

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**13 Sep 2021 - 17 Sep 2021**

 **Dollar Index**

**Dollar Index Graph**

**Dollar News**



Source: Thomson Reuters

- The market sentiment deteriorated throughout the first half of last week as the spread of the coronavirus Delta variant fueling concerns about the recovery path could be the reasons behind the dismal mood.
- As a result, the dollar index moved to the highest level of the week on Wednesday (8/9) at around 92.80 before slid down to consolidate around 92.50.
- US initial jobless claims for the week ended September 3 fell to a seasonally-adjusted 310,000, the lowest level in almost 18 months, beating expectations. In addition, producer prices in the country were up in August, reaching 8.3% YoY.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>92.04</b>	<b>Monthly High</b>	<b>93.73</b>
<b>Week Open</b>	<b>92.12</b>	<b>Monthly Low</b>	<b>91.82</b>
<b>Week Close</b>	<b>92.33</b>	<b>30 Days Average</b>	<b>92.71</b>
<b>Weekly High</b>	<b>92.86</b>	<b>90 Days Average</b>	<b>91.81</b>
<b>Weekly Low</b>	<b>92.04</b>	<b>YTD Change</b>	<b>+3.11%</b>

**Dollar Outlook**

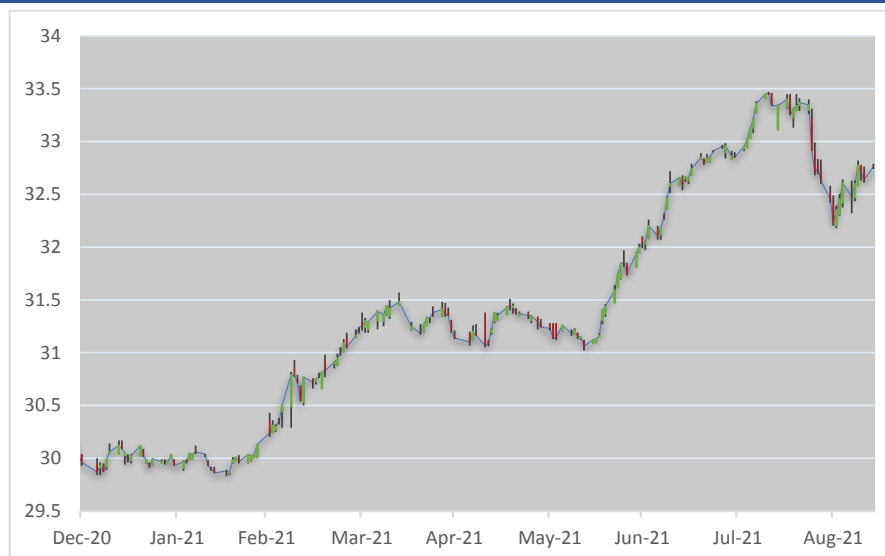
- The threat of the Covid-19 delta variant and the potential for the Federal Reserve to announce a tapering of its bond purchases remain active proponents for the dollar.
- In the upcoming days, attention will return to US data including inflation data and retail sales.
- The greenback probably moves in narrow range this week and looking forward to FED meeting on 21-22 September.

**Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
CPI MM, SA	Aug	14-Sep	0.4%	0.5%
Industrial Production MM	Aug	15-Sep	0.5%	0.9%
Initial Jobless Clm	11 Sep, w/	16-Sep	318k	310k
Philly Fed Business Indx	Sep	16-Sep	19.0	19.4
Retail Sales MM	Aug	16-Sep	-1.0%	-1.1%
U Mich Sentiment Prelim	Sep	17-Sep	72.0	70.3

<b>Lower Bound</b>	<b>92.00</b>	<b>Upper Bound</b>	<b>93.00</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Thai Baht**
**Thai Baht Graph**
**Thai Baht News**


Source: Thomson Reuters

- THB depreciated back and settled at the level around 32.70 THB/USD due to dollar strength and weak economic data.
- Thai economy in August was affected by Covid outbreak and related restrictions. Consumer confidence index fell to a record low of 39.6 in August from 40.9 a month earlier while Thailand's headline consumer price index (CPI) unexpectedly dropped 0.02% in August from a year earlier, due mainly to government subsidy measures.

