

**FOREIGN EXCHANGE OUTLOOK**

**9 – 13 December 2019**



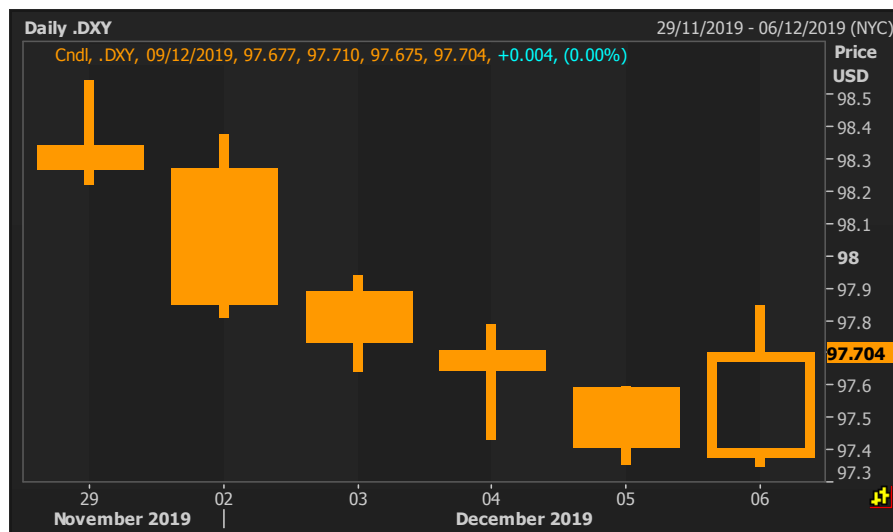
**USD**

**Highlight**

**Markets look forward to the possibility of phase on agreement between US and China as the new round of tariff is approaching.**

Last week, the dollar moved between 97.355 – 98.544. The currency was still pressured by the ongoing trade tension between China and US. President Donald Trump asked China to buy farm products from the US for 40 – 50 billion dollars per year which is way larger than what China bought last year. Moreover, the US required China to publicly announce the purchase plan and the purchase would not depend on market conditions. On Friday (6/12), despite the fact that the top White House economic adviser Larry Kudlow stated that the 15 Dec deadline for new tariff is still in place, markets were at ease. On the same day, China announced the new exemption for import tariff on some product from the US including soybean and swine. Also, the currency was supported by a better-than-expected US unemployment rate which was lower to 3.5%, its lowest level since 1969.

**Graph**



**Comment**

This week, investors focus on trade agreement between the US and China. Also, there are major economic data to be reported including CPI and FOMC meeting on Wednesday (11/12), unemployment claims on Thursday (12/12) and retail sales on Friday (13/12).



