

WEEKLY FOREIGN EXCHANGE OUTLOOK
26 Apr 2021 - 30 Apr 2021

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- This week, investors await the outcome of FOMC meeting and market expect that the FOMC will continue to hold their policy, the most likely outcome will be Wait and see. While the committee may note the pickup in the recovery, they will wait for a complete labor recovery and to see inflation sustainably above 2%.

- However, Fed Chairman Jerome Powell had indicated at the meeting that the rise in yields was due to confidence in the US recovery and that the Fed is not going to hike rates until the labor force has fully recovered and inflation is sustainably above 2%, which they don't expect until 2023.

Lower Bound	89.80	Upper Bound	91.80
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Forecast	Depreciation
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Dollar News

- Last week, the dollar depreciated against its peers after the 10-year US Treasury yields fell to 1.56%, below the previous level of 1.60-1.75%, despite Building Permits and Housing Starts were up in March, while the preliminary estimate of the Michigan Consumer Sentiment Index was up to 86.5 in April from 84.9 previously, missing the market's expectation.
- However, the dollar rebounded as interest rates in the US moved in a tight range and a dropped in oil prices hit crude-linked currencies, driving demand for the greenback.
- Meanwhile, the US Department of Labor released the first-time jobless benefit number of 547,000 applicants last week.

Dollar Index Performance

Last Week Close	91.56	Monthly High	93.44
Week Open	91.54	Monthly Low	90.68
Week Close	90.81	30 Days Average	92.08
Weekly High	91.83	90 Days Average	91.09
Weekly Low	90.81	YTD Change	+0.96%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Durable Goods	Mar	26-Apr	2.5%	-1.2%
Consumer Confidence	Apr	27-Apr	112.1	109.7
Fed Funds Tgt Rate	28 Apr	29-Apr	0.125%	0-0.25
Fed Int On Excess Reserves	28 Apr	29-Apr		0.10%
GDP Advance	Q1	29-Apr	6.5%	4.3%
Initial Jobless Clm	24 Apr, w/	29-Apr	560k	547k
Consumption, Adjusted MM	Mar	30-Apr	4.2%	-1.0%
U Mich Sentiment Final	Apr	30-Apr	87.5	86.5

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- This week, investors monitor about the situation and measures to control Covid-19 in the country.
- Moreover, the negative economic effect of a lockdown still in focus after all bars, pubs karaoke houses and massage palours in 41 provinces have been ordered to shut their doors for two weeks from midnight Friday, as the latest coronavirus outbreak gains momentum nationwide.

Lower Bound	31.30	Upper Bound	31.60
Forecast	Depreciation		

Thai Baht News

- The baht depreciated against the dollar amid concerns about the risks of the Covid-19 outbreak. Meanwhile, the country is waiting for price quotes from US-based Pfizer Inc before the country can buy 5-10 million doses of Pfizer/BioNTech Covid-19 vaccine to be shipped from July to December this year, according to the prime minister.
- Despite, The Commerce Ministry plans to upgrade its export growth forecast to more than 4% after Thai export value in March recorded 8.47% growth, driven by intensive economic stimulus policies in trading countries, worldwide vaccinations and higher crude oil prices.

Thai Baht Performance

Last Week Close	31.25 THB/USD	Monthly High	31.59 THB/USD
Week Open	31.20 THB/USD	Monthly Low	31.12 THB/USD
Week Close	31.38 THB/USD	30 Days Average	31.10 THB/USD
Weekly High	31.44 THB/USD	90 Days Average	30.40 THB/USD
Weekly Low	31.17 THB/USD	YTD Change	+4.98%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Mar	28-Apr	2.59%	-1.08%
Exports YY	Mar	30-Apr		-0.20%
Imports YY	Mar	30-Apr		23.90%
Trade Account	Mar	30-Apr		2.14B
Current Account	Mar	30-Apr		-1.07B

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Euro
Euro Graph


Source: Thomson Reuters

Euro Outlook

- The euro still in bullish tone after last week's break above 1.20 for the first time since early last month European Central Bank President Christine Lagarde was therefore predictably cautious at her press conference last week after the ECB left all its monetary policy settings unchanged as expected.
- This week, Monday's Ifo index of German business conditions, expected to increase to 97.6 in April from 96.6 in March. And also Friday's "flash" first-quarter economic growth figures will likely have less of an impact. In Germany, an improvement to -3.2% year/year from the previous -3.7% is predicted.

