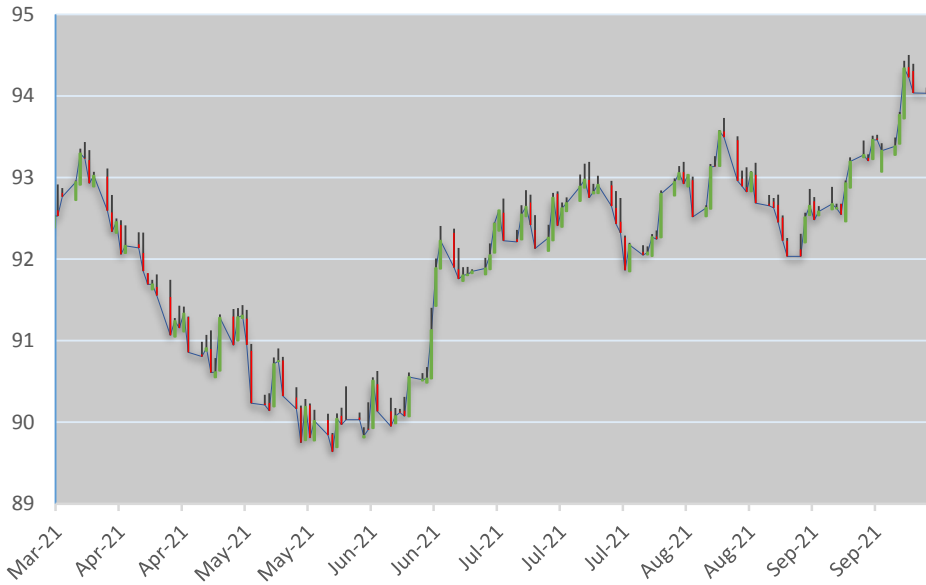


WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Oct 2021 - 08 Oct 2021

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar News

- The greenback, in the meantime, remained apathetic and practically ignored recent Fedspeak (Powell included), which added further strength to the transitory narrative around inflation (although elevated prices might now last longer than anticipated), underpinned the case for QE tapering “soon” and reiterated that the labour market need to improve further to reach the tapering threshold.
- Data released last week showed the production and housing sectors continued to hum, despite ongoing supply constraints, while consumers kept spending, despite some trepidation about the economic outlook.
- US 10-year yields keep trading in 1.50% level.

Dollar Index Performance

Last Week Close	93.3270	Monthly High	94.5030
Week Open	93.2770	Monthly Low	91.9470
Week Close	93.9880	30 Days Average	92.9844
Weekly High	94.5030	90 Days Average	92.3490
Weekly Low	93.2080	YTD Change	+4.56%

