

WEEKLY FOREIGN EXCHANGE OUTLOOK
30 Nov 2020 - 04 Dec 2020

Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- Investors will be watching to see if the Chicago PMI for November and pending home sales for October are moderate. On Tuesday, the ISM manufacturing PMI will take focus. All might fuel expectations of Fed action next month.
- Meanwhile, the US will unveil the November ISM PMIs and the Nonfarm Payroll monthly report. The country is expected to have added 520K new job positions in November, while the unemployment rate is expected at 6.8%.

Lower Bound	91.00	Upper Bound	92.50
Forecast	Depreciation		

Dollar News

- At the beginning of the last week, the dollar traded in a limited range while U.S. Treasury Secretary Steven Mnuchin called an end to some of the Federal Reserve's pandemic lending, as he asked for \$455 billion allocated to the Treasury under the CARES Act to be re-appropriated for other spending, while the central bank openly disagreed with the move.
- The dollar weakened after President-elect Joe Biden while it is reported that Biden may plan to nominate former Fed Chair Yellen to be Treasury secretary, rising expectations of an expansive fiscal policy under President-elect Joe Biden.

Dollar Index Performance

Last Week Close	92.39	Monthly High	94.30
Week Open	92.40	Monthly Low	91.59
Week Close	91.76	30 Days Average	92.81
Weekly High	92.80	90 Days Average	93.13
Weekly Low	91.76	YTD Change	-4.97%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg PMI Final	Nov	1-Dec		56.7
ISM Manufacturing PMI	Nov	1-Dec	57.9	59.3
Initial Jobless Clm	28 Nov, w/	3-Dec	770k	778k
Markit Comp Final PMI	Nov	3-Dec		57.9
Markit Svcs PMI Final	Nov	3-Dec		57.7
ISM N-Mfg PMI	Nov	3-Dec	56.0	56.6
Non-Farm Payrolls	Nov	4-Dec	500k	638k
Unemployment Rate	Nov	4-Dec	6.8%	6.9%
Average Earnings YY	Nov	4-Dec	4.2%	4.5%
International Trade \$	Oct	4-Dec	-64.8B	-63.9B

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- THB will probably move in range of 30.00 – 30.40 awaits for Industrial Production on Monday, Consumer Confidence on Thursday and Inflation on Friday.
- Investors also focus on political after three consecutive days of anti-government protests in Bangkok. The Covid-19 situation is on the list too after a Thai returnee from Myanmar who was not in quarantine was among five new cases of novel coronavirus infection reported on Saturday.

Lower Bound	30.00	Upper Bound	30.40
Forecast	Neutral		

Thai Baht News

- On Monday (23/11), the baht strengthened against the dollar after the BOT released additional measures including
 - 1.) Allow residents to freely deposit funds in Foreign Currency Deposit (FCD) accounts.
 - 2.) Relax regulations regarding investment in foreign securities.
 - 3.) Relax regulations regarding investment in foreign securities.
- Investors still eye on political uncertainty, there was a rumor of a new coup in Thailand and a report saying that Thai police summoned seven leaders of anti-government protests to face charges of lese-majeste. The charges of insulting royal family could carry up to 15 years in prison.
- Finance Minister said that the interest rates and exchange rate must be in line with fiscal policy.

Thai Baht Performance

Last Week Close	30.31 THB/USD	Monthly High	31.20 THB/USD
Week Open	30.24 THB/USD	Monthly Low	30.13 THB/USD
Week Close	30.29 THB/USD	30 Days Average	30.69 THB/USD
Weekly High	30.42 THB/USD	90 Days Average	31.11 THB/USD
Weekly Low	30.24 THB/USD	YTD Change	+1.04%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Oct	30-Nov		-4.20%
Imports YY	Oct	30-Nov		-8.10%
Trade Account	Oct	30-Nov		3.21B
Current Account	Oct	30-Nov		1.31B
Manufacturing PMI SA	Nov	1-Dec		50.8
CPI Headline Inflation	Nov	4-Dec		-0.50%
CPI Core Inflation YY	Nov	4-Dec		0.19%

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Euro
Euro Graph


Source: Thomson Reuters

Euro Outlook

- Euro continues moving in upside momentum. Resistance awaits at Thursday's peak of 1.1940, the highest since September. It is followed by 1.1965 that played a role back then, and by the 2020 top of 1.2010.
- Nevertheless, in Germany the Europe's largest economy recorded its one-millionth COVID-19 case, active infections remain high and the curve is not bending lower. Chancellor Angela Merkel and regional leaders agreed to extend the lockdown through December 20 and easing could have to wait for after Christmas. While France and Spain suffered worse second waves, their politics have successfully bent down the curve and are reopening.