Lower Bound	1.2020	Upper Bound	1.2220
Forecast	Appreciation		

Euro News

- At the beginning of week, the euro edged up as the dollar weakened amid lower government bond yields.
- Moreover, the euro still trade with moderate gains by rising optimism on the recovery in Europe in combination with the firmer pace of the vaccine rollout. The European Union's (EU) Internal Market Commissioner Thierry Breton said that there will be enough vaccines for 70% of the bloc's population by July.
- The ECB President Christine Lagarde said that the reduction of PEPP purchases was not discussed. This seemed to have disappointed some investors anticipating a debate over the future of the PEPP and prompted some short-covering around the common currency. However, the ECB hold its key rates unchanged at 0.00% in April monetary policy meeting, as expected.

Euro Index Performance

Last Week Close	1.1983 USD/EUR	Monthly High	1.2116 USD/EUR
Week Open	1.1982 USD/EUR	Monthly Low	1.1714 USD/EUR
Week Close	1.2099 USD/EUR	30 Days Average	1.1906 USD/EUR
Weekly High	1.2099 USD/EUR	90 Days Average	1.2043 USD/EUR
Weekly Low	1.1941 USD/EUR	YTD Change	-0.94%

Dollar Index Economic Events

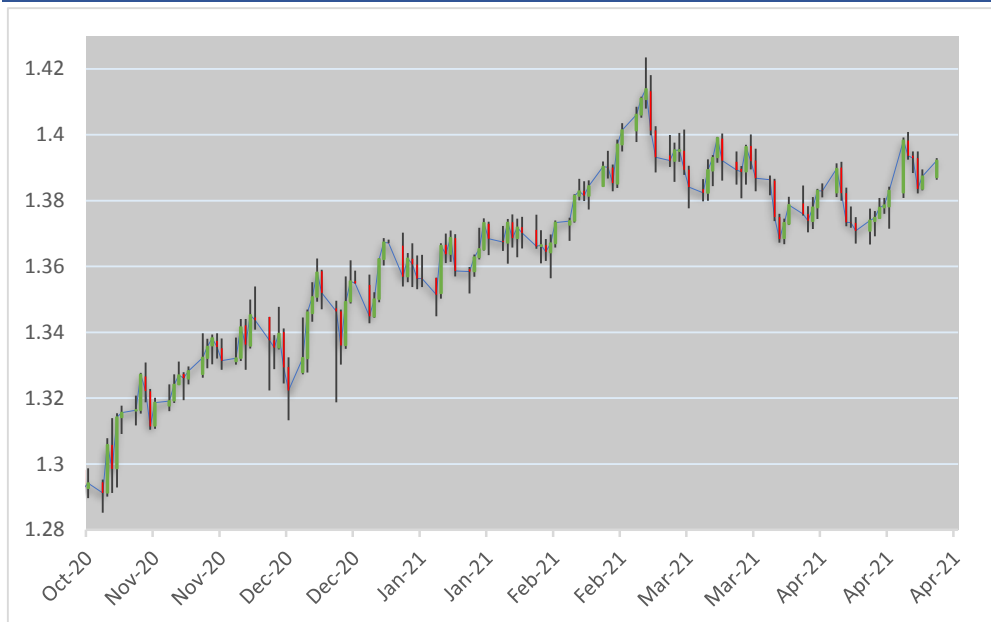
Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Apr	29-Apr	-8.1	-8.1
HICP Flash YY	Apr	30-Apr	1.6%	1.3%
HICP-X F&E Flash YY	Apr	30-Apr	1.0%	1.0%
GDP Flash Prelim YY	Q1	30-Apr	-1.9%	-4.9%
GDP Flash Prelim QQ	Q1	30-Apr	-0.8%	-0.7%
Unemployment Rate	Mar	30-Apr	8.3%	8.3%

