**Dollar Outlook**

- Data-wise, the April inflation report will be the highlight of the week, with our US economist expecting headline CPI to come in at 3.7% year-on-year. The jump in inflation is largely expected by markets and may fail to drive a big change in the Fed’s rate expectations.
- Another key event in the US will be an auction on Wednesday for $41bn 10-year Treasury. As long as the bond market proves resilient, there will likely be additional room for any dollar to be in bear trend.

**Dollar Index Performance**

- **Last Week Close**: 91.28
- **Monthly High**: 93.44
- **Week Open**: 91.30
- **Monthly Low**: 90.11
- **Week Close**: 90.19
- **30 Days Average**: 91.65
- **Weekly High**: 91.44
- **90 Days Average**: 91.18
- **Weekly Low**: 90.19
- **YTD Change**: +0.43%

**Dollar 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>CPI MM, SA</td>
<td>Apr</td>
<td>12-May</td>
<td>0.2%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Initial Jobless Clm</td>
<td>8 May, w/e</td>
<td>13-May</td>
<td>500k</td>
<td>498k</td>
</tr>
<tr>
<td>Retail Sales MM</td>
<td>Apr</td>
<td>14-May</td>
<td>0.2%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Industrial Production MM</td>
<td>Apr</td>
<td>14-May</td>
<td>1.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>U Mich Sentiment Prelim</td>
<td>May</td>
<td>14-May</td>
<td>90.3</td>
<td>88.3</td>
</tr>
</tbody>
</table>

**Dollar News**

- The dollar gained on optimistic about the prospects for a relatively faster US economic recovery from the pandemic after US Treasury Secretary Janet Yellen talked up the prospect of rate hikes to prevent the economy from overheating.
- After that, Yellen said that she was neither predicting nor recommending a rate rise after she commented on Tuesday, curbing a gains in the greenback.
- At the middle of the week, the dollar traded in a narrow range as the ADP National Employment Report showed US private payrolls increased in April as companies rushed to boost production amid a surge in demand. Meanwhile, US ISM Manufacturing PMI was at 60.7, missing economists’ forecast at 65 from 64.7 previously.
- However, the dollar fell across the board after a sharply below-consensus read in April’s non-farm payrolls prompted a sell-off in the dollar across the board. The data show increase 266K vs expectation at 990K.
Thai Baht Outlook

- Investors still focus on the inbound Covid-19 cases and Government measures to deal with it after the number of infections keep rising. Thailand's third wave of Covid-19 that started in April has now reported 52,411 infections, 23,993 of whom have already recovered.
**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**Euro**

**Euro Graph**

![Euro Graph](image)

**Euro News**

- The euro traded near 1.2000 level after a survey showed Eurozone business activity accelerated in April as the bloc’s dominant services industry shrugged off renewed lockdowns and returned to growth.
- Germany reported March Retail Sales unexpectedly rose by 11% YoY, much better than the -3.1% expected while Markit Manufacturing PMIs were downwardly revised in April. The German index printed at 66.2 while the EU reading resulted in 62.9, below the 63.3 previously estimated.
- At the end of the week, the euro was supported by the Retail Sales in the bloc expanded at a monthly 2.7% in March and 12% from a year earlier.

**Euro Index Performance**

<table>
<thead>
<tr>
<th>Last Week Close</th>
<th>1.2018 USD/EUR</th>
<th>Monthly High</th>
<th>1.2176 USD/EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week Open</td>
<td>1.2029 USD/EUR</td>
<td>Monthly Low</td>
<td>1.1987 USD/EUR</td>
</tr>
<tr>
<td>Week Close</td>
<td>1.2163 USD/EUR</td>
<td>30 Days Average</td>
<td>1.1976 USD/EUR</td>
</tr>
<tr>
<td>Weekly High</td>
<td>1.2171 USD/EUR</td>
<td>90 Days Average</td>
<td>1.2026 USD/EUR</td>
</tr>
<tr>
<td>Weekly Low</td>
<td>1.1984 USD/EUR</td>
<td>YTD Change</td>
<td>-0.54%</td>
</tr>
</tbody>
</table>

**Dollar 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>May</td>
<td>10-May</td>
<td>14.0</td>
<td>13.1</td>
</tr>
<tr>
<td>Industrial Production MM</td>
<td>Mar</td>
<td>12-May</td>
<td>0.6%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Industrial Production YY</td>
<td>Mar</td>
<td>12-May</td>
<td>11.6%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Reserve Assets Total</td>
<td>Apr</td>
<td>17-May</td>
<td>849.37B</td>
<td></td>
</tr>
</tbody>
</table>

