

Market Outlook

9-15 March 2015

Highlight

Last Week:

The U.S. dollar rallied to fresh eleven-and-a-half year highs against a basket of major currencies last week as a strong U.S. jobs report solidified expectations for higher interest rates. Meanwhile, the euro plunged continuously as the ECB set to begin its €60 billion a month quantitative easing program on Monday (9/3). Moreover, the ECB president announced that the bond buying program might be last until September, 2016 or beyond if the central bank does not approach its target inflation rate of 2%. The aussie dropped against the dollar as RBA Governor Glenn Stevens said last week that further easing of policy may be appropriate over the period ahead. The pound also fell broadly after the Bank of England left interest rates unchanged at their current record low of 0.50%.

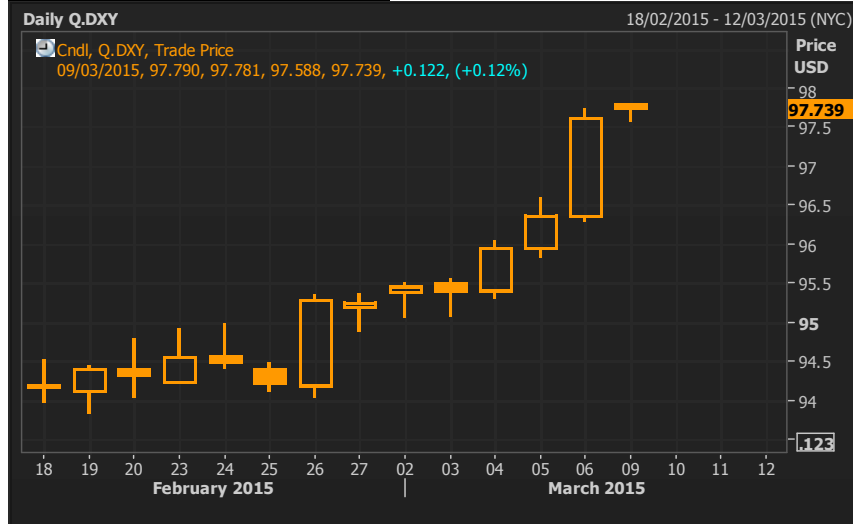
This Week:

In the week ahead, markets will focus on talks on Greece by euro zone finance ministers in Brussels on Monday (9/3), New Zealand central bank rate decision (11/3), Australian employment data (12/3) while Thursday's U.S. retail sales report will also be closely watched for further indications on the strength of the recovery.

USD

The U.S. dollar powered higher against its peers along the week despite another round of weaker data, personal income, personal spending, the ISM manufacturing index and construction spending all surprised to the downside. The dollar still climbed up as ADP national employment rose sharply at 212k in February, service sector activity grew faster than expected which at 56.9 in February. The U.S. dollar soared to fresh highs against most of the major currencies following the strong labor market report. With nearly 300k new jobs created in the month of February, the unemployment rate dropped to 5.5% the lowest level since May 2008. Average hourly earnings grew only 0.1% compared to the market's 0.2% forecast, but a rise in wages is enough to put a June rate hike back on the table.

Graph: Dollar Index (DXY)



Source: Reuters

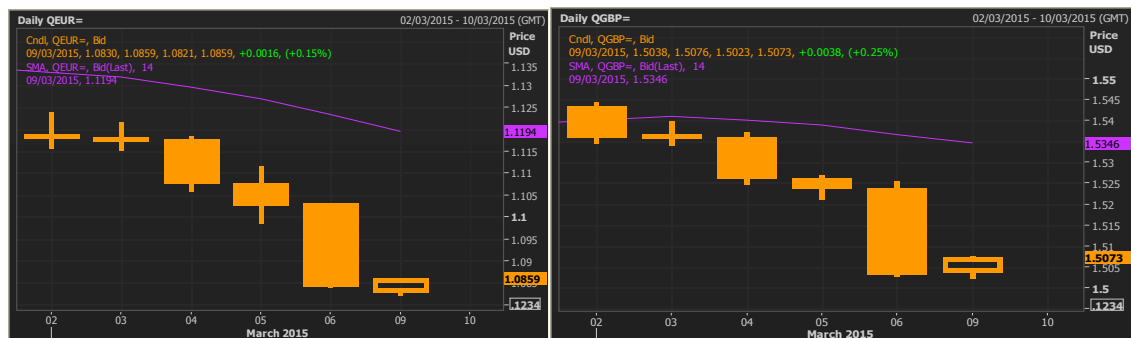
Comment:

This week the main focus is on the Retail Sales data which will be released on Thursday (12/3) and The Michigan current condition sentiment index on Friday (13/3).

