

WEEKLY FOREIGN EXCHANGE OUTLOOK

24 Oct 2022 - 28 Oct 2022



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- The US will publish October CB Consumer Confidence on Tuesday and the preliminary estimate of the Q3 Gross Domestic Product on Thursday. The economy is expected to have grown by 2.4% in the three months to September, reverting the negative trend that saw growth contracting for two consecutive quarters. The country will also release September Durable Goods Orders.
- On Friday, the US will publish the September core Personal Consumption Expenditures Price Index, the Fed’s favorite inflation measure, previously at 4.9% YoY.

Lower Bound	111.50	Upper Bound	114.00
Forecast	Appreciation		

Dollar News

- USD index gain against other currencies as Fed rate hike plan remain in focus.
- US Existing Home Sales rose past 4.7M expectations to 4.71M but dropped below 4.78M prior.
- US Initial Jobless Claims eased to 214K for the week ended on October 07 versus 230K expected and a revised down 226K prior.
- Philadelphia Fed Manufacturing Survey Index dropped to -8.7 for October versus the -5 market consensus and -9.9 previous reading.
- Philadelphia’s Fed Patrick Harker commented that the Fed would need to keep increasing rates. Harker commented that he is “disappointed of the lack of progress curtailing inflation,” while he added that he expects rates to be above 4% in 2023.
- Furthermore, growing worries about a deeper global economic downturn and the prevalent cautious mood benefit the safe-haven greenback.

Dollar Index Performance

Last Week Close	113.31	Monthly High	114.78
Week Open	113.22	Monthly Low	109.28
Week Close	111.70	30 Days Average	111.96
Weekly High	113.94	90 Days Average	108.69
Weekly Low	111.70	YTD Change	#NAME?

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence	Oct	25-Oct	106.5	108
New Home Sales-Units	Sep	26-Oct	0.585M	685000
Durable Goods	Sep	27-Oct	0.6%	-0.2
GDP Advance	Q3	27-Oct	2.4%	-0.6
Initial Jobless Clm	22 Oct, w/i	27-Oct	220k	214000
Consumption, Adjusted MM	Sep	28-Oct	0.4%	0.4
U Mich Sentiment Final	Oct	28-Oct	59.8	59.8

WEEKLY FOREIGN EXCHANGE OUTLOOK
24 Oct 2022 - 28 Oct 2022

Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Thailand will publish the trade balance, export and import in September on Tuesday.
- On Thursday, Thailand will publish the industrial production in September.
- The baht will swing sideways with a key resistance level of 38.50 to the dollar, Meanwhile investors looking ahead to major central bank meeting in this week.

Lower Bound	37.63	Upper Bound	38.16
Forecast	Depreciation		

Thai Baht News

- The Thai baht depreciated against the dollar as investors expect that the Fed will continue to aggressively raise rates to bring down soaring inflation.
- Finance Minister said that Thailand should see economic growth of 3 to 3.5% this year, driven by the key export and tourism sectors, the economy was expected to grow 3.7% next year and the baht's performance was in line with regional peers.
- The Ministry of Public Health Ministry is expected to cancel face mask-wearing regulations and related fines in two or three weeks, according to the Department of Disease Control (DDC).

Thai Baht Performance

Last Week Close	38.28 THB/USD	Monthly High	#NAME? THB/USD
Week Open	34.43 THB/USD	Monthly Low	#NAME? THB/USD
Week Close	37.93 THB/USD	30 Days Average	37.67 THB/USD
Weekly High	38.46 THB/USD	90 Days Average	36.59 THB/USD
Weekly Low	37.89 THB/USD	YTD Change	#NAME?

