

WEEKLY FOREIGN EXCHANGE OUTLOOK
14 Mar 2022 - 18 Mar 2022

Dollar Index
Dollar Index Graph
Dollar News


Source: Thomson Reuters

- The dollar index had moved fluctuated this week amid uncertainty over Russia-Ukraine tensions.
- There were capital inflows to the safe-haven-asset dollar due to fears of stagflation.
- The index was supported by the concerned over the oil situation which was getting worse after US President Joe Biden and UK Prime Minister Boris Johnson have announced sanctions on Russia amid its latest invasion of Ukraine. At some point, there were capital outflows from the dollar after the remarks from Ukraine's president, Zelensky, that Ukraine was not about to join NATO, reminding the world that Ukraine was not regarded as being ready to join NATO.

Dollar Index Performance

Last Week Close	98.65	Monthly High	99.42
Week Open	98.51	Monthly Low	95.14
Week Close	98.27	30 Days Average	96.79
Weekly High	99.42	90 Days Average	96.23
Weekly Low	97.71	YTD Change	+3.34%

Dollar Outlook

- Ahead, as the war in Ukraine rumbles on and the risk that it escalates into a broader European conflict escalates, the dollar is likely to remain in demand.
- The dollar might be more attractive safe-haven as the Fed seems intent on raising rates at its monetary policy meeting on 15-16 March. CME's FedWatch Tool flash 94% probabilities of 50 basis points of a rate hike March.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
International Trade \$	Jan	8-Mar	-87.1B	-80.7B
Initial Jobless Clm	28 Feb, w/	10-Mar	217k	216k
CPI MM, SA	Feb	10-Mar	0.8%	0.6%
U Mich Sentiment Prelim	Mar	11-Mar	61.4	62.8

Lower Bound	98.50	Upper Bound	100.00
Forecast	Appreciation		

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Along with others currencies, the Thai baht might depreciate against the dollar as investors seek for the safe-haven asset such as the dollar in the uncertainty situation between Russia and Ukraine.
- The capital outflows also pressure the baht.

Lower Bound	33.00	Upper Bound	33.50
Forecast	Depreciation		

Thai Baht News

- The Thai baht significantly depreciated against the dollar due to the strong dollar.
- Another point that pressured the baht were the capital outflows from the Thai bond market. For the Thai bond market, there were 41,230 million baht outflows from the market. Meanwhile, there were capital inflows to the Thai stock market around 675.96 million baht last week.
- The covid-19 situation in Thailand remains concerned.

Thai Baht Performance

Last Week Close	32.66 THB/USD	Monthly High	33.44 THB/USD
Week Open	32.74 THB/USD	Monthly Low	32.41 THB/USD
Week Close	33.28 THB/USD	30 Days Average	32.76 THB/USD
Weekly High	33.29 THB/USD	90 Days Average	33.10 THB/USD
Weekly Low	32.74 THB/USD	YTD Change	+0.27%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Feb	9-Mar		44.8
Currency Swaps	4 Mar, w/€	11-Mar		31.8B
Forex Reserves	4 Mar, w/€	11-Mar		244.6B

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Euro Graph


Source: Thomson Reuters

Euro Outlook

- It is likely that the euro could depreciate against the dollar due to the Russia-Ukraine crisis.
- The market's eyes are on the release of ZEW economic sentiment and Final CPI yoy which are scheduled to report on Tuesday (15/3) and Thursday (17/3), respectively.