Dollar Outlook

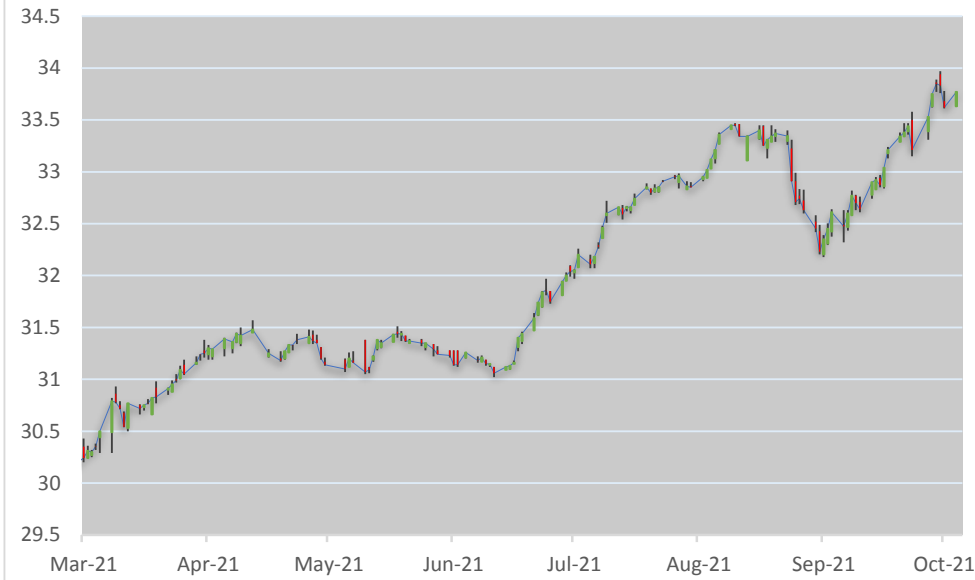
- Investors are looking ahead for Trade Balance (Tuesday), ISM Services (Tuesday) and Nonfarm Payrolls (Friday).
- We are forecasting a small decline in the ISM services index for September. During August, the new orders component of the index edged lower, as did the backlog of orders sub-index.
- We expect payrolls to rebound in September. The Delta wave appears to have peaked earlier in the month, which should help ease COVID-related concerns. We anticipate a 500K gain in payrolls for September. Furthermore, we look for the unemployment rate to decline to 5.1% and average hourly earnings to rise 0.4%.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Factory Orders MM	Aug	4-Oct	0.5%	0.4%
International Trade \$	Aug	5-Oct	-69.6B	-70.1B
Markit Comp Final PMI	Sep	5-Oct		54.5
Markit Svcs PMI Final	Sep	5-Oct		54.4
ISM N-Mfg PMI	Sep	5-Oct	61.3	61.7
Initial Jobless Clm		27 Sep, w/ 7-Oct		362k
Non-Farm Payrolls	Sep	8-Oct	500k	235k
Unemployment Rate	Sep	8-Oct	5.1%	5.2%
Average Earnings MM	Sep	8-Oct	0.40%	0.6%

Lower Bound	93.5000	Upper Bound	95.0000
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Oct 2021 - 08 Oct 2021

Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- The Thai baht depreciated against the U.S dollar due to sales of Thai assets and the risk-off market.
- Last week, the baht fluctuated across the level between of 33.31 to 33.97, the weakest in four years.
- The Monetary Policy Committee, under the Bank of Thailand (BOT), maintain its policy rate unchanged at 0.5% while maintained its estimation of gross domestic product (GDP) in 2021 at 0.7 per cent expansion, but increased its forecast of 2022 GDP to 3.9 per cent from its August estimation of 3.7 per cent.
- Thai Chamber of Commerce chairman said that the easing up of lockdown measures and reopening of more businesses from October 1 will improve the confidence of the business sector and increase people's spending in October.

Last Week Close	33.2100 THB/USD	Monthly High	33.7900 THB/USD
Week Open	33.3900 THB/USD	Monthly Low	33.6000 THB/USD
Week Close	33.6200 THB/USD	30 Days Average	33.0115 THB/USD
Weekly High	33.9700 THB/USD	90 Days Average	32.5120 THB/USD
Weekly Low	33.3100 THB/USD	YTD Change	+12.76%

Thai Baht Outlook

- However, the baht will not strengthen clearly soon until risk factors are solved especially debt ceiling negotiation in the US. Risk factors also include floods and the new Covid-19 wave.
- If the strengthening of the dollar might slow down as the market takes more risks in step with an economic recovery, which would help the baht to strengthen again.
- Tourism Authority of Thailand (TAT) updated that the quarantine period of persons who have already received complete doses of Covid-19 vaccine will be reduced from 14 to 7 days, starting from October,1

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
CPI Headline Inflation	Sep	5-Oct	0.7%	0.0%
CPI Core Inflation YY	Sep	5-Oct	0.0B	0.0B
CPI Index	Sep	5-Oct		99.6
Consumer Confidence Idx	Sep	7-Oct		39.6
Overall Comprehensive Risk	Q4	8-Oct		4.4
Forex Reserves		27 Sep, w/ 8-Oct		247400M
Currency Swaps		27 Sep, w/ 8-Oct		32500M