<b>Last Week Close</b>	<b>32.61 THB/USD</b>	<b>Monthly High</b>	<b>32.84 THB/USD</b>
<b>Week Open</b>	<b>32.49 THB/USD</b>	<b>Monthly Low</b>	<b>32.19 THB/USD</b>
<b>Week Close</b>	<b>32.64 THB/USD</b>	<b>30 Days Average</b>	<b>32.94 THB/USD</b>
<b>Weekly High</b>	<b>32.82 THB/USD</b>	<b>90 Days Average</b>	<b>32.18 THB/USD</b>
<b>Weekly Low</b>	<b>32.32 THB/USD</b>	<b>YTD Change</b>	<b>+9.49%</b>

**Thai Baht Outlook**
**Thai Baht Economic Events**

- The baht probably trades volatile in a range of 32.50-33.00 THB/USD this week. Key focus will be foreign fund flow and local Covid cases.
- There is no important economic figures released this week.

Events	Period	Date	Forecast	Previous

<b>Lower Bound</b>	<b>32.50</b>	<b>Upper Bound</b>	<b>33.00</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

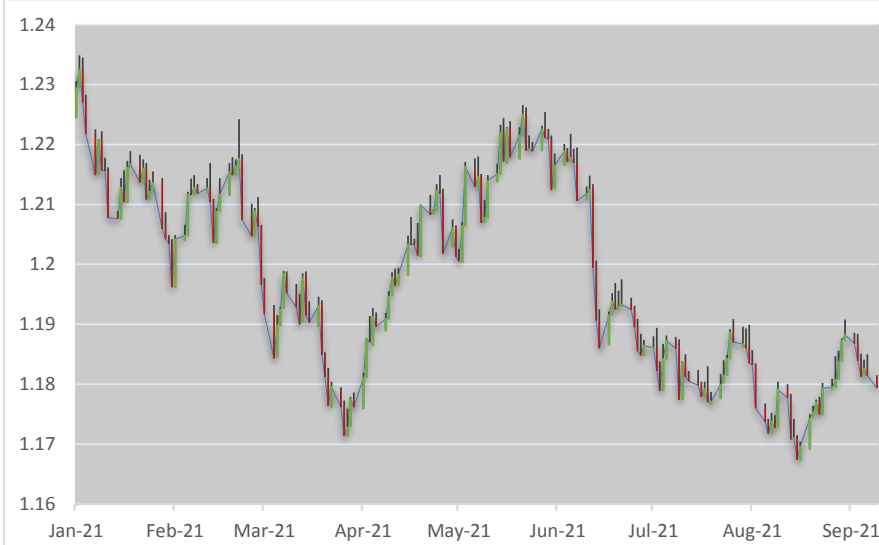
**13 Sep 2021 - 17 Sep 2021**



**Euro**

**Euro Graph**

**Euro News**



Source: Thomson Reuters

- The EUR/USD pair gave up and finished it around 1.1830 after failing to move beyond the 1.1900 threshold following a tepid US employment report last week ago.
- The ECB announced its decision on monetary policy. As widely anticipated, the central bank left its rates unchanged while confirmed that the pace of PEPP purchases would be "moderately lower" in Q4.
- However, Christine Lagarde pushed the euro down as he said that the central bank is just "re-calibrating" the PEPP, not tapering and also remarked that high inflation is expected to be temporary.
- European data was mixed. Germany factory orders were up 24.4% in July, while Eurozone GDP was upwardly revised to 2.2% in the Q2. However, the ZEW economic sentiment shrank to 26.5 in Germany and 31.1 in the EU.

