

WEEKLY FOREIGN EXCHANGE OUTLOOK
23 Mar 2020 - 27 Mar 2020

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- The rising in public anxiety about the virus are likely to lead to a sharp worsening in economic activity the rest of March and throughout April.
- Market liquidity has been tight while investors remain nervous over coronavirus pandemic. The dollar could extend its gain against risk currencies as safe-haven asset.

Lower Bound	98.00	Upper Bound	103.00
Forecast	Appreciation		

Dollar News

- Fed cuts rates to 0% over the weekend, however, the dollar surged as companies and investors sought out the most liquid currency on concerns over the economic shutdown from the coronavirus.
- The central banks have also cut pricing on their swap lines to make it easier to provide dollars to financial institutions around the world.
- Lockdown in many countries add worries to tourism and growth.
- DXY slightly eases from the top above 102.99.

Dollar Index Performance

Last Week Close	98.75	Monthly High	102.99
Week Open	98.70	Monthly Low	94.65
Week Close	101.09	30 Days Average	98.66
Weekly High	102.99	90 Days Average	97.95
Weekly Low	97.45	YTD Change	+6.43%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Existing Home Sales	Feb	20-Mar	5.50M	5.46M
Markit Comp Flash PMI	Mar	24-Mar		49.6
Markit Mfg PMI Flash	Mar	24-Mar	50.0	50.7
Markit Svcs PMI Flash	Mar	24-Mar	48.8	49.4
New Home Sales-Units	Feb	24-Mar	0.750M	0.764M
Durable Goods	Feb	25-Mar	-0.9%	-0.2%
GDP Final	Q4	26-Mar	2.1%	2.1%
Initial Jobless Claims		16 Mar, w/ 26-Mar		
Consumption, Adjusted MM	Feb	27-Mar	0.3%	0.2%
U Mich Sentiment Final	Mar	27-Mar	95.0	95.9

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Investors will focus on the monetary policy meeting on March 25 to see if there will be any further changes.
- The concern over the impact of coronavirus, a weak Chinese data and border restrictions have increased the foreign fund flow out of Asia, the baht is likely to go downward further.
- The baht could break 33.00 handle.

Lower Bound	32.00	Upper Bound	33.00
Forecast	Depreciation		

Thai Baht News

- The baht weakened to over 32.73 THB/USD on concern over coronavirus.
- The Bank of Thailand (BoT) has no plan to call an emergency meeting following the US Federal Reserve's weekend decision to cut its rate to zero.
- The Monetary Policy Committee's meeting schedule remains unchanged at March 25.
- Fitch Ratings has lowered Thailand's long-term foreign currency issuer rating to stable from positive.
- Thailand central bank cut the key policy by 25 bps and introduced measures, including a liquidity support fund worth 70 – 100 billion baht to reduce risk in the debt market on Sunday (22/3).

Thai Baht Performance

Last Week Close	31.75 THB/USD	Monthly High	32.90 THB/USD
Week Open	31.81 THB/USD	Monthly Low	31.27 THB/USD
Week Close	32.45 THB/USD	30 Days Average	31.64 THB/USD
Weekly High	32.73 THB/USD	90 Days Average	30.79 THB/USD
Weekly Low	31.79 THB/USD	YTD Change	+9.82%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
1-Day Repo Rate	25 Mar	25-Mar		1.00%

