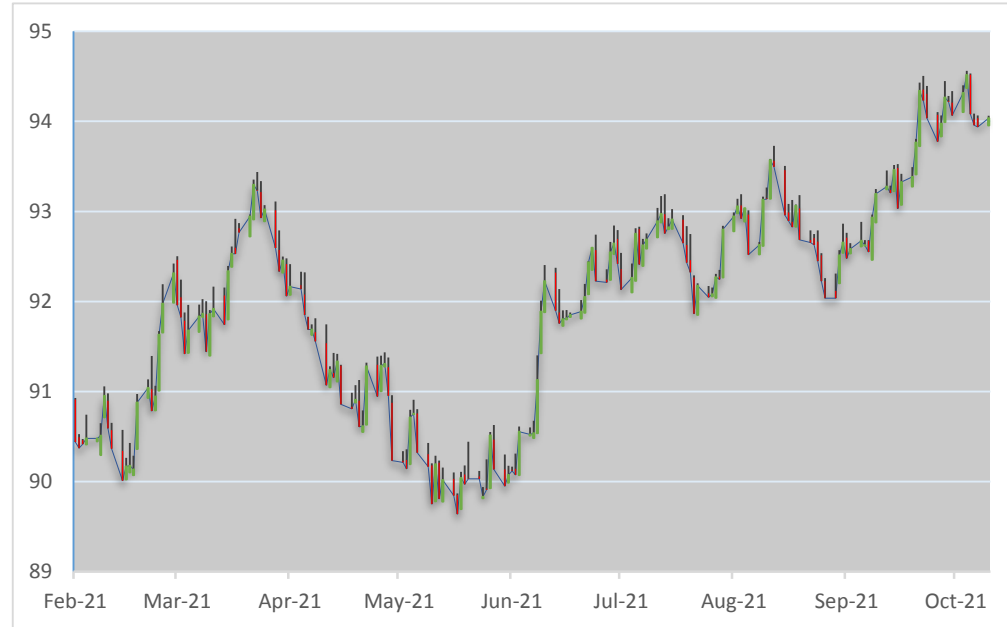


WEEKLY FOREIGN EXCHANGE OUTLOOK

18 Oct 2021 - 22 Oct 2021

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- During last week, markets remained calm ahead of Wednesday's key events; Consumer Price Index (CPI) and FOMC's Meeting Minutes.
- Fed's Bostic said US inflation is high but it is not at the point where it would affect the Federal Reserve's stance on interest rates.
- US jobless claims rose by 293K, better than consensus of 315K while PPI came at 0.5% MoM and 8.6% YoY, higher than the August reading which supported the market's mood.
- The minutes from Fed's September meeting was more hawkish than expected and have confirmed that the tapering of stimulus is likely to start as soon as this November.

Dollar Index Performance

Last Week Close	94.0670	Monthly High	94.5610
Week Open	94.1040	Monthly Low	92.1040
Week Close	93.8470	30 Days Average	93.4801
Weekly High	94.5610	90 Days Average	92.7892
Weekly Low	93.7590	YTD Change	+4.63%

Dollar Outlook

- The recent profit-taking and diminishing US yields could weigh on the dollar index.
- However, the expectations that the Fed is going to tighten monetary policy more quickly than previously expected amid an improving economy and surging inflation should help support a rise in the greenback in medium term.
- The focus will be on infrastructure bill talks, Fed Beige Book and US PMI.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Industrial Production MM	Sep	18-Oct	0.2%	0.4%
Housing Starts Number	Sep	19-Oct	1.620M	1.615M
Initial Jobless Clm	16 Oct, w/	21-Oct	303k	293k
Philly Fed Business Indx	Oct	21-Oct	24.5	30.7
Existing Home Sales	Sep	21-Oct	6.06M	5.88M
Markit Mfg PMI Flash	Oct	22-Oct	60.3	60.7
Markit Svcs PMI Flash	Oct	22-Oct	55.1	54.9
Markit Comp Flash PMI	Oct	22-Oct		55.0

Lower Bound	93.5000	Upper Bound	95.0000
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
18 Oct 2021 - 22 Oct 2021

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- After the announce of an easing on travel requirement, the bath tends to be stronger and remains in bullish momentum after it fell to the bottom of Asia's currency ranking with nearly 11% loss this year.
- The reopening could positively lead to a recovery in the baht to below of 33.00 level. However, the baht could trade volatile as the fundamentals in Thai economy remains weak.

