



FOREIGN EXCHANGE OUTLOOK

15 - 21 July 2019



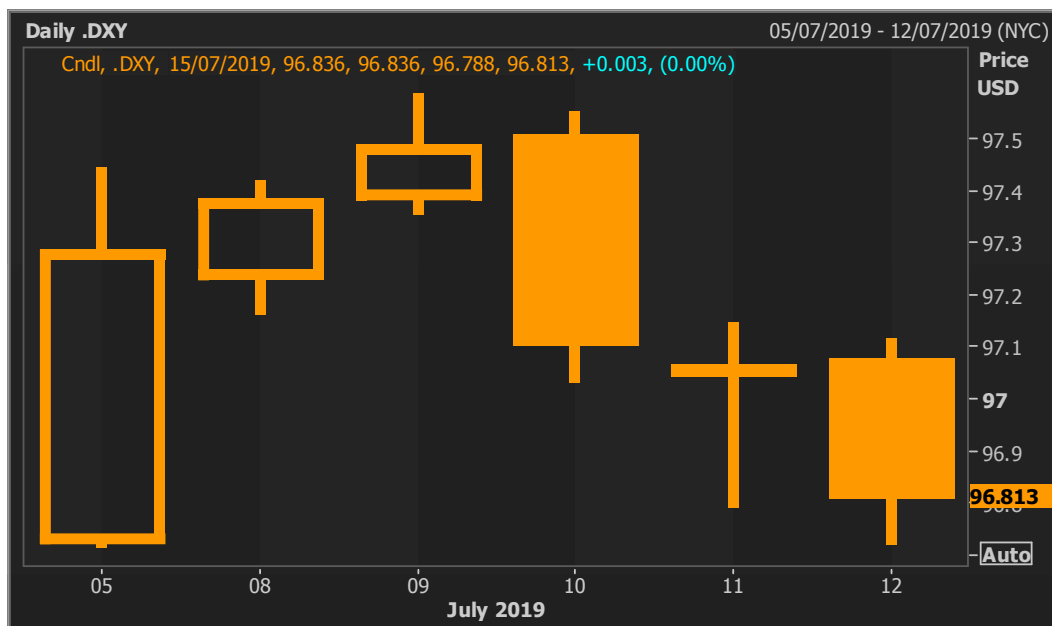
USD

Highlight

A higher-than-expected nonfarm payrolls strengthened the dollar, but the index lost its ground after the dovish comment from the fed chair Jerome Powell.

The dollar index continued appreciating from the previous week as the nonfarm payrolls edged up to 224,000, exceeding expectations of 165,000. This was considered the best gain since January 2019. However, the dollar index weakened on Wednesday (10/7) after the fed chairman Jerome Powell’s senate testimony on monetary policy. He expressed concerns over trade war, weakness of global economy and persistence of low inflation (under the 2 per cent target). Powell also reiterated that the fed will “act as appropriate to sustain the current economic expansion”. Regarding economic reports, CPI (MoM) was shown at 0.1 per cent, beating expectations of 0 per cent. Additionally, unemployment claim dropped to 209,000 which was lower than expectations of 220,000.

Graph



Comment

This week, investors focus on Retails sales on Tuesday (16/7), Beige Book report and Housing starts on Wednesday (17/7) and UoM consumer sentiment on Friday (19/7). Despite the temporary trade truce between US and China, trade conflict between the U.S. and France arises. The U.S. government has threatened France with China-Style Tariffs over its 3 per cent digital tax on Facebook, Google, Amazon and other U.S technology companies. It is highly expected that president Trump will put steep tariff on French product including perfume, cheese and wine as a retaliation.



