

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Apr 2020 - 10 Apr 2020**

**Dollar Index**
**Dollar Index Graph**

**Dollar Outlook**

- The dollar was in demand as investors sought safety and liquid asset following the extent of the economic fallout from the coronavirus pandemic.
- Oil price rebounding added the dollar attractiveness, Oil is priced in dollars and the U.S. is also the world's top oil and gas producer
- We expect the greenback to be slightly more attractive due to the coronavirus spread situation.
- Market focus on OPEC meeting, FOMC Meeting Minutes on Wednesday, CPI on Friday .

|                    |                     |                    |               |
|--------------------|---------------------|--------------------|---------------|
| <b>Lower Bound</b> | <b>98.75</b>        | <b>Upper Bound</b> | <b>101.50</b> |
| <b>Forecast</b>    | <b>Appreciation</b> |                    |               |

**Dollar News**

- The dollar rose on Monday as the COVID-19 pandemic continues to driving investors to seek safe haven in the dollar. Currently, risk aversion has been influence in the direction of the dollar more than the direction of policy interest rate.
- Limiting the greenback's gains was U.S. President Donald Trump's briefing late Tuesday, in which he warned Americans of a "painful" two weeks ahead in fighting the coronavirus even with strict social distancing measures.
- The U.S. Department of Labor reported Thursday that initial jobless claims rose by 3.3 million to a seasonally adjusted 6.6 million, more than expectations for an increase of 3.5 million.
- DXY closed almost 101 despite Nonfarm Payrolls reduced 701k positions and U.S. unemployment rate was at 4.4% lowest level from Sep 2017.

**Dollar Index Performance**

|                        |               |                        |               |
|------------------------|---------------|------------------------|---------------|
| <b>Last Week Close</b> | <b>98.37</b>  | <b>Monthly High</b>    | <b>102.99</b> |
| <b>Week Open</b>       | <b>98.31</b>  | <b>Monthly Low</b>     | <b>94.65</b>  |
| <b>Week Close</b>      | <b>100.14</b> | <b>30 Days Average</b> | <b>98.98</b>  |
| <b>Weekly High</b>     | <b>101.02</b> | <b>90 Days Average</b> | <b>98.19</b>  |
| <b>Weekly Low</b>      | <b>98.29</b>  | <b>YTD Change</b>      | <b>+4.28%</b> |

**Dollar Index Economic Events**

| <b>Events</b>           | <b>Period</b> | <b>Date</b> | <b>Forecast</b> | <b>Previous</b> |
|-------------------------|---------------|-------------|-----------------|-----------------|
| Initial Jobless Claims  | 4 Apr, w/e    | 9-Apr       | 5,250k          | 6,648k          |
| U Mich Sentiment Prelim | Apr           | 9-Apr       | 75.0            | 89.1            |
| CPI MM, SA              | Mar           | 10-Apr      | -0.3%           | 0.1%            |

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The Thai baht tends to be depreciated against the US dollar due to the demand of the greenback after COVID-19 case numbers have passed through the 1,000,000 since the outbreak started.
- Investors will focus on Consumer Confidence and CPI on Tuesday, economist forecasted for 0.77% in March little change from 0.74% in Feb. Chinese CPI on Friday also on the list.
- We expected the THB will still be volatile in medium term and could be moved in a wider range depends on domestic pandemic situation.

|                    |                     |                    |              |
|--------------------|---------------------|--------------------|--------------|
| <b>Lower Bound</b> | <b>32.75</b>        | <b>Upper Bound</b> | <b>33.40</b> |
| <b>Forecast</b>    | <b>Depreciation</b> |                    |              |

**Thai Baht News**

- THB slumped as new stimulus plan was broadcasted by Uttama Savanayana, he said new package to cope with the impact of the coronavirus outbreak should be "bigger" than those already introduced.
- On Tuesday, Don Nakornthab, senior director of the economic and policy department at the central bank said that the economy is expected to contract every quarter this year, with the nadir in the second quarter.
- THB sharply depreciated as The dollar was on firmer footing as investors seek safety. Moreover, the country's manufacturing data was reported at 46.7, the lowest level since 2017.
- In the end of week, Thai baht firmed as China data picks up in March, China Services PMI at 43.0 from 26.5 in Feb.

