

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**09 Mar 2020 - 16 Mar 2020**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar News**

- U.S. ISM manufacturing activity slowed to 50.1 in February affected by the coronavirus outbreak.
- The dollar continuingly fell as the Federal Reserve delivered a surprise rate cut by 0.5% to a target range of 1.00% - 1.25% to cushion the impact from coronavirus on the economy, two weeks ahead of a regularly scheduled policy meeting.
- However, ISM non-manufacturing rose to 57.3 in February. While, February private payroll increased by 183K, better-than-expected.
- The U.S. dollar fell across the board on Friday, on pace for its worst weekly loss in four years, as a sharp drop in U.S. government bond yields hurt the greenback's appeal.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>98.13</b>	<b>Monthly High</b>	<b>99.91</b>
<b>Week Open</b>	<b>98.12</b>	<b>Monthly Low</b>	<b>94.88</b>
<b>Week Close</b>	<b>94.88</b>	<b>30 Days Average</b>	<b>98.32</b>
<b>Weekly High</b>	<b>99.27</b>	<b>90 Days Average</b>	<b>97.84</b>
<b>Weekly Low</b>	<b>94.88</b>	<b>YTD Change</b>	<b>-1.16%</b>

**Dollar Outlook**

- The dollar index may move down from the Covid-19 concerned. While, some analysts expect that Fed may reduce the interest rate by another 25 basis points in Mar 17-18 monetary meeting.
- Also, markets eye on the CPI and Core CPI data, released on Mar 11.

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
ISM Manufacturing PMI	Feb	2-Mar	50.5	50.9
CPI MM, SA	Feb	11-Mar	0.0%	0.1%
Initial Jobless Claims	7 Mar, w/€	12-Mar	215k	216k
U Mich Sentiment Prelim	Mar	13-Mar	95.0	101.0

<b>Lower Bound</b>	<b>95.86</b>	<b>Upper Bound</b>	<b>100.85</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht News**

- The baht sharply appreciated against the dollar after the Fed surprisingly cut the interest rates to shield the economy from the impact of the coronavirus.
- While, Bot said it was closely monitoring the situation and will act as appropriate following an emergency rate cut by the Fed.
- The World Bank said the number of people living in poverty in Thailand rose to 9.8% from 7.2% between 2015 and 2018, and the absolute number living in poverty advanced to more than 6.7 million from 4.85 million.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>31.55</b> THB/USD	<b>Monthly High</b>	<b>31.67</b> THB/USD
<b>Week Open</b>	<b>31.50</b> THB/USD	<b>Monthly Low</b>	<b>31.27</b> THB/USD
<b>Week Close</b>	<b>31.56</b> THB/USD	<b>30 Days Average</b>	<b>31.28</b> THB/USD
<b>Weekly High</b>	<b>31.67</b> THB/USD	<b>90 Days Average</b>	<b>30.59</b> THB/USD
<b>Weekly Low</b>	<b>31.30</b> THB/USD	<b>YTD Change</b>	<b>+5.51%</b>

**Thai Baht Outlook**

- Market's waiting for the Bot monetary meeting on March 25, while some analysts expect another 25 basis points cut.

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous

<b>Lower Bound</b>	<b>31.30</b>	<b>Upper Bound</b>	<b>31.84</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Euro**

**Euro Graph**



Source: Thomson Reuters

**Euro News**

- The euro rose against the dollar on Fed surprisingly rate cut.
- February's Manufacturing PMI in Eurozone rose to 49.2 while Markit's composite PMI rose to 51.6, better than expected.
- However, the German retail sales rose by 0.9% in January, slightly below a forecast. [2]

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1025</b> USD/EUR	<b>Monthly High</b>	<b>1.1492</b> USD/EUR
<b>Week Open</b>	<b>1.1001</b> USD/EUR	<b>Monthly Low</b>	<b>1.1003</b> USD/EUR
<b>Week Close</b>	<b>1.1400</b> USD/EUR	<b>30 Days Average</b>	<b>1.0991</b> USD/EUR
<b>Weekly High</b>	<b>1.1492</b> USD/EUR	<b>90 Days Average</b>	<b>1.1055</b> USD/EUR
<b>Weekly Low</b>	<b>1.1001</b> USD/EUR	<b>YTD Change</b>	<b>+1.71%</b>

**Euro Outlook**

- The economists expect the ECB might cut the policy rate by 10 basis points on Monetary meeting, 12 Mar.

