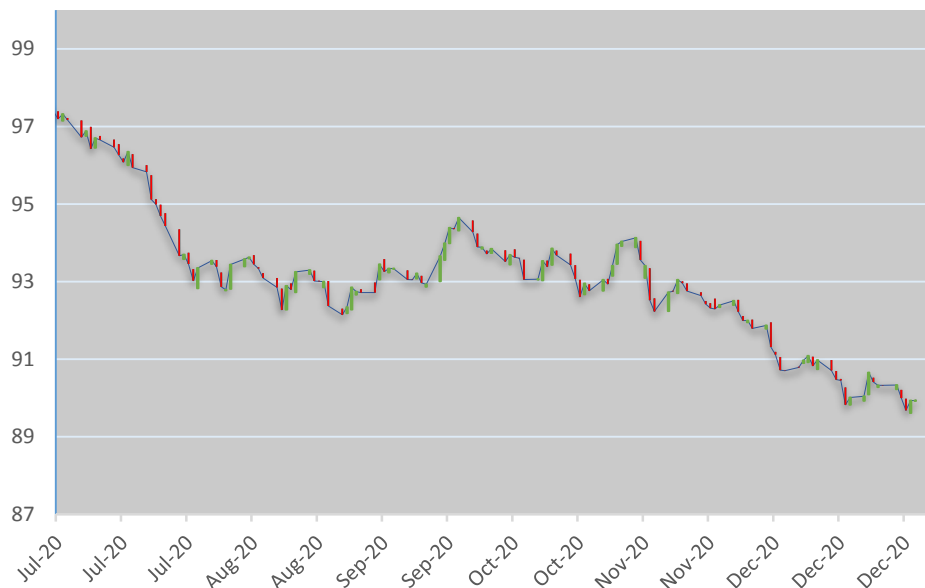


WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- An improving global economic outlook as COVID-19 vaccines are rolled out, rock-bottom U.S. interest rates and ongoing Fed bond purchases have dented the dollar's appeal.
- Expectations of additional fiscal stimulus and rising fiscal and current account deficits are additional headwinds that are likely to hurt the U.S. currency over the coming year.
- More weakness seen as dollar posts worst year since 2017

Lower Bound	89.00	Upper Bound	91.00
Forecast	Depreciation		

Dollar News

- On Tuesday (29/12), Senate Majority Leader Mitch McConnell rejected a request from the Democrats to pass a bill that would increase the direct payments to each Americans by \$1,400, taking the total payment to \$2,000.
- However, Democratic President-elect Joe Biden, who takes office next month, is expected to push for more measures to support the U.S. economy.
- The US current account deficit widened to a 12-year high in the third quarter and there was a large shortfall in net financial transactions as Americans borrowed more from abroad.
- The greenback soared to a three-year high of 102.99 against a basket of currencies in March, before ending the year at 89.96, down 6.77% on the year and 12.65% from its March high
- With many investors away for year-end holidays, the trade was thinned.

Dollar Index Performance

Last Week Close	90.32	Monthly High	92.80
Week Open	90.22	Monthly Low	89.52
Week Close	89.93	30 Days Average	90.82
Weekly High	90.72	90 Days Average	92.43
Weekly Low	89.52	YTD Change	+0.02%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg PMI Final	Dec	4-Jan		56.5
ISM Manufacturing PMI	Dec	5-Jan	56.5	57.5
Markit Comp Final PMI	Dec	6-Jan		55.7
Factory Orders MM	Nov	6-Jan	0.7%	1.0%
International Trade \$	Nov	7-Jan	-64.2B	-63.1B
Initial Jobless Clm		28 Dec, w/ 7-Jan		
ISM N-Mfg PMI	Dec	7-Jan	54.5	55.9
Non-Farm Payrolls	Dec	8-Jan	100k	245k
Unemployment Rate	Dec	8-Jan	6.8%	6.7%
Average Earnings YY	Dec	8-Jan	4.4%	4.4%

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Fear on fresh curbs could weigh on the THB as the virus resurgence in Thailand.
- However, as the dollar is likely to remain weak next year, the THB's weakness seem to be limited.
- We expect the baht to move between 29.80 – 30.20 THB/USD.