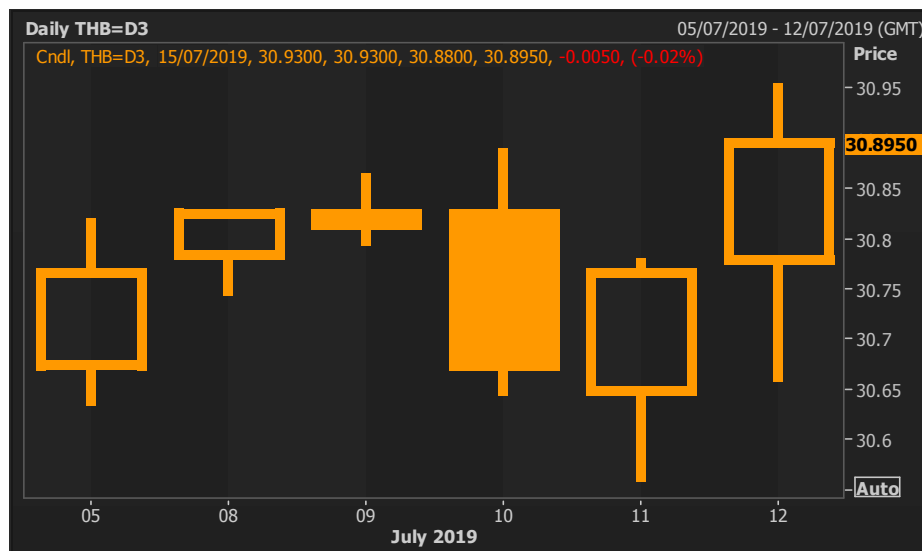
THB

Highlight

The Thai Baht remarkably depreciated due to Bank of Thailand's new measures to prevent Thai baht speculation.

The Thai baht continuously depreciated against the U.S. dollar from the previous week as the better-than-expected nonfarm payrolls pushed the dollar higher. However, the Thai baht strongly regained on Wednesday (10/7) after the fed chairman Jerome Powell hinted the July rate cut. According to CME's FedWatch tool, the probability of rate cut reached 100 per cent with 93 per cent chance that the interest rates will be cut by a quarter-point to 2.00-2.25 per cent. On Friday (12/7) the Thai baht lost its momentum when the Bank of Thailand announced new measures aimed at curbing the short-term speculative inflow. Starting from 22nd July 2019, non-resident account holders are allowed to maintain outstanding balance in their non-resident baht account (NRBA) and non-resident baht account for securities (NRBS) at the end of day at a maximum 200 million baht (revised down from 300 million). Moreover, the names of end beneficiaries for all non-residents' holdings of Thai debt securities have to be reported to the Bank of Thailand.

Graph



Comment

This week, there is no Thailand's major economic data to be released. Still, the investors keep eyes on trade conflict between the U.S. and Europe. It is important to closely monitor president Trump's possible reaction against France's tech tax as it could bring about the currency fluctuation. We expect the Thai Baht to move in a range of 30.60 – 31.10 THB/USD



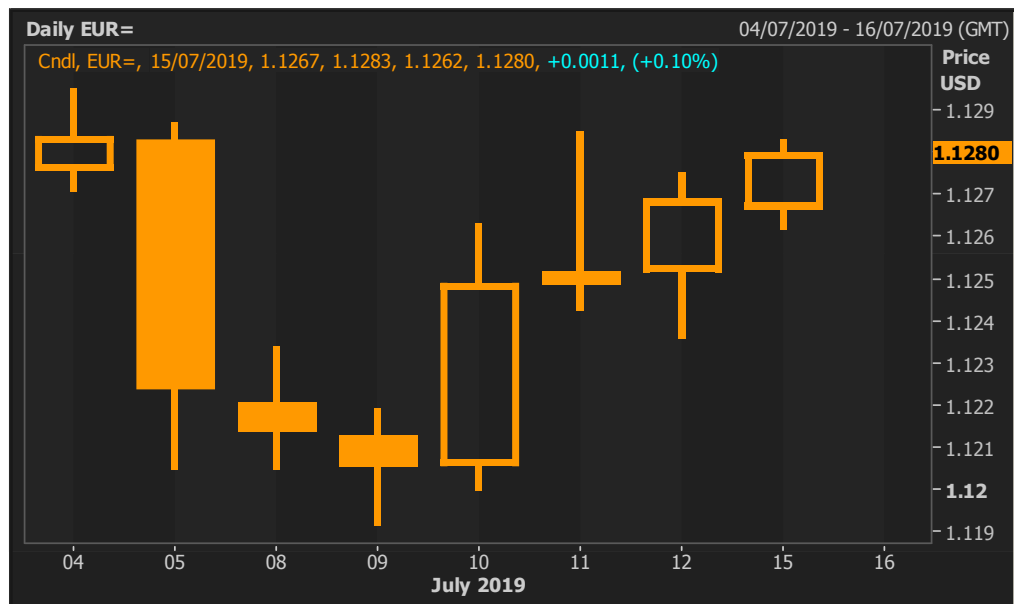
EUR

Highlight

The Euro fluctuated while investors keep eye on Fed policy direction in the meeting at the end of this month.

