

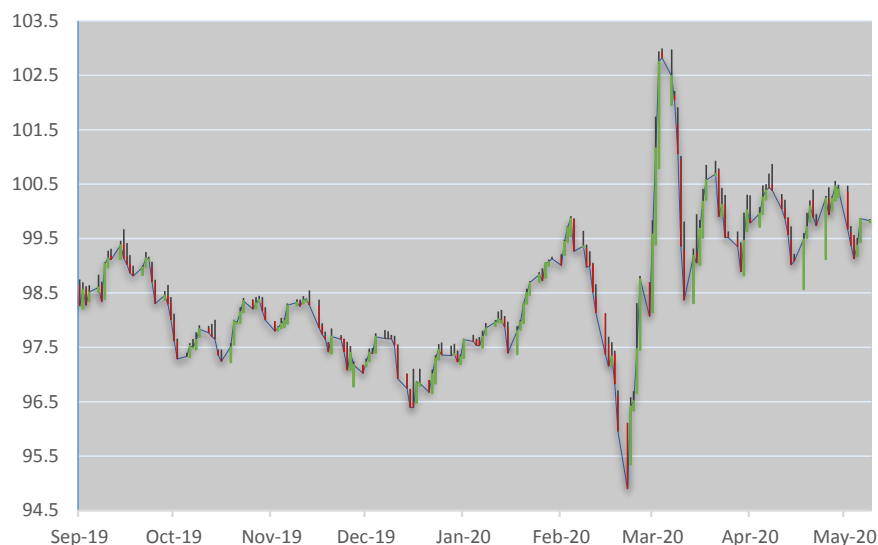
WEEKLY FOREIGN EXCHANGE OUTLOOK

25 May 2020 - 29 May 2020



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- The dollar remained strong as U.S.-China tensions drove demand for safe-haven assets after the Trump administration approved arms sales to Taiwan at the opposition of China and the Senate passed a bill that could delist Chinese companies from US exchanges if they cannot prove that they are not owned by the Chinese government.
- The dollar slightly fell against its peers at the midst of the week after the detail in FOMC last month meeting, the Fed said the virus poses big risks over the medium term and the crisis will weigh heavily on economic activity. In response, rates will need to remain on hold until they are confident that the economy is back on track and remain committed to using a full range of tools and will continue to use their powers forcefully.
- While, an American biotech company reported very positive early stage human trial coronavirus vaccine results.

Dollar Index Performance

Last Week Close	100.40	Monthly High	100.87
Week Open	100.36	Monthly Low	98.57
Week Close	99.39	30 Days Average	99.78
Weekly High	100.56	90 Days Average	99.14
Weekly Low	99.00	YTD Change	+3.57%

Dollar Outlook

- The new week starts slowly with the US markets closed for Memorial Day on Monday, May 25.
- The tension between US and China once again in focus after the US is threatening to sanction individual Chinese officials for human rights violations, and the Senate passed a bill that could force many Chinese companies to delist from the US exchanges (notably, the NASDAQ).
- The most interesting data print in the US will be Friday's core PCE number.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence	May	26-May	88.0	86.9
New Home Sales-Units	Apr	26-May	0.490M	0.627M
Durable Goods	Apr	28-May	-18.5%	-14.7%
GDP 2nd Estimate	Q1	28-May	-4.8%	-4.8%
Initial Jobless Claims	23 May, w,	28-May	2,100k	2,438k
Consumption, Adjusted MM	Apr	29-May	-12.5%	-7.5%
U Mich Sentiment Final	May	29-May	74.0	73.7

Lower Bound	99.50	Upper Bound	104.00
Forecast	Appreciation		

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- The baht rose against the dollar as coronavirus vaccine trial success weighed on the dollar sentiment.
- The central bank's Monetary Policy Committee (MPC) voted 4-3 at Wednesday's meeting to lower the one-day repurchase rate, with the three dissenters preferring a steady rate at 0.75% to help soften the economic impact of the pandemic and social distancing measures.

