

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**03 Aug 2020 - 07 Aug 2020**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- DXY could extend its downside momentum this week.
- The comment from FED that they could keep rates near zero for the foreseeable future and notion of liquidity injection helped credit crisis fear and lift market sentiment, deminish demand of haven-linked assets like USD.
- Investors will focus on the jobs data released during the end of the week.
- The concern over the virus and the tension between the US and China will be the factor to the market direction.

<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 USD during last week extended its downside heading into the FOMC announcement on Wed.
- The Fed left its policy unchanged as expected while expressed some concerns over the impact of the coronavirus. However, the Fed offered no real clues about its next moves.
- Trump tweeted the possibility of delaying the US presidential election; increased investor nervous.
- The weakness in US Q2 GDP which fell to a record low of 32.9% was also pressure the USD.
- The DXY dropped to level below 93.00, the lowest since mid-May 2018.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>94.44</b>	<b>Monthly High</b>	<b>97.80</b>
<b>Week Open</b>	<b>94.35</b>	<b>Monthly Low</b>	<b>92.55</b>
<b>Week Close</b>	<b>92.55</b>	<b>30 Days Average</b>	<b>95.90</b>
<b>Weekly High</b>	<b>95.41</b>	<b>90 Days Average</b>	<b>97.98</b>
<b>Weekly Low</b>	<b>92.55</b>	<b>YTD Change</b>	<b>-3.03%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Markit Mfg PMI Final	Jul	3-Aug		51.3
ISM Manufacturing PMI	Jul	3-Aug	53.6	52.6
Factory Orders MM	Jun	4-Aug	5.0%	8.0%
International Trade \$	Jun	5-Aug	-50.3B	-54.6B
Markit Comp Final PMI	Jul	5-Aug		50.0
Markit Svcs PMI Final	Jul	5-Aug		49.6
ISM N-Mfg PMI	Jul	5-Aug	55.0	57.1
Initial Jobless Clm		1 Aug, w/e 6-Aug	1,400k	1,434k
Non-Farm Payrolls	Jul	7-Aug	1,650k	4,800k
Unemployment Rate	Jul	7-Aug	10.5%	11.1%

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The surge in coronavirus cases will be the factor that direct the market movement.
- The monetary policy is expected to remain the same until Veerathai's retirement at the end of September.
- The baht is expected to remain strengthen against the USD this week.

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

**Thai Baht News**

- Thailand's exports slump 24.6%, while import fell 18.2% in June.
- The Central bank said that the economy in June improved form previous month due to the easing of a lockdown which caused a sharp economic contraction in the Q2. While central bank said it will ensure the baht is not too volatile, however, it cannot resist market forces.
- Asian currencies and THB rose and set to end their best performance in months as investors concern over the US economic recovery.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>31.68</b> THB/USD	<b>Monthly High</b>	<b>31.29</b> THB/USD
<b>Week Open</b>	<b>31.44</b> THB/USD	<b>Monthly Low</b>	<b>31.20</b> THB/USD
<b>Week Close</b>	<b>31.17</b> THB/USD	<b>30 Days Average</b>	<b>31.26</b> THB/USD
<b>Weekly High</b>	<b>31.55</b> THB/USD	<b>90 Days Average</b>	<b>31.89</b> THB/USD
<b>Weekly Low</b>	<b>31.16</b> THB/USD	<b>YTD Change</b>	<b>+4.31%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Jul	3-Aug		43.5
CPI Headline Inflation	Jul	5-Aug		-1.57%
CPI Core Inflation YY	Jul	5-Aug		-0.05%
1-Day Repo Rate	5 Aug	5-Aug		0.50%

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**Euro**

**Euro Graph**



Source: Thomson Reuters

**Euro Outlook**

- The focus will be on COVID-19 as the Europe is suffering outbreaks.
- The euro could extend its gain by dollar-selling. But the gain could be limit on profit-taking.
- This week data will start with the July Markit Manufacturing PMI.