Lower Bound	33.3000	Upper Bound	34.0000
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Oct 2021 - 08 Oct 2021

Euro
Euro Graph


Source: Thomson Reuters

Euro News

- EUR/USD continues to see the euro weakening against the dollar, as the buck stomps down all before it. The start of tapering by the ECB has not helped the euro, with real interest rates still stubbornly negative.
- The worry for Europe's policymakers must be that market watchers and beginning to see signs of a weakening in the credibility of ECB's transitory inflation mantra.
- Economic sentiment indicators rose for most of the continent's major economies, up in Spain, Germany and the Netherlands, although was down in France and Italy.

Euro Performance

Last Week Close	1.1870 USD/EUR	Monthly High	1.1899 USD/EUR
Week Open	1.1862 USD/EUR	Monthly Low	1.1743 USD/EUR
Week Close	1.1760 USD/EUR	30 Days Average	1.1835 USD/EUR
Weekly High	1.1899 USD/EUR	90 Days Average	1.1988 USD/EUR
Weekly Low	1.1752 USD/EUR	YTD Change	-3.72%

Euro Outlook

- As the third quarter of 2021 was ending, there was still no indication that the ECB was considering changing its view that Eurozone inflation will be "transitory." There remains every chance, therefore, that it will begin to tighten its monetary policy long after the US Federal Reserve and many other central banks, and that the EUR/USD weakness seen in Q3 will continue.
- The latest flash PMIs from France, Germany and the UK saw further sharp slowdowns in September, with rising costs and weaker consumer confidence leading to weaker economic activity.

Euro Economic Events

Events	Period	Date	Forecast	Previous
Markit Serv PMI	Sep	5-Oct	56.0%	56.0%
Markit Comp PMI	Sep	5-Oct	0.0B	0.0B
Markit Services PMI	Sep	5-Oct	56	56.0
Markit Comp Final PMI	Sep	5-Oct	55.3	55.3
Markit Serv Final PMI	Sep	5-Oct	56.3	56.3
Markit Comp Final PMI	Sep	5-Oct	56.1	0k
Industrial Orders MM	Aug	6-Oct	0k	0k
Industrial Output MM	Aug	7-Oct	-0.5%	1.0%
Reserve Assets Total	Sep	7-Oct		213930M

Lower Bound	1.1500	Upper Bound	1.1700
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Oct 2021 - 08 Oct 2021

Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- The sterling remained on the backfoot as Investors remained nervous about the UK rising inflation concerns. The “stagflation “ fear due to the higher inflation, dismal economic growth and high unemployment were failed to subside even after the recent data suggested that UK economic growth for Q2 was revised higher to 5.5% against the market expectations of 4.8%.
- On Thursday, the UK Current Account was reported at -8.6B far above the -15.8B estimate and higher versus -8.9B in the previous reporting period, while the Final GDP rose by 5.5% versus 4.8% expected.
- The Chartered Institute of Purchasing & Supply and IHS Markit Economics released the situation in the UK manufacturing sector (PMI). The figure rose to 57.1, better than 56.3 foreseen by analysts.

Pound Sterling Performance

Last Week Close	1.3901 USD/GBP	Monthly High	1.3957 USD/GBP
Week Open	1.3899 USD/GBP	Monthly Low	1.3856 USD/GBP
Week Close	1.3871 USD/GBP	30 Days Average	1.3827 USD/GBP
Weekly High	1.3957 USD/GBP	90 Days Average	1.3936 USD/GBP
Weekly Low	1.3859 USD/GBP	YTD Change	+1.40%