The Euro depreciated at the beginning of week from better-than-expected US Nonfarm Payrolls data released on previous Friday (5/7) that cooled down expectation on aggressive Federal Reserve (Fed)'s rate cut within this year. However, the major currencies bounced back against the greenback on Wednesday (10/7) after Fed Chairman Jerome Powell's testimony on the Congress which emphasized on global growth slowdown from trade-war situation that affect US economy even adequate service sector and labour market data. Moreover, the Fed has allowed the pathway to cut its benchmark rate as appropriate referred to the chairman's statement on large room for reduction. At the end of week, the Euro moved in limited range while the markets concern on US economic indicators over the rest two weeks of this month that would influence the direction of Fed policy meeting on 30th – 31st July.

Graph



Comment

This week, investors focus on July German's and Eurozone's ZEW Economic Sentiment Index, May Eurozone's Trade Balance data on Tuesday (16/7), and June Eurozone's Consumer Price Index on Wednesday (17/7). Meanwhile, the markets have followed the progress on US – EU trade conflicts after the two sides listed target goods to raise import tariffs on the past month. We expect the Euro would move in the range of 1.1100 – 1.1350 USD/EUR.

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.



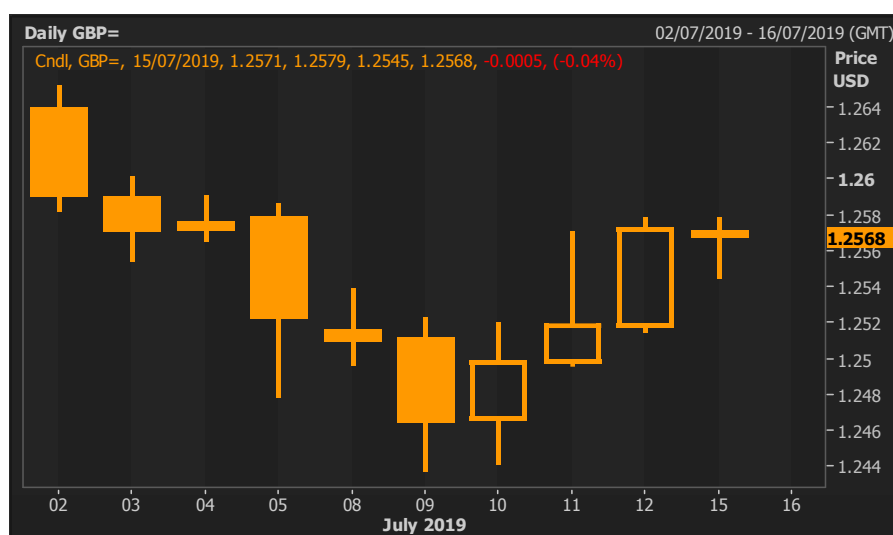
GBP

Highlight

The British Pound had depreciated at the beginning of last week on concern over Brexit, and started to regain its momentum after data showed the positive GDP which better than expectation.

The GBP opened the week with a depreciation after Mark Carney, the Governor of Bank of England (BOE), stated that no-deal Brexit would deliver major economic shock for UK despite a costly planning. Furthermore, he also mentioned that it would be better to have a transition period that allows the country to adjust itself before moving out of the European Union. During the week, British Retail Consortium (BRC) announced that retail sales expanded at the slowest pace last year which signaled the economic slowdown. Meanwhile, on Wednesday (10/07), Office for National Statistic (ONS), announced that UK GDP rose by 0.3% from a month earlier, when stoppages at car plants resulted in a negative growth of 0.4%. The British economy pulled out of a one-month downturn to return to growth in May as carmakers resumed production in the wake of shutdowns for the original Brexit deadline. At the end of the week, Bank of England Policy maker, Silvana Tenreyro, stated that the Monetary Policy Committee's view in the event of a smooth Brexit "required a small amount of policy tightening. While, she believes that the BOE will be able to maintain the policy rate at 0.75% as the inflation is not high enough. However, in the case of no-deal Brexit, BOE is likely to announce a lenient monetary policy, although "this is by no means certain". Tenreyro described her comment as "her own expectation and not a promise," which may shift as its data dependent. In addition, the markets remain closely focused on who will be the next British Prime Minister as it is the critical factor affecting the leading policy.

