

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**10 Aug 2020 - 14 Aug 2020**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Outlook**

- On Monday, June's JOLTS job openings and July inflation figures are in focus. Barring particularly dire job opening figures, however, the stats should have a muted impact on the day.
- On Friday, July retail sales and industrial production and August prelim consumer sentiment figures will influence.
- Away from the calendar, expect chatter on the COVID-19 stimulus package and tension with China to also influence.

<b>Lower Bound</b>	<b>91.50</b>	<b>Upper Bound</b>	<b>95.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The dollar rose against other major currencies after ISM Manufacturing PMI, which is a key gauge of the health of the manufacturing sector, beat expectations. The index jumped to 54.3 in July, up from 53.6.
- The dollar traded lower against all of the major currencies on Wednesday, a sign that investors are worried about Friday's non-farm payrolls report. With ADP reporting significantly weaker than expected private payroll growth in July (167K vs. 2.3 million forecast) and the employment component of non-manufacturing ISM dropping to 42.1 from 43.1.
- The collar bounced after the U.S. Labor Department's report showed nonfarm payrolls increased by 1.76 million in July. While that was more than the 1.6 million economists surveyed by Reuters had forecast, it was still sharply lower than the record 4.8 million in June.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>93.35</b>	<b>Monthly High</b>	<b>97.62</b>
<b>Week Open</b>	<b>93.46</b>	<b>Monthly Low</b>	<b>92.52</b>
<b>Week Close</b>	<b>92.76</b>	<b>30 Days Average</b>	<b>95.11</b>
<b>Weekly High</b>	<b>93.99</b>	<b>90 Days Average</b>	<b>97.53</b>
<b>Weekly Low</b>	<b>92.52</b>	<b>YTD Change</b>	<b>-2.93%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
JOLTS Job Openings	Jun	10-Aug		5.397M
PPI Final Demand MM	Jul	11-Aug	0.3%	-0.2%
Core CPI YY, NSA	Jul	12-Aug	1.2%	1.2%
CPI MM, SA	Jul	12-Aug	0.3%	0.6%
CPI YY, NSA	Jul	12-Aug	0.8%	0.6%
Initial Jobless Clm	8 Aug, w/e	13-Aug	1,140k	1,186k
Retail Sales MM	Jul	14-Aug	1.8%	7.5%
Industrial Production MM	Jul	14-Aug	3.0%	5.4%
U Mich Sentiment Prelim	Aug	14-Aug	72.0	72.5

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**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The sino-U.S. tensions with trade talks sheduled this week.
- Also, Global COVID-19 will be back in focus.

<b>Lower Bound</b>	<b>30.85</b>	<b>Upper Bound</b>	<b>31.40</b>
<b>Forecast</b>	<b>Neutral</b>		

**Thai Baht News**

- The baht traded in a narrow range against the dollar, while the Bank of Thailand kept its policy rate unchanged at 0.5% in a unanimous decision, as expected and said that it was prepared to use “additional appropriate monetary policy tools” to support an economy suffering the biggest blow in Asia from the coronavirus pandemic.
- The CPI fell by a smaller 0.98% y/y in July compared with June's 1.57% decline. The more moderate pace of contraction was mainly due to core CPI rising by 0.39% y/y in July following a marginal decline of 0.05% in June.
- The report from the Ministry of Commerce showed Thailand's consumer confidence dropped from 42.5 to 41.0 in July.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>31.17</b> THB/USD	<b>Monthly High</b>	<b>31.29</b> THB/USD
<b>Week Open</b>	<b>31.26</b> THB/USD	<b>Monthly Low</b>	<b>30.98</b> THB/USD
<b>Week Close</b>	<b>31.14</b> THB/USD	<b>30 Days Average</b>	<b>31.29</b> THB/USD
<b>Weekly High</b>	<b>31.26</b> THB/USD	<b>90 Days Average</b>	<b>31.78</b> THB/USD
<b>Weekly Low</b>	<b>30.98</b> THB/USD	<b>YTD Change</b>	<b>+3.87%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Forex Reserves	3 Aug, w/e 14-Aug			
Currency Swaps	3 Aug, w/e 14-Aug			
GDP Growth YY	Q2	17-Aug		-1.8%
GDP Growth QQ SA	Q2	17-Aug		-2.2%

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**Euro**

**Euro Graph**



Source: Thomson Reuters

**Euro Outlook**

- Key stats include August ZEW Economic Sentiment figures for Germany and the Eurozone on Tuesday.
- Eurozone industrial production and 2nd estimate GDP numbers on Wednesday and Friday will also draw interest.