Thai Baht News

- The baht gained more than 1% after the government eased quarantine rules for visitors from low-risk countries. An easing of travel requirements for vaccinated visitors has brightened the outlook for the tourist reliant economy.
- Visitors from 10 low-risk countries including United States, Singapore and China will not be required to undergo isolation on arrival from November 1.

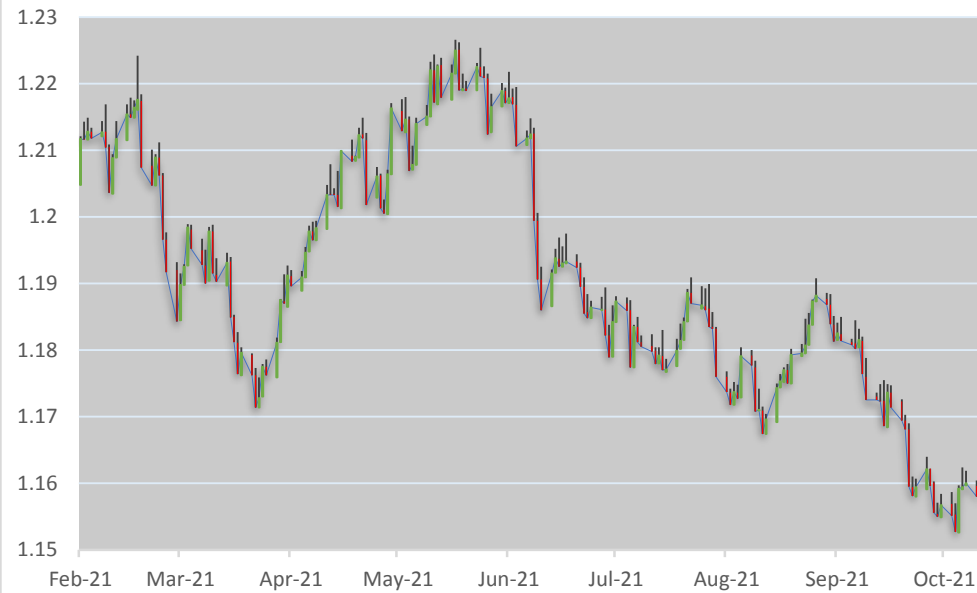
Last Week Close	33.8500 THB/USD	Monthly High	33.9800 THB/USD
Week Open	33.8700 THB/USD	Monthly Low	33.1600 THB/USD
Week Close	33.2900 THB/USD	30 Days Average	33.2896 THB/USD
Weekly High	33.8800 THB/USD	90 Days Average	32.7507 THB/USD
Weekly Low	33.1500 THB/USD	YTD Change	+11.66%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Sep	22-Oct		8.93%
Custom-Based Import Data	Sep	22-Oct		47.92%
Customs-Based Trade Data	Sep	22-Oct		-1.22B

Lower Bound	33.0500	Upper Bound	33.7500
Forecast	Neutral		

Please carefully examine the Important Disclosure on the last section of this material.


Euro
Euro Graph


Source: Thomson Reuters

Euro Outlook

- Support is around 1.1550 and resistance around 1.1650.
- The EUR probably trades in narrow range with slightly drop amid the rising bets of earlier Fed rate hike while the ECB refrains from providing any hints on the scale back of the pandemic stimulus.
- However, the improving market sentiment might cap the USD's gains and push the EUR higher above 1.1600.

Euro News

- The EUR has underperformed since early September as the strong buying pressure in the greenback pushed EUR/USD below early last week 1.1600.
- German ZEW Economic Sentiment arrived at 22.3 in October, down from 26.5 prior month.
- The ECB Governing Council member Yannis Stournaras dismissed the theory of rising energy prices and eventually the rate hike in near future due to higher inflation.
- The EUR closed the week around 1.1600, slightly gain from earlier of the week despite Lagarde pushed cautious policy message that policy support was not withdrawn prematurely.
- The shared currency remained depress amid the dovish outlook of central bank while Fed and BOE signals at probable rate hike.