Lower Bound	1.1850	Upper Bound	1.2100
Forecast	Appreciation		

Euro News

- On Wednesday (25/11), the euro was traded higher after the Germany GDP exceeded the expectations. Their economy expanded by 8.5% in third quarter, driven by higher household spending and larger exports.
- In Eurozone, investors still concern over the second wave of coronavirus outbreaks and national lockdown in many countries. Meanwhile, French Foreign Affairs Minister Jean-Yves Le Drian said that he was working to convince Poland and Hungary it was in their interests to back the European Union's budget. Poland and Hungary have blocked the EU's 1.8 trillion euro plan to recover from the recession caused by the COVID-19 pandemic because the money is conditional on respecting the rule of law.

Euro Index Performance

Last Week Close	1.1853 USD/EUR	Monthly High	1.1990 USD/EUR
Week Open	1.1851 USD/EUR	Monthly Low	1.1605 USD/EUR
Week Close	1.1962 USD/EUR	30 Days Average	1.1827 USD/EUR
Weekly High	1.1964 USD/EUR	90 Days Average	1.1801 USD/EUR
Weekly Low	1.1799 USD/EUR	YTD Change	+6.94%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	Nov	1-Dec	53.6	53.6
HICP Flash YY	Nov	1-Dec	-0.2%	-0.3%
HICP-X F&E Flash YY	Nov	1-Dec	0.4%	0.4%
Producer Prices MM	Oct	2-Dec	0.1%	0.3%
Producer Prices YY	Oct	2-Dec	-2.3%	-2.4%
Unemployment Rate	Oct	2-Dec	8.4%	8.3%
Markit Serv Final PMI	Nov	3-Dec	41.3	41.3
Markit Comp Final PMI	Nov	3-Dec	45.1	45.1
Retail Sales MM	Oct	3-Dec	0.8%	-2.0%
Retail Sales YY	Oct	3-Dec	3.0%	2.2%

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- The pound gained against the dollar as signs the UK and European Union are close to agreeing a trade deal, and the latest progress in the development of a coronavirus vaccine added to optimism over the currency's prospects. After that, the post-Brexit trade negotiations would be in focus as European Union's chief negotiator, Michel Barnier, prepared for the final talks next week. Some analysts believed that the EU might shift slightly and agree to Boris Johnson's demands on sticky points. Also, Prime Minister Boris Johnson announced that the national lockdown would be lifted and the country would return to a tiered system of restrictions on Dec 2.

Pound Sterling Performance

Last Week Close	1.3282 USD/GBP	Monthly High	1.3397 USD/GBP
Week Open	1.3273 USD/GBP	Monthly Low	1.2855 USD/GBP
Week Close	1.3314 USD/GBP	30 Days Average	1.3147 USD/GBP
Weekly High	1.3397 USD/GBP	90 Days Average	1.3063 USD/GBP
Weekly Low	1.3262 USD/GBP	YTD Change	+0.69%

Pound Sterling Outlook

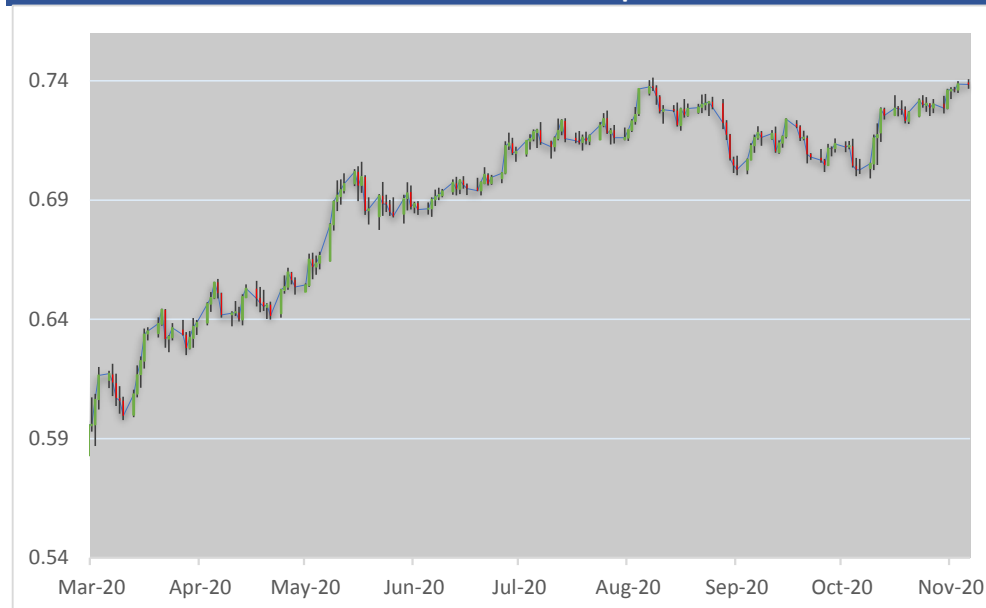
- The pound was pressured until we get some type of certainty out of the Brexit situation while the post-Brexit trade talks between the EU and the UK are nearly out of time with a decision likely in the next few days. While it has always been expected that these negotiations would go down to the wire, the reality is that if there is no breakthrough in the next few days any deal struck afterward would not be able to be ratified by the EU member states, leaving the EU and UK trading on WTO terms from January 1, 2021.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
BOE Consumer Credit	Oct	30-Nov		-0.622B
Mortgage Lending	Oct	30-Nov	4.455B	4.827B
Mortgage Approvals	Oct	30-Nov	84.486k	91.454k
Nationwide house price mm	Nov	1-Dec	0.3%	0.8%
Nationwide house price yy	Nov	1-Dec	5.5%	5.8%
Markit/CIPS Mfg PMI Final	Nov	1-Dec	55.2	55.2
Reserve Assets Total	Nov	3-Dec		177,702M
Markit/CIPS Serv PMI Final	Nov	3-Dec	45.8	45.8
Markit/CIPS Cons PMI	Nov	4-Dec	52.0	53.1

