


WEEKLY FOREIGN EXCHANGE OUTLOOK
06 Jul 2020 - 10 Jul 2020

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- Investors turn their attentions on the issue over US and China relationship as the US Parliament is preparing to launch a bill to penalise banks doing business with Chinese officials who implement Beijing's draconian new national security law on Hong Kong.
- ISM Manufacturing PMI will be released on Monday (6/7) expected to rise to the level of 50.0 in June from 45.4 in the previous month.
- Core PPI announced on Friday (10/7) would be able to expand 0.1% in June after dropped 0.1% in the month prior, showing sign of recovery after the government eased the lockdown measure in many states.

Lower Bound	95.50	Upper Bound	98.50
Forecast	Appreciation		

Dollar News

- The dollar index has been supported on growing concerns over second wave of the coronavirus pandemic that raised demands for safe-haven assets.
- The data showed some recovery in US labour market as Nonfarm Payrolls rose 4.8 million in June, since many states have allowed businesses to reopen from strict shutdowns aimed at containing the pandemic.
- The unemployment rate fell to 11.1% last month from 13.3% in May.

Dollar Index Performance

Last Week Close	97.43	Monthly High	99.09
Week Open	97.50	Monthly Low	95.72
Week Close	97.12	30 Days Average	97.19
Weekly High	97.80	90 Days Average	98.75
Weekly Low	96.81	YTD Change	+0.62%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Comp Final PMI	Jun	6-Jul		46.8
Markit Svcs PMI Final	Jun	6-Jul		46.7
ISM N-Mfg PMI	Jun	6-Jul	49.5	45.4
JOLTS Job Openings	May	7-Jul		5.046M
Initial Jobless Claims	29 Jun, w/t	9-Jul	1,375k	1,427k
Continued Jobless Claims	22 Jun, w/t	9-Jul		19.290M
PPI Final Demand YY	Jun	10-Jul	-0.4%	-0.8%
PPI Final Demand MM	Jun	10-Jul	0.4%	0.4%

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Thai Baht
Thai Baht Graph
Thai Baht News


Source: Thomson Reuters

- Thai Parliament accepted 2021 Annual Expense Budget Act with the score of 273 to 200, while 3 members were no-vote in the meeting on Friday (3/7).
- The data showed contraction in Thai's economy as Exports dropped 23.6% YoY in May from 3.3% declined in the prior period. Likewise, Imports fell 34.2% in May from 17.0% shrank in April.
- Manufacturing Production decreased 23.19% in May, worse than a primary expectation of 21.00% declined.

Thai Baht Performance

Last Week Close	30.90 THB/USD	Monthly High	31.31 THB/USD
Week Open	30.92 THB/USD	Monthly Low	30.91 THB/USD
Week Close	31.12 THB/USD	30 Days Average	31.24 THB/USD
Weekly High	31.13 THB/USD	90 Days Average	31.92 THB/USD
Weekly Low	30.86 THB/USD	YTD Change	+4.51%

Thai Baht Outlook

- Thai Baht would move in the range of 31.05 - 31.45 THB/USD in the coming week following by the movement of the greenback amid anxiousness over second wave of the pandemic.

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous

Lower Bound	31.05	Upper Bound	31.45
Forecast	Depreciation		

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Euro

Euro Graph

Euro News



Source: Thomson Reuters

- The PMI of Eurozone members showed sign of recovery in the past month after COVID-19 situation in Europe was going better. However, investors still concern about new wave of the pandemic such in several parts of the world since the governments eased their lockdown measure.

- Eurozone Manufacturing PMI climbed to the level of 47.4 in June from 46.9 in the previous month, also beat an expectation at the level of 46.9.

-Eurozone Service PMI was at the level of 48.3 in June, better-than-expected at the level of 47.3 as well as in May.