**Thai Baht Performance**

|                        |                      |                        |                      |
|------------------------|----------------------|------------------------|----------------------|
| <b>Last Week Close</b> | <b>32.58</b> THB/USD | <b>Monthly High</b>    | <b>33.19</b> THB/USD |
| <b>Week Open</b>       | <b>32.73</b> THB/USD | <b>Monthly Low</b>     | <b>32.73</b> THB/USD |
| <b>Week Close</b>      | <b>32.95</b> THB/USD | <b>30 Days Average</b> | <b>32.15</b> THB/USD |
| <b>Weekly High</b>     | <b>33.15</b> THB/USD | <b>90 Days Average</b> | <b>31.08</b> THB/USD |
| <b>Weekly Low</b>      | <b>32.56</b> THB/USD | <b>YTD Change</b>      | <b>+9.52%</b>        |

**Thai Baht Economic Events**

| Events                 | Period | Date  | Forecast | Previous |
|------------------------|--------|-------|----------|----------|
| CPI Headline Inflation | Mar    | 7-Apr | -0.60%   | 0.74%    |
| CPI Core Inflation YY  | Mar    | 7-Apr | 0.50%    | 0.58%    |

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**Euro**
**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The Euro has shown quite a bit of negativity over the longer term, broke down significantly at 1.10 and investors still demand for USD.
- European Union is showing very poor economic figures, and therefore it's likely that EUR still in bearish trend.
- On Thursday, market focus on ECB Monetary Policy Meeting Accounts that influenced ECB decision on where to set interest rate.
- We did not see the virus spreading situation in Europe will slow down in short. In addition, the Spain infection number raise some concern over investors despite the number in Italy shown some sign of improvement. That could be a huge pressure to the EUR in short.

|                    |                     |                    |               |
|--------------------|---------------------|--------------------|---------------|
| <b>Lower Bound</b> | <b>1.0675</b>       | <b>Upper Bound</b> | <b>1.0900</b> |
| <b>Forecast</b>    | <b>Depreciation</b> |                    |               |

**Euro News**

- EUR loss against the dollar as investors risk aversion and developments of the COVID-19 outbreak in the region. In spite of, better than forecasted PMIs in Germany, the euro still remains well on the negative side.
- German Retail Sales arrived at +1.2% MoM in Feb versus 0.0% expected and +0.9% in Jan. Nevertheless, the currency fails to take advantage of the upbeat data while a US dollar rebound.
- The Euro fell by over -0.7% on Wednesday after the Eurozone's final Markit Manufacturing PMI for March unexpectedly fell to a seven-and-a-half year low of 44.5. by company closures, lockdowns and rising unemployment.
- Euro slumped in the end of the week while European stock markets are set to open lower Friday, weighed by another drop in oil prices as the number of global coronavirus cases tops one million and U.S. unemployment soars.

**Euro Index Performance**

|                        |                       |                        |                       |
|------------------------|-----------------------|------------------------|-----------------------|
| <b>Last Week Close</b> | <b>1.1140</b> USD/EUR | <b>Monthly High</b>    | <b>1.1036</b> USD/EUR |
| <b>Week Open</b>       | <b>1.1135</b> USD/EUR | <b>Monthly Low</b>     | <b>1.0769</b> USD/EUR |
| <b>Week Close</b>      | <b>1.0808</b> USD/EUR | <b>30 Days Average</b> | <b>1.1035</b> USD/EUR |
| <b>Weekly High</b>     | <b>1.1143</b> USD/EUR | <b>90 Days Average</b> | <b>1.1039</b> USD/EUR |
| <b>Weekly Low</b>      | <b>1.0771</b> USD/EUR | <b>YTD Change</b>      | <b>-3.41%</b>         |

**Euro Economic Events**

| Events                   | Period | Date   | Forecast | Previous |
|--------------------------|--------|--------|----------|----------|
| Industrial Orders MM     | Feb    | 6-Apr  | -2.4%    | 5.5%     |
| Sentix Index             | Apr    | 6-Apr  | -30.3    | -17.1    |
| Industrial Output MM     | Feb    | 7-Apr  | -0.9%    | 3.0%     |
| Reserve Assets Total     | Mar    | 7-Apr  |          | 188,033M |
| Exports MM SA            | Feb    | 9-Apr  | -0.9%    | 0.0%     |
| Imports MM SA            | Feb    | 9-Apr  | -0.7%    | 0.5%     |
| Trade Balance, EUR, SA   | Feb    | 9-Apr  | 17.5B    | 18.5B    |
| Industrial Output MM SA  | Feb    | 9-Apr  | -1.7%    | 3.7%     |
| Industrial Output YY WDA | Feb    | 9-Apr  | -2.6%    | -0.1%    |
| Industrial Output MM     | Feb    | 10-Apr | 0.1%     | 1.2%     |

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**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The pound still has pulled back significantly during the pandemic period and the currency has a resistance in the 1.25.
- Investors focus on Construction PMI on Monday and GDP, Goods Trade Balance, Industrial Production and Manufacturing Production on Thursday.
- Volatility in the currency GBP appears to have decreased while investors now enter a 'wait and see' phase.
- We believe the GBP still in a weaker zone with limitation due to British pandemic situation is slowly developing.

