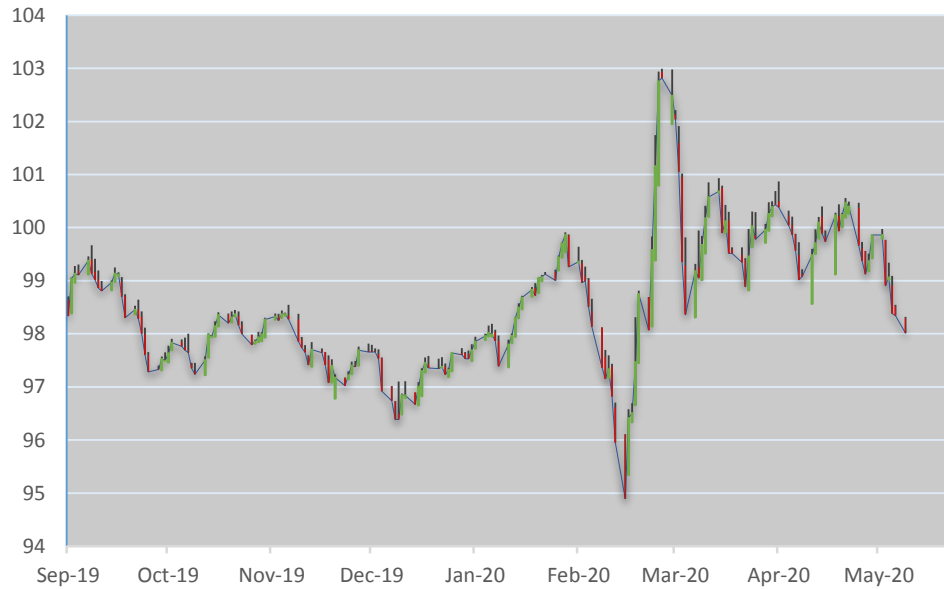


WEEKLY FOREIGN EXCHANGE OUTLOOK
01 Jun 2020 - 05 Jun 2020

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- The dollar is foreseen to fluctuated amid the Hong kong tensions, boosting demand for safe asset. However, both European fiscal and monetary policies also on focus.
- Market wait for Friday's May non-farm payrolls report that expected to be another 7m jobs expected to be lost. Moreover, The ADP payrolls is expected to shed another 9m jobs on the 20m number in April pushing the unemployment rate up from 14.7%.

Lower Bound	98.16	Upper Bound	100.90
Forecast	Neutral		

Dollar News

- The dollar was down with investor risk appetite increased by ever more countries cautiously loosening lockdowns to curb the COVID-19 virus and increased hopes of economic recovery from the virus's impact. Meanwhile, the Japanese government to end its state of emergency
- Moreover, USD edged lower as safe haven amid optimism over the global recovery given positive news of a potential coronavirus vaccine.
- Nevertheless, the dollar rebounded due to tensions between China and US over the new security law for Hong Kong. "My announcement today will affect the full range of agreements that we have with Hong Kong, from our extradition treaty, to our export controls and technologies," Trump said.

Dollar Index Performance

Last Week Close	99.86	Monthly High	100.87
Week Open	99.80	Monthly Low	97.95
Week Close	97.95	30 Days Average	99.62
Weekly High	99.98	90 Days Average	99.19
Weekly Low	97.95	YTD Change	+1.69%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg PMI Final	May	1-Jun		39.8
ISM Manufacturing PMI	May	1-Jun	43.0	41.5
Markit Comp Final PMI	May	3-Jun		36.4
Markit Svcs PMI Final	May	3-Jun		36.9
Factory Orders MM	Apr	3-Jun	-12.5%	-10.3%
ISM N-Mfg PMI	May	3-Jun	44.0	41.8
Initial Jobless Claims	30 May, w,	4-Jun	1,800k	2,123k
Non-Farm Payrolls	May	5-Jun	-8,250k	-20,500k
Unemployment Rate	May	5-Jun	19.7%	14.7%
Average Earnings YY	May	5-Jun	8.4%	7.9%

WEEKLY FOREIGN EXCHANGE OUTLOOK
01 Jun 2020 - 05 Jun 2020

Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Investors still focus on pandemic situation and government policy after Japan is considering easing entry restrictions on people from Thailand, Vietnam, Australia and New Zealand.
- More tensions between the U.S. and China will mean that risk sentiment remains fragile in Emerging market and pressured EM currencies.
- U.S. President Trump plan to begin the process of eliminating policy exemptions that give Hong Kong different and special treatment.