Euro Performance

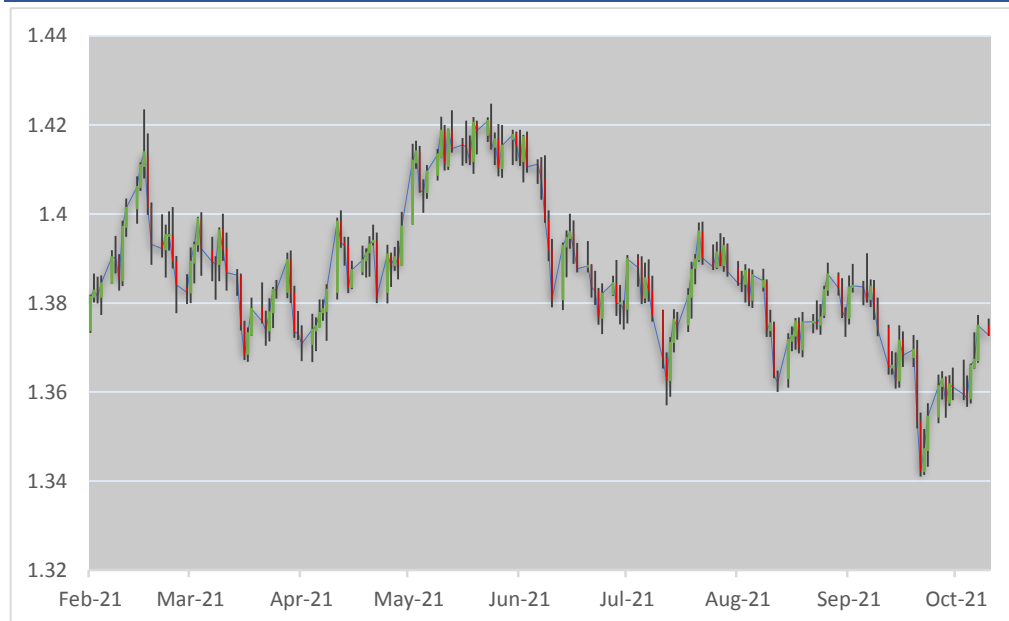
Last Week Close	1.1870 USD/EUR	Monthly High	1.1899 USD/EUR
Week Open	1.1862 USD/EUR	Monthly Low	1.1743 USD/EUR
Week Close	1.1760 USD/EUR	30 Days Average	1.1835 USD/EUR
Weekly High	1.1899 USD/EUR	90 Days Average	1.1988 USD/EUR
Weekly Low	1.1752 USD/EUR	YTD Change	-3.72%

Euro Economic Events

Events	Period	Date	Forecast	Previous
HICP Final MM	Sep	20-Oct	0.5%	0.4%
HICP Final YY	Sep	20-Oct	3.4%	3.4%
Consumer Confid. Flash	Oct	21-Oct	-5.0	-4.0
Markit Mfg Flash PMI	Oct	22-Oct	57.0	58.6
Markit Serv Flash PMI	Oct	22-Oct	55.4	56.4
Markit Comp Flash PMI	Oct	22-Oct	55.2	56.2

Lower Bound	1.1450	Upper Bound	1.1650
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
18 Oct 2021 - 22 Oct 2021

Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The speculation that the Bank of England (BOE) could raise interest rates before year-end to counter inflationary pressures could drive the Sterling.
- However, as the Brexit persists and might linger for a long time, it could limit the gains and pressure the pound,
- And even though the covid-19's impact on market diminished but the infections in Britain still refuse to fall which could also weigh on the pound.
- The eyes will be on the BOE's upcoming decision; the inflation was 3.2% in August, if the price rises remain high, there is room for gains for sterling as the rate hike in November would seem imminent. While a drop on inflation would could take out some gains from the pound.

Lower Bound	1.3650	Upper Bound	1.3850
Forecast	Neutral		

Please carefully examine the Important Disclosure on the last section of this material.

Pound Sterling News

- The GBP hung around 1.3590 undermined by the dollar's demand.
- UK data has been positive to the Sterling; Unemployment Rate dropped to 4.5% in August while wage growth surprised with a jump to 7.2% YoY and manufacturing output advanced by 0.5%,
- Moreover, the BOE signals a probable rate hike which may come as soon as November's meeting also pushed the Sterling higher to level of 1.3700.

