

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**30 Mar 2020 - 03 Apr 2020**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar News**

- It was a tough week for the dollar Index which marked as the biggest weekly decline since 2009.
- The dollar index started to move in downtrend since the beginning of the week after a series of stimulus steps around the world, including U.S. stimulus package, calmed down a panic over a global recession following the coronavirus outbreak.
- A record leap following the jaw-dropping 3.2 million rises in the US weekly jobless claims for the week ended March 20 also added to the dollar woe.
- The White House and Congress passed to a historic \$2.2 trillion stimulus package, with President Donald Trump signed it into U.S. law later Friday.
- Fed Chairman Jerome Powell gave a rare broadcast interview on NBC's show to reassure investors that the Fed is "not going to run out of ammunition" and they still have "policy room in other dimensions to support the economy."

**Dollar Index Performance**

<b>Last Week Close</b>	<b>102.82</b>	<b>Monthly High</b>	<b>102.99</b>
<b>Week Open</b>	<b>101.95</b>	<b>Monthly Low</b>	<b>94.65</b>
<b>Week Close</b>	<b>98.27</b>	<b>30 Days Average</b>	<b>98.84</b>
<b>Weekly High</b>	<b>102.99</b>	<b>90 Days Average</b>	<b>98.07</b>
<b>Weekly Low</b>	<b>98.27</b>	<b>YTD Change</b>	<b>+2.36%</b>

**Dollar Outlook**

- Coronavirus cases in U.S. and rising, the U.S. is now first-placed highest epidemic in the pandemic, it continues to dominate the market's movement as it weighed down the global economy and caused the fluctuation in the financial market.
- Following unprecedented actions from the Fed, it might stop the runaway in the dollar. Those actions are crushing U.S. Yield, increasing the supply of dollars and reducing the attractiveness.
- Market eyes on the U.S. labor data that will be released on Friday (3/4).

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confidence	Mar	31-Mar	112.0	130.7
Markit Mfg PMI Final	Mar	1-Apr		49.2
ISM Manufacturing PMI	Mar	1-Apr	45.0	50.1
Initial Jobless Claims	28 Mar, w/	2-Apr	3,000k	3,283k
Factory Orders MM	Feb	2-Apr	0.2%	-0.5%
Non-Farm Payrolls	Mar	3-Apr	-100k	273k
Unemployment Rate	Mar	3-Apr	3.9%	3.5%
Average Earnings YY	Mar	3-Apr	3.0%	3.0%
Markit Comp Final PMI	Mar	3-Apr		40.5
Markit Svcs PMI Final	Mar	3-Apr		39.1

**Lower Bound**                      **98.00**                      **Upper Bound**                      **103.00**

**Forecast**                              **Depreciation**

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**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht News**

- Last week, stating with the emergency 0.25% rate cut to 0.75% by the Bank of Thailand (BoT) in response to the meltdown in the financial market and mitigate the impact of the economy from the Coronavirus.
- The Baht hovered to the lowest level above 33.00 against the dollar since November 2018. Nevertheless, the Baht regained its losses in the latter part of the week and hit fresh weekly high at the end of week.
- Thailand Prime minister Prayuth Chan-O-Cha declared one-month emergency (on March 26 to April 30) to combat the coronavirus outbreak.
- As scheduled policy meeting, the MPC Bank of Thailand (BOT) voted 4 to 2 to maintain its policy rate at 0.75% after the emergency rate cut at previous special meeting, while trimming its economic growth forecast for 2020 to a 5.3% contraction.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>32.45</b> THB/USD	<b>Monthly High</b>	<b>33.04</b> THB/USD
<b>Week Open</b>	<b>32.87</b> THB/USD	<b>Monthly Low</b>	<b>31.27</b> THB/USD
<b>Week Close</b>	<b>32.58</b> THB/USD	<b>30 Days Average</b>	<b>31.90</b> THB/USD
<b>Weekly High</b>	<b>33.04</b> THB/USD	<b>90 Days Average</b>	<b>30.93</b> THB/USD
<b>Weekly Low</b>	<b>32.35</b> THB/USD	<b>YTD Change</b>	<b>+9.05%</b>

**Thai Baht Outlook**

- The direction of the Baht will be determined by developments in spread of coronavirus as the numbers of new case keep increasing.
- Toward the end of month, there tends to be flows from some corporate and investors to hedge their currency exposure which would drive the currency's movement.

