

WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Nov 2022 - 18 Nov 2022

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- The market sentiment remains fragile amid concerns about headwinds stemming from China's commitment to maintaining its economically disruptive zero-COVID policy which could lead to the capital inflows to the dollar.
- We continue to believe the USD still has some upside into year-end, based on the three drivers of progressively hawkish Fed policy, slowing global growth, and risk aversion. Nonetheless, this path remains data-dependent.

Lower Bound	107.10	Upper Bound	114.29
Forecast	Appreciation		

Dollar News

- The dollar was sometimes supported by the possible rate hike as FOMC Chair Powell signalled clearly that the Fed is far from done and there will be more rate hikes ahead. Powell continued to see risks to inflation as weighted to the upside and he stressed the Fed's determination to bring inflation down to the Fed's 2% objective. Moreover, elevated US bond yields, the Fed-BoJ policy divergence remains supportive of the move.
- The dollar advanced against most of its peers, as results so far for the U.S. midterm elections showed little evidence of a "red wave" resounding Republican victory that some expected, leaving investors to focus on upcoming inflation data.

Dollar Index Performance

Last Week Close	110.88	Monthly High	113.94
Week Open	110.79	Monthly Low	106.28
Week Close	106.28	30 Days Average	111.34
Weekly High	113.15	90 Days Average	109.43
Weekly Low	106.28	YTD Change	+11.42%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
PPI Machine Manuf'ing	Oct	15-Nov		
Import Prices YY	Oct	16-Nov		
Retail Sales MM	Oct	16-Nov	0.9%	
Industrial Production MM	Oct	16-Nov	0.2%	
Housing Starts Number	Oct	17-Nov	1.410M	
Initial Jobless Clm		12 Nov, w/ 17-Nov	222k	
Philly Fed Business Indx	Nov	17-Nov	-8.0	
Existing Home Sales	Oct	18-Nov	4.39M	

WEEKLY FOREIGN EXCHANGE OUTLOOK
14 Nov 2022 - 18 Nov 2022

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Thai inflation in November and December is expected to decelerate further, following a decrease in the prices of several essential consumer goods and stable prices of some items despite higher costs which was helped by government measures to tackle the cost of living and an easing in the flooding situation that has led to a higher supply of agricultural products which mean that the BoT could remain the policy rate at 1%.
- The Thai economy is on a recovery path, driven largely by the coming general election, tourism and exports.

Thai Baht News

- Thai inflation in November and December is expected to decelerate further, following a decrease in the prices of several essential consumer goods and stable prices of some items despite higher costs which was helped by government measures to tackle the cost of living and an easing in the flooding situation that has led to a higher supply of agricultural products.
- The consumer index of the University of the Thai Chamber of Commerce rose to 46.1 in October from 44.6 in the previous month, reaching a 10-month high, bolstered by improved economic activity following the easing of Covid-19 curbs.

Thai Baht Performance

Last Week Close	37.28 THB/USD	Monthly High	38.04 THB/USD
Week Open	34.43 THB/USD	Monthly Low	35.70 THB/USD
Week Close	35.94 THB/USD	30 Days Average	37.63 THB/USD
Weekly High	37.52 THB/USD	90 Days Average	36.86 THB/USD
Weekly Low	35.66 THB/USD	YTD Change	+7.41%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
GDP Growth YY	Q3	21-Nov		
GDP Growth QQ SA	Q3	21-Nov		
Forex Reserves		7 Nov, w/e 18-Nov		
Currency Swaps		7 Nov, w/e 18-Nov		

Lower Bound	36.01	Upper Bound	38.97
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Nov 2022 - 18 Nov 2022



Euro Graph



Source: Thomson Reuters

Euro News

- The Eurozone Sentix Investor Confidence index improved to -30.9 in November from -38.3 in October vs. -35.0 expected. The index rebounded from its lowest level since March 2020.
- French Finance Minister Bruno Le Maire said that It will take time to bring inflation down to more reasonable levels.
- ECB Vice President Luis de Guindos said that “We will continue raising rates to a level that ensures inflation will come back into line with the ECB's definition of price stability,” Further, ECB policymaker and Germany’s central bank head Joachim Nagel mentioned, “Large rate hikes are necessary.”
- Eurozone Retail Sales improved to -0.6% YoY in September versus -1.3% expected and upwardly revised -1.4% prior. Alternatively, the US NFIB Small Business Optimism Index for October, 91.3 versus 92.1 prior.