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Sep	26-Oct	4.20%	7.50%
Custom-Based Import Data	Sep	26-Oct	20.00%	21.30%
Customs-Based Trade Data	Sep	26-Oct	-2.90B	-4.20B
Forex Reserves	21 Oct, w/i 28-Oct			197.8B
Currency Swaps	21 Oct, w/i 28-Oct			28.6B

WEEKLY FOREIGN EXCHANGE OUTLOOK

24 Oct 2022 - 28 Oct 2022



Euro Graph



Source: Thomson Reuters

Euro News

- The EUR/USD settled at around 0.9790 on Friday. As usual, it was all about the US Dollar and whether speculative interest decided to buy or sell the USD.
- The EU Consumer Price Index was confirmed at 9.9% YoY in September, while the core reading held at 4.8%, as previously estimated. -
- The European Council had another meeting on Friday, but once again, they were unable to find the conclusion on capping gas prices. However, in order to make it effective, the ECB warned the UK and Switzerland to support the price cap.
- The German ZEW Survey showed that Business Confidence plummeted in the country while remaining subdued in the whole Union. Also, the EU Consumer Confidence collapsed to -30 in October, according to preliminary estimates.

Euro Index Performance

Last Week Close	0.9719 USD/EUR	Monthly High	#NAME? USD/EUR
Week Open	0.9724 USD/EUR	Monthly Low	#NAME? USD/EUR
Week Close	0.9860 USD/EUR	30 Days Average	0.9832 USD/EUR
Weekly High	0.9875 USD/EUR	90 Days Average	1.0055 USD/EUR
Weekly Low	0.9703 USD/EUR	YTD Change	#NAME?

Euro Outlook

- Germany will publish the IFO survey on Business Climate for October.
- On Thursday, the European Central Bank will announce its decision on monetary policy. Market players have priced in a 75 bps rate hike, with the ECB deposit facility rate foreseen at 1.5% and the rate on main refinancing operations expected at 2%. Market players, however, will be looking for clues on future monetary policy actions for direction.
- Finally on Friday, Germany will publish the preliminary estimate of the Q3 GDP, seen up by 0.4%, and the first estimate of the Consumer Price Index for the same month. Inflation is expected to have risen by 11.5% YoY in October, a new record high.

Euro Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg Flash PMI	Oct	24-Oct	47.8	48.4
S&P Global Serv Flash PMI	Oct	24-Oct	48.2	48.8
S&P Global Comp Flash PMI	Oct	24-Oct	47.5	48.1
ECB Refinancing Rate	Oct	27-Oct	2.00%	1.25
ECB Deposit Rate	Oct	27-Oct	1.50%	0.75
Consumer Confid. Final	Oct	28-Oct	-27.6	-27.6

Lower Bound	0.9728	Upper Bound	0.9875
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

24 Oct 2022 - 28 Oct 2022



Pound Sterling

Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling News

- GBP/USD witnessed a roughly 300 pip move in yet another dramatic week for UK politics.
- The UK inflation hit double-digit growth yet again at 10.1% YoY in September, reaching the highest since 1982.
- UK Prime Minister Liz Truss announced her resignation after a month and a half in power. It follows weeks of plummeting opinion polls and turmoil in financial markets following her government's mini-budget at the end of last month.
- The UK Office for National Statistics reported this Friday that Retail Sales declined by 1.4% in September, missing estimates pointing to a 0.5% fall.

Pound Sterling Performance

Last Week Close	1.1170 USD/GBP	Monthly High	#NAME? USD/GBP
Week Open	1.1173 USD/GBP	Monthly Low	#NAME? USD/GBP
Week Close	1.1302 USD/GBP	30 Days Average	1.1201 USD/GBP
Weekly High	1.1439 USD/GBP	90 Days Average	1.1700 USD/GBP
Weekly Low	1.1058 USD/GBP	YTD Change	#NAME?

