

WEEKLY FOREIGN EXCHANGE OUTLOOK
25 Apr 2022 - 29 Apr 2022

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar News

- The dollar index rose past 101 for the first time since March 2020, as the greenback set its latest 20-year high on the yen and tested a two-year peak on the euro, supported by high U.S. Treasury yields and aggressive Fed's policy tightening plans.
- U.S. Treasury yields pushed higher, with 10-year yields touching 2.981% for the first time since December 2018.
- Federal Reserve's Chair Jerome Powell puts 50 basis point hike on the table for the May meeting during an IMF-hosted panel.

M			
Last Week Close	100.32	Monthly High	101.86
Week Open	100.50	Monthly Low	97.69
Week Close	100.47	30 Days Average	99.49
Weekly High	101.86	90 Days Average	97.45
Weekly Low	99.82	YTD Change	+5.80%

Dollar Outlook

- It's worth noting that the Fed's aggressive policy tightening stance is already priced in. Hence, a hawkish tilt from low-yielding central banks could pressure the dollar.
- Durable goods orders for March will kick off the US agenda on Tuesday, alongside new home sales and the consumer confidence index for April. The closely watched survey is expected to slide for the fourth straight month in April, falling to 106.0. Pending home sales will follow on Wednesday and on Thursday, the advance GDP estimate for Q1 is due.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Durable Goods	Mar	26-Apr	1.0%	-2.1%
Consumer Confidence	Apr	26-Apr	108.0	107.2
New Home Sales-Units	Mar	26-Apr	0.765M	0.772M
GDP Advance	Q1	28-Apr	1.1%	6.9%
Initial Jobless Clm	23 Apr, w/	28-Apr	180k	184k
Consumption, Adjusted MM	Mar	29-Apr	0.6%	0.2%
U Mich Sentiment Final	Apr	29-Apr	65.7	65.7

Lower Bound	99.50	Upper Bound	102.00
Forecast	Appreciation		

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- The Thai baht could test 34.00 USD/THB on aggressive US central bank actions.
- The risk of Ukraine war continue to weigh on global sentiment including Thailand, which may affect the country's export and manufacturing sectors.
- China's lockdown may add turbulence to supply disruptions which could further pressure the baht. This week outlook expect to move within the range of 33.70-34.20 USD/THB

Thai Baht News

- The baht continue to depreciate against the dollar after hawkish Powell statment reinforced USD strength.
- Thai Central Bank relaxed FX Regulations to bring balance and reduce cost for private sector.
- Thailand to ease its entry restrictions starting May 1st.

Thai Baht Performance

Last Week Close	33.63 THB/USD	Monthly High	34.14 THB/USD
Week Open	33.64 THB/USD	Monthly Low	33.32 THB/USD
Week Close	33.95 THB/USD	30 Days Average	33.55 THB/USD
Weekly High	33.95 THB/USD	90 Days Average	33.22 THB/USD
Weekly Low	33.63 THB/USD	YTD Change	+2.28%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Mar	28-Apr	2.2%	2.8%
Exports YY	Mar	29-Apr		16.0
Imports YY	Mar	29-Apr		0.000M
Trade Account	Mar	29-Apr		3400M
Current Account	Mar	29-Apr		-700,000k

Lower Bound	33.80	Upper Bound	34.20
Forecast	Depreciation		

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


Euro
Euro Graph


Source: Thomson Reuters

Euro Outlook

- Policy divergence between the Federal Reserve and the European Central Bank (ECB) continues to argue in favour of USD strength. EUR/USD could test 1.07 as the French election run-off draws closer and the situation in Ukraine remains highly volatile.
- However, several European Central Bank (ECB) policymakers adopted a hawkish tone and pointed to July as the possible timing of the first ECB rate hike, may trigger a broad-based euro rally.
- Germany/France/Italy and Spain Q1 GDP – 29/04 – are expected to slow down. EUR/USD is technically bearish in the long term, now aiming to test the 1.0620 region.

Lower Bound	1.0650	Upper Bound	1.0900
Forecast	Depreciation		

Euro News

- The EUR/USD pair bounced for a second consecutive week from around 1.0760, settling nearby after reaching a high of 1.0935 on Thursday. The greenback came back in fashion on the last trading day of the week, as risk factors outweighed encouraging macroeconomic headlines.
- Worries over the Ukraine war were partially offset by corporate results from the Eurozone Industrial Production report. Data showed an increase above expectations in the German Producer Price Index in March. Adding to the figures, comments from ECB officials suggesting a potential rate hike in the fourth quarter also helped the euro to stay above 1.08 level.

