

WEEKLY FOREIGN EXCHANGE OUTLOOK

12 Oct 2020 - 16 Oct 2020



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- The dollar traded in a limited range against other major currencies amid US stimulus measures hopes after US President Donald Trump's positive test for COVID-19 doubted how it might affect the vote. Meanwhile, the job data showed US non-farm payroll was smaller gain than expected.
- The dollar gained VS other major currencies after President Trump's surprise decision to call off stimulus talks until after the Nov 3 presidential election despite Federal Reserve Chair Jerome Powell warned that the U.S. economic recovery is still far from complete.
- However, Trump later urged Congress to pass a series of smaller bills that would target airlines, small businesses and individuals. Regarding the Fed's minutes, policy members agreed that the continuation of low rates should be remained.

Dollar Index Performance

Last Week Close	93.84	Monthly High	94.74
Week Open	93.81	Monthly Low	91.75
Week Close	93.01	30 Days Average	93.42
Weekly High	94.19	90 Days Average	94.55
Weekly Low	93.01	YTD Change	-3.30%

Dollar Outlook

- The US reports September industrial output on Friday (16/10). Many economists are looking for an acceleration after a 0.4% gain in August to 0.7%. Also, September inflation data will be reported on Tuesday (13/10) and retail sales on Friday (16/10).
- Market eyes on US stimulus package talk.
- Trump and Biden were meanwhile scheduled to go head to head again in the second presidential debate, though the clash is looking increasingly unlikely.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
CPI MM, SA	Sep	13-Oct	0.2%	0.4%
Initial Jobless Clm	10 Oct, w/	15-Oct	830k	840k
Philly Fed Business Indx	Oct	15-Oct	15.0	15.0
Retail Sales MM	Sep	16-Oct	0.6%	0.6%
Industrial Production MM	Sep	16-Oct	0.6%	0.4%
U Mich Sentiment Prelim	Oct	16-Oct	81.0	80.4

Lower Bound	92.50	Upper Bound	93.80
Forecast	Neutral		

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- The Baht gained along with other EM currencies while Thailand picked Arkhom Termpittayapaisith, a former transport minister, as finance minister to steer an economy facing its worst performance ever this year, following the abrupt resignation of his predecessor.
- The release of Bank of Thailand minute of meeting, an importance of monetary policy room preservation was highlighted. The committee also concerned that a rapid rise in the baht could affect the economic recovery and the bank would consider the necessity of additional measures. The bank also mentioned that fiscal policies might be needed to tackle the weak labor market.
- The baht appreciated against the dollar as the government outlined measures to boost consumption in its coronavirus-battered economy.

Thai Baht Performance

Last Week Close	31.59 THB/USD	Monthly High	31.65 THB/USD
Week Open	31.52 THB/USD	Monthly Low	30.99 THB/USD
Week Close	31.05 THB/USD	30 Days Average	31.32 THB/USD
Weekly High	31.54 THB/USD	90 Days Average	31.29 THB/USD
Weekly Low	31.00 THB/USD	YTD Change	+4.18%

Thai Baht Outlook

- The baht will be affected by the external factor like US stimulus package and global pandemic situation.

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	5 Oct, w/e	16-Oct		250.6B
Currency Swaps	5 Oct, w/e	16-Oct		24.5B

Lower Bound	30.90	Upper Bound	31.40
Forecast	Appreciation		

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Euro

Euro Graph



Source: Thomson Reuters

Euro News

- The euro gained on the greenback drop while the euro zone's economic recovery faltered in September with growing evidence sectors and countries in the bloc are diverging as a resurgence of the coronavirus forces the re-imposition of restrictions on activity.
- European Central Bank's Christine Lagarde warn that the Eurozone's economy is in for bumpy ride for the next few months.
- The euro improved due to the revived stimulus hopes. President Trump tweeted his additional support for economic measures, targeting on specific groups and this helped boosting the market's mood.
- The September European Central Bank meeting minutes signaled further stimulus in the not too distance future amid an uncertain outlook.

Euro Index Performance

Last Week Close	1.1713 USD/EUR	Monthly High	1.1831 USD/EUR
Week Open	1.1714 USD/EUR	Monthly Low	1.1697 USD/EUR
Week Close	1.1824 USD/EUR	30 Days Average	1.1791 USD/EUR
Weekly High	1.1831 USD/EUR	90 Days Average	1.1619 USD/EUR
Weekly Low	1.1705 USD/EUR	YTD Change	+5.27%

