

WEEKLY FOREIGN EXCHANGE OUTLOOK
08 Nov 2021 - 12 Nov 2021

Dollar Index
Dollar Index Graph
Dollar News


Source: Thomson Reuters

- The US Federal Reserve announced the beginning of the end of the pandemic financial support.
- The central bank kept its interest rate unchanged at 0.25% as expected and announced a reduction of its asset purchases by \$15 billion/month; by \$10 billion in Treasury purchases and \$5 billion in mortgage-backed securities.
- The Fed believes high inflation will be transitory.
- The October Nonfarm Payroll showed that the country added 561K new jobs, while the unemployment declined to 4.6%.

Dollar Index Performance

Last Week Close	94.12	Monthly High	94.62
Week Open	94.13	Monthly Low	93.28
Week Close	94.19	30 Days Average	93.99
Weekly High	94.62	90 Days Average	93.13
Weekly Low	93.82	YTD Change	+4.84%

Dollar Outlook
Dollar Index Economic Events

- Even though the economic data from the US came out positive, the report seems to have a limited impact on the dollar.
- This week the US will publish the final estimates of October inflation figures.
- Investors will be watching Fed Chair Powell's speech for any clues regarding future monetary policy on Monday and Tuesday.

Events	Period	Date	Forecast	Previous
CPI MM, SA	Oct	10-Nov	0.6%	0.4%
Initial Jobless Clm	6 Nov, w/e	10-Nov	265k	269k
U Mich Sentiment Prelim	Nov	12-Nov	72.5	71.7

Lower Bound	93.80	Upper Bound	94.80
Forecast	Appreciation		

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Thai Baht
Thai Baht Graph
Thai Baht News


Source: Thomson Reuters

- On Monday, the first day Thailand reopened to international arrivals, there were about 6,600 foreign travelers entered. The top five countries from which people arrived are Japan, Singapore, Germany, Qatar and China. The Government spokesman said he is optimistic that the tourism business will become more active during the rest of the year which will help boost the struggling economy.
- On Friday, the Thai cabinet approved a 3.6-billion-baht fund for the development and production of Thailand's first two vaccines to fight Covid-19 which are now entering their third phase of human trials.

Thai Baht Performance

Last Week Close	33.17 THB/USD	Monthly High	33.48 THB/USD
Week Open	33.31 THB/USD	Monthly Low	33.08 THB/USD
Week Close	33.31 THB/USD	30 Days Average	33.47 THB/USD
Weekly High	33.47 THB/USD	90 Days Average	33.04 THB/USD
Weekly Low	33.22 THB/USD	YTD Change	+10.59%

Thai Baht Outlook
Thai Baht Economic Events

- This week investors will focus on Bank of Thailand Monetary Policy Committee's decision on where to set benchmark interest rate.
- As the nation reopened its door to foreign visitors, the THB seems to strengthen as the demand for Thai baht increase. The investors become more confident in Thailand's economy as the consumer confidence picked up the second straight month in October.

Events	Period	Date	Forecast	Previous
1-Day Repo Rate	10 Nov	10-Nov	0.50%	0.50%
GDP Growth YY	Q3	15-Nov	-1.9%	7.5%
GDP Growth QQ SA	Q3	15-Nov	-2.5%	0.4%

Lower Bound	33.00	Upper Bound	33.30
Forecast	Appreciation		

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Euro
Euro Graph
Euro News


Source: Thomson Reuters

- The Euro was trading lower against the USD near the 1.1500 figure after the Fed delivered as expected.
- The European Central Bank President, Christine Lagarde, said on Thursday that it is very unlikely that the ECB would raise interest rates in 2022 despite the CPI running at 13-year high of 3.4%.
- On data front, European data was mostly discouraging; German Retail Sales were down 2.5% MoM in September while Factory Orders posted a modest of 1.3% advanced and Industrial Production contracted 1.1%.

