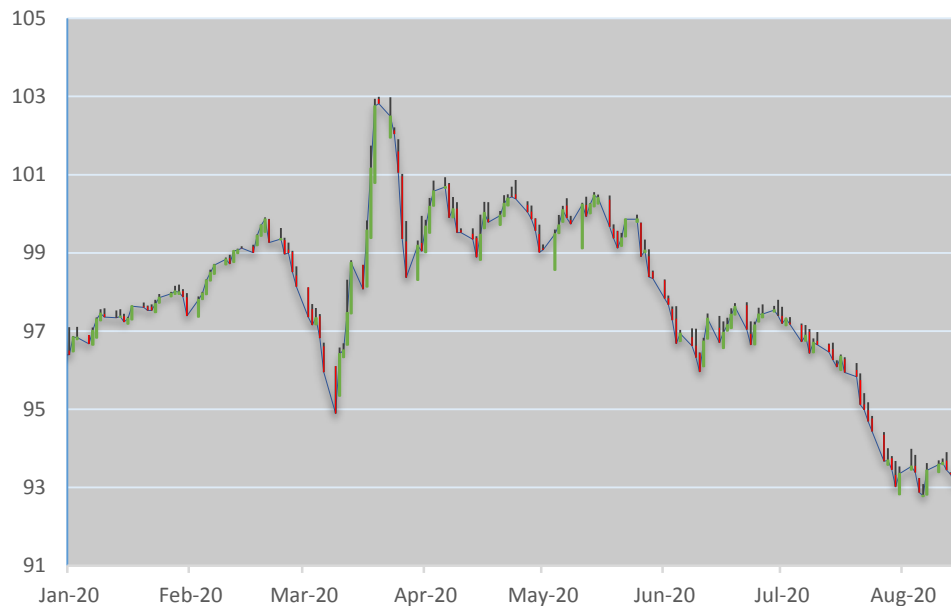


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Aug 2020 - 28 Aug 2020**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar News**

- The dollar fell across the board after the US retail sales missed expectations in July. However, the dollar moved in a sideways during the week as concerns over US-China tensions and the release of FOMC meeting minutes drove the greenback's momentum.
- The US retail sales grew only 1.2%, slowing down from the 8.4% growth in June as consumers cut back on purchases of motor vehicles.
- The last month's FOMC meeting minutes gave few clues about whether an even more dovish shift in its policy framework is possible in the autumn.
- The US jobless claims came in 1.106K, disappointing expectations. Meanwhile, Fed officials warned that a recovery in hiring is starting to slow, raising doubts about how quickly the US economy will bounce back from the coronavirus pandemic.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>93.10</b>	<b>Monthly High</b>	<b>96.70</b>
<b>Week Open</b>	<b>93.10</b>	<b>Monthly Low</b>	<b>92.13</b>
<b>Week Close</b>	<b>92.58</b>	<b>30 Days Average</b>	<b>93.95</b>
<b>Weekly High</b>	<b>93.91</b>	<b>90 Days Average</b>	<b>96.86</b>
<b>Weekly Low</b>	<b>92.13</b>	<b>YTD Change</b>	<b>-3.30%</b>

**Dollar Outlook**

- The dollar face a big pressure as Republicans and Democrats are struggling to agree on additional stimulus to boost the economy.
- The trade talks between the US and China is still in focus as it was reported that the two countries agreed to resume the meeting in the coming days.
- The two-day Jackson Hole symposium starts Thursday and the theme is 'Navigating the Decade Ahead: Implications for Monetary Policy'. Once again, the market will be on the look-out for any indications that the Fed is close to adopting Average Inflation Targeting and to better understand the conditions that would prompt Yield Curve Control

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confidence	Aug	25-Aug	93.0	92.6
New Home Sales-Units	Jul	25-Aug	0.786M	0.776M
Durable Goods	Jul	26-Aug	4.3%	7.6%
GDP 2nd Estimate	Q2	27-Aug	-32.6%	-32.9%
Initial Jobless Clm		22 Aug, w/ 27-Aug	1,000k	1,106k
Consumption, Adjusted MM	Jul	28-Aug	1.5%	5.6%
U Mich Sentiment Final	Aug	28-Aug	72.8	72.8

<b>Lower Bound</b>	<b>92.50</b>	<b>Upper Bound</b>	<b>93.80</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Aug 2020 - 28 Aug 2020**

**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The domestic political turmoil was seen as a downside risk for the Baht.
- The US-Sino diplomatic tensions remain in focus.
- The main highlight of economic data will be July's Thailand trade data on Monday.