Lower Bound	29.80	Upper Bound	30.20
Forecast	Appreciation		

Thai Baht News

- Currency across Asia's emerging markets including THB were trading flat to stronger against the dollar as the dollar weakened amid optimism around a Covid-19 relief package in the US.
- Thai Baht also strengthen, drawing support from news that Britain was nearing an approval a Covid-19 vaccine candidate developed by Oxford University and AstraZeneca.
- Thailand's stock reversed course to fall as much as 1% on Wednesday after a spike in coronavirus cases sparked fears of another lockdown in the tourism-and-trade-reliant country, end the year as one of the worst performers in Asia.
- Thailand warns of stricter measures if virus not contained.

Thai Baht Performance

Last Week Close	30.08 THB/USD	Monthly High	29.99 THB/USD
Week Open	30.08 THB/USD	Monthly Low	30.00 THB/USD
Week Close	#N/A THB/USD	30 Days Average	30.15 THB/USD
Weekly High	30.16 THB/USD	90 Days Average	30.85 THB/USD
Weekly Low	29.93 THB/USD	YTD Change	+0.17%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Nov	29-Dec	-0.55%	-0.54%
Exports YY	Nov	30-Dec		-5.60%
Imports YY	Nov	30-Dec		-12.10%
Trade Account	Nov	30-Dec		3.17B
Current Account	Nov	30-Dec		0.99B
Manufacturing PMI SA	Dec	4-Jan		50.4
CPI Headline Inflation	Dec	4-Jan		-0.41%
CPI Core Inflation YY	Dec	4-Jan		0.18%

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Euro
Euro Graph


Source: Thomson Reuters

Euro News

- The euro was boosted on Monday (28/12) as risk sentiment improved on Britain's trade deal with the European Union.
- EU and the UK published the full text of their post-Brexit arrangement, which includes details on trade, law enforcement and dispute settlement among other things.
- The deal preserves Britain's zero-tariffs and zero-quota access to the EU's single market of 450 million consumers.
- Bundesbank President Weidmann's comments that the second coronavirus wave might not hit economies as severe as the first one helped to arrest further downside in the EUR/USD.
- The euro gained as the USD weakness has been main factor that drove EUR/USD higher last week.

Euro Index Performance

Last Week Close	1.22 USD/EUR	Monthly High	0.00 USD/EUR
Week Open	1.22 USD/EUR	Monthly Low	0.00 USD/EUR
Week Close	1.21 USD/EUR	30 Days Average	#N/A USD/EUR
Weekly High	#N/A USD/EUR	90 Days Average	#N/A USD/EUR
Weekly Low	#N/A USD/EUR	YTD Change	+8.94%

Euro Outlook

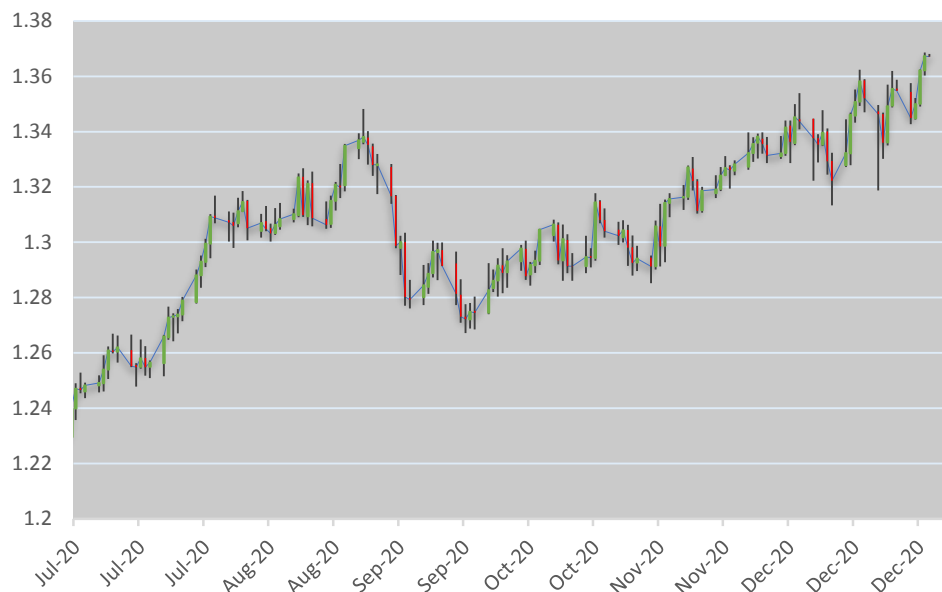
- The Euro is likely to remain strong as the prospect of effective coronavirus vaccines, and with a Biden Presidency in the US which may keep the greenback under selling pressure.
- However, the concerns over the recent coronavirus cases' surge could weigh on the sentiment.
- The ECB could ease Eurozone monetary policy further in the first few months of 2021 to counter the impact on the economy of the coronavirus pandemic, and in the past that might have weakened the Euro.
- The ongoing vaccinations across the EU and beyond and optimism towards the economic outlook will likely limit the impact of any disappointing numbers.

