The economic activity in the US' service sector expanded at its strongest pace since February 2019 with the ISM Services PMI rising to 58.7 from 57.7 in January. This reading beat the market expectation of 56.8.

The greenback retaining most of its weekly gains. The dollar eased just modestly, still backed by hopes of a new US stimulus package. Democrats senators pushed forward with a coronavirus-aid package, aiming to pass legislation without Republicans support.

The January’s Nonfarm Payrolls showed the US economy created just 49K jobs, a tad below expectations of 85K. The Unemployment rate surprised to the upside and dropped to 6.3% during the same period from 6.7% prior.

Analysts at Capital Economics think that the Fed will maintain its accommodative stance for longer than investors appear to anticipate and that, as a result, US yields will not rise nearly as much as they did in previous recoveries.

In addition, a looser fiscal stance would boost US growth, thereby supporting the recovery of the global economy and the exports of other economies. That would probably further increase appetite for risk and weaken the dollar, especially against riskier currencies.
Thai Baht Outlook

• The Bank of Thailand (BOT) kept its monetary policy unchanged by maintaining interest rate at the record low of 0.50% on Wednesday meeting (3/2).

• The Bank of Thailand estimates the Thai economy to expand by 3.2% this year, rising to 4.8% in 2022. The central bank anticipates foreign tourist arrivals of 5.5 million in 2021.

• The central bank added that Thailand’s economic recovery will depend on four key drivers: (1) foreign tourist figures, (2) efficacy and coverage of COVID-19 vaccination, (3) continued and sufficient fiscal support, and (4) condition of the labour market.”

• The central bank indicates that the second-wave pandemic would be less severe than the first round due to looser restriction and in-time implementation of stimulus packages from the government.

• Markets still concern over weak domestic labour market as rising in unemployment rate during the new wave of the pandemic. Nonetheless, the BOT expects that inflation would meet the lower-bound of target range in mid-2021 while economic recovery has still faced uncertainty and relied on effectiveness of the pandemic restriction.

• We expected the THB to move in a narrow range this week as Asian Markets are heading to Chinese New year holiday.

Thai Baht News

• We expected the THB to move in a narrow range this week as Asian Markets are heading to Chinese New year holiday.
Euro Graph

Euro News

- Former ECB Chief Mario Draghi has been summoned by Italian President Sergio Mattarella, to try to form a new coalition government in the country after Giuseppe Conte resigned as prime minister last week.

- The EU is set to receive immunization doses from AstraZeneca over the weekend, allowing it to reignite its vaccination campaign.

### Euro Index Performance

<table>
<thead>
<tr>
<th></th>
<th>Last Week Close</th>
<th>Monthly High</th>
<th>Monthly Low</th>
<th>YTD Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/EUR</td>
<td>1.2136</td>
<td>1.2136 USD/EUR</td>
<td>1.1953 USD/EUR</td>
<td>-1.45%</td>
</tr>
</tbody>
</table>

### Euro Index 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>Sentix Index</td>
<td>Feb</td>
<td>8-Feb</td>
<td>1.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Industrial Production MM</td>
<td>Dec</td>
<td>15-Feb</td>
<td>-0.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Industrial Production YY</td>
<td>Dec</td>
<td>15-Feb</td>
<td>1.0%</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

### Euro Outlook

- Investors look to be cheering the idea that the pro-European Union (EU) former ECB Governor Mario Draghi will be able to form a government to navigate the coronavirus crisis and manage funds coming from the EU.

- The unemployment rate in the euro area declined further in November 2020, helped by an increase in the number of workers covered by job retention schemes.

- The second wave of the pandemic suggests downside risks to investment in the first quarter of 2021.

Please carefully examine the Important Disclosure on the last section of this material.
This image contains a page from a document discussing the weekly foreign exchange outlook for the Pound Sterling. The page includes various data points and analysis related to the currency, with a focus on recent performance and future outlook.

### Weekly Foreign Exchange Outlook

**Pound Sterling**

**Pound Sterling Graph**

- **Last Week Close**: 1.3702 USD/GBP
- **Monthly High**: 1.3757 USD/GBP
- **Week Open**: 1.3711 USD/GBP
- **Monthly Low**: 1.3569 USD/GBP
- **Week Close**: 1.3733 USD/GBP
- **30 Days Average**: 1.3638 USD/GBP
- **90 Days Average**: 1.3350 USD/GBP
- **Weekly High**: 1.3757 USD/GBP
- **Weekly Low**: 1.3564 USD/GBP
- **YTD Change**: +0.42%

**Pound Sterling News**

- **The Bank of England (BOE) gathered most of the market’s attention on Thursday (4/2), as policymakers cooled hopes for soon-to-come negative rates in the UK. The central bank left its monetary policy unchanged, and even hint slower bond-purchasing. The GBP appreciated despite the persistent dollar’s strength, with GBP/USD ending the day with gains in the 1.3660 price zone.**

- **Negative interest rates can have less desirable consequences, depending on the state of the economy and the financial system,” Bank of England (BoE) Deputy Governor Dave Ramsden said on Friday (5/2).**

