

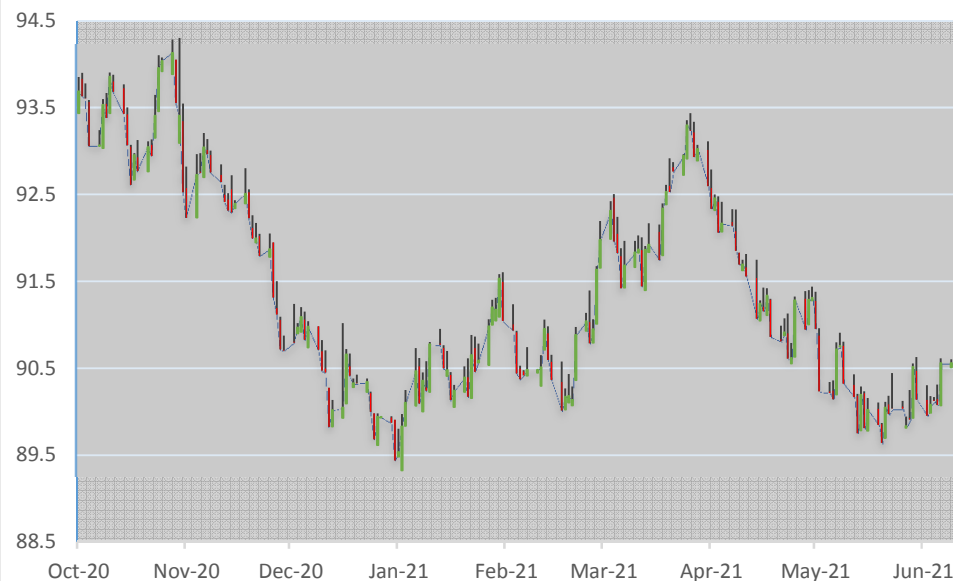
WEEKLY FOREIGN EXCHANGE OUTLOOK

14 มิ.ย. 2021 - 18 มิ.ย. 2021



Dollar Index Graph

Dollar News



Source: Thomson Reuters

- The dollar depreciated against other major currencies after U.S. Nonfarm payrolls increased by a solid 559,000 jobs last month, helped by higher COVID-19 vaccination rates, but that was below the consensus forecast for 650,000 jobs added in May.
- The dollar traded lower despite upbeat economic data. the Labor Department said initial claims fell 9,000 a seasonally adjusted 376,000 for the week ended June 5. That was the lowest since mid-March 2020. While the consumer price index increased 0.6% last month after surging 0.8% in April, which was the largest gain since June 2009.

Dollar Index Performance

Last Week Close	90.14	Monthly High	91.44
Week Open	90.13	Monthly Low	89.54
Week Close	89.96	30 Days Average	90.26
Weekly High	90.63	90 Days Average	91.09
Weekly Low	89.84	YTD Change	+0.65%

Dollar Outlook

- The highlight of the FX week ahead will undoubtedly be Wednesday's FOMC meeting. While the Fed may be a little nearer to discussing tapering, we are not looking for the statement, new projections or Chair Powell's press conference to unsettle markets. After all markets seem quite comfortable with the view that Fed tapering could start in December this year, with the first rate hike in early 2023.
- US data next week, the retail sales and industrial production will be released which is unlikely to move markets and instead the carry-trade environment could increase focus on yield opportunities in emerging markets.

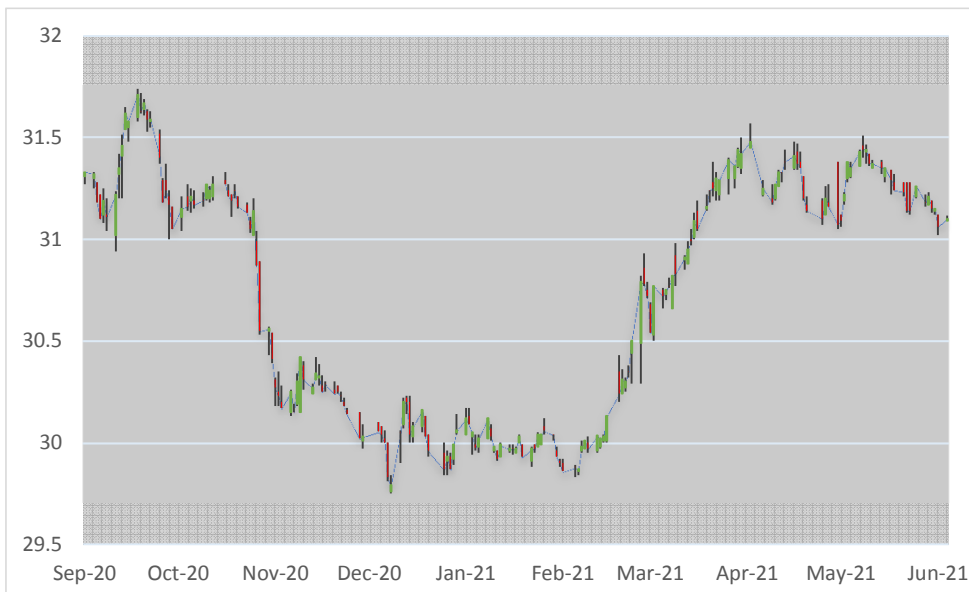
Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Retail Sales MM	May	15-Jun	-0.8%	0.0%
Industrial Production MM	May	15-Jun	0.6%	0.7%
Housing Starts Number	May	16-Jun	1.630M	1.569M
Fed Funds Tgt Rate	16 Jun	17-Jun	0-0.25	0-0.25
Fed Int On Excess Reserves	16 Jun	17-Jun		0.10%
Initial Jobless Clm	12 Jun, w/	17-Jun		376k
Philly Fed Business Indx	Jun	17-Jun	31.0	31.5

