

WEEKLY FOREIGN EXCHANGE OUTLOOK

24 Feb 2020 - 28 Feb 2020



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- The dollar spiked as it was in high demands. Investors took flight into the currency after the Covid-19 fears intensified.
- The currency was also supported by a number of better-than-expected economic figures. The PPI was shown at 0.5%, beating expectations of 0.2%. Housing Starts rose to 1.57 Million which was higher than what economists predicted.
- However, the dollar dropped sharply on Friday after the Flash Manufacturing PMI unexpectedly contracted to 50.8 from 51.9 in the previous period.

Dollar Index Performance

Last Week Close	99.12	Monthly High	99.91
Week Open	99.16	Monthly Low	97.09
Week Close	99.23	30 Days Average	98.30
Weekly High	99.91	90 Days Average	97.83
Weekly Low	99.00	YTD Change	3.27%

Dollar Outlook

- The dollar is foreseen to continue its gains providing that the Covid-19 cases escalate, fueling demand for safe asset. However, it is necessary that investors keep eyes on major economic indicators including consumer confidence on Tuesday, new home sale on Wednesday and GDP (Q4) on Thursday

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
CaseShiller 20 MM SA	Dec	25-Feb	0.5%	0.5%
CaseShiller 20 YY	Dec	25-Feb		2.6%
Durables Ex-Transport	Jan	27-Feb	0.2%	-0.1%
GDP Deflator Prelim	Q4	27-Feb		1.5%
Core PCE Prices Prelim	Q4	27-Feb		1.3%
Continued Jobless Claims	10 Feb, w/	27-Feb		1.726M
Pending Sales Change MM	Jan	27-Feb	2.0%	-4.9%
Personal Income MM	Jan	28-Feb	0.3%	0.2%
Personal Consump Real MM	Jan	28-Feb		0.1%

Lower Bound	97.33	Upper Bound	100.08
Forecast	Neutral		

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- The baht markedly depreciated last week as it was driven by the stronger dollar among the worry over Covid-19. The currency rocketed to almost 31.60 which is the 9-month high.
- Regarding the economic data, Thailand's GDP (Q4) year-on-year as of 2019 shrank to 1.6%, significantly lower than expectations at 2.1%.

Thai Baht Performance

Last Week Close	31.15 THB/USD	Monthly High	31.77 THB/USD
Week Open	31.16 THB/USD	Monthly Low	30.91 THB/USD
Week Close	31.62 THB/USD	30 Days Average	30.88 THB/USD
Weekly High	31.70 THB/USD	90 Days Average	30.45 THB/USD
Weekly Low	31.12 THB/USD	YTD Change	5.81%

Thai Baht Outlook

- It is predicted that the baht remained weak in the coming weeks since the coronavirus shifts markets' focus to safe haven.

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Jan	24-Feb	-2.95%	-1.28%
Custom-Based Import Data	Jan	24-Feb	-13.80%	2.54%
Customs-Based Trade Data	Jan	24-Feb	-0.80B	0.60B
Manufacturing Prod YY	Jan	26-Feb		-4.35%
Exports YY	Jan	28-Feb		-1.70%
Imports YY	Jan	28-Feb		1.80%
Trade Account	Jan	28-Feb		1.90B
Current Account	Jan	28-Feb		4.10B

Lower Bound	30.70	Upper Bound	31.61
Forecast	Depreciation		

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Euro				
Euro Graph  <p>Source: Thomson Reuters</p>		Euro News <ul style="list-style-type: none"> • Last week, the euro was greatly pressured by disappointing economic figures, traded at almost under 1.0780 EUR/USD. • ZEW Euro economic sentiment was shown at 10.4, while the prediction was 21.3. Also, the German ZEW Economic Sentiment decreased to 8.7, lower than the expectations at 20. • However, on Friday, the currency rapidly recovered due to weaker dollar and better-than-expected in both manufacturing and services PMI at 49.1 and 52.8, respectively. 		
Euro Index Performance				
Last Week Close	1.0830 USD/EUR	Monthly High	1.1095 USD/EUR	
Week Open	1.0830 USD/EUR	Monthly Low	1.0778 USD/EUR	
Week Close	1.0843 USD/EUR	30 Days Average	1.0985 USD/EUR	
Weekly High	1.0863 USD/EUR	90 Days Average	1.1058 USD/EUR	
Weekly Low	1.0775 USD/EUR	YTD Change	-3.48%	
Dollar Index Economic Events				
Events	Period	Date	Forecast	Previous
Ifo Business Climate New	Feb	24-Feb	95.1	95.9
Ifo Expectations New	Feb	24-Feb	91.8	92.9
GDP Detailed YY NSA	Q4	25-Feb	0.3%	0.3%
Business Climate Mfg	Feb	25-Feb		100
Consumer Confid. Final	Feb	27-Feb		-6.6
GDP QQ Final	Q4	28-Feb		-0.1%
CPI (EU Norm) Prelim YY	Feb	28-Feb		1.7%
Unemployment Rate SA	Feb	28-Feb	5.0%	5.0%
CPI (EU Norm) Prelim MM	Feb	28-Feb		
CPI Prelim YY	Feb	28-Feb	1.7%	1.7%
Lower Bound		1.0724	Upper Bound	
Forecast		Neutral	1.1117	
Euro Outlook <ul style="list-style-type: none"> • This week, German final GDP will be reported on Tuesday and that of France will be revealed on Friday. These are highlights for the Euro as markets wait to see if they are healthy enough. 				

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- Similar to other currencies in the basket, the pound declined against the dollar. However, it continuously picked up on Thursday as it was supported by the retail sales which was at 0.9, higher than the forecasts.
- The currency reached 1.2980 GBP/USD again on Friday as the dollar gave up its gain. In addition, manufacturing PMI was shown at 51.9, beating the predictions of 49.7.

