

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**13 Apr 2020 - 17 Apr 2020**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- Because of uncertainties toward Covid-19, the latest massive support from the Fed and weak labor market report, we expect the dollar to be weaker or remain under 100.00 this week.
- The currency is foreseen to be depreciated unless there are any upbeat economic data. Investors are recommended to keep close eyes on US. calendar as this week is quite busy.

<b>Lower Bound</b>	<b>97.84</b>	<b>Upper Bound</b>	<b>102.91</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- In the beginning of the week, the dollar was in high demand as the fatal cases from Covid-19 was still on the rise.
- However, the currency edged lower on Wednesday (9/10), falling under 100.00 after a new stimulus plan was announced. The Fed launched a lending plan worth 2.3 trillion dollars to support the economy. Apart from offering 4 -year loans to companies, the Fed will purchase up to 500 billion dollars of short-term notes as another tool.
- The dollar was also pressured by weak economic figures. An unemployment claims shot up to 6.6 million, exceeding prediction at 5 million. The preliminary UoM consumer sentiment was at 70, while the forecast was at 75. expectedly contracted to 50.8 from 51.9 in the previous period.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>100.58</b>	<b>Monthly High</b>	<b>102.99</b>
<b>Week Open</b>	<b>100.66</b>	<b>Monthly Low</b>	<b>94.65</b>
<b>Week Close</b>	<b>99.37</b>	<b>30 Days Average</b>	<b>99.14</b>
<b>Weekly High</b>	<b>100.93</b>	<b>90 Days Average</b>	<b>98.29</b>
<b>Weekly Low</b>	<b>99.36</b>	<b>YTD Change</b>	<b>+3.16%</b>

**Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Retail Sales MM	Mar	15-Apr	-7.0%	-0.5%
Industrial Production MM	Mar	15-Apr	-4.2%	0.6%
Housing Starts Number	Mar	16-Apr	1.307M	1.599M
Initial Jobless Claims	11 Apr, w/	16-Apr	4,606k	6,606k
Philly Fed Business Indx	Apr	16-Apr	-30.0	-12.7

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- This week, we expect the Baht to range between 32.50 – 33.00 THB/USD.
- It is possible that the Baht remains strong as investors relief over the lower number of infected cases and deaths from Covid-19 for 5 consecutive days (8/4-12/4).

<b>Lower Bound</b>	<b>32.25</b>	<b>Upper Bound</b>	<b>33.12</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Thai Baht News**

- Last week, the Baht traded fluctuatedly in an appreciating trend. The dollar gave up its gains from disappointing economic data and Fed's new stimulus plan.
- On Tuesday (7/4), the cabinet approved the 1.9-trillion-baht spending to support people and businesses which are affected by Covid-19. The plan includes 600 billion baht for six-month cash giveaways and 0.5 trillion baht soft loans for small and medium-sized businesses.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>32.95</b> THB/USD	<b>Monthly High</b>	<b>33.19</b> THB/USD
<b>Week Open</b>	<b>#N/A</b> THB/USD	<b>Monthly Low</b>	<b>32.65</b> THB/USD
<b>Week Close</b>	<b>32.65</b> THB/USD	<b>30 Days Average</b>	<b>32.28</b> THB/USD
<b>Weekly High</b>	<b>32.90</b> THB/USD	<b>90 Days Average</b>	<b>31.19</b> THB/USD
<b>Weekly Low</b>	<b>32.64</b> THB/USD	<b>YTD Change</b>	<b>+9.35%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Forex Reserves	6 Apr, w/e	17-Apr		225.2B
Currency Swaps	6 Apr, w/e	17-Apr		34.2B

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**Euro**
**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- We expect the euro to keep advancing next week providing the dollar is still under pressure. The next psychological resistance level is 1.1000
- However, there could be low volatility on Monday (13/4) as it is still the Easter holidays.

<b>Lower Bound</b>	<b>1.0656</b>	<b>Upper Bound</b>	<b>1.1132</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Euro News**

- The euro rallied as the dollar weakened. The risk appetite renewed after the Fed introduced 2.3 trillion-dollar worth of stimulus plan.
- Moreover, on Thursday (9/4), the single currency was lifted by the green light on an emergency fund. After several failed attempts, the Eurogroup eventually agreed on 500-billion-euro aid package to help member states tackle the Covid-19.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0808</b> USD/EUR	<b>Monthly High</b>	<b>1.1036</b> USD/EUR
<b>Week Open</b>	<b>1.0813</b> USD/EUR	<b>Monthly Low</b>	<b>1.0769</b> USD/EUR
<b>Week Close</b>	<b>1.0935</b> USD/EUR	<b>30 Days Average</b>	<b>1.1026</b> USD/EUR
<b>Weekly High</b>	<b>1.0951</b> USD/EUR	<b>90 Days Average</b>	<b>1.1031</b> USD/EUR
<b>Weekly Low</b>	<b>1.0766</b> USD/EUR	<b>YTD Change</b>	<b>-2.44%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
CPI (EU Norm) Final MM	Mar	15-Apr	0.0%	0.0%
CPI (EU Norm) Final YY	Mar	15-Apr	0.7%	0.7%
CPI (EU Norm) Final MM	Mar	15-Apr	2.2%	2.2%
CPI (EU Norm) Final YY	Mar	15-Apr	0.1%	0.1%
Reserve Assets Total	Mar	15-Apr		864.59B
HICP Final YY	Mar	16-Apr	1.3%	1.3%
HICP Final MM	Mar	17-Apr	0.5%	0.2%
HICP Final YY	Mar	17-Apr	0.7%	0.7%

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


Source: Thomson Reuters

**Pound Sterling Outlook**

- Despite the Boris's health improvement, investors cannot be sure of the Covid-19 situation in the country. The pound may weaken if the Covid-19 in UK becomes out of control.
- According to World Economic Forum, the UK has recorded its highest death toll in a single day - with 980 more deaths on Friday (10/4), exceeding Italy's worst day. We, therefore, have to see if the UK government will be able to coup with this virus. The government has been criticized over its lack of preparation which makes NHS staffs treat patients without proper personal protective equipment (PPE) such as masks and gloves.
- Monday (13/4) is an Easter Monday..