It was not a week to remember for both EUR and GBP since both currencies lose their momentum from stronger USD. The EUR was opened on Monday (2/3) at 1.170/72 USD/EUR, slightly depreciated from previous closed level. While CPI data from Euro-zone countries such as Germany Italy and Spain show some sign of improvement, the EUR was still under pressure from speculation that ECB will initiate their 1.0 trillion euro bond-purchasing program. As expected, the ECB has announced to maintain their policy rate at 0.05% and signaled that they will start their QE program on Monday (9/3). The combined monthly asset purchases will amount to 60 trillion euro per month and are expected to run until September 2016, or until the ECB sees that inflation is on a “sustained path” to its target of close to, but below 2%. The central bank also optimism that their economic could growth around 1.5% this year. The EUR was gradually weak during the week and move in a range of 1.0969-1.1240 USD/EUR and close on Friday (6/3) at 1.1018/20 USD/EUR.

The GBP was opened on Monday (2/3) at 1.5238/40 USD/GBP. The sterling was move in an identical pattern as the EUR during the while the data came with mix consequences. On Thursday (5/3), the BOE announced to keep their policy rate unchanged at 0.5%. However, the England Economic outlook seems to have a strong progress in next 12 months especially on labor market which supports the BOE to raise their policy rate in near future. The GBP was closed on Friday (6/3) at 1.5035/37 USD/GBP and varied in a range of 1.5027-1.5255 USD/GBP.

Graph: EUR & GBP



Source: Reuters

Comments:

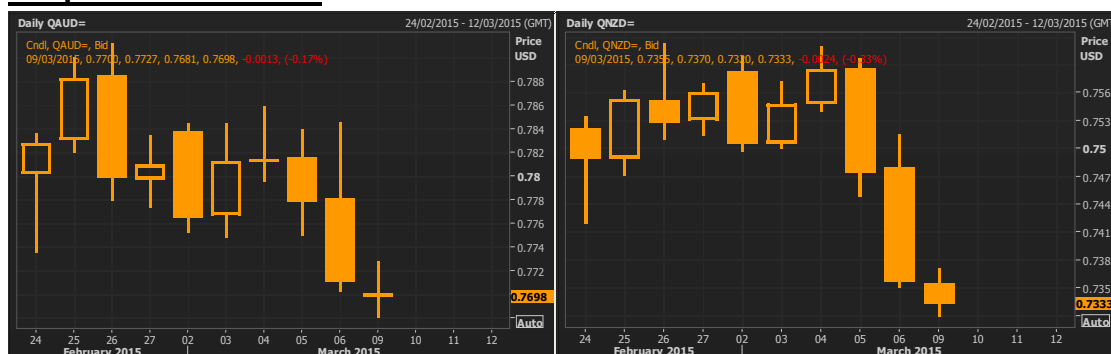
Both currencies could confront another pressure from the effect of bond buying program that begin this month. The investor will monitor closely on Euro-zone Finance ministers meeting regarding to Greece situation. We expected the EUR will move in a range of 1.0750-1.0930 USD/EUR and GBP could move between 1.4980-1.5175 USD/GBP.

AUD & NZD

The Australian dollar opened on Monday (2/3) at 0.7837/39 USD/AUD, appreciated from Friday (27/2) closing level at 0.7809/11 USD/AUD. Last week, the Australian dollar slightly fluctuated. On Tuesday (3/3), the Reserve Bank of Australia (RBA) surprised market by holding the cash rate steady at a record low 2.25%. However, it kept the door wide open for an easing in the month ahead. On Wednesday (4/3), Australia released the Q4'2015 GDP rose a moderate 0.5%. Then the Australian dollar depreciated on Friday (6/7) after U.S.'s jobs data was better than expected. Last week, the Australian moved within the range between 0.7702 - 0.7859 USD/AUD and close on Friday (6/3) at 0.7711/13 USD/AUD.

