

WEEKLY FOREIGN EXCHANGE OUTLOOK
10 Feb 2020 - 14 Feb 2020

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar News

- USD appreciated as upbeat economic data, U.S. Census Bureau reported that factory orders rose to 1.8% higher than expectation at 1.2% and rebounded from -1.2% in last period.
- The dollar held firm after a key U.S. manufacturing survey showed a surprise recovery in January after contracting for five straight months amid a surge in new orders.
- On Thursday, China said it would slash tariffs on \$75 billion of U.S. imports in half as part of its efforts to implement a recently signed trade agreement with Washington, so the dollar is continuing gain to the end of week.

Dollar Index Performance

Last Week Close	97.39	Monthly High	98.88
Week Open	97.37	Monthly Low	96.39
Week Close	98.42	30 Days Average	97.62
Weekly High	98.88	90 Days Average	97.72
Weekly Low	97.37	YTD Change	2.53%

Dollar Outlook

- The Dollar could come under pressure if job data contracted in the first month of 2020, the payroll will report on Friday, investors will react to changes in FOMC interest rate expectations. Market forecast about 0.33% of interest rate cuts from the Fed by next year from the current target range of 1.50-1.75%.
- Jerome Powell, Fed Chair due to testify on the Semi annual Monetary Policy Report before the Senate Banking Committee, in Washington DC.
- USD will depreciated on Thursday if Core CPI that showed changing in the price of goods and services fell from last period as expected.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
CPI MM, SA	Jan	13-Feb	0.1%	0.2%
Initial Jobless Claims	3 Feb, w/e	13-Feb		202k
Retail Sales MM	Jan	14-Feb	0.3%	0.3%
Industrial Production MM	Jan	14-Feb	-0.1%	-0.3%
U Mich Sentiment Prelim	Feb	14-Feb	99.7	99.8

Lower Bound	96.99	Upper Bound	98.87
Forecast	Neutral		

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- The Baht fluctuated on Wednesday after Thailand's central bank unexpectedly cut its benchmark interest rate by 25 basis point to a record low of 1.0%, the lowest in Asia outside of Japan, BOT reduced policy rate for a third time in six months.
- After that THB rebounded due to media reported that a Chinese university had found a drug to treat people with the virus, while researchers in Britain had made a "significant breakthrough" in finding a vaccine.
- On Thursday, Veerathai Santiprabhob told a seminar that "If the situation worsens, we are still able to use policy space"

Thai Baht Performance

Last Week Close	31.15 THB/USD	Monthly High	31.39 THB/USD
Week Open	31.18 THB/USD	Monthly Low	30.91 THB/USD
Week Close	31.31 THB/USD	30 Days Average	30.55 THB/USD
Weekly High	31.31 THB/USD	90 Days Average	30.37 THB/USD
Weekly Low	30.90 THB/USD	YTD Change	4.18%

Thai Baht Outlook

- The Baht fluctuated as concerned about coronavirus in region.
- Nevertheless, investors still wait for optimism in 11-12 Feb WHO meeting in Geneva that is organized in collaboration with the Global Research Collaboration for Infectious Disease Preparedness. WHO Director-General Dr Tedros Adhanom Ghebreyesus said. "There are questions we need answers to, and tools we need developed as quickly as possible." More impressively results is good for the Baht.

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	3 Feb, w/e	14-Feb		230.3B
Currency Swaps	3 Feb, w/e	14-Feb		33.1B

Lower Bound	30.04	Upper Bound	31.44
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Forecast	Neutral
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Euro																																																			
Euro Graph	Euro News																																																		
<p>Source: Thomson Reuters</p>	<ul style="list-style-type: none"> • The euro was pressured by the greenback in this week after U.S. economic data rebounded. • The euro dropped after the Euro zone PPI fell in December on the year for the fifth consecutive month. Moreover, retail sales of region was at -1.6% below economist's expectation at -0.5%. • EUR slightly rebounded after President of the European Central Bank (ECB) Christine Lagarde Thursday said the euro area economy continues to grow and needs continued support from the ECB. 																																																		
Euro Outlook	Euro Index Performance																																																		
<ul style="list-style-type: none"> • EUR/USD technically bearish, poised to rested 2019 low at 1.0878. The euro has fallen to 1.0964 last Thursday, a level that was last seen in October 2019 after the dollar rallied by optimism in trade agreement. • Market focus on global risk appetite trends in response to developments from the Wuhan coronavirus • On Thursday, European Commission will released EU Economic Forecasts for EU member states over the next 2 years, and covers about 180 variables. 	<table border="1"> <tr> <td>Last Week Close</td> <td>1.1093 USD/EUR</td> <td>Monthly High</td> <td>1.1095 USD/EUR</td> </tr> <tr> <td>Week Open</td> <td>1.1091 USD/EUR</td> <td>Monthly Low</td> <td>1.0908 USD/EUR</td> </tr> <tr> <td>Week Close</td> <td>1.0943 USD/EUR</td> <td>30 Days Average</td> <td>1.1082 USD/EUR</td> </tr> <tr> <td>Weekly High</td> <td>1.1095 USD/EUR</td> <td>90 Days Average</td> <td>1.1081 USD/EUR</td> </tr> <tr> <td>Weekly Low</td> <td>1.0940 USD/EUR</td> <td>YTD Change</td> <td>-2.63%</td> </tr> </table>	Last Week Close	1.1093 USD/EUR	Monthly High	1.1095 USD/EUR	Week Open	1.1091 USD/EUR	Monthly Low	1.0908 USD/EUR	Week Close	1.0943 USD/EUR	30 Days Average	1.1082 USD/EUR	Weekly High	1.1095 USD/EUR	90 Days Average	1.1081 USD/EUR	Weekly Low	1.0940 USD/EUR	YTD Change	-2.63%																														
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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- Pound hits fresh 2020 lows, around 1.2900 USD/GBP.
- Investors turned attention to the sterling after the EU is reportedly planning to rewrite its rules to regulate financial markets and now the conflict for future relations between Brussels and London is in full swing.
- GBP/USD is likely to trade within a 1.2800/1.3200 range in this month while 1.2900 is expected to be solid support.
- Next week UK National Statistics will released Prelim GDP on Tuesday and downward data will pressure the sterling.