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Exports YY	Feb	31-Mar		3.50%
Imports YY	Feb	31-Mar		-0.10%
Trade Account	Feb	31-Mar		0.38B
Current Account	Feb	31-Mar		3.44B
Manufacturing PMI SA	Mar	1-Apr		49.5

<b>Lower Bound</b>	<b>32.00</b>	<b>Upper Bound</b>	<b>33.00</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Euro**
**Euro Graph**

**Euro Outlook**

- Despite rally in euro last week, downside risks persist as the coronavirus outbreak is showing no sign of number of new cases slowing down in the Eurozone and also EU states are apparently facing shortages in stockpiles, medical gear and devices.
- Nevertheless, the movement in euro will be determined by the near-term direction of the dollar. The downside momentum in the dollar will help to boost in the euro somehow.
- The Eurozone data, including Eurozone's CPI, Manufacturing and Services PMI data are in focus

<b>Lower Bound</b>	<b>1.0600</b>	<b>Upper Bound</b>	<b>1.1100</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- Last week, the euro moved in uptrend along the week until it advanced to the area above 1.100 level at end of week, fuelling gains by the dollar sell-off.
- Eurozone manufacturing and services data slumped in last period showed economic slowdown.
- The European Central Bank (ECB) removed barrier in crisis-fighting bond purchase scheme, but not apply purchase limits for any individual countries to combat the pandemic depends on the strength of their balance sheet.
- Last Friday, the ECB ordered eurozone banks to freeze dividend payments and share buyback at least until October 1 in an escalation of its efforts to avoid coronavirus triggering a credit crunch in Europe.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0694</b> USD/EUR	<b>Monthly High</b>	<b>1.1492</b> USD/EUR
<b>Week Open</b>	<b>1.0694</b> USD/EUR	<b>Monthly Low</b>	<b>1.0638</b> USD/EUR
<b>Week Close</b>	<b>1.1140</b> USD/EUR	<b>30 Days Average</b>	<b>1.1024</b> USD/EUR
<b>Weekly High</b>	<b>1.1146</b> USD/EUR	<b>90 Days Average</b>	<b>1.1049</b> USD/EUR
<b>Weekly Low</b>	<b>1.0635</b> USD/EUR	<b>YTD Change</b>	<b>-1.17%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Mar	30-Mar	-11.6	-11.6
HICP Flash YY	Mar	31-Mar	0.8%	1.2%
HICP-X F&E Flash YY	Mar	31-Mar	1.2%	1.3%
Markit Mfg Final PMI	Mar	1-Apr	44.7	44.8
Unemployment Rate	Feb	1-Apr	7.4%	7.4%
Markit Serv Final PMI	Mar	3-Apr	28.2	28.4
Markit Comp Final PMI	Mar	3-Apr	31.4	31.4

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**Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling Outlook**

- Still, investors digest the impact of measurement by the Bank of England (BoE) and the government to limit the economic hit from coronavirus outbreak.
- The UK will face a significant weakening of the public finances caused by the impact of the coronavirus outbreak outbreak after Chancellor Rishi Sunak unveiled a GBP 60 billion spending package to tackle the crisis, sending public finances into the red.
- The Final GDP is scheduled for release on Tuesday (31/3).

<b>Lower Bound</b>	<b>1.1450</b>	<b>Upper Bound</b>	<b>1.2000</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Pound Sterling News**

- The biggest move among the major currencies was the pound sterling.
- After a strong start to the mid-week, the pound sterling unexpected decline against the dollar before rebound back its gain with an ongoing recovery in global stock market and reached towards 1.200 level at the end of the week.
- The Bank of England (BoE) kept interest rates unchanged at a record low of 0.1% and its asset purchase program steady at GBP200 billion at its meeting.
- UK Prime Minister Boris Johnson ordered a nationwide lockdown to curb the spread of the coronavirus. Meanwhile, PM Johnson said on Friday that he has tested positive for coronavirus and would continue working, even in self isolation.
- Fitch Rating downgraded UK Credit Rating to AA- from AA due to the budget impact of coronavirus outbreak and Brexit uncertainty and also has forecast that the UK's economic output would drop by almost 4% for the year.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.1641</b> USD/GBP	<b>Monthly High</b>	<b>1.3199</b> USD/GBP
<b>Week Open</b>	<b>1.1658</b> USD/GBP	<b>Monthly Low</b>	<b>1.1414</b> USD/GBP
<b>Week Close</b>	<b>1.2456</b> USD/GBP	<b>30 Days Average</b>	<b>1.2537</b> USD/GBP
<b>Weekly High</b>	<b>1.2485</b> USD/GBP	<b>90 Days Average</b>	<b>1.2883</b> USD/GBP
<b>Weekly Low</b>	<b>1.1444</b> USD/GBP	<b>YTD Change</b>	<b>-6.77%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Mar	30-Mar	-0.1%	0.3%
Nationwide house price yy	Mar	30-Mar	2.0%	2.3%
GDP QQ	Q4	31-Mar	0.0%	0.0%
GDP YY	Q4	31-Mar	1.1%	1.1%
Markit/CIPS Mfg PMI Final	Mar	1-Apr	47.0	48.0

