



ธนาคารทหารไทย จำกัด (มหาชน)

TMB BANK PUBLIC COMPANY LIMITED

Money Market Watch

Capital Markets Group

10 September 2010

FX Market

- **U.S. stocks rose on Thursday as stronger-than-expected jobs** and trade data helped lift optimism about the economic recovery, although sentiment was fragile as investors fretted over European banks.
- **JPY hovered near a 15-year high, hitting a session low of 83.49** on Thursday as conflicting messages from policymakers led investors to bet Japanese authorities were not ready to intervene to weaken their currency. JPY may stay firm in the coming months as uncertainties about the outlook for the United States and global economies prompt investors to seek safety.
- **The euro fell against the dollar to 1.2701 as concerns about the health of the European banking sector** and sovereign debt issues persisted after a news report that recent stress tests of the European banks sector underestimated some lenders' holdings of potentially risky government debt.
- **THB dipped below 31.00 to a new 13-year high of around 30.83 per dollar**, before stabilising and ended around 30.87-30.89. Increasing capital inflows into Thai bonds and stocks in the past week have pushed the baht up 1 percent against the dollar or a year-to-date appreciated 8.0 percent, the third-best Asian performer after yen and ringgit.

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	82.779	82.86	82.75	
EUR/USD	1.2696	1.2765	1.2666	
USD/JPY	83.81	84.01	83.52	
GBP/USD	1.5430	1.5477	1.5379	
AUD/USD	0.9231	0.9277	0.9174	
USD/THB	30.87	30.91	30.82	

Source: Reuters, TMB Capital Markets Group

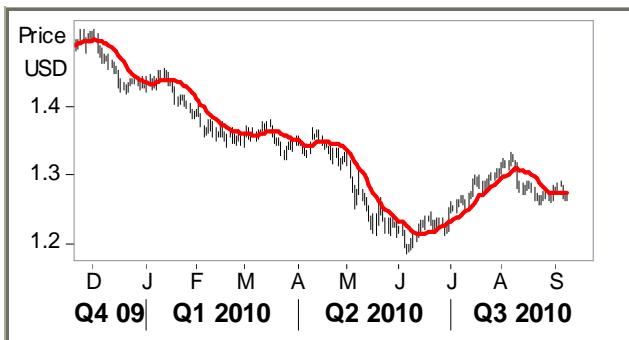
Additional Information

Fig 2 Key Economic Indicators

Date	Event	Forecast	Result	Previous	Note
9-Sep	UEEIA Weekly Crude Stocks	0.9	-7.308	3.425	w/e

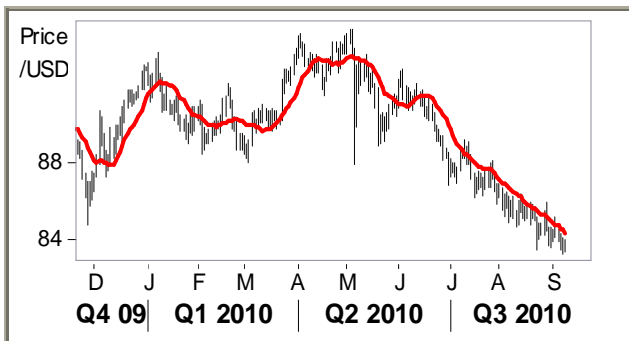
Source: Reuters

Fig 3 Daily Chart of EUR/USD



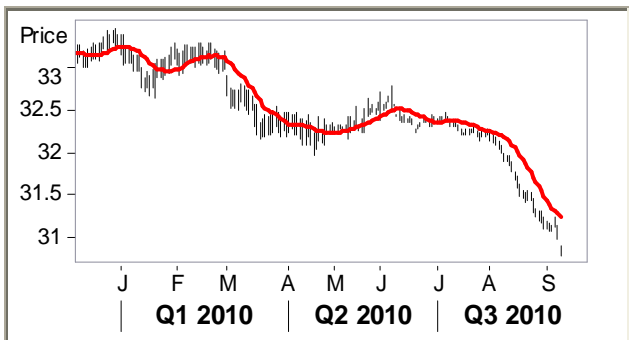
Source: Reuters

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	9 Sep 10	10,415.24	0.27
FTSE	9 Sep 10	5,494.16	1.19
Nikkei	9 Sep 10	9,098.39	0.82
Hang Seng	9 Sep 10	21,167.27	0.37
SET	9 Sep 10	921.49	-0.26

Source: Reuters

Fig 6 Key Resistance and Support Technical Levels

Level	USD/THB	USD/JPY	EUR/USD
R3	31.00	84.80	1.2734
R2	30.95	84.41	1.2711
R1	30.90	84.27	1.2696
S1	30.75	83.87	1.2672
S2	30.70	83.63	1.2663
S3	30.65	83.24	1.2639

Source: TMB Capital Markets Group

Fig 8 Forward Points (Satang)

Level	USD/THB	JPY/THB	EUR/THB
1m	1.00 / 2.80	0.00 / 0.06	-1.00 / 5.30
3m	4.50 / 7.50	0.07 / 0.15	2.70 / 10.60
6m	9.75 / 12.75	0.16 / 0.28	6.10 / 18.20