The New Zealand dollar opened on Monday (2/3) at 0.7583/85 USD/NZD, appreciated from Friday (27/2) closing level at 0.7560/62 USD/NZD. Last week, the New Zealand dollar moved in the narrow range and then depreciated on Friday (6/3) after U.S. payroll data was better than expected. Last week, the New Zealand moved within the range between 0.7351 - 0.7610 USD/NZD and close on Friday (6/3) at 0.7357/59 USD/AUD.

Graph: AUD and NZD

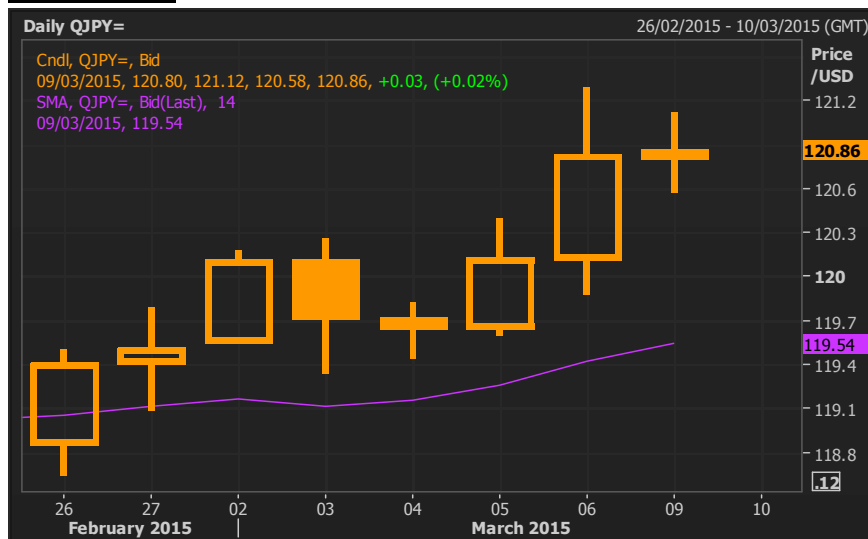


Source: Reuters

Comment:

This week, the Reserve Bank of New Zealand (RBNZ) will announce its benchmark interest rate and publish its rate statement on Wednesday (11/3). Australia will release a business confident data (10/3), consumer sentiment data (11/3) and unemployment rate (12/3). We expect the Australian dollar and New Zealand dollar will move in the range 0.7650 - 0.7800 USD/AUD and 0.7300 - 0.7450 USD/NZD.

The yen opened last Monday (2/3) at 119.55/57 JPY/USD, almost the same as the closing level on previous Friday (27/2) at 119.51/54 JPY/USD. The yen moved in a tight range during the week as there were few factors to move the currency. However, the yen declined on Friday (6/3) after the US released a much-better-than-expected employment numbers, spurring the speculations that the Fed could raise its rate in June and pushing up the USD against other currencies. The yen closes on Friday (6/3) at 120.83/85 JPY/USD after moving in the range between 119.35 - 121.28 JPY/USD during the week. Also, on Monday (9/3) Japan's Q4 GDP was revised down to 1.5% growth from the preliminary number of 2.2% growth, underlying the fact that the Japan's economy is still fragile.

Graph: JPY

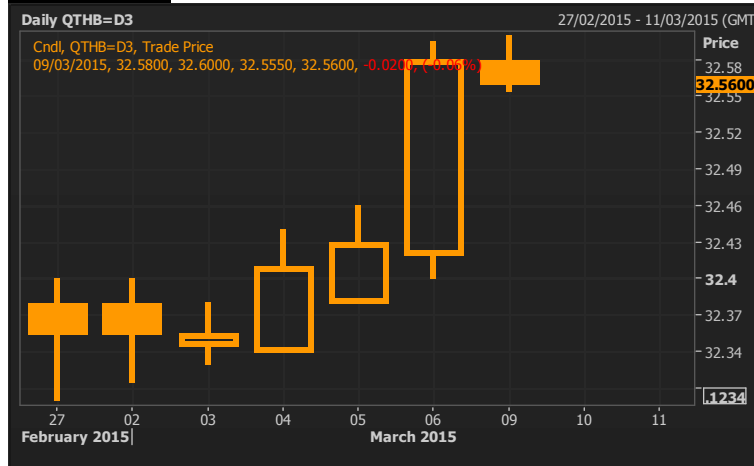
Source: Reuters

Comment:

This week the focus will be on Japan's PPI and consumer confidence numbers. However, the yen should still move between 119.50 - 121.50 JPY/USD.