Pound Sterling Performance

Last Week Close	1.3046 USD/GBP	Monthly High	1.3215 USD/GBP
Week Open	1.3034 USD/GBP	Monthly Low	1.2850 USD/GBP
Week Close	1.2969 USD/GBP	30 Days Average	1.3011 USD/GBP
Weekly High	1.3054 USD/GBP	90 Days Average	1.3001 USD/GBP
Weekly Low	1.2846 USD/GBP	YTD Change	-2.74%

Pound Sterling Outlook

- This week, markets put the spotlight on UK consumer confidence on Thursday. The currency is expected to be influenced by the dollar as there is no other major data on the list.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Steel Production	Jan	20-Feb		557.50k
Nationwide house price mm	Feb	27-Feb		0.5%
Nationwide house price yy	Feb	27-Feb		1.9%

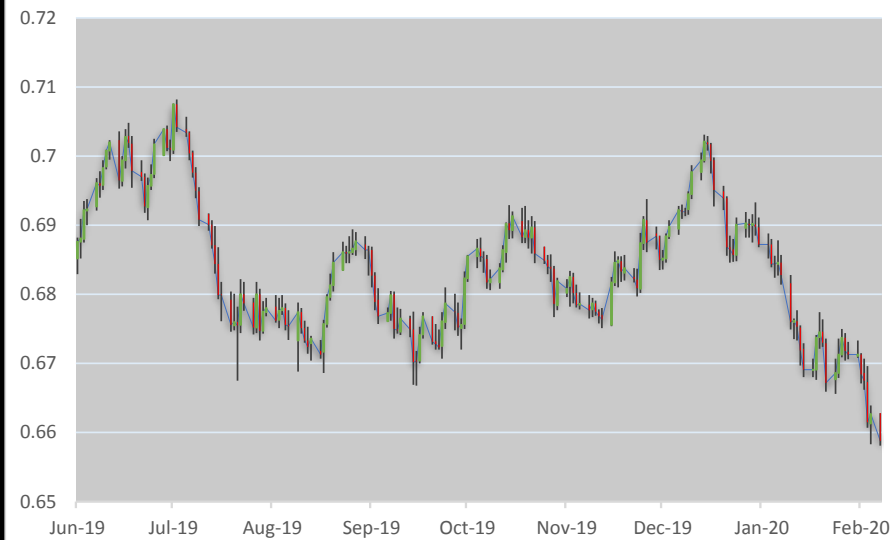
Lower Bound	1.2839	Upper Bound	1.3138
Forecast	Neutral		

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 Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The currency is foreseen to extend its lost unless the Coronavirus spread is solved. There is no important economic data on the calendar this week.

Lower Bound 0.6608 **Upper Bound** 0.6789
Forecast **Appreciation**

Australian Dollar News

- In the previous week, the aussie weakened against the dollar. The currency, known as a risk asset, was less attractive for investors because of the Coronavirus outbreak.
- Besides, the currency eased further after the RBA minutes of meeting was released on Monday. It was mentioned that central bankers are prepared to ease policy further if necessary.
- Regarding economic data, flash manufacturing and service PMI was at 49.8 and 48.4, respectively

Australian Dollar Performance

Last Week Close	0.6713 USD/AUD	Monthly High	0.6774 USD/AUD
Week Open	0.6711 USD/AUD	Monthly Low	0.6583 USD/AUD
Week Close	0.6627 USD/AUD	30 Days Average	0.6863 USD/AUD
Weekly High	0.6733 USD/AUD	90 Days Average	0.6827 USD/AUD
Weekly Low	0.6583 USD/AUD	YTD Change	-6.15%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Capital Expenditure	Q4	24-Feb	0.4%	-0.2%
Building Capex	Q4	24-Feb		2.7%
Plant/Machinery Capex	Q4	24-Feb		-3.5%
Construction Work Done	Q4	26-Feb	-1.0%	-0.4%
Broad Money	Jan	28-Feb		2,153.55B
Private Sector Credit	Jan	28-Feb		0.3%
Housing Credit	Jan	28-Feb		0.2%

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Japanese Yen

Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen News

- The yen rallied, breaking the 112 USD/JPY level on Thursday. The currency tumbled after the Covid-19 cases increased. It was anticipated that the Japan's economy could be hit and might face economic slowdown.
- Concerns over Japan's economic health started when the preliminary GDP (Q4) was reported on Monday. The GDP contracted 1.6% in the fourth quarter of 2019. Japan's core machinery orders and flash manufacturing PMI were also dropped to 12.5 and 47.6, both lower than expectations.

Japanese Yen Performance

Last Week Close	109.74 JPY/USD	Monthly High	112.21 JPY/USD
Week Open	109.77 JPY/USD	Monthly Low	108.32 JPY/USD
Week Close	111.57 JPY/USD	30 Days Average	108.25 JPY/USD
Weekly High	112.21 JPY/USD	90 Days Average	107.57 JPY/USD
Weekly Low	109.64 JPY/USD	YTD Change	2.25%

Japanese Yen Outlook

- The yen may softly be stronger after the dollar gave up its gain in the end of last week, Still, the currency tends to stay above 111.00 JPY/THB if the cases in Japan are on the rise.

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	Feb	28-Feb	0.6%	0.7%
CPI, Overall Tokyo	Feb	28-Feb		0.6%
Jobs/Applicants Ratio	Jan	28-Feb	1.57	1.57
Unemployment Rate	Jan	28-Feb	2.2%	2.2%
Industrial O/P Prelim MM SA	Jan	28-Feb	0.2%	1.2%

Lower Bound	108.01	Upper Bound	111.82
Forecast	Appreciation		

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