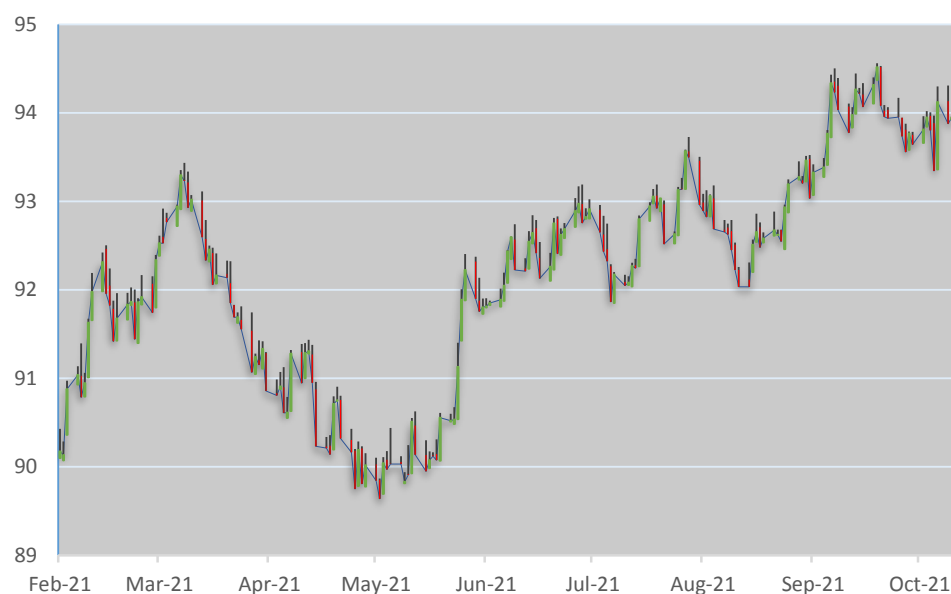


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

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


Source: Thomson Reuters

**Dollar Outlook**

- The market will focus on FOMC Meeting, The Federal Reserve is expected to use this opportunity to announce a tapering of its asset purchases.
- More specifically, we think the Fed will begin reducing its Treasury security and mortgage-backed security (MBS) purchases by \$10B and \$5B per month, respectively, starting in December.
- Nonfarm Payrolls is expected to increase 425K from 194K, and unemployment set to remain steady at 4.8%.
- Bonds became volatile and also impacted markets. Fears of elevated inflation turned into the pricing of rate hikes coming earlier than previously thought.

<b>Lower Bound</b>	<b>93.68</b>	<b>Upper Bound</b>	<b>94.21</b>
<b>Forecast</b>	<b>Neutral</b>		

**Dollar News**

- The dollar had seen no new supporting factors while the increased price of commodities has stimulated the selling rate of the dollar.
- At the beginning of last week, the US dollar weakness as weak US growth. The world's largest economy expanded by only 2% annualized in the third quarter of the year, worse than estimated and a substantial climbdown from 6.7% in the previous period. The shortage in semiconductors had a considerable impact, and so did rising prices.
- At the end of last week, the US Dollar strengthened due to several factors like month-end flows, portfolio reshuffling, inflation concerns, and the upcoming Federal Reserve meeting, where market participants expect a bond taper announcement.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>93.64</b>	<b>Monthly High</b>	<b>94.56</b>
<b>Week Open</b>	<b>93.66</b>	<b>Monthly Low</b>	<b>92.98</b>
<b>Week Close</b>	<b>93.32</b>	<b>30 Days Average</b>	<b>93.87</b>
<b>Weekly High</b>	<b>94.31</b>	<b>90 Days Average</b>	<b>93.05</b>
<b>Weekly Low</b>	<b>93.28</b>	<b>YTD Change</b>	<b>+4.46%</b>

**Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
ISM Manufacturing PMI	Oct	1-Nov	60.5	61.1
International Trade \$	Sep	3-Nov	-80.3B	-73.3B
Factory Orders MM	Sep	3-Nov	0.1%	1.2%
ISM N-Mfg PMI	Oct	3-Nov	62.1	61.9
Fed Funds Tgt Rate	3 Nov	4-Nov	0-0.25	0-0.25
Initial Jobless Clm	30 Oct, w/	4-Nov	275k	281k
Non-Farm Payrolls	Oct	5-Nov	413k	194k
Unemployment Rate	Oct	5-Nov	4.7%	4.8%
Average Earnings YY	Oct	5-Nov	4.9%	4.6%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht News**

- During last week, the baht moved drift sideways. A factor that will cause the baht to strengthen is that the market is in a risk-on state which will also cause the dollar to weaken.
- Gold selling will also cause the baht to strengthen if the price goes up nearly 1,800 dollars per ounce.
- The Commerce Minister announced that Thailand's exports in September came in at US\$23 billion, marking a 17 per cent surge compared to the same period last year. Imports in September, meanwhile, were worth \$22.43 billion or up by 30 per cent against the same period last year.
- Thai food exports remain untouched by Covid crisis. Despite the Covid-19 fallout, the food and beverage industry has proved to be a stable income generator for most Thai exporters.

**Thai Baht Performance**

<b>Last Week Close</b>	#N/A THB/USD	<b>Monthly High</b>	<b>33.48</b> THB/USD
<b>Week Open</b>	<b>33.25</b> THB/USD	<b>Monthly Low</b>	<b>33.26</b> THB/USD
<b>Week Close</b>	<b>33.17</b> THB/USD	<b>30 Days Average</b>	<b>33.48</b> THB/USD
<b>Weekly High</b>	<b>33.38</b> THB/USD	<b>90 Days Average</b>	<b>32.97</b> THB/USD
<b>Weekly Low</b>	<b>32.97</b> THB/USD	<b>YTD Change</b>	<b>+11.29%</b>

**Thai Baht Outlook**

- The baht might be volatile from Thai stocks selling. Foreign investors might slow down in investing in Thai stocks because they are waiting for the basic economy factor in Thai to be better. Investors are waiting to see the economy after the country opening in November.
- Thailand reopening on November 1 and the export sector moving in a positive direction, Finance Minister Arkhom Termpittayapaisith reckons the economy will grow by at least 1 per cent this year.
- However, investors would continue delaying investment to follow the US Federal Open Market Committee meeting this week as it is expected that the committee would taper its quantitative easing programme.

**Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Oct	1-Nov		48.9
CPI Headline Inflation	Oct	5-Nov		1.68%
CPI Core Inflation YY	Oct	5-Nov		0.19%

<b>Lower Bound</b>	<b>33.19</b>	<b>Upper Bound</b>	<b>33.71</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

**Euro**
**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Higher US Treasury bonds might have been the main reason for the sharp EUR/USD reversal.
- EUR/USD may continue to retrace the decline from the September high (1.1909) as mixed data prints coming out of the US economy undermines speculation for an imminent shift in Fed policy, but a further advance in the exchange rate may continue to alleviate the tilt in retail sentiment like the behavior seen earlier this year.
- The focus was on President Christine Lagarde's press conference. Lagarde insisted that inflation will likely be temporary and decrease next year.

<b>Lower Bound</b>	<b>1.1560</b>	<b>Upper Bound</b>	<b>1.1634</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- ECB kept its interest rate unchanged at 0%, while ECB would moderately reduce the pace of PEPP in the Q4 2021. However, ECB Governor foreseen the inflation in Eurozone would remain high for a longer period and this bolstered EURUSD.
- The euro area Gross Domestic Product (GDP) is expected to expand by 3.5% in the third quarter following a 14.3% growth in the second quarter. In the meantime, the data from Germany revealed that the economy grew by 1.8% on a quarterly basis, missing the market expectation of 2.2%.
- The euro attempts to find support at 1.1535, crushed by a combination of factors and a stronger US dollar.
- Monetary policy decisions by the ECB, the BoC, and the BoJ plus the US GDP data have triggered significant fluctuations in FX markets.

