

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Feb 2021 - 26 Feb 2021**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar News**

- The greenback was under pressured during the beginning of the week against all its major peers except JPY by hopes that US congress will speed up a stimulus bill.
- During mid-week, the DXY recovered from monthly low on rise of US 10-year Treasury yields that rallied to the highest since February 2020 as an increasing talks that US President Joe Biden's \$1.9 trillion Covid relief bill will be out by March 8.
- On Thursday (18/2), the Fed's minutes have shown optimism on growth and on inflation worries, while revealed that the Fed will maintain an ultra-accommodative monetary policy stance.
- While Yellen, Treasury Secretary has said in a CNBC interview that 'it is important to have big rescue package and that benefit will far outweigh costs in the longer-run. While inflation is a risk but Fed has tool to address it.'

**Dollar Index Performance**

<b>Last Week Close</b>	<b>90.48</b>	<b>Monthly High</b>	<b>91.60</b>
<b>Week Open</b>	<b>90.45</b>	<b>Monthly Low</b>	<b>89.92</b>
<b>Week Close</b>	<b>90.18</b>	<b>30 Days Average</b>	<b>90.59</b>
<b>Weekly High</b>	<b>91.06</b>	<b>90 Days Average</b>	<b>91.26</b>
<b>Weekly Low</b>	<b>90.12</b>	<b>YTD Change</b>	<b>#NAME?</b>

**Dollar Outlook**

- Focus is still on President Biden's stimulus.
- Market will be watchful of inflation risks and jobs data that can worsen fear in market and might force investors to seek for safe-haven.
- Moreover, the focus is now on delay distribution of Covid-19 vaccines due to the storm in the Southern part of the US, which could weigh on sentiment.
- Chief Jerome Powell is due to testify before Congress this week.

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confidence	Feb	23-Feb	90.0	89.3
New Home Sales-Units	Jan	24-Feb	0.855M	0.842M
Durable Goods	Jan	25-Feb	1.1%	0.5%
GDP 2nd Estimate	Q4	25-Feb	4.1%	4.0%
Initial Jobless Clm	20 Feb, w/	25-Feb	843k	861k
Consumption, Adjusted MM	Jan	26-Feb	2.5%	-0.2%
U Mich Sentiment Final	Feb	26-Feb	76.5	76.2
Markit Mfg PMI Final	Feb	1-Mar		58.5
ISM Manufacturing PMI	Feb	1-Mar	58.6	58.7

<b>Lower Bound</b>	<b>90.00</b>	<b>Upper Bound</b>	<b>91.00</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- Thai baht this week is likely to remain in a range of 29.85 – 30.05 THB/USD.
- This week, Thailand will release trade, export and import data in January on Tuesday (23/2).
- Also, all eyes will be on Federal Reserve Chair Jerome Powell' delivery his testimony before congress this week.

<b>Lower Bound</b>	<b>29.85</b>	<b>Upper Bound</b>	<b>30.05</b>
<b>Forecast</b>	<b>Neutral</b>		

**Thai Baht News**

- Thai baht last week moved in narrow range as there was no major factors to direct the market.
- On Wednesday (17/2), Reuters reported that Thailand's government came under fire in parliament regarding its coronavirus vaccine policy, with opposition politician accusing authorities of being too slow to start vaccinations and relying only on a single vaccine producer.
- However, Thailand recently has had far fewer infections with 24,961 cases overall and 82 deaths.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>#N/A</b> THB/USD	<b>Monthly High</b>	<b>#NAME?</b> THB/USD
<b>Week Open</b>	<b>29.88</b> THB/USD	<b>Monthly Low</b>	<b>#NAME?</b> THB/USD
<b>Week Close</b>	<b>29.97</b> THB/USD	<b>30 Days Average</b>	<b>29.98</b> THB/USD
<b>Weekly High</b>	<b>30.03</b> THB/USD	<b>90 Days Average</b>	<b>30.32</b> THB/USD
<b>Weekly Low</b>	<b>29.83</b> THB/USD	<b>YTD Change</b>	<b>#NAME?</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Jan	23-Feb	1.85%	4.71%
Custom-Based Import Data	Jan	23-Feb	-8.30%	3.62%
Customs-Based Trade Data	Jan	23-Feb	0.07B	0.96B
Exports YY	Jan	25-Feb		4.60%
Imports YY	Jan	25-Feb		-0.10%
Trade Account	Jan	25-Feb		2.80B
Current Account	Jan	25-Feb		-0.70B
Manufacturing Prod YY	Jan	25-Feb	-5.30%	-2.44%
Manufacturing PMI SA	Feb	1-Mar		49.0