Lower Bound	89.60	Upper Bound	90.50
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

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Thai Baht Graph
Thai Baht News


Source: Thomson Reuters

- The baht appreciated against the dollar as U.S. nonfarm payrolls data showed hiring increased in May as the pandemic eased, but not as much as expected, tempering expectations the Federal Reserve will tighten monetary policy sooner, rather than later.
- Health authorities in Thailand have kicked off a long-awaited mass vaccination campaign, with the aim of administering 6 million doses of locally-made Oxford-AstraZeneca and imported Sinovac COVID-19 vaccines this month.
- The baht appreciated despite the University of the Thai Chamber of Commerce's consumer confidence index fell to 44.7 in May 2021 from 46.0 a month earlier. This was the lowest reading since at least February 1999, amid the third wave of COVID-19 infections.

Thai Baht Performance

Last Week Close	31.26 THB/USD	Monthly High	31.28 THB/USD
Week Open	31.18 THB/USD	Monthly Low	31.04 THB/USD
Week Close	31.06 THB/USD	30 Days Average	31.25 THB/USD
Weekly High	31.23 THB/USD	90 Days Average	30.83 THB/USD
Weekly Low	31.02 THB/USD	YTD Change	+3.87%

Thai Baht Outlook
Thai Baht Economic Events

- As there is few data to be reported this week, market will focus the impact from FOMC meeting on Wednesday.
- Moreover, markets also eye on the Covid-19 situation and vaccination around the country.

Events	Period	Date	Forecast	Previous
Forex Reserves	7 Jun, w/e	18-Jun		251.6B
Currency Swaps	7 Jun, w/e	18-Jun		31.8B

Lower Bound	31.10	Upper Bound	31.30
Forecast	Neutral		

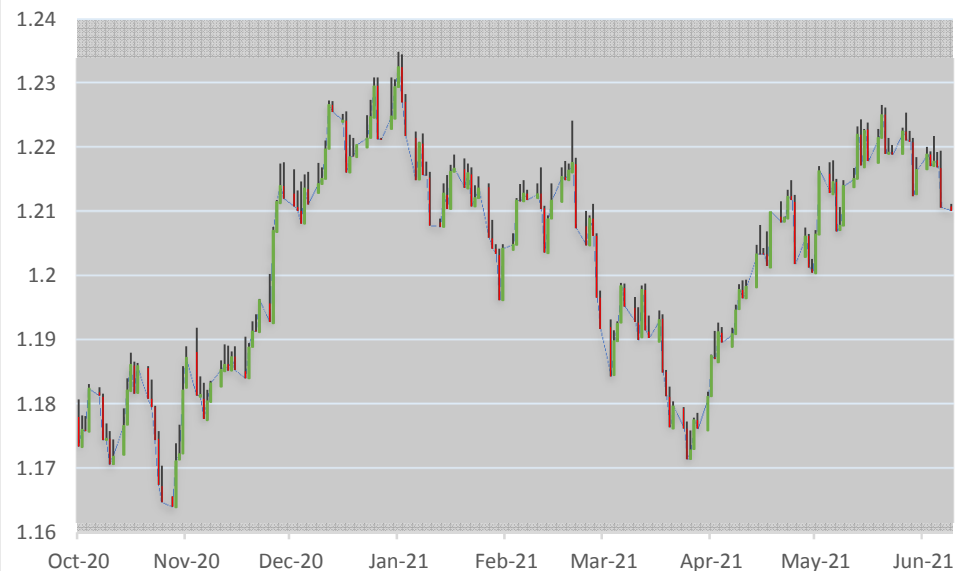
WEEKLY FOREIGN EXCHANGE OUTLOOK

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Euro Graph

Euro News



- The euro is trading below 1.22, pressured by fresh dollar strength while Eurozone data was mixed. The German ZEW Economic Sentiment missed estimates with 79.7 points but eurozone GDP was upgraded from -0.6% to -0.3% in the final read for Q1.
- ECB left its monetary policy settings unchanged and indicated that it was in no hurry to slow the pace of the emergency bond-buying program. While upbeat comments from European Central Bank president Christine Lagarde on transitory euro zone inflation and improving economic trends also helped support sentiment.

