

WEEKLY FOREIGN EXCHANGE OUTLOOK

12 Sep 2022 - 16 Sep 2022

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- This week, investors will eye on CPI data released on Tuesday(13/9). Increasing of CPI data may support the Fed to be on a path of tighter monetary policy and send USD higher.
- U.S. Retail Sales and Manufacturing Index will be also in focus and the weakening of those business activities could be the signals of the recessions.

Lower Bound **108.00** **Upper Bound** **111.00**

Forecast **Appreciation**

Dollar News

- Last week, the dollar was at a 20-year high at the begin of the week, supporting by geopolitical conflict after Russia's Nord Stream 1 gas pipeline will not reopen as scheduled.
- During the week, the dollar fell from its high after the US market reopen on Tuesday amid mixing jobs data.
- On Thursday, Fed Chair Jerome Powell said he is strongly committed to fighting inflation after his statement, CME Fed watch tool showed the possibility that FED will tick an interest rate up 75-bps was revised up to 87%.
- At the end of the week, the US dollar index (DXY) has given a downside break of the consolidation formed in a narrow range of 109.60-109.71 as the market participants already discounted the hawkish speech from Fed chair Jerome Powell.

Dollar Index Performance

Last Week Close	109.53	Monthly High	110.79
Week Open	109.61	Monthly Low	104.64
Week Close	108.36	30 Days Average	107.74
Weekly High	110.79	90 Days Average	105.73
Weekly Low	108.36	YTD Change	+12.65%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
CPI MM, SA	Aug	13-Sep	-0.1%	0.0%
CPI Wage Earner	Aug	13-Sep		292.219
PPI Machine Manuf'ing	Aug	14-Sep		168.2
Import Prices YY	Aug	15-Sep		8.8%
Initial Jobless Clm	10 Sep, w/	15-Sep	225k	222k
Philly Fed Business Indx	Sep	15-Sep	3.5	6.2
Retail Sales MM	Aug	15-Sep	0.0%	0.0%
Industrial Production MM	Aug	15-Sep	0.2%	0.6%
U Mich Sentiment Prelim	Sep	16-Sep	60.0	58.2

WEEKLY FOREIGN EXCHANGE OUTLOOK

12 Sep 2022 - 16 Sep 2022



Thai Baht Graph



Source: Thomson Reuters

Thai Baht News

- The baht weakened against the dollar earlier last week on concerns over energy crisis, boosting demand for the greenback.
- On Monday, Thailand headline consumer price index (CPI) rose 7.86% in August from a year earlier, driven by energy prices and last year's low base.
- During the week, the baht moved in the opposite direction of the US dollar.

Thai Baht Performance

Last Week Close	36.67 THB/USD	Monthly High	36.85 THB/USD
Week Open	34.43 THB/USD	Monthly Low	36.27 THB/USD
Week Close	36.32 THB/USD	30 Days Average	36.01 THB/USD
Weekly High	36.82 THB/USD	90 Days Average	35.53 THB/USD
Weekly Low	36.25 THB/USD	YTD Change	+9.06%

Thai Baht Outlook

- This week, there is no significant economic data for Thailand, therefore the baht will be likely to move in an depreciated trend as dollar strong against major currency.
- However, the baht may be supported from USD profit-taking and net capital inflow in fixed income market which is net buying around 123,000 million year to date.

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	5 Sep, w/e	16-Sep		213.5B
Currency Swaps	5 Sep, w/e	16-Sep		27.5B

Lower Bound	36.20	Upper Bound	36.80
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

12 Sep 2022 - 16 Sep 2022



Euro Graph



Source: Thomson Reuters

Euro News

- The euro sank to \$0.9875, a new 20-year low, before recovering to \$0.9900 after Russia's halt to gas supplies down its main pipeline to Europe heightened fear about a deepening energy crisis across the region. Moreover, the EU business activity contracted for a second month in August as demand sank.
- On Thursday, ECB raised its key interest rates by an unprecedented 75 basis points. It also revised up its inflation expectations, forecasting an average 8.1% in 2022, 5.5% in 2023 and 2.3% in 2024.
- During the week, Member of G7 agreed to impose a price cap on Russian oil to hit Moscow's ability to finance the war in Ukraine.

Euro Index Performance

Last Week Close	0.9951 USD/EUR	Monthly High	1.0197 USD/EUR
Week Open	0.9948 USD/EUR	Monthly Low	0.9865 USD/EUR
Week Close	1.0039 USD/EUR	30 Days Average	1.0100 USD/EUR
Weekly High	1.0112 USD/EUR	90 Days Average	1.0318 USD/EUR
Weekly Low	0.9862 USD/EUR	YTD Change	-10.86%

Euro Outlook

- This week we see that the euro may rise from technical rebound, however the euro still has the downside risk ahead including energy crisis and entering to a recession soon.
- This week EU will release EU Aug Trade Balance. Meanwhile, the markets will wait for any signals for future Monetary policy from ECB.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jul	15-Sep		-30.80B
Reserve Assets Total	Aug	15-Sep		1,129.15B
HICP Final MM	Aug	16-Sep	0.5%	0.1%
HICP Final YY	Aug	16-Sep	9.1%	9.1%

Lower Bound	0.9900	Upper Bound	1.0300
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
12 Sep 2022 - 16 Sep 2022

Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- This week will be the important week of the pound as markets will focus on UK GDP and CPI figure.
- The Bank of England (BOE) postponed the monetary policy meeting from Sept. 15 to Sept 22 due to the Queen's funeral. The BOE is expected to hike 75 bps in the coming meeting.

