

WEEKLY FOREIGN EXCHANGE OUTLOOK

13 Mar 2023 - 17 Mar 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- Fed Chair Jerome Powell's hawkish remarks during his semi-annual Congressional testimony, the US Dollar rally picked up steam alongside the US Treasury bond yields. The US Treasury bond yields spiked to fresh multi-month highs, with the benchmark 10-year US rate having regained the closely watched 4.0% level.
- The US Dollar (USD) stays under modest bearish pressure amid retreating US Treasury bond yields, the currency's performance against its major rivals could be impacted in a significant way on the US February jobs reports. • US jobs data was mixed but flashed signs of cooling down.
- US regulators seized the Silicon Valley Bank (SVB) after the institution failed to raise capital to meet its requirements. That sent shockwaves across different asset segments as worries for a spillover increased.

Dollar Index Performance

Last Week Close	104.52	Monthly High	105.88
Week Open	104.53	Monthly Low	100.82
Week Close	104.04	30 Days Average	103.95
Weekly High	105.88	90 Days Average	104.49
Weekly Low	104.04	YTD Change	+0.21%

Dollar Outlook

- Sentiment shifted sour on a default by the Silicon Valley Bank in the US, at the risk of spillover in the sector.
- Tuesday's U.S. CPI data for February will be the final piece of key data before the Federal Reserve's next interest-rate decision the following week and could determine whether the central bank returns to 50 basis-point rate increases after its recent 25 basis-point rise.

Lower Bound	103.92	Upper Bound	105.13
Forecast	Appreciation		

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI MM, SA	Feb	14-Mar	0.4%	0.4
Core CPI YY, NSA	Feb	14-Mar		5.6
CPI MM, SA	Feb	14-Mar	0.4%	0.5
CPI YY, NSA	Feb	14-Mar		6.4
Retail Sales MM	Feb	15-Mar	0.2%	3
Housing Starts Number	Feb	16-Mar	1.310M	1309000
Philly Fed Business Indx	Mar	16-Mar		-24.3
Industrial Production MM	Feb	17-Mar	0.4%	0
U Mich Sentiment Prelim	Mar	17-Mar	67.5	67
Initial Jobless Clm		6 Mar, w/e 16-Mar		

WEEKLY FOREIGN EXCHANGE OUTLOOK

13 Mar 2023 - 17 Mar 2023



Thai Baht Graph



Source: Thomson Reuters

Thai Baht News

- The baht strengthened more than 1% after the U.S. job data released on Thursday and Friday prompted market participants to expect the Fed might be less aggressive than previously thought, which would be a negative for the dollar.
- Thailand's finance minister said Southeast Asia's second-largest economy is expected to grow by 3% to 4% this year, driven by a rebound in the vital tourism sector.
- The investment portfolio status of foreign investors between March 6-10, foreign investors sold net Thai shares of 10,381 million baht, but had Net Inflows status. Entered the Thai bond market for the second consecutive week at 9,157 million baht (net buy 10,147 million baht, while debt instruments expired 990 million baht).

Thai Baht Performance

Last Week Close	34.47 THB/USD	Monthly High	35.36 THB/USD
Week Open	34.53 THB/USD	Monthly Low	34.40 THB/USD
Week Close	34.81 THB/USD	30 Days Average	34.27 THB/USD
Weekly High	35.19 THB/USD	90 Days Average	34.44 THB/USD
Weekly Low	34.38 THB/USD	YTD Change	-0.38%

Thai Baht Outlook

- The important factors to be monitored, such as the outcome of the European Central Bank (ECB) meeting, the direction of foreign investment and Asian currencies.