Last week Thai Baht opened on Monday (2/3) at 32.35/37 THB/USD, slightly depreciated from last week's closing level at 32.32/34 THB/USD. Thai Baht moved in a narrow range during last week as investor still waited for US non-farm payroll data on Friday (6/3), and Bank of Thailand meeting this week (11/3). However, Thai Baht fell sharply after a better-than expected release of US non-farm payroll. For Thai economic data last week, inflation rate in February increased 0.12% from January, but decreased 0.52% on a yearly basis from a drop in oil price.

Graph: THB



Source: Reuters

Comment:

This week, market eyes on Bank of Thailand (BOT) meeting (11/3) where the current poll expected that BOT will keep interest rate unchanged at 2.00%. This week, we expect Thai Baht to move within the range of 32.45-32.65 THB/USD.

FX Forecast

Currency	Support	Resistance
THB/USD	32.45	32.65
JPY/USD	119.50	121.50
USD/EUR	1.0750	1.0930
USD/GBP	1.4980	1.5175
USD/AUD	0.7650	0.7800
USD/NZD	0.7300	0.7450

Economic Calendar

Last Week

Date		Event		Survey	Actual	Prior
2-Mar-15	JN	Capital Spending YoY	4Q	4.00%	2.80%	5.50%
2-Mar-15	UK	Nationwide House PX MoM	Feb	0.30%	-0.10%	0.30%
2-Mar-15	UK	Nationwide House Px NSA YoY	Feb	6.20%	5.70%	6.80%
2-Mar-15	IT	Markit/ADACI Italy Manufacturing PMI	Feb	50.2	51.9	49.9
2-Mar-15	FR	Markit France Manufacturing PMI	Feb F	47.7	47.6	47.7
2-Mar-15	EC	Markit Eurozone Manufacturing PMI	Feb F	51.1	51	51.1
2-Mar-15	IT	Unemployment Rate	Jan P	12.90%	12.60%	12.90%
2-Mar-15	UK	Mortgage Approvals	Jan	61.0K	60.8K	60.3K
2-Mar-15	UK	Markit UK PMI Manufacturing SA	Feb	53.3	54.1	53
2-Mar-15	EC	Unemployment Rate	Jan	11.40%	11.20%	11.40%
2-Mar-15	EC	CPI Estimate YoY	Feb	-0.40%	-0.30%	-0.60%
2-Mar-15	IT	GDP Annual YoY	2014	-0.40%	-0.40%	-1.90%
2-Mar-15	EC	CPI Core YoY	Feb A	0.60%	0.60%	0.60%
2-Mar-15	US	Personal Income	Jan	0.40%	0.30%	0.30%
2-Mar-15	US	Personal Spending	Jan	-0.10%	-0.20%	-0.30%
2-Mar-15	US	Markit US Manufacturing PMI	Feb F	54.3	55.1	54.3
2-Mar-15	US	Construction Spending MoM	Jan	0.30%	-1.10%	0.40%
2-Mar-15	US	ISM Manufacturing	Feb	53	52.9	53.5
3-Mar-15	JN	Labor Cash Earnings YoY	Jan	0.50%	1.30%	1.60%
3-Mar-15	GE	Retail Sales MoM	Jan	0.40%	2.90%	0.20%
3-Mar-15	EC	PPI MoM	Jan	-0.70%	-0.90%	-1.00%
3-Mar-15	EC	PPI YoY	Jan	-3.00%	-3.40%	-2.70%
3-Mar-15	US	IBD/TIPP Economic Optimism	Mar	47.8	49.1	47.5
4-Mar-15	IT	Markit/ADACI Italy Services PMI	Feb	51.4	50	51.2
4-Mar-15	IT	Markit/ADACI Italy Composite PMI	Feb	51.4	51	51.2
4-Mar-15	FR	Markit France Services PMI	Feb F	53.4	53.4	53.4
4-Mar-15	FR	Markit France Composite PMI	Feb F	52.1	52.2	52.2
4-Mar-15	GE	Markit Germany Services PMI	Feb F	55.5	54.7	55.5
4-Mar-15	GE	Markit/BME Germany Composite PMI	Feb F	54.3	53.8	54.3

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.