Graph



Comment

This week the market is focusing on the major economic release such as Average Earnings Index and Unemployment Rate (16/07), Consumer Price Index and Producer Price Index (17/07), Retail Sales (18/07), and Public Sector Net Borrowing (19/07). We expect the GBP to move in a range of 1.2480 - 1.2780 USD/GBP.



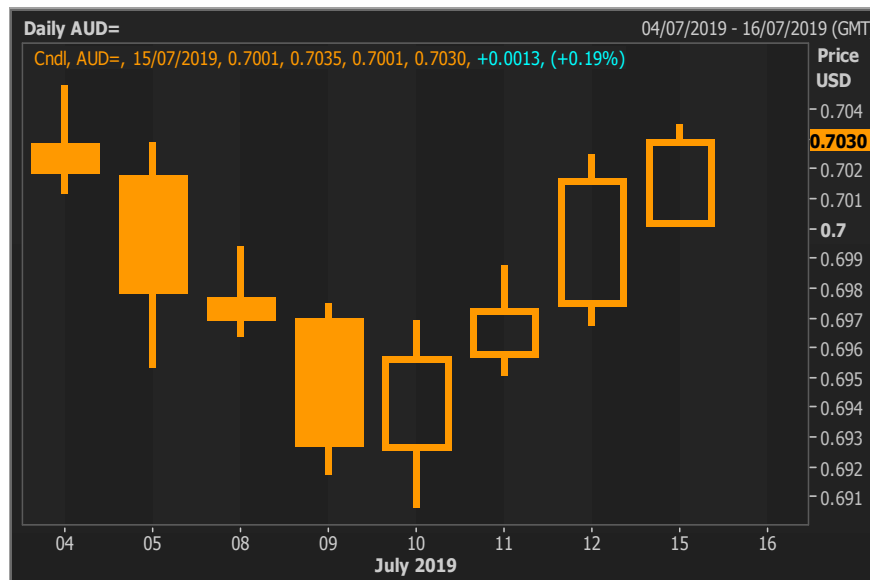
AUD

Highlight

Last week, the Australian dollar gained against the USD after Federal Reserve Chairman Jerome Powell commented that trade uncertainties and concerns about the global outlook continued to pressure on the U.S. economy, thought speculation of an aggressive rate cut. This week, the market will focus on the releases of Australia Monetary Policy Meeting Minutes on Monday (15/7) and Australia Unemployment Rate on Thursday (18/7)

Last week, the Australian dollar opened at 0.6977/79 USD/AUD on Monday (8/7), remain stable from the previous week closing level on Friday (5/7) at 0.6979/81 USD/AUD. On Wednesday (10/7), the Melbourne Institute and Westpac Bank reported that Australia consumer sentiment slumped 4.1% at 96.5 in July following a 0.6% fall in June. However, the Australian dollar gained against the U.S. dollar on Thursday (11/7) after Federal Reserve Chairman Jerome Powell set the stage for a rate cut later this month, vowing to act as appropriate to ensure the world's biggest economy will be able to sustain a decade-long expansion. On Friday (12/7), the China Custom Department reported that China Export rose 6.1% while China Import rose 1.4% so while the trade balance is a surplus of 1.23 Trillion Yuan (0.17894 Trillion USD). During last week, the Aussie was traded between 0.6907-0.7025 USD/AUD, and closed on Friday (12/7) at 0.7017/19 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 0.6950-0.7100 USD/AUD



