

WEEKLY FOREIGN EXCHANGE OUTLOOK
08 Jun 2020 - 12 Jun 2020

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- Investors still focus on further relationship between US and China after the Trump administration announced to ban the flights from Chinese airlines which starts in mid-June to confront its counterpart who refused to import soybeans and agricultural products.
- JOLTs Job Openings are expected to dropped to 5.750M in April from 6.191M in March due to economic lockdown during COVID-19 crisis.
- CPI is expected to shrink 0.1% in May (MoM) which recover from 0.8% in the previous month.
- The Federal Reserve (FED) set the monetary policy meeting on 9 - 10 June.

Lower Bound	96.40	Upper Bound	101.23
Forecast	Depreciation		

Dollar News

- The US Dollar Index dipped as there are protests in more than 20 major cities around the country after the death of George Floyd.
- The greenback recovered on Wednesday (3/6) as the data showed better-than-expected ADP Nonfarm Payrolls in May (-2,760K vs -9,000K).
- Analysts expect positive sign for US labour market from the record low, regarding to April's data.
- The US Nonfarm Payrolls fell only 2,509K in May from 20,687K in the previous month and was better than expectation at 8,000K. Likewise, Unemployment Rate dropped to 13.3% in May from 14.7% in April.

Dollar Index Performance

Last Week Close	98.34	Monthly High	100.56
Week Open	98.30	Monthly Low	96.44
Week Close	96.44	30 Days Average	99.10
Weekly High	99.34	90 Days Average	99.15
Weekly Low	96.44	YTD Change	+0.52%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
CPI MM, SA	May	10-Jun	0.0%	-0.8%
Fed Funds Target Rate	10 Jun	11-Jun		0-0.25
Fed Int On Excess Reserves	10 Jun	11-Jun		0.10%
Initial Jobless Claims	6 Jun, w/e	11-Jun	1,525k	1,877k
U Mich Sentiment Prelim	Jun	12-Jun	75.0	72.3

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Thai Baht Graph

Thai Baht Outlook

- Investors follow on the next step of PPCR party and stability of Thai government.
- Markets also focus on the decision about CPTPP deal that might affect cost of living and agricultural products in the future.

Lower Bound	31.45	Upper Bound	32.26
Forecast	Depreciation		

Thai Baht News

- There was some political uncertainty in the past week after 18 of 34 Palang Pracharath Party's executive committees have resigned and the party needs to vote for leader and new set of committee within 45 days. However, some investors expect positive sentiment for Thai government and PPCR Party if the party has new leader instead of Mr. Uttama Savanayana.
- Thai Consumer Price Index (CPI) shrank 3.44% in May (YoY) and dropped 1.04% for 5-month average as a consequence of COVID-19, trade war and fallen oil price. The Ministry of Commerce commented that the inflation would still be depressed but in a slower pace.

Thai Baht Performance

Last Week Close	31.80 THB/USD	Monthly High	31.82 THB/USD
Week Open	31.79 THB/USD	Monthly Low	31.44 THB/USD
Week Close	31.45 THB/USD	30 Days Average	32.05 THB/USD
Weekly High	31.80 THB/USD	90 Days Average	31.95 THB/USD
Weekly Low	31.43 THB/USD	YTD Change	+5.24%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	1 Jun, w/e	12-Jun		237.2B
Currency Swaps	1 Jun, w/e	12-Jun		27.9B

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Euro
Euro Graph


Source: Thomson Reuters

Euro Outlook

- There are releases of Eurozone members' CPI that are still forecasted to drop in the past month due to the effect of COVID-19.
- Eurozone GDP is expected to decrease 3.8% in Q1 as preliminary survey.

