

WEEKLY FOREIGN EXCHANGE OUTLOOK
21 Jun 2021 - 25 Jun 2021

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar News

- The dollar index strongly appreciated against its peer currencies after the FOMC meeting results signaled that the Fed could hike the rate 2 times sooner in 2023 which was faster the expectation to hike in 2024 that was forecasted in March. However, the Fed kept its interest rate unchanged at 0-0.25% and 1.2 trillion dollar was still injected to the market for the bond-buying program.
- The US retail sales and core retail sales were reported to dropped 1.3% and 0.7% in May, below expectations.
- The worker asked for the claims about 412K in the week of 10-16 June which was higher than 360K worker forecasted.

Dollar Index Performance

Last Week Close	90.56	Monthly High	92.41
Week Open	90.51	Monthly Low	89.54
Week Close	91.81	30 Days Average	90.36
Weekly High	92.41	90 Days Average	91.14
Weekly Low	90.35	YTD Change	+2.64%

Dollar Outlook

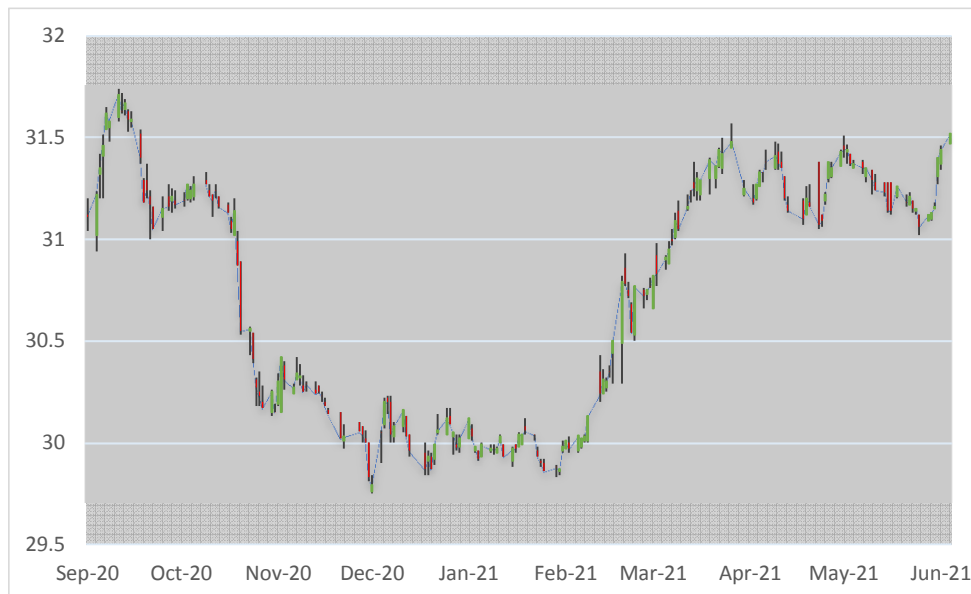
- As investors still enjoy with the US rate hike sooner, there might be further capital inflows to the dollar which lead to the stonger dollar.
- Even the Fed hinted that the US economy gained back the momentum as we have seen the strong economic data released; however, the number of COVID-19 cases in the US is still high and the labour market is still not as good as the Fed expected so it is likely that there might be a sell-off position to take profit from the strong dollar in the short term.
- Fed Chair Jerome Powell is scheduled to testify on Tuesday 22 June.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Existing Home Sales	May	22-Jun	5.72M	5.85M
Markit Comp Flash PMI	Jun	23-Jun		68.7
Markit Mfg PMI Flash	Jun	23-Jun	61.5	62.1
Markit Svcs PMI Flash	Jun	23-Jun	70.0	70.4
New Home Sales-Units	May	23-Jun	0.875M	0.863M
Durable Goods	May	24-Jun	2.7%	-1.3%
GDP Final	Q1	24-Jun	6.4%	6.4%
Initial Jobless Clm	19 Jun, w/ 24-Jun		380k	412k
Consumption, Adjusted MM	May	25-Jun	0.3%	0.5%
U Mich Sentiment Final	Jun	25-Jun	86.5%	86.4

Lower Bound	90.00	Upper Bound	93.00
Forecast	Appreciation		

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Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- The Thai baht could be weakened against the greenback next week as investors still focus on the US possible rate hike.
- Another factor that could pressure the Thai baht was the COVID-19 vaccination plan as there were some reports of the postponed vaccination around the country.
- The market keeps an eye on the customs data which is export and import in May.
- Next week, the Thai baht tends to move in the range of 31.35-31.60 THB/USD.

