

WEEKLY FOREIGN EXCHANGE OUTLOOK
19 Apr 2021 - 23 Apr 2021

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- The greenback is expected to remain weak, while the geopolitical tensions and US first-quarter earnings season will be in play.
- The escalating US tensions with Russia and China may urge investors to seek for other safe-haven such as gold.
- After America's upbeat economic data the USD should slightly varied as reducing greenback's safe-haven demand. Also negative to the US dollar could be the run-up in US equities and sluggish Treasuries.

Dollar News

- The dollar extended its loss despite impressive economic reports. The currency navigated to 1-month low last week as 10-year Treasury yield dipped to 1.528% last week.
- San Francisco Federal Reserve Bank President Mary Daly also suggested that U.S. economy is still far the central bank's goals of 2% inflation and full employment.
- US imposed sanctions on Russia over cyber-attacks in the 2020 election, expelling 10 Russian diplomats. Also, the US banks were barred from buying sovereign bonds from Russia's central bank, national wealth fund and Finance Ministry. On the following day (16/4), Russia asked 10 U.S. diplomats to leave the country in retaliation.

Dollar Index Performance

Last Week Close	92.16	Monthly High	93.44
Week Open	92.18	Monthly Low	91.30
Week Close	91.49	30 Days Average	92.22
Weekly High	92.50	90 Days Average	91.05
Weekly Low	91.49	YTD Change	+1.97%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Initial Jobless Clm	17 Apr, w/	22-Apr	625k	576k
Existing Home Sales	Mar	22-Apr	6.18M	6.22M
Markit Comp Flash PMI	Apr	23-Apr		59.7
Markit Mfg PMI Flash	Apr	23-Apr	60.5	59.1
Markit Svcs PMI Flash	Apr	23-Apr	61.7	60.4
New Home Sales-Units	Mar	23-Apr	0.885M	0.775M

Lower Bound	91.87	Upper Bound	92.91
Forecast	Neutral		

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Similar to other pairs, what made the baht reversed its trend last week was the dollar's weakness. Investors, therefore; are suggested to focus on the US geopolitical tensions and the movement of US treasury.
- Thailand is now at risk as new Covid-19 cases have continued to rise and higher numbers are foreseen after the Songkran holiday. The rising number of cases and slow pace of vaccination may pose negative impacts on the currency.
- We expect the currency manipulator reports from US taht Thai was in monitor list will effect the THB short term situation.

Thai Baht News

- The baht moved in an appreciating trend despite worsening Covid-19 situation. Daily Covid-19 infections in Thailand breaks new record at 1,767 cases on Sunday (18/4).
- Bangkok and 17 other provinces in Thailand were declared maximum control areas or "red zones" The government brought back restrictions such as alcohol ban, school and entertainment venue closing and so on. These measures will be imposed for at least two weeks, starting at midnight on Sunday (18/4).
- The Bank of Thailand (BoT) has asserted that it has stepped into the market only to curb volatility in the baht, and Thailand has never used the exchange rate as a tool to gain an unfair trade advantage.