Thai Baht Performance

Last Week Close	32.05 THB/USD	Monthly High	32.57 THB/USD
Week Open	32.04 THB/USD	Monthly Low	31.81 THB/USD
Week Close	31.88 THB/USD	30 Days Average	32.33 THB/USD
Weekly High	32.10 THB/USD	90 Days Average	31.81 THB/USD
Weekly Low	31.80 THB/USD	YTD Change	+6.71%

Thai Baht Outlook

- Investors focus on the Covid-19 situation in Thailand including the number of daily new infections and Government official announcement to ease the lock down.
- We expect the baht to move in a range of 31.50 - 32.50 THB/USD.

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Apr	27-May		-11.25%
Exports YY	Apr	29-May		-2.20%
Imports YY	Apr	29-May		4.40%
Trade Account	Apr	29-May		2.30B
Current Account	Apr	29-May		0.70B

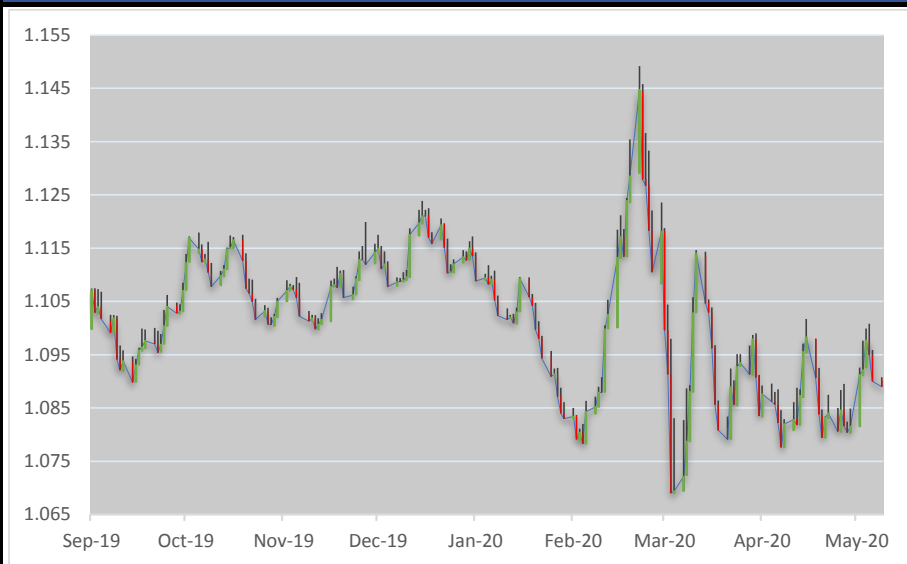
Lower Bound	31.50	Upper Bound	32.50
Forecast	Neutral		

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Euro

Euro Graph



Euro Outlook

- The ECB is expected to increase its Pandemic Emergency Purchase Program by 200-500 bln euros from the initial 750 bln euros as early as next month.
- For the euro, Germany's IFO report and Eurozone inflation data will be the most important.

Lower Bound	1.0600	Upper Bound	1.1100
Forecast	Depreciation		

Euro News

- Euro soared against all of the major currencies after German Chancellor Merkel and French President Macron proposed a 500 billion euro recovery fund to offer grants to countries and regions hit hardest by COVID-19.
- While, German and Eurozone investor confidence improved significantly in the month of May with the German ZEW survey jumping to 51 from 28.2 with the strong upticks in Eurozone manufacturing and services PMI in April.
- However, the gain of euro is limited after the US President escalated his rhetoric against China, heightening trade war fears and limiting appetite for risk.

Euro Index Performance

Last Week Close	1.0815 USD/EUR	Monthly High	1.1017 USD/EUR
Week Open	1.0815 USD/EUR	Monthly Low	1.0767 USD/EUR
Week Close	1.0900 USD/EUR	30 Days Average	1.0879 USD/EUR
Weekly High	1.1008 USD/EUR	90 Days Average	1.0943 USD/EUR
Weekly Low	1.0798 USD/EUR	YTD Change	-2.85%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	May	28-May	-18.8	-18.8
HICP Flash YY	May	29-May	0.1%	0.3%
HICP-X F&E Flash YY	May	29-May	1.1%	1.1%