Euro Outlook

- In Europe, industrial production (14/10) and trade figures (16/10) for August data will be important steers for understanding the likely size of a eurozone GDP rebound in the third quarter.
- While, German ZEW survey (13/10) could be the perfect catalyst for the move.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
HICP Final YY	Sep	13-Oct	-0.4%	-0.4%
ZEW Economic Sentiment	Oct	13-Oct	74.0	77.4
ZEW Current Conditions	Oct	13-Oct	-60.0	-66.2
Reserve Assets Total	Sep	15-Oct		915.08B
HICP Final MM	Sep	16-Oct	0.1%	-0.4%
HICP Final YY	Sep	16-Oct	-0.3%	-0.3%

Lower Bound	1.1700	Upper Bound	1.1900
Forecast	Appreciation		

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- The Sterling gained on Brexit negotiations after British Prime Minister Boris Johnson and European Commission President Ursula von der Leyen agreed in a phone call on Saturday to step up negotiations on a post-Brexit deal.
- The pound gained amid Brexit negotiators are beginning two weeks of talks ahead of an EU summit next week.

Pound Sterling Performance

Last Week Close	1.2931 USD/GBP	Monthly High	1.3059 USD/GBP
Week Open	1.2931 USD/GBP	Monthly Low	1.2821 USD/GBP
Week Close	1.3046 USD/GBP	30 Days Average	1.2958 USD/GBP
Weekly High	1.3049 USD/GBP	90 Days Average	1.2843 USD/GBP
Weekly Low	1.2843 USD/GBP	YTD Change	-1.81%

Pound Sterling Outlook

- UK jobs data (13/10) will be closely watched for signs of rising unemployment as the government's furlough scheme is unwound.
- The EU Summit on October 15th has been the deadline set by the UK to agree on a Brexit deal and Prime Minister Johnson feels that both sides should "move on" if there is no agreement by then.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Sep	13-Oct	80.0k	73.7k
ILO Unemployment Rate	Aug	13-Oct	4.3%	4.1%
Employment Change	Aug	13-Oct	-24k	-12k
Avg Wk Earnings 3M YY	Aug	13-Oct	-0.6%	-1.0%
Avg Earnings (Ex-Bonus)	Aug	13-Oct	0.6%	0.2%

Lower Bound	1.2880	Upper Bound	1.3160
Forecast	Neutral		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar News

- Despite speculation that an October rate cut was in the cards, the Reserve Bank has left official interest rates on hold in its meeting this afternoon. The cash rate remains at the historic low of 0.25%.
- The Aussie edged higher against the greenback as AIG construction index and NAB business confidence were better-than-expected.

Australian Dollar Performance

Last Week Close	0.7162 USD/AUD	Monthly High	0.7248 USD/AUD
Week Open	0.7157 USD/AUD	Monthly Low	0.7097 USD/AUD
Week Close	0.7239 USD/AUD	30 Days Average	0.7109 USD/AUD
Weekly High	0.7243 USD/AUD	90 Days Average	0.6818 USD/AUD
Weekly Low	0.7094 USD/AUD	YTD Change	+2.66%

Australian Dollar Outlook

- Australia will release its labor market report on Thursday (15/10) while RBA governor Lowe is scheduled to give a speech.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Employment	Sep	15-Oct	-35.0k	111.0k
Participation Rate	Sep	15-Oct	64.8%	64.8%
Unemployment Rate	Sep	15-Oct	7.1%	6.8%

Lower Bound	0.7100	Upper Bound	0.7350
Forecast	Neutral		

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Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen News

- The yen weakened as ongoing concerns over climbing coronavirus infection rates in Europe and the US kept investors cautious.
- The yen traded in a limited range as the safe haven demand is still being sought from the investors after President Trump dashed hopes for a fourth stimulus package to boost the coronavirus-hit economy.
- The yen traded in a narrow range as Japan's service sector sentiment rose 5.4 points from August to 49.3 in September to the highest level in 2 years, suggesting that the economy is gradually recovering from the devastating impact of the coronavirus pandemic.

Japanese Yen Performance

Last Week Close	105.33 JPY/USD	Monthly High	106.10 JPY/USD
Week Open	105.28 JPY/USD	Monthly Low	104.95 JPY/USD
Week Close	105.59 JPY/USD	30 Days Average	107.57 JPY/USD
Weekly High	106.10 JPY/USD	90 Days Average	107.67 JPY/USD
Weekly Low	105.27 JPY/USD	YTD Change	-3.09%

Japanese Yen Outlook

- Markets will be steered by Covid-19 infection rates which affect the movement of safe-haven asset.
- For the data front, Japanese industrial production is scheduled to release on Wednesday (14/10).

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Corp Goods Price MM	Sep	12-Oct	0.0%	0.2%
Corp Goods Price YY	Sep	12-Oct	-0.5%	-0.5%
Machinery Orders MM	Aug	12-Oct	-1.0%	6.3%
Machinery Orders YY	Aug	12-Oct	-15.6%	-16.2%

Lower Bound	105.00	Upper Bound	106.50
Forecast	Neutral		

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