4-Mar-15	EC	Markit Eurozone Services PMI	Feb F	53.9	53.7	53.9
4-Mar-15	EC	Markit Eurozone Composite PMI	Feb F	53.5	53.3	53.5
4-Mar-15	UK	Markit/CIPS UK Services PMI	Feb	57.5	56.7	57.2
4-Mar-15	EC	Retail Sales MoM	Jan	0.20%	1.10%	0.30%
4-Mar-15	EC	Retail Sales YoY	Jan	2.30%	3.70%	2.80%
4-Mar-15	US	ADP Employment Change	Feb	219K	212K	213K
4-Mar-15	US	Markit US Services PMI	Feb F	57	57.1	57
4-Mar-15	US	ISM Non-Manf. Composite	Feb	56.5	56.9	56.7
5-Mar-15	GE	Factory Orders MoM	Jan	-1.00%	-3.90%	4.20%
5-Mar-15	GE	Factory Orders WDA YoY	Jan	2.60%	-0.10%	3.40%
5-Mar-15	UK	Halifax House Prices MoM	Feb	-0.20%	-0.30%	2.00%
5-Mar-15	UK	Halifax House Price 3Mths/Year	Feb	8.50%	8.30%	8.50%
5-Mar-15	UK	BOE Asset Purchase Target	Mar	375B	375B	375B
5-Mar-15	UK	Bank of England Bank Rate	Mar-05	0.50%	0.50%	0.50%
5-Mar-15	EC	ECB Main Refinancing Rate	Mar-05	0.05%	0.05%	0.05%
5-Mar-15	EC	ECB Deposit Facility Rate	Mar-05	-0.20%	-0.20%	-0.20%
5-Mar-15	EC	ECB Marginal Lending Facility	Mar-05	0.30%	0.30%	0.30%
5-Mar-15	US	Nonfarm Productivity	4Q F	-2.30%	-2.20%	-1.80%
5-Mar-15	US	Unit Labor Costs	4Q F	3.30%	4.10%	2.70%
5-Mar-15	US	Initial Jobless Claims	Feb-28	295K	320K	313K
5-Mar-15	US	Continuing Claims	Feb-21	2395K	2421K	2401K
5-Mar-15	US	Factory Orders	Jan	0.20%	-0.20%	-3.40%
6-Mar-15	GE	Industrial Production SA MoM	Jan	0.50%	0.60%	0.10%
6-Mar-15	GE	Industrial Production WDA YoY	Jan	-0.20%	0.90%	-0.70%
6-Mar-15	FR	Trade Balance	Jan	-3000M	-3726M	-3446M
6-Mar-15	EC	GDP SA QoQ	4Q P	0.30%	0.30%	0.30%
6-Mar-15	EC	GDP SA YoY	4Q P	0.90%	0.90%	0.90%
6-Mar-15	US	Change in Nonfarm Payrolls	Feb	235K	295K	257K
6-Mar-15	US	Change in Private Payrolls	Feb	225K	288K	267K
6-Mar-15	US	Change in Manufact. Payrolls	Feb	10K	8K	22K
6-Mar-15	US	Unemployment Rate	Feb	5.60%	5.50%	5.70%
6-Mar-15	US	Average Hourly Earnings MoM	Feb	0.20%	0.10%	0.50%
6-Mar-15	US	Average Hourly Earnings YoY	Feb	2.20%	2.00%	2.20%
6-Mar-15	US	Labor Force Participation Rate	Feb	62.90%	62.80%	62.90%
6-Mar-15	US	Trade Balance	Jan	-\$41.1B	-\$41.8B	-\$46.6B

This Week

Date Time		Event		Survey	Actual	Prior
9-Mar-15	JN	BoP Current Account Balance	Jan	¥270.4B	¥61.4B	¥187.2B
9-Mar-15	JN	Trade Balance BoP Basis	Jan	-	-	-
9-Mar-15	JN	GDP SA QoQ	4Q F	0.50%	0.40%	0.60%
9-Mar-15	JN	GDP Annualized SA QoQ	4Q F	2.20%	1.50%	2.20%
9-Mar-15	JN	GDP Nominal SA QoQ	4Q F	1.10%	1.00%	1.10%
9-Mar-15	GE	Trade Balance	Jan	19.5B	15.9B	19.1B

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.