Lower Bound	1.0690	Upper Bound	1.1355
Forecast	Neutral		

Euro News

- Manufacturing and Service PMI in the region was boosted in May, but they were still under the level of 50.0 so that means recession has still dominated economy in Eurozone.
- The European Central Bank (ECB) maintained its benchmark rate at the record low and launched additional funds for emergency bond purchasing programme worth 600 billion Euro

Euro Index Performance

Last Week Close	1.1098 USD/EUR	Monthly High	1.1383 USD/EUR
Week Open	1.1096 USD/EUR	Monthly Low	1.1101 USD/EUR
Week Close	1.1284 USD/EUR	30 Days Average	1.0977 USD/EUR
Weekly High	1.1383 USD/EUR	90 Days Average	1.0954 USD/EUR
Weekly Low	1.1094 USD/EUR	YTD Change	+0.73%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Reserve Assets Total	May	8-Jun		219,697M
GDP Revised QQ	Q1	9-Jun	-3.8%	-3.8%
GDP Revised YY	Q1	9-Jun	-3.2%	-3.2%
CPI (EU Norm) Final MM	May	12-Jun	0.0%	0.0%
CPI (EU Norm) Final YY	May	12-Jun	0.2%	0.2%
CPI (EU Norm) Final MM	May	15-Jun		-0.2%
CPI (EU Norm) Final YY	May	15-Jun		-0.2%
Reserve Assets Total	May	15-Jun		909.92B

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Pound Sterling Graph
Pound Sterling News


Source: Thomson Reuters

- UK Service PMI jumped to the level of 29.0 in May after touched the record low level of 13.4 in the previous month. However, the index is under the level of 50.0 that means the UK economy is still facing recession. The main factor is from economic lockdown to prevent the virus pandemic.

Pound Sterling Performance

Last Week Close	1.2344 USD/GBP	Monthly High	1.2730 USD/GBP
Week Open	1.2338 USD/GBP	Monthly Low	1.2352 USD/GBP
Week Close	1.2663 USD/GBP	30 Days Average	1.2373 USD/GBP
Weekly High	1.2730 USD/GBP	90 Days Average	1.2500 USD/GBP
Weekly Low	1.2320 USD/GBP	YTD Change	-4.19%

Pound Sterling Outlook

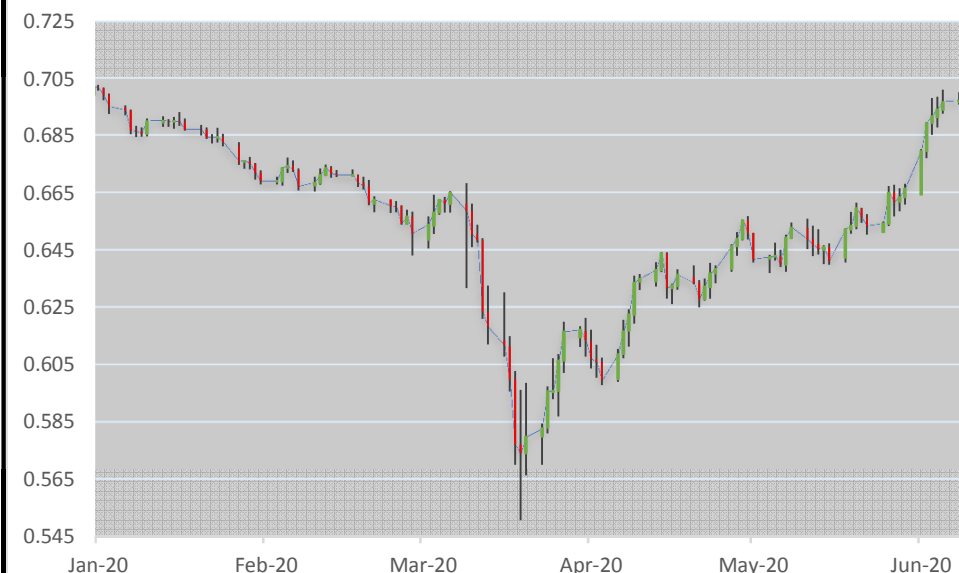
- Manufacturing Production is expected to drop 15.0% in April (MoM) from 4.6% in the previous month.
- GDP is possibly shrink 22.3% YoY.
- Investors still follow the progress of Brexit negotiation that is delayed due to COVID-19 situation. Some concern on Hard-Brexit if the counterparties could not reach an agreement within the deadline of 31 December 2020.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Apr	12-Jun	-10.0%	-2.0%
GDP Estimate MM	Apr	12-Jun	-18.0%	-5.8%
GDP Estimate YY	Apr	12-Jun	-22.3%	-5.7%
Manufacturing Output MM	Apr	12-Jun	-15.0%	-4.6%