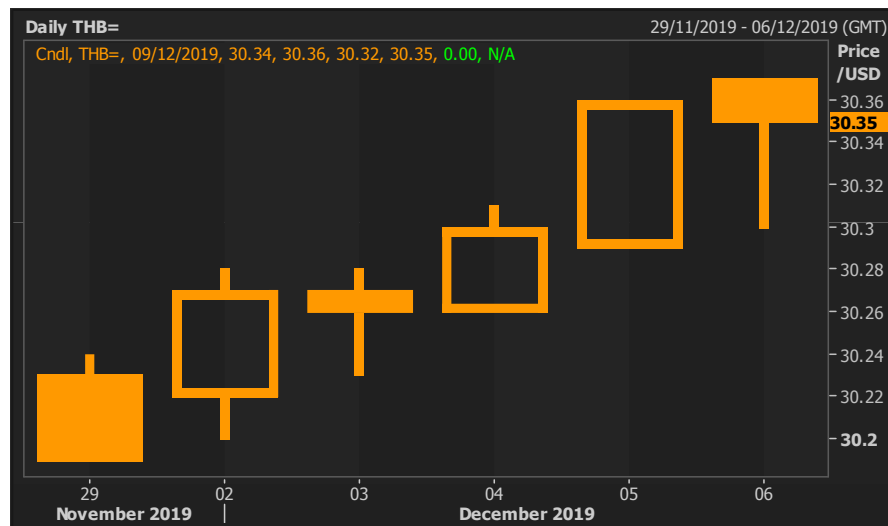
## THB

### Highligh

### Thai Baht weaken after a deputy governor of the Bank of Thailand signal the currency could depreciate further.

In the beginning of the week, Thai Baht moved in a limited range due to the thinned trade. However, after the comment from Mr. Mathee Supapongse, a deputy governor of the Bank of Thailand, Thai Baht continuously depreciated. He suggested that Thai Baht is likely to weaken as its strength is already beyond the country's fundamental. In additions, Thai yield curve is now lower than the US treasury and the lowest in Southeast Asia which make Thai bonds less attractive. It is also recommended that importers hedge position properly. Last week, Thai Baht moved between 30.20-30.27 USD/THB.

### Graph



### Comment

This week, there is no major economic figures to be reported. However, investors are required to keep close eyes on US-China trade dispute as it could move the currency. We expect Thai Baht to move between 30.20-30.50 USD/THB



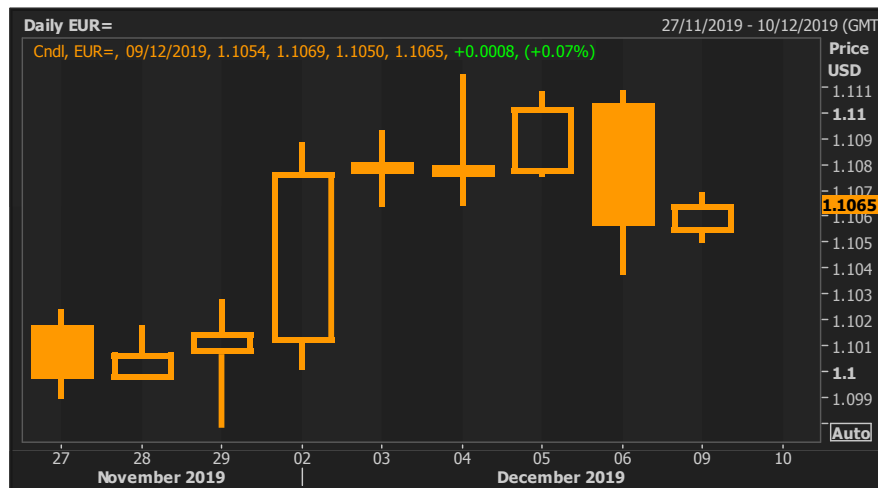
# EUR

## Highlight

The Euro moved in the range of 1.1000 – 1.1120 USD/EUR which was supported by depreciating greenback due to trade tension fears. The currency retreated its gain at the end of the week after outstanding US Nonfarm Payrolls data.

The Euro opened at the level of 1.1013/15 USD/EUR before sharply appreciated against the greenback as a consequence of US Manufacturing Purchasing Manager Index (PMI) that dropped for four consecutive months at the level of 48.1 in November from 48.3 in the previous month, below an expectation at the level of 49.2 due to saturated demand on supply chain management and uncertainty over the trade war period. In contrast, the index started to recover in Eurozone which increased to the level of 46.9 in November from 46.6 in October. Regarding to the member nations, the German's Manufacturing PMI also rose to the level of 44.1 from 43.8 as well as French that was up to the level of 51.7 from 51.6. Moreover, trade tension between US and its counterparts has still been an important factor to pressure the greenback after the US officials raised tax tariffs on steel imports from Brazil and Argentina as they were accused on manipulating their currencies for exporting benefit and also prepares to hike the tariffs on vine, cheese, leather handbags and other products from France worth USD 2.4 billion to confront digital tax increasing plan by French officials. The President Donald Trump tweeted that the deal between US and China possibly extends to November 2020 after the next US Presidential Election even though the Chinese officials would like to reach an agreement soon. The Euro retreated its gain on Friday (6/12) and closed at the level of 1.1058/60 USD/EUR as the releases of better-than-expected US labour market data.