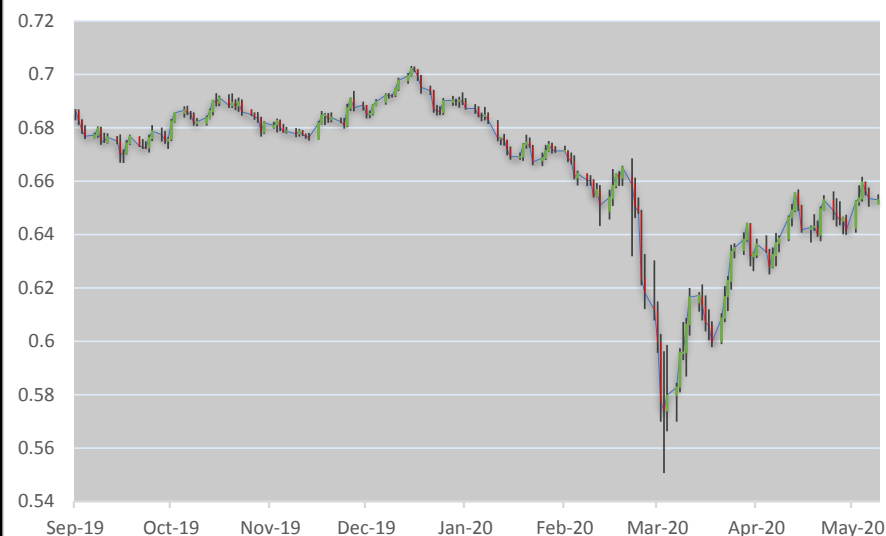
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 Pound Sterling																												
Pound Sterling Graph		Pound Sterling News																										
 <p>Source: Thomson Reuters</p>		<ul style="list-style-type: none"> The Sterling rallied even the labor market data was mixed. Although more than 850K people lost their jobs in the month of April which was greater than expected, the unemployment rate improved and weekly earnings ex bonus fell less than expected. The upper bound of Sterling is limited as UK inflation data was slightly weaker than expected with consumer prices falling -0.2% in April vs. -0.1% forecast. PPI input dropped -5.1% while PPI output fell -0.7%. 																										
Pound Sterling Outlook		Pound Sterling Performance																										
<ul style="list-style-type: none"> There are no major UK economic reports on the calendar but nearly all of the data this week was disappointing. The Bank of England is widely expected to increase stimulus next month and reinforce their open mindedness to negative rates. As a result, sterling should continue to underperform other major currencies. 		<table border="1"> <tr> <td>Last Week Close</td> <td>1.2104 USD/GBP</td> <td>Monthly High</td> <td>1.2580 USD/GBP</td> </tr> <tr> <td>Week Open</td> <td>1.2084 USD/GBP</td> <td>Monthly Low</td> <td>1.2077 USD/GBP</td> </tr> <tr> <td>Week Close</td> <td>1.2164 USD/GBP</td> <td>30 Days Average</td> <td>1.2361 USD/GBP</td> </tr> <tr> <td>Weekly High</td> <td>1.2295 USD/GBP</td> <td>90 Days Average</td> <td>1.2568 USD/GBP</td> </tr> <tr> <td>Weekly Low</td> <td>1.2073 USD/GBP</td> <td>YTD Change</td> <td>-8.15%</td> </tr> </table>		Last Week Close	1.2104 USD/GBP	Monthly High	1.2580 USD/GBP	Week Open	1.2084 USD/GBP	Monthly Low	1.2077 USD/GBP	Week Close	1.2164 USD/GBP	30 Days Average	1.2361 USD/GBP	Weekly High	1.2295 USD/GBP	90 Days Average	1.2568 USD/GBP	Weekly Low	1.2073 USD/GBP	YTD Change	-8.15%					
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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Australian Dollar might move in negative territory if the trade tension between US and China escalate.

Lower Bound	0.6000	Upper Bound	0.6500
Forecast	Depreciation		

Australian Dollar News

- The Aussie rose against the dollar after Chinese President Xi said they did everything in their power to provide information on the crisis and they pledged \$2 billion to help other countries respond to COVID-19 over the next 2 years and the news of development of COVID-19 vaccine.
- The Reserve Bank of Australia released the minutes from their last meeting and their willingness to scale up bond purchases if necessary has caused A\$ to underperform.

