The recovery in US yields comes after discouraging US inflation figures for the month of February cool down expectations of higher inflation in the next months.

Nonetheless, US 10-year yield rebounded to the key 1.60% area on Friday (12/3) as the $1.9 trillion stimulus package became law after President Biden signed it on the day before.

The Consumer Sentiment Index in the US improved sharply to 83 (preliminary) in March from 76.8 in February, the University of Michigan's latest Surveys of Consumers showed on Friday (12/3). This reading came in much better than the market expectation of 78.5.

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Thai Baht Outlook

• Rising in US Treasury yields and strong greenback dominate the market and let other rivals depreciate in this period of time.
• Political uncertainties in the country are still in focused.
• Siam Commercial Bank’s Economic Intelligence Centre (IEC) has revised upwards its 2021 Thai GDP growth forecast from 2.2 per cent to 2.6 per cent from expectation on recovery of Thai exports, which returned to pre-Covid levels in January and February. However, recovery of the Thai tourism industry would only gain momentum in the fourth quarter of 2021 as vaccines brought herd immunity in key Asian markets.

Thai Baht News

• Thai Consumer Confidence Index rose to the level of 49.4 in February from 47.8 in the previous month. The Consumer Confidence dropped in January as a consequence of the latest wave of pandemic in the country since the end of last year.
• The Baht traded in the opposite way with the US Treasury yields since there are few Thai economic indicators released during the week.

Thai Baht Performance

- Last Week Close: 30.53 THB/USD
- Week Open: 30.51 THB/USD
- Week Close: 30.67 THB/USD
- Monthly High: #NAME?
- Monthly Low: #NAME?
- 30 Days Average: 30.20 THB/USD
- 90 Days Average: 30.13 THB/USD
- YTD Change: #NAME?

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>12-Mar</td>
<td>19-Mar</td>
<td>250.6B</td>
<td></td>
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<tr>
<td>Currency Swaps</td>
<td>12-Mar</td>
<td>19-Mar</td>
<td>31.9B</td>
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<tr>
<td>Custom-Based Export Data</td>
<td>Feb</td>
<td>22-Mar</td>
<td>0.35%</td>
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<tr>
<td>Custom-Based Import Data</td>
<td>Feb</td>
<td>22-Mar</td>
<td>-5.24%</td>
<td></td>
</tr>
<tr>
<td>Customs-Based Trade Data</td>
<td>Feb</td>
<td>22-Mar</td>
<td>-0.20B</td>
<td></td>
</tr>
</tbody>
</table>
• The Gross Domestic Product (GDP) in the euro area contracted by 4.9% on a yearly basis in the fourth quarter, the data published by Eurostat showed on Tuesday (9/3). This reading came in slightly better than the flash estimate and the market expectation of -5%. On a quarterly basis, the GDP declined by 0.7%.
• The European Central Bank had a monetary policy meeting, and as widely anticipated, it maintained rates unchanged, alongside the size of PEPP. Policymakers announced that bond purchases over the next quarter to be conducted at a significantly higher pace than during the first months of this year.

The distribution of COVID vaccines in the area remains sluggish, and more delays are expected, all of which will undermine the region’s economic comeback.
Some EU countries suspended vaccinations with the AstraZeneca shot after some serious cases of blood-clots were reported.
**Pound Sterling**

- The UK GDP monthly release showed that the economy contracted less-than-expected in January, arriving at -2.9% vs. -4.9% expectations and 1.2% previous.
- Manufacturing output arrived at 2.3% MoM in January versus -0.8% expectations and 0.3% booked in December while total industrial output came in at -1.5% vs. -0.6% expected and 0.2% last.

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**Weekly High**

- Weekly High: 1.4004 USD/GBP

**Weekly Low**

- Weekly Low: 1.3798 USD/GBP

**30 Days Average**

- 30 Days Average: 1.3883 USD/GBP

**90 Days Average**

- 90 Days Average: 1.3608 USD/GBP

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**Pound Sterling Outlook**

- GBP/USD has been retreating from the highs as US yields resume their gains. However, Britain's upbeat data and vaccine situation may help supporting the currency.
- The US has reached nearly 20% of its population while the UK is already roughly at 35% – but Britain has barely inoculated people with the second dose.
- BOE’s meeting on Thursday (18/3) – Analysts are expecting unchanged in policy rate.

