

WEEKLY FOREIGN EXCHANGE OUTLOOK
17 Apr 2023 - 21 Apr 2023

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

• This week the dollar rebound as market tone change to risk-off on renewed concerns over inflation. The one-year inflation expectation from the University of Michigan Consumer Sentiment survey posted a surprise jump to 4.6%. They offset the upbeat tone from the better-than-expected earnings from a number of major US banks. Some hawkish Fed speak also aided the higher interest rate expectations, with Fed Governor Christopher Waller and Atlanta Fed President Raphael Bostic suggesting that the Fed could hike another 25 bps next month. Now markets are marginally pricing a slight probability (20%) of another hike after May's.

Dollar Index News

• Last week the dollar drop against major currency. The dollar index pared losses and was above 101 on Friday, still remaining close to its lowest level in a year, as investors try to gauge the next Fed monetary policy steps. The latest data showed retail sales in March fell more than expected but previous figures were revised to show a smaller decline. Meanwhile, US consumer sentiment unexpectedly increased and inflation expectations for the year ahead jumped to a 5-month high of 4.6%. Earlier, US producer prices unexpectedly fell month-on-month in March by the most in nearly three years, and inflation data pointed to a moderation in consumer prices. The latest FOMC minutes also indicated that officials considerably scaled back expectations of aggressive rate hikes, as the recent banking crisis would likely tip the economy into recession later this year.

Dollar Index Performance

Last Week Close	102.09	Monthly High	105.88
Week Open	102.10	Monthly Low	100.79
Week Close	100.79	30 Days Average	102.99
Weekly High	102.81	90 Days Average	103.35
Weekly Low	100.79	YTD Change	-1.76%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Housing Starts Number	Mar	18-Apr	1.400M	1.450M
Philly Fed Business Indx	Apr	20-Apr		-23.2
Existing Home Sales	Mar	20-Apr	4.49M	4.58M
S&P Global Mfg PMI Flash	Apr	21-Apr		49.2
S&P Global Svcs PMI Flash	Apr	21-Apr		52.6
S&P Global Comp Flash PMI	Apr	21-Apr		52.3
Initial Jobless Clm		10 Apr, w/ 20-Apr		

Lower Bound	100.50	Upper Bound	102.50
Forecast	Appreciation		

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

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Thai Baht Graph



Source: Thomson Reuters

Thai Baht Outlook

- This week Thai baht will be move in a narrow range as market waiting for more data from US. Baht will be appreciated against dollar as market risk-off on renewed concerns over inflation.

Thai Baht News

- In the beginning of last week, Thai baht dropped against dollar after the release of the March nonfarm payrolls. Investors expected that Fed will hike rate 25 bps in next meeting.
- Thailand's consumer confidence rose for a 10th straight month in March, reaching a three-year high, boosted by a recovery in the crucial tourism sector and spending for the upcoming election, a survey showed on Tuesday. The consumer index of the University of the Thai Chamber of Commerce (UTCC) rose to 53.8 in March from 52.6 in February.

Thai Baht Performance

Last Week Close	34.14 THB/USD	Monthly High	34.46 THB/USD
Week Open	34.43 THB/USD	Monthly Low	33.79 THB/USD
Week Close	34.23 THB/USD	30 Days Average	34.33 THB/USD
Weekly High	34.40 THB/USD	90 Days Average	34.08 THB/USD
Weekly Low	33.93 THB/USD	YTD Change	-0.75%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Mar	20-Apr		-4.70%
Custom-Based Import Data	Mar	20-Apr		1.10%
Customs-Based Trade Data	Mar	20-Apr		-1.11B
Manufacturing Prod YY	Mar	21-Apr		-2.71%

Lower Bound	34.20	Upper Bound	34.50
Forecast	Depreciation		

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Euro

Euro Graph



Source: Thomson Reuters

Euro News

- Last week the euro appreciated against dollar as investors dumped the US dollar on expectations the Federal Reserve might pause it's tightening policy campaign soon. Recent US data pointed out that inflationary pressures are easing and the labor market is slowing down.
- Nevertheless, European data came in line with expectations, providing mild support to the shared currency. Eurozone Retail Sales were down 0.8% in March, as expected, while the April Sentix Investor Confidence index improved to -8.7. Industrial Production in the Union rose at an annualized pace of 2% in February, beating the forecast, while Germany confirmed the Harmonized Index of Consumer Prices (HICP) at 7.8% YoY in March.