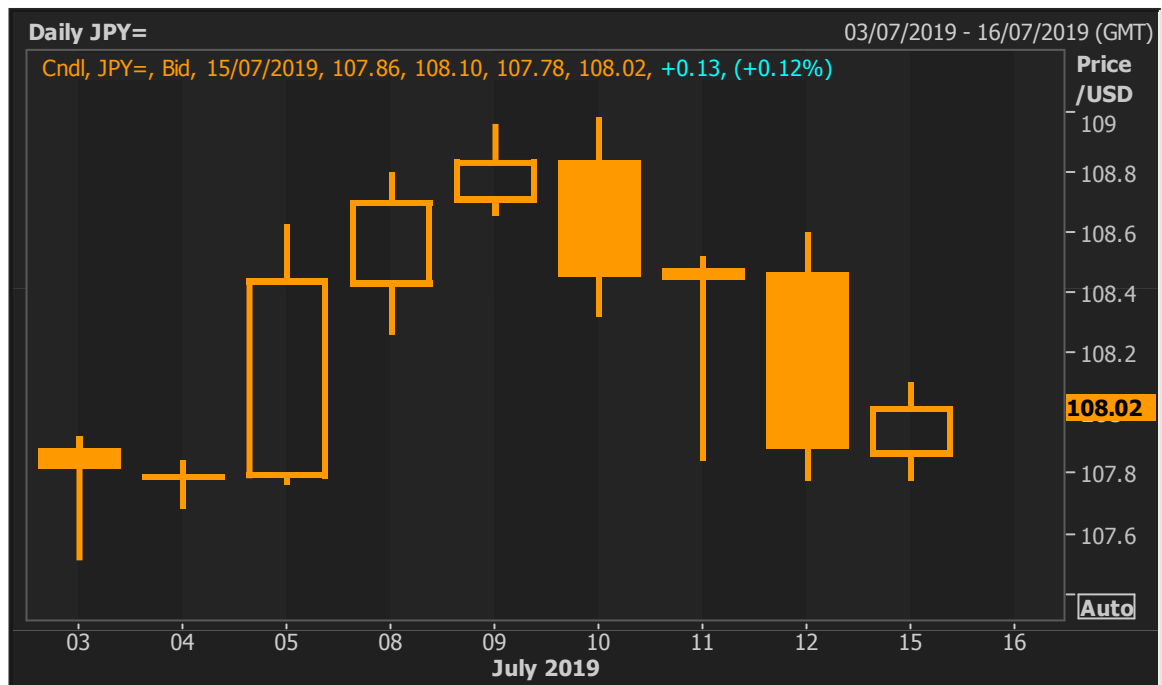
JPY

Highlight

The Yen rose on bets on Fed interest rate cut while industrial data was weak.

On Monday (8/7), the Yen opened at 108.43/45 JPY/USD, unchanged from closing level. The Yen edged lower after the U.S. jobs data hit the highest in five months, lowered expectation for a sharp Federal Reserve interest rate cut. However the Yen moved higher on Wednesday (10/7) after Fed chairman reinforced expectations the Fed will cut the interest rates later this month. Besides, the May Japanese industrial production was at 2.0% which below the expectation.

Graph



Comment

The movement of Yen is depend on the external factor like the Fed Chair speech. We expect the Yen to move in a range of 107.50 – 108.50 JPY/USD.

Economic Calendar

Last week

Date	C	Event	Period	Surv(M)	Actual	Prior
08-Jul	JN	BoP Current Account Balance	May	¥1395.3b	¥1594.8b	¥1707.4b
08-Jul	JN	BoP Current Account Adjusted	May	¥1231.0b	¥1305.7b	¥1600.1b
08-Jul	JN	Trade Balance BoP Basis	May	-¥758.9b	-¥650.9b	-¥98.2b
08-Jul	JN	Core Machine Orders MoM	May	-3.80%	-7.80%	5.20%
08-Jul	JN	Core Machine Orders YoY	May	-3.60%	-3.70%	2.50%
08-Jul	AU	ANZ Job Advertisements MoM	Jun	--	4.60%	-8.40%
08-Jul	GE	Industrial Production SA MoM	May	0.40%	0.30%	-1.90%
08-Jul	GE	Industrial Production WDA YoY	May	-3.20%	-3.70%	-1.80%
08-Jul	GE	Trade Balance	May	17.0b	20.6b	17.9b
08-Jul	GE	Current Account Balance	May	12.6b	16.5b	22.6b
08-Jul	GE	Exports SA MoM	May	0.90%	1.10%	-3.70%
08-Jul	GE	Imports SA MoM	May	0.30%	-0.50%	-1.30%
08-Jul	EC	Sentix Investor Confidence	Jul	0.1	-5.8	-3.3
09-Jul	JN	Labor Cash Earnings YoY	May	-0.60%	-0.20%	-0.10%
09-Jul	AU	NAB Business Conditions	Jun	--	3	1
09-Jul	AU	NAB Business Confidence	Jun	--	2	7
09-Jul	JN	Machine Tool Orders YoY	Jun P	--	-38.00%	-27.30%
09-Jul	US	JOLTS Job Openings	May	7470	7323	7449
10-Jul	JN	PPI MoM	Jun	-0.10%	-0.50%	-0.10%
10-Jul	JN	PPI YoY	Jun	0.40%	-0.10%	0.70%
10-Jul	AU	Westpac Consumer Conf Index	Jul	--	96.5	100.7
10-Jul	AU	Westpac Consumer Conf SA MoM	Jul	--	-4.10%	-0.60%
10-Jul	UK	Monthly GDP (MoM)	May	0.30%	0.30%	-0.40%
10-Jul	UK	Monthly GDP (3M/3M)	May	0.10%	0.30%	0.30%
10-Jul	UK	Industrial Production MoM	May	1.50%	1.40%	-2.70%
10-Jul	UK	Industrial Production YoY	May	1.20%	0.90%	-1.00%
10-Jul	UK	Manufacturing Production MoM	May	2.20%	1.40%	-3.90%
10-Jul	UK	Manufacturing Production YoY	May	1.10%	0.00%	-0.80%
10-Jul	UK	Construction Output MoM	May	0.10%	0.60%	-0.40%
10-Jul	UK	Construction Output YoY	May	0.90%	1.70%	2.40%
10-Jul	UK	Index of Services MoM	May	0.10%	0.00%	0.00%
10-Jul	UK	Index of Services 3M/3M	May	0.10%	0.30%	0.20%
10-Jul	UK	Trade Balance Non EU GBP/Mn	May	-£4800m	-£4905m	-£4595m
10-Jul	UK	Trade Balance GBP/Mn	May	-£3200m	-£2324m	-£2740m
10-Jul	US	Wholesale Inventories MoM	May F	0.40%	0.40%	0.40%
10-Jul	US	Wholesale Trade Sales MoM	May	0.30%	0.10%	-0.40%
11-Jul	AU	Consumer Inflation Expectation	Jul	--	3.20%	3.30%
11-Jul	AU	Home Loans MoM	May	-1.00%	-0.10%	-1.10%
11-Jul	AU	Investment Lending	May	0.50%	-1.70%	-2.20%

