

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**12 Jul 2021 - 16 Jul 2021**

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


Source: Thomson Reuters

**Dollar News**

- Last week, the DXY started in slow motion amid a holiday in the US that kept local markets closed. The DXY held around Friday's closed.
- NFP data seemed to have sparked a profit-taking mood on the DXY.
- The DXY was trading lower after the release of the FOMC Meeting Minutes. The document showed that the Fed officials considered the standard of 'substantial further progress' needed to adjust monetary policy, which haven't been met yet.
- The ISM Non Manufacturing PMI dropped to 60.1 in June, much lower than the market expectations at 63.5.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>92.23</b>	<b>Monthly High</b>	<b>92.85</b>
<b>Week Open</b>	<b>92.24</b>	<b>Monthly Low</b>	<b>89.66</b>
<b>Week Close</b>	<b>92.09</b>	<b>30 Days Average</b>	<b>91.37</b>
<b>Weekly High</b>	<b>92.85</b>	<b>90 Days Average</b>	<b>91.37</b>
<b>Weekly Low</b>	<b>92.00</b>	<b>YTD Change</b>	<b>+2.51%</b>

**Dollar Outlook**

- The soft service data increased the worries that the rapid pace of economic growth is nearing its end. This could add to the attractiveness of the US dollar.
- The coronavirus Delta variant continues to spread. America and Europe are failing to contain the spread of the virus that could lead to the demand to dollar as safe-haven asset.
- Investors will keep their eyes on testimony by Fed Chair Jerome Powell on Wednesday and Thursday for any sign of early tapering.

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
CPI MM, SA	Jun	13-Jul	0.5%	0.6%
Initial Jobless Clm	10 Jul, w/e	15-Jul	360k	373k
Philly Fed Business Indx	Jul	15-Jul	28.3	30.7
Industrial Production MM	Jun	15-Jul	0.7%	0.8%
Retail Sales MM	Jun	16-Jul	-1.3%	
U Mich Sentiment Prelim	Jul	16-Jul	86.5	85.5

<b>Lower Bound</b>	<b>91.85</b>	<b>Upper Bound</b>	<b>93.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The baht could trade around 32.50 – 32.70 THB/USD this week.
- The recent devastating outbreaks and the slow pace of vaccination still pressure the Thai baht and regional currencies.

**Thai Baht News**

- The baht has been weakened lately on the concern over rising covid-19 cases in the country.
- Thailand announced tighter restrictions in the capital Bangkok and 9 provinces on Friday in an effort to slow the spread of the coronavirus, including travel curbs, mall closures, and curfew and limits on the size of gathering.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>32.20</b> THB/USD	<b>Monthly High</b>	<b>32.73</b> THB/USD
<b>Week Open</b>	<b>32.16</b> THB/USD	<b>Monthly Low</b>	<b>31.98</b> THB/USD
<b>Week Close</b>	<b>32.60</b> THB/USD	<b>30 Days Average</b>	<b>31.66</b> THB/USD
<b>Weekly High</b>	<b>32.72</b> THB/USD	<b>90 Days Average</b>	<b>31.26</b> THB/USD
<b>Weekly Low</b>	<b>32.07</b> THB/USD	<b>YTD Change</b>	<b>+8.85%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Forex Reserves	5 Jul, w/e	16-Jul		247.2B
Currency Swaps	5 Jul, w/e	16-Jul		33.0B

<b>Lower Bound</b>	<b>32.50</b>	<b>Upper Bound</b>	<b>32.70</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Euro**
**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Concerns about the Delta variant spreading in Europe and the US could impact on the currency as the pandemic continues to take its toll on economic progress worldwide.
- The Euro was also pressure as ECB President Lagarde said last week that it was not the right time to talk about dialing back stimulus and that ECB's Pandemic Emergency Purchase Program could 'transition into new format'.

**Euro News**

- The Euro was trading in narrow range last week.
- The Euro's gains were limited as the ECB policymakers remains odds with their new inflation strategy but confident to reach a consensus in the special meeting.
- Also the Euro was limited on the renewed covid-19 cases triggered a fresh round concerns.