## Graph



## Comment

This week, investors focus on the releases of German October Trade Balance data on Monday (9/12), German December Economic Sentiment Index on Tuesday (10/12), German and French November Consumer Price Index and European Central Bank's Monetary Policy Meeting on Thursday (12/12). Furthermore, investors still keep their eyes on trade issue especially the tension between US and France as well as other Eurozone nations that have been investigated such Austria, Italy and Turkey. We expect that the Euro would move in the range of 1.0950 – 1.1200 USD/EUR.



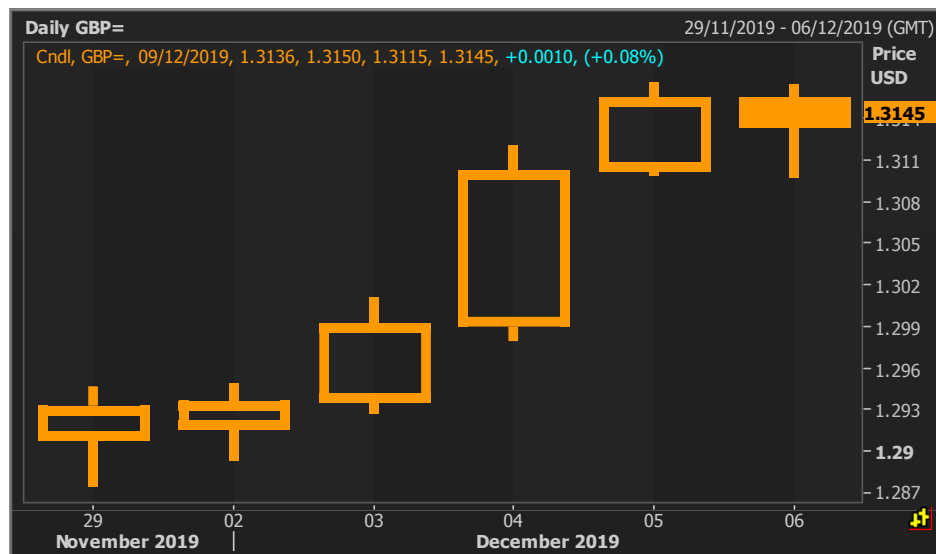
## GBP

### Highlight

The Sterling last week rose against the US Dollar as the recent polls shows a widening gap between the Conservatives and their left-wing counterparts and raised the prospect of passing Boris Johnson's Brexit deal. While the Sino-American trade talks remains on track.

The British Pound opened on Monday (2/12) at 1.2916/18 USD/GBP, slightly depreciated from Friday's close (29/11) at 1.2933/35 USD/GBP. However, the fact that the incoming UK election polls have been indicating a majority for the Prime Minister Boris Johnson's Conservative Party at the upcoming general election on December 12 continued to drive the pair higher last week. The British pound climbed and touched the level of 1.3150 USD/GBP last week, and also was supported by the weak US dollar on disappointed economic data. Meanwhile, investors still focus on trade talks between the US and China as there was mixed signal. The report said that both sides are moving close to a trade deal before tariff deadline on December 15. While, the US President Trump remarked on Wednesday (4/12) that the talks with China were going well, however, the deal with China may not come until after the 2020 US presidential election. Last week, the British pound was trading in a range 1.2894 - 1.3166 of USD/GBP and closed on Friday (6/12) at 1.3135/37 USD/GBP.

### Graph



### Comment

The British pound seems to have been bullish at the moment on the recent UK political optimism. Investors will be watching if Mr. Johnson will be able to acquire the popularity on the election this week on December 12. The British pound is expected to move between 1.2950 – 1.3200 USD/GBP next week.