Lower Bound	31.35	Upper Bound	31.60
Forecast	Depreciation		

Thai Baht News

- The Thai baht also depreciated against the dollar index due to the strong dollar.
- The Public Debt Management Office (PDMO) reported that Fitch affirmed Thailand's sovereign credit rating at BBB+ with a stable outlook.
- PM Prayuth said Wednesday that Thailand is planning to welcome foreign visitors in 120 days and expects that most Thai residents will be offered at least one Covid-19 jab by Oct.

Thai Baht Performance

Last Week Close	31.06 THB/USD	Monthly High	31.56 THB/USD
Week Open	31.09 THB/USD	Monthly Low	31.04 THB/USD
Week Close	31.44 THB/USD	30 Days Average	31.26 THB/USD
Weekly High	31.46 THB/USD	90 Days Average	30.90 THB/USD
Weekly Low	31.09 THB/USD	YTD Change	+5.41%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	May	23-Jun		13.09%
Custom-Based Import Data	May	23-Jun		29.79%
Customs-Based Trade Data	May	23-Jun		0.18B
Manufacturing Prod YY	May	23-Jun		18.46%
1-Day Repo Rate	23 Jun	23-Jun		0.50%

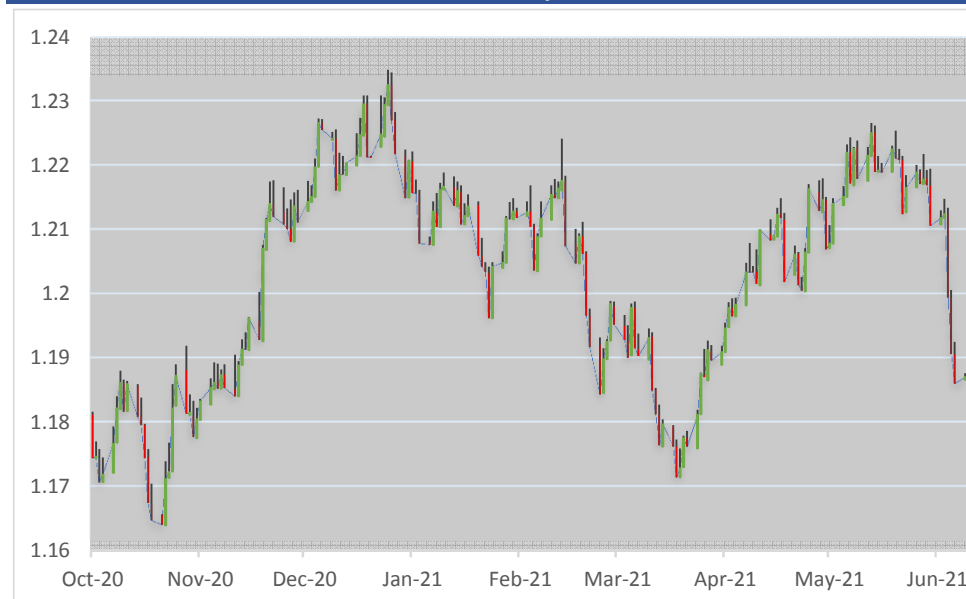
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Euro

Euro Graph



Source: Thomson Reuters

Euro Outlook

- We expected that the euro could drop against the dollar as the market flows are still support the dollar; however, the euro could slightly appreciate against the dollar at some point that investors take profit from the strong dollar.
- We have seen the support level of the euro is around 1.1830 USD/EUR and then it could slightly rebound.
- For the week ahead, the manufacturing and services PMI will be reported and we expected a slightly impact to the foreign exchange market.

