

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**29 Mar 2021 - 02 Apr 2021**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Index Outlook**

- The first key is the US macro data where the March employment numbers (ADP on Wednesday and Non-farm Payroll (NFP) on Friday) should be strong. The forecasts NFP to rise 750k versus consensus 600k. The unemployment rate is also expected to dip to 5.9-6.0% from 6.2%.
- And the second key will be on Joe Biden's launch of his \$3trn infrastructure plan is also on the .

**Dollar News**

- The dollar index traded higher on optimism over US economic growth and the rollout of coronavirus vaccines.
- At the middle of the week , the dollar eased its gains as yields on US Treasuries slipped after US Federal Reserve Chair Jerome Powell told Congress inflation will not get out of hand. Meanwhile, the US President Joe Biden tried to restore investors' confidence in his latest press appearance by conveying the government's ability to send 100 million stimulus check to Americans as a part of covid-19 relief.
- However, the dollar index rebounded once again at the end of the week after US jobless claims fell to a one-year low in the week ending March while US GDP came out at 4.3% from 4.1% in the final read for the fourth quarter of 2020.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>91.92</b>	<b>Monthly High</b>	<b>92.96</b>
<b>Week Open</b>	<b>92.07</b>	<b>Monthly Low</b>	<b>89.68</b>
<b>Week Close</b>	<b>92.65</b>	<b>30 Days Average</b>	<b>91.51</b>
<b>Weekly High</b>	<b>92.96</b>	<b>90 Days Average</b>	<b>90.88</b>
<b>Weekly Low</b>	<b>91.71</b>	<b>YTD Change</b>	<b>+3.32%</b>

**Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confidence	Mar	30-Mar	96.9	91.3
Initial Jobless Clm	27 Mar, w/	1-Apr	680k	684k
Markit Mfg PMI Final	Mar	1-Apr		59.0
ISM Manufacturing PMI	Mar	1-Apr	61.3	60.8
Non-Farm Payrolls	Mar	2-Apr	639k	379k
Unemployment Rate	Mar	2-Apr	6.0%	6.2%
Average Earnings YY	Mar	2-Apr	4.5%	5.3%

**Lower Bound**      **92.40**      **Upper Bound**      **93.20**
**Forecast**      **Appreciation**

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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- Markets will eyes on the rollout of vaccines and political issues in Thailand.
- The movements of the US Treasury Yields and limiting vaccines supply in Europe remain investors cautious.

**Thai Baht News**

- At the beginning of the week, Thai baht fluctuated before it traded in weaker side till the end of the week as rising US Treasury Yields and concerns over surging coronavirus cases in Europe lent support to the dollar.
- The Bank of Thailand (BOT) left its policy rate unchanged at 0.5% as widely expected. The Thai economy was projected to expand by 3.0% and 4.7% in 2021 and 2022 respectively, somewhat lower than the previous projection in line with lower tourist figures and the impacts of the new wave of the Covid-19 outbreak. However, the Thai economy would be supported by a fast recovery in exports, which was projected to expand 10% in 2021.
- The Centre for Covid-19 Situation Administration (CCSA) on Friday approved reducing the quarantine period from 14 days to 10 days for travellers as proposed by the Public Health Ministry, starting from April 1.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>30.83 THB/USD</b>	<b>Monthly High</b>	<b>31.25 THB/USD</b>
<b>Week Open</b>	<b>30.90 THB/USD</b>	<b>Monthly Low</b>	<b>30.17 THB/USD</b>
<b>Week Close</b>	<b>31.05 THB/USD</b>	<b>30 Days Average</b>	<b>30.54 THB/USD</b>
<b>Weekly High</b>	<b>31.19 THB/USD</b>	<b>90 Days Average</b>	<b>30.22 THB/USD</b>
<b>Weekly Low</b>	<b>30.85 THB/USD</b>	<b>YTD Change</b>	<b>+4.28%</b>

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Exports YY	Feb	31-Mar		-0.30%
Imports YY	Feb	31-Mar		-6.90%
Trade Account	Feb	31-Mar		1.90B
Current Account	Feb	31-Mar		-0.70B
Manufacturing Prod YY	Feb	31-Mar	0.60%	-2.80%
Manufacturing PMI SA	Mar	1-Apr		47.2

<b>Lower Bound</b>	<b>30.80</b>	<b>Upper Bound</b>	<b>31.35</b>
<b>Forecast</b>	<b>Depreciation</b>		

