

WEEKLY FOREIGN EXCHANGE OUTLOOK
02 Nov 2020 - 06 Nov 2020

Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- This week is full of risks for markets. The US presidential election on November 3 gains spotlight as Americans' future is at stake in the vote. Despite the poll showing that Biden takes the lead, chances are that Trump may be the next president if he wins the right states. However, it may take days until the final result as many people choose postal vote.
- The two-day FOMC meeting will be held on November 4- 5, but no change in policy rate is expected.

Lower Bound	92.54	Upper Bound	94.24
Forecast	Appreciation		

Dollar News

- The dollar fluctuated in an appreciating trend ahead of the US presidential election on November 3.
- Regarding the Coronavirus stimulus package, it is less likely that the agreement will be reached before the coming election. United States Speaker of the House Pelosi and US Treasury Secretary Steve Mnuchin had been negotiating the package for weeks, but it was foreseen that the deal would not be reached before November 3. However, Trump promised on passing the package after the election.
- The currency faced the sell-off pressure on Thursday (29/10) after the economic report indicated that US economy strengthened in Q3. US GDP surged by 33.1% in the third quarter, beating the forecast at 32.0%.

Dollar Index Performance

Last Week Close	92.77	Monthly High	94.74
Week Open	92.76	Monthly Low	92.47
Week Close	93.65	30 Days Average	93.60
Weekly High	94.18	90 Days Average	93.94
Weekly Low	92.74	YTD Change	-2.33%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg PMI Final	Oct	2-Nov		53.3
ISM Manufacturing PMI	Oct	2-Nov	55.8	55.4
Factory Orders MM	Sep	3-Nov	1.0%	0.7%
International Trade \$	Sep	4-Nov	-64.0B	-67.1B
Markit Comp Final PMI	Oct	4-Nov		55.5
Markit Svcs PMI Final	Oct	4-Nov		56.0
Initial Jobless Clm	31 Oct, w/	5-Nov	733k	751k
Non-Farm Payrolls	Oct	6-Nov	600k	661k
Unemployment Rate	Oct	6-Nov	7.6%	7.9%
Average Earnings YY	Oct	6-Nov	4.6%	4.7%

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Apart from the US election, investors are suggested to keep eyes on domestic political unrests. On Friday night (30/10), four anti-government protest leaders were rearrested right after the criminal court granted release from prison.

Thai Baht News

- The baht was volatile amid uncertainties toward domestic politics, global Coronavirus outbreaks and the coming US election.
- The currency strongly appreciated on Wednesday (28/10) following announcement from president Trump and Nancy Pelosi confirmed no US stimulus before the election. However, investors shifted to safe-haven dollar later on after Germany and France declared a 4-week nationwide lockdown, sending the baht higher.

Thai Baht Performance

Last Week Close	31.27 THB/USD	Monthly High	31.20 THB/USD
Week Open	31.29 THB/USD	Monthly Low	31.15 THB/USD
Week Close	31.16 THB/USD	30 Days Average	31.31 THB/USD
Weekly High	31.33 THB/USD	90 Days Average	31.27 THB/USD
Weekly Low	31.11 THB/USD	YTD Change	+4.04%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Oct	2-Nov		49.9
Consumer Confidence Idx	Oct	5-Nov		50.2
CPI Headline Inflation	Oct	5-Nov		-0.70%
CPI Core Inflation YY	Oct	5-Nov		0.25%
Forex Reserves	26 Oct, w/ 6-Nov			
Currency Swaps	26 Oct, w/ 6-Nov			

Lower Bound	31.01	Upper Bound	31.44
Forecast	Depreciation		

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Euro

Euro Graph



Source: Thomson Reuters

Euro News

- Last week was not a good week for the euro as it continued its lost. The currency was vulnerable amid concerns over the surge in Coronavirus cases in European countries. French President Emmanuel Macron declared the second national lockdown until at least the end of November, starting from last Friday (30/10). German Chancellor Angela Merkel also announced the one-month partial lockdown from November 2 in order to curb the rising number of Coronavirus infection.
- On Thursday (29/10), the European Central Bank (ECB) left policy rate and Pandemic Emergency Purchase Program (PEPP) unchanged. Still, ECB's Christine Lagarde hinted more stimulus in December and the policymakers will adjust their monetary policy based on upcoming forecasts

Euro Index Performance

Last Week Close	1.19 USD/EUR	Monthly High	1.17 USD/EUR
Week Open	1.19 USD/EUR	Monthly Low	1.16 USD/EUR
Week Close	1.16 USD/EUR	30 Days Average	1.18 USD/EUR
Weekly High	1.19 USD/EUR	90 Days Average	1.17 USD/EUR
Weekly Low	1.16 USD/EUR	YTD Change	+3.77%

Euro Outlook

- The European Commission is set to release an economic forecast for EU member on Thursday (5/11), so investors will be able to evaluate the economic performance and predict the measurements that may follow.
- Investors should focus on the economic data to be released. Providing that these figures are strong as its latest GDP, we may see a recovery in the euro.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	Oct	2-Nov	54.4	54.4
Markit Serv Final PMI	Oct	4-Nov	46.2	46.2
Markit Comp Final PMI	Oct	4-Nov	49.4	49.4
Producer Prices MM	Sep	4-Nov	0.3%	0.1%
Producer Prices YY	Sep	4-Nov	-2.4%	-2.5%
Retail Sales MM	Sep	5-Nov	-1.1%	4.4%
Retail Sales YY	Sep	5-Nov	2.8%	3.7%

Lower Bound	1.16	Upper Bound	1.19
Forecast	Depreciation		

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The Bank of England (BoE) meeting is scheduled on Thursday (5/11), while it is widely expected that the bank will keep its policy rate unchanged. However, it is possible that the BOE may expand its quantitative easing program by GBP 100bn to tackle deteriorating economy.