WEEKLY FOREIGN EXCHANGE OUTLOOK		23 Mar 2020 - 27 Mar 2020																										
 Euro																												
Euro Graph  <p>Source: Thomson Reuters</p>		Euro News <ul style="list-style-type: none"> • EUR dropped to six-month lows on March 17 as markets has turned bearish on the euro. • The euro was also weighed down by awful German ZEW Survey results which showed the economic sentiment dropped sharply to -49.5 in March, the largest drop on records. • European Central Bank (ECB) held emergency meeting on Wednesday (18/3) and announced a 750 billion euro asset-purchase program in response to coronavirus outbreak. 																										
Euro Outlook <ul style="list-style-type: none"> • The downward momentum in euro could get extended further in near future. • The euro could find support around 1.0600 region. • With France, Spain and Italy in lockdown, the recession in Eurozone seems unavoidable. 		Euro Index Performance <table border="1"> <tr> <td>Last Week Close</td> <td>1.1105 USD/EUR</td> <td>Monthly High</td> <td>1.1492 USD/EUR</td> </tr> <tr> <td>Week Open</td> <td>1.1083 USD/EUR</td> <td>Monthly Low</td> <td>1.0638 USD/EUR</td> </tr> <tr> <td>Week Close</td> <td>1.0694 USD/EUR</td> <td>30 Days Average</td> <td>1.1004 USD/EUR</td> </tr> <tr> <td>Weekly High</td> <td>1.1236 USD/EUR</td> <td>90 Days Average</td> <td>1.1054 USD/EUR</td> </tr> <tr> <td>Weekly Low</td> <td>1.0636 USD/EUR</td> <td>YTD Change</td> <td>-4.50%</td> </tr> </table>		Last Week Close	1.1105 USD/EUR	Monthly High	1.1492 USD/EUR	Week Open	1.1083 USD/EUR	Monthly Low	1.0638 USD/EUR	Week Close	1.0694 USD/EUR	30 Days Average	1.1004 USD/EUR	Weekly High	1.1236 USD/EUR	90 Days Average	1.1054 USD/EUR	Weekly Low	1.0636 USD/EUR	YTD Change	-4.50%					
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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- Markets will focus on the Bank of England (BoE) monetary policy meeting on March 26.
- The UK government's stimulus package might help limit the losses in Sterling.
- As the economic data is quiet, the pair could be factored by the USD price movement and any developments surrounding coronavirus saga.

Lower Bound	1.1450	Upper Bound	1.2000
Forecast	Depreciation		

Pound Sterling News

- The GBP dropped and bouncing back to above 1.2050 after the UK is pondering a GBP350 billion stimulus package.
- The labor market has remained strong in the UK despite growing uncertainties.
- The Sterling crashes to 1.1440, the lowest since 1985.
- The BoE cut rates to 0.1% and added GBP 200 billion in QE.