|                    |                     |                    |               |
|--------------------|---------------------|--------------------|---------------|
| <b>Lower Bound</b> | <b>1.2100</b>       | <b>Upper Bound</b> | <b>1.2500</b> |
| <b>Forecast</b>    | <b>Depreciation</b> |                    |               |

**Pound Sterling News**

- The pound has traded in a sideways range while Manufacturing PMI Falls Back Into Contraction in March to end a two-month streak of growth the Coronavirus disrupts supply chains for manufacturers and has caused a decline in business optimism.
- Britain data still downbeat also service sector, UK Final Services PMI revised downwards to 34.5 in March contracted more-than-expected the final report from IHS Markit showed this Friday. It's the survey-record fall in service sector activity amid emergency measures to slow COVID-19 pandemic.

**Pound Sterling Performance**

|                        |                       |                        |                       |
|------------------------|-----------------------|------------------------|-----------------------|
| <b>Last Week Close</b> | <b>1.2456</b> USD/GBP | <b>Monthly High</b>    | <b>1.2474</b> USD/GBP |
| <b>Week Open</b>       | <b>1.2433</b> USD/GBP | <b>Monthly Low</b>     | <b>1.2167</b> USD/GBP |
| <b>Week Close</b>      | <b>1.2260</b> USD/GBP | <b>30 Days Average</b> | <b>1.2412</b> USD/GBP |
| <b>Weekly High</b>     | <b>1.2474</b> USD/GBP | <b>90 Days Average</b> | <b>1.2844</b> USD/GBP |
| <b>Weekly Low</b>      | <b>1.2204</b> USD/GBP | <b>YTD Change</b>      | <b>-7.35%</b>         |

**Pound Sterling Economic Events**

| Events                  | Period | Date  | Forecast | Previous |
|-------------------------|--------|-------|----------|----------|
| Halifax House Prices MM | Mar    | 7-Apr | 0.1%     | 0.3%     |
| GDP Est 3M/3M           | Feb    | 9-Apr | 0.2%     | 0.0%     |
| GDP Estimate MM         | Feb    | 9-Apr | 0.1%     | 0.0%     |
| GDP Estimate YY         | Feb    | 9-Apr | 0.5%     | 0.6%     |
| Manufacturing Output MM | Feb    | 9-Apr | 0.1%     | 0.2%     |

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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- The currency still moves in downtrend as investors searching for U.S. dollar while the global economy is going to continue to struggle.
- AUD will test 0.60 level again, if it can break down below the lows of the Friday session, then it's likely that we could go looking towards the 0.58.
- Investors focus on RBA cash rate on Tuesday, market widely expected for unchanging at 0.25% Australian short term interest rate.

|                    |                     |                    |               |
|--------------------|---------------------|--------------------|---------------|
| <b>Lower Bound</b> | <b>0.5800</b>       | <b>Upper Bound</b> | <b>0.6100</b> |
| <b>Forecast</b>    | <b>Depreciation</b> |                    |               |

**Australian Dollar News**

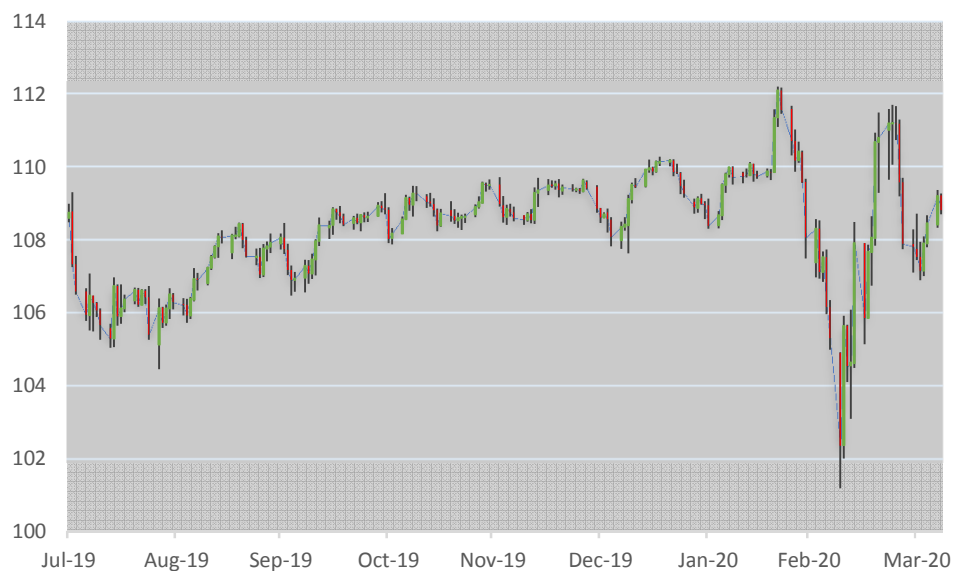
- The aussie recovers from a sudden slump in last week after upbeat China PMI. China's both of official Manufacturing and Non-Manufacturing PMIs for March surprised markets with above 50.00. Meanwhile, Australian Private Sector Credit surged to 0.4% past 0.2% forecast and HIA New Home Sales crossed -1.9% forecast and 5.7% in last period with 6.2%.
- Nevertheless, AUD depreciated after the latest RBA minutes adding downside pressure on the currency. The latest minutes for the emergency meeting on March 18 suggest the policymakers have no appetite for negative interest rates. The statement also indicated optimism among the RBA monetary policy members as they expect recovery once the coronavirus (COVID-19) pandemic gets over.