Euro Index Performance

Last Week Close	1.1561 USD/EUR	Monthly High	1.1616 USD/EUR
Week Open	1.1557 USD/EUR	Monthly Low	1.1514 USD/EUR
Week Close	1.1566 USD/EUR	30 Days Average	1.1604 USD/EUR
Weekly High	1.1616 USD/EUR	90 Days Average	1.1727 USD/EUR
Weekly Low	1.1511 USD/EUR	YTD Change	-5.35%

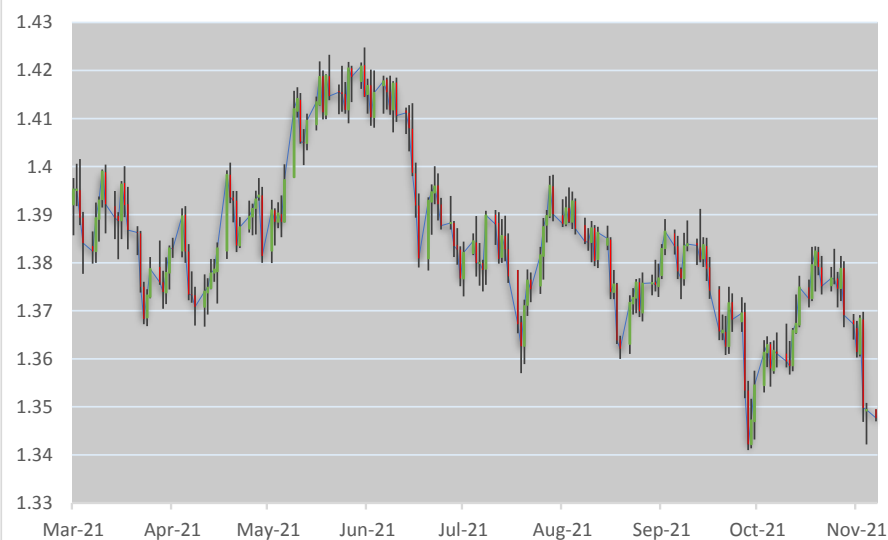
Euro Outlook
Dollar Index Economic Events

- This week the EU and Germany will publish ZEW economic sentiment.
- The recent upbeat US NFP and unemployment data gives USD better position and the risk to the Euro to slip below 1.15 level.

Events	Period	Date	Forecast	Previous
Sentix Index	Nov	8-Nov	15.5	16.9
Industrial Production MM	Sep	12-Nov	-0.2%	-1.6%
Industrial Production YY	Sep	12-Nov	4.5%	5.1%
Reserve Assets Total	Oct	15-Nov		1,002.40B

Lower Bound	1.1500	Upper Bound	1.1620
Forecast	Depreciation		

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The UK economic data will be the Gross Domestic Product for third quarter, followed by the Manufacturing and Industrial Production for September.
- The Sterling probably test the 1.3400 level on the Brexit concern, new low since last December, and resistance around 1.35 zone.
- Investors will be watching BoE Governor Bailey's speech on Tuesday for any clues regarding future monetary policy.

Lower Bound	1.3400	Upper Bound	1.3550
Forecast	Neutral		

Pound Sterling News

- The Sterling fell sharply after the Bank of England refrain from raising interest rates. Only two out of nine members chose for fighting rising inflation with higher borrowing costs.
- The Brexit talks between French officials and British negotiators regarding fishing which the UK raised the option of triggering Article 16 of the Withdrawal Agreement raised fears of a trade war and added pressure to Sterling.

Pound Sterling Performance

Last Week Close	1.3691 USD/GBP	Monthly High	1.3698 USD/GBP
Week Open	1.3680 USD/GBP	Monthly Low	1.3425 USD/GBP
Week Close	1.3494 USD/GBP	30 Days Average	1.3650 USD/GBP
Weekly High	1.3698 USD/GBP	90 Days Average	1.3745 USD/GBP
Weekly Low	1.3422 USD/GBP	YTD Change	-1.42%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Sep	11-Nov		2.9%
GDP Estimate MM	Sep	11-Nov	0.4%	0.4%
GDP Estimate YY	Sep	11-Nov		6.9%
Manufacturing Output MM	Sep	11-Nov	0.1%	0.5%
GDP Prelim QQ	Q3	11-Nov	1.5%	5.5%
GDP Prelim YY	Q3	11-Nov	6.8%	23.6%