**Thai Baht News**

- It was a tough week for Thai baht.
- The Thai baht fell over 1.4% against the dollar as concerns over growing anti-government protests and Thai returnee's positive test for COVID-19 after mandatory quarantine casted doubt on the possibility of second wave and weighed on the Thai baht's sentiment.
- The National Economic and Social Development Council announced that Thailand's Gross Domestic Product (GDP) dropped by 12.2 % from a year ago, the biggest decline since the Asian financial crisis in 1998, due to impact of the COVID-19 pandemic.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>31.12</b> THB/USD	<b>Monthly High</b>	<b>31.61</b> THB/USD
<b>Week Open</b>	<b>31.09</b> THB/USD	<b>Monthly Low</b>	<b>30.98</b> THB/USD
<b>Week Close</b>	<b>31.53</b> THB/USD	<b>30 Days Average</b>	<b>31.35</b> THB/USD
<b>Weekly High</b>	<b>31.55</b> THB/USD	<b>90 Days Average</b>	<b>31.64</b> THB/USD
<b>Weekly Low</b>	<b>31.08</b> THB/USD	<b>YTD Change</b>	<b>+5.54%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Jul	24-Aug	-17.80%	-23.17%
Custom-Based Import Data	Jul	24-Aug	-23.20%	-18.05%
Customs-Based Trade Data	Jul	24-Aug	1.17B	1.61B

<b>Lower Bound</b>	<b>31.25</b>	<b>Upper Bound</b>	<b>31.75</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**24 Aug 2020 - 28 Aug 2020**



Euro

**Euro Graph**



Source: Thomson Reuters

**Euro News**

- The euro dropped amid the bloc inflation rose slightly in July and core indicators surged despite deflationary pressures from the pandemic.
- The ECB minutes of meeting released on Thursday, the central bank emphasized on “uncertainties in markets”, while flexibility in conducting emergency bond purchases would be extended.
- Moreover, flash euro zone manufacturing and services purchasing managers index (PMI) numbers for August were worse than expected. IHS Markit's flash Composite Purchasing Managers' Index, seen as a good gauge of economic health, sank to 51.6 from July's final reading of 54.9.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1841</b> USD/EUR	<b>Monthly High</b>	<b>1.1965</b> USD/EUR
<b>Week Open</b>	<b>1.1838</b> USD/EUR	<b>Monthly Low</b>	<b>1.1698</b> USD/EUR
<b>Week Close</b>	<b>1.1795</b> USD/EUR	<b>30 Days Average</b>	<b>1.1719</b> USD/EUR
<b>Weekly High</b>	<b>1.1965</b> USD/EUR	<b>90 Days Average</b>	<b>1.1289</b> USD/EUR
<b>Weekly Low</b>	<b>1.1753</b> USD/EUR	<b>YTD Change</b>	<b>+5.18%</b>

**Euro Outlook**

- The EUR/USD sell-off gained some momentum on Friday when Eurozone August PMIs largely disappointed – led by services.
- Shedding some more light on this will be Tuesday’s German August Ifo data. The best case will be that manufacturing offsets the decline in services such that the overall number does not disappoint.

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
GDP Detailed QQ SA	Q2	25-Aug	-10.1%	-10.1%
GDP Detailed YY NSA	Q2	25-Aug	-11.7%	-11.7%
Ifo Business Climate New	Aug	25-Aug	92.0	90.5
Ifo Curr Conditions New	Aug	25-Aug	87.0	84.5
Ifo Expectations New	Aug	25-Aug	98.0	97.0
Consumer Confid. Final	Aug	28-Aug	-14.9	-14.7

<b>Lower Bound</b>	<b>1.1690</b>	<b>Upper Bound</b>	<b>1.1900</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Aug 2020 - 28 Aug 2020**

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


Source: Thomson Reuters

**Pound Sterling Outlook**

- UK and EU politicians on Friday did little to hide the fact there had been no progress made in trade talks.
- The week ahead sees little on the local data calendar but we will have BOE speakers in Haldane (Wednesday) and Bailey (Friday). Haldane is at the optimistic end of the spectrum, but the market will probably be more interested in Bailey's views on negative rates.
- However, messy Brexit discussions into October are likely to discourage a build-up of GBP long positions and choppy range trading looks more likely.