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.

Date	C	Event	Period	Surv(M)	Actual	Prior
11-Jul	GE	CPI MoM	Jun F	0.30%	0.30%	0.30%
11-Jul	GE	CPI YoY	Jun F	1.60%	1.60%	1.60%
11-Jul	GE	CPI EU Harmonized MoM	Jun F	0.10%	0.30%	0.10%
11-Jul	GE	CPI EU Harmonized YoY	Jun F	1.30%	1.50%	1.30%
11-Jul	US	CPI MoM	Jun	0.00%	0.10%	0.10%
11-Jul	US	CPI Ex Food and Energy MoM	Jun	0.20%	0.30%	0.10%
11-Jul	US	CPI YoY	Jun	1.60%	1.60%	1.80%
11-Jul	US	CPI Ex Food and Energy YoY	Jun	2.00%	2.10%	2.00%
11-Jul	US	CPI Core Index SA	Jun	262.564	262.803	262.032
11-Jul	US	CPI Index NSA	Jun	256.093	256.143	256.092
11-Jul	US	Initial Jobless Claims	Jul-06	221k	209k	221k
11-Jul	US	Continuing Claims	Jun-29	1683k	1723k	1686k
11-Jul	US	Real Avg Hourly Earning YoY	Jun	--	1.50%	1.30%
11-Jul	US	Real Avg Weekly Earnings YoY	Jun	--	1.20%	1.00%
12-Jul	US	Monthly Budget Statement	Jun	-\$7.9b	-\$8.5b	-\$74.9b
12-Jul	NZ	REINZ House Sales YoY	Jun	--	-3.80%	-7.80%
12-Jul	NZ	BusinessNZ Manufacturing PMI	Jun	--	51.3	50.2
12-Jul	JN	Industrial Production MoM	May F	--	2.00%	2.30%
12-Jul	JN	Industrial Production YoY	May F	--	-2.10%	-1.80%
12-Jul	JN	Capacity Utilization MoM	May	--	1.70%	1.60%
12-Jul	TH	Foreign Reserves	Jul-05	--	\$214.9b	\$215.8b
12-Jul	TH	Forward Contracts	Jul-05	--	\$34.5b	\$34.5b
12-Jul	EC	Industrial Production SA MoM	May	0.20%	0.90%	-0.50%
12-Jul	EC	Industrial Production WDA YoY	May	-1.50%	-0.50%	-0.40%
12-Jul	US	PPI Final Demand MoM	Jun	0.00%	0.10%	0.10%
12-Jul	US	PPI Ex Food and Energy MoM	Jun	0.20%	0.30%	0.20%
12-Jul	US	PPI Ex Food, Energy, Trade MoM	Jun	0.20%	0.00%	0.40%
12-Jul	US	PPI Final Demand YoY	Jun	1.60%	1.70%	1.80%
12-Jul	US	PPI Ex Food and Energy YoY	Jun	2.10%	2.30%	2.30%
12-Jul	US	PPI Ex Food, Energy, Trade YoY	Jun	--	2.10%	2.30%