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Employment Overall Final	Q4	10-Mar		160.54mil
GDP Revised QQ	Q4	10-Mar	0.1%	0.1%
GDP Revised YY	Q4	10-Mar	0.9%	0.9%
ECB Refinancing Rate	Mar	12-Mar	0.00%	0.00%
ECB Deposit Rate	Mar	12-Mar	-0.50%	-0.50%

**Lower Bound**      **1.1100**      **Upper Bound**      **1.1500**  
**Forecast**                      **Appreciation**

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**Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling News**

- The Sterling gained against the dollar from an emergency rate cut by Fed.
- Moreover, Mr. Andrew Bailey, the incoming BoE Governor, said that more evidence is needed on the coronavirus before marking a policy decision, indicating he did not see the urgency in the same manner the Fed does. ☒

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2820</b> USD/GBP	<b>Monthly High</b>	<b>1.3119</b> USD/GBP
<b>Week Open</b>	<b>1.2799</b> USD/GBP	<b>Monthly Low</b>	<b>1.2740</b> USD/GBP
<b>Week Close</b>	<b>1.3067</b> USD/GBP	<b>30 Days Average</b>	<b>1.2960</b> USD/GBP
<b>Weekly High</b>	<b>1.3119</b> USD/GBP	<b>90 Days Average</b>	<b>1.3003</b> USD/GBP
<b>Weekly Low</b>	<b>1.2736</b> USD/GBP	<b>YTD Change</b>	<b>-1.45%</b>

**Pound Sterling Outlook**

- Markets wait for a clues about the BOE policy rate after several banks tend to use easing monetary policy from the impact of virus.
- UK's GDP and Manufacturing data will be released on Mar 11.

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Jan	11-Mar	0.1%	0.0%
GDP Estimate MM	Jan	11-Mar	0.2%	0.3%
GDP Estimate YY	Jan	11-Mar	0.9%	1.2%
Services MM	Jan	11-Mar	0.2%	0.3%
Services YY	Jan	11-Mar	1.3%	1.4%
Manufacturing Output MM	Jan	11-Mar	0.5%	0.3%

<b>Lower Bound</b>	<b>1.2771</b>	<b>Upper Bound</b>	<b>1.3110</b>
<b>Forecast</b>	<b>Neutral</b>		

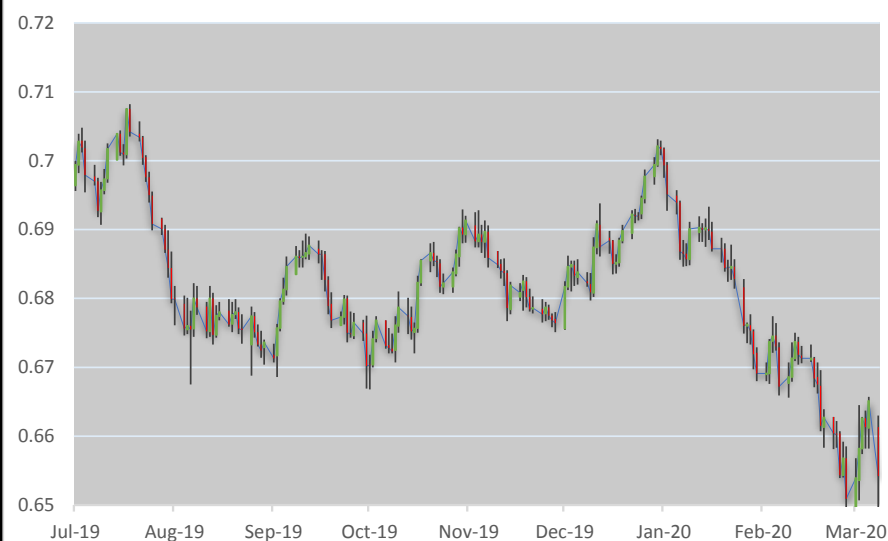
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**Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- The NAB Business Confidence is in focus. (10/3)

**Australian Dollar News**

- The RBA cut the policy rate by 25 basis points to 0.50% to support the economy as it responds to the global coronavirus outbreak.
- However, the AUD bounced against the dollar after Fed surprisingly cut the policy rate.
- The Aussie plunged after oil prices collapsed, dropping by more than 20% after Saudi Arabia, the world's top exporter, vowed to raise its production significantly after the collapse of OPEC's supply cut agreement with Russia.