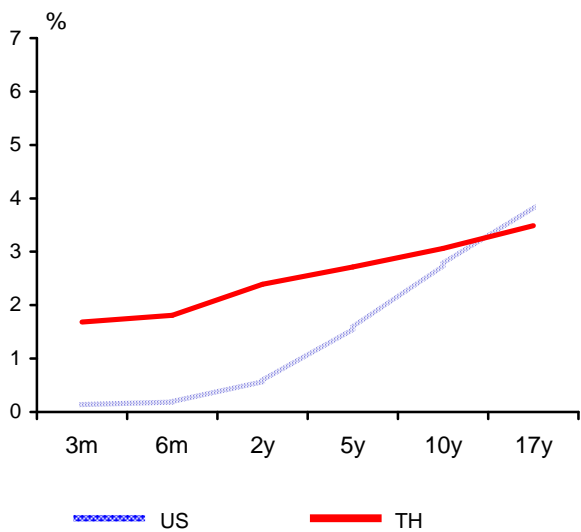
Source: Reuters, TMB Capital Markets Group

Local Bond Market

- Yesterday, yield of government bond in secondary market move lower. Buying flows from local banks, funds and offshore which focused in 2-7 years tenors. Profit-taking by local banks helps limit downside of yields. Closing yield of government bond move lower around -3 to 0 bps. across the curve.
- Result of Central bank bond auctions were at
 - a) avg 1.56882% 14days tenor amount THB 70,000 MB with a BCR of 1.41
- Today auction will take place for 1 type of Central bank bond :
 - a) 1.56%-1.58% 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 Tenor	Yield (%)	US Tenor	Yield (%)
3m	1.684	3m	0.137
6m	1.810	6m	0.188
2y	2.391	2y	0.575
5y	2.713	5y	1.570
10y	3.060	10y	2.764

Source: Reuters

Fig 11 Daily Volume of Bond Market Activity

Type of Bond	Volume (Btm)
Treasury Bill	429
Government Bond	16,752
State Agency Bond (BOT)	81,486
State Enterprise Bond	-
Corporate Bond	708

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>	2-Sep	7-Sep	9-Sep	7-Sep
3-Nov	1-Dec	<u>7-Oct</u>	<u>28-Oct</u>	<u>7-Oct</u>	<u>5-Oct</u>

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	2,082.0	-1.79
Copper	tonne	7,531.0	-1.16
Gold	ounce	1,245.5	-0.77
Oil	barrel	74.25	0.00
Rubber	baht/kg	109.5	0.00

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

13-Sep-10	1m	2m	3m	6m	12m
USD	0.27064	0.29300	0.31300	0.49850	0.84300
SGD	0.37500	0.43750	0.50000	0.62500	0.77083

Source: Reuters

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

Value Date

13-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	0.57313	0.67063	0.82594	1.10525	1.39663
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	30.60000	30.70000		30.95000	
DENO.\$: 1-2			29.58000		31.21000
DENO.\$: 5-20			30.05000		31.21000
DENO.\$: 50-100			30.44000		31.21000
EUR	38.66620	38.79250	37.65000	39.41790	39.60000
GBP	47.00375	47.15750	45.90000	47.85250	48.38000
JPY : 100	36.15000	36.26875	35.08000	37.09125	37.31000
HKD	3.93125	3.94500	3.87000	3.99875	4.07000
MYR			8.92000		10.51000
SGD	22.68000	22.75375	22.52000	23.19750	23.32000
BND			21.76000		23.23000
PHP			0.48000		0.74000
IDR : 1000					
CAD	29.55625	29.65250	29.10000	30.09875	30.21000
AUD	28.16000	28.25250	27.22000	28.70000	29.25000
NZD	22.10750	22.18000	21.91000	22.57875	22.99000
CHF	29.98125	30.08000	29.65000	30.62625	30.73000
DKK	5.20125	5.21875	5.00000	5.29000	5.33000
NOK	4.92750	4.94375	4.74000	5.01750	5.06000
SEK	4.18625	4.20000	4.03000	4.26375	4.31000
KRW			0.02179		0.03700
EUR	38.66620	#	37.65000	39.41790	39.60000

Source: TMB Capital Markets Group

Disclaimer: The information herein is published by TMB Bank Public Company Limited ("TMB") for information purposes only. It is based on information obtained from sources believed to be reliable but TMB does not make any representation or warranty, express or implied as to its accuracy, completeness, timeliness or correctness for any particular purpose. You acknowledge that any reliance upon any information shall be at your sole and exclusive risk. Any recommendation contained herein does not have regard to the specific investment objectives, financial situation and the particular needs of any specific investors. It is not and shall not be construed as an offer or solicitation for the purchase or sale of any financial instrument or any investment advice. You must consult your own tax, regulatory, accounting or legal advisors prior to making any investment decisions or take any other action relating to the information contained herein. TMB accepts no liability whatsoever for any direct or consequential losses arising from any use of the information. The information contained herein (whether in whole or in part) may not be reproduced, distributed or transmitted to any other person or incorporated into another document or other material without the prior written permission of TMB. Furthermore, TMB may discontinue or make change in the information described herein at any time without prior notice to you and without any liability to you.