<b>Lower Bound</b>	<b>1.1459</b>	<b>Upper Bound</b>	<b>1.2823</b>
<b>Forecast</b>	<b>Neutral</b>		

**Pound Sterling News**

- The pound extended its gain as the UK's concerns over Boris Johnson's health diminished. British Prime minister Boris Johnson left hospital as he continued recovery from Covid-19. This good news shifted the sentiment toward the currency.
- Considering economic report, GDP (MoM) was shown at -0.1% which was worst that expectations at 0.1%. However, Manufacturing production was at 0.5, higher than the forecast at 0.2. An industrial production was in line with the forecast at 0.1%.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2260</b> USD/GBP	<b>Monthly High</b>	<b>1.2486</b> USD/GBP
<b>Week Open</b>	<b>1.2263</b> USD/GBP	<b>Monthly Low</b>	<b>1.2167</b> USD/GBP
<b>Week Close</b>	<b>1.2452</b> USD/GBP	<b>30 Days Average</b>	<b>1.2354</b> USD/GBP
<b>Weekly High</b>	<b>1.2486</b> USD/GBP	<b>90 Days Average</b>	<b>1.2814</b> USD/GBP
<b>Weekly Low</b>	<b>1.2161</b> USD/GBP	<b>YTD Change</b>	<b>-5.97%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
BRC Retail Sales YY	Mar	16-Apr		0.00k

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**Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- The aussie is foreseen to remain strong against the dollar due to the mentioned reasons. However, the oil price seems to be wobbling as traders still fear that the decision made between OPEC+ and Russia would not offset the decrease in demand for oil from the Covid-19.
- Investors are focusing on Australia's labor market report this week.
- Monday (13/4) is an Easter Monday.

**Lower Bound**      **0.5702**      **Upper Bound**      **0.6419**  
**Forecast**              **Appreciation**

**Australian Dollar News**

- Similar to other currencies, the aussie strengthen due to the dollar's depreciation. Also, investors moved into risk asset including aussie after the number of coronavirus cases in hotspots throughout Europe, such as Italy and Spain decreased.
- The currency was also supported by an agreement between OPEC and its oil allies on oil output cut by 9.7 million barrel per day, while the Mexico agreed to reduce the production 100,000 barrel per day. This drove the oil price in the market.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.5995</b> USD/AUD	<b>Monthly High</b>	<b>0.6367</b> USD/AUD
<b>Week Open</b>	<b>0.5999</b> USD/AUD	<b>Monthly Low</b>	<b>0.5981</b> USD/AUD
<b>Week Close</b>	<b>0.6350</b> USD/AUD	<b>30 Days Average</b>	<b>0.6782</b> USD/AUD
<b>Weekly High</b>	<b>0.6367</b> USD/AUD	<b>90 Days Average</b>	<b>0.6836</b> USD/AUD
<b>Weekly Low</b>	<b>0.5989</b> USD/AUD	<b>YTD Change</b>	<b>-9.76%</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Employment	Mar	16-Apr	-40.0k	26.7k
Participation Rate	Mar	16-Apr	65.9%	66.0%
Unemployment Rate	Mar	16-Apr	5.5%	5.1%

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


Source: Thomson Reuters

**Japanese Yen Outlook**

- Although Japan's economy remains weak, the currency is predicted to appreciate against the dollar. In other words, downbeats US. economic data, announced aid package and intensified Covid-19 cases in the US. are key factors suppress the dollar.
- Japan's economic calendar is not busy this week, it is recommended that investors focus on situation of Covid-19 and additional measures from Japan government

<b>Lower Bound</b>	<b>106.29</b>	<b>Upper Bound</b>	<b>111.58</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- The yen moved lower last week because of the dollar's weakness.
- On Tuesday (7/4), Japanese Prim Minister Shinzo Abe declared a state of emergency, together with a 108.2 trillion-yen (992 billion dollar) stimulus package to rescue Japan's economy.
- Japan's consumer confidence was down to 30.9, lower than expectations at 34.2 and the PPI (MoM) was contracted by -0.4%

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>108.45</b> JPY/USD	<b>Monthly High</b>	<b>109.37</b> JPY/USD
<b>Week Open</b>	<b>108.42</b> JPY/USD	<b>Monthly Low</b>	<b>106.93</b> JPY/USD
<b>Week Close</b>	<b>108.46</b> JPY/USD	<b>30 Days Average</b>	<b>109.06</b> JPY/USD
<b>Weekly High</b>	<b>109.37</b> JPY/USD	<b>90 Days Average</b>	<b>108.24</b> JPY/USD
<b>Weekly Low</b>	<b>108.19</b> JPY/USD	<b>YTD Change</b>	<b>-0.76%</b>

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Exports YY	Mar	20-Apr		-1.0%
Imports YY	Mar	20-Apr		-13.9%
Trade Balance Total Yen	Mar	20-Apr		1,108.8B

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