---

**Pound Sterling News**

- BOE Bank Rate: Mar 18-Mar 0.10% 0.10%
- GB BOE QE Corp: Mar 18-Mar 20B 20B
- BOE MPC Vote Hike: Mar 18-Mar 0 0
- BOE MPC Vote Unchanged: Mar 18-Mar 9 9
- BOE MPC Vote Cut: Mar 18-Mar 0 0
- GfK Consumer Confidence: Mar 19-Mar -20 -23

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**Pound Sterling Performance**

- Last Week Close: 1.3841 USD/GBP
- Week Open: 1.3835 USD/GBP
- Week Close: 1.3922 USD/GBP
- Monthly High: #NAME? USD/GBP
- Monthly Low: #NAME? USD/GBP
- 30 Days Average: 1.3883 USD/GBP
- 90 Days Average: 1.3608 USD/GBP

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**Pound Sterling Economic Events**

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<thead>
<tr>
<th>Events</th>
<th>Period</th>
<th>Date</th>
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<th>Previous</th>
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<tbody>
<tr>
<td>BOE Bank Rate</td>
<td>Mar</td>
<td>18-Mar</td>
<td>0.10%</td>
<td>0.10%</td>
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<tr>
<td>GB BOE QE Corp</td>
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<td>20B</td>
<td>20B</td>
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<tr>
<td>BOE MPC Vote Hike</td>
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<td>BOE MPC Vote Unchanged</td>
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<td>18-Mar</td>
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<tr>
<td>BOE MPC Vote Cut</td>
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<td>18-Mar</td>
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<td>0</td>
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<tr>
<td>GfK Consumer Confidence</td>
<td>Mar</td>
<td>19-Mar</td>
<td>-20</td>
<td>-23</td>
</tr>
</tbody>
</table>

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**Pound Sterling Graph**

- Source: Thomson Reuters
Australian Dollar Outlook

- Reserve Bank of Australia (RBA) Governor Philip Lowe struck downbeat comments while raising doubts on the future rate hikes and bond purchases. Even so, the policymaker said, “the economy was now within a striking distance of its pre-pandemic output.”
- Australia’s Westpac Consumer Confidence grew past-1.8% forecast and 1.9% prior readings to flash 2.6% but failed to entertain AUD/USD traders waiting for the key US COVID stimulus.

- So this week, the market will focus on the FOMC meeting, if the Fed continues to look past fears about rising longer-term rates, which also tends to reflect an improving medium-term economic outlook as inflation bets gain, then the Australian Dollar could weaken ahead.
- On the other hand, if the Federal Reserve appears to be watching bond markets more closely than currently expected, then the Aussie could accelerate its dominant upward trajectory since March 2020.

Australian Dollar Performance

<table>
<thead>
<tr>
<th>Last Week Close</th>
<th>0.7686</th>
<th>USD/AUD</th>
<th>Monthly High</th>
<th>#NAME?</th>
<th>USD/AUD</th>
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</thead>
<tbody>
<tr>
<td>Week Open</td>
<td>0.7687</td>
<td>USD/AUD</td>
<td>Monthly Low</td>
<td>#NAME?</td>
<td>USD/AUD</td>
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<tr>
<td>Week Close</td>
<td>0.7765</td>
<td>USD/AUD</td>
<td>30 Days Average</td>
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<tr>
<td>Weekly High</td>
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<td>USD/AUD</td>
<td>90 Days Average</td>
<td>0.7611</td>
<td>USD/AUD</td>
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<tr>
<td>Weekly Low</td>
<td>0.7619</td>
<td>USD/AUD</td>
<td>YTD Change</td>
<td>#NAME?</td>
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</table>

Australian Dollar Economic Events

<table>
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<tr>
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<th>Date</th>
<th>Forecast</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Price Index</td>
<td>Q4</td>
<td>16-Mar</td>
<td>2.0%</td>
<td>0.8%</td>
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<tr>
<td>Employment</td>
<td>Feb</td>
<td>18-Mar</td>
<td>30.0k</td>
<td>29.1k</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>Feb</td>
<td>18-Mar</td>
<td>66.2%</td>
<td>66.1%</td>
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<tr>
<td>Unemployment Rate</td>
<td>Feb</td>
<td>18-Mar</td>
<td>6.3%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Lower Bound         | 0.7550
Upper Bound         | 0.7850
Forecast            | Depreciation
Japanese Yen Outlook

- The conditions are such that Japan will probably not be able to avoid negative growth in the first quarter of 2021 either and consumption is not likely to recover at a strong enough pace considering Japan’s slow to the mark vaccine rollout.
- BOJ’s meeting on Friday (19/3) – Analysts are expecting unchanged in policy rate and some comments on JGB target band.

Japanese Yen News

- The data of Japan’s Real GDP released on Monday (8/3) expanded 2.8% QoQ dropped from preliminary estimation of 3.0%.
- The Yen traded in the opposite way with the US Treasury yields since there are few Japanese economic indicators released during the week.
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