Lower Bound	1.3100	Upper Bound	1.3400
Forecast	Depreciation		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The AUD still advantage the greenback as the investors dumped the latter in benefit of riskier assets. After, US President Donald Trump agreed to begin the transition with President-elect Joe Biden's staff.
- Moreover, Australia has once again controlled coronavirus. Victoria has registered three weeks without new cases and deaths, while the latest outbreak in South Australia also came under control without new contagions.

Lower Bound	0.7200	Upper Bound	0.7500
Forecast	Appreciation		

Australian Dollar News

- The aussie was supported against USD with positive news regarding a vaccine. Nevertheless, policy push backs from the Reserve Bank of Australia or a rise in China-related tension may stall the Australian dollar, analysts at Rabobank.
- On Friday, AUD loss after a few negative updates regarding Australian and Chinese trade relations. China is reportedly set to hit Australian wine with tariffs that could double, or even triple its price for Chinese consumers, making the category of product "unviable" for Australian exporters, according to Australian Trade Minister Simon Birmingham.
- The Chinese Ministry of Commerce said that they had found that Australia was "dumping" wine in China and had delt substantial damage to domestic Chinese producers of wine. Australia has of course criticised the decision.

Australian Dollar Performance

Last Week Close	0.7302 USD/AUD	Monthly High	0.7407 USD/AUD
Week Open	0.7304 USD/AUD	Monthly Low	0.6992 USD/AUD
Week Close	0.7386 USD/AUD	30 Days Average	0.7226 USD/AUD
Weekly High	0.7399 USD/AUD	90 Days Average	0.7097 USD/AUD
Weekly Low	0.7263 USD/AUD	YTD Change	+5.17%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Business Inventories	Q3	30-Nov	-0.7%	-3.0%
Private Sector Credit	Oct	30-Nov		0.1%
Housing Credit	Oct	30-Nov		0.4%
Building Approvals	Oct	1-Dec	-3.0%	15.4%
Current Account Balance SA	Q3	1-Dec	7.1B	17.7B
Net Exports Contribution	Q3	1-Dec	-1.7%	1.0%
RBA Cash Rate	Dec	1-Dec	0.10%	0.10%
Real GDP QQ SA	Q3	2-Dec	2.5%	-7.0%
Real GDP YY SA	Q3	2-Dec	-4.5%	-6.3%

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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Yen should extend its gain from 104.80 to below 104.00 amid the positive market mood by COVID-19 vaccine and the confirmation of Joe Biden's victory in the US, which has tackled uncertainty about the US Government.
- However, all of significant data in next week might lower than previous session such as industrial production, consumer confidence and unemployment rate.

Lower Bound	103.00	Upper Bound	105.50
Forecast	Appreciation		

Japanese Yen News

- The yen gained as surging in coronavirus infection all over the world lent support to safe-haven assets surge and also the request from Treasury Secretary Mnuchin adds more uncertainty to the short-term outlook.
- Nevertheless, The yen slightly dropped as Yellen and Trump transition news urged investors to seek for riskier assets. Regarding the Coronavirus pandemic, the Japanese government scaled back a popular domestic tourism campaign to curb the spreading.

Japanese Yen Performance

Last Week Close	103.85 JPY/USD	Monthly High	105.67 JPY/USD
Week Open	103.85 JPY/USD	Monthly Low	103.18 JPY/USD
Week Close	104.10 JPY/USD	30 Days Average	106.46 JPY/USD
Weekly High	104.75 JPY/USD	90 Days Average	107.09 JPY/USD
Weekly Low	103.67 JPY/USD	YTD Change	-4.54%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Industrial O/P Prelim MM SA	Oct	30-Nov	2.1%	3.9%
Retail Sales YY	Oct	30-Nov	6.4%	-8.7%
Housing Starts YY	Oct	30-Nov	-9.3%	-9.9%
Jobs/Applicants Ratio	Oct	1-Dec	1.03	1.03
Unemployment Rate	Oct	1-Dec	3.1%	3.0%
Business Capex (MOF) YY	Q3	1-Dec		-11.3%
Jibun Bank Mfg PMI	Nov	1-Dec		48.3
Services PMI	Nov	3-Dec		47.7

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