Lower Bound	1.1991	Upper Bound	1.2697
Forecast	Neutral		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- Investors still focus on further relationship between US and China and possibility of new wave of trade-war that would affect import and export volume between China and its counterparts.
- Chinese CPI would be released on Wednesday (10/6) which expected to expand 2.6% in May (YoY) and dropped 0.5% (MoM).

Lower Bound	0.6292	Upper Bound	0.7024
Forecast	Depreciation		

Australian Dollar News

- The Reserve Bank of Australia (RBA) held its benchmark rate at the record low at 0.25% in the latest meeting on Tuesday (2/6).
- The Aussie appreciated against the greenback as a consequence of unrest in USA and better-than-expected Caixin Manufacturing PMI that boosted the Chinese Yuan in the past week. The Aussie and Yuan mostly moved in the same direction as the two nations are main partner for commodities trading.

Australian Dollar Performance

Last Week Close	0.6666 USD/AUD	Monthly High	0.7012 USD/AUD
Week Open	0.6645 USD/AUD	Monthly Low	0.6663 USD/AUD
Week Close	0.6968 USD/AUD	30 Days Average	0.6179 USD/AUD
Weekly High	0.7012 USD/AUD	90 Days Average	0.6590 USD/AUD
Weekly Low	0.6643 USD/AUD	YTD Change	-0.66%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
NAB Business Conditions	May	9-Jun		-34
NAB Business Confidence	May	9-Jun		-46
Consumer Sentiment	Jun	10-Jun		16.4%
TR IPSOS PCSI	Jun	12-Jun		40.15


Japanese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- GDP is expected to drop 0.5% in Q1 (QoQ) and 2.1% (YoY).
- Industrial production would decrease 9.1% in April (MoM) from 3.7% in the previous month due to COVID-19 effect.
- Investors still focus on progression of COVID-19 issue and Sino-US relationship.

Lower Bound	106.34	Upper Bound	109.43
Forecast	Appreciation		

Japanese Yen News

- Japanese Manufacturing PMI dropped to the level of 38.4 in May from 41.9 in the previous month, in-line with expectation. Meanwhile, the service PMI rose to the level of 26.5 in May from 21.5 in April, better-than-expected at the level of 25.5.
- The Japanese Yen started depreciating in the past week as investors have been selling off safe-haven asset since rising in confidence over COVID-19 situation.

Japanese Yen Performance

Last Week Close	107.77 JPY/USD	Monthly High	109.84 JPY/USD
Week Open	107.72 JPY/USD	Monthly Low	107.39 JPY/USD
Week Close	109.58 JPY/USD	30 Days Average	109.77 JPY/USD
Weekly High	109.84 JPY/USD	90 Days Average	109.19 JPY/USD
Weekly Low	107.36 JPY/USD	YTD Change	+0.57%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Apr	8-Jun	480.0B	1,971.0B
GDP Rev QQ Annualised	Q1	8-Jun	-2.1%	-3.4%
GDP Revised QQ	Q1	8-Jun	-0.5%	-0.9%
GDP Cap Ex Rev QQ	Q1	8-Jun	1.4%	-0.5%
Corp Goods Price MM	May	10-Jun	-0.3%	-1.5%
Corp Goods Price YY	May	10-Jun	-2.4%	-2.3%
Machinery Orders MM	Apr	10-Jun	-8.6%	-0.4%
Machinery Orders YY	Apr	10-Jun	-14.0%	-0.7%

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