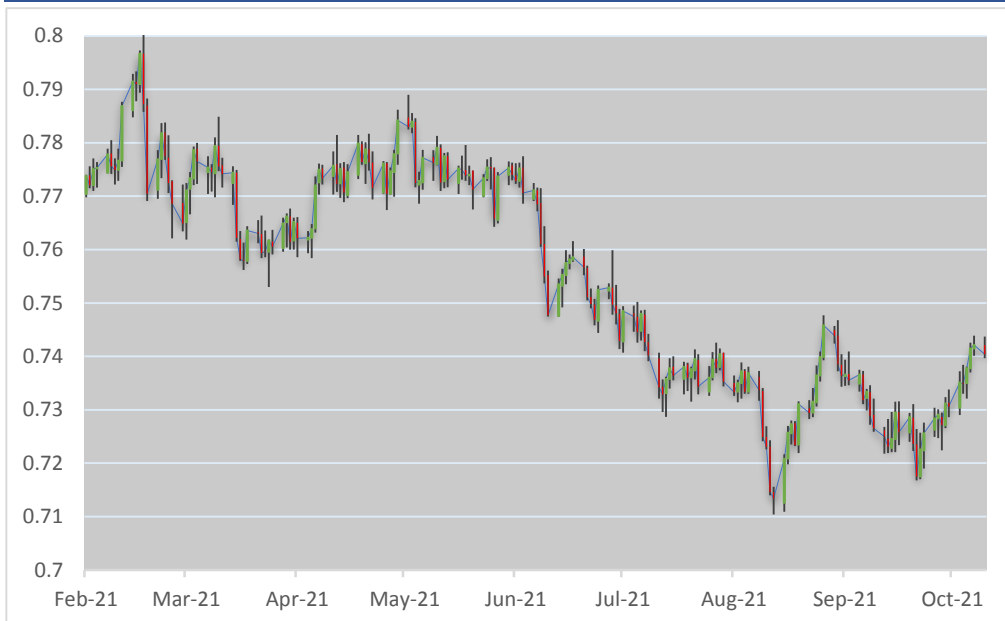
Pound Sterling Performance

Last Week Close	1.3901 USD/GBP	Monthly High	1.3957 USD/GBP
Week Open	1.3899 USD/GBP	Monthly Low	1.3856 USD/GBP
Week Close	1.3871 USD/GBP	30 Days Average	1.3827 USD/GBP
Weekly High	1.3957 USD/GBP	90 Days Average	1.3936 USD/GBP
Weekly Low	1.3859 USD/GBP	YTD Change	+1.40%

Pound Sterling Events

Events	Period	Date	Forecast	Previous
CPI YY	Sep	20-Oct	3.2%	3.2%
Retail Sales MM	Sep	22-Oct	0.4%	-0.9%
Retail Sales Ex-Fuel MM	Sep	22-Oct	0.4%	-1.2%
Retail Sales YY	Sep	22-Oct	-0.5%	0.0%
Flash Composite PMI	Oct	22-Oct	54.0	54.9
Flash Manufacturing PMI	Oct	22-Oct	55.5	57.1
Flash Services PMI	Oct	22-Oct	54.6	55.4

WEEKLY FOREIGN EXCHANGE OUTLOOK
18 Oct 2021 - 22 Oct 2021

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The prospect for an early policy tightening by the Fed might limit the loss in the greenback and could see some drop in the Aussie.
- While the upbeat market sentiment and the speech from PBoC that Evergrande's risks to financial system are "controllable" would support the commodity-linked currencies like Aussie.
- Moreover, the Covid-19 measurement in Australia begin to ease also support the AUD; quarantine required for vaccinated travelers that arrive in New South Wales would not be necessary since November 1, according to the authorities.
- This week's focus will be on RBA's Monetary Policy Meeting Minutes.

Australian Dollar News

- The Aussie held near 0.7350 earlier of last week on risk-aversion mood on the ongoing energy crisis.
- Furthermore, the IMF lowered its global growth forecast as major supply disruptions around the world are feeding inflationary pressures which are high and poses an additional risk to the outlook.
- The data from Australia also came out negative; the employment report, which showed that the economy dropped worse-than-expected 138K jobs in September, while the Unemployment Rate rose to 4.6%.
- However, after the report of a positive US economic data, the market sentiment improved and benefited riskier currencies like the Aussie.