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling News

- The pound sterling sharply gained from risk-appetite as the coronavirus vaccine rollout continues in the kingdom, with the number of new daily contagions averaging 2,000 in the past week. The number of new deaths, however, has decreased sharply, down to 34 per day, according to the latest reports. The path to normal continues in the kingdom, providing it with an economic advantage.
- Nevertheless, the currency trimmed gains against the dollar after spiked above 1.4000 mark at the previous day. Despite, the Unemployment Rate surprised with a drop to 4.9% in February.
- Last week, The annual Consumer Price Index in the UK printed at 0.7% YoY in March, better than the previous 0.4% but missing the expected 0.8% while the core reading met the market's forecast resulting in 1.1%.

Pound Sterling Performance

Last Week Close	1.3830 USD/GBP	Monthly High	1.4008 USD/GBP
Week Open	1.3825 USD/GBP	Monthly Low	1.3670 USD/GBP
Week Close	1.3874 USD/GBP	30 Days Average	1.3818 USD/GBP
Weekly High	1.4008 USD/GBP	90 Days Average	1.3770 USD/GBP
Weekly Low	1.3808 USD/GBP	YTD Change	+1.70%

Pound Sterling Outlook

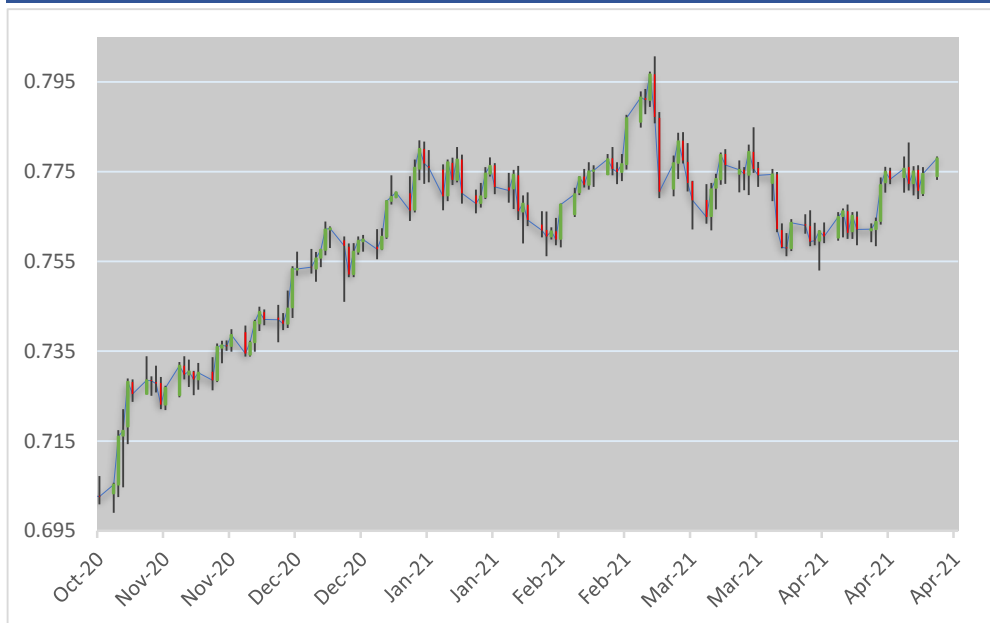
- After, some stronger than expected UK data towards the end of last week, pound investors will instead look elsewhere for news that could drive the British currency's movement.
- Britain's economy is thus far reopening from the coronavirus pandemic as expected, with no shocks to the process so far. As a result, Sterling's outlook remains fairly optimistic overall.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	Apr	27-Apr		-45
Nationwide house price mm	Apr	29-Apr	0.5%	-0.2%
Nationwide house price yy	Apr	29-Apr	5.0%	5.7%

Lower Bound	1.3800	Upper Bound	1.4000
Forecast	Neutral		

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Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- Main focus is the upcoming release of Australian inflation data scheduled to cross market wires next Wednesday, 28 April, the consensus forecast for headline inflation stands at 1.4% year-over-year, which would rise from 0.9% at last period. A better-than-expected inflation will supported AUD/USD to higher level.