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Euro

**Euro Graph**



Source: Thomson Reuters

**Euro News**

- The euro fell on concerns over further coronavirus lockdowns in Europe. Several European countries have seen increases in the number of new contagions, and new restrictive measures have been announced as the EU struggles with vaccine shortage.
- The euro extended its loss against the dollar after Germany's Merkel confirmed an extension to the lockdown until April 18 while most of France and Italy are also under more severe restrictions, delaying the recovery.
- Eurozone flash manufacturing PMI rose to 62.4 in March compared to February's 57.9, its highest since late 2018.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1903</b> USD/EUR	<b>Monthly High</b>	<b>1.2112</b> USD/EUR
<b>Week Open</b>	<b>1.1897</b> USD/EUR	<b>Monthly Low</b>	<b>1.1762</b> USD/EUR
<b>Week Close</b>	<b>1.1796</b> USD/EUR	<b>30 Days Average</b>	<b>1.1977</b> USD/EUR
<b>Weekly High</b>	<b>1.1946</b> USD/EUR	<b>90 Days Average</b>	<b>1.2079</b> USD/EUR
<b>Weekly Low</b>	<b>1.1760</b> USD/EUR	<b>YTD Change</b>	<b>-3.67%</b>

**Euro Outlook**

• The data calendar this week should see a mild pick-up in the pace of Eurozone CPI in March, although nothing to bother the ECB. We should also see more readings of consumer and business confidence across the region. These have so far held up well, although have been largely taken before fresh lockdowns and also before Europe's most recent challenge – the Suez blockage – which could start to weigh on Europe's industrial sector should it not be resolved quickly.

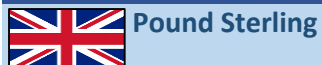
**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Mar	30-Mar	-10.8	-10.8
HICP Flash YY	Mar	31-Mar	1.3%	0.9%
HICP-X F&E Flash YY	Mar	31-Mar	1.2%	1.2%
Markit Mfg Final PMI	Mar	1-Apr	62.4	62.4

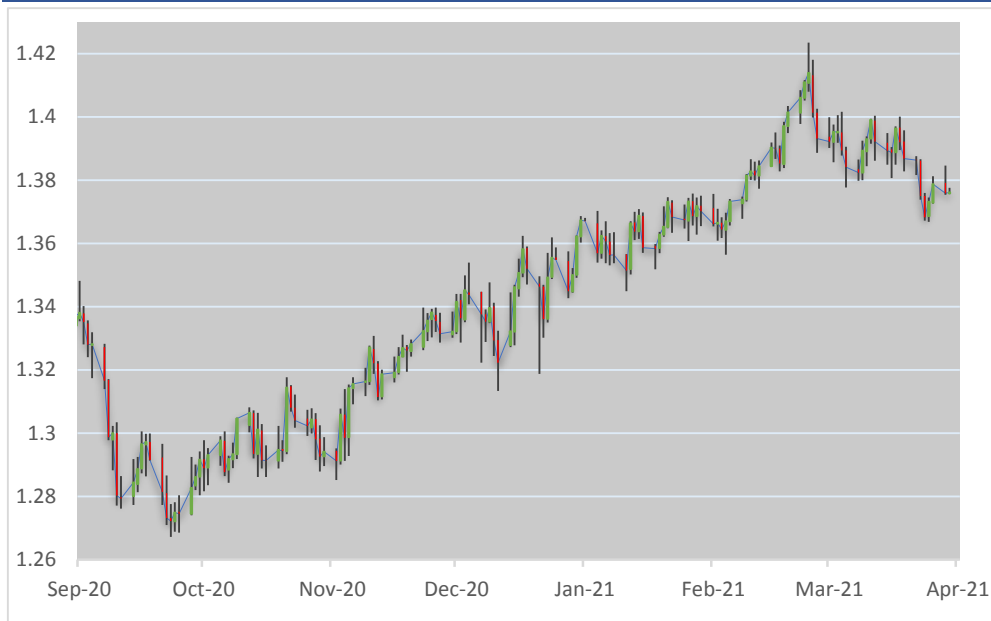
<b>Lower Bound</b>	<b>1.1700</b>	<b>Upper Bound</b>	<b>1.1870</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

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**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling News**

- The pound sterling fell as the U.K.'s vaccination campaign is set to slow because of a supply delay. While the monthly consumer confidence index from market research firm GfK rose to -16 from -23 in February.
- The Times reported that the UK is prepared to avert an EU vaccine export ban by sharing some of their Dutch-made AstraZeneca jabs with the bloc. Moreover, UK PM Boris Johnson said that he expects the UK will feel the impact of the third wave in Europe soon.
- The economic data in the UK came out mixed; UK reported an unemployment rate of 5%, better than expected, while the jobless claims shot up by 86,500 in February.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3868</b> USD/GBP	<b>Monthly High</b>	<b>1.4016</b> USD/GBP
<b>Week Open</b>	<b>1.3864</b> USD/GBP	<b>Monthly Low</b>	<b>1.3671</b> USD/GBP
<b>Week Close</b>	<b>1.3787</b> USD/GBP	<b>30 Days Average</b>	<b>1.3903</b> USD/GBP
<b>Weekly High</b>	<b>1.3876</b> USD/GBP	<b>90 Days Average</b>	<b>1.3678</b> USD/GBP
<b>Weekly Low</b>	<b>1.3668</b> USD/GBP	<b>YTD Change</b>	<b>+0.64%</b>

**Pound Sterling Outlook**

- We can expect that same resilience to last next week, where the data calendar in the UK is quite light.
- On the Bank of England side, there are two scheduled speakers (Saunders and Tenreyro), although any material deviation from the Bank's recent rhetoric appears unlikely at this stage.