This week

Date	C	Event	Period	Surv(M)	Actual	Prior
15-Jul	US	Empire Manufacturing	Jul	2	--	-8.6
16-Jul	NZ	CPI QoQ	2Q	0.60%	--	0.10%
16-Jul	NZ	CPI YoY	2Q	1.70%	--	1.50%
16-Jul	AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jul-14	--	--	117.6
16-Jul	AU	RBA Minutes of July Policy Meeting				
16-Jul	UK	Claimant Count Rate	Jun	--	--	3.10%
16-Jul	UK	Jobless Claims Change	Jun	--	--	23.2k
16-Jul	UK	Average Weekly Earnings 3M/YoY	May	3.10%	--	3.10%
16-Jul	UK	Weekly Earnings ex Bonus 3M/YoY	May	3.50%	--	3.40%
16-Jul	UK	ILO Unemployment Rate 3Mths	May	3.80%	--	3.80%
16-Jul	UK	Employment Change 3M/3M	May	45k	--	32k
16-Jul	EC	Trade Balance SA	May	17.5b	--	15.3b
16-Jul	EC	Trade Balance NSA	May	--	--	15.7b
16-Jul	GE	ZEW Survey Current Situation	Jul	5	--	7.8
16-Jul	GE	ZEW Survey Expectations	Jul	-22	--	-21.1
16-Jul	EC	ZEW Survey Expectations	Jul	--	--	-20.2
16-Jul	US	Import Price Index MoM	Jun	-0.60%	--	-0.30%
16-Jul	US	Import Price Index ex Petroleum MoM	Jun	-0.20%	--	-0.30%
16-Jul	US	Import Price Index YoY	Jun	-2.10%	--	-1.50%
16-Jul	US	Export Price Index MoM	Jun	-0.30%	--	-0.20%
16-Jul	US	Export Price Index YoY	Jun	--	--	-0.70%
16-Jul	US	Retail Sales Advance MoM	Jun	0.10%	--	0.50%
16-Jul	US	Retail Sales Ex Auto MoM	Jun	0.10%	--	0.50%
16-Jul	US	Retail Sales Ex Auto and Gas	Jun	0.30%	--	0.50%
16-Jul	US	Retail Sales Control Group	Jun	0.30%	--	0.50%
16-Jul	US	Industrial Production MoM	Jun	0.10%	--	0.40%
16-Jul	US	Manufacturing (SIC) Production	Jun	0.30%	--	0.20%
17-Jul	UK	CPIH YoY	Jun	1.90%	--	1.90%
17-Jul	UK	CPI MoM	Jun	0.00%	--	0.30%
17-Jul	UK	CPI YoY	Jun	2.00%	--	2.00%
17-Jul	UK	CPI Core YoY	Jun	1.80%	--	1.70%
17-Jul	UK	Retail Price Index	Jun	289.6	--	289.2
17-Jul	UK	RPI MoM	Jun	0.10%	--	0.30%
17-Jul	UK	RPI YoY	Jun	2.90%	--	3.00%
17-Jul	UK	RPI Ex Mort Int.Payments (YoY)	Jun	2.90%	--	3.00%
17-Jul	UK	PPI Input NSA MoM	Jun	-0.50%	--	0.00%
17-Jul	UK	PPI Input NSA YoY	Jun	0.30%	--	1.30%
17-Jul	UK	PPI Output NSA MoM	Jun	0.10%	--	0.30%
17-Jul	UK	PPI Output NSA YoY	Jun	1.70%	--	1.80%
17-Jul	UK	PPI Output Core NSA MoM	Jun	0.10%	--	0.10%
17-Jul	UK	PPI Output Core NSA YoY	Jun	1.70%	--	2.00%
17-Jul	UK	House Price Index YoY	May	1.30%	--	1.40%
17-Jul	EC	Construction Output MoM	May	--	--	-0.80%

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.