Euro News

- The euro sharply dropped last week against the dollar index after the FOMC meeting shown the sign of policy divergence between the ECB and the Fed.
- The dollar extended this week's Fed-inspired gains on Friday after St. Louis Federal Reserve President James Bullard bolstered policymakers' hawkish message to markets, which sent EUR/USD to a 10-week low.
- The Eurozone final CPI in May was reported to remain the same level from April at 2%; however, the final core CPI added by 1% in May which was better than the expectation to rise by 0.9%.

Euro Index Performance

Last Week Close	1.2106 USD/EUR	Monthly High	1.2254 USD/EUR
Week Open	1.2108 USD/EUR	Monthly Low	1.1848 USD/EUR
Week Close	1.1860 USD/EUR	30 Days Average	1.2147 USD/EUR
Weekly High	1.2148 USD/EUR	90 Days Average	1.2029 USD/EUR
Weekly Low	1.1845 USD/EUR	YTD Change	-2.96%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confid. Flash	Jun	22-Jun	-3.0	-5.1
Markit Mfg Flash PMI	Jun	23-Jun	62.1	63.1
Markit Serv Flash PMI	Jun	23-Jun	57.5	55.2
Markit Comp Flash PMI	Jun	23-Jun	58.8	57.1

Lower Bound	1.1830	Upper Bound	1.2000
Forecast	Depreciation		

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- Undoubtedly, The market eyes on the Bank of England monetary policy meeting which is schedule on 24 June 2021; however, investors widely expect that the BoE will keep its policy unchanged.
- The pound also forecasted to weakened against the greenback as the dollar buying is continued.
- Moreover, as it is known that the UK is now facing with the novel coronavirus so the UK economy can be harmed by the higher COVID-19 cases which means that ther might be capital outflows from the pound.

Lower Bound	1.3750	Upper Bound	1.3900
Forecast	Depreciation		

Pound Sterling News

- The British pound depreciated against the greenback after the Fed surprisingly hinted that it could hike the rate in the year of 2023.
- The cable was pressured by the COVID-19 pandemic after the report of higher cases from the novel coronavirus.
- The UK retail sales dropped and worse than the expectations. The number reported to plummet by 1.4% in May compared with 1.5% added forecasted.