Australian Dollar News

- On Tuesday, the Aussie gained against the dollar after minutes of the latest Reserve Bank of Australia's (RBA) monetary policy meeting was published. As per the latest RBA minutes, the board members remain committed to doing what it reasonably can do to support Australian economy while citing the need for "highly supportive" monetary conditions.
- The data from Australia revealed that Retail Sales in March rose by 1.4% on a monthly basis following February's contraction of 0.8%. Although this reading came in higher than the market expectation for an increase of 1%, it failed to help the Aussie find demand.

Australian Dollar Performance

Last Week Close	0.7733 USD/AUD	Monthly High	0.7815 USD/AUD
Week Open	0.7738 USD/AUD	Monthly Low	0.7533 USD/AUD
Week Close	0.7745 USD/AUD	30 Days Average	0.7743 USD/AUD
Weekly High	0.7815 USD/AUD	90 Days Average	0.7559 USD/AUD
Weekly Low	0.7689 USD/AUD	YTD Change	+1.08%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
CPI QQ	Q1	28-Apr	0.9%	0.9%
CPI YY	Q1	28-Apr	1.4%	0.9%
RBA Weightd Medn CPI QQ	Q1	28-Apr	0.5%	0.5%
RBA Weightd Medn CPI YY	Q1	28-Apr	1.3%	1.4%
RBA Trimmed Mean CPI QQ	Q1	28-Apr	0.5%	0.4%
RBA Trimmed Mean CPI YY	Q1	28-Apr	1.2%	1.2%

Lower Bound	0.7650	Upper Bound	0.7850
Forecast	Appreciation		

Please carefully examine the Important Disclosure on the last section of this material.

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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- On Tuesday, the Bank of Japan is expected to cut its inflation forecast for this fiscal year in quarterly projections due to the impact of cuts in cellphone charge fees which could push down core consumer inflation by as much as 0.6 percentage points. However, it will maintain its massive stimulus for the foreseeable future.

- March Retail Trade (Sales) in Japan are expected to sharply rise could give the yen a strength but it has been a long time since the consumer economy in Japan warranted market attention.

Japanese Yen News

- Last week, the yen gained as the broader market risk sentiment will drive demand for the safe-haven yen, while renewed fears about another dangerous wave of coronavirus infections in some countries continued weighing on investors' sentiment.
- Meanwhile, Japan reported that the February Tertiary Industry Index, which resulted at 0.3% MoM, better than the previous -1.7%.
- Investors still concerned after reports showed that the government is considering declaring a state of emergency for Tokyo and Osaka amid rising coronavirus infections.

Japanese Yen Performance

Last Week Close	108.77 JPY/USD	Monthly High	110.84 JPY/USD
Week Open	108.77 JPY/USD	Monthly Low	107.49 JPY/USD
Week Close	107.91 JPY/USD	30 Days Average	103.68 JPY/USD
Weekly High	108.83 JPY/USD	90 Days Average	104.57 JPY/USD
Weekly Low	107.46 JPY/USD	YTD Change	+4.41%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JP BOJ Rate Decision	27 Apr	27-Apr	-0.10%	-0.10%
CPI Tokyo Ex fresh food YY	Apr	30-Apr	0.0%	-0.1%
CPI, Overall Tokyo	Apr	30-Apr		-0.2%
Jobs/Applicants Ratio	Mar	30-Apr	1.09	1.09
Unemployment Rate	Mar	30-Apr	2.9%	2.9%
Industrial O/P Prelim MM SA	Mar	30-Apr	-2.0%	-1.3%
Jibun Bank Mfg PMI	Apr	30-Apr		53.3

Lower Bound	107.00	Upper Bound	109.00
Forecast	Neutral		

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