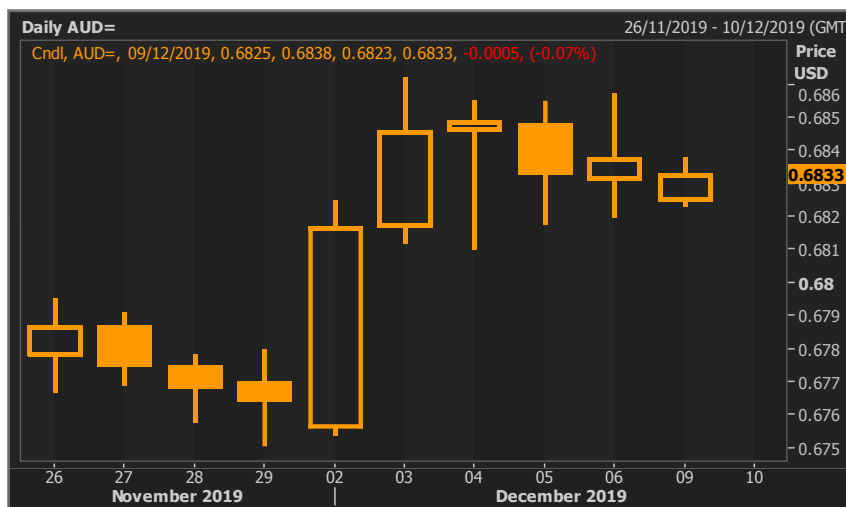
## AUD

### Highlight

Last week, the Australian dollar gained against the USD by softer-than-expected U.S. economic data and signs of new fronts in the U.S. trade war. The Australia's central bank left the interest rates at record lows at 0.75% as the market expected. This week, the market will focus on the releases of China CPI and PPI on Tuesday (10/12) and Australia Westpac Consumer Sentiment on Wednesday (11/12)

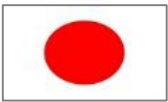
Last week, the Australian dollar opened at 0.6756/58 USD/AUD on Monday (2/12), slightly depreciated from the previous week closing level on Friday (29/11) at 0.6764/66 USD/AUD. During last week, the Aussie gained against the U.S. dollar after the China's National Bureau of Statistics (NBS) showed that the Purchasing Managers' Index (PMI) bounced back to 50.2 in November, its highest since March. On Tuesday (3/12), the Reserve Bank of Australia (RBA) left interest rates at record lows at 0.75% as the market expected. On Wednesday (4/12), the Australian Bureau of Statistics (ABS) reported that Australia's third-quarter gross domestic product rose 0.4%, missing forecasts of 0.5%. Moreover, on Thursday (5/12), the Australian data extended their run of disappointing outcomes with retail sales going flat in October, when analysts had hoped for a 0.3% gain. During last week, the Aussie was traded between 0.6754-0.6862 USD/AUD, and closed on Friday (6/12) at 0.6838/40 USD/AUD.

### Graph



### Comment

This week, the markets still concern about trade tensions between the United States and China. The Australian dollar is expected to trade in a range of 0.6750-0.6950 USD/AUD