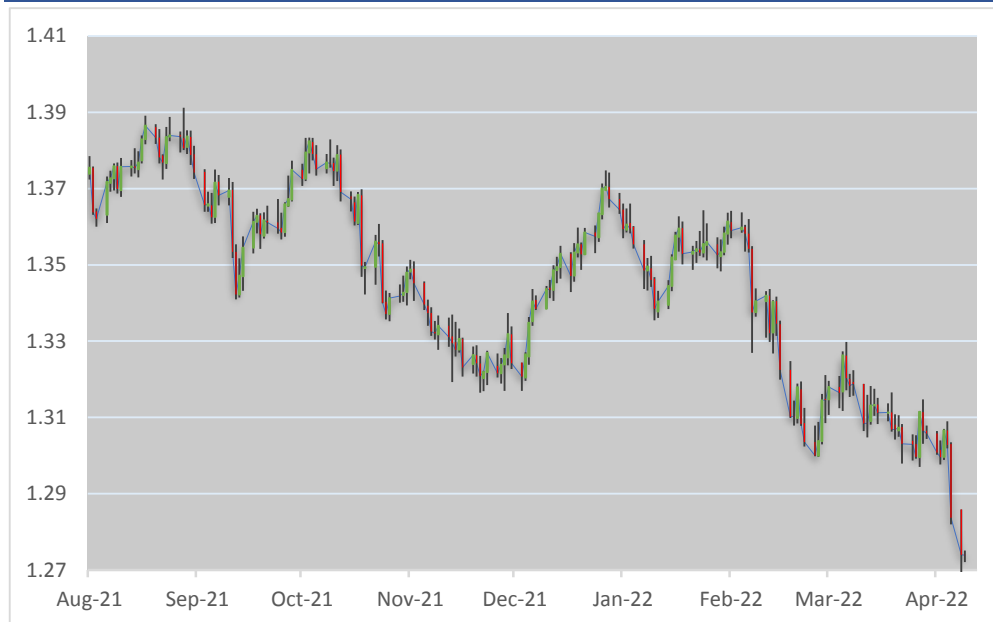
Euro Index Performance

Last Week Close	1.08060 USD/EUR	Monthly High	1.1075 USD/EUR
Week Open	1.08030 USD/EUR	Monthly Low	1.0698 USD/EUR
Week Close	1.07940 USD/EUR	30 Days Average	1.0941 USD/EUR
Weekly High	1.09360 USD/EUR	90 Days Average	1.1156 USD/EUR
Weekly Low	1.07590 USD/EUR	YTD Change	-5.68%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Ifo Business Climate New	Apr	25-Apr	89.1%	90.8%
Consumer Confid. Final	Apr	28-Apr	-16.9	-16.9
CPI Prelim YY	Apr	28-Apr	0.000M	0.000M
GDP Preliminary QQ	Q1	29-Apr	0.3%	0.7%
CPI (EU Norm) Prelim YY	Apr	29-Apr	0k	0k
GDP Flash QQ SA	Q1	29-Apr	0.2%	-0.3%
GDP Flash YY NSA	Q1	29-Apr	3.8	1.8
GDP Flash Prelim YY	Q1	29-Apr	5.1	4.6
GDP Flash Prelim QQ	Q1	29-Apr	0.3	0.3

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Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The Bank of England (BoE) signaled a possible slowdown in the expected upward movement of British interest rates. Furthermore, Brexit issues loom again. Subsequently, the GBP/USD could fall to the 1.2850 area.
- Until we get some further clarity on what the Bank of England might do next month in terms of outlining a policy response, the pound sterling's upside should be capped. This week, the pound could well remain under pressure, with the recent lows at 1.2970 likely to give way to a potential move towards 1.2800.

Pound Sterling News

- The GBP/USD plunged to 18-month-old fresh lows around 1.2820s on weaker UK data and dismal mood. Any meaningful upside still seems elusive amid expectations that the Fed would tighten its monetary policy at a faster pace.
- UK retail sales plunged by -1.4% in March, hurt by declining consumer confidence, as well as a sharp fall in fuel sales.
- Sterling faces some political risks again where the Financial Times reported that the UK is (yet again) threatening to rip up parts of the Northern Ireland protocol, agreed as part of the Brexit deal.