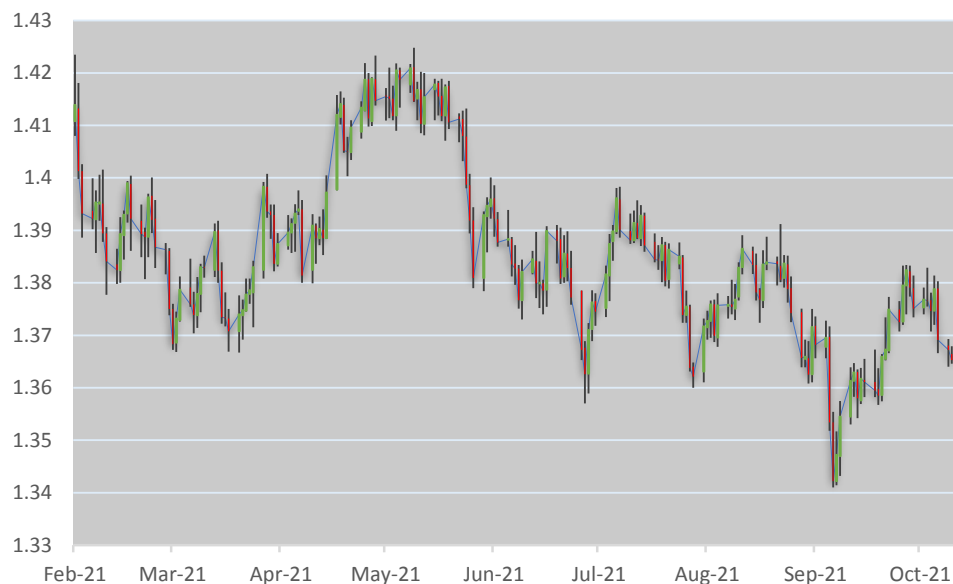
**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1647</b> USD/EUR	<b>Monthly High</b>	<b>1.1609</b> USD/EUR
<b>Week Open</b>	<b>1.1642</b> USD/EUR	<b>Monthly Low</b>	<b>1.1547</b> USD/EUR
<b>Week Close</b>	<b>1.1561</b> USD/EUR	<b>30 Days Average</b>	<b>1.1624</b> USD/EUR
<b>Weekly High</b>	<b>1.1692</b> USD/EUR	<b>90 Days Average</b>	<b>1.1740</b> USD/EUR
<b>Weekly Low</b>	<b>1.1533</b> USD/EUR	<b>YTD Change</b>	<b>-5.04%</b>

**Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Markit Mfg Final PMI	Oct	2-Nov	58.5	58.5
Unemployment Rate	Sep	3-Nov	7.4%	7.5%
Markit Serv Final PMI	Oct	4-Nov	54.7	54.7
Markit Comp Final PMI	Oct	4-Nov	54.3	54.3
Producer Prices MM	Sep	4-Nov	1.9%	1.1%
Producer Prices YY	Sep	4-Nov	15.2%	13.4%
Retail Sales MM	Sep	5-Nov	0.2%	0.3%
Retail Sales YY	Sep	5-Nov	1.5%	0.0%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The investors are bracing for an eventful this week, with the meetings of both, the Bank of England (BoE) and the Federal Reserve scheduled. The BoE might hike interest rates for the first time in three years in order to tackle inflation pressures.
- GBP/USD's reaction to the BoE is unpredictable. The analysts consider that the BoE could hike rates by 0.15% this week, although they warn about a negative GBP reaction.
- Early November's daily chart is painting a mixed picture.
- Relations between the UK and France remain tense amid an ongoing row over fishing.