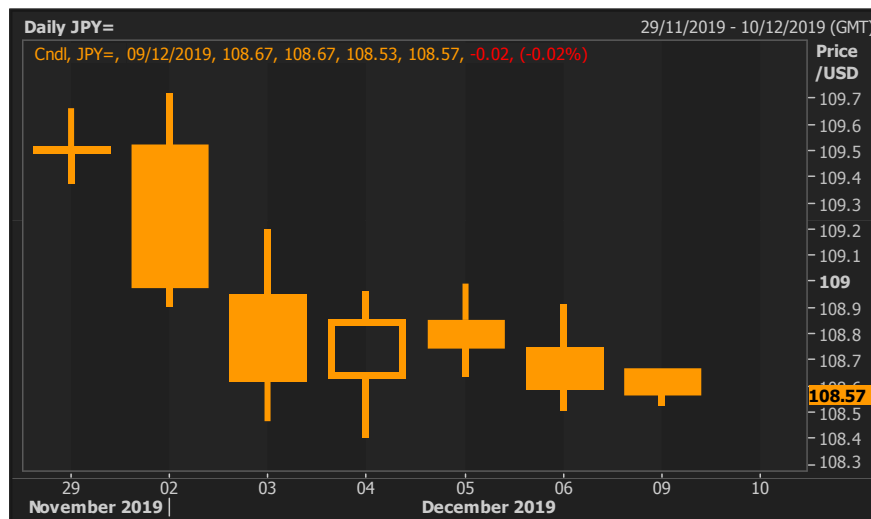
# JPY

## Highlight

**The Yen appreciated from trade uncertainty, while GDP was better-than-expected.**

The JPY opened at 109.52/53 JPY/USD, unchanged from closing level on Friday (29/11). The Yen fell on Monday (2/12) after Chinese factory activity expanded at the quickest pace in almost three years in November and raised hopes of a brighter outlook for the world economy. However, the Yen rallied against dollar on Tuesday (3/12) as risk appetite eased after U.S. President Donald Trump said a trade deal with China might have to wait until after the 2020 U.S. president election. In the end of the week, the yen fell against the dollar after the U.S. job data was stronger than expected. The Yen rose at the early of the week after the final GDP of 3rd quarter was stronger-than-expected, rose 0.4% q/q.

## Graph



## Comment

The main focus this week is still on the U.S. – China trade situation. We expect the JPY to move in a range of 108.00 – 109.50 JPY/USD.

## Economic Calendar

### Lastweek

Date Time		Event	Survey	Actual	Prior
12/02/2019	IT	Markit Italy Manufacturing PMI	47.5	47.6	47.7
12/02/2019	FR	Markit France Manufacturing PMI	51.6	51.7	51.6
12/02/2019	EC	Markit Eurozone Manufacturing PMI	46.6	46.9	46.6
12/02/2019	UK	Markit UK PMI Manufacturing SA	48.3	48.9	48.3
12/02/2019	US	Markit US Manufacturing PMI	52.2	52.6	52.2
12/02/2019	US	ISM Manufacturing	49.2	48.1	48.3
12/02/2019	US	Construction Spending MoM	0.40%	-0.80%	0.50%
12/02/2019	IT	Budget Balance	--	1.3b	2.5b
12/03/2019	UK	Markit/CIPS UK Construction PMI	44.5	45.3	44.2
12/03/2019	EC	PPI MoM	0.00%	0.10%	0.10%
12/03/2019	EC	PPI YoY	-1.80%	-1.90%	-1.20%
12/04/2019	JN	Jibun Bank Japan PMI Services	--	50.3	50.4
12/04/2019	JN	Jibun Bank Japan PMI Composite	--	49.8	49.9
12/04/2019	IT	Markit Italy Services PMI	51.2	50.4	52.2
12/04/2019	IT	Markit Italy Composite PMI	50.6	49.6	50.8
12/04/2019	FR	Markit France Services PMI	52.9	52.2	52.9
12/04/2019	FR	Markit France Composite PMI	52.7	52.1	52.7
12/04/2019	GE	Markit Germany Services PMI	51.3	51.7	51.3
12/04/2019	GE	Markit/BME Germany Composite PMI	49.2	49.4	49.2
12/04/2019	EC	Markit Eurozone Services PMI	51.5	51.9	51.5
12/04/2019	EC	Markit Eurozone Composite PMI	50.3	50.6	50.3
12/04/2019	UK	Markit/CIPS UK Services PMI	48.6	49.3	48.6
12/04/2019	UK	Markit/CIPS UK Composite PMI	48.5	49.3	48.5
12/04/2019	UK	Official Reserves Changes	--	\$49m	\$2212m
12/04/2019	US	MBA Mortgage Applications	--	-9.20%	1.50%
12/04/2019	US	ADP Employment Change	135k	67k	125k
12/04/2019	US	Markit US Services PMI	51.6	51.6	51.6
12/04/2019	US	Markit US Composite PMI	--	52	51.9
12/04/2019	US	ISM Non-Manufacturing Index	54.5	53.9	54.7
12/05/2019	GE	Factory Orders MoM	0.40%	-0.40%	1.30%
12/05/2019	GE	Factory Orders WDA YoY	-4.70%	-5.50%	-5.40%
12/05/2019	GE	Markit Germany Construction PMI	--	52.5	51.5
12/05/2019	EC	Retail Sales MoM	-0.50%	-0.60%	0.10%
12/05/2019	EC	Retail Sales YoY	2.20%	1.40%	3.10%
12/05/2019	EC	Employment QoQ	--	0.10%	0.10%
12/05/2019	EC	Employment YoY	--	0.90%	1.00%
12/05/2019	EC	GDP SA QoQ	0.20%	0.20%	0.20%
12/05/2019	EC	GDP SA YoY	1.20%	1.20%	1.20%