Pound Sterling Performance

Last Week Close	1.3058 USD/GBP	Monthly High	1.3166 USD/GBP
Week Open	1.3058 USD/GBP	Monthly Low	1.2698 USD/GBP
Week Close	1.2837 USD/GBP	30 Days Average	1.3073 USD/GBP
Weekly High	1.3090 USD/GBP	90 Days Average	1.3333 USD/GBP
Weekly Low	1.2820 USD/GBP	YTD Change	-5.87%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
CBI Trends - Orders	Apr	25-Apr	21.0%	26.0%
CBI Distributive Trades	Apr	27-Apr		9.0
Nationwide house price mm	Apr	29-Apr		0.000M
Nationwide house price yy	Apr	29-Apr		14.3%

Lower Bound	1.2650	Upper Bound	1.2900
Forecast	Neutral		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The looming prospect of RBA rate hikes should continue to keep the Aussie well bid in the coming months. However, AUD/USD bearish momentum is set to accelerate on a break below 0.7230.
- Australia will release the Q1 Consumer Price Index, foreseen at 4.6% YoY, much higher than the previous 3.5%. On Friday, the country will publish the Q1 Producer Price Index, which is expected to reach 4.2% YoY.

Australian Dollar News

- AUD/USD plummets and reaches a fresh monthly low at 0.7235 on dismal sentiment and Fed commentary. Fed Chief Jerome Powell spooked investors as he said that a 50-bps increase in May is “on the table.”
- The Reserve Bank of Australia recently joined the hiking train, as in its latest monetary policy meeting, policymakers opened the door for a rate move. For the time being, the central bank is expected to hike some 40 bps by June. Still, it is way behind the US Federal Reserve, which is expected to push rates towards the 2.75%-3% range by the end of the year, another reason behind AUD/USD’s slide.

Australian Dollar Performance

Last Week Close	0.7397 USD/AUD	Monthly High	0.7661 USD/AUD
Week Open	0.7390 USD/AUD	Monthly Low	0.7136 USD/AUD
Week Close	0.7238 USD/AUD	30 Days Average	0.7158 USD/AUD
Weekly High	0.7457 USD/AUD	90 Days Average	0.7208 USD/AUD
Weekly Low	0.7233 USD/AUD	YTD Change	-1.10%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
CPI QQ	Q1	27-Apr	1.7%	1.3%
CPI YY	Q1	27-Apr	4.6	3.5
RBA Weightd Medn CPI QQ	Q1	27-Apr	0.000M	0.000M
RBA Weightd Medn CPI YY	Q1	27-Apr	3.3%	2.7%
RBA Trimmed Mean CPI QQ	Q1	27-Apr	0k	0k
RBA Trimmed Mean CPI YY	Q1	27-Apr	3.4%	2.6%

Lower Bound	0.7100	Upper Bound	0.7500
Forecast	Neutral		

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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- USD/JPY is sustaining a bullish bias as policy divergence between the Fed and low-yielding central banks (BoJ) continues to argue in favour of USD strength.
- Market participants will be increasingly targeting the 130.00-level for USD/JPY and then beyond the highs from in early 2002 at just above the 135.00-level.

Japanese Yen News

- USD/JPY surged towards 129.0 as a broader strength in the US dollar deepens. Fed's James Bullard sounded more hawkish than earlier on guidance for this fiscal year. Meanwhile, BOJ Governor Kuroda said that a weak yen is positive for the economy as a whole.
- The BOJ offered to buy unlimited amounts of 10-year Japanese government bonds for four consecutive sessions as yields bumped against the 0.25% maximum leeway around its zero-percent target, showing its commitment to ultra-easing stimulus. This resulted in USD/JPY climbing to a high of 129.40 for the first time since April 2002, before edging back to 128.70 after Japanese Finance Minister Shunichi Suzuki railed against a weakening currency, warning about the economic dangers.

Japanese Yen Performance

Last Week Close	126.35 JPY/USD	Monthly High	129.40 JPY/USD
Week Open	126.41 JPY/USD	Monthly Low	121.83 JPY/USD
Week Close	128.56 JPY/USD	30 Days Average	114.22 JPY/USD
Weekly High	129.40 JPY/USD	90 Days Average	113.11 JPY/USD
Weekly Low	126.23 JPY/USD	YTD Change	+10.92%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jobs/Applicants Ratio	Mar	26-Apr	1.2%	1.2%
Unemployment Rate	Mar	26-Apr	2.7	2.7
Industrial O/P Prelim MM SA	Mar	28-Apr	0.000M	0.000M
JP BOJ Rate Decision	28 Apr	28-Apr	-0.1%	-0.1%

Lower Bound	126.00	Upper Bound	130.00
Forecast	Depreciation		

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