Date	C	Event	Period	Surv(M)	Actual	Prior
17-Jul	EC	Construction Output YoY	May	--	--	3.90%
17-Jul	EC	CPI Core YoY	Jun F	1.10%	--	1.10%
17-Jul	EC	CPI MoM	Jun	0.10%	--	0.10%
17-Jul	EC	CPI YoY	Jun F	1.20%	--	1.20%
17-Jul	US	MBA Mortgage Applications	Jul-12	--	--	-2.40%
17-Jul	US	Housing Starts	Jun	1260k	--	1269k
17-Jul	US	Housing Starts MoM	Jun	-0.70%	--	-0.90%
17-Jul	US	Building Permits	Jun	1300k	--	1294k
17-Jul	US	Building Permits MoM	Jun	0.10%	--	0.30%
18-Jul	JN	Trade Balance	Jun	¥403.5b	--	-¥967.1b
18-Jul	JN	Trade Balance Adjusted	Jun	-¥153.2b	--	-¥609.1b
18-Jul	JN	Exports YoY	Jun	-5.40%	--	-7.80%
18-Jul	JN	Imports YoY	Jun	-0.20%	--	-1.50%
18-Jul	AU	Employment Change	Jun	9.0k	--	42.3k
18-Jul	AU	Unemployment Rate	Jun	5.20%	--	5.20%
18-Jul	AU	Full Time Employment Change	Jun	--	--	2.4k
18-Jul	AU	Part Time Employment Change	Jun	--	--	39.8k
18-Jul	AU	Participation Rate	Jun	65.90%	--	66.00%
18-Jul	AU	NAB Business Confidence	2Q	--	--	-1
18-Jul	JN	Tokyo Condominium Sales YoY	Jun	--	--	-10.40%
18-Jul	UK	Retail Sales Ex Auto Fuel MoM	Jun	-0.20%	--	-0.30%
18-Jul	UK	Retail Sales Ex Auto Fuel YoY	Jun	2.60%	--	2.20%
18-Jul	UK	Retail Sales Inc Auto Fuel MoM	Jun	-0.30%	--	-0.50%
18-Jul	UK	Retail Sales Inc Auto Fuel YoY	Jun	2.60%	--	2.30%
18-Jul	US	Philadelphia Fed Business Outlook	Jul	5	--	0.3
18-Jul	US	Initial Jobless Claims	Jul-13	216k	--	209k
18-Jul	US	Continuing Claims	Jul-06	1700k	--	1723k
18-Jul	US	Leading Index	Jun	0.10%	--	0.00%
18-Jul						
23-Jul	TH	Car Sales	Jun	--	--	--
19-Jul	JN	Natl CPI YoY	Jun	0.70%	--	0.70%
19-Jul	JN	Natl CPI Ex Fresh Food YoY	Jun	0.60%	--	0.80%
19-Jul	JN	Natl CPI Ex Fresh Food, Energy YoY	Jun	0.50%	--	0.50%
19-Jul	JN	Japan Buying Foreign Bonds	Jul-12	--	--	¥297.1b
19-Jul	JN	Japan Buying Foreign Stocks	Jul-12	--	--	¥27.5b
19-Jul	JN	Foreign Buying Japan Bonds	Jul-12	--	--	¥466.0b
19-Jul	JN	Foreign Buying Japan Stocks	Jul-12	--	--	¥192.2b
19-Jul	JN	All Industry Activity Index MoM	May	0.30%	--	0.90%
19-Jul	GE	PPI MoM	Jun	-0.10%	--	-0.10%
19-Jul	GE	PPI YoY	Jun	1.50%	--	1.90%
19-Jul	TH	Foreign Reserves	Jul-12	--	--	\$214.9b
19-Jul	TH	Forward Contracts	Jul-12	--	--	\$34.5b
19-Jul	EC	ECB Current Account SA	May	--	--	20.9b
19-Jul	US	U. of Mich. Sentiment	Jul P	98.6	--	98.2
19-Jul	US	U. of Mich. Current Conditions	Jul P	--	--	111.9
19-Jul	US	U. of Mich. Expectations	Jul P	--	--	89.3

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.

Date	C	Event	Period	Surv(M)	Actual	Prior
19-Jul	US	U. of Mich. 1 Yr Inflation	Jul P	--	--	2.70%
19-Jul	US	U. of Mich. 5-10 Yr Inflation	Jul P	--	--	2.30%