<b>Lower Bound</b>	<b>1.2980</b>	<b>Upper Bound</b>	<b>1.3160</b>
<b>Forecast</b>	<b>Neutral</b>		

**Pound Sterling News**

- The pound sterling rose against the dollar following the release of better-than-expected UK consumer inflation figures. In fact, the headline CPI accelerated to 1.0% YoY in July from 0.6% previous and expected, offering the BoE more time to continue with its current wait-and-watch approach.
- The consumer confidence as of August was unchanged, remaining at the level of -27.
- On Friday, the pound sterling rose to a 1-1/2-month high on Friday versus the euro and inched towards an eight-month high against the greenback after UK retail sales numbers for July came in much higher than expected.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3084</b> USD/GBP	<b>Monthly High</b>	<b>1.3267</b> USD/GBP
<b>Week Open</b>	<b>1.3084</b> USD/GBP	<b>Monthly Low</b>	<b>1.2982</b> USD/GBP
<b>Week Close</b>	<b>1.3087</b> USD/GBP	<b>30 Days Average</b>	<b>1.2938</b> USD/GBP
<b>Weekly High</b>	<b>1.3267</b> USD/GBP	<b>90 Days Average</b>	<b>1.2600</b> USD/GBP
<b>Weekly Low</b>	<b>1.3057</b> USD/GBP	<b>YTD Change</b>	<b>-1.27%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	Aug	25-Aug	8	4

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**24 Aug 2020 - 28 Aug 2020**



**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar News**

- The aussie rose against the dollar from soft US economic data, a dip in safe-haven demand exerted broad selling pressure. Also, the ongoing effects of the Fed's stimulus programs.
- However, the aussie eased its gains from 1 week-high, react to the latest RBA minutes from the August monetary policy meeting which confirm the policymakers' dovish bias while citing the pandemic.
- The aussie continually fell against the greenback as traders used the opportunity of the FED's release of minutes from its last policymaking meeting to take profits.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7171</b> USD/AUD	<b>Monthly High</b>	<b>0.7275</b> USD/AUD
<b>Week Open</b>	<b>0.7153</b> USD/AUD	<b>Monthly Low</b>	<b>0.7077</b> USD/AUD
<b>Week Close</b>	<b>0.7161</b> USD/AUD	<b>30 Days Average</b>	<b>0.6823</b> USD/AUD
<b>Weekly High</b>	<b>0.7275</b> USD/AUD	<b>90 Days Average</b>	<b>0.6486</b> USD/AUD
<b>Weekly Low</b>	<b>0.7133</b> USD/AUD	<b>YTD Change</b>	<b>+2.09%</b>

**Australian Dollar Outlook**

- The aussie continues to be the most overvalued currency among the G10 pro-cyclicals in a short-term perspective and may therefore be a key laggard if markets start pricing out some market recovery.
- Except for the dynamics in the contagion curve in Victoria (which anyway have had a limited currency impact so far) domestic factors should play second fiddle for AUD given a quiet economic calendar.

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Construction Work Done	Q2	26-Aug	-5.8%	-1.0%
Capital Expenditure	Q2	27-Aug	-8.4%	-1.6%
Building Capex	Q2	27-Aug		-1.1%
Plant/Machinery Capex	Q2	27-Aug		-2.3%

<b>Lower Bound</b>	<b>0.7050</b>	<b>Upper Bound</b>	<b>0.7250</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**24 Aug 2020 - 28 Aug 2020**



**Japanese Yen Graph**



Source: Thomson Reuters

**Japanese Yen News**

- The yen strengthened against the dollar as doubt about the pace of US economic recovery and the postponement of the U.S-China trade deal review decreased demand for the dollar.
- During the week the yen moved in a sideways before it was supported by the flash manufacturing PMI. The figure was reported at 46.6, beating expectations.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>106.59</b> JPY/USD	<b>Monthly High</b>	<b>107.04</b> JPY/USD
<b>Week Open</b>	<b>106.61</b> JPY/USD	<b>Monthly Low</b>	<b>105.11</b> JPY/USD
<b>Week Close</b>	<b>105.78</b> JPY/USD	<b>30 Days Average</b>	<b>107.54</b> JPY/USD
<b>Weekly High</b>	<b>106.65</b> JPY/USD	<b>90 Days Average</b>	<b>108.49</b> JPY/USD
<b>Weekly Low</b>	<b>105.09</b> JPY/USD	<b>YTD Change</b>	<b>-2.80%</b>

**Japanese Yen Outlook**

- The biggest benefit to the yen near term would probably be a correction in global asset markets given the cross-correlation is so high.
- Given the yen and US Treasury relationship, Jackson Hole will of course be important. Less important will be the Japanese data calendar which only sees August Tokyo CPI and the regular international portfolio data.

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	Aug	28-Aug	0.3%	0.4%
CPI, Overall Tokyo	Aug	28-Aug		0.6%

<b>Lower Bound</b>	<b>105.20</b>	<b>Upper Bound</b>	<b>106.30</b>
<b>Forecast</b>	<b>Neutral</b>		

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