Euro Index Performance

Last Week Close	0.9960 USD/EUR	Monthly High	1.0367 USD/EUR
Week Open	0.9909 USD/EUR	Monthly Low	0.9731 USD/EUR
Week Close	1.0352 USD/EUR	30 Days Average	0.9915 USD/EUR
Weekly High	1.0364 USD/EUR	90 Days Average	0.9995 USD/EUR
Weekly Low	0.9898 USD/EUR	YTD Change	-9.41%

Euro Outlook

- The euro could depreciate against the dollar due to the energy crisis and pessimism over the conflict in Ukraine, inflation and economic growth.
- the European Commission projects Eurozone Gross Domestic Product (GDP) to grow 3.2% in 2022, slow down to 0.3% growth in 2023 and accelerate to 1.5% in 2024.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Sep	15-Nov		
GDP Flash Estimate QQ	Q3	15-Nov	0.2%	
GDP Flash Estimate YY	Q3	15-Nov	2.1%	
ZEW Economic Sentiment	Nov	15-Nov	-50.0	
ZEW Current Conditions	Nov	15-Nov	-67.5	
Reserve Assets Total	Oct	15-Nov		
HICP Final MM	Oct	17-Nov	1.5%	
HICP Final YY	Oct	17-Nov	10.7%	

Lower Bound	0.9641	Upper Bound	1.0294
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
14 Nov 2022 - 18 Nov 2022

Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The BoE's gloomy outlook might act as a headwind for the Sterling and cap gains.
- Optimism surrounding Brexit and the next move of monetary policy could bring back the flow the the pound.

Pound Sterling News

- UK Foreign Minister James Cleverly said that the government will announce investments worth over 100 million Pound Sterling which will support developing economies to respond to climate-related disasters and adapt to the impacts of climate change.
- British Prime Minister Rishi Sunak is considering expanding the top rate of income tax next week after the Treasury warned that more money was needed to protect pensions and benefits.
- The policymaker said, "BoE will do what is needed to get inflation back to 2% on a sustainable basis,"
- Year on year, the UK economy slowed down to 2.4% from 4.4%, still better than the 2.1% reading anticipated by market analysts.

Pound Sterling Performance

Last Week Close	1.1375 USD/GBP	Monthly High	1.1854 USD/GBP
Week Open	1.1301 USD/GBP	Monthly Low	1.1150 USD/GBP
Week Close	1.1835 USD/GBP	30 Days Average	1.1367 USD/GBP
Weekly High	1.1854 USD/GBP	90 Days Average	1.1608 USD/GBP
Weekly Low	1.1288 USD/GBP	YTD Change	-13.19%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Oct	15-Nov		
ILO Unemployment Rate	Sep	15-Nov	3.5%	
HMRC Payrolls Change	Oct	15-Nov		
CPI YY	Oct	16-Nov	10.6%	
Retail Sales MM	Oct	18-Nov	0.0%	
Retail Sales Ex-Fuel MM	Oct	18-Nov	0.6%	
Retail Sales YY	Oct	18-Nov	-6.5%	

Lower Bound	1.1097	Upper Bound	1.1821
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Nov 2022 - 18 Nov 2022

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Australian dollar tends to appreciate against the dollar due the potential of more relaxed COVID-19 restrictions in China as it is a main trade partner.
- The Aussie, in the longer term, could weakened against the dollar as the RBA didn't return to the prior 50 bps rate hike structure and continued hiking rates further by a smaller rate.

Australian Dollar News

- The Australian dollar dropped against the dollar index due to the biggest daily jump in the covid cases in over a year as the mainland sees the daily coronavirus numbers growing past 10,000 for the first time in seven months.
- The Employment Change is seen higher at 15k vs. the prior release of 0.9k. While the Unemployment Rate is seen stable at 3.5%.