Source: Thomson Reuters

Euro Outlook

- The calendar this week is light. So the focus will be on the US-EU summit – and perhaps some word of a global tax deal.
- We expect the EUR/USD to move higher next week but within narrow range as the FOMC is likely to remain accommodative with policies.

Euro Index Performance

Last Week Close	1.2165 USD/EUR	Monthly High	1.2254 USD/EUR
Week Open	1.2166 USD/EUR	Monthly Low	1.2094 USD/EUR
Week Close	1.2106 USD/EUR	30 Days Average	1.2163 USD/EUR
Weekly High	1.2218 USD/EUR	90 Days Average	1.2036 USD/EUR
Weekly Low	1.2091 USD/EUR	YTD Change	-0.88%

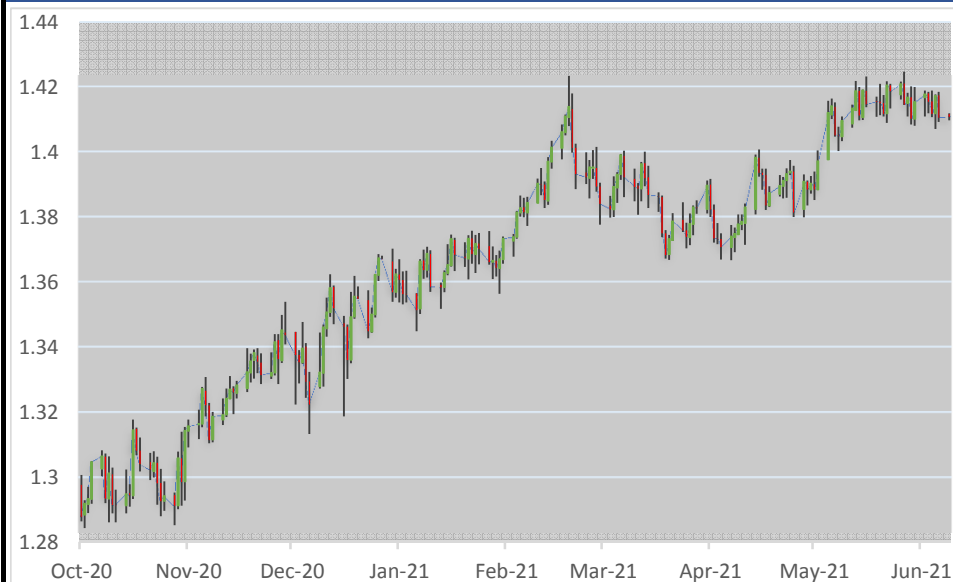
Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Industrial Production MM	Apr	14-Jun	0.4%	0.1%
Industrial Production YY	Apr	14-Jun	37.4%	10.9%
Reserve Assets Total	May	15-Jun		852.14B
HICP Final MM	May	17-Jun	0.3%	0.6%
HICP Final YY	May	17-Jun	2.0%	2.0%
HICP-X F, E, A, T Final MM	May	17-Jun	0.2%	0.2%
HICP-X F,E,A&T Final YY	May	17-Jun	0.9%	0.9%

Lower Bound	1.2075	Upper Bound	1.2210
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- The pound sterling traded higher despite doubts over the UK government's plan to reopen the economy on June 21 in light of the spread of the so-called Delta variant turned out to be one of the key factors that undermined the sterling.

Pound Sterling Performance

Last Week Close	1.4154 USD/GBP	Monthly High	1.4248 USD/GBP
Week Open	1.4169 USD/GBP	Monthly Low	1.4075 USD/GBP
Week Close	1.4106 USD/GBP	30 Days Average	1.4107 USD/GBP
Weekly High	1.4189 USD/GBP	90 Days Average	1.3949 USD/GBP
Weekly Low	1.4071 USD/GBP	YTD Change	+3.23%