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
GDP QQ	Q4	31-Mar	1.0%	1.0%
GDP YY	Q4	31-Mar	-7.8%	-7.8%
Nationwide house price mm	Mar	31-Mar	0.5%	0.7%
Nationwide house price yy	Mar	31-Mar	6.5%	6.9%
Markit/CIPS Mfg PMI Final	Mar	1-Apr	57.9	57.9

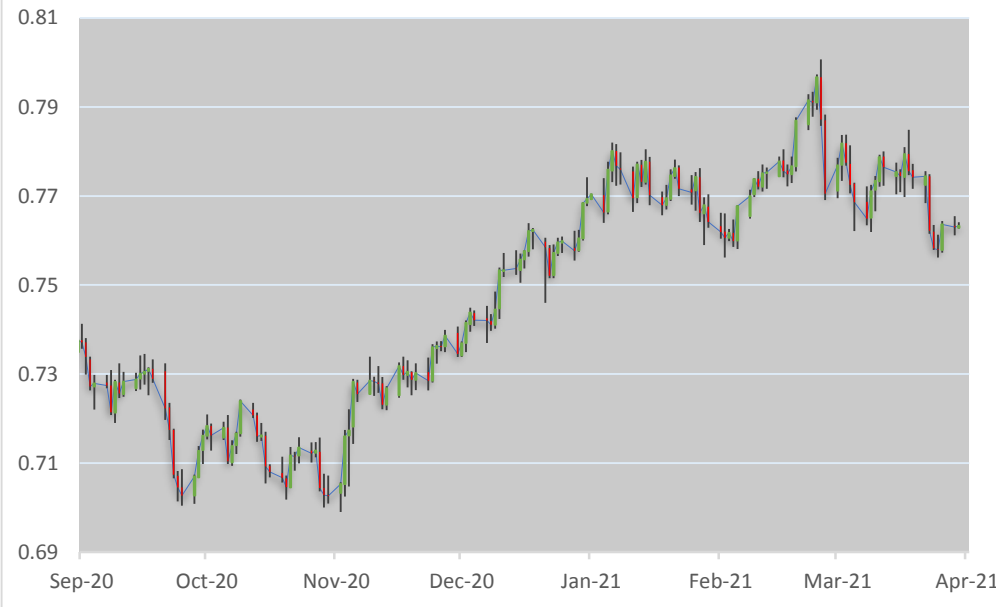
<b>Lower Bound</b>	<b>1.3600</b>	<b>Upper Bound</b>	<b>1.3900</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

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**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- The data calendar this week is very light in Australia, with only trade figures from February worth highlighting. Focus should remain on the oil market and it's spill-over on other commodities.
- The EU-Australia dispute over vaccine supplies to Papua New Guinea and the floods in Sydney and NSW that may slow vaccination efforts. That said, we expect external factors to remain the primary driver of the aussie.

**Australian Dollar News**

• The aussie was down by 1.5% on the week following a combination of choppy risk sentiment and rallying yields. On the latter, the Reserve Bank of Australia (RBA) has surely welcomed the 10bp fall in Australian 10Y yield this week, which has brought the differential with 10Y Treasuries below 4bp, the lowest since early February. However, the aussie rebounded above 0.7600 at the end of the week.

