeting today morning between PM, Finance Minister, BOT to discuss recent THB strength. Today range is 31.10-31.20.

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Fig 1 Currency Prices

Currency	Close	High	Low	Note
USD Index	82.536	82.54	82.46	
EUR/USD	1.2798	1.2855	1.2665	
USD/JPY	84.45	84.66	83.69	
GBP/USD	1.5446	1.5489	1.5339	
AUD/USD	0.9104	0.9116	0.8915	
USD/THB	31.170	31.27	31.16	

Source: Reuters, TMB Capital Markets Group

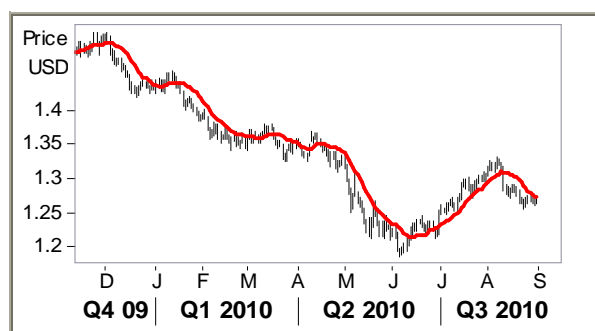
Additional Information

Fig 2 Key Economic Indicators

Date	Event	Forecast	Result	Previous	Note
1-Sep	US ISM Manufacturing PMI	53	56.3	55	
1-Sep	US ADP National Employment	19	-10	42	
2-Sep	US Jobless clms	475		473	

Source: Reuters

Fig 3 Daily Chart of EUR/USD



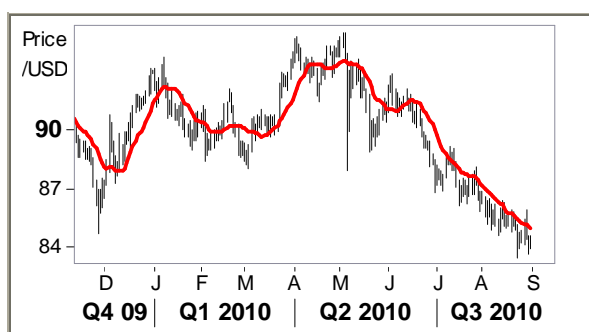
Source: Reuters

Fig 4 Equity Market Development

Index	Close Date	Close	Change (%)
Dow Jones	1 Sep 10	10,269.47	2.54
FTSE	1 Sep 10	5,366.41	2.70
Nikkei	1 Sep 10	8,927.02	1.17
Hang Seng	1 Sep 10	20,623.83	0.43
SET	1 Sep 10	919.34	0.67

Source: Reuters

Fig 5 Daily Chart of USD/JPY



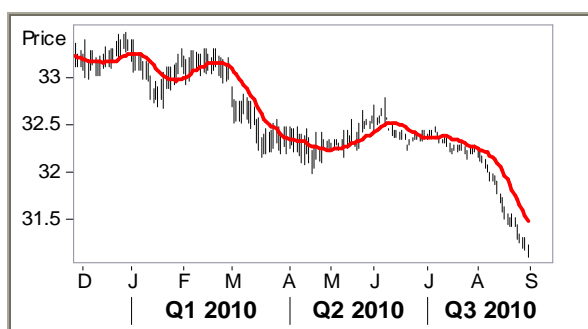
Source: Reuters

Fig 6 Key Resistance and Support Technical Levels

Level	USD/THB	USD/JPY	EUR/USD
R3	31.30	85.45	1.3057
R2	31.25	84.81	1.2907
R1	31.20	84.40	1.2851
S1	31.10	83.76	1.2701
S2	31.05	83.53	1.2607
S3	31.00	82.89	1.2456

Source: TMB Capital Markets Group

Fig 7 Daily Chart of USD/THB



Source: Reuters

Fig 8 Forward Points (Satang)

Level	USD/THB	JPY/THB	EUR/THB
1m	1.40 / 2.70	0.01 / 0.06	-0.40 / 5.30
3m	5.00 / 7.40	0.08 / 0.15	3.70 / 10.80
6m	11.25 / 13.75	0.17 / 0.29	8.90 / 20.40