<b>Lower Bound</b>	<b>1.3626</b>	<b>Upper Bound</b>	<b>1.3778</b>
<b>Forecast</b>	<b>Neutral</b>		

**Pound Sterling News**

- At the beginning of last week, GBP/USD has been edging higher on weak US GDP and falling bond yields.
- At the end of last week, the GBP/USD has dropped, weighed by broad-based US dollar strength in a combination of a moderate risk aversion, and higher expectations of a hawkish turn by the Federal Reserve next week.
- UK government had a constructive talk with EU on post-Brexit trade deal but there was significant gaps remained, and resisted to reimpose restriction despite rising coronavirus and hospitalization cases.
- Britain is still struggling with high numbers of COVID-19 cases, which add to the uncertainty. Moreover, the end of the furlough scheme may adversely impact the economy as well.

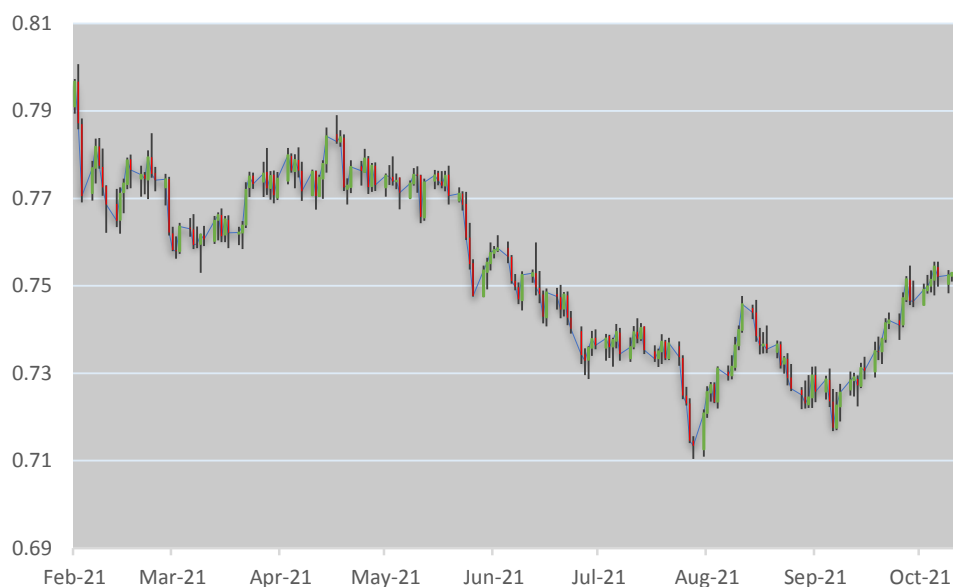
**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.3751</b> USD/GBP	<b>Monthly High</b>	<b>1.3693</b> USD/GBP
<b>Week Open</b>	<b>1.3753</b> USD/GBP	<b>Monthly Low</b>	<b>1.3643</b> USD/GBP
<b>Week Close</b>	<b>1.3691</b> USD/GBP	<b>30 Days Average</b>	<b>1.3669</b> USD/GBP
<b>Weekly High</b>	<b>1.3829</b> USD/GBP	<b>90 Days Average</b>	<b>1.3757</b> USD/GBP
<b>Weekly Low</b>	<b>1.3666</b> USD/GBP	<b>YTD Change</b>	<b>-0.15%</b>

**Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Markit/CIPS Mfg PMI Final	Oct	1-Nov	57.7	57.7
Nationwide house price mm	Oct	3-Nov	0.4%	0.1%
Nationwide house price yy	Oct	3-Nov	9.3%	10.0%
Reserve Assets Total	Oct	3-Nov		#####
BOE Bank Rate	Nov	4-Nov	0.10%	0.10%
GB BOE QE Corp	Nov	4-Nov	20B	20B
Halifax House Prices MM	Oct	5-Nov		1.7%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar News**