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.

12/05/2019	US	Initial Jobless Claims	215k	203k	213k
12/05/2019	US	Continuing Claims	1660k	1693k	1640k
12/05/2019	US	Trade Balance	\$48.5b	-\$47.2b	-\$52.5b
12/05/2019	US	Factory Orders	0.30%	0.30%	-0.60%
12/05/2019	US	Factory Orders Ex Trans	--	0.20%	-0.10%
12/05/2019	US	Durable Goods Orders	0.60%	0.50%	0.60%
12/06/2019	JN	Household Spending YoY	-3.20%	-5.10%	9.50%
12/06/2019	JN	Official Reserve Assets	--	\$1317.3b	\$1324.5b
12/06/2019	GE	Industrial Production SA MoM	0.10%	-1.70%	-0.60%
12/06/2019	GE	Industrial Production WDA YoY	-3.60%	-5.30%	-4.30%
12/06/2019	FR	Trade Balance	5000m	-4730m	-5551m
12/06/2019	FR	Current Account Balance	--	-2.4b	-2.7b
12/06/2019	IT	Retail Sales MoM	--	-0.20%	0.70%
12/06/2019	IT	Retail Sales YoY	1.10%	1.00%	0.90%
12/06/2019	US	Change in Nonfarm Payrolls	180k	266k	128k
12/06/2019	US	Change in Private Payrolls	178k	254k	131k
12/06/2019	US	Unemployment Rate	3.60%	3.50%	3.60%
12/06/2019	US	Average Hourly Earnings MoM	0.30%	0.20%	0.20%
12/06/2019	US	Average Hourly Earnings YoY	3.00%	3.10%	3.00%
12/06/2019	US	Average Weekly Hours All Employees	34.4	34.4	34.4
12/06/2019	US	Underemployment Rate	--	6.90%	7.00%
12/06/2019	US	U. of Mich. Sentiment	97	99.2	96.8
12/06/2019	US	U. of Mich. Current Conditions	112.8	115.2	111.6
12/06/2019	US	U. of Mich. Expectations	87.5	88.9	87.3