Lower Bound	1.0700	Upper Bound	1.1050
Forecast	Depreciation		

Euro News

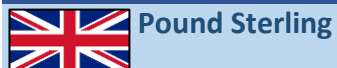
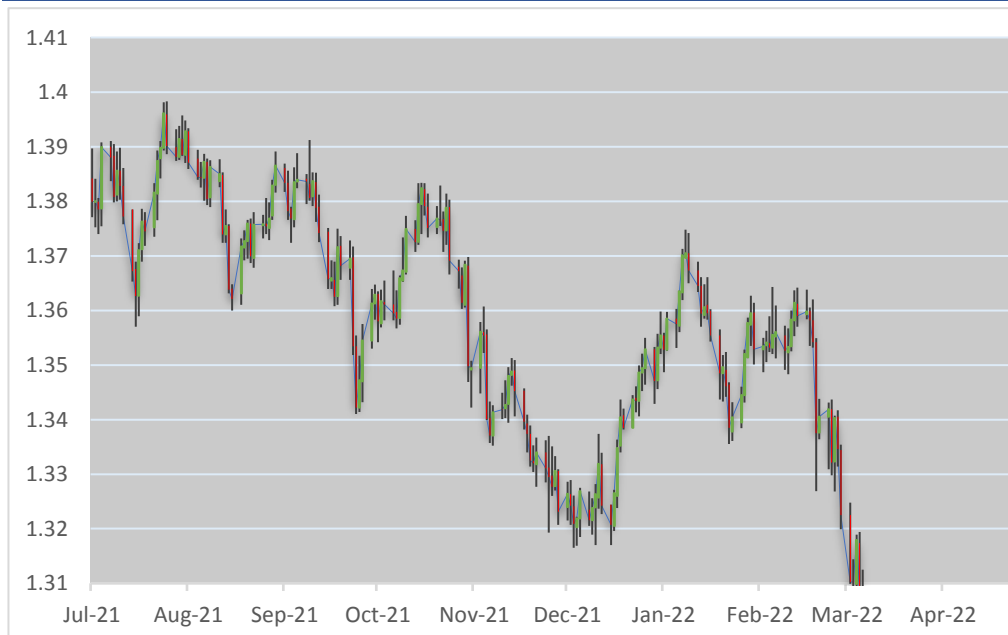
- ECB policymakers reportedly unanimously agreed at last Thursday's meeting that the inflation rate of 1.9% expected in 2024 was compatible with the bank's inflation target. Markets will continue to view rate hikes beginning in Q4 this year as likely.
- The euro is under intense downward pressure both as a hedge against war risk, downwardly revised growth and earnings expectations.
- Eurozone Sentix Investor Confidence crumbled to -7 in March vs. 5.3 expected as the eurozone economy was being dramatically hit by the Ukraine crisis.
- The data published by Eurostat showed on Tuesday that seasonally adjusted Gross Domestic Product (GDP) in the euro area expanded by 0.3% as expected on a quarterly basis in the fourth quarter.

Euro Index Performance

Last Week Close	1.0926 USD/EUR	Monthly High	1.1233 USD/EUR
Week Open	1.0951 USD/EUR	Monthly Low	1.0807 USD/EUR
Week Close	1.0909 USD/EUR	30 Days Average	1.1239 USD/EUR
Weekly High	1.1120 USD/EUR	90 Days Average	1.1289 USD/EUR
Weekly Low	1.0804 USD/EUR	YTD Change	-3.98%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
GDP Revised YY	Q4	8-Mar	4.6	4.6
GDP Revised QQ	Q4	8-Mar	0.3	0.3%
ECB Deposit Rate	Mar	10-Mar	-0.5	-0.5%
ECB Refinancing Rate	Mar	10-Mar	0.00%	0.00%

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Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The pound could be more depreciate against the dollar as the market participants are dumping the Europe domain currencies on the expectation of a stagflation situation going forward.
- The expectations that the Bank of England (BoE) would go ahead with hiking rates 25 bps at its March meeting on 17 March could lend support to the British pound.

Pound Sterling News

- The pound sterling depreciated against as it enjoyed broader strength versus all currencies as depreciated against the dollar as Russia's invasion of Ukraine and the subsequent Western sanction response has triggered a melt-up in global commodity prices and thus fears of stagflation that are particularly acute in Europe.
- The British Retail Consortium (BRC) announced that retail sales rose by 2.7%, much lower than the market consensus and prior print of 15.2% and 8.1% respectively.
- The UK GDP monthly release showed that the economy expanded more than expected in January, arriving at 0.8% vs. 0.2% expectations and -0.2% previous.
- UK industrial and manufacturing production datashowed on Friday that it rose by 0.8% MoM in January versus 0.2% expectations and 0.2% in December.

Pound Sterling Performance

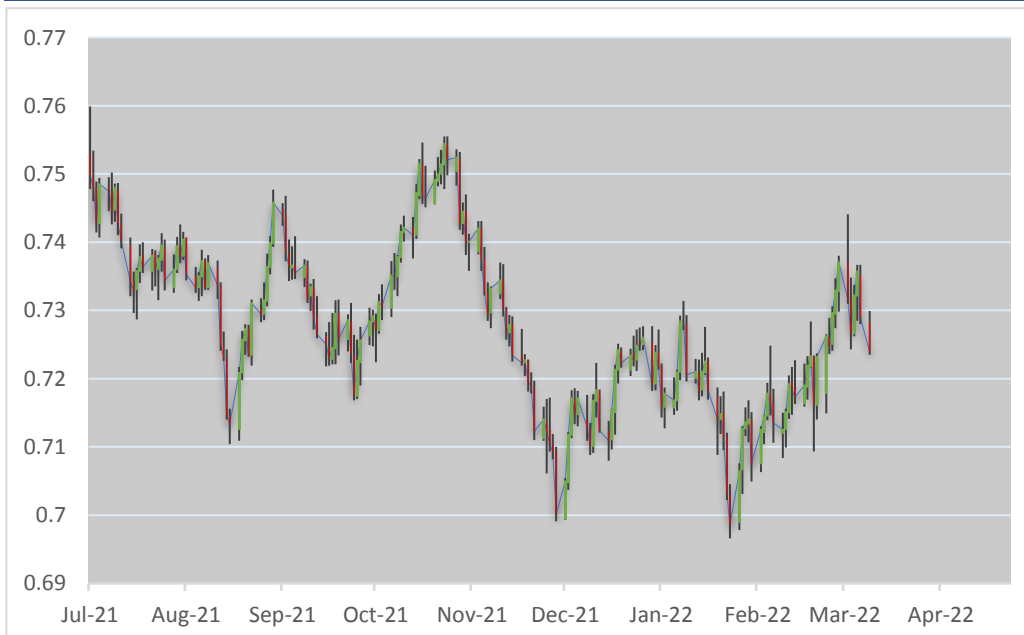
Last Week Close	1.3225 USD/GBP	Monthly High	1.3437 USD/GBP
Week Open	1.3225 USD/GBP	Monthly Low	1.3010 USD/GBP
Week Close	1.3036 USD/GBP	30 Days Average	1.3423 USD/GBP
Weekly High	1.3248 USD/GBP	90 Days Average	1.3421 USD/GBP
Weekly Low	1.3024 USD/GBP	YTD Change	-3.82%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Halifax House Prices MM	Feb	7-Mar		0.3%
Manufacturing Output MM	Jan	11-Mar	0.2%	0.2%
GDP Estimate YY	Jan	11-Mar	9.3%	6.0%
GDP Estimate MM	Jan	11-Mar	0.2%	-0.2%
GDP Est 3M/3M	Jan	11-Mar	0.8%	1.0%