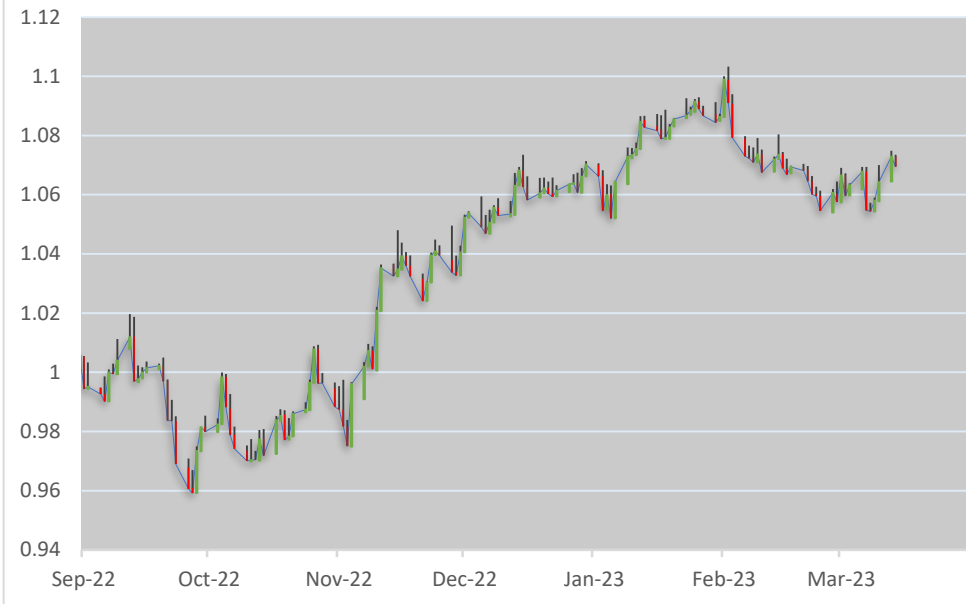
Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	6 Mar, w/€	17-Mar		
Currency Swaps	6 Mar, w/€	17-Mar		

Lower Bound	34.00	Upper Bound	35.00
Forecast	Depreciation		

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

WEEKLY FOREIGN EXCHANGE OUTLOOK
13 Mar 2023 - 17 Mar 2023

Euro Graph


Source: Thomson Reuters

Euro News

- EUR/USD reached a two-week high at 1.0700 and finished the week with minimal gains.
- Germany reported inflationary data at 8.7% YoY, unchanged from the previous month. The Harmonised Index of Consumer Prices (HICP) rose 9.3% YoY, cementing the case for further tightening by the European Central Bank (ECB).
- EUR/USD rose further on Friday and peaked at 1.0700, the highest level since February 20. Despite the stronger-than-expected NFP growth, the DXY is falling by more than 0.70% and US yields are sharply lower. The jobs report showed an increase in the Unemployment Rate in February.

Euro Index Performance

Last Week Close	1.0632 USD/EUR	Monthly High	1.0748 USD/EUR
Week Open	1.0618 USD/EUR	Monthly Low	1.0525 USD/EUR
Week Close	1.0643 USD/EUR	30 Days Average	1.0694 USD/EUR
Weekly High	1.0700 USD/EUR	90 Days Average	1.0616 USD/EUR
Weekly Low	1.0523 USD/EUR	YTD Change	-0.06%

Euro Outlook

- European Central Bank (ECB) monetary policy announcements on Thursday, The ECB is widely expected to raise interest rates by 50 basis points, taking the deposit rate to 3.00%.
- The move has been well flagged by the central bank, leaving focus on any signals for how much further and how fast interest rates will rise in the future, in particular whether the ECB will opt for another 50 basis-point increase in May.
- Some analysts have raised their forecasts for ECB interest rates due to recent strong inflation data, causing eurozone bond yields to rise, although risk aversion following Thursday's selloff in U.S. banking stocks has caused them to drop back.

Lower Bound	1.0550	Upper Bound	1.0750
Forecast	Depreciation		

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Industrial Production MM	Jan	15-Mar		-1.10%
Industrial Production YY	Jan	15-Mar		-1.70%
Reserve Assets Total	Feb	15-Mar		1,125.35B
ECB Refinancing Rate	Mar	16-Mar		3.00%
ECB Deposit Rate	Mar	16-Mar		2.50%
HICP Final MM	Feb	17-Mar		-0.20%
HICP Final YY	Feb	17-Mar		8.50%
HICP-X F, E, A, T Final MM	Feb	17-Mar		0.80%
HICP-X F,E,A&T Final YY	Feb	17-Mar		5.60%

WEEKLY FOREIGN EXCHANGE OUTLOOK

13 Mar 2023 - 17 Mar 2023



Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling News

- The Pound Sterling dropped by the dovish comments from Bank of England (BoE) policymaker Swati Dhingra who is warning against further interest rate increases. Although the GBP/USD recovery in the latter part of the week gained traction after the UK economy expanded by 0.3% in January against the 0.1% expected and -0.5% previous. Meanwhile, the industrial sector activity showed a contraction in January, the latest UK industrial and manufacturing production data published by Office for National Statistics (ONS) showed on Friday. However, GBP gained traction and climbed to 1.2113, the highest in a week, on Friday amid broad US Dollar weakness. The US jobs report for February showed strong gains in jobs but an increase in the unemployment rate and wages cooling down to the slowest growth in a year.