Euro Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	Dec	4-Jan	55.5	55.5
Markit Serv Final PMI	Dec	6-Jan	47.3	47.3
Markit Comp Final PMI	Dec	6-Jan	49.8	49.8
HICP Flash YY	Dec	7-Jan	-0.2%	-0.3%
HICP-X F&E Flash YY	Dec	7-Jan	0.3%	0.4%
Consumer Confid. Final	Dec	7-Jan	-14.0	-13.9
Unemployment Rate	Nov	8-Jan	8.5%	8.4%

Lower Bound	1.22	Upper Bound	1.24
Forecast	Neutral		

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- As the UK is moving faster than other countries in vaccinating its population, a successful and rapid immunization campaign could send Sterling higher.
- The passage of Brexit deal into law extends support to the British Pound.
- However, a sharp rise in cases infected by the new coronavirus strain in the UK might cap the upside for the Sterling.
- The resistant level is 1.3750 and support at 1.3500 region.

Lower Bound	1.34	Upper Bound	1.38
Forecast	Appreciation		

Pound Sterling News

- Pound Sterling underperformed after the Brexit deal was reached; the Sterling remained below the 2.5-year high of 1.3625 earlier this month.
- Even though the UK finally reached a long-awaited post-Brexit deal with the European Union, the fact that the outcome was largely priced in the market, the sterling saw a 'sell on fact' reaction to the announcement.
- Moreover, the Sterling continues to lag amid fears of a harsher lockdown and near-term economic struggles.
- Markets remain inactive amid the year-end celebrations and bank holidays in developed economies.

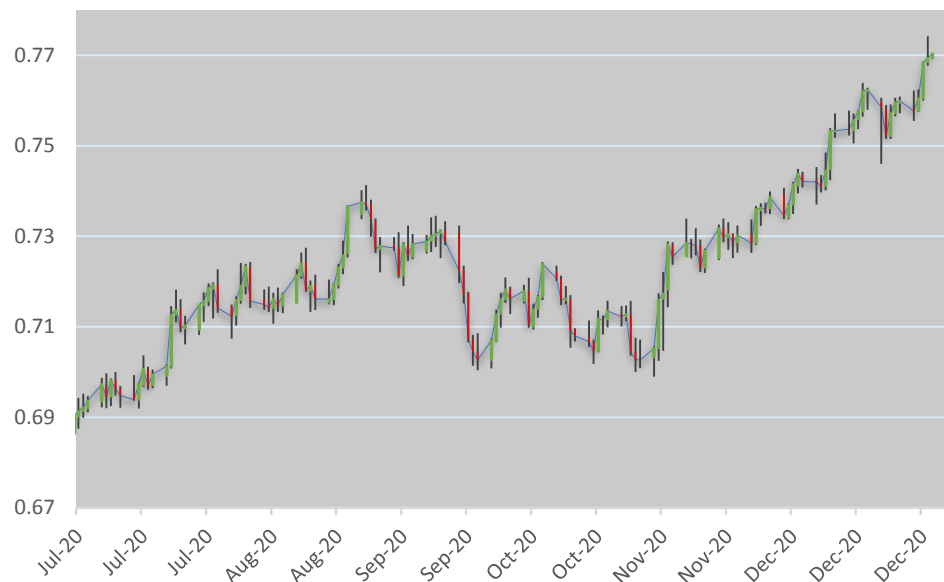
Pound Sterling Performance

Last Week Close	1.35 USD/GBP	Monthly High	1.37 USD/GBP
Week Open	1.35 USD/GBP	Monthly Low	1.37 USD/GBP
Week Close	1.37 USD/GBP	30 Days Average	1.34 USD/GBP
Weekly High	1.37 USD/GBP	90 Days Average	1.32 USD/GBP
Weekly Low	1.34 USD/GBP	YTD Change	+3.13%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Dec	30-Dec	0.4%	0.9%
Nationwide house price yy	Dec	30-Dec	6.7%	6.5%
Markit/CIPS Mfg PMI Final	Dec	4-Jan	57.3	57.3
Halifax House Prices MM	Dec	8-Jan		1.2%

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The Aussie is likely to gain traction on USD selling pressure.
- The risk-on mood diminished the safe-haven dollar and benefitted the Aussies as riskier asset.
- Moreover, any developments surrounding the coronavirus saga might influence the risk sentiment, support the Aussie.