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**Euro Graph**


Source: Thomson Reuters

**Euro News**

- Eurogroup Head, Paschal Donohoe, said on Monday (15/2) that 'supportive economic policies should remain in place in Europe as long as needed. While National budgets should be approached in the Eurozone in coordinated manner.'
- However, the comments didn't seem to be impacting the shared currency's performance.
- For economic data; ZEW economic sentiment showed a rise to 71.2 points from 61.8 in previous month while Reuters poll pointed to a fall to 59.6 points. While Eurozone Manufacturing PMI arrives at 57.7 in February versus 54.4 forecast.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.2118</b> USD/EUR	<b>Monthly High</b>	<b>#NAME?</b> USD/EUR
<b>Week Open</b>	<b>1.2121</b> USD/EUR	<b>Monthly Low</b>	<b>#NAME?</b> USD/EUR
<b>Week Close</b>	<b>1.2117</b> USD/EUR	<b>30 Days Average</b>	<b>1.2113</b> USD/EUR
<b>Weekly High</b>	<b>1.2169</b> USD/EUR	<b>90 Days Average</b>	<b>1.2036</b> USD/EUR
<b>Weekly Low</b>	<b>1.2021</b> USD/EUR	<b>YTD Change</b>	<b>#NAME?</b>

**Euro Outlook**

- The EUR is likely to reach 1.2150 USD/EUR this week while the support at level around 1.2010 USD/EUR.
- The EUR also depends on how fast the continent get vaccination; if the continent accepts these doses at a faster pace, the EUR should continue to rise.
- ECB President, Christine Lagarde is expected to sound dovish in a speech on Monday (22/2).

**Euro Index Economic Events**

Events	Period	Date	Forecast	Previous
HICP Final MM	Jan	23-Feb	0.2%	0.3%
HICP Final YY	Jan	23-Feb	0.9%	0.9%
Consumer Confid. Final	Feb	25-Feb	-14.8	-14.8
Markit Mfg Final PMI	Feb	1-Mar		57.7

<b>Lower Bound</b>	<b>1.2010</b>	<b>Upper Bound</b>	<b>1.2150</b>
<b>Forecast</b>	<b>Appreciation</b>		

Business Climate	Feb	27-Feb	-0.27
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**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The optimism regarding the impressive pace of vaccinations in the UK, which would allow PM Johnson to lift the restrictions, could get the economy moving and strengthen the Sterling.
- All eyes will be on PM Johnson and his highly-anticipated reopening speech on Monday (22/2).
- The Sterling could go towards 1.40 if the plan of the UK reopening is determined.

**Pound Sterling News**

- In the UK, it has reached over 15 million people vaccinated threshold while reporting under 10k new daily cases for the first time since October last year on Monday (15/2).
- The Sterling has been outperformed amid ongoing vaccine and UK economic reopening optimism. The Sterling has climbed to level above 1.3900 USD/GBP.
- The number of covid-19 case in the UK continues dropping sharply, increasing pressure to PM Johnson to ease restriction.
- On Wednesday (17/2), the UK consumer inflation rose to a 3-month high of 0.7% in January and the core came in at 1.4%, both beating expectation.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3844</b> USD/GBP	<b>Monthly High</b>	<b>#NAME?</b> USD/GBP
<b>Week Open</b>	<b>1.3844</b> USD/GBP	<b>Monthly Low</b>	<b>#NAME?</b> USD/GBP
<b>Week Close</b>	<b>1.4014</b> USD/GBP	<b>30 Days Average</b>	<b>1.3737</b> USD/GBP
<b>Weekly High</b>	<b>1.4035</b> USD/GBP	<b>90 Days Average</b>	<b>1.3453</b> USD/GBP
<b>Weekly Low</b>	<b>1.3828</b> USD/GBP	<b>YTD Change</b>	<b>#NAME?</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Jan	23-Feb		7.0k
ILO Unemployment Rate	Dec	23-Feb	5.1%	5.0%
Nationwide house price mm	Feb	26-Feb		-0.3%
Nationwide house price yy	Feb	26-Feb		6.4%
Markit/CIPS Mfg PMI Final	Feb	1-Mar		54.9

<b>Lower Bound</b>	<b>1.3900</b>	<b>Upper Bound</b>	<b>1.4100</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- Upbeat PMIs, unlock news from the UK and Israel is favor market sentiment, the AUD is likely to continually appreciate.
- The news regarding US Covid-19 relief package and further easing of virus-led lockdown should help the bulls in AUD.
- However, since there is light major economic data this week, the movement could be limited.

<b>Lower Bound</b>	<b>0.7700</b>	<b>Upper Bound</b>	<b>0.7950</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