Australian Dollar Performance

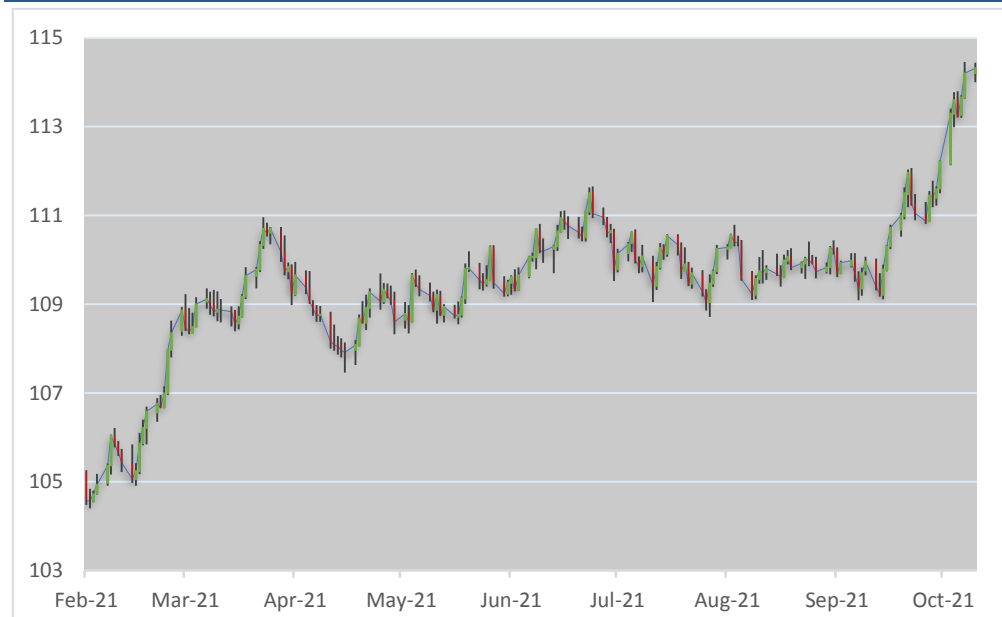
Last Week Close	0.7344 USD/AUD	Monthly High	0.7426 USD/AUD
Week Open	0.7334 USD/AUD	Monthly Low	0.7329 USD/AUD
Week Close	0.7353 USD/AUD	30 Days Average	0.7745 USD/AUD
Weekly High	0.7426 USD/AUD	90 Days Average	0.7731 USD/AUD
Weekly Low	0.7326 USD/AUD	YTD Change	-4.42%

Australian Dollar Events

Events	Period	Date	Forecast	Previous
Mfg PMI Flash	Oct	22-Oct		56.8
Services PMI Flash	Oct	22-Oct		45.5
Comp PMI Flash	Oct	22-Oct		46.0

Lower Bound	0.7250	Upper Bound	0.7450
Forecast	Neutral		

Please carefully examine the Important Disclosure on the last section of this material.


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- A current move above 114.00 is likely to extend as the upbeat data from the US seems suggesting the risk-positive environment and allow USD/JPY to remain in bearish momentum.
- However, Biden's multi-billion Build Back Better plan, US-China trade conflict under Biden's administration, Debt ceiling debate and Geopolitical risks from Afghanistan remains in focus which could increase the demand for safe-haven assets, Yen.
- Japanese import and export data for September will be released on Wednesday.

- Last week, the Yen remain heavily offered amid the latest comments from the BOJ policymakers and government official. The BOJ's board member, Asahi Naguchi commented that BOJ must maintain pandemic-relief lending program as long as there is risk of another wave of Covid infections.
- The JPY slightly gained after the PM Fumio Kishida said that new spending to aid domestic development and production of vaccines, drugs to treat Covid-19 patients will be included in the stimulus. And will extend special add-on subsidies to support jobs to March.
- However, the JPY weakened to 114.00 again after Japanese government cut export view for first time in 7 months in October.

Japanese Yen Performance

Last Week Close	112.2200 JPY/USD	Monthly High	114.4600 JPY/USD
Week Open	112.1700 JPY/USD	Monthly Low	110.8400 JPY/USD
Week Close	114.2000 JPY/USD	30 Days Average	110.0115 JPY/USD
Weekly High	114.4600 JPY/USD	90 Days Average	109.2815 JPY/USD
Weekly Low	112.1300 JPY/USD	YTD Change	+10.80%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Sep	20-Oct	11.0%	26.2%
Imports YY	Sep	20-Oct	34.4%	44.7%
Trade Balance Total Yen	Sep	20-Oct	-519.2B	-635.4B
CPI, Core Nationwide YY	Sep	22-Oct	0.1%	0.0%
CPI, Overall Nationwide	Sep	22-Oct		-0.4%
Jibun Bank Mfg PMI Flash	Oct	22-Oct		51.5

Lower Bound	112.50	Upper Bound	114.75
Forecast	Depreciation		

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