Pound Sterling Outlook

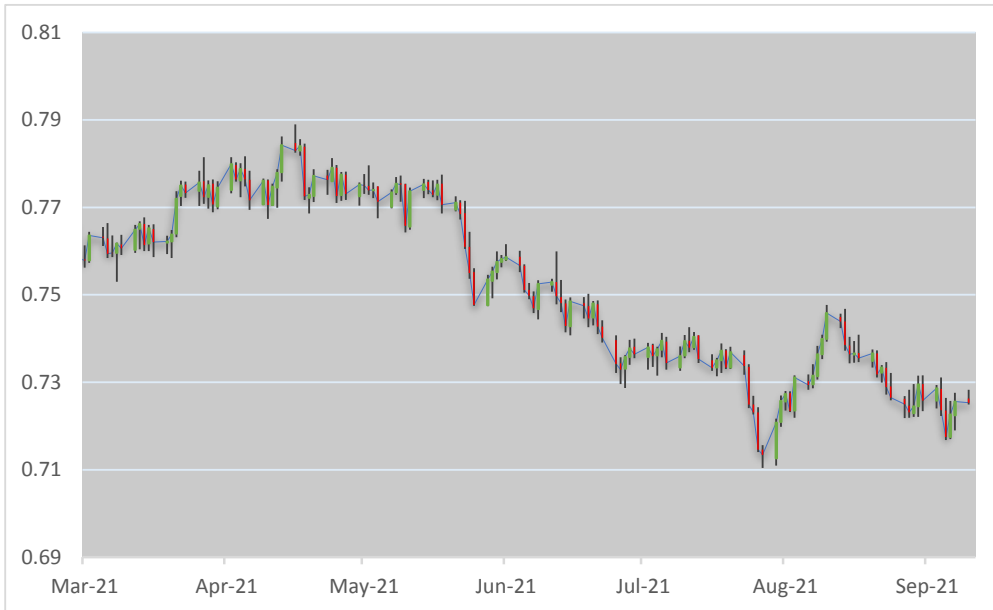
- The era of UK Quantitative Easing (QE) is coming to an end and the Bank of England (BoE) may well start increasing interest rates in early 2022 as inflation begins to stalk the UK economy.
- The UK central bank will finish its GBP 895 billion bond-buying spree by the end of this year, effectively tightening monetary conditions and setting the course for higher UK interest rates in 2022.
- Rising energy prices, worker shortages, stagflation worries keep sterling weaker against majors.

Pound Sterling Events

Events	Period	Date	Forecast	Previous
Markit/CIPS Serv PMI Final	Sep	5-Oct		54.6%
Reserve Assets Total	Sep	5-Oct		201711940K
Markit/CIPS Cons PMI	Sep	6-Oct		55.2
Halifax House Prices MM	Sep	7-Oct		0.7

Lower Bound	1.3400	Upper Bound	1.3650
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
04 Oct 2021 - 08 Oct 2021

Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- Investors will eyes on RBA rate decision on Tuesday (5/10), there had been a widespread expectation that the RBA might look at delaying its decision to start tapering its weekly bond purchase program from A\$5bn to A\$4bn a week last month, due to the various lockdowns being imposed by the Australian government.
- As we look to this week's October meeting the outlook for the economy hasn't markedly improved, although that isn't surprising given that a lot of restrictions still remain in place.

Australian Dollar News

- The aussie lost its momentum after the factory activity in Australia weakened in September while stagnation in Asia, including the second biggest economy China. Furthermore, the risk sentiment was dented by the resignation of New South Wales Premier over a corruption probe amid the COVID-19 outbreak in the country.
- The risk of China defaulting on Evergrande and growing concerns about the pace of the global economic recovery has caused investors to abandon risky assets.