Lower Bound	1.1400	Upper Bound	1.1750
Forecast	Depreciation		

Pound Sterling News

- Last week, the pound sterling fell as concern over the UK's deteriorating economic outlook continues to undermine sterling.
- The new Britain's prime minister Liz Truss has finally won the elections and has been elected as the next Britain's Prime Minister. As announced by Liz Truss while presenting her capabilities for contender of UK leadership that she will scale down energy bills for households.
- Last Friday, the pound recovered after falling against the US dollar overnight in choppy trading as Queen Elizabeth II, Britain's longest-reigning monarch and the nation's figurehead for seven decades, died.

Pound Sterling Performance

Last Week Close	1.1507 USD/GBP	Monthly High	1.1700 USD/GBP
Week Open	1.1515 USD/GBP	Monthly Low	1.1406 USD/GBP
Week Close	1.1587 USD/GBP	30 Days Average	1.1860 USD/GBP
Weekly High	1.1647 USD/GBP	90 Days Average	1.2111 USD/GBP
Weekly Low	1.1403 USD/GBP	YTD Change	-13.75%

Next Week's Pound Sterling Economic Events

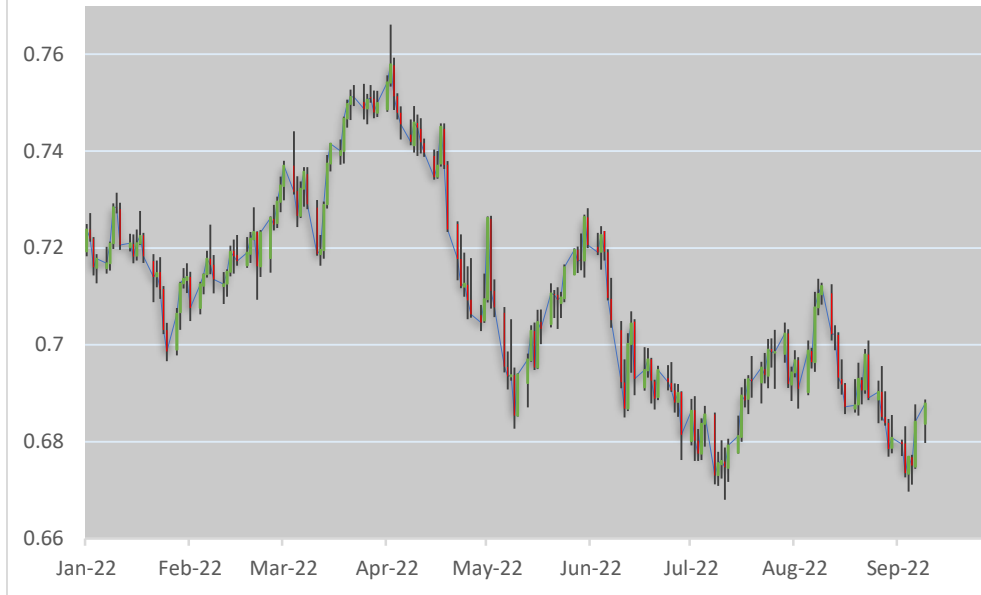
Events	Period	Date	Forecast	Previous
GDP Estimate MM	Jul	12-Sep	0.4%	-0.6%
GDP Estimate YY	Jul	12-Sep	2.6%	1.9%
Manufacturing Output MM	Jul	12-Sep	0.4%	-1.6%
ILO Unemployment Rate	Jul	13-Sep	3.8%	3.8%
CPI YY	Aug	14-Sep	10.2%	10.1%
BOE Bank Rate	Sep	15-Sep		1.75%
Retail Sales MM	Aug	16-Sep	-0.6%	0.3%
Retail Sales Ex-Fuel MM	Aug	16-Sep	-0.7%	0.4%
Retail Sales YY	Aug	16-Sep	-4.2%	-3.4%

WEEKLY FOREIGN EXCHANGE OUTLOOK

12 Sep 2022 - 16 Sep 2022

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- This week, the employment change and unemployment rate will be on focus.
- However, the Aussie was pressured as it is impacted from Zero covid measure from China. Moreover, the market will focus on the visiting of President Xi Jinping to Russia, which is his first foreign trip since covid began.