Pound Sterling Outlook

- In near-term downside risk to GBP; the focus should remain on the UK-EU trade tensions, the risks around the implementation of the Northern Ireland protocol, its possible breach from the UK and subsequent EU tariffs. This could have a short-term negative effect on GBP.
- On the UK data front, it will be busy week. The May CPI (Wed) is expected to rise to 1.8% YoY and moving above 2% later this year. But with inflation to normalise lower in 2022, the case for imminent tightening is not in place. The UK April employment data (Tuesday) should improve further, reflecting the reopening of the economy, while May retail sales (Friday) should increase further as well, although by less than the jump observed in April.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	May	15-Jun		-15.1k
ILO Unemployment Rate	Apr	15-Jun	4.7%	4.8%
CPI YY	May	16-Jun	1.8%	1.5%
Retail Sales MM	May	18-Jun	1.8%	9.2%
Retail Sales Ex-Fuel MM	May	18-Jun	2.0%	9.0%
Retail Sales YY	May	18-Jun	29.2%	42.4%

Lower Bound	1.4010	Upper Bound	1.4380
Forecast	Neutral		

WEEKLY FOREIGN EXCHANGE OUTLOOK

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar News

- The Aussie rose as the greenback drop, while AIG services Index rose to 61.2 in May, increased from 61.0 in April.
- The Reserve Bank of Australia's (RBA) forecasts show inflation below the mid-point of its 2-3% target through mid-2023, despite interest rates at a record low of 0.1%, a massive government bond buying programme and solid fiscal stimulus.
- In a speech in Sydney, Assistant RBA Governor Chris Kent said the central bank's policy measures will continue to deliver "very stimulatory monetary conditions" until the economy returns to full employment and inflation is consistent with the target.

Australian Dollar Performance

Last Week Close	0.7737 USD/AUD	Monthly High	0.7775 USD/AUD
Week Open	0.7740 USD/AUD	Monthly Low	0.7646 USD/AUD
Week Close	0.7706 USD/AUD	30 Days Average	0.7678 USD/AUD
Weekly High	0.7775 USD/AUD	90 Days Average	0.7699 USD/AUD
Weekly Low	0.7686 USD/AUD	YTD Change	+0.22%

Australian Dollar Outlook

- Thursday's jobs data for the month of May in Australia will be the last key release before the 9 July Reserve Bank of Australia meeting, when changes to the shape (and possibly size) of the QE will be unveiled. We forecast a rather strong headline print (45k), which is likely above consensus, and also see the unemployment rate dropping from 5.5% to 5.4%. This should be a welcome development by those expecting a less dovish RBA, as it brightens the inflation outlook for 2Q after the underwhelming 1Q read.
- In the week ahead, we'll also see the minutes of June's RBA meeting. Any anticipation about where the discussion about tweaking QE in July is heading will move the market.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Employment	May	17-Jun	30.0k	-30.6k
Unemployment Rate	May	17-Jun	5.5%	5.5%

Lower Bound	0.7700	Upper Bound	0.7820
Forecast	Appreciation		


Japanese Yen Graph
Japanese Yen News


Source: Thomson Reuters

Japanese Yen Outlook

- Japan is seen to have performed poorly with its handling of the virus. Nine prefectures are still in lockdown and only 11% of Japan's population have had their first vaccine doses – compared to above 50% levels in the UK and the US. Yet lockdowns are working, case numbers are falling, and a re-opening of the economy could be a constructive story for Japan later this summer.
- The data calendar sees trade data for May and also national CPI, expected at -0.2% year-on-year.

- The yen appreciated after the flash Japanese leading economic index, which measures the nation's economic activity, rose to 103, a seven-year high in April.
- The country's trade balance posted a surplus of ¥289.5 billion in April. However, Bank of Japan (BoJ) Deputy Governor Masayoshi Amamiya reiterated on Tuesday that the BoJ will not hesitate to take additional policy easing steps if needed.
- The yen slightly appreciated as the dollar dropped. Japan published the May PPI, which beat expectations by hitting 4.9% YoY.

Japanese Yen Performance

Last Week Close	109.49 JPY/USD	Monthly High	110.33 JPY/USD
Week Open	109.50 JPY/USD	Monthly Low	109.20 JPY/USD
Week Close	109.65 JPY/USD	30 Days Average	104.84 JPY/USD
Weekly High	109.83 JPY/USD	90 Days Average	104.29 JPY/USD
Weekly Low	109.17 JPY/USD	YTD Change	+6.35%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Apr	16-Jun	2.7%	3.7%
Machinery Orders YY	Apr	16-Jun	8.0%	-2.0%
Exports YY	May	16-Jun	51.3%	38.0%
Imports YY	May	16-Jun	26.6%	12.8%
Trade Balance Total Yen	May	16-Jun	-91.2B	255.3B
CPI, Core Nationwide YY	May	18-Jun	0.1%	-0.1%
CPI, Overall Nationwide	May	18-Jun		-0.4%
JP BOJ Rate Decision	18 Jun	18-Jun	-0.10%	-0.10%

Lower Bound	108.60	Upper Bound	110.00
Forecast	Depreciation		

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