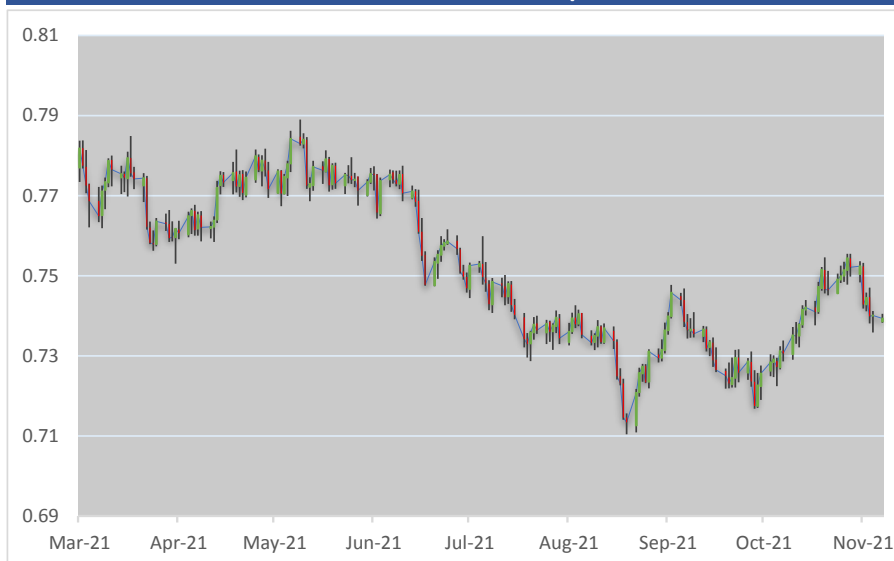
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Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar News

- A dovish RBA on last Tuesday was the main reason for AUD's sharp drop.
- The central bank agreed that it might need to hike rates in 2023; a hawkish shift from its last statement that no rate hike into 2024.
- However, RBA is far behind other major G10 central banks in term of monetary policy normalization including RBNZ, Fed, BoC and BoE.
- On Australia's data front; the PMI indicated economic expansion while Trade Balance in September posted a surplus of AUD 12.24 billion.

Australian Dollar Performance

Last Week Close	0.7521 USD/AUD	Monthly High	0.7536 USD/AUD
Week Open	0.7504 USD/AUD	Monthly Low	0.7361 USD/AUD
Week Close	0.7401 USD/AUD	30 Days Average	0.7322 USD/AUD
Weekly High	0.7536 USD/AUD	90 Days Average	0.7488 USD/AUD
Weekly Low	0.7358 USD/AUD	YTD Change	-3.87%

Australian Dollar Outlook

- This week economic data will be Employment Change and Unemployment Rate on Thursday.
- The AUD this week's movement is depending on the China's October Trade Balance release on Monday as the recent Chinese data has been decelerating and undermined the Aussie.
- This week the AUD is expected to move around 0.74 level.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Employment	Oct	11-Nov	50.0k	-138.0k
Unemployment Rate	Oct	11-Nov	4.7%	4.6%

Lower Bound	0.7350	Upper Bound	0.7500
Forecast	Neutral		


Japanese Yen Graph
Japanese Yen News


Source: Thomson Reuters

- After the three central banks which are the RBA, the Fed and the BoE pushed backward the idea of higher interest rates in monetary policy statements which spurred the sell-off in the global bond, US Treasuries and benefitting Japanese Yen.
- The JPY was moving in around 113.50 – 114.50 last week.

Japanese Yen Performance

Last Week Close	114.00 JPY/USD	Monthly High	114.44 JPY/USD
Week Open	113.97 JPY/USD	Monthly Low	113.31 JPY/USD
Week Close	113.40 JPY/USD	30 Days Average	110.38 JPY/USD
Weekly High	114.44 JPY/USD	90 Days Average	109.60 JPY/USD
Weekly Low	113.28 JPY/USD	YTD Change	+10.15%

Japanese Yen Outlook
Japanese Yen Economic Events

- Despite the recent US economic data and the FOMC meeting; the Yen probably continues to move in same range as last week.
- The BOJ summary of Opinions will be released on Monday, the report includes the BoJ's projection for inflation, economic growth and monetary projections.

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Sep	9-Nov	1,060.1B	1,665.6B
Corp Goods Price MM	Oct	11-Nov	0.4%	0.3%
Corp Goods Price YY	Oct	11-Nov	7.0%	6.3%
GDP QQ	Q3	15-Nov	-0.2%	0.5%
GDP QQ Annualised	Q3	15-Nov	-0.8%	1.9%
GDP QQ Pvt Consmp Prelim	Q3	15-Nov	-0.5%	0.9%
GDP QQ Capital Expend.	Q3	15-Nov	-0.6%	2.3%
GDP QQ External Demand	Q3	15-Nov	0.0%	-0.3%

Lower Bound	113.00	Upper Bound	114.50
Forecast	Appreciation		

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