• The dollar held its gains against other major currencies as the latest US jobs data on Friday continued to support demand for the greenback. However, the trade was thin on Monday as US markets closed for the Labor Day holiday.

• The dollar traded sideways against other major currencies despite the number of Americans applying for initial unemployment benefits came in at 884,000 last week, larger than forecasts of a decline to 846,000, indicating that labor market recovery is stalling amid the ongoing coronavirus pandemic. While US lawmakers failed to find a way to break the deadlock on stimulus talks at a time when job growth appears to be slowing. The Republican coronavirus stimulus plan failed to get the votes needed to advance in the Senate.

• The highlight of the week ahead will be Wednesday’s FOMC policy meeting, where it may seek to operationalise its new average inflation targeting approach with some additional forward guidance.

• This week, markets will also focus on the release of August retail sales on Wednesday and September consumer confidence on Friday. Consumer sentiment is expected to stay near the lows, although it may be too early to expect retail sales to fall short.

Dollar Outlook
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Thai Baht Graph

Thai Baht Performance
- Last Week Close: 31.37 THB/USD
- Week Open: 31.40 THB/USD
- Week Close: 31.33 THB/USD
- Monthly High: 31.46 THB/USD
- Monthly Low: 30.95 THB/USD
- 30 Days Average: 31.24 THB/USD
- 90 Days Average: 31.46 THB/USD
- YTD Change: +4.48%

Thai Baht Outlook
- The baht moved in a range against the dollar as Bank of Thailand (BoT) Governor Veerathai Santiprabhob mentioned on Tuesday that the revision of gold trading rules was expected to be done by this year as it would help tackle the currency strength.
- On Thursday, the Baht gained against the dollar on bond inflows as the BOT chief’s played down the possibility of more rate cuts.
- The baht slightly depreciated on Friday from the announcement of new Covid-19 case found in Thailand.

Thai Baht Graph

Thai Baht News

Thai Baht Economic Events

<table>
<thead>
<tr>
<th>Events</th>
<th>Period</th>
<th>Date</th>
<th>Forecast</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forex Reserves</td>
<td>7 Sep, w/e</td>
<td>18-Sep</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency Swaps</td>
<td>7 Sep, w/e</td>
<td>18-Sep</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lower Bound 31.00  Upper Bound 31.50  Forecast Neutral

Source: Thomson Reuters

Please carefully examine the Important Disclosure on the last section of this material.
This week we’ll see Eurozone July industrial production and the latest German ZEW figures.

The difficult Brexit discussions will also play out further this week, which could hold European currencies in check.

The euro traded lower against the dollar after German industrial production came in below expectations in July, weighing on the currency sentiment.

The ECB’s Governing Council decided to keep the deposit rate unchanged at -0.5% and also the pandemic bond-buying program at 1.35 trillion euros ($1.6 trillion). While European Central Bank Chair Christine Lagarde said the euro exchange rate must be monitored for its impact on prices, but she didn’t signal any pressing need to adjust policy.
**Pound Sterling Graph**

- The pound sterling fell against the dollar as a chance of no-deal Brexit recurred. The divorce bill, once again, undermined the currency after UK Prime Minister Boris Johnson set October 15 deadline for the post-Brexit deal or the UK quit the talks.
- The pound continuingly fell against the dollar as the EU threatened to pursue legal action against the UK if it doesn’t drop a bill that aims to undermine the Brexit divorce agreement.

<table>
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<tr>
<th>Events</th>
<th>Period</th>
<th>Date</th>
<th>Forecast</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claimant Count Unem Chng</td>
<td>Aug</td>
<td>15-Sep</td>
<td>94.4k</td>
<td></td>
</tr>
<tr>
<td>ILO Unemployment Rate</td>
<td>Jul</td>
<td>15-Sep</td>
<td>4.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>CPI YY</td>
<td>Aug</td>
<td>16-Sep</td>
<td>0.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>BOE Bank Rate</td>
<td>Sep</td>
<td>17-Sep</td>
<td>0.10%</td>
<td>0.10%</td>
</tr>
<tr>
<td>GB BOE QE Corp</td>
<td>Sep</td>
<td>17-Sep</td>
<td>20B</td>
<td>20B</td>
</tr>
<tr>
<td>Retail Sales MM</td>
<td>Aug</td>
<td>18-Sep</td>
<td>0.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Retail Sales Ex-Fuel MM</td>
<td>Aug</td>
<td>18-Sep</td>
<td>0.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Retail Sales YY</td>
<td>Aug</td>
<td>18-Sep</td>
<td>3.0%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