**Euro Outlook**

- As the soft USD environment is to spill over into the next week, the upside pressure on EUR/USD should remain in place. It is a very quiet week on the eurozone data front (both the May German ZEW on Tuesday and March industrial production on Wednesday should have a limited impact on EUR).
- The outlook for the EUR/USD is clearly improving. The Eurozone data should rebound as we get into the summer while the speculation about the ECB QE tapering is growing. Coupled with the general soft USD environment, this points should further EUR/USD upside in coming months.

**Forecast**

<table>
<thead>
<tr>
<th>Lower Bound</th>
<th>Upper Bound</th>
<th>Appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1989</td>
<td>1.2200</td>
<td>1.2200</td>
</tr>
</tbody>
</table>

Source: Thomson Reuters

Please carefully examine the Important Disclosure on the last section of this material.
**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**Pound Sterling**

**Pound Sterling Graph**

- The pound sterling traded higher against the greenback after the Bank of England (BOE) said that Britain’s economy is heading for much stronger recovery this year than it previously expected and it might start to slow its pandemic emergency support.
- UK Manufacturing Purchasing Managers’ Index (PMI) was revised higher to 60.9 in April versus 60.7 expected and 60.7 first estimate.
- The Bank of England’s (BoE) Monetary Policy Committee (MPC) decided to leave the benchmark interest rate unchanged at 0.10% at its May policy meeting and kept the Asset Purchase Facility steady at £895 billion as widely expected.

**Pound Sterling Performance**

<table>
<thead>
<tr>
<th>Period</th>
<th>Last Week Close</th>
<th>Monthly High</th>
<th>Monthly Low</th>
<th>30 Days Average</th>
<th>90 Days Average</th>
<th>YTD Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.3814 USD/GBP</td>
<td>1.4076 USD/GBP</td>
<td>1.3801 USD/GBP</td>
<td>1.3848 USD/GBP</td>
<td>1.3811 USD/GBP</td>
<td>+2.93%</td>
</tr>
</tbody>
</table>

**Pound Sterling Outlook**

- On the latter, the main focus of the week is on the UK 1Q GDP (Wed). This should show a solid of 1.5% YoY, which is considerably ‘less bad’ than feared given the Brexit disruption and the strict lockdown as March activity was strong due to the combination of schools returning and healthy month for retail.
- This should further underscore the prospects for a very strong economic recovery in 2Q and be supportive of the pound. The current post April NFP weak USD environment is clearly beneficial for GBP/USD.

**Pound Sterling News**

- Halifax House Prices MM
- GDP Est 3M/3M
- GDP Estimate MM
- GDP Estimate YY
- Manufacturing Output MM
- GDP Prelim QQ
- GDP Prelim YY

**Pound Sterling Economic Events**

- Halifax House Prices MM
  - Period: Apr
  - Date: 10-May
  - Forecast: 1.1%

- GDP Est 3M/3M
  - Period: Mar
  - Date: 12-May
  - Forecast: -1.7%
  - Previous: -1.6%

- GDP Estimate MM
  - Period: Mar
  - Date: 12-May
  - Forecast: 1.3%
  - Previous: 0.4%

- GDP Estimate YY
  - Period: Mar
  - Date: 12-May
  - Forecast: -1.2%
  - Previous: -7.8%

- Manufacturing Output MM
  - Period: Mar
  - Date: 12-May
  - Forecast: 1.0%
  - Previous: 1.3%

- GDP Prelim QQ
  - Period: Q1
  - Date: 12-May
  - Forecast: -1.7%
  - Previous: 1.3%

- GDP Prelim YY
  - Period: Q1
  - Date: 12-May
  - Forecast: -6.0%
  - Previous: -7.3%

**Lower Bound**: 1.3825

**Upper Bound**: 1.4100

**Forecast**: Appreciation

Please carefully examine the Important Disclosure on the last section of this material.
**Australian Dollar**

- **Last Week Close**: 0.7716 USD/AUD
- **Monthly High**: 0.7864 USD/AUD
- **Week Open**: 0.7707 USD/AUD
- **Monthly Low**: 0.7676 USD/AUD
- **Week Close**: 0.7842 USD/AUD
- **30 Days Average**: 0.7758 USD/AUD
- **Weekly High**: 0.7862 USD/AUD
- **90 Days Average**: 0.7621 USD/AUD
- **Weekly Low**: 0.7674 USD/AUD
- **YTD Change**: +2.05%