<b>Lower Bound</b>	<b>1.1500</b>	<b>Upper Bound</b>	<b>1.1850</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Euro News**

- The euro slips toward 1.1750 as German GDP falls by 10.1%.
- On Friday, the euro was trading to level above 1.1800 after the release of the US GDP.
- The ECB balance sheet reached record high of EUR 6,351.4B last week with QE adding EUR 28.8B to total assets.
- The German Unemployment Rate ticked lower to 6.4% for current month and Unemployment Change decreased by 18K.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1654</b> USD/EUR	<b>Monthly High</b>	<b>1.1796</b> USD/EUR
<b>Week Open</b>	<b>1.1646</b> USD/EUR	<b>Monthly Low</b>	<b>1.1742</b> USD/EUR
<b>Week Close</b>	<b>1.1774</b> USD/EUR	<b>30 Days Average</b>	<b>1.1442</b> USD/EUR
<b>Weekly High</b>	<b>1.1908</b> USD/EUR	<b>90 Days Average</b>	<b>1.1135</b> USD/EUR
<b>Weekly Low</b>	<b>1.1635</b> USD/EUR	<b>YTD Change</b>	<b>+5.02%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	Jul	3-Aug	51.1	51.1
Markit Serv Final PMI	Jul	5-Aug	55.1	55.1
Markit Comp Final PMI	Jul	5-Aug	54.8	54.8

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 **Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling Outlook**

- The Sterling could be appreciate against the dollar as the dollar is in bearish sentiment following the US GDP report last week.
- Moreover, the investors remain worried over the increasing number of coronavirus which could dent the dollar.
- However, another factor is the belief that the British economy may not underperform the rest of the European economies.
- This, added to the fact that many believe that the possibility of agreeing on a post-Brexit trade deal is increasing.

<b>Lower Bound</b>	<b>1.2750</b>	<b>Upper Bound</b>	<b>1.3150</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Pound Sterling News**

- Sterling strengthens despite the British government's surprising new restrictions in northwest England encompassing around 4.3 million people.
- Government announce major local lockdown such as Greater Manchester, East Lancashire and parts of West Yorkshire.
- However, sterling continues to push higher after breaking level above 1.3000 as the greenback was under selling pressure on the weak US Q2 GDP data.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2789</b> USD/GBP	<b>Monthly High</b>	<b>1.3107</b> USD/GBP
<b>Week Open</b>	<b>1.2784</b> USD/GBP	<b>Monthly Low</b>	<b>1.3058</b> USD/GBP
<b>Week Close</b>	<b>1.3088</b> USD/GBP	<b>30 Days Average</b>	<b>1.2628</b> USD/GBP
<b>Weekly High</b>	<b>1.3169</b> USD/GBP	<b>90 Days Average</b>	<b>1.2485</b> USD/GBP
<b>Weekly Low</b>	<b>1.2778</b> USD/GBP	<b>YTD Change</b>	<b>-1.27%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Markit/CIPS Mfg PMI Final	Jul	3-Aug	53.6	53.6
BOE Bank Rate	Jul	6-Aug	0.10%	0.10%
GB BOE QE Corp	Jul	6-Aug	20B	20B
Halifax House Prices MM	Jul	7-Aug		-0.1%

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 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- Investors will be watching RBA's meeting on Tuesday (4/8).
- The AUD could be pressured by the escalating tension between the US and China which might prompt investor to grow more worried and seek for safe-haven assets.

**Lower Bound**      **0.6900**      **Upper Bound**      **0.7200**  
**Forecast**              **Depreciation**

**Australian Dollar News**

- AUD was supported by the robust Chinese Manufacturing PMI which advanced to 51.1 points.
- Weekend news were worrisome as Victoria' officials toughen its social distancing measures after announcing a state of disaster.
- The AUD was also benefited from gold's record rally and dollar sell-off continues after the release of US GDP fell to a record low.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7103</b> USD/AUD	<b>Monthly High</b>	<b>0.7149</b> USD/AUD
<b>Week Open</b>	<b>0.7094</b> USD/AUD	<b>Monthly Low</b>	<b>0.7119</b> USD/AUD
<b>Week Close</b>	<b>0.7142</b> USD/AUD	<b>30 Days Average</b>	<b>0.6621</b> USD/AUD
<b>Weekly High</b>	<b>0.7227</b> USD/AUD	<b>90 Days Average</b>	<b>0.6452</b> USD/AUD
<b>Weekly Low</b>	<b>0.7082</b> USD/AUD	<b>YTD Change</b>	<b>+1.61%</b>