- Recent AUD gains reflect the rebound in broad risk sentiment, strong exports, and a reopening boost.
- Market hawkishness has likely been helpful for the AUD. But a dovish RBA and the broader USD backdrop indicate that the AUD's uptrend is likely to be unsustainable.
- Australia's CPI in Q3 came stronger than expected, inflation was 0.8% q-o-q and 3.0% y-o-y. The CPI print was good news for RBA as the inflation fell between the 2%-3% target of the central bank.
- US Core PCE rise overshadowed the Australian Retail Sales jump, weighed on the AUD/USD. On the macroeconomic docket, Australian retail sales bounced up sharply in September after plummeting in the previous three months, where lockdowns were to blame.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.7464</b> USD/AUD	<b>Monthly High</b>	<b>0.7536</b> USD/AUD
<b>Week Open</b>	<b>0.7456</b> USD/AUD	<b>Monthly Low</b>	<b>0.7487</b> USD/AUD
<b>Week Close</b>	<b>0.7521</b> USD/AUD	<b>30 Days Average</b>	<b>0.7326</b> USD/AUD
<b>Weekly High</b>	<b>0.7555</b> USD/AUD	<b>90 Days Average</b>	<b>0.7509</b> USD/AUD
<b>Weekly Low</b>	<b>0.7456</b> USD/AUD	<b>YTD Change</b>	<b>-2.13%</b>

**Australian Dollar Outlook**

- In the next meeting on 2 November, the economists expect the RBA to remain dovish.
- The broader USD backdrop and the RBA's continued dovishness mean that the AUD's uptrend is likely to be unsustainable over the longer term.
- After the RBA meeting on Tuesday, Australian building approvals and trade balance will be released on Wednesday and Thursday respectively.
- Commodity prices are also likely to play a role for AUD/USD and may counterbalance favourable interest rate differentials for the Australian Dollar.

**Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
RBA Cash Rate	Nov	2-Nov	0.10%	0.10%
Building Approvals	Sep	3-Nov	-2.0%	6.8%
Trade Balance G&S (A\$)	Sep	4-Nov	12,200M	15,077M
Retail Trade	Q3	4-Nov	-4.5%	0.8%

<b>Lower Bound</b>	<b>0.7355</b>	<b>Upper Bound</b>	<b>0.7520</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Nov 2021 - 05 Nov 2021**

**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen News**

- As widely expected, The Bank of Japan (BOJ) kept its interest rate unchanged at - 0.1% after monetary policy meeting, while BOJ Governor stated that central bank may further ease monetary policy as needed in Japan economy.
- The USD/JPY is testing levels above 114.00 as the global risk sentiment turned sour after the Evergrande woes resurfaced and tension of Sino-American relation relived over telecom issues, benefited safe-haven JPY.
- Japan Prime Minister said that an urgent proposal will be compiled by early November and it will include economic stimulus package. The prevalent risk-on sentiment in market undermined JPY.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>113.46</b> JPY/USD	<b>Monthly High</b>	<b>114.44</b> JPY/USD
<b>Week Open</b>	<b>113.59</b> JPY/USD	<b>Monthly Low</b>	<b>113.95</b> JPY/USD
<b>Week Close</b>	<b>114.00</b> JPY/USD	<b>30 Days Average</b>	<b>110.31</b> JPY/USD
<b>Weekly High</b>	<b>114.30</b> JPY/USD	<b>90 Days Average</b>	<b>109.55</b> JPY/USD
<b>Weekly Low</b>	<b>113.24</b> JPY/USD	<b>YTD Change</b>	<b>+10.46%</b>

**Japanese Yen Outlook**

- The strength in the USD/JPY has been riding on the widening yield differential between the United States and Japan government bonds, largely a result of the divergence in policy stance between the BoJ and the Federal Reserve (Fed).
- USD/JPY is expected to dive towards 112.00 in three months. In spite of the current bullish reaction, FX Analysts remain dovish on the USD: "This may be a warning to the market that in view of the inflationary implications the BoJ is not entirely happy with the JPY's position at the worst-performing G10 currency in the year to date.

**Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Jibun Bank Mfg PMI	Oct	1-Nov		53.0
Services PMI	Oct	4-Nov		47.8

<b>Lower Bound</b>	<b>112.71</b>	<b>Upper Bound</b>	<b>114.37</b>
<b>Forecast</b>	<b>Appreciation</b>		

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