Australian Dollar Performance

Last Week Close	0.6414 USD/AUD	Monthly High	0.6616 USD/AUD
Week Open	0.6424 USD/AUD	Monthly Low	0.6373 USD/AUD
Week Close	0.6535 USD/AUD	30 Days Average	0.6299 USD/AUD
Weekly High	0.6616 USD/AUD	90 Days Average	0.6656 USD/AUD
Weekly Low	0.6407 USD/AUD	YTD Change	-6.98%

Australian Dollar Economic Events

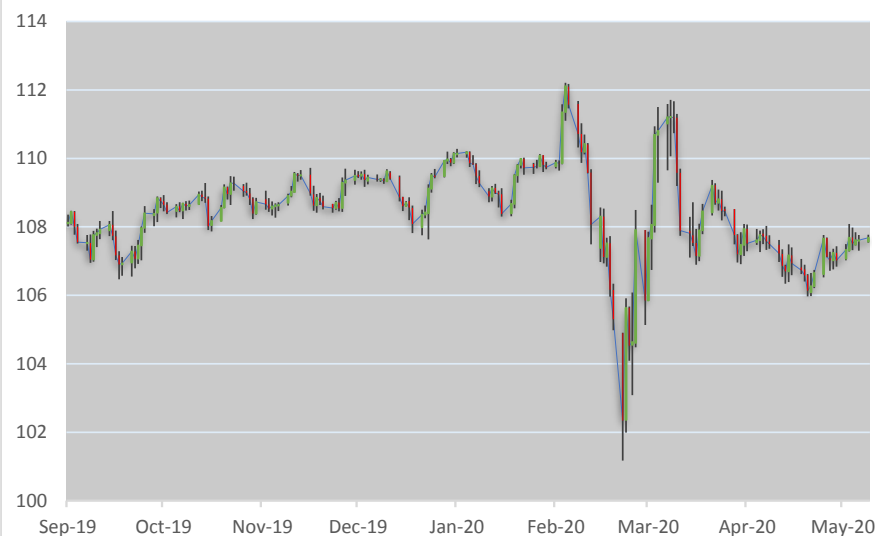
Events	Period	Date	Forecast	Previous
Construction Work Done	Q1	27-May		-3.0%
Capital Expenditure	Q1	28-May		-2.8%
Building Capex	Q1	28-May		-5.9%
Plant/Machinery Capex	Q1	28-May		0.8%
Private Sector Credit	Apr	29-May		1.0%
Housing Credit	Apr	29-May		0.3%

WEEKLY FOREIGN EXCHANGE OUTLOOK

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 **Japaneseese Yen**

Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen News

- The yen was under pressure after Japan GDP Q1 data confirmed that Japan entered into recession for the first time since 2015. However, renewed tensions between the US-China raise demand for the yen somehow.
- The yen weakened against the dollar after positive news for a Covid-19 vaccine support risk appetite demand and lifted market sentiment.
- Bank of Japan (BOJ) held the policy rate unchanged at -0.1% said government and BOJ committed to making every effort to facilitate corporate financing, maintain market stability.

Japanese Yen Performance

Last Week Close	107.02 JPY/USD	Monthly High	108.08 JPY/USD
Week Open	107.07 JPY/USD	Monthly Low	105.99 JPY/USD
Week Close	107.61 JPY/USD	30 Days Average	109.24 JPY/USD
Weekly High	108.08 JPY/USD	90 Days Average	108.93 JPY/USD
Weekly Low	107.02 JPY/USD	YTD Change	-1.08%

Japanese Yen Outlook

- The Japan industrial production and consumer price will be released on Friday.
- In addition, a rising tensions over trade between the United States and China may boost the demand of yen as safe-haven currency.

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	May	29-May	-0.2%	-0.1%
CPI, Overall Tokyo	May	29-May		0.2%
Jobs/Applicants Ratio	Apr	29-May	1.33	1.39
Unemployment Rate	Apr	29-May	2.7%	2.5%
Industrial O/P Prelim MM SA	Apr	29-May	-5.1%	-3.7%

Lower Bound	106.50	Upper Bound	110.00
Forecast	Neutral		

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