Euro Index Performance

Last Week Close	1.0897 USD/EUR	Monthly High	1.1075 USD/EUR
Week Open	1.0899 USD/EUR	Monthly Low	1.0789 USD/EUR
Week Close	1.1000 USD/EUR	30 Days Average	1.0813 USD/EUR
Weekly High	1.1075 USD/EUR	90 Days Average	1.0740 USD/EUR
Weekly Low	1.0830 USD/EUR	YTD Change	+2.57%

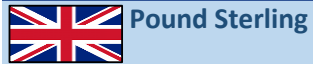
Euro Outlook

• This week the euro will support by expectation that the European Central Bank is set to deliver two more 25 bps rate hikes by mid-year to combat inflation. While the headline inflation in the Euro Area was the lowest in 13 months in March, both core and food inflation hit a fresh record high. Earlier this month, ECB's Klaas Knot said it was unclear whether 50 bps would be needed or if 25 was enough and Robert Holzmann backed another 50 bps move, while Peter Kazimir said the ECB could perhaps slow down the pace of its increases. However the solid gain in dollar make the euro drop from 1.100 USD/THB.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Feb	18-Apr		-11.30B
ZEW Economic Sentiment	Apr	18-Apr		13.0
ZEW Current Conditions	Apr	18-Apr		-46.5
HICP Final MM	Mar	19-Apr		0.8%
HICP Final YY	Mar	19-Apr	6.9%	6.9%
Consumer Confid. Flash	Apr	20-Apr		-19.2
S&P Global Mfg Flash PMI	Apr	21-Apr		47.3
S&P Global Serv Flash PMI	Apr	21-Apr		55.0
S&P Global Comp Flash PMI	Apr	21-Apr		53.7

Lower Bound	1.0900	Upper Bound	1.1100
Forecast	Appreciation		

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Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- This week the pound will be appreciated against dollar as investor expected that the Bank of England will likely raise interest rates further to combat inflation which remained above 10% in the last 6 months.
- This week investors will keep an eye on UK CPI and employment data .

Lower Bound	1.2300	Upper Bound	1.2600
Forecast	Appreciation		

Pound Sterling News

- The British pound extended gains to above \$1.25, touching its strongest level since June 2022, on general dollar weakness after it became clear that the Federal Reserve is set to pause its tightening cycle soon.
- Meanwhile, data showed Britain's GDP stagnated in February due to strikes by public workers but January's growth was revised higher, suggesting the economy might avoid a recession in early 2023.

Pound Sterling Performance

Last Week Close	1.2413 USD/GBP	Monthly High	1.2546 USD/GBP
Week Open	1.2421 USD/GBP	Monthly Low	1.2275 USD/GBP
Week Close	1.2413 USD/GBP	30 Days Average	1.2265 USD/GBP
Weekly High	1.2546 USD/GBP	90 Days Average	1.2185 USD/GBP
Weekly Low	1.2343 USD/GBP	YTD Change	+2.55%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
ILO Unemployment Rate	Feb	18-Apr		3.7%
Core CPI YY	Mar	19-Apr		6.2%
CPI YY	Mar	19-Apr		10.4%
Retail Sales MM	Mar	21-Apr		1.2%
Retail Sales Ex-Fuel MM	Mar	21-Apr		1.5%
Flash Composite PMI	Apr	21-Apr		52.2
Flash Manufacturing PMI	Apr	21-Apr		47.9
Flash Services PMI	Apr	21-Apr		52.9

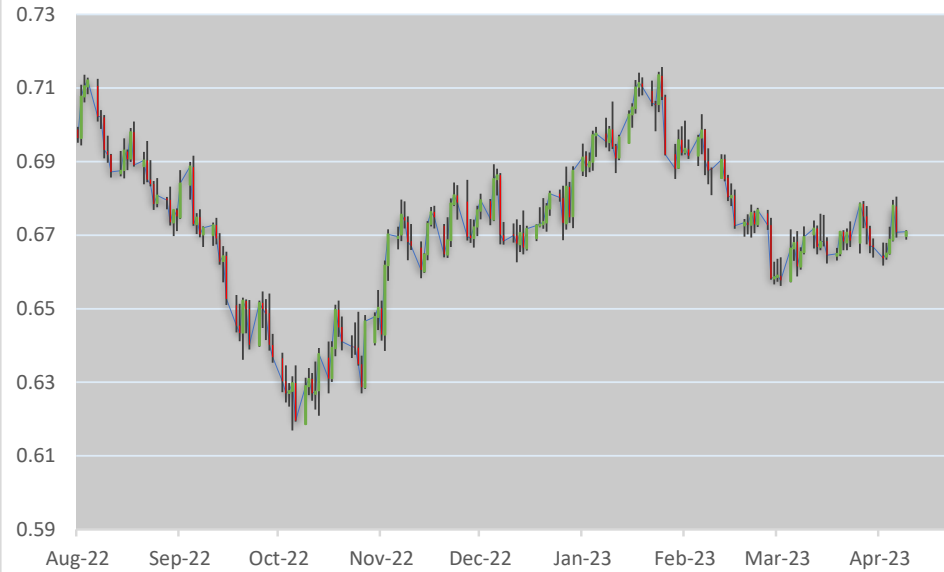
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Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Australian came under pressure again dollar as their latest rallies came to nothing in the face of diverging interest rate outlooks and yield spreads. Aussie have been undermined by a shift in market expectations for higher interest rates in the United States and Europe.
- This week will see the RBA meeting minutes released for its March gathering. Given the commentary from the bank since then, it seems unlikely that there will be any surprises in the notes.
- From a domestic perspective, the next impact event for AUD will be the quarterly CPI on Wednesday 26th April. A soft reading there will give the RBA breathing room to pause on any future hikes, but a reacceleration of price pressures may see a pivot back to a more hawkish attitude.