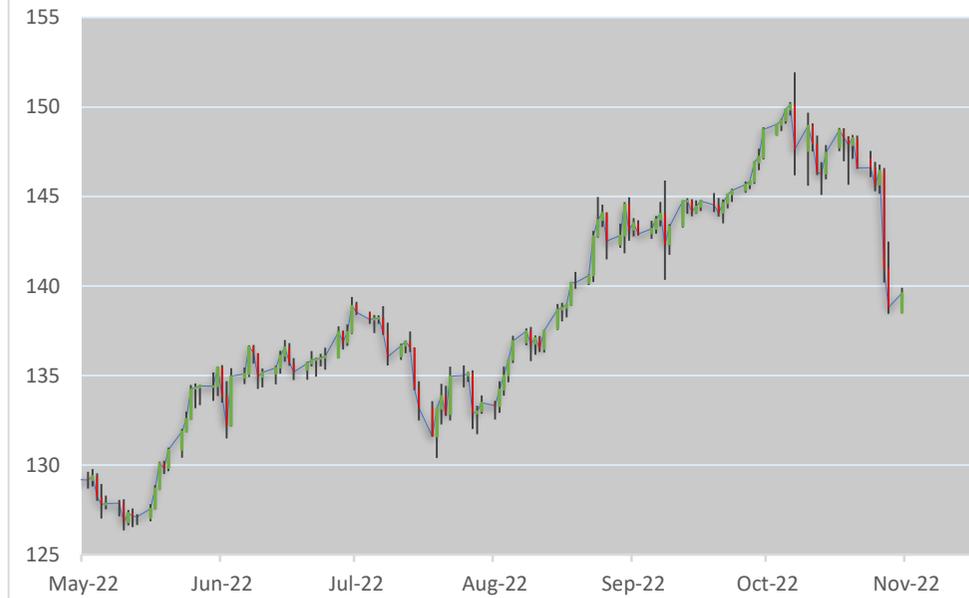
Australian Dollar Performance

Last Week Close	0.6466 USD/AUD	Monthly High	0.67200 USD/AUD
Week Open	0.6408 USD/AUD	Monthly Low	0.62730 USD/AUD
Week Close	0.6702 USD/AUD	30 Days Average	0.68569 USD/AUD
Weekly High	0.6716 USD/AUD	90 Days Average	0.69309 USD/AUD
Weekly Low	0.6385 USD/AUD	YTD Change	-8.18%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Oct	16-Nov		
Wage Price Index QQ	Q3	16-Nov	0.9%	
Wage Price Index YY	Q3	16-Nov	3.0%	
Employment	Oct	17-Nov	15.0k	
Unemployment Rate	Oct	17-Nov	3.5%	

Lower Bound	0.6188	Upper Bound	0.6671
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Bank of Japan, so far, has shown no inclination to hike interest rates and reiterated that it will continue to guide the 10-year bond yield at 0%. This marks a big divergence in the policy stance adopted by the two major central banks and supports prospects for a further appreciating move for the dollar index.

Japanese Yen News

- The Japanese government is planning to release more stimulus and hike taxes for ultra-rich individuals.
- The Bank of Japan (BOJ) has been citing warning signals of a slowdown due to external economic shocks and the chances of the inflation rate returning below 2%.

Japanese Yen Performance

Last Week Close	146.59 JPY/USD	Monthly High	148.82 JPY/USD
Week Open	147.14 JPY/USD	Monthly Low	138.47 JPY/USD
Week Close	138.79 JPY/USD	30 Days Average	136.34 JPY/USD
Weekly High	147.56 JPY/USD	90 Days Average	130.99 JPY/USD
Weekly Low	138.45 JPY/USD	YTD Change	+21.31%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
GDP QQ	Q3	15-Nov	0.3%	
Machinery Orders MM	Sep	16-Nov	0.7%	
Machinery Orders YY	Sep	16-Nov	7.4%	
Exports YY	Oct	17-Nov	28.1%	
Imports YY	Oct	17-Nov	49.7%	45.7%
Trade Balance Total Yen	Oct	17-Nov	-1,610.0B	-2,094.3B
CPI, Core Nationwide YY	Oct	18-Nov	3.5%	

Lower Bound	140.35	Upper Bound	152.82
Forecast	Depreciation		

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.