<b>Lower Bound</b>	<b>1.1650</b>	<b>Upper Bound</b>	<b>1.1950</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Euro News**

- Euro edged higher despite mixed PMIs. Downward revisions to Germany and French service sector data was offset by upward revision to the Eurozone's composite index.
- The euro continually rose against the dollar after German Factory Orders was shown at 27.9%, higher the forecast of 10.3%.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1774</b> USD/EUR	<b>Monthly High</b>	<b>1.1915</b> USD/EUR
<b>Week Open</b>	<b>1.1781</b> USD/EUR	<b>Monthly Low</b>	<b>1.1698</b> USD/EUR
<b>Week Close</b>	<b>1.1786</b> USD/EUR	<b>30 Days Average</b>	<b>1.1553</b> USD/EUR
<b>Weekly High</b>	<b>1.1915</b> USD/EUR	<b>90 Days Average</b>	<b>1.1195</b> USD/EUR
<b>Weekly Low</b>	<b>1.1694</b> USD/EUR	<b>YTD Change</b>	<b>+4.76%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Sentix Index	Aug	10-Aug	-15.1	-18.2
Industrial Production MM	Jun	12-Aug	10.0%	12.4%
Industrial Production YY	Jun	12-Aug	-11.6%	-20.9%
Eurostat Trade NSA, Eur	Jun	14-Aug		9.4B
GDP Flash Estimate QQ	Q2	14-Aug	-12.1%	-12.1%
GDP Flash Estimate YY	Q2	14-Aug	-15.0%	-15.0%
Reserve Assets Total	Jul	17-Aug		904.94B

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**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- It's a busy week ahead on the economic calendar. On Tuesday, retail sales, claimant count, and unemployment figures will garner plenty of interest.
- The focus will then shift to manufacturing production and 2nd quarter GDP number on Wednesday.
- Away from the economic calendar, Brexit will remain a key driver.

<b>Lower Bound</b>	<b>1.2900</b>	<b>Upper Bound</b>	<b>1.3250</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Pound Sterling News**

- The UK service sector and composite PMI numbers were revised lower. Considering that manufacturing activity was also weaker than initially thought.
- The Bank of England (BoE) left all policy measures unchanged, in line with market expectations, and warned that Q2 GDP is likely to be over 20% lower than Q4 2019. The MPC also added that it would continue to review the appropriateness of a negative policy rate as a tool alongside its broader toolkit. The committee also kept its asset purchase target at 745 billion pounds. The BOE added that the UK economy might be less severe than it was initially expected and the inflation was predicted to be back to 2% target within 2 years.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3088</b> USD/GBP	<b>Monthly High</b>	<b>1.3185</b> USD/GBP
<b>Week Open</b>	<b>1.3080</b> USD/GBP	<b>Monthly Low</b>	<b>1.2982</b> USD/GBP
<b>Week Close</b>	<b>1.3051</b> USD/GBP	<b>30 Days Average</b>	<b>1.2764</b> USD/GBP
<b>Weekly High</b>	<b>1.3185</b> USD/GBP	<b>90 Days Average</b>	<b>1.2535</b> USD/GBP
<b>Weekly Low</b>	<b>1.2979</b> USD/GBP	<b>YTD Change</b>	<b>-1.30%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Jul	11-Aug		-28.1k
ILO Unemployment Rate	Jun	11-Aug	4.2%	3.9%
GDP Est 3M/3M	Jun	12-Aug	-21.2%	-19.1%
GDP Estimate MM	Jun	12-Aug	8.0%	1.8%
GDP Estimate YY	Jun	12-Aug	-18.5%	-24.0%
Manufacturing Output MM	Jun	12-Aug	10.0%	8.4%
GDP Prelim QQ	Q2	12-Aug	-20.9%	-2.2%
GDP Prelim YY	Q2	12-Aug	-22.5%	-1.7%