**Euro Performance**

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

**Euro Outlook**

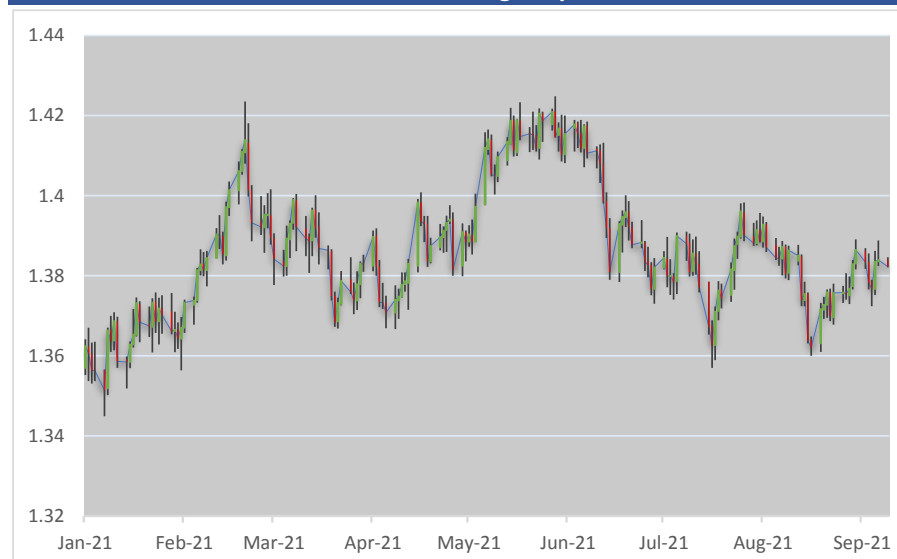
**Euro Economic Events**

- After Lagarde closed the door for tapering, the currency seems poised to resume its decline in the medium term where the strong resistance level is located at the 1.1910 USD/EUR level.
- The EU will publish a few minor figures such as industrial production and the final estimates of August inflation figures.

Events	Period	Date	Forecast	Previous
Reserve Assets Total	Aug	15-Sep		888.49B
HICP Final MM	Aug	17-Sep	0.4%	-0.1%
HICP Final YY	Aug	17-Sep	3.0%	3.0%

<b>Lower Bound</b>	<b>1.1700</b>	<b>Upper Bound</b>	<b>1.1900</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
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**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The improving UK economic and good pandemic picture are supporting the currency however we believe the currency will be unable to leave its recent range between 1.3700-1.3900 unless there is new factor as it has been rejected at 1.3900 three times in the past two weeks.
- Pending UK data, unemployment, CPI and Retail Sales for August should provide the sterling with support but without a more definite buy-in from the BOE on policy, the pound will not traverse new ground.

<b>Lower Bound</b>	<b>1.3700</b>	<b>Upper Bound</b>	<b>1.3950</b>
<b>Forecast</b>	<b>Neutral</b>		

**Pound Sterling News**

- GBP/USD finishes the week on par and at the middle of three-month range.
- The main disappointment for GBP last week was GDP which came in well below expectations in July (0.1% vs 0.6% forecast) and likely set back any BOE policy shifts.
- The BOE is moving toward tighter monetary policy, as are the ECB and US Federal Reserve as Governor Andrew Bailey's recent comment in the House of Commons that the new BOE guidance infers that the minimum criteria for rate hikes are in place.