**Euro Index Performance**

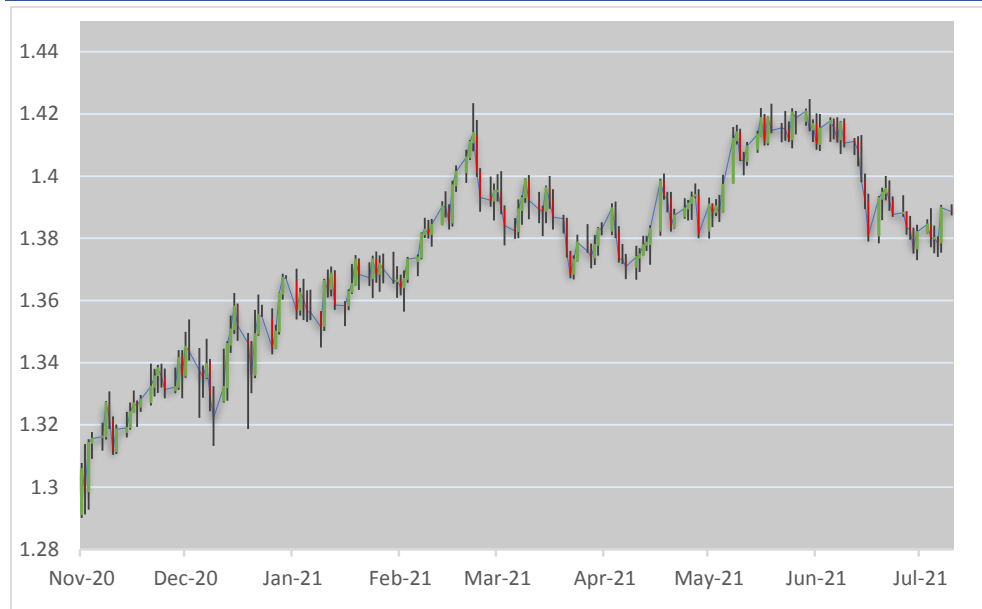
<b>Last Week Close</b>	<b>1.1864</b> USD/EUR	<b>Monthly High</b>	<b>1.1894</b> USD/EUR
<b>Week Open</b>	<b>1.1860</b> USD/EUR	<b>Monthly Low</b>	<b>1.1783</b> USD/EUR
<b>Week Close</b>	<b>1.1873</b> USD/EUR	<b>30 Days Average</b>	<b>1.2000</b> USD/EUR
<b>Weekly High</b>	<b>1.1894</b> USD/EUR	<b>90 Days Average</b>	<b>1.1996</b> USD/EUR
<b>Weekly Low</b>	<b>1.1780</b> USD/EUR	<b>YTD Change</b>	<b>-2.84%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Industrial Production MM	May	14-Jul	-0.1%	0.8%
Industrial Production YY	May	14-Jul	22.5%	39.3%
Reserve Assets Total	Jun	15-Jul		885.46B
HICP Final MM	Jun	16-Jul	0.3%	0.3%
HICP Final YY	Jun	16-Jul	1.9%	1.9%

<b>Lower Bound</b>	<b>1.1750</b>	<b>Upper Bound</b>	<b>1.1900</b>
<b>Forecast</b>	<b>Depreciation</b>		

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


Source: Thomson Reuters

- UK PM Boris Johnson announced all restrictive measure would be lifted on July 19, including the use of masks and social distancing rules despite the surging covid-19 cases. A final decision will be made on July 12.
- The sterling benefitted from the optimism arising out of the unlock news.
- On the economic data; the HIS Market/CIPS UK Composite PMI came out at 62.2 in June.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3821</b> USD/GBP	<b>Monthly High</b>	<b>1.3910</b> USD/GBP
<b>Week Open</b>	<b>1.3820</b> USD/GBP	<b>Monthly Low</b>	<b>1.3734</b> USD/GBP
<b>Week Close</b>	<b>1.3899</b> USD/GBP	<b>30 Days Average</b>	<b>1.3970</b> USD/GBP
<b>Weekly High</b>	<b>1.3908</b> USD/GBP	<b>90 Days Average</b>	<b>1.3938</b> USD/GBP
<b>Weekly Low</b>	<b>1.3740</b> USD/GBP	<b>YTD Change</b>	<b>+1.56%</b>

**Pound Sterling Outlook**

- The sterling could be pressured as the UK reported over 32K new coronavirus cases, the biggest one-day increase since late January, although there are no news suggesting restrictive measures will be maintained after July 19.
- Nevertheless, the number of those falling into critical conditions or dying is low, reflecting the effectiveness of the immunization campaigns.
- Investors will be watching a final decision on restrictive measure in the UK on July 12.

