

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 May 2023 - 05 May 2023**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Outlook**

- For the dollar, ISM Manufacturing PMI numbers for April kickstart the week. While the headline figure will influence, investors should consider the employment and prices sub-components.
- On Tuesday (2/5), JOLTs job openings will draw interest ahead of ADP nonfarm employment change and ISM Non-Manufacturing numbers on Wednesday (3/5). Both numbers will influence as investors consider the Fed interest rate decision.
- The Federal Reserve will announce its decision on Wednesday (2-3/5), with market participants expecting a final 25 basis points rate hike.
- At the end of the week, stats include factory orders, trade data, unit labor costs, and nonfarm productivity numbers that should have a limited impact on the dollar.

<b>Lower Bound</b>	<b>101.11</b>	<b>Upper Bound</b>	<b>102.52</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- The dollar rose as market sentiment turned risk-averse amid renewed worries about the banking sector and the outlook for the global economy. A weak consumer confidence report and a decline in Federal Reserve manufacturing data further added to the dollar's safe heaven appeal.
- US Core PCE Price Index data showed a month-on-month increase of 0.3%, which was as expected, so this had no impact on inflation expectations.
- US Advance GDP data was disappointing, with annualized growth of 2.0% expected but the data showed growth of only 1.1% which perhaps weakens the case for a further rate hike.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>101.82</b>	<b>Monthly High</b>	<b>103.36</b>
<b>Week Open</b>	<b>101.72</b>	<b>Monthly Low</b>	<b>100.79</b>
<b>Week Close</b>	<b>101.42</b>	<b>30 Days Average</b>	<b>102.04</b>
<b>Weekly High</b>	<b>102.24</b>	<b>90 Days Average</b>	<b>103.04</b>
<b>Weekly Low</b>	<b>101.01</b>	<b>YTD Change</b>	<b>-1.21%</b>

**Next Week's Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confidence	Apr	25-Apr	104.0	104.0
New Home Sales-Units	Mar	25-Apr	0.630M	0.623M
Durable Goods	Mar	26-Apr	0.7%	-1.2%
GDP Advance	Q1	27-Apr	2.0%	
Consumption, Adjusted MM	Mar	28-Apr	-0.1%	0.1%
Core PCE Price Index MM	Mar	28-Apr	0.3%	
Core PCE Price Index YY	Mar	28-Apr	4.5%	4.7%
PCE Price Index MM	Mar	28-Apr		
PCE Price Index YY	Mar	28-Apr		5.1%
U Mich Sentiment Final	Apr	28-Apr	63.5	

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- It's a big week ahead on the economic calendar. The Fed and the ECB deliver policy decisions, with the private sector, the US Jobs Report, and Euro Area inflation also in focus.
- The Baht might be impacted from the major data and policy meeting of many major central banks this week.

<b>Lower Bound</b>	<b>33.93</b>	<b>Upper Bound</b>	<b>34.52</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Thai Baht News**

- The baht and Asian currencies dipped as the increased probability of an interest rate hike by the US Federal Reserve at its next meeting continued to weigh on sentiment. However, the currency was trading range-bound in absence of fresh catalyst.
- Thailand's finance ministry has lowered its 2023 economic growth outlook to 3.6% from 3.8% projected earlier, on expectations of a fall in exports as global demand weakens.
- The baht strengthened and broke through support level near 34.20 on Wednesday night after customs-based export data surprised market with export not falling as much as expected. The head of the ministry's trade policy and strategy office is maintaining its target of 1% - 2% export growth in 2023.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>34.33</b> THB/USD	<b>Monthly High</b>	<b>34.24</b> THB/USD
<b>Week Open</b>	<b>34.43</b> THB/USD	<b>Monthly Low</b>	<b>34.11</b> THB/USD
<b>Week Close</b>	<b>34.12</b> THB/USD	<b>30 Days Average</b>	<b>34.22</b> THB/USD
<b>Weekly High</b>	<b>34.51</b> THB/USD	<b>90 Days Average</b>	<b>34.02</b> THB/USD
<b>Weekly Low</b>	<b>34.02</b> THB/USD	<b>YTD Change</b>	<b>-1.18%</b>

**Next Week's Thai Baht Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Custom-Based Export Data	Mar	26-Apr	-14.00%	
Custom-Based Import Data	Mar	26-Apr	-4.70%	
Customs-Based Trade Data	Mar	26-Apr	-1.07B	
Exports YY	Mar	28-Apr		
Imports YY	Mar	28-Apr		
Trade Account	Mar	28-Apr		
Current Account	Mar	28-Apr		
Manufacturing Prod YY	Mar	28-Apr	-3.65%	