Lower Bound	31.63	Upper Bound	32.40
Forecast	Depreciation		

Thai Baht News

- The baht dropped along with other EM currencies on risk-off sentiment as deterioration in China-US ties compounded fears of a slower recovery from the economic damage weakened by the pandemic.
- Thailand's manufacturing production index (MPI) in April became at 79.04, the lowest level since November 2011 by the lockdown and curfew, the drought, private sector wariness of the Covid-19 pandemic continuing and weak confidence in the economy.
- Three executive decrees backing loans of 1.97 trillion baht to pay for Covid-19 relief passed the Lower House on Sunday. The House of Representatives voted 274-0 with 207 abstentions for the decree to authorise the Finance Ministry to borrow about 1 trillion baht to fund the government's economic and social rehabilitation plans in the aftermath of the Covid-19 pandemic.

Thai Baht Performance

Last Week Close	31.88 THB/USD	Monthly High	31.82 THB/USD
Week Open	31.89 THB/USD	Monthly Low	31.75 THB/USD
Week Close	31.80 THB/USD	30 Days Average	32.18 THB/USD
Weekly High	32.01 THB/USD	90 Days Average	31.90 THB/USD
Weekly Low	31.80 THB/USD	YTD Change	+6.05%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	May	1-Jun		36.8
CPI Headline Inflation	May	5-Jun		-2.99%
CPI Core Inflation YY	May	5-Jun		0.41%

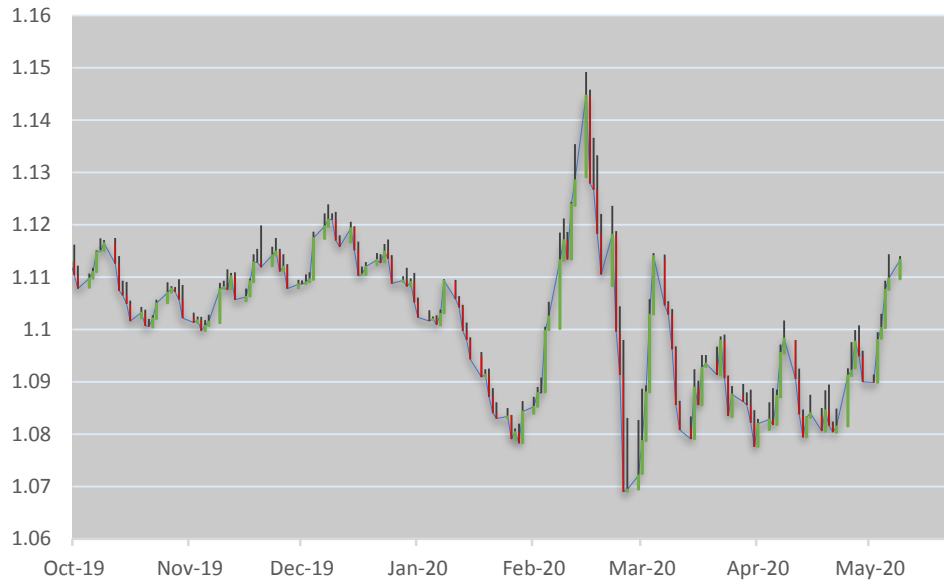
WEEKLY FOREIGN EXCHANGE OUTLOOK

01 Jun 2020 - 05 Jun 2020



Euro

Euro Graph



Source: Thomson Reuters

Euro Outlook

- This week the ECB will likely leave the deposit rate unchanged at -0.50%. The most recent Pandemic Emergency Purchase Program is worth €750 billion and may run out of cash in the autumn.
- Economist expect the ECB to expand PEPP by EUR500 billion and to continue asset purchases until at least the middle of next year.