Australian Dollar News

- Last week, the Aussie slightly appreciated against the dollar as RBA lifts official cash rate by 50 basis points to 1.85%. However, Philip Lowe, said Australia's economy would grow slower this year and in coming years than the RBA had forecast in its May statement on monetary policy.
- The RBA trimmed its GDP growth forecast to 3.25% in 2022 compared with the 4.25%. GDP growth in 2023 and 2024 is now expected to come in at 1.75%. That compares with the May forecast by the RBA of 2% in 2023 and 2% in the year to June 2024.

Australian Dollar Performance

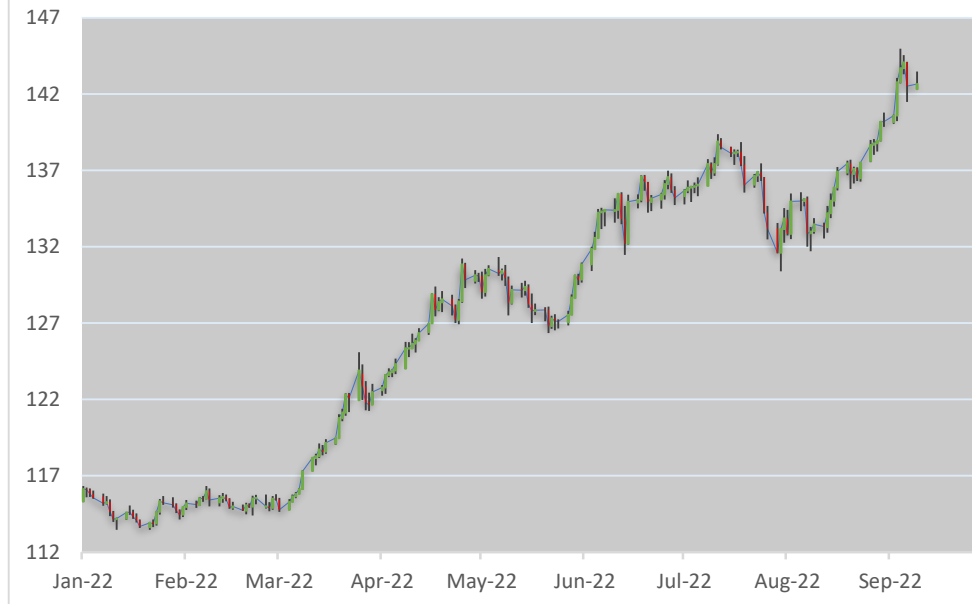
Last Week Close	0.6808 USD/AUD	Monthly High	0.68870 USD/AUD
Week Open	0.6800 USD/AUD	Monthly Low	0.66990 USD/AUD
Week Close	0.6841 USD/AUD	30 Days Average	0.68877 USD/AUD
Weekly High	0.6877 USD/AUD	90 Days Average	0.71320 USD/AUD
Weekly Low	0.6697 USD/AUD	YTD Change	-5.50%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Employment	Aug	15-Sep	50.0k	-40.9k
Unemployment Rate	Aug	15-Sep	3.4%	3.4%

Lower Bound	0.6650	Upper Bound	0.6950
Forecast	Depreciation		

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


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- This week yen may rebound (appreciated) from 20 yrs low as Japanese Finance Minister Shunichi Suzuki signaling the chance of intervention to address market volatility. However, the yen still underpressure as divergence in monetary policy and interest rate differentials between Japan and the United States.

Lower Bound	140.00	Upper Bound	145.00
Forecast	Appreciation		

Japanese Yen News

- Last week, the USD/JPY hit its multi-decade high at 144.80 JPY/USD, the highest level since 1998.
- The yen continues with its relative underperformance amid bets that the Bank of Japan's ultra-loose monetary policy would continue. The Fed-BoJ policy divergence and widening US-Japan rate differential weigh heavily on the yen.
- Japan's Chief Cabinet Secretary Hirokazu Matsuno told a news briefing that the administration would like to take necessary steps if "rapid, one-sided" moves in currency markets continue, ratcheting up the rhetoric.

Japanese Yen Performance

Last Week Close	140.20 JPY/USD	Monthly High	144.98 JPY/USD
Week Open	140.17 JPY/USD	Monthly Low	139.07 JPY/USD
Week Close	142.52 JPY/USD	30 Days Average	128.68 JPY/USD
Weekly High	144.98 JPY/USD	90 Days Average	121.62 JPY/USD
Weekly Low	140.06 JPY/USD	YTD Change	+24.11%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Corp Goods Price MM	Aug	13-Sep	0.4%	0.4%
Corp Goods Price YY	Aug	13-Sep	8.9%	8.6%
Reuters Tankan N-Man Idx	Sep	14-Sep		19
Machinery Orders MM	Jul	14-Sep	-0.8%	0.9%
Machinery Orders YY	Jul	14-Sep	6.6%	6.5%
Exports YY	Aug	15-Sep	23.6%	19.0%
Imports YY	Aug	15-Sep	46.7%	47.2%
Trade Balance Total Yen	Aug	15-Sep	-2,398.2B	-1,436.8B
Tertiary Ind Act NSA	Jul	15-Sep		4.4%
Chain Store Sales YY	Aug	15-Sep		1.8%

IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.