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**Euro Graph**


Source: Thomson Reuters

**Euro News**

- The euro moved in a narrow range after the release of euro area S&P Global PMIs. The euro further supported by comments from ECB's Lagarde that Governing Council "still has some way to go" before the ECB finishes hiking interest rates.
- The euro rose and was still going at \$1.1050 on Tuesday morning. European Central Bank (ECB) board member Isabel Schnabel told Politico that a 50 bp rate hike was not off the table and would depend on data.
- However, the euro continuing to trade near one-year highs but struggling to consolidate above 1.1050. The Eurozone's Q1 GDP narrowly avoided a recession with a 0.1% expansion.
- German Preliminary CPI came in lower than expected, at a month-on-month increase of only 0.4% when 0.6% was expected, which maybe weakens the case for the next Eurozone rate hike.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0987</b> USD/EUR	<b>Monthly High</b>	<b>1.1035</b> USD/EUR
<b>Week Open</b>	<b>1.0989</b> USD/EUR	<b>Monthly Low</b>	<b>1.0953</b> USD/EUR
<b>Week Close</b>	<b>1.1020</b> USD/EUR	<b>30 Days Average</b>	<b>1.0938</b> USD/EUR
<b>Weekly High</b>	<b>1.1095</b> USD/EUR	<b>90 Days Average</b>	<b>1.0785</b> USD/EUR
<b>Weekly Low</b>	<b>1.0961</b> USD/EUR	<b>YTD Change</b>	<b>+2.37%</b>

**Euro Outlook**

- On data front, German retail sales, Eurozone member states and Eurozone manufacturing PMIs, and euro area inflation will be in focus (2/5).
- The European Central Bank is expected to raise interest rates by 25 basis points on Thursday (4/5), as inflation remains elevated.
- "Both a 25-basis point and a 50-basis point rate hike seem to be on the table," said ING economist Carsten Brzeski, adding there was a growing debate between "hawks" and "doves" about the impacts of tightening.
- On Friday (5/5), German factory orders and euro area retail sales wrap up a busy week.

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Ifo Business Climate New	Apr	24-Apr	94.0	93.2
Ifo Curr Conditions New	Apr	24-Apr	96.0	
Ifo Expectations New	Apr	24-Apr	91.5	91.0
Unemployment Chg SA	Apr	28-Apr	10k	
Unemployment Rate SA	Apr	28-Apr	5.6%	
GDP Flash QQ SA	Q1	28-Apr	0.2%	-0.5%
GDP Flash YY NSA	Q1	28-Apr	0.8%	0.2%
CPI Prelim YY	Apr	28-Apr	7.3%	
HICP Prelim YY	Apr	28-Apr	7.8%	

<b>Lower Bound</b>	<b>1.0864</b>	<b>Upper Bound</b>	<b>1.1071</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- It is a quieter week ahead for the Pound. Finalized private sector PMIs will provide direction on Tuesday (2/5) and Thursday (4/5). We expect revisions to the Services PMI to have more influence.
- On Thursday (4/5), BoE Governor David Bailey is on the calendar to deliver a speech at the Building Societies Annual Conference.

**Pound Sterling News**

- The cable pair was trading around 1.2400. Despite the upbeat UK economic data (except Retail Sales) and higher-than-expected inflation numbers that boosted expectations of more tightening from the Bank of England, the Pound posted minor gains versus the Dollar.

**Pound Sterling Performance**

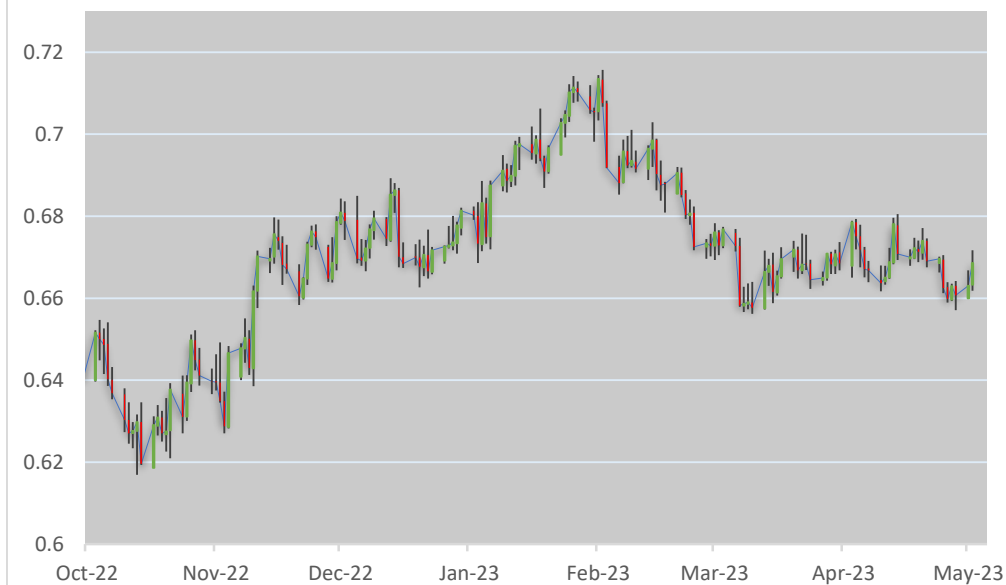
<b>Last Week Close</b>	<b>1.2430</b> USD/GBP	<b>Monthly High</b>	<b>1.2569</b> USD/GBP
<b>Week Open</b>	<b>1.2437</b> USD/GBP	<b>Monthly Low</b>	<b>1.2454</b> USD/GBP
<b>Week Close</b>	<b>1.2572</b> USD/GBP	<b>30 Days Average</b>	<b>1.2407</b> USD/GBP
<b>Weekly High</b>	<b>1.2583</b> USD/GBP	<b>90 Days Average</b>	<b>1.2220</b> USD/GBP
<b>Weekly Low</b>	<b>1.2385</b> USD/GBP	<b>YTD Change</b>	<b>+3.00%</b>