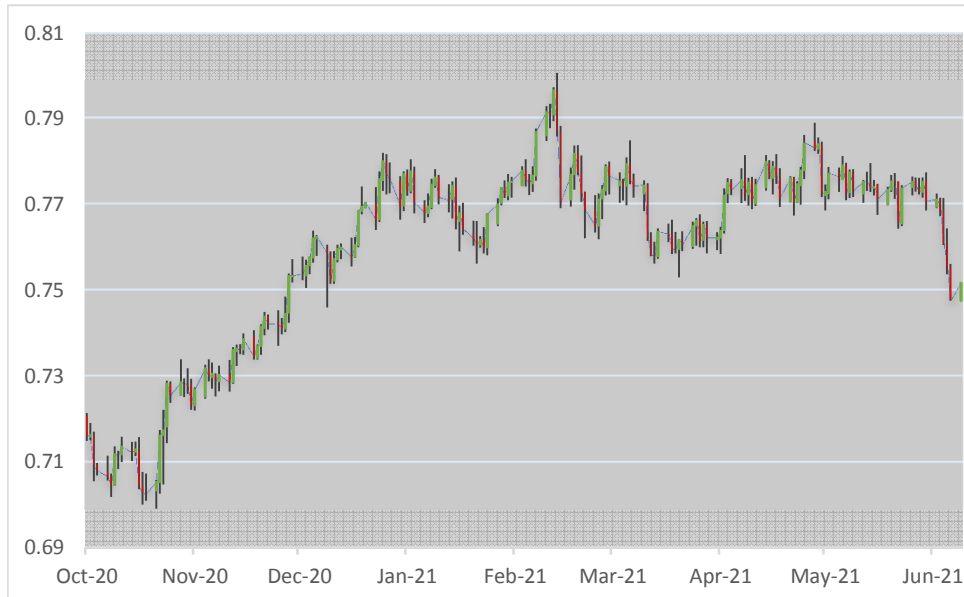
Pound Sterling Performance

Last Week Close	1.4106 USD/GBP	Monthly High	1.4248 USD/GBP
Week Open	1.4117 USD/GBP	Monthly Low	1.3793 USD/GBP
Week Close	1.3809 USD/GBP	30 Days Average	1.4109 USD/GBP
Weekly High	1.4132 USD/GBP	90 Days Average	1.3955 USD/GBP
Weekly Low	1.3790 USD/GBP	YTD Change	+0.89%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Jun	23-Jun	63	0.1k
Flash Manufacturing PMI	Jun	23-Jun	64.0%	65.6%
Flash Services PMI	Jun	23-Jun	63.0%	62.9%
BOE Bank Rate	Jun	24-Jun	0.0%	0.0%
GB BOE QE Corp	Jun	24-Jun	20B	20B

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- As the aussie is a commodity currencies, it is clear that it will be pressured by the strong dollar since the Fed shifted its tone about a rate hiking which led to the capital inflows to the dollar especially from the risky asset like the aussie.
- The market eyes on the report of retail sales on Monday.

Australian Dollar News

- The aussie hit the lowest level since December 2020 after the FOMC meeting showed the sign of hiking the rate sooner than earlier expected.
- The RBA minutes was reported that the RBA kept its monetary policy unchanged. The RBA has seen that the global economic was continued recovery from the pandemic in consequence of the strong growth in 2021.
- As the RBA try to tighten the labour market, the unemployment rate was decreased by 5.1% in May which was better than the expectation to remain at 5.5% from a month earlier.

Australian Dollar Performance

Last Week Close	0.7706 USD/AUD	Monthly High	0.7775 USD/AUD
Week Open	0.7695 USD/AUD	Monthly Low	0.7477 USD/AUD
Week Close	0.7477 USD/AUD	30 Days Average	0.7678 USD/AUD
Weekly High	0.7725 USD/AUD	90 Days Average	0.7709 USD/AUD
Weekly Low	0.7475 USD/AUD	YTD Change	-2.63%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Mfg PMI Flash	Jun	23-Jun		0.1k
Services PMI Flash	Jun	23-Jun		58.0%
Comp PMI Flash	Jun	23-Jun		58.0%

Lower Bound	0.7400	Upper Bound	0.7600
Forecast	Depreciation		

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Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen Outlook

- We also expected that the Japanese yen might dropped against the greenback. The reason is the same with other currencies which is the strong dollar.
- The main focus on next week is the Bank of Japan's minutes on 23 June.

Japanese Yen News

- The Japanese yen, along with other currencies, weakened against the dollar index after the FOMC meeting results released and there were capital inflows to the dollar as the Fed unexpectedly signaled to hike the rate in 2023 which was faster than the market expected.
- The Bank of Japan kept its policy rate unchanged at -0.1% in the meeting on 18 June. Furthermore, the yields on 10-year Japanese Government Bond has been frozen around 0% since 2016.

Japanese Yen Performance

Last Week Close	109.65 JPY/USD	Monthly High	110.81 JPY/USD
Week Open	109.63 JPY/USD	Monthly Low	109.20 JPY/USD
Week Close	110.19 JPY/USD	30 Days Average	105.43 JPY/USD
Weekly High	110.81 JPY/USD	90 Days Average	104.44 JPY/USD
Weekly Low	109.58 JPY/USD	YTD Change	+6.48%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI Flash	Jun	23-Jun		53.0
CPI Tokyo Ex fresh food YY	Jun	25-Jun	-0.1%	-0.2%
CPI, Overall Tokyo	Jun	25-Jun		-0.4%

Lower Bound	109.00	Upper Bound	111.00
Forecast	Depreciation		

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