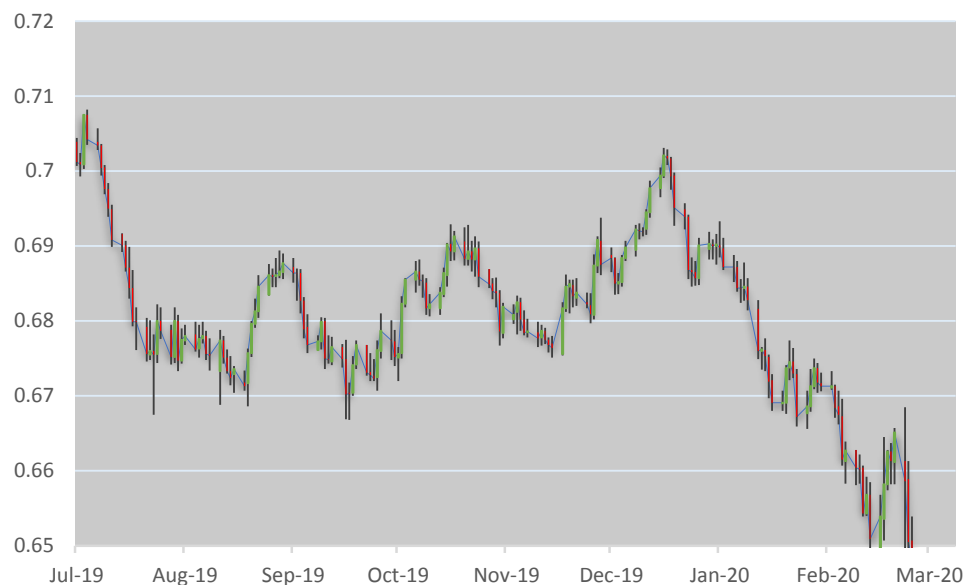
Pound Sterling Performance

Last Week Close	1.2276 USD/GBP	Monthly High	1.3199 USD/GBP
Week Open	1.2283 USD/GBP	Monthly Low	1.1414 USD/GBP
Week Close	1.1641 USD/GBP	30 Days Average	1.2698 USD/GBP
Weekly High	1.2429 USD/GBP	90 Days Average	1.2932 USD/GBP
Weekly Low	1.1404 USD/GBP	YTD Change	-12.42%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Mar	24-Mar		53.0
Flash Manufacturing PMI	Mar	24-Mar		51.7
Flash Services PMI	Mar	24-Mar		53.2
CPI YY	Feb	25-Mar		1.8%
Retail Sales MM	Feb	26-Mar		0.9%
Retail Sales Ex-Fuel MM	Feb	26-Mar		1.6%
Retail Sales YY	Feb	26-Mar		0.8%
BOE Bank Rate	Mar	26-Mar	0.25%	0.75%
GB BOE QE Corp	Mar	26-Mar	10B	10B

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- As risk-off continues to dominate direction, the AUD could extend its loss as investors are panicking and seeking for the world's base currency.
- As the comments from the RBA's Assistant Governor Ellis can offer immediate direction, investors will be interesting to hear government or central bank actions to counter the impact of the coronavirus.
- The AUD could be extending losses after it went to below 0.60 hurdle. It could test 0.55 handle, and if it closes below 0.55, it would open chance to more downside.

Lower Bound	0.5500	Upper Bound	0.6000
Forecast	Depreciation		

Australian Dollar News

- The Reserve Bank of Australia (RBA) released the minutes statement of latest monetary policy meeting held in early March which showed that the RBA Board feared the virus would be a significant drag on economic growth.
- The Board was prepared to ease monetary policy further to support the Australian economy.
- The AUD has now broken below multi-year support on selling pressure.
- On Thursday, the RBA held its emergency monetary and cut its official rate (OCR) by 25bps to a record low of 0.25% as widely expected.

Australian Dollar Performance

Last Week Close	0.6182 USD/AUD	Monthly High	0.6685 USD/AUD
Week Open	0.6133 USD/AUD	Monthly Low	0.5508 USD/AUD
Week Close	0.5798 USD/AUD	30 Days Average	0.6895 USD/AUD
Weekly High	0.6303 USD/AUD	90 Days Average	0.6842 USD/AUD
Weekly Low	0.5506 USD/AUD	YTD Change	-18.30%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing PMI	Mar	24-Mar		49.8
Services PMI	Mar	24-Mar		48.4
Composite PMI	Mar	24-Mar		48.3

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 **Japaneseese Yen**

Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen News

- Bank of Japan (BoJ) announced on Tuesday (17/3), it offers to buy JPY 100bn worth of Japanese Government Bonds (JGBs) of 3-5 years and 5-10 years maturity.
- Central bank increased the step of the ETF purchases to tackle the coronavirus-led economic fallout.
- Japan CPI data came out below expectations.

Japanese Yen Performance

Last Week Close	107.91 JPY/USD	Monthly High	111.50 JPY/USD
Week Open	107.91 JPY/USD	Monthly Low	101.20 JPY/USD
Week Close	110.80 JPY/USD	30 Days Average	108.85 JPY/USD
Weekly High	111.50 JPY/USD	90 Days Average	107.72 JPY/USD
Weekly Low	105.13 JPY/USD	YTD Change	+1.35%

Japanese Yen Outlook

- As the coronavirus pandemic has become a real threat to global growth, the JPY is possibly remain strong as safe-haven asset.
- As the focus remains on any fresh developments surrounding coronavirus, the pair might continue to attract some buying amid absence in economic release.
- However, the Yen could be possibly sold as the BoJ favors further easing.

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI Flash	Mar	24-Mar		47.8
CPI Tokyo Ex fresh food YY	Mar	27-Mar		0.5%
CPI, Overall Tokyo	Mar	27-Mar		0.4%

Lower Bound	105.50	Upper Bound	111.00
Forecast	Neutral		

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