Pound Sterling Performance

Last Week Close	1.2040 USD/GBP	Monthly High	1.2199 USD/GBP
Week Open	1.2034 USD/GBP	Monthly Low	1.1805 USD/GBP
Week Close	1.2028 USD/GBP	30 Days Average	1.2059 USD/GBP
Weekly High	1.2113 USD/GBP	90 Days Average	1.2093 USD/GBP
Weekly Low	1.1802 USD/GBP	YTD Change	+0.53%

Pound Sterling Outlook

- The U.K.'s spring budget on Wednesday isn't expected to contain any significant surprises on the fiscal front that could materially affect sterling, especially as analysts don't expect them to affect Bank of England policy. However, gilt investors will watch changes to the gilt remit for fiscal 2024 closely.
- The Bank of England will release the Statement and the Minutes of its Financial Policy Committee (FPC) meeting on Friday.

Lower Bound **1.1900** **Upper Bound** **1.2100**

Forecast **Depreciation**

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Industrial Production MM	Jan	15-Mar		-1.1
Industrial Production YY	Jan	15-Mar		-1.7
Reserve Assets Total	Feb	15-Mar		1,125.35B
ECB Refinancing Rate	Mar	16-Mar		3
ECB Deposit Rate	Mar	16-Mar		2.5
HICP Final MM	Feb	17-Mar		-0.2
HICP Final YY	Feb	17-Mar		8.5
HICP-X F, E, A, T Final MM	Feb	17-Mar		0.8
HICP-X F,E,A&T Final YY	Feb	17-Mar		5.6

WEEKLY FOREIGN EXCHANGE OUTLOOK

13 Mar 2023 - 17 Mar 2023

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar News

- The Australian dollar fell toward \$0.67, sliding back to its weakest levels in two months after the Reserve Bank of Australia delivered a widely expected 25 basis point rate hike and tempered its hawkish guidance on policy. The RBA has now lifted the cash rate for the 10th straight meeting, bringing borrowing costs to an almost 11-year high of 3.6%.
- The Aussie dollar nursed losses at a four-month low on Wednesday after the Reserve Bank of Australia signalled a likely pause in rate increases in April after raising interest rates to an 11-year high.

Australian Dollar Performance

Last Week Close	0.6768 USD/AUD	Monthly High	0.67830 USD/AUD
Week Open	0.6759 USD/AUD	Monthly Low	0.65650 USD/AUD
Week Close	0.6577 USD/AUD	30 Days Average	0.68098 USD/AUD
Weekly High	0.6769 USD/AUD	90 Days Average	0.66212 USD/AUD
Weekly Low	0.6562 USD/AUD	YTD Change	-2.36%

Australian Dollar Outlook

- Aussie jobs report, RBA Bulleting and US inflation will be in focus for clear directions.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Employment	Feb	16-Mar		-11.5k
Participation Rate	Feb	16-Mar		66.5%
Unemployment Rate	Feb	16-Mar		3.7%

Lower Bound	0.6650	Upper Bound	0.6850
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- USD/JPY picks up bids to pare intraday losses, rebounds from one-month low.
- BoJ Minutes will be crucial to watch as hawkish bets on the Japanese central bank's next move escalates after Kuroda's exit.

Lower Bound	135.00	Upper Bound	137.00
Forecast	Depreciation		

Japanese Yen News

- The yen slid more than 0.6% in a knee-jerk plunge after the BOJ kept policy unchanged in Governor Haruhiko Kuroda's last policy meeting before he steps down in April. It later recouped some of those losses and was last roughly 0.4% lower at 136.66 per dollar.
- The USD/JPY dropped to levels sub 136.00 following the release of the US employment report.

Japanese Yen Performance

Last Week Close	135.86 JPY/USD	Monthly High	137.91 JPY/USD
Week Open	135.87 JPY/USD	Monthly Low	132.29 JPY/USD
Week Close	134.98 JPY/USD	30 Days Average	144.41 JPY/USD
Weekly High	137.91 JPY/USD	90 Days Average	141.49 JPY/USD
Weekly Low	134.10 JPY/USD	YTD Change	+1.82%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Jan	16-Mar		1.6%
Machinery Orders YY	Jan	16-Mar		-6.6%
Exports YY	Feb	16-Mar		3.5%
Imports YY	Feb	16-Mar		17.8%
Trade Balance Total Yen	Feb	16-Mar		-3,496.6B
Tertiary Ind Act NSA	Jan	17-Mar		7.0%
Chain Store Sales YY	Feb	15-Mar		1.3%

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.