9-Mar-15	GE	Current Account Balance	Jan	16.5B	16.8B	25.3B
9-Mar-15	GE	Exports SA MoM	Jan	-1.50%	-2.10%	3.40%
9-Mar-15	GE	Imports SA MoM	Jan	0.50%	-0.30%	-0.80%
9-Mar-15	EC	Sentix Investor Confidence	Mar	15	--	12.4
10-Mar-15	JN	Machine Tool Orders YoY	Feb P	--	--	20.40%
10-Mar-15	FR	Industrial Production YoY	Jan	0.40%	--	-0.10%
10-Mar-15	FR	Manufacturing Production YoY	Jan	-0.10%	--	0.30%
10-Mar-15	US	NFIB Small Business Optimism	Feb	99	--	97.9
10-Mar-15	US	Wholesale Inventories MoM	Jan	-0.10%	--	0.10%
10-Mar-15	US	Wholesale Trade Sales MoM	Jan	-0.50%	--	-0.40%
11-Mar-15	JN	PPI MoM	Feb	0.00%	--	-1.30%
11-Mar-15	JN	PPI YoY	Feb	0.50%	--	0.30%
11-Mar-15	JN	Machine Orders MoM	Jan	-4.00%	--	8.30%
11-Mar-15	JN	Machine Orders YoY	Jan	-1.00%	--	11.40%
11-Mar-15	FR	Non-Farm Payrolls QoQ	4Q F	0.00%	--	0.00%
11-Mar-15	FR	Current Account Balance	Jan	--	--	-1.9B
11-Mar-15	UK	Industrial Production MoM	Jan	0.20%	--	-0.20%
11-Mar-15	UK	Industrial Production YoY	Jan	1.30%	--	0.50%
11-Mar-15	UK	Manufacturing Production MoM	Jan	0.20%	--	0.10%
11-Mar-15	UK	Manufacturing Production YoY	Jan	2.60%	--	2.40%
12-Mar-15	JN	Consumer Confidence Index	Feb	39.8	--	39.1
12-Mar-15	GE	CPI MoM	Feb F	0.90%	--	0.90%
12-Mar-15	GE	CPI YoY	Feb F	0.10%	--	0.10%
12-Mar-15	GE	CPI EU Harmonized MoM	Feb F	1.00%	--	1.00%
12-Mar-15	GE	CPI EU Harmonized YoY	Feb F	-0.10%	--	-0.10%
12-Mar-15	FR	CPI EU Harmonized MoM	Feb	0.60%	--	-1.10%
12-Mar-15	FR	CPI EU Harmonized YoY	Feb	-0.40%	--	-0.40%
12-Mar-15	FR	CPI MoM	Feb	0.60%	--	-1.00%
12-Mar-15	FR	CPI YoY	Feb	-0.40%	--	-0.40%
12-Mar-15	UK	Trade Balance	Jan	-£2300	--	-£2895
12-Mar-15	EC	Industrial Production SA MoM	Jan	0.20%	--	0.00%
12-Mar-15	EC	Industrial Production WDA YoY	Jan	0.10%	--	-0.20%
12-Mar-15	US	Retail Sales Advance MoM	Feb	0.40%	--	-0.80%
12-Mar-15	US	Retail Sales Ex Auto MoM	Feb	0.50%	--	-0.90%
12-Mar-15	US	Retail Sales Ex Auto and Gas	Feb	0.30%	--	0.20%
12-Mar-15	US	Retail Sales Control Group	Feb	0.40%	--	0.10%
12-Mar-15	US	Initial Jobless Claims	Mar-07	305K	--	320K
12-Mar-15	US	Import Price Index MoM	Feb	0.20%	--	-2.80%
12-Mar-15	US	Continuing Claims	Feb-28	2400K	--	2421K
12-Mar-15	US	Import Price Index YoY	Feb	-9.00%	--	-8.00%
13-Mar-15	JN	Industrial Production MoM	Jan F	--	--	4.00%
13-Mar-15	JN	Industrial Production YoY	Jan F	--	--	-2.60%
13-Mar-15	UK	Construction Output SA MoM	Jan	1.30%	--	0.40%
13-Mar-15	UK	Construction Output SA YoY	Jan	2.10%	--	5.50%
13-Mar-15	US	PPI Final Demand MoM	Feb	0.30%	--	-0.80%
13-Mar-15	US	PPI Final Demand YoY	Feb	0.00%	--	0.00%

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.

13-Mar-15	US	U. of Mich. Sentiment	Mar P	95.7	--	95.4
13-Mar-15	US	U. of Mich. Current Conditions	Mar P	--	--	106.9
13-Mar-15	US	U. of Mich. Expectations	Mar P	--	--	88

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.