**Next Week's Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
PSNB Ex Banks GBP	Mar	25-Apr	20.000B	13.322B
PSNB, GBP	Mar	25-Apr		12.501B
PSNCR, GBP	Mar	25-Apr		-1.693B
CBI Business Optimism	Q2	25-Apr		
CBI Distributive Trades	Apr	26-Apr	0	
CBI Trends - Orders	Apr	25-Apr	-20	

<b>Lower Bound</b>	<b>1.2358</b>	<b>Upper Bound</b>	<b>1.2543</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- On Wednesday (3/5), retail sales figures will draw interest ahead of trade data on Thursday (4/5).

**Australian Dollar News**

- Australian CPI (inflation) data – the quarterly increase was very slightly higher than had been expected, but the headline annualized rate fell from 6.8% to 6.3%, beating the 6.5% which had been widely expected.
- The AUD/USD pair has displayed a steep fall after failing to extend recovery above 0.6640 in the Asian session as US Index regained strength.
- The Aussie hit a one-week high after the Reserve Bank of Australia (RBA) surprised with a rate hike to 3.85% and signalled more "some further" tightening may be required to ensure that inflation returns to target in a reasonable timeframe.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6690</b> USD/AUD	<b>Monthly High</b>	<b>0.67170</b> USD/AUD
<b>Week Open</b>	<b>0.6686</b> USD/AUD	<b>Monthly Low</b>	<b>0.66110</b> USD/AUD
<b>Week Close</b>	<b>0.6607</b> USD/AUD	<b>30 Days Average</b>	<b>0.68708</b> USD/AUD
<b>Weekly High</b>	<b>0.6705</b> USD/AUD	<b>90 Days Average</b>	<b>0.68017</b> USD/AUD
<b>Weekly Low</b>	<b>0.6571</b> USD/AUD	<b>YTD Change</b>	<b>-1.81%</b>

**Next Week's Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
CPI QQ	Q1	26-Apr	1.3%	
CPI YY	Q1	26-Apr	6.9%	
RBA Weightd Medn CPI QQ	Q1	26-Apr	1.3%	
RBA Weightd Medn CPI YY	Q1	26-Apr	5.9%	
RBA Trimmed Mean CPI QQ	Q1	26-Apr	1.4%	
RBA Trimmed Mean CPI YY	Q1	26-Apr	6.7%	

<b>Lower Bound</b>	<b>0.6585</b>	<b>Upper Bound</b>	<b>0.6770</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- It is a quiet week for the Japanese Yen. There are no economic indicators from Japan for investors to consider.

<b>Lower Bound</b>	<b>133.00</b>	<b>Upper Bound</b>	<b>138.40</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Japanese Yen News**

- Japanese yen was among the worst performer. Japan's consumer inflation held steady above the central bank's target in March and an index excluding fuel costs rose at the fastest annual pace in four decades, data showed, indicating broadening price pressure in the world's third-largest economy.
- The Japanese Yen tumbled on Friday (28/4) following the Bank of Japan's monetary policy meeting. The central bank dropped its forward guidance for interest rates and launched a review of its policies that will take more than a year. "We're not starting the review with the aim of normalizing," said Uedo at his first post-meeting press conference.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>134.15 JPY/USD</b>	<b>Monthly High</b>	<b>137.77 JPY/USD</b>
<b>Week Open</b>	<b>134.08 JPY/USD</b>	<b>Monthly Low</b>	<b>136.28 JPY/USD</b>
<b>Week Close</b>	<b>136.28 JPY/USD</b>	<b>30 Days Average</b>	<b>133.47 JPY/USD</b>
<b>Weekly High</b>	<b>136.56 JPY/USD</b>	<b>90 Days Average</b>	<b>140.41 JPY/USD</b>
<b>Weekly Low</b>	<b>133.00 JPY/USD</b>	<b>YTD Change</b>	<b>+4.84%</b>

**Next Week's Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Service PPI	Mar	25-Apr		1.70%
Leading Indicator Revised	Feb	27-Apr		
JP BOJ Rate Decision	28 Apr	28-Apr	-0.10%	
CPI Tokyo Ex fresh food YY	Apr	28-Apr	3.2%	
CPI, Overall Tokyo	Apr	28-Apr		
Jobs/Applicants Ratio	Mar	28-Apr	1.34	
Unemployment Rate	Mar	28-Apr	2.5%	
Industrial O/P Prelim MM SA	Mar	28-Apr	0.5%	
Large Scale Retail Sales YY	Mar	28-Apr		
Chain Store Sales YY	Mar	25-Apr		

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