Lower Bound	1.0709	Upper Bound	1.1115
Forecast	Neutral		

Euro News

- Last week, the euro weekly gained against the Dollar, buoyed by optimism increased after the EU announced a €750 billion coronavirus recovery fund that gave room for further positivity in Eurozone risk assets sent the currency to near three-month high .
- While, German IFO Business Climate Index came in at 79.5 in May, better than last month's 74.2 while beating the consensus estimates pointing to a reading of 78.3.
- The Germany's Retail Sales arrived at -5.3% MoM in April versus -12.0% expected and -4.0%
- The European Commission has proposed setting up a 15-billion-euro fund to invest in strategic companies that have been weakened by the COVID-19 crisis.

Euro Index Performance

Last Week Close	1.0900 USD/EUR	Monthly High	1.1140 USD/EUR
Week Open	1.0902 USD/EUR	Monthly Low	1.1115 USD/EUR
Week Close	1.1098 USD/EUR	30 Days Average	1.0904 USD/EUR
Weekly High	1.1144 USD/EUR	90 Days Average	1.0942 USD/EUR
Weekly Low	1.0869 USD/EUR	YTD Change	-0.69%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	May	1-Jun	39.5	39.5
Markit Serv Final PMI	May	3-Jun	28.7	28.7
Markit Comp Final PMI	May	3-Jun	30.5	30.5
Unemployment Rate	Apr	3-Jun	8.2%	7.4%
ECB Refinancing Rate	Jun	4-Jun	0.00%	0.00%
ECB Deposit Rate	Jun	4-Jun	-0.50%	-0.50%

CPI Prelim YY	Feb	28-Feb	1.7%	1.7%
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WEEKLY FOREIGN EXCHANGE OUTLOOK
01 Jun 2020 - 05 Jun 2020

Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The British pound still fluctuated with the Brexit headlines next week, as negotiations start back up. Meanwhile, the chief UK negotiator recently stated that the “European Union needs to come a long way to have an acceptable agreement.”
- Investors still focus on PM Boris Johnson is to fly to Brussels this month for his first personal talks with European leaders in more than four months as Downing Street tries to revive Brexit negotiations.

Lower Bound	1.2107	Upper Bound	1.2450
Forecast	Neutral		

Pound Sterling News

- The British pound has rallied slightly during the thin trading session on Monday, while both the United States and the United Kingdom closed for various holidays.
- The currency was supported due to the announcement that UK Prime Minister Boris Johnson stated that outdoor markets and car dealers will reopen from June 1 while other non-essential retail will be able to open its doors from June 15.
- Nevertheless, the dovish commentary from Bank of England (BoE) policymaker Michael Saunders pressured the pair against USD. "I would not rule out negative rates, that does not mean I would necessarily rule it in," Saunders said.

Pound Sterling Performance

Last Week Close	1.2164 USD/GBP	Monthly High	1.2414 USD/GBP
Week Open	1.2178 USD/GBP	Monthly Low	1.2352 USD/GBP
Week Close	1.2344 USD/GBP	30 Days Average	1.2330 USD/GBP
Weekly High	1.2393 USD/GBP	90 Days Average	1.2525 USD/GBP
Weekly Low	1.2162 USD/GBP	YTD Change	-6.61%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Markit/CIPS Mfg PMI Final	May	1-Jun	40.7	40.6
Nationwide house price mm	May	2-Jun	-1.0%	0.7%
Nationwide house price yy	May	2-Jun	2.8%	3.7%
Reserve Assets Total	Jun	3-Jun		
Halifax House Prices MM	May	5-Jun		-0.6%

WEEKLY FOREIGN EXCHANGE OUTLOOK

01 Jun 2020 - 05 Jun 2020

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

• Investors will keep eyes on the US-China tussle for fresh clues. Although concerns surrounding the US and China’s rivalry over Hong Kong kept the Aussie pair. The Australian dollar is overly sensitive to the Chinese situation.