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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- US-China tensions could hamper the risk-sensitive Australian Dollar's recent rally.
- Decision to tighten lockdown measures and declare a "State of Disaster" in Victoria may drag on the Australian Dollar in the near-term.
- Early in the week, key stats include July business and August consumer confidence figures.
- Expect the stats to have a material impact on the Aussie Dollar ahead of July's employment figures on Thursday.

<b>Lower Bound</b>	<b>0.7050</b>	<b>Upper Bound</b>	<b>0.7300</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

- The Australian Dollar spiked higher after the RBA kept the target for the official cash rate and 3-year yield steady at 0.25%, and in line with expectations.
- The Australian trade surplus increased to AUD 8.20B, better-than-expectation.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7142</b> USD/AUD	<b>Monthly High</b>	<b>0.7243</b> USD/AUD
<b>Week Open</b>	<b>0.7145</b> USD/AUD	<b>Monthly Low</b>	<b>0.7077</b> USD/AUD
<b>Week Close</b>	<b>0.7157</b> USD/AUD	<b>30 Days Average</b>	<b>0.6707</b> USD/AUD
<b>Weekly High</b>	<b>0.7243</b> USD/AUD	<b>90 Days Average</b>	<b>0.6463</b> USD/AUD
<b>Weekly Low</b>	<b>0.7074</b> USD/AUD	<b>YTD Change</b>	<b>+2.08%</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Wage Price Index QQ	Q2	12-Aug	0.3%	0.5%
Wage Price Index YY	Q2	12-Aug	1.9%	2.1%
Employment	Jul	13-Aug	40.0k	210.8k
Participation Rate	Jul	13-Aug	64.4%	64.0%
Unemployment Rate	Jul	13-Aug	7.8%	7.4%

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**Japanese Yen**
**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- There are no material stats due out of Japan to provide the Yen with direction.
- A lack of stats will leave the Yen in the hands of geopolitics and COVID-19 in the week.

<b>Lower Bound</b>	<b>104.50</b>	<b>Upper Bound</b>	<b>107.00</b>
<b>Forecast</b>	<b>Neutral</b>		

**Japanese Yen News**

- The Yen slightly appreciated against the dollar as concerns over US economic outlook still weighed down the greenback sentiment.
- There's a demand in the Yen as safe-haven after the global Covid-19 situation is not getting better.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>105.88</b> JPY/USD	<b>Monthly High</b>	<b>106.46</b> JPY/USD
<b>Week Open</b>	<b>105.87</b> JPY/USD	<b>Monthly Low</b>	<b>105.31</b> JPY/USD
<b>Week Close</b>	<b>105.91</b> JPY/USD	<b>30 Days Average</b>	<b>108.41</b> JPY/USD
<b>Weekly High</b>	<b>106.46</b> JPY/USD	<b>90 Days Average</b>	<b>108.72</b> JPY/USD
<b>Weekly Low</b>	<b>105.28</b> JPY/USD	<b>YTD Change</b>	<b>-2.61%</b>

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Jun	11-Aug	110.0B	1,176.8B
Corp Goods Price MM	Jul	13-Aug	0.3%	0.6%
Corp Goods Price YY	Jul	13-Aug	-1.1%	-1.6%
GDP QQ	Q2	17-Aug	-7.6%	-0.6%
GDP QQ Annualised	Q2	17-Aug	-27.2%	-2.2%
GDP QQ Pvt Conspm Prelim	Q2	17-Aug	-7.1%	-0.8%
GDP QQ Capital Expend.	Q2	17-Aug	-4.1%	1.9%
GDP QQ External Demand	Q2	17-Aug	-3.2%	-0.2%

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