**Pound Sterling Performance**

<table>
<thead>
<tr>
<th>Last Week Close</th>
<th>1.3278 USD/GBP</th>
<th>Weekly High</th>
<th>1.3482 USD/GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week Open</td>
<td>1.3168 USD/GBP</td>
<td>Monthly High</td>
<td>1.3125 USD/GBP</td>
</tr>
<tr>
<td>Week Close</td>
<td>1.2793 USD/GBP</td>
<td>Monthly Low</td>
<td>1.2765 USD/GBP</td>
</tr>
<tr>
<td>Weekly High</td>
<td>1.3171 USD/GBP</td>
<td>30 Days Average</td>
<td>1.3125 USD/GBP</td>
</tr>
<tr>
<td>Weekly Low</td>
<td>1.2761 USD/GBP</td>
<td>90 Days Average</td>
<td>1.2722 USD/GBP</td>
</tr>
<tr>
<td>YTD Change</td>
<td>-3.32%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pound Sterling Outlook**

- We expect the pressure on GBP to continue building next week as until-recently complacent investors adjust to the new reality of a heightened no-deal Brexit risk and start/continue building GBP shorts.
- On the data front, the focus will be on the Internal Market Bill debate in Parliament (where is it expected to be eventually passed). The accompanying negative headline news (and its impact on UK-EU trade negotiations prospects) suggests a clear downside for GBP. The UK data should play second fiddle to politics and Brexit uncertainty next week.

**Pound Sterling News**

- The pound sterling fell against the dollar as a chance of no-deal Brexit recurred. The divorce bill, once again, undermined the currency after UK Prime Minister Boris Johnson set October 15 deadline for the post-Brexit deal or the UK quit the talks.
- The pound continuingly fell against the dollar as the EU threatened to pursue legal action against the UK if it doesn’t drop a bill that aims to undermine the Brexit divorce agreement.

**Pound Sterling Economic Events**

- Please carefully examine the Important Disclosure on the last section of this material.
The Aud fell against the dollar from many concerns, Australian media companies pulled all of their journalists out of China. A five day diplomatic standoff between the two countries ended with Australia rushing to evacuate two journalists. China also accused Cheng Lei, a popular Chinese born Australian journalist of illegal activities. Escalating tensions with its largest trading partner is bad news for Australia, particularly at a time when the government extended the hard lockdown in Victoria until September 28th as the infection rate declines more slowly than they hoped.

**Australian Dollar Performance**

<table>
<thead>
<tr>
<th>Last Week Close</th>
<th>0.7279 USD/AUD</th>
<th>Monthly High</th>
<th>0.7413 USD/AUD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week Open</td>
<td>0.7274 USD/AUD</td>
<td>Monthly Low</td>
<td>0.7193 USD/AUD</td>
</tr>
<tr>
<td>Week Close</td>
<td>0.7283 USD/AUD</td>
<td>30 Days Average</td>
<td>0.6932 USD/AUD</td>
</tr>
<tr>
<td>Weekly High</td>
<td>0.7324 USD/AUD</td>
<td>90 Days Average</td>
<td>0.6580 USD/AUD</td>
</tr>
<tr>
<td>Weekly Low</td>
<td>0.7190 USD/AUD</td>
<td>YTD Change</td>
<td>+3.67%</td>
</tr>
</tbody>
</table>

**Australian Dollar Outlook**

- AUD has been the best performing cyclical currency this week, being insulated from EUR/USD volatility as well as the declining oil prices.
- For data front, the focus in the RBA September meeting Minutes (Tuesday) and the labour market report (Thursday), with both having a limited impact on AUD.

**Australian Dollar News**

- **Home Price Index**: Q2, 15-Sep, -1.0% (Forecast), 1.6% (Previous)
- **Employment**: Aug, 17-Sep, -50.0k (Forecast), 114.7k (Previous)
- **Participation Rate**: Aug, 17-Sep, 64.7% (Forecast), 64.7% (Previous)
- **Unemployment Rate**: Aug, 17-Sep, 7.7% (Forecast), 7.5% (Previous)

**Economic Events**

- **Lower Bound**: 0.7150
- **Upper Bound**: 0.7380
- **Forecast**: Neutral
The yen gained slightly against the dollar as concern over increasing in the number of COVID-19 infections lent support to the safe-haven yen.

Japan’s GDP was reported -7.9% in the three months to June which was better than expectations of -8.1%. Also, an Economy Watchers Sentiment was shown at 43.9, higher than the forecast of 41.0.

The yen traded in a narrow range as markets await any developments in news or events especially COVID-19 vaccine to indicate the currency’s movement.

Monday Sep 14th sees LDP party members vote on a new leader and become Japan’s next prime minister. Yoshihide Suga is widely expected to be elected and to deliver a continuation of PM Abe’s policy.

The week ahead in Japan also sees a BoJ policy meeting in early Asia next Friday. Business confidence has rebounded quite well and there is talk of the BoJ upgrading their activity outlook.

Japanese Yen Outlook

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