Pound Sterling Outlook

- British political developments will also be closely followed, as Rishi Sunak has been selected as a new Prime Minister.
- The UK CBI Industrial Orders Expectations data will be published on Tuesday. BOE Chief Economist Huw Pill is scheduled to speak at an event hosted by the Office for National Statistics, in London.
- Also, the new UK Prime Minister will be announced on the final trading day of the week.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Oct	24-Oct	48.1	49.1
Flash Manufacturing PMI	Oct	24-Oct	48.0	48.4
Flash Services PMI	Oct	24-Oct	49.0	50
CBI Trends - Orders	Oct	25-Oct	-12	-2
CBI Business Optimism	Q4	25-Oct		-21
CBI Distributive Trades	Oct	27-Oct		-20

Lower Bound	1.1067	Upper Bound	1.1349
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

24 Oct 2022 - 28 Oct 2022



Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar News

- AUD/USD continues to trade below 0.6300
- Minutes of the Oct 4 policy meeting out on Tuesday showed the Reserve Bank of Australia's (RBA) Board weighed a range of arguments for hiking by 50 basis points, as it had for four months straight, but decided to lift the cash rate by 25 basis points to 2.6%.
- While the labour market was very tight, wage growth had not spiked like in some developed nations and could still some more before threatening inflation expectations.
- Australia's official unemployment rate has remained at 3.5%, after the creation of just 900 new job positions in September, well below the 25,000 expected.

Australian Dollar Performance

Last Week Close	0.6196 USD/AUD	Monthly High	#NAME? USD/AUD
Week Open	0.6186 USD/AUD	Monthly Low	#NAME? USD/AUD
Week Close	0.6377 USD/AUD	30 Days Average	0.69528 USD/AUD
Weekly High	0.6393 USD/AUD	90 Days Average	0.69731 USD/AUD
Weekly Low	0.6186 USD/AUD	YTD Change	#NAME?

Australian Dollar Outlook

- The RBA meets on November 1st, with the release of the September inflation report just a few days prior. The inflation data will likely be a major factor in the RBA's rate decision.
- The Australian CPI data will be published on Tuesday.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Mfg PMI Flash	Oct	24-Oct		53.5
Services PMI Flash	Oct	24-Oct		50.6
Comp PMI Flash	Oct	24-Oct		50.9
CPI QQ	Q3	26-Oct	1.6%	1.8
CPI YY	Q3	26-Oct	7.0%	6.1
RBA Weightd Medn CPI YY	Q3	26-Oct	4.8%	4.2

Lower Bound	0.6264	Upper Bound	0.6456
Forecast	Depreciation		



Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen News

- The yen fell to 150 per US dollar. This was the lowest level for the embattled Japanese currency since August 1990.
- Japan’s 10-year government bonds breached the 0.25% cap which the BoJ has fiercely defended, rising as high as 0.264%. The BoJ has responded with an emergency bond-buying package in order to bring yields back below 0.25%.
- Japan’s Core CPI jumped to the highest in eight years of 3.0% in September, stronger for the sixth consecutive month.
- Bank of Japan (BOJ) Governor Haruhiko Kuroda said on Friday, they “must closely watch the impact of FX market moves on Japan’s economy and prices.”

Japanese Yen Performance

Last Week Close	148.74 JPY/USD	Monthly High	#NAME? JPY/USD
Week Open	148.44 JPY/USD	Monthly Low	#NAME? JPY/USD
Week Close	147.64 JPY/USD	30 Days Average	134.14 JPY/USD
Weekly High	151.94 JPY/USD	90 Days Average	128.11 JPY/USD
Weekly Low	146.19 JPY/USD	YTD Change	#NAME?

Japanese Yen Outlook

- The Bank of Japan holds its policy meeting this week, but it seems unlikely that it will change its ultra-loose policy.
- The yen is under pressure because of the big divergence in US and Japanese monetary policies. The Fed is hiking and aggressively so, while the BoJ has remained the only major central bank not to drop its ultra-loose monetary policy despite the global inflation upsurge.

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Oct	24-Oct		50.8
JibunBK Comp Op Flash SA	Oct	24-Oct		51
Service PPI	Sep	26-Oct		1.9
JP BOJ Rate Decision	28 Oct	28-Oct	-0.10%	-0.1
CPI Tokyo Ex fresh food YY	Oct	28-Oct	3.1%	2.8
CPI, Overall Tokyo	Oct	28-Oct		2.8
Unemployment Rate	Sep	28-Oct	2.5%	2.5

Lower Bound	144.69	Upper Bound	148.85
Forecast	Depreciation		

IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.