**Australian Dollar Performance**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Week Close</td>
<td>0.7716</td>
</tr>
<tr>
<td>Week Open</td>
<td>0.7707</td>
</tr>
<tr>
<td>Week Close</td>
<td>0.7842</td>
</tr>
<tr>
<td>Weekly High</td>
<td>0.7862</td>
</tr>
<tr>
<td>Weekly Low</td>
<td>0.7674</td>
</tr>
<tr>
<td>Monthly High</td>
<td>0.7864</td>
</tr>
<tr>
<td>Monthly Low</td>
<td>0.7676</td>
</tr>
<tr>
<td>30 Days Average</td>
<td>0.7758</td>
</tr>
<tr>
<td>90 Days Average</td>
<td>0.7621</td>
</tr>
<tr>
<td>YTD Change</td>
<td>+2.05%</td>
</tr>
</tbody>
</table>

**Australian Dollar Outlook**

- There's no key data releases are due before the jobs report on 20 May. Instead, some focus will likely remain on the Australia-China relationships as tensions still fail to abate.
- Barring any trade-related retaliation by China and the Australian government’s budget announcement possibly offering some extra support.

**Australian Dollar Graph**

**Australian Dollar News**

- The Reserve Bank of Australia held the rate at 0.1% unchanged, reiterated a firmly dovish tone at its May policy meeting, while postponing till July its decision on whether shifting its yield-curve-control target bond from April 2024 to November 2024.

**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>MAB Business Conditions</td>
<td>Apr</td>
<td>10-May</td>
<td>25.0%</td>
<td></td>
</tr>
<tr>
<td>MAB Business Confidence</td>
<td>Apr</td>
<td>10-May</td>
<td>15.0%</td>
<td></td>
</tr>
<tr>
<td>Retail Sales MM Final</td>
<td>Mar</td>
<td>10-May</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>Q1</td>
<td>10-May</td>
<td>-0.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Refinitiv IPSOS PCSI</td>
<td>May</td>
<td>14-May</td>
<td>0.00B</td>
<td></td>
</tr>
</tbody>
</table>

**Lower Bound** 0.7705
**Upper Bound** 0.7900
**Forecast** 0.7900

Please carefully examine the Important Disclosure on the last section of this material.
Japanese Yen Outlook

- In the week ahead, the US Treasury auction and US CPI will keep investors heavily focused on rates dynamics, with the yen’s short-term outlook staying heavily tied to US bond yields.
- A continuation of the good momentum in global equities along with the risk of US yields starting to tick back up may see the yen still unable to enter a steady appreciation trend for now. Data-wise, it is going to be a pretty quiet week in Japan, with only trade data for March in focus.

Japanese Yen News

- The yen was steady against the dollar as markets await any news developments that would indicate future movement.
- However, the yen is still at risk of weakness. After the Japanese government is considering extending the state of emergency declaration in Tokyo and other major prefectures.

Japanese Yen Performance

- **Last Week Close**: 109.27 JPY/USD
- **Monthly High**: 109.69 JPY/USD
- **Week Open**: 109.25 JPY/USD
- **Monthly Low**: 108.35 JPY/USD
- **Week Close**: 108.60 JPY/USD
- **30 Days Average**: 103.55 JPY/USD
- **Weekly High**: 109.69 JPY/USD
- **90 Days Average**: 104.37 JPY/USD
- **Weekly Low**: 108.32 JPY/USD
- **YTD Change**: +5.57%

Japanese Yen 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>All Household Spending YY</td>
<td>Mar</td>
<td>11-May</td>
<td>1.5%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>All Household Spending MM</td>
<td>Mar</td>
<td>11-May</td>
<td>2.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Current Account NSA JPY</td>
<td>Mar</td>
<td>13-May</td>
<td>2,796.2B</td>
<td>2,916.9B</td>
</tr>
<tr>
<td>Corp Goods Price MM</td>
<td>Apr</td>
<td>17-May</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>Corp Goods Price YY</td>
<td>Apr</td>
<td>17-May</td>
<td>1.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Lower Bound**: 108.20  **Upper Bound**: 109.50  **Forecast**: Appreciation
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