Lower Bound	1.28	Upper Bound	1.31
Forecast	Neutral		

Pound Sterling News

- The pound sterling remarkably fluctuated last week amid various uncertainties.
- Regarding Brexit talks, it was reported that the negotiators had made progress towards resolving some of the biggest issues. This raised hopes a deal can be agreed before December. Despite the 7 days of intensive negotiations in London, EU chief negotiator Michel Barnier said that much remains to be done.
- British Prime Minister Boris Johnson announced on Saturday (31/10) that UK will enter the second national lockdown, starting from Thursday (5/11), after the country reached one million coronavirus cases. The lockdown is expected to last until December 2, while the measures will be announced on Monday (2/11).

Pound Sterling Performance

Last Week Close	1.30 USD/GBP	Monthly High	1.30 USD/GBP
Week Open	1.30 USD/GBP	Monthly Low	1.29 USD/GBP
Week Close	1.29 USD/GBP	30 Days Average	1.29 USD/GBP
Weekly High	1.31 USD/GBP	90 Days Average	1.29 USD/GBP
Weekly Low	1.29 USD/GBP	YTD Change	-2.75%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Markit/CIPS Mfg PMI Final	Oct	2-Nov	53.3	53.3
Markit/CIPS Serv PMI Final	Oct	4-Nov	52.2	52.3
Markit/CIPS Cons PMI	Oct	5-Nov	55.0	56.8
BOE Bank Rate	Nov	5-Nov	0.10%	0.10%
GB BOE QE Corp	Nov	5-Nov	20B	20B
BOE MPC Vote Hike	Nov	5-Nov	0	0
BOE MPC Vote Unchanged	Nov	5-Nov	9	9
BOE MPC Vote Cut	Nov	5-Nov	0	0
Halifax House Prices MM	Oct	6-Nov		1.6%

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Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- Reserve Bank of Australia monetary policy meeting will be held on Tuesday (2/11) and it is foreseen that the bank may cut rate to the level near zero at 0.1% from the already record low of 0.25%. The central bank will release its quarterly statement on monetary policy later on Friday (6/11).
- Besides, markets will focus on the US election as it may largely influence the outlook for aussie.

Lower Bound	0.70	Upper Bound	0.72
Forecast	Depreciation		

Australian Dollar News

- The aussie had been traded lower last week as investors took flight to other safe assets.
- Regarding the Coronavirus outbreaks in Australia, the country recorded zero cases for first time in five months on Friday (30/10). Therefore, it is likely that restrictions may be eased in the coming days.

Australian Dollar Performance

Last Week Close	0.71 USD/AUD	Monthly High	0.70 USD/AUD
Week Open	0.71 USD/AUD	Monthly Low	0.70 USD/AUD
Week Close	0.70 USD/AUD	30 Days Average	0.72 USD/AUD
Weekly High	0.72 USD/AUD	90 Days Average	0.70 USD/AUD
Weekly Low	0.70 USD/AUD	YTD Change	-0.38%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
AIG Manufacturing Index	Oct	2-Nov		46.7
Building Approvals	Sep	2-Nov	1.3%	-1.6%
Private House Approvals	Sep	2-Nov		4.8%
RBA Cash Rate	Nov	3-Nov	0.10%	0.25%
AIG Construction Index	Oct	4-Nov		45.2
Retail Sales MM	Sep	4-Nov	-1.5%	-4.0%
Retail Trade	Q3	4-Nov	6.0%	-3.4%
Goods/Services Imports	Sep	5-Nov		2%
Goods/Services Exports	Sep	5-Nov		-4%

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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Monetary Policy Meeting Minutes will be released on Wednesday (4/11), we will see more details on Japan economic outlook.
- As there are not many economic data on the calendar, we should focus on the US presidential election as it can greatly move the safe-haven yen.

Japanese Yen News

- Last week, the yen fluctuated in response to risks in global market. The currency was in high demand after the President Trump mentioned no stimulus before the election, edging lower to almost 104 level. However, the yen picked up later on as there was a report, showing that the US. economy strongly improved.
- On Thursday (29/10), Bank of Japan (BoJ) remained its current ultraeasy monetary policy in order to support Japan economy in this hard time. However, the bank revised down its economic growth forecasts for the current fiscal year ending March 2021 to a -5.5% from -4.7%.

Japanese Yen Performance

Last Week Close	104.69 JPY/USD	Monthly High	104.77 JPY/USD
Week Open	104.73 JPY/USD	Monthly Low	104.56 JPY/USD
Week Close	104.64 JPY/USD	30 Days Average	107.29 JPY/USD
Weekly High	105.05 JPY/USD	90 Days Average	107.69 JPY/USD
Weekly Low	104.01 JPY/USD	YTD Change	-3.79%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI	Oct	2-Nov		48.0
Services PMI	Oct	5-Nov		46.9
All Household Spending YY	Sep	6-Nov	-10.7%	-6.9%
All Household Spending MM	Sep	6-Nov	2.2%	1.7%
Overtime Pay	Sep	6-Nov		-14.0%
Foreign Bond Investment	31 Oct, w/	6-Nov		-1,010.8B
Foreign Invest JP Stock	31 Oct, w/	6-Nov		228.4B

Lower Bound	104.11	Upper Bound	106.13
Forecast	Appreciation		

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