Lower Bound **0.6362** **Upper Bound** **0.6711**
Forecast **Appreciation**

Australian Dollar News

- The Australian Dollars as growing optimism about a global recovery from the COVID-19 pandemic drove investors into higher-yielding currencies.
- While Australia’s first quarter (Q1) Construction Work Done bounced of -3.0% prior and -1.5% forecasts to -1.0%, China’s Industrial Profits for April shrank 4.3% YoY versus the previous fall of 34.9%.
- Aussie was supported by RBA Governor Philip Lowe who sounds optimistic before the Senate Select Committee on the coronavirus (COVID-19). The policymakers said, “RBA will maintain its expansionary monetary policy until progress is made towards full employment and we are confident about inflation” Lowe said.

Australian Dollar Performance

Last Week Close	0.6535 USD/AUD	Monthly High	0.6742 USD/AUD
Week Open	0.6514 USD/AUD	Monthly Low	0.6663 USD/AUD
Week Close	0.6666 USD/AUD	30 Days Average	0.6213 USD/AUD
Weekly High	0.6683 USD/AUD	90 Days Average	0.6617 USD/AUD
Weekly Low	0.6514 USD/AUD	YTD Change	-4.22%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Current Account Balance SA	Q1	2-Jun	6.3B	1.0B
Net Exports Contribution	Q1	2-Jun	0.3%	0.1%
RBA Cash Rate	Jun	2-Jun	0.25%	0.25%
Real GDP QQ SA	Q1	3-Jun	-0.3%	0.5%
Real GDP YY SA	Q1	3-Jun	1.4%	2.2%
Building Approvals	Apr	3-Jun	-15.0%	-4.0%
Retail Sales MM	Apr	4-Jun	-17.9%	8.5%
Trade Balance G&S (A\$)	Apr	4-Jun	7,500M	10,602M

WEEKLY FOREIGN EXCHANGE OUTLOOK
01 Jun 2020 - 05 Jun 2020
 Japanese Yen

Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Japanese Yen significantly appreciated against the dollar on Friday, it opens up the possibility of a move to the ¥106 level.
- Market focus on growing optimism about a global recovery from the COVID-19 pandemic which is allowing the gradual reopening of economies that will pressured the safe-haven greenback

Lower Bound	106.29	Upper Bound	108.26
Forecast	Appreciation		

Japanese Yen News

- The yen trade in narrow range against the dollar, while BOJ announced the policy interest rates and asset purchases were kept unchanged at the meeting. Nonetheless, a new lending program was launched to support small businesses struggling amid the coronavirus.
- On Tuesday, Bank of Japan's (BOJ) Kuroda warned about downside risks to Japan's economy and BOJ stands ready to do more if required.
- Last week, the Japanese government to end its state of emergency, adding to the increasing number of countries that are reopening their economies as the course of the coronavirus slows.
- Japan's Tokyo Consumer Price Index (CPI) for May rises beyond 0.2% YoY revised in April to 0.4%

Japanese Yen Performance

Last Week Close	107.61 JPY/USD	Monthly High	107.85 JPY/USD
Week Open	107.57 JPY/USD	Monthly Low	107.63 JPY/USD
Week Close	107.77 JPY/USD	30 Days Average	109.43 JPY/USD
Weekly High	107.94 JPY/USD	90 Days Average	109.06 JPY/USD
Weekly Low	107.06 JPY/USD	YTD Change	-1.11%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI	May	1-Jun		38.4
Services PMI	May	3-Jun		21.5
Current Account NSA JPY	Apr	8-Jun		1,971.0B
GDP Rev QQ Annualised	Q1	8-Jun		-3.4%
GDP Revised QQ	Q1	8-Jun		-0.9%
GDP Cap Ex Rev QQ	Q1	8-Jun		-0.5%

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