**Australian Dollar Performance**

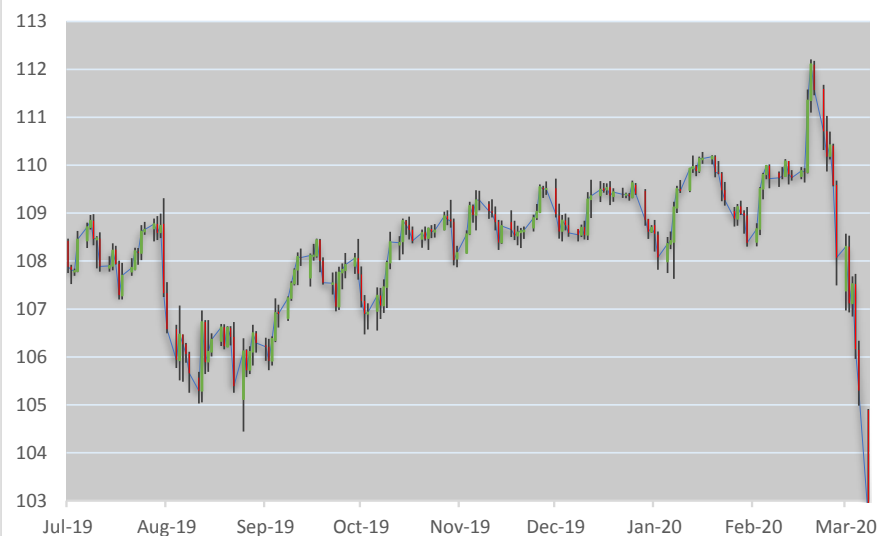
<b>Last Week Close</b>	<b>0.6509</b> USD/AUD	<b>Monthly High</b>	<b>0.6657</b> USD/AUD
<b>Week Open</b>	<b>0.6487</b> USD/AUD	<b>Monthly Low</b>	<b>0.6323</b> USD/AUD
<b>Week Close</b>	<b>0.6542</b> USD/AUD	<b>30 Days Average</b>	<b>0.6902</b> USD/AUD
<b>Weekly High</b>	<b>0.6657</b> USD/AUD	<b>90 Days Average</b>	<b>0.6840</b> USD/AUD
<b>Weekly Low</b>	<b>0.6318</b> USD/AUD	<b>YTD Change</b>	<b>-6.91%</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
New Hme Lns Ex-Refin'ng	Jan	11-Mar		4.4M
New Hme Lns Ex-Refin MM	Jan	11-Mar		2.80%

<b>Lower Bound</b>	<b>0.6450</b>	<b>Upper Bound</b>	<b>0.6764</b>
<b>Forecast</b>	<b>Depreciation</b>		

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


Source: Thomson Reuters

**Japanese Yen News**

- The yen rallied the Covid-19 cases increased. It was anticipated that the Japan's economy could be hit and might face economic slowdown. The number of people infected with the coronavirus topped 107,000 across the world as the outbreak reached more countries and caused more economic disruption.
- However, BOJ governor Haruhiko Kuroda claimed that BOJ would take necessary steps to stabilize financial markets as the coronavirus clouds the economy outlook.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>108.07</b> JPY/USD	<b>Monthly High</b>	<b>108.57</b> JPY/USD
<b>Week Open</b>	<b>107.38</b> JPY/USD	<b>Monthly Low</b>	<b>101.61</b> JPY/USD
<b>Week Close</b>	<b>102.61</b> JPY/USD	<b>30 Days Average</b>	<b>108.68</b> JPY/USD
<b>Weekly High</b>	<b>108.57</b> JPY/USD	<b>90 Days Average</b>	<b>107.63</b> JPY/USD
<b>Weekly Low</b>	<b>101.58</b> JPY/USD	<b>YTD Change</b>	<b>-5.74%</b>

**Japanese Yen Outlook**

- Markets focus on the impact of COVID-19 over the world as JPY is a safe-haven asset and GDP Data on Mar 9.

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Jan	9-Mar	626.1B	524.0B
GDP Rev QQ Annualised	Q4	9-Mar	-6.6%	-6.3%
GDP Revised QQ	Q4	9-Mar	-1.7%	-1.6%
GDP Cap Ex Rev QQ	Q4	9-Mar	-4.3%	-3.7%
Corp Goods Price MM	Feb	12-Mar	-0.3%	0.2%
Corp Goods Price YY	Feb	12-Mar	1.0%	1.7%

<b>Lower Bound</b>	<b>101.50</b>	<b>Upper Bound</b>	<b>106.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

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