Thai Baht Performance

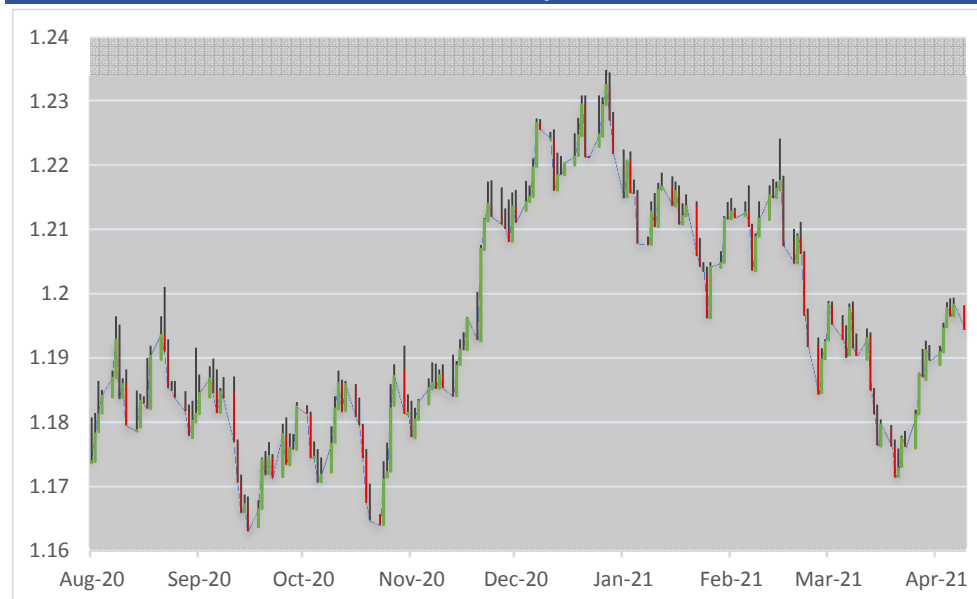
Last Week Close	31.42 THB/USD	Monthly High	31.59 THB/USD
Week Open	31.45 THB/USD	Monthly Low	31.12 THB/USD
Week Close	31.25 THB/USD	30 Days Average	30.96 THB/USD
Weekly High	31.57 THB/USD	90 Days Average	30.34 THB/USD
Weekly Low	31.21 THB/USD	YTD Change	+4.21%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Mar	22-Apr		-2.59%
Custom-Based Import Data	Mar	22-Apr		21.99%
Customs-Based Trade Data	Mar	22-Apr		0.01B
Forex Reserves	12 Apr, w/	23-Apr		247.4B
Currency Swaps	12 Apr, w/	23-Apr		32.2B

Lower Bound	30.94	Upper Bound	31.38
Forecast	Depreciation		

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Euro Graph


Source: Thomson Reuters

Euro Outlook

- This week, the euro is likely to be dominated by the European Central Bank's monetary policy on Thursday (22/4). Policy rate and asset-purchase programs are expected to remain unchanged, but all eyes are on the ECB President Christine Lagarde's press conference.
- Given ECB's President Christine Lagarde, noted that the EU economy is still suffering the echoes of the pandemic and will continue to depend on fiscal stimulus until it fully recovers. We expect no surprise on this week meeting even ECB officials suggest that the central bank may start dialling back quantitative easing as soon as July.

Lower Bound	1.1768	Upper Bound	1.1937
Forecast	Neutral		

Euro News

- The euro gained ground in the previous week after the slide in US treasury undermined the dollar.
- Besides, the single currency found a support from hopes on European economic recovery. The EU Commission plans to raise 150 billion euros every year until 2026 to finance members to help the European economy rebound from the Covid-19 pandemic. However, Italy which is eligible for a big slice worth more than 200 billion euros is warned of risk in missing Recovery Plan deadline. Though, a spokesman for Prime Minister Mario Draghi confirmed that plan will be presented on April 30.

Euro Index Performance

Last Week Close	1.1896 USD/EUR	Monthly High	1.1994 USD/EUR
Week Open	1.1889 USD/EUR	Monthly Low	1.1714 USD/EUR
Week Close	1.1983 USD/EUR	30 Days Average	1.1884 USD/EUR
Weekly High	1.1994 USD/EUR	90 Days Average	1.2050 USD/EUR
Weekly Low	1.1869 USD/EUR	YTD Change	-2.15%