Lower Bound	1.2900	Upper Bound	1.3200
Forecast	Depreciation		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- As long as there isn't a massive collapse in risk appetite that triggers a rush for US dollars and as long as the recent trend higher in commodities continues, the aussie might be more appreciate.
- The market's eyes are on the release of RBA's monetary policy meeting minutes on Tuesday (15/3)

Australian Dollar News

- A ban on Russian energy exports from the US and its allies got commodity markets roaring initially higher, underpinning the Australian dollar.
- The survey from National Australia Bank (NAB) showed its index of business conditions rose 7 points to +9 in February, reversing all of January's drop. The index of confidence climbed 9 points to +13, well above December's low of -12.
- The aussie, as a main trade partner of China, held gains against the dollar after the report of Chinese Consumer Price Index has shown that it increased by 0.9% yoy in January which was higher than expectations to rise 0.8%.
- The Reserve Bank of Australia (RBA) Governor Philip Lowe has scope to wait and assess information on uncertainties.

Australian Dollar Performance

Last Week Close	0.7370 USD/AUD	Monthly High	0.7441 USD/AUD
Week Open	0.7370 USD/AUD	Monthly Low	0.7235 USD/AUD
Week Close	0.7290 USD/AUD	30 Days Average	0.7197 USD/AUD
Weekly High	0.7441 USD/AUD	90 Days Average	0.7271 USD/AUD
Weekly Low	0.7243 USD/AUD	YTD Change	-0.37%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
AIG Services Index	Feb	7-Mar		56.2
NAB Business Confidence	Feb	8-Mar		3
NAB Business Conditions	Feb	8-Mar		3
Consumer Sentiment	Mar	9-Mar		-1.3%
Refinitiv IPSOS PCSI	Mar	11-Mar		54.90

Lower Bound	0.7150	Upper Bound	0.7400
Forecast	Appreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Ahead, as the war in Ukraine rumbles on and the risk that it escalates into a broader European conflict escalates, the yen is likely to remain in demand.
- The market's eyes are on the 2-days BoJ's monetary policy meeting on 17-19 March.

Japanese Yen News

- The risk-off mood underpins the Japanese yen's safe-haven demand.
- The yen depreciated against the dollar after Japan's quarterly GDP by the Cabinet Office reported at 1.1%, lower than the street estimates and previous print of 1.4% and 1.3% respectively, while the yearly GDP numbers slipped heavily to 4.6% from the market consensus of 5.6% and prior figure of 5.4%.
- The yen was lower due to higher US yields.

Japanese Yen Performance

Last Week Close	114.78 JPY/USD	Monthly High	117.87 JPY/USD
Week Open	114.76 JPY/USD	Monthly Low	114.66 JPY/USD
Week Close	117.28 JPY/USD	30 Days Average	114.05 JPY/USD
Weekly High	117.35 JPY/USD	90 Days Average	111.62 JPY/USD
Weekly Low	114.76 JPY/USD	YTD Change	+2.38%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Jan	8-Mar	-880.2B	-370.8B
GDP Cap Ex Rev QQ	Q4	9-Mar	0.7%	0.4%
GDP Revised QQ	Q4	9-Mar	1.4%	1.3%
GDP Rev QQ Annualised	Q4	9-Mar	5.6%	5.4%
Corp Goods Price YY	Feb	10-Mar	8.7%	8.6%
Corp Goods Price MM	Feb	10-Mar	0.6%	0.6%

Lower Bound	116.00	Upper Bound	119.00
Forecast	Depreciation		

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