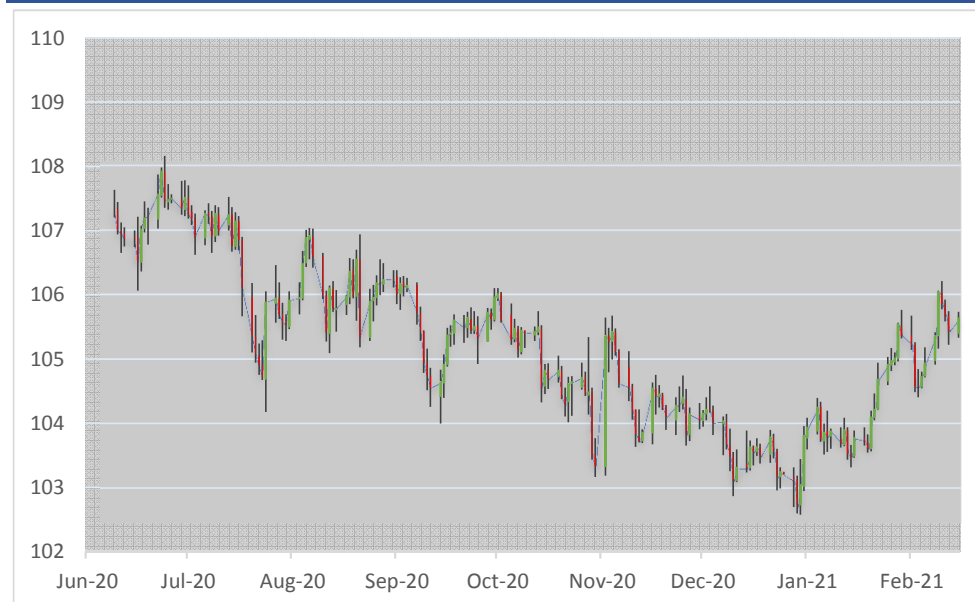
- The Aussie rose at the beginning of the week due to the risk-on sentiment.
- RBA minutes cited the need for 'significant monetary support'.
- On Tuesday (16/2), Reuters reported that Australia's No.2 most popular state, Victoria, could begin lifting a 5-day coronavirus lockdown.
- The Aussies was trading near 2021 top at level around 0.7820 USD/AUD.
- On Thursday (18/2), Australia reported a rise of 291,000 jobs in January and an unemployment rate fell to 6.4%, which is better than expected. And retail sales for January eased below forecast of 2.0% but recovered from -4.1% priors.
- However, market sentiment during the end of the week remained sluggish amid no major progress on US stimulus talks and fear of Covid variants.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7753</b> USD/AUD	<b>Monthly High</b>	<b>#NAME?</b> USD/AUD
<b>Week Open</b>	<b>0.7744</b> USD/AUD	<b>Monthly Low</b>	<b>#NAME?</b> USD/AUD
<b>Week Close</b>	<b>0.7869</b> USD/AUD	<b>30 Days Average</b>	<b>0.7716</b> USD/AUD
<b>Weekly High</b>	<b>0.7877</b> USD/AUD	<b>90 Days Average</b>	<b>0.7502</b> USD/AUD
<b>Weekly Low</b>	<b>0.7722</b> USD/AUD	<b>YTD Change</b>	<b>#NAME?</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Construction Work Done	Q4	24-Feb	1.0%	-2.6%
Wage Price Index QQ	Q4	24-Feb	0.3%	0.1%
Wage Price Index YY	Q4	24-Feb	1.1%	1.4%
Capital Expenditure	Q4	25-Feb	0.0%	-3.0%
Building Capex	Q4	25-Feb		-3.7%
Plant/Machinery Capex	Q4	25-Feb		-2.2%
Private Sector Credit	Jan	26-Feb		0.3%
Housing Credit	Jan	26-Feb		0.4%
Business Inventories	Q4	1-Mar		-0.5%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The pair is seen to cap around 105.00 – 106.50 level this week.
- Expectations for faster economic growth probably boost the commodities and pressure the JPY.
- However, a cautious mood around the equity markets could underpin the safe-haven Yen.

**Japanese Yen News**

- Japan's Financial Minister, Taro Aso, said that now it is not the time to withdraw fiscal support.
- Taro Aso explained that 'when it is time to shift from the covid-19 crisis mode to a fiscal restoration, it will be crucial and timing should be coordinated among major economies.'
- In addition, most of G7 countries such as Japan, the UK, US and France agree that now is not the time to withdraw fiscal support for pandemic-hit economies.
- On Thursday (18/2), BOJ Governor Haruhiko Kuroda spoke about the economy that exports has recovered to level before Covid-19 struck, output is making similar moves and consumption is picking up while service spending remains weak.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>104.93</b> JPY/USD	<b>Monthly High</b>	<b>#NAME?</b> JPY/USD
<b>Week Open</b>	<b>104.98</b> JPY/USD	<b>Monthly Low</b>	<b>#NAME?</b> JPY/USD
<b>Week Close</b>	<b>105.43</b> JPY/USD	<b>30 Days Average</b>	<b>104.82</b> JPY/USD
<b>Weekly High</b>	<b>106.21</b> JPY/USD	<b>90 Days Average</b>	<b>104.26</b> JPY/USD
<b>Weekly Low</b>	<b>104.91</b> JPY/USD	<b>YTD Change</b>	<b>#NAME?</b>

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	Feb	26-Feb	-0.4%	-0.4%
CPI, Overall Tokyo	Feb	26-Feb		-0.5%
Industrial O/P Prelim MM SA	Jan	26-Feb	4.0%	-1.0%
Retail Sales YY	Jan	26-Feb	-2.6%	-0.3%
Housing Starts YY	Jan	26-Feb	-2.5%	-9.0%
Jibun Bank Mfg PMI	Feb	1-Mar		50.6

<b>Lower Bound</b>	<b>105.00</b>	<b>Upper Bound</b>	<b>106.50</b>
<b>Forecast</b>	<b>Neutral</b>		

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