Australian Dollar Performance

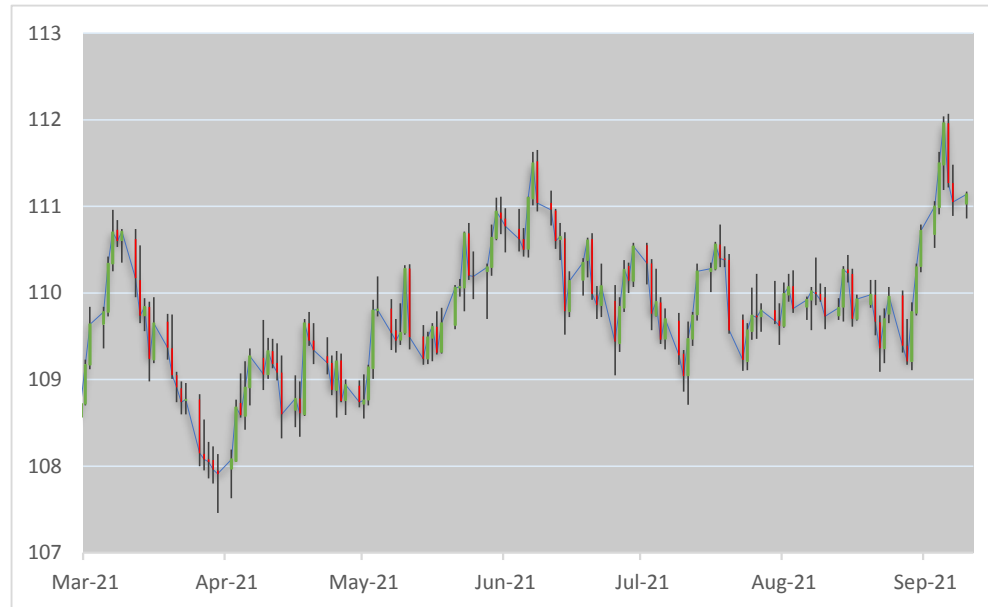
Last Week Close	0.7344 USD/AUD	Monthly High	0.7426 USD/AUD
Week Open	0.7334 USD/AUD	Monthly Low	0.7329 USD/AUD
Week Close	0.7353 USD/AUD	30 Days Average	0.7745 USD/AUD
Weekly High	0.7426 USD/AUD	90 Days Average	0.7731 USD/AUD
Weekly Low	0.7326 USD/AUD	YTD Change	-4.42%

Australian Dollar Events

Events	Period	Date	Forecast	Previous
Trade Balance G&S (A\$)	Aug	5-Oct	10650M	12117M
RBA Cash Rate	Oct	5-Oct	0.0B	0.0B

Lower Bound	0.7150	Upper Bound	0.7350
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

Japanese Yen Graph


Source: Thomson Reuters

- The Japanese yen gains on its safe-haven appeal, despite concerns over the pace of economic recovery in China and Japan. Industrial output declined in August whereas Retail sales fell by 3.2% in August against the market expectations of a 1% drop.
- Furthermore, the Bank of Japan (BOJ) Governor Haruhiko Kuroda said that the central bank will continue to support Japan's economic recovery with its massive stimulus.
- The safe-haven Japanese Yen benefited against most of its peers last week as a bout of risk aversion rippled through financial markets.

Japanese Yen Performance

Last Week Close	110.7200 JPY/USD	Monthly High	111.4400 JPY/USD
Week Open	110.6800 JPY/USD	Monthly Low	110.8800 JPY/USD
Week Close	111.0500 JPY/USD	30 Days Average	109.4435 JPY/USD
Weekly High	112.0700 JPY/USD	90 Days Average	108.7137 JPY/USD
Weekly Low	110.5200 JPY/USD	YTD Change	+7.69%

Japanese Yen Outlook

- The Yen's path forward this week will likely remain driven by safe-haven flows and the broader market's direction.
- The Bank of Japan rate decision and CPI data, while important to the Yen at a more granular level, is unlikely to have an outsized impact.
- Political factors within Japan may also affect Yen direction as the country prepares to select its next leader for the governing Liberal Democratic Party.

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	Sep	5-Oct	0.2%	0.0%
CPI, Overall Tokyo	Sep	5-Oct		0.0B
Services PMI	Sep	5-Oct		42.9
All Household Spending YY	Aug	8-Oct	-1.5	0.7
All Household Spending MM	Aug	8-Oct	-2.0	-0.9
Current Account NSA JPY	Aug	8-Oct	1540.9B	1910.8B

Lower Bound	109.50	Upper Bound	112.00
Forecast	Appreciation		

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