Euro Index Performance

Last Week Close	1.1217 USD/EUR	Monthly High	1.1345 USD/EUR
Week Open	1.1225 USD/EUR	Monthly Low	1.1186 USD/EUR
Week Close	1.1248 USD/EUR	30 Days Average	1.1257 USD/EUR
Weekly High	1.1302 USD/EUR	90 Days Average	1.1037 USD/EUR
Weekly Low	1.1183 USD/EUR	YTD Change	+0.59%

Euro Outlook

- Economic data in the coming week collected in May after the first wave of COVID-19 eased so that positive results would be announced.
- German Factory Orders would expand 15.1% in May from shrank 25.8% in April.
- Eurozone Retail Sales would rise 15.0% in May while dropped 11.7% in the prior period.
- We expect the Euro would move in the range of 1.1150 - 1.1400 USD/EUR in the coming week.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Industrial Orders MM	May	6-Jul	13.0%	-25.8%
Retail Sales MM	May	6-Jul	15.0%	-11.7%
Retail Sales YY	May	6-Jul		-19.6%
Industrial Output MM	May	7-Jul	10.5%	-17.9%
Reserve Assets Total	Jun	7-Jul		217,404M
Exports MM SA	May	9-Jul		-24.0%
Imports MM SA	May	9-Jul		-16.5%
Trade Balance, EUR, SA	May	9-Jul		3.2B

Lower Bound	1.1150	Upper Bound	1.1400
Forecast	Appreciation		

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Pound Sterling
Pound Sterling Graph
Pound Sterling News


Source: Thomson Reuters

- The Sterling limited its gain as slow progress on BREXIT negotiation that raise concerns over possibility of "Hard-BREXIT" when the transition period ends on 31 December.
- British consumer confidence picked up in late June to its highest level since the country's coronavirus lockdown started in March. The GfK Group UK Consumer Confidence arrived at -27 in June vs -30 prior.

Pound Sterling Performance

Last Week Close	1.2333 USD/GBP	Monthly High	1.2591 USD/GBP
Week Open	1.2339 USD/GBP	Monthly Low	1.2360 USD/GBP
Week Close	1.2483 USD/GBP	30 Days Average	1.2502 USD/GBP
Weekly High	1.2529 USD/GBP	90 Days Average	1.2394 USD/GBP
Weekly Low	1.2249 USD/GBP	YTD Change	-5.35%

Pound Sterling Outlook

- Construction PMI released on Monday (6/7) is expected to rise to the level of 46.0 in the past month from 28.9 in May.
- The Sterling possibly turns depreciating if the news updated any disappointing result in BREXIT negotiation so the investors have to closely watch.
- We expect the Sterling would move in the range of 1.2300 - 1.2700 USD/GBP in the coming week.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Markit/CIPS Cons PMI	Jun	6-Jul		28.9
Halifax House Prices MM	Jun	7-Jul		-0.2%
RICS Housing Survey	Jun	9-Jul		-32

Lower Bound	1.2300	Upper Bound	1.2700
Forecast	Neutral		

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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Reserve Bank of Australia (RBA) would maintain its benchmark at the record low level of 0.25% in the meeting on Tuesday (7/7) following by impact from the pandemic and slow inflation growth.
- Investors still eye on US and China relationship after Chinese officials have applied new security law on Hong Kong. Any measures after this probably effect movement of CNY that generally moves along with the Aussie.
- We expect the Aussie would move in the range of 0.6800 - 0.7100 USD/AUD in the coming week.

Lower Bound	0.6800	Upper Bound	0.7100
Forecast	Appreciation		

Australian Dollar News

- The Aussie soared at the beginning of last week after the Chinese Manufacturing PMI rose to the level of 50.9 in the previous month from 50.6 in May, better-than-expectation at the level of 50.4. The currency mostly moves in the same direction with the Yuan as China is the country's main counterpart.