**Australian Dollar Economic Events**

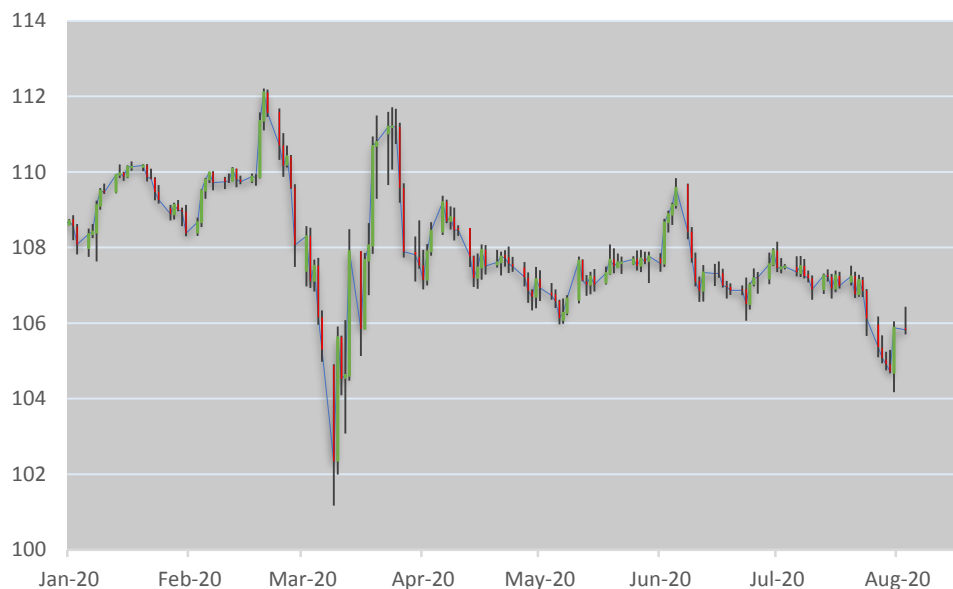
Events	Period	Date	Forecast	Previous
Trade Balance G&S (A\$)	Jun	4-Aug	8,800M	8,025M
Retail Sales MM	Jun	4-Aug	2.4%	16.9%
Retail Trade	Q2	4-Aug	-3.2%	0.7%
RBA Cash Rate	Aug	4-Aug	0.25%	0.25%

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 **Japaneseese Yen**

**Japanese Yen Graph**




Source: Thomson Reuters

**Japanese Yen Outlook**

- The worry over the global economy and the rising of numbers of infections might lead investors into safe-haven assets, which could support Yen to rise.
- However, Government and BoJ signaled a concern that the yen's recent rapid rise could add pain to an export which the economy is already in recession due to the coronavirus. Therefore, the gain in the yen could be limit

<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 moved around 105.00 on the USD's weakness on the Fed's bearish outcome.
- Japan's Retail Trade beat expectations in June, risk-off mood is on.
- BoJ policymakers suggest furthering of negative rates if needed after Nikkei signaled downgrade in Japanese GDP forecast.
- Meanwhile, on Wednesday, Japan confirmed a new daily record for covid-19 infection of more than 1,000 cases for the first time since pandemic started. 

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>106.12</b> JPY/USD	<b>Monthly High</b>	<b>106.43</b> JPY/USD
<b>Week Open</b>	<b>105.96</b> JPY/USD	<b>Monthly Low</b>	<b>105.72</b> JPY/USD
<b>Week Close</b>	<b>105.88</b> JPY/USD	<b>30 Days Average</b>	<b>107.87</b> JPY/USD
<b>Weekly High</b>	<b>106.18</b> JPY/USD	<b>90 Days Average</b>	<b>108.85</b> JPY/USD
<b>Weekly Low</b>	<b>104.17</b> JPY/USD	<b>YTD Change</b>	<b>-2.78%</b>

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI	Jul	3-Aug		42.6
CPI Tokyo Ex fresh food YY	Jul	4-Aug	0.2%	0.2%
CPI, Overall Tokyo	Jul	4-Aug		0.3%
Services PMI	Jul	5-Aug		45.0

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