Dollar Index Economic Events

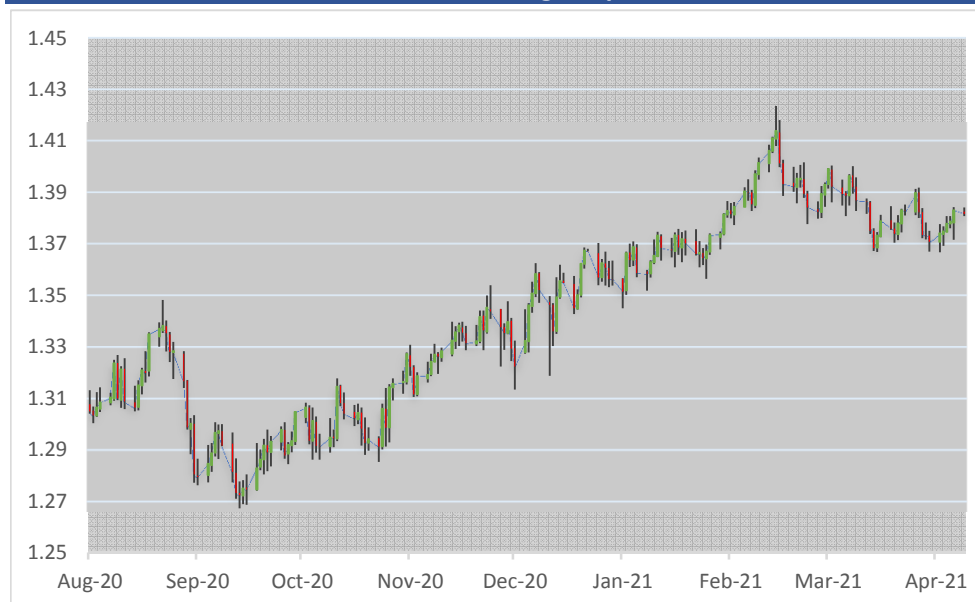
Events	Period	Date	Forecast	Previous
ECB Refinancing Rate	Apr	22-Apr	0.00%	0.00%
ECB Deposit Rate	Apr	22-Apr	-0.50%	-0.50%
Consumer Confid. Flash	Apr	22-Apr	-10.9	-10.8
Markit Mfg Flash PMI	Apr	23-Apr	62.0	62.5
Markit Serv Flash PMI	Apr	23-Apr	49.1	49.6
Markit Comp Flash PMI	Apr	23-Apr	52.8	53.2

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling News

- The sterling edged higher amid the dollar's depreciation, reaching the 1.3840 level.
- Falling Covid-19 infection cases across the UK also pushed the pound higher. It was reported that people infected with Covid-19 decreased sharply last week, around one in 480 people in UK England had Covid-19 in the week to April 10 – down from one in 340.
- Low infections also proved the success of vaccinations, where the campaign remains focused on providing second doses rather than reaching new people.

Pound Sterling Performance

Last Week Close	1.3708 USD/GBP	Monthly High	1.3918 USD/GBP
Week Open	1.3708 USD/GBP	Monthly Low	1.3670 USD/GBP
Week Close	1.3830 USD/GBP	30 Days Average	1.3816 USD/GBP
Weekly High	1.3842 USD/GBP	90 Days Average	1.3744 USD/GBP
Weekly Low	1.3667 USD/GBP	YTD Change	+1.09%

Pound Sterling Outlook

- “Mix and match” Covid vaccine trial is expanded across the country. Combining vaccines might encourage broader, longer-lasting immunity against the virus and new variants of it. If the trial is successful, vaccine rollout will be more flexible.
- The progress of vaccination in the UK will be supportive catalyst for the sterling. The Covid-19 vaccination rate is about to reach 50% of its population and this could further boost the currency.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Mar	20-Apr		86.6k
ILO Unemployment Rate	Feb	20-Apr	5.1%	5.0%
CPI YY	Mar	21-Apr	0.7%	0.4%
Retail Sales MM	Mar	23-Apr	1.5%	2.1%
Retail Sales Ex-Fuel MM	Mar	23-Apr	1.3%	2.4%
Retail Sales YY	Mar	23-Apr	4.2%	-3.7%
Flash Composite PMI	Apr	23-Apr	58.1	56.4
Flash Manufacturing PMI	Apr	23-Apr	58.8	58.9
Flash Services PMI	Apr	23-Apr	59.0	56.3

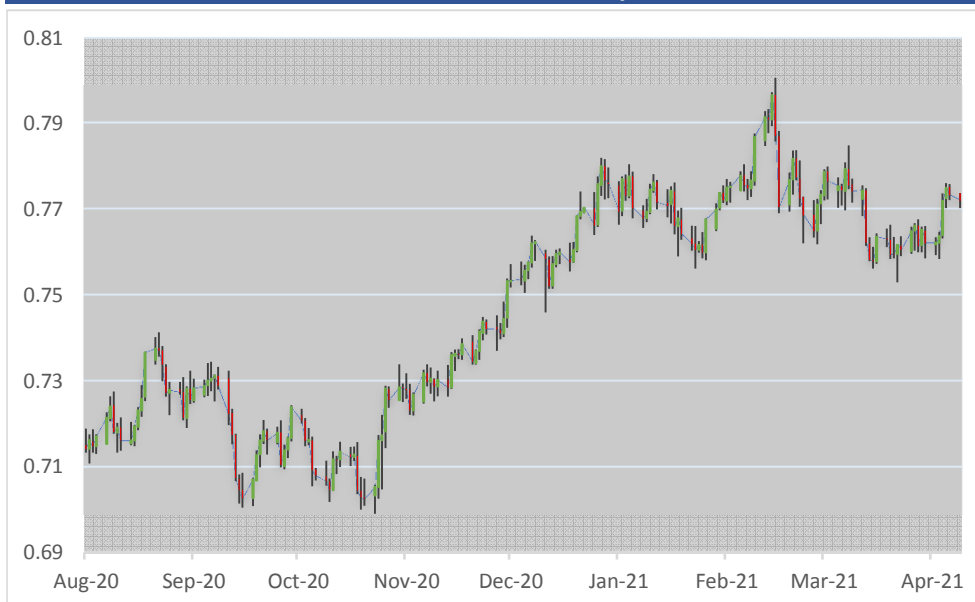
Lower Bound	1.3724	Upper Bound	1.3824
Forecast	Neutral		