## **This week**

<b>Date Time</b>		<b>Event</b>	<b>Survey</b>	<b>Actual</b>	<b>Prior</b>
12/09/2019	JN	GDP SA QoQ	0.20%	0.40%	0.10%
12/09/2019	JN	GDP Annualized SA QoQ	0.60%	1.80%	0.20%
12/09/2019	GE	Trade Balance	19.3b	--	21.1b
12/09/2019	GE	Current Account Balance	20.0b	--	25.5b
12/09/2019	GE	Exports SA MoM	-0.30%	--	1.50%
12/09/2019	GE	Imports SA MoM	-0.10%	--	1.30%
12/10/2019	JN	Machine Tool Orders YoY	--	--	-37.40%
12/10/2019	FR	Industrial Production MoM	0.20%	--	0.30%
12/10/2019	FR	Industrial Production YoY	-0.40%	--	0.10%
12/10/2019	FR	Manufacturing Production MoM	0.40%	--	0.60%
12/10/2019	FR	Manufacturing Production YoY	-0.20%	--	0.40%
12/10/2019	IT	Industrial Production MoM	-0.20%	--	-0.40%
12/10/2019	IT	Industrial Production WDA YoY	-2.10%	--	-2.10%
12/10/2019	IT	Industrial Production NSA YoY	--	--	1.00%
12/10/2019	UK	Monthly GDP (MoM)	0.10%	--	-0.10%
12/10/2019	UK	Monthly GDP (3M/3M)	0.00%	--	0.30%
12/10/2019	UK	Industrial Production MoM	0.20%	--	-0.30%
12/10/2019	UK	Industrial Production YoY	-1.20%	--	-1.40%
12/10/2019	UK	Manufacturing Production MoM	0.00%	--	-0.40%
12/10/2019	UK	Manufacturing Production YoY	-1.40%	--	-1.80%
12/10/2019	UK	Trade Balance GBP/Mn	£2700m	--	£3360m
12/10/2019	UK	Construction Output MoM	-0.30%	--	-0.20%
12/10/2019	UK	Construction Output YoY	-0.10%	--	0.50%
12/10/2019	GE	ZEW Survey Current Situation	-22.1	--	-24.7
12/10/2019	GE	ZEW Survey Expectations	0	--	-2.1
12/10/2019	EC	ZEW Survey Expectations	--	--	-1
12/10/2019	US	Nonfarm Productivity	-0.10%	--	-0.30%
12/11/2019	JN	PPI MoM	0.10%	--	1.10%
12/11/2019	JN	PPI YoY	0.00%	--	-0.40%
12/11/2019	US	CPI MoM	0.20%	--	0.40%
12/11/2019	US	CPI YoY	2.00%	--	1.80%
12/12/2019	US	FOMC Rate Decision (Upper Bound)	1.75%	--	1.75%
12/12/2019	US	FOMC Rate Decision (Lower Bound)	1.50%	--	1.50%
12/12/2019	JN	Core Machine Orders MoM	0.50%	--	-2.90%
12/12/2019	JN	Core Machine Orders YoY	-1.70%	--	5.10%
12/12/2019	GE	CPI MoM	-0.80%	--	-0.80%
12/12/2019	GE	CPI YoY	1.10%	--	1.10%
12/12/2019	FR	CPI MoM	0.10%	--	0.10%
12/12/2019	FR	CPI YoY	1.00%	--	1.00%
12/12/2019	EC	Industrial Production SA MoM	-0.50%	--	0.10%
12/12/2019	EC	Industrial Production WDA YoY	-2.40%	--	-1.70%
12/12/2019	EC	ECB Main Refinancing Rate	0.00%	--	0.00%
12/13/2019	JN	Industrial Production MoM	--	--	-4.20%
12/13/2019	JN	Industrial Production YoY	--	--	-7.40%

This material is prepared on the purpose of information reference only. The information based upon our most up-to-date and reliable sources. Please note that Bangkok Bank PCL and its officers do not solicit any action based upon this information. Investors should consider this report as only a single factor in making their investment decision.

12/13/2019	IT	Industrial Sales WDA YoY	--	--	-1.60%
12/13/2019	IT	Industrial Sales MoM	--	--	0.20%
12/13/2019	IT	Industrial Orders NSA YoY	--	--	0.30%
12/13/2019	IT	Industrial Orders MoM	--	--	1.00%
12/13/2019	US	Import Price Index MoM	0.20%	--	-0.50%
12/13/2019	US	Import Price Index YoY	-1.20%	--	-3.00%
12/13/2019	US	Export Price Index MoM	0.10%	--	-0.10%
12/13/2019	US	Export Price Index YoY	--	--	-2.20%