Lower Bound	0.75	Upper Bound	0.78
Forecast	Appreciation		

Australian Dollar News

- The Australian dollar edged up on risk appetite.
- The Australian dollar continually rose on Wednesday (30/12) as the dollar remain in downtrend while the news of the start of Covid-19 immunization campaigns in several countries reduce downside risk to the global economy.
- The state government announced tighter social restrictions for New Year's Eve on a growing outbreak of coronavirus in Sydney with more cases being reported on Wednesday (30/12).

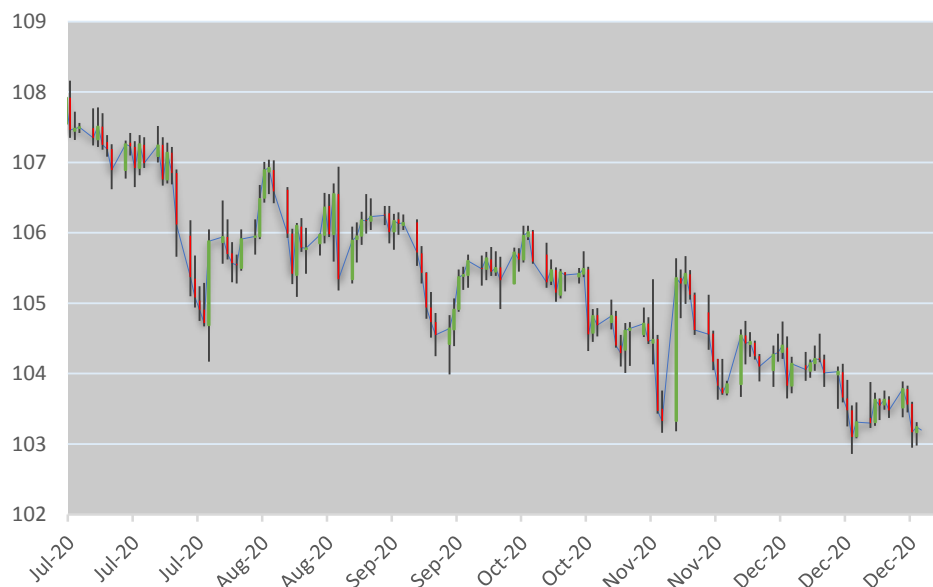
Australian Dollar Performance

Last Week Close	0.76 USD/AUD	Monthly High	0.77 USD/AUD
Week Open	0.76 USD/AUD	Monthly Low	0.77 USD/AUD
Week Close	0.77 USD/AUD	30 Days Average	0.71 USD/AUD
Weekly High	0.77 USD/AUD	90 Days Average	0.72 USD/AUD
Weekly Low	0.76 USD/AUD	YTD Change	+9.73%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Building Approvals	Nov	7-Jan		3.8%
Trade Balance G&S (A\$)	Nov	7-Jan		7,456M

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Jan 2021 - 08 Jan 2021

Japanese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen News

- The yen was trading around mid-103 level.
- A lack of major data and events keeps markets less active.
- Last week, Japan reported 3,476 new cases and 43 deaths with over 1,000 reported in Tokyo and prompting Governor Yuriko Koike to warn that the capital is facing 'a third wave' of infections of an 'unprecedented magnitude'.

Japanese Yen Performance

Last Week Close	103.48 JPY/USD	Monthly High	0.00 JPY/USD
Week Open	103.52 JPY/USD	Monthly Low	0.00 JPY/USD
Week Close	103.20 JPY/USD	30 Days Average	106.01 JPY/USD
Weekly High	#VALUE! JPY/USD	90 Days Average	106.76 JPY/USD
Weekly Low	#N/A JPY/USD	YTD Change	-5.20%

Japanese Yen Outlook

- The Yen as safe-havens asset is probably under selling pressure as Biden is likely to adopt a softer stance on trade than Trump did, which could boost risk sentiment.
- However, the focus remains on coronavirus amid news indicating resurgent contagions and deaths which challenge the market sentiment and could support the yen as safe-haven.
- We see the yen to move between 102.00 - 104.50 levels.

Lower Bound	102.00	Upper Bound	104.50
Forecast	Appreciation		

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Industrial O/P Prelim MM SA	Nov	28-Dec	1.2%	4.0%
Jibun Bank Mfg PMI	Dec	4-Jan		49.7
Services PMI	Dec	6-Jan		47.8

IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.