**Australian Dollar Performance**

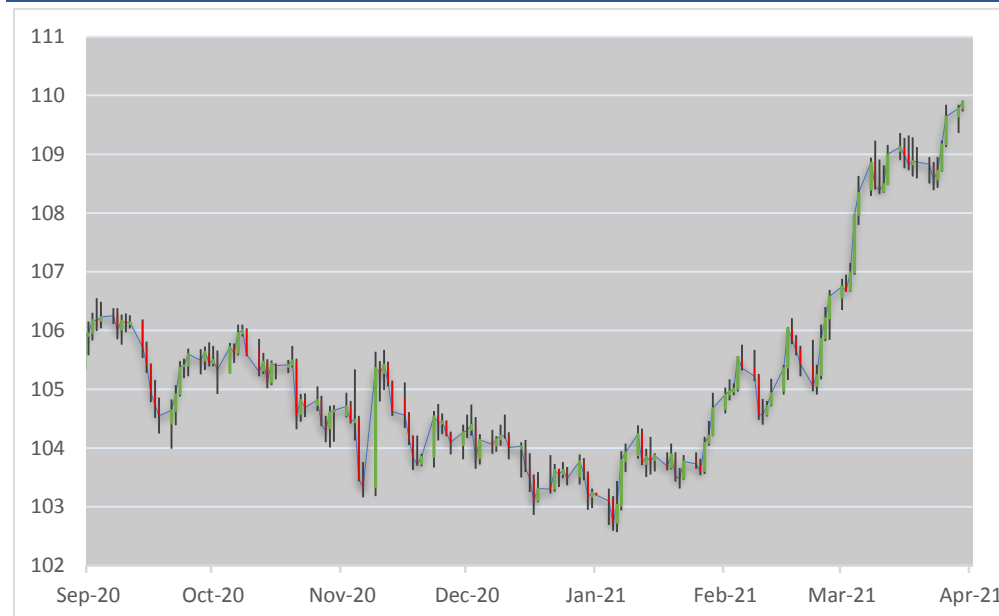
<b>Last Week Close</b>	<b>0.7742</b> USD/AUD	<b>Monthly High</b>	<b>0.7849</b> USD/AUD
<b>Week Open</b>	<b>0.7725</b> USD/AUD	<b>Monthly Low</b>	<b>0.7564</b> USD/AUD
<b>Week Close</b>	<b>0.7636</b> USD/AUD	<b>30 Days Average</b>	<b>0.7692</b> USD/AUD
<b>Weekly High</b>	<b>0.7756</b> USD/AUD	<b>90 Days Average</b>	<b>0.7422</b> USD/AUD
<b>Weekly Low</b>	<b>0.7562</b> USD/AUD	<b>YTD Change</b>	<b>-0.81%</b>

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Building Approvals	Feb	31-Mar	3.2%	-19.4%
Private Sector Credit	Feb	31-Mar		0.3%
Housing Credit	Feb	31-Mar		0.4%
Retail Sales MM Final	Feb	1-Apr	-1.1%	-1.1%
Trade Balance G&S (A\$)	Feb	1-Apr	9,900M	10,142M

<b>Lower Bound</b>	<b>0.7530</b>	<b>Upper Bound</b>	<b>0.7725</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The week ahead in Japan sees February retail sales and industrial production, plus the 1Q Tankan business survey. The weaker JPY must be providing some windfall gains to Japanese exporters and a further improvement in the Tankan should not be a surprise. ☒

<b>Lower Bound</b>	<b>108.50</b>	<b>Upper Bound</b>	<b>110.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Japanese Yen News**

- At the beginning of the week, the yen traded flat after the Bank of Japan (BOJ) widened its target band for the benchmark 10-year yield by an implicit 5 basis points. The move that had been trailed in the press and BOJ Governor Haruhiko Kuroda downplayed suggestions that it was tightening its policy.
- After that, the yen gained amid risk aversion as markets already digested the volatility following the weekend headlines after Turkish President fired hawkish central banker and concern over sanctions placed in China.
- However, the yen eased its gains and traded in depreciated trend till the end of the week.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>108.87 JPY/USD</b>	<b>Monthly High</b>	<b>109.92 JPY/USD</b>
<b>Week Open</b>	<b>108.86 JPY/USD</b>	<b>Monthly Low</b>	<b>106.37 JPY/USD</b>
<b>Week Close</b>	<b>109.64 JPY/USD</b>	<b>30 Days Average</b>	<b>104.32 JPY/USD</b>
<b>Weekly High</b>	<b>109.84 JPY/USD</b>	<b>90 Days Average</b>	<b>105.15 JPY/USD</b>
<b>Weekly Low</b>	<b>108.39 JPY/USD</b>	<b>YTD Change</b>	<b>+6.53%</b>

**Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Jobs/Applicants Ratio	Feb	30-Mar	1.10	1.10
Unemployment Rate	Feb	30-Mar	3.0%	2.9%
Industrial O/P Prelim MM SA	Feb	31-Mar	-1.2%	4.3%
Tankan Big Mf Idx	Q1	1-Apr	0	-10
Tankan Big Mf Outlook DI	Q1	1-Apr	4	-8
Tankan Big Non-Mf Idx	Q1	1-Apr	-5	-5
Tankan All Big Capex Est	Q1	1-Apr	1.4%	-1.2%
Tankan Small Mf Idx	Q1	1-Apr	-20	-27
Tankan Sm Mf Outlook DI	Q1	1-Apr	-17	-26
Tankan Small Non-Mf Idx	Q1	1-Apr	-14	-12

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