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
CPI MM	Jun	14-Jul	0.2%	0.6%
CPI YY	Jun	14-Jul	2.2%	2.1%
Claimant Count Unem Chng	Jun	15-Jul		-92.6k
ILO Unemployment Rate	May	15-Jul	4.7%	4.7%
Employment Change	May	15-Jul	90k	113k

<b>Lower Bound</b>	<b>1.3900</b>	<b>Upper Bound</b>	<b>1.4100</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar News**

- The Reserve Bank of Australia (RBA) Governor Phillip Lowe responded to the Q&A session following his speech on the labor market and monetary policy at a webinar hosted by the Economic Society of Australia on Thursday which key quotes is the RBA is not considering negative rates.
- The Aussie rebounded from 7-month lows of \$0.7409, supported by the return of risk appetite and the Chinese central bank's rate cut announcement.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7525</b> USD/AUD	<b>Monthly High</b>	<b>0.7599</b> USD/AUD
<b>Week Open</b>	<b>0.7523</b> USD/AUD	<b>Monthly Low</b>	<b>0.7411</b> USD/AUD
<b>Week Close</b>	<b>0.7485</b> USD/AUD	<b>30 Days Average</b>	<b>0.7738</b> USD/AUD
<b>Weekly High</b>	<b>0.7599</b> USD/AUD	<b>90 Days Average</b>	<b>0.7722</b> USD/AUD
<b>Weekly Low</b>	<b>0.7407</b> USD/AUD	<b>YTD Change</b>	<b>-2.90%</b>

**Australian Dollar Outlook**

- Investors will keep their eyes on the covid updates amid light calendar elsewhere for a fresh impulse.
- The coronavirus variant woes are also the key to pressure the AUD/USD prices.
- The current lockdown in Sydney could be extended as the city struggles to contain its latest outbreak which could also weigh on the AUD.

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Employment	Jun	15-Jul	30.0k	115.2k
Participation Rate	Jun	15-Jul	66.3%	66.2%
Unemployment Rate	Jun	15-Jul	5.0%	5.1%

<b>Lower Bound</b>	<b>0.7400</b>	<b>Upper Bound</b>	<b>0.7600</b>
<b>Forecast</b>	<b>Depreciation</b>		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The country will publish June Machine Tool Orders on Monday.
- The JPY could be appreciating as the concern over rising covid-19 cases around the world increase the demand for safe-haven asset.
- The Bank of Japan is expected to cut this fiscal's year's economic growth in fresh quarterly projections due this week.
- The central bank is also expected to refrains from any policy adjustments with rates to be kept at -0.10% and QQE with yield curve control is likely to be maintained to target the 10yr JGB yields at 0.0%.

<b>Lower Bound</b>	<b>109.00</b>	<b>Upper Bound</b>	<b>111.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- The JPY held the ground as safe-haven asset as rising coronavirus infection threatens the global economic recovery.
- Japan published June Money Supply M2, which rose 5.9% YoY, below the expectation.
- While Japan's top spokesman said that the country is ready to pump more money into the economy to ease the pain of a prolonged pandemic and after announcing yet another state of emergency for Tokyo.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>111.04 JPY/USD</b>	<b>Monthly High</b>	<b>111.65 JPY/USD</b>
<b>Week Open</b>	<b>111.04 JPY/USD</b>	<b>Monthly Low</b>	<b>109.54 JPY/USD</b>
<b>Week Close</b>	<b>110.14 JPY/USD</b>	<b>30 Days Average</b>	<b>107.52 JPY/USD</b>
<b>Weekly High</b>	<b>111.18 JPY/USD</b>	<b>90 Days Average</b>	<b>105.17 JPY/USD</b>
<b>Weekly Low</b>	<b>109.52 JPY/USD</b>	<b>YTD Change</b>	<b>+6.77%</b>

**Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Machinery Orders MM	May	12-Jul	2.6%	0.6%
Machinery Orders YY	May	12-Jul	6.3%	6.5%
JP BOJ Rate Decision	16 Jul	16-Jul	-0.10%	-0.10%

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