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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Reserve Bank of Australia (RBA) maintained an accommodative stance at 0.1% in the last meeting. Still, investors are waiting for the monetary policy meeting minutes released on Tuesday (20/4) to find new clues on its policy rate.
- Refer to its latest strong economic data, the RBA may need to re-examine its current monetary stance, and could lead to a rate hike earlier than prior forecast.

Australian Dollar News

- The aussie rallied after the dollar significantly dropped.
- The currency was also supported by upbeat economic data released on Wednesday (14/4). Australia's Westpac Consumer Sentiment index climbed 6.2% to 118.8 in April, up from 111.8 a month earlier. This marked the highest level since August 2010. Additionally, labor market slightly improved as unemployment rate decreased to 5.6%, lower than that of the previous period at 5.8%.

Australian Dollar Performance

Last Week Close	0.7621 USD/AUD	Monthly High	0.7761 USD/AUD
Week Open	0.7619 USD/AUD	Monthly Low	0.7533 USD/AUD
Week Close	0.7733 USD/AUD	30 Days Average	0.7728 USD/AUD
Weekly High	0.7761 USD/AUD	90 Days Average	0.7521 USD/AUD
Weekly Low	0.7584 USD/AUD	YTD Change	+0.40%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Mfg PMI Flash	Apr	23-Apr		57.0
Services PMI Flash	Apr	23-Apr		56.2
Comp PMI Flash	Apr	23-Apr		56.2

Lower Bound	0.7593	Upper Bound	0.7692
Forecast	Appreciation		

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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Not only changes in US treasury and the dollar, the possible conflict between Japan and China is also worth considering in the coming weeks.
- Regarding the face-to-face meeting between Biden and Suga, some analysts believe that Japan may face the economic retaliation if Japan does not clarify its position as soon as possible.

Japanese Yen News

- The yen appreciated against the greenback last week, breaking the 109.00 level. Apart from the dollar's weakness, an upbeat Tankan survey data was seen as a supportive factor to the Japanese yen.
- Nevertheless, the yen may experience uncertainties from the previous talks with the US. On Friday (16/4), President Biden and Prime Minister Yoshihide Suga of Japan held meeting at the White House, talking on topics including issue on Taiwan and 5G development. It was reported that the two parties pledged to work together on the 5G communications technologies to prevent o China's leading companies from dominating the global market.

Japanese Yen Performance

Last Week Close	109.65 JPY/USD	Monthly High	110.84 JPY/USD
Week Open	109.67 JPY/USD	Monthly Low	108.56 JPY/USD
Week Close	108.77 JPY/USD	30 Days Average	103.85 JPY/USD
Weekly High	109.76 JPY/USD	90 Days Average	104.73 JPY/USD
Weekly Low	108.60 JPY/USD	YTD Change	+5.26%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Mar	19-Apr	11.6%	-4.5%
Imports YY	Mar	19-Apr	4.7%	11.8%
Trade Balance Total Yen	Mar	19-Apr	490.0B	215.9B
CPI, Core Nationwide YY	Mar	23-Apr	-0.1%	-0.4%
CPI, Overall Nationwide	Mar	23-Apr		-0.4%
Jibun Bank Mfg PMI Flash	Apr	23-Apr		52.7

Lower Bound	108.82	Upper Bound	110.21
Forecast	Appreciation		

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