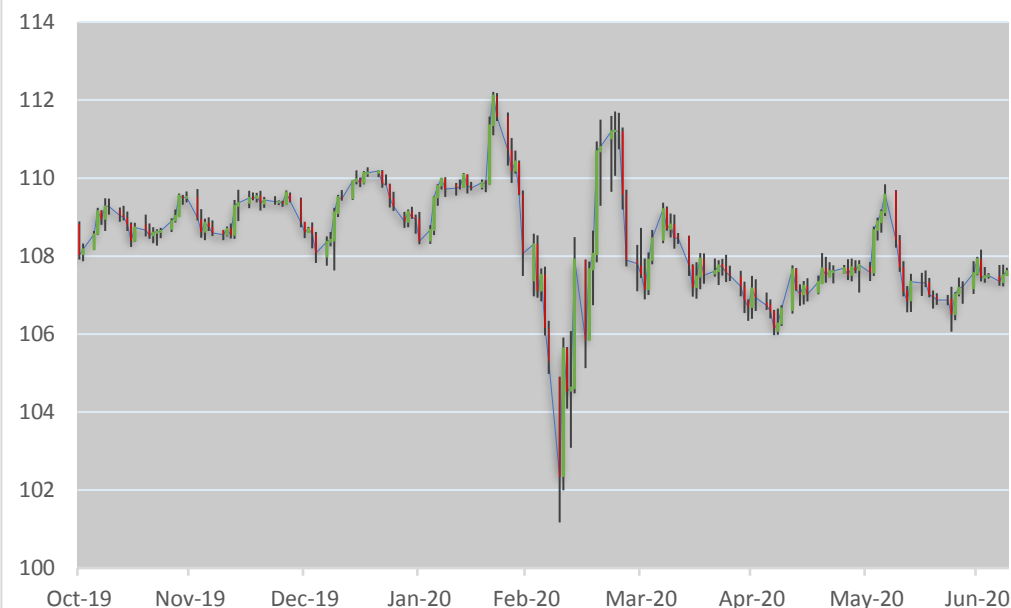
Australian Dollar Performance

Last Week Close	0.6860 USD/AUD	Monthly High	0.6997 USD/AUD
Week Open	0.6863 USD/AUD	Monthly Low	0.6878 USD/AUD
Week Close	0.6937 USD/AUD	30 Days Average	0.6381 USD/AUD
Weekly High	0.6952 USD/AUD	90 Days Average	0.6469 USD/AUD
Weekly Low	0.6830 USD/AUD	YTD Change	-1.21%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
RBA Cash Rate	Jul	7-Jul	0.25%	0.25%

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Japaneseese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The data still indicated low inflation growth in the country as Household Spending data published on Tuesday (7/7) is expected to dropped 11.8% YoY in May, worse than 11.1% declined in the prior period.
- Meanwhile, PPI released on Friday (10/7) would decrease 2.0% in the previous month from 2.7% shrank in May.
- We expect the Yen would move in the range of 106.50 - 108.50 JPY/USD in the coming week.

Lower Bound	106.50	Upper Bound	108.50
Forecast	Neutral		

Japanese Yen News

- The Japanese Yen moved following by demands for safe-haven assets.
- The currency started appreciating amid fears over the second wave of pandemic.
- Retail Sales shrank 12.3% YoY in May from 13.9% in the prior period.
- Tankan Manufacturing Index was at -34 in Q2 dropped from -8 in the previous quarter, also worse-than-expected at -31.

Japanese Yen Performance

Last Week Close	107.21 JPY/USD	Monthly High	108.16 JPY/USD
Week Open	107.18 JPY/USD	Monthly Low	107.25 JPY/USD
Week Close	107.50 JPY/USD	30 Days Average	108.48 JPY/USD
Weekly High	108.16 JPY/USD	90 Days Average	108.95 JPY/USD
Weekly Low	107.03 JPY/USD	YTD Change	-1.13%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
All Household Spending YY	May	7-Jul		-11.1%
All Household Spending MM	May	7-Jul		-6.2%
Current Account NSA JPY	May	8-Jul		262.7B
Machinery Orders MM	May	9-Jul		-12.0%
Machinery Orders YY	May	9-Jul		-17.7%
Corp Goods Price MM	Jun	10-Jul		-0.4%
Corp Goods Price YY	Jun	10-Jul		-2.7%

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