Source: Reuters, TMB Capital Markets Group

Local Bond Market

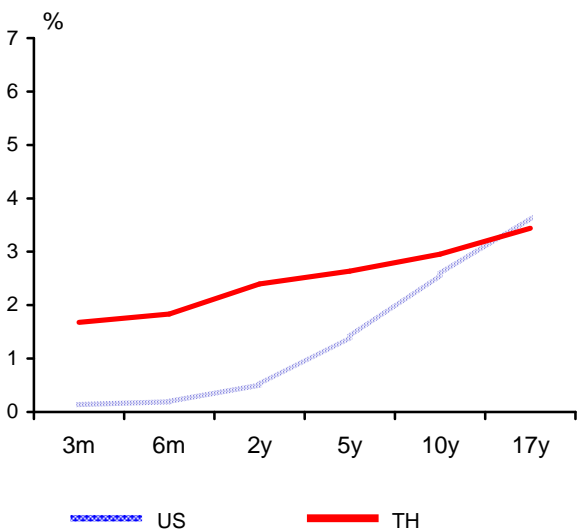
- **Yesterday, yield of government bond in secondary market move lower** as continuing capital inflows, with buying focused in 4-6 years tenors. Profit-taking by local banks and funds helps limit downside of yields. Closing yield of government bond move lower around -3 to -9 bps. across the curve.

- **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 80bio.

Additional Information

Fig 9 US and Thai Government Bond Yields



Source: Reuters

Fig 10 US and Thai Government Bond Yields

Thai		US	
Tenor	Yield (%)	Tenor	Yield (%)
3m	1.675	3m	0.137
6m	1.832	6m	0.193
2y	2.397	2y	0.510
5y	2.635	5y	1.405
10y	2.955	10y	2.575

Source: Reuters

Fig 11 Daily Volume of Bond Market Activity

Type of Bond	Volume (Btm)
Treasury Bill	3,431
Government Bond	12,211
State Agency Bond (BOT)	35,103
State Enterprise Bond	1,022
Corporate Bond	304

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	2,058.5	0.71
Copper	tonne	7,540.0	2.52
Gold	ounce	1,245.5	-0.07
Oil	barrel	73.91	-3.72
Rubber	baht/kg	107.1	1.41

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

3-Sep-10	1m	2m	3m	6m	12m
USD	0.27064	0.29512	0.31600	0.50740	0.86600
SGD	0.37500	0.43750	0.50000	0.62500	0.77083

Source: Reuters

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

Value Date

3-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	0.57488	0.67125	0.83000	1.10400	1.38550
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	30.95000	31.05000		31.30000	
DENO.\$: 1-2			29.92000		31.44000
DENO.\$: 5-20			30.39000		31.44000
DENO.\$: 50-100			30.78000		31.44000
EUR	39.47670	39.60430	38.44000	40.23620	40.42000
GBP	47.62250	47.77625	46.51000	48.47500	49.01000
JPY : 100	36.44750	36.56500	35.37000	37.39000	37.61000
HKD	3.97375	3.98625	3.91000	4.03250	4.10000
MYR			8.97000		10.55000
SGD	22.87000	22.94375	22.71000	23.38875	23.52000
BND			21.86000		23.34000
PHP			0.47000		0.74000
IDR : 1000					
CAD	29.34125	29.43625	28.89000	29.87250	29.98000
AUD	28.00875	28.10000	27.07000	28.54625	29.10000
NZD	21.91500	21.98625	21.72000	22.38375	22.79000
CHF	30.31250	30.41125	29.98000	30.96000	31.07000
DKK	5.31125	5.32750	5.11000	5.40000	5.44000
NOK	4.98500	5.00000	4.79000	5.07500	5.12000
SEK	4.23125	4.24500	4.07000	4.31000	4.36000
KRW			0.02179		0.03700
EUR	39.47670	#	38.44000	40.23620	40.42000

Source: TMB Capital Markets Group

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