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 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- As we knew, the Aussie is so attached to the Chinese economy, if China does better, the Aussie goes follow. Nevertheless, if the U.S. and the EU economy are slowdown, thus, buying less Chinese goods; this will mean buying less Australian commodities as well.
- The upside in the Aussie may be limited as it is likely to face more bad new in the sharp of PMI data (31/3) and Manufacturing PMI (1/4) releases out of China, Australia major export partner.

<b>Lower Bound</b>	<b>0.5500</b>	<b>Upper Bound</b>	<b>0.6000</b>
<b>Forecast</b>	<b>Neutral</b>		

**Australian Dollar News**

- It was a bottom-up week for the Aussie after it had been in free-fall over the past two-weeks.
- The Aussie showed confusion to the market, it initially moved up, but pulled back during the week. Nevertheless, the Aussie has managed to gain despite awful, coronavirus-linked economic news, and hit its highest level in 10 days above 0.6100 the end of the week.
- The dollar weakness, a risk appetite demand and also gains in crude price were reasons for the Aussie's moving last week.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.5798</b> USD/AUD	<b>Monthly High</b>	<b>0.6685</b> USD/AUD
<b>Week Open</b>	<b>0.5798</b> USD/AUD	<b>Monthly Low</b>	<b>0.5508</b> USD/AUD
<b>Week Close</b>	<b>0.6165</b> USD/AUD	<b>30 Days Average</b>	<b>0.6865</b> USD/AUD
<b>Weekly High</b>	<b>0.6200</b> USD/AUD	<b>90 Days Average</b>	<b>0.6840</b> USD/AUD
<b>Weekly Low</b>	<b>0.5699</b> USD/AUD	<b>YTD Change</b>	<b>-12.62%</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Private Sector Credit	Feb	31-Mar		0.4%
Housing Credit	Feb	31-Mar		0.3%
Building Approvals	Feb	1-Apr	4.5%	-15.3%
Retail Sales MM	Feb	3-Apr	0.4%	-0.3%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- It remains to be seeing whether the coronavirus spread trend around the world will lead to risk aversion in the market and the yen, as safe-haven asset, will benefit from this issue. At some point, if the yen keep getting stronger, the Bank of Japan probably shows its interest somehow.
- The focus stays on the Japanese's government stimulus package that will include cash payouts to households and small firms hit by the fallout from the coronavirus pandemic.

<b>Lower Bound</b>	<b>105.50</b>	<b>Upper Bound</b>	<b>111.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- Due to U.S limitless stimulus plan hopes, the yen hovered above 111 against the dollar at the begin of the week. Nevertheless, concerns over the impact of the coronavirus pandemic in the U.S. after the U.S. showed weaker-than-expected job data weighed on the dollar's sentiment, spurring demand for the yen, as one of safe-haven assets, once again in mid-week to end of week.
- Tokyo Olympic postponed to 2021 due to coronavirus pandemic, which would be held by the summer of 2021.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>110.80</b> JPY/USD	<b>Monthly High</b>	<b>111.71</b> JPY/USD
<b>Week Open</b>	<b>111.02</b> JPY/USD	<b>Monthly Low</b>	<b>101.20</b> JPY/USD
<b>Week Close</b>	<b>107.89</b> JPY/USD	<b>30 Days Average</b>	<b>108.88</b> JPY/USD
<b>Weekly High</b>	<b>111.71</b> JPY/USD	<b>90 Days Average</b>	<b>107.88</b> JPY/USD
<b>Weekly Low</b>	<b>107.74</b> JPY/USD	<b>YTD Change</b>	<b>-1.29%</b>

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Jobs/Applicants Ratio	Feb	31-Mar	1.47	1.49
Unemployment Rate	Feb	31-Mar	2.4%	2.4%
Industrial O/P Prelim MM SA	Feb	31-Mar	0.1%	1.0%
Jibun Bank Mfg PMI	Mar	1-Apr		44.8
Services PMI	Mar	3-Apr		46.8

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