Lower Bound	1.2876	Upper Bound	1.3182
Forecast	Neutral		

Pound Sterling News

- The sterling sharply lost as worries about Britain's relations with the European Union. Prime Minister Boris Johnson set out tough terms for Brexit talks with the European Union.
- Investors feared that Britain would reach the end of an 11-month transition period without agreeing a trade deal.
- In spite of, construction activity was better than expected in January, The IHS Markit/CIPS UK Construction Purchasing Managers' Index rose to 48.4 from 44.4 in December.

Pound Sterling Performance

Last Week Close	1.3199 USD/GBP	Monthly High	1.3214 USD/GBP
Week Open	1.3214 USD/GBP	Monthly Low	1.2873 USD/GBP
Week Close	1.2891 USD/GBP	30 Days Average	1.3055 USD/GBP
Weekly High	1.3214 USD/GBP	90 Days Average	1.2969 USD/GBP
Weekly Low	1.2880 USD/GBP	YTD Change	-2.58%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Dec	11-Feb	0.00%	0.0%
GDP Estimate MM	Dec	11-Feb	0.20%	0.0%
GDP Estimate YY	Dec	11-Feb	0.01%	0.01%
Services MM	Dec	11-Feb	0.2%	-0.3%
Services YY	Dec	11-Feb	1.2%	0.8%
Manufacturing Output MM	Dec	11-Feb	0.0%	0.0%
GDP Prelim QQ	Q4	11-Feb	0.0%	0.0%
GDP Prelim YY	Q4	11-Feb	0.0%	0.0%

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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The coronavirus remains the key factor to the Australian dollar's moving in the weeks to come. Meanwhile, the aussie is still near oversold and swing after fears still exist and china growth forecasts have been adjusted lower in response because of Australia's reliance on trade with China.
- AUD/USD is likely to trade within a 0.6630/0.6840 range while 0.6630 is expected to be technical support.
- Next week, RBA Governor Philip Lowe will speak at the 7th Australia-Canada Economic Leadership Forum, in Melbourne after boosted Australia's market by hawkish comments last week.

Lower Bound	0.6627	Upper Bound	0.6928
Forecast	Neutral		

Australian Dollar News

- The Reserve Bank of Australia has held the cash rate at a record low 0.75 per cent, as widely expected by economists
- Governor Philip Lowe said that Australia's central bank would see a strong case for cutting its benchmark interest rate from current record lows if the unemployment rate moved higher and there was no progress in lifting inflation
- A viral epidemic emanating from China could shave 0.2 percentage points off Australia's GDP in the current quarter. [\[2\]](#)

Australian Dollar Performance

Last Week Close	0.6691 USD/AUD	Monthly High	0.6774 USD/AUD
Week Open	0.6690 USD/AUD	Monthly Low	0.6659 USD/AUD
Week Close	0.6672 USD/AUD	30 Days Average	0.6826 USD/AUD
Weekly High	0.6774 USD/AUD	90 Days Average	0.6808 USD/AUD
Weekly Low	0.6659 USD/AUD	YTD Change	-4.50%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
NAB Business Conditions	Jan	11-Feb		3.0%
NAB Business Confidence	Jan	11-Feb		-2.0%
Consumer Sentiment	Feb	12-Feb		0.0%

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Japanese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen News

- The yen fell as easing fears about the coronavirus impact on global economic following fresh stimulus measures from China.
- JPY and safe haven currencies slumped after media reported founding of vaccine to treat people with the virus in China and UK.
- In the end of week, JPY depreciated after China unexpectedly said it would halve tariffs on some U.S. imports, a goodwill gesture that added to hopes the global economy may be able to avoid a major shock from a virus outbreak.

Japanese Yen Performance

Last Week Close	108.38 JPY/USD	Monthly High	110.02 JPY/USD
Week Open	108.40 JPY/USD	Monthly Low	108.32 JPY/USD
Week Close	109.72 JPY/USD	30 Days Average	107.96 JPY/USD
Weekly High	110.02 JPY/USD	90 Days Average	107.48 JPY/USD
Weekly Low	108.31 JPY/USD	YTD Change	0.91%

Japanese Yen Outlook

- The USD/JPY has rallied again, it looks like they are trying to take out the 110 level. If the currency break out to the upside it's likely that the move will be due to more of a "risk off" type of situation.
- Market wait for WHO meeting in Geneva for information in recent scenario of the coronavirus, if the results ease the market concerns the yen will slumped.
- On Thursday, Bank of Japan will released PPI that showed changing in price of goods sold by corporation but economist expected for an unchanged number from last period.

Lower Bound	108.49	Upper Bound	110.55
Forecast	Neutral		

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Bank Lending YY	Jan	10-Feb		0.0%
Current Account NSA JPY	Dec	10-Feb	417.0B	1,436.8B
Economy Watchers Poll SA	Jan	10-Feb		39.80
Corp Goods Price MM	Jan	13-Feb	0.0%	0.0%
Corp Goods Price YY	Jan	13-Feb	0.0%	0.0%
Foreign Bond Investment	3 Feb, w/e	14-Feb		-150.2B
Foreign Invest JP Stock	3 Feb, w/e	14-Feb		-295.6B

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