**Pound Sterling Performance**

<table>
<thead>
<tr>
<th>Event</th>
<th>Period</th>
<th>Date</th>
<th>Forecast</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Est 3M/3M</td>
<td>Dec</td>
<td>12-Feb</td>
<td>0.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>GDP Estimate MM</td>
<td>Dec</td>
<td>12-Feb</td>
<td>1.0%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>GDP Estimate YY</td>
<td>Dec</td>
<td>12-Feb</td>
<td>-7.5%</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Manufacturing Output MM</td>
<td>Dec</td>
<td>12-Feb</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>GDP Prelim QQ</td>
<td>Q4</td>
<td>12-Feb</td>
<td>0.5%</td>
<td>16.0%</td>
</tr>
<tr>
<td>GDP Prelim YY</td>
<td>Q4</td>
<td>12-Feb</td>
<td>-8.1%</td>
<td>-8.6%</td>
</tr>
</tbody>
</table>

**Pound Sterling Outlook**

- **Governor Bailey may warn about the implications of Brexit. Barriers to trade may undermine the recovery. That is probably the sole issue that could limit gains from the BoE’s decision optimism.**

- **The pound is the best performing G10 currency versus the US dollar this year in part helped by the response to BoE announcements that were certainly on the more optimistic side of expectations.**

- **Britain's rapid vaccination scheme provides hopes for accelerated growth down the line. The UK has already immunized around 14% of its population, the highest is in the West. This could help the GBP to stand out for another week.**

**Lower Bound** 1.3586  **Upper Bound** 1.3761  **Forecast** 1.3676  **Appreciation**
WEEKLY FOREIGN EXCHANGE OUTLOOK
Australian Dollar

Australian Dollar Graph

Australian Dollar Performance

<table>
<thead>
<tr>
<th></th>
<th>Last Week Close</th>
<th>Monthly High</th>
<th>Monthly Low</th>
<th>30 Days Average</th>
<th>90 Days Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Dollar</td>
<td>0.7642 USD/AUD</td>
<td>0.7681 USD/AUD</td>
<td>0.7564 USD/AUD</td>
<td>0.7696 USD/AUD</td>
<td>0.7432 USD/AUD</td>
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</tbody>
</table>

Australian Dollar News

- AUD’s muted reaction to RBA’s upward revision of growth forecast. As represented by Retail Sales, Australia’s consumer spending fell 4.1% month-on-month in December versus the preliminary projection of a 4.2% drop. The decline was expected following the strong Black Friday sales in November. Nevertheless, the negative print could be keeping buyers on the sideline.

Australian Dollar Outlook

- It is a quiet week for the AUD ahead with no major macroeconomic news release, however we are likely to see some movement when Federal Reserve Chair Powell is scheduled to speak early Thursday morning.

- The Reserve Bank of Australia (RBA) needs to keep dovish stance on its monetary policy until people get jobs and wages edge higher by maintaining the cash rate near zero as long for necessary in the wake of the COVID-19 pandemic, regarding to the comment of RBA Governor Phillip Lowe in a Q&A session following his speech titled "The Year Ahead", at the National Press Club of Australia Conference, Canberra.

Australian Dollar 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>NAB Business Conditions</td>
<td>Jan</td>
<td>9-Feb</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>NAB Business Confidence</td>
<td>Jan</td>
<td>9-Feb</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Consumer Sentiment</td>
<td>Feb</td>
<td>10-Feb</td>
<td>-4.5%</td>
<td></td>
</tr>
<tr>
<td>Refinitiv IPSOS PCSI</td>
<td>Feb</td>
<td>12-Feb</td>
<td>53.89</td>
<td></td>
</tr>
</tbody>
</table>

Lower Bound 0.7583 Upper Bound 0.7798
**Japanese Yen**

- Last Week Close: 104.68 JPY/USD
- Monthly High: 105.76 JPY/USD
- Week Open: 104.66 JPY/USD
- Monthly Low: 104.62 JPY/USD
- Week Close: 105.36 JPY/USD
- 30 Days Average: 104.62 JPY/USD
- Weekly High: 105.76 JPY/USD
- 90 Days Average: 104.29 JPY/USD
- Weekly Low: 104.59 JPY/USD
- YTD Change: +2.26%

**Japanese Yen Outlook**

- USD/JPY drops for the first time in eight days after hitting highest levels since October 2020.
- With the deployment of effective vaccines and thanks to fiscal and monetary support, we expect the economic recovery to continue in 2021.
- In this environment, demand for safe-haven assets like the yen usually suffers. We therefore expect the yen to continue its longer-term downtrend.

**Japanese Yen Economic Events**

<table>
<thead>
<tr>
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<th>Date</th>
<th>Forecast</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Account NSA JPY</td>
<td>Dec</td>
<td>8-Feb</td>
<td>1,040.0B</td>
<td>1,878.4B</td>
</tr>
<tr>
<td>Corp Goods Price MM</td>
<td>Jan</td>
<td>10-Feb</td>
<td>0.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Corp Goods Price YY</td>
<td>Jan</td>
<td>10-Feb</td>
<td>-1.6%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>GDP QQ</td>
<td>Q4</td>
<td>15-Feb</td>
<td>2.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>GDP QQ Annualised</td>
<td>Q4</td>
<td>15-Feb</td>
<td>9.5%</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

**Lower Bound** 102.89  **Upper Bound** 105.63  **Forecast** Depreciation

**Japanese Yen News**

- Japanese Prime Minister Yoshihide Suga announced on Tuesday that they have decided to extend the state of emergency for 10 prefectures until March 7, as reported by Reuters.
- Markets ignored upbeat Japanese current account and trade data, as the focus remains on the US stimulus developments and virus updates from Japan.
- Regarding to the speech of the central bank’s Deputy Governor Masazumi Wakatabe on Wednesday (3/2), The Bank of Japan (BOJ) won't hesitate to add easing in its monetary policy if necessary.

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