**Pound Sterling Performance**

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

**Pound Sterling Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Claimant Count Unem Chng	Aug	14-Sep		-7.8k
ILO Unemployment Rate	Jul	14-Sep	4.6%	4.7%
CPI YY	Aug	15-Sep	2.9%	2.0%
Retail Sales MM	Aug	17-Sep	0.5%	-2.5%
Retail Sales MM	Aug	17-Sep	0.5%	-2.5%
Retail Sales Ex-Fuel MM	Aug	17-Sep	0.7%	-2.4%
Retail Sales YY	Aug	17-Sep	2.6%	2.4%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**13 Sep 2021 - 17 Sep 2021**



**Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar News**

- Last week, the AUD/USD pair traded around the 0.7400 level, marginally lower on a weekly basis.
- The aussie suffered the most on last Tuesday after the Reserve Bank of Australia decided to maintain its tapering plans, reducing its bond-buying purchases from A\$5 billion to A\$4 billion per week, although it extended them to February 2022 due to delay in the economic recovery.
- Data-wise, Australian figures reflect the ongoing restriction. August TD Securities Inflation stood pat in August on a monthly view and increased by 2.5% from a year earlier. Also, the AIG Performance of Services Index contracted to 45.6 in August from 51.7 previously.

**Australian Dollar Performance**

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

**Australian Dollar Outlook**

- We believe that the aussie is still in a rebound trend although it suffered from RBA decision last week.
- However, mixed concerns over the market sentiment might challenge the AUD bulls and if the support level of 0.7300 is broken, it could turn bearish in the medium term.
- Australia will publish NAB's Business Confidence on Tuesday, while RBA Governor Philip Lowe is scheduled to speak the same day. On Thursday, the focus will be on August employment data and September consumer inflation expectations.

**Australian Dollar Events**

Events	Period	Date	Forecast	Previous
Employment	Aug	16-Sep	-70.0k	2.2k
Unemployment Rate	Aug	16-Sep	4.9%	4.6%

<b>Lower Bound</b>	<b>0.7300</b>	<b>Upper Bound</b>	<b>0.7500</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- We believe the yen will trade in a tight range between 109.50-110.50 JPY/USD until the new prime minister is chosen or new stimulus package is announced.
- The leadership of the ruling Liberal Democratic Party (LDP) will be decided in an inter-party vote on September 29, with the winner to head the ticket in the fall general election and a likely new government.
- On Economic data, imports, exports and the merchandise trade balance were scheduled to release this week and all data should rise sharply in August, but this is primarily due to the base effect from 2020 and will have no currency impact.

<b>Lower Bound</b>	<b>109.50</b>	<b>Upper Bound</b>	<b>110.50</b>
<b>Forecast</b>	<b>Neutral</b>		

- The yen has been traded in a narrow range between 109.50-110.50 JPY/USD since the middle of August.
- The currency has been pressured by the resignation of unpopular Japanese Prime Minister Yoshihide Suga, weak economic data and an extended pandemic emergency in much of the country.
- Overall household spending in July at 0.7% was just a quarter of the 2.9% forecast, after falling 5.1% in June while GDP was slightly better than anticipated in the second quarter but is expected to fall sharply in the third.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>109.73 JPY/USD</b>	<b>Monthly High</b>	<b>110.44 JPY/USD</b>
<b>Week Open</b>	<b>109.74 JPY/USD</b>	<b>Monthly Low</b>	<b>109.60 JPY/USD</b>
<b>Week Close</b>	<b>109.93 JPY/USD</b>	<b>30 Days Average</b>	<b>108.87 JPY/USD</b>
<b>Weekly High</b>	<b>110.44 JPY/USD</b>	<b>90 Days Average</b>	<b>107.86 JPY/USD</b>
<b>Weekly Low</b>	<b>109.61 JPY/USD</b>	<b>YTD Change</b>	<b>+6.57%</b>

**Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Corp Goods Price MM	Aug	13-Sep	0.2%	1.1%
Corp Goods Price YY	Aug	13-Sep	5.6%	5.6%
Machinery Orders MM	Jul	15-Sep	3.1%	-1.5%
Machinery Orders YY	Jul	15-Sep	15.7%	18.6%
Exports YY	Aug	16-Sep	34.0%	37.0%
Imports YY	Aug	16-Sep	40.0%	28.5%
Trade Balance Total Yen	Aug	16-Sep	-47.7B	441.0B

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