Lower Bound	0.6550	Upper Bound	0.6800
Forecast	Neutral		

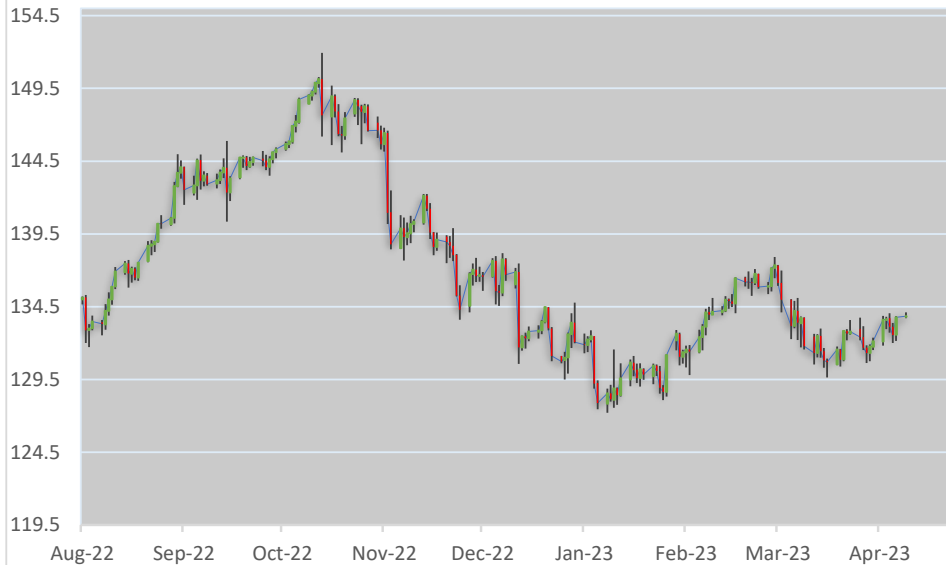
Australian Dollar News

• The Australian Dollar scaled to a seven-week high last week before collapsing as signs of cooling inflation in the US bolstered expectations that the Federal Reserve might be nearing the end of its tightening cycle. Meanwhile, Australian employment data came out surprisingly strong for March, indicating the labor market held up well in the face of higher interest rates. On the monetary policy front, the Reserve Bank of Australia kept the cash rate unchanged at 3.6% in April after raising interest rates for ten consecutive meetings. The board wanted additional time to assess the impact of past increases on the economic outlook. Still, the RBA reiterated that further tightening might be needed to ensure the inflation returns to the target.

Last Week Close	0.6668 USD/AUD	Monthly High	0.68050 USD/AUD
Week Open	0.6644 USD/AUD	Monthly Low	0.66200 USD/AUD
Week Close	0.6708 USD/AUD	30 Days Average	0.69713 USD/AUD
Weekly High	0.6805 USD/AUD	90 Days Average	0.67610 USD/AUD
Weekly Low	0.6617 USD/AUD	YTD Change	-1.57%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Mar	19-Apr		-0.06%
Judo Bank Mfg PMI Flash	Apr	21-Apr		49.1
Judo Bank Svs PMI Flash	Apr	21-Apr		48.6
Judo Bank Comp PMI Flash	Apr	21-Apr		48.5


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

• The Japanese yen will depreciate against dollar as hawkish tone from Fed member. This week investors will keep an eye on Japan's National Consumer Price Index (CPI) for March, which will be important to watch for clear directions.

Japanese Yen News

• The Japanese yen was remained under pressure after Bank of Japan governor Kazuo Ueda reiterated that inflation in Japan would fall below the central bank's 2% target toward the middle of the year, emphasizing the BOJ will stick to its ultra-easy monetary policy until price stability is achieved. Meanwhile, the IMF recently stated in its global financial stability report the BOJ could help prevent abrupt policy changes later by allowing more flexibility in its yield curve control policy.

Last Week Close	132.13 JPY/USD	Monthly High	134.10 JPY/USD
Week Open	132.11 JPY/USD	Monthly Low	130.65 JPY/USD
Week Close	133.77 JPY/USD	30 Days Average	136.19 JPY/USD
Weekly High	134.04 JPY/USD	90 Days Average	141.61 JPY/USD
Weekly Low	131.82 JPY/USD	YTD Change	+2.17%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Mar	20-Apr		6.5%
Imports YY	Mar	20-Apr		8.3%
Trade Balance Total Yen	Mar	20-Apr		-897.7B
CPI, Core Nationwide YY	Mar	21-Apr		3.1%
CPI, Overall Nationwide	Mar	21-Apr		3.3%
JibunBK Mfg PMI Flash SA	Apr	21-Apr		49.2
JibunBK Comp Op Flash SA	Apr	21-Apr		52.9
JibunBK SVC PMI Flash SA	Apr	21-Apr		55.0

Lower Bound	133.00	Upper Bound	134.50
Forecast	Depreciation		

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