**Australian Dollar Performance**

|                        |                       |                        |                       |
|------------------------|-----------------------|------------------------|-----------------------|
| <b>Last Week Close</b> | <b>0.6165</b> USD/AUD | <b>Monthly High</b>    | <b>0.6172</b> USD/AUD |
| <b>Week Open</b>       | <b>0.6145</b> USD/AUD | <b>Monthly Low</b>     | <b>0.5981</b> USD/AUD |
| <b>Week Close</b>      | <b>0.5995</b> USD/AUD | <b>30 Days Average</b> | <b>0.6810</b> USD/AUD |
| <b>Weekly High</b>     | <b>0.6213</b> USD/AUD | <b>90 Days Average</b> | <b>0.6839</b> USD/AUD |
| <b>Weekly Low</b>      | <b>0.5978</b> USD/AUD | <b>YTD Change</b>      | <b>-12.42%</b>        |

**Australian Dollar Economic Events**

| Events                  | Period | Date  | Forecast | Previous |
|-------------------------|--------|-------|----------|----------|
| Trade Balance G&S (A\$) | Feb    | 7-Apr | 3,650M   | 5,210M   |
| RBA Cash Rate           | Apr    | 7-Apr |          | 0.25%    |


**Japanese Yen**
**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- JPY will move in neutral trend line while has massive resistance above at the 111 level, and the massive support down at the 105 level. The Japanese yen and US dollar both are considered to be safety currencies among coronavirus breakout.
- Bank of Japan Governor Haruhiko Kuroda will speak on Thursday at BOJ branch manager's meeting, in Tokyo for next step of BOJ.
- The market's mood improved amid signs of a flattening contagion curve in Europe. The figures, however, are still outrageous and the crisis is far from over. The safe-haven demand could rise with worsen than expect situation.

|                    |                |                    |               |
|--------------------|----------------|--------------------|---------------|
| <b>Lower Bound</b> | <b>105.00</b>  | <b>Upper Bound</b> | <b>111.00</b> |
| <b>Forecast</b>    | <b>Neutral</b> |                    |               |

**Japanese Yen News**

- JPY traded in limited range around the 108 and flat on the session in the final hour of the day, pressured as global stocks head towards a losing close for the session.
- The yen remains strong after gained for the third day in a row. The currency benefits from its safe-haven allure while being the only major to gain versus the US dollar mainly due to the coronavirus (COVID-19) crisis.
- The BOJ stays ready to act but feels less necessary to do so currently whereas the US Federal Reserve (Fed) recently eased measures, temporarily for one year, to help large banks.

**Japanese Yen Performance**

|                        |                       |                        |                       |
|------------------------|-----------------------|------------------------|-----------------------|
| <b>Last Week Close</b> | <b>107.89</b> JPY/USD | <b>Monthly High</b>    | <b>109.37</b> JPY/USD |
| <b>Week Open</b>       | <b>107.88</b> JPY/USD | <b>Monthly Low</b>     | <b>106.93</b> JPY/USD |
| <b>Week Close</b>      | <b>108.45</b> JPY/USD | <b>30 Days Average</b> | <b>108.98</b> JPY/USD |
| <b>Weekly High</b>     | <b>108.72</b> JPY/USD | <b>90 Days Average</b> | <b>108.10</b> JPY/USD |
| <b>Weekly Low</b>      | <b>106.89</b> JPY/USD | <b>YTD Change</b>      | <b>-0.15%</b>         |

**Japanese Yen Economic Events**

| Events                  | Period | Date   | Forecast | Previous |
|-------------------------|--------|--------|----------|----------|
| Current Account NSA JPY | Feb    | 8-Apr  | 3,061.9B | 612.3B   |
| Machinery Orders MM     | Feb    | 8-Apr  | -2.7%    | 2.9%     |
| Machinery Orders YY     | Feb    | 8-Apr  | -2.9%    | -0.3%    |
| Corp Goods Price MM     | Mar    | 10-Apr | -0.7%    | -0.4%    |
| Corp Goods Price YY     | Mar    | 10-Apr | -0.1%    | 0.8%     |

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