

WEEKLY FOREIGN EXCHANGE OUTLOOK
18 Apr 2022 - 22 Apr 2022

Dollar Index
Dollar Index Graph
Dollar News


Source: Thomson Reuters

- The US Treasury yields rebounded on advancing bets over a tightening Fed policy.
- The DXY is moving above 100.00 and touched its highest level since March 2020 at 100.76, boosted by rising US Treasury bond yields and safe-haven flows.
- The US Treasury yields moves higher on aggressive tightening plans of the Fed as the FOMC member, John Williams, cited on Thursday that the Fed should consider a 50-bps interest rate hike in May's monetary policy.

Dollar Performance

Last Week Close	99.80	Monthly High	100.76
Week Open	99.84	Monthly Low	97.69
Week Close	100.32	30 Days Average	98.98
Weekly High	100.76	90 Days Average	97.10
Weekly Low	99.57	YTD Change	+4.72%

Dollar Outlook

- The DXY is likely to extend its gains as safe-haven asset considering the uncertainty in the world markets.
- The incoming geopolitical headlines have dashed hopes for any political solution to end the war in Ukraine. Moreover, concerns over the potential economic fallout from the Ukraine crisis, along with the inflation fears, should continue to boost demand for safe-haven asset, dollar.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Housing Starts Number	Mar	19-Apr	1.750M	1.769M
Existing Home Sales	Mar	20-Apr	5.80M	6.02M
Initial Jobless Clm	16 Apr, w/	21-Apr	175k	185k
Philly Fed Business Indx	Apr	21-Apr	20.0	27.4
S&P Global Mfg PMI Flash	Apr	22-Apr	58.2	58.8
S&P Global Svcs PMI Flash	Apr	22-Apr	58.0	58.0
S&P Global Comp Flash PMI	Apr	22-Apr		57.7

Lower Bound	99.50	Upper Bound	101.50
Forecast	Appreciation		

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- The Thai baht is likely to move in a range of 33.25-33.80 THB/USD in near term.
- The risk of Ukraine war could weigh on global sentiment including Thailand, which may affect the Thai exports and manufacturing sectors. Moreover, China's lengthening lockdown may add turbulence to supply disruptions as Thailand is highly dependent on China which could pressure the baht further.

Thai Baht News

- The baht continually depreciated against the dollar during the beginning of last week as the Fed is likely to raise rates by 50-bps in this May; seeing capital outflows.
- The risks to global economy are rising; the Asian and Thai economy is likely to slowdown more than expected due mainly to the impacts of the Ukraine crisis on a situation that was already difficult, given widespread of Covid-19 outbreaks.
- Thailand's inflation climbed to a 13-year high in March, adding to fears over the rising cost of living; the headline inflation rose to 5.73% YoY in March from 5.28% in February on rising energy prices worldwide on Russia-Ukraine conflict.

Thai Baht Performance

Last Week Close	33.59 THB/USD	Monthly High	33.71 THB/USD
Week Open	33.57 THB/USD	Monthly Low	33.32 THB/USD
Week Close	#N/A THB/USD	30 Days Average	33.30 THB/USD
Weekly High	33.69 THB/USD	90 Days Average	33.20 THB/USD
Weekly Low	33.55 THB/USD	YTD Change	+0.81%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Mar	22-Apr	1.25%	16.20%
Custom-Based Import Data	Mar	22-Apr	4.50%	16.80%
Customs-Based Trade Data	Mar	22-Apr	-0.10B	0.12B

Lower Bound	33.25	Upper Bound	33.80
Forecast	Depreciation		

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Euro Graph


Source: Thomson Reuters

Euro Outlook

- As the ECB President Lagarde was already in the expectation category, therefore dovish guidance could force the markets to dump the euro.
- While the guidance on interest rate hike states that it will arrive only after the Asset Purchase Program, which will conclude in the 3rd quarter.
- At the same time, the situation in Europe due to a higher inflation rate which is currently 7.5% and a slow growth rate amid the Ukraine crisis, are going to get worsened for the ECB as the energy prices is on upside moves which will impact to the household spending in Europe.

Euro News

- The Euro was suffering heavy losses and plunging to its lowest level in 2 years around 1.0750 level amid the ECB's inaction on last Thursday.
- An intense sell-off in the shared currency came after the ECB announced an unchanged interest rate policy, in line with the market expectations. The ECB kept its interest rate unchanged and provided dovish guidance.
- The EUR was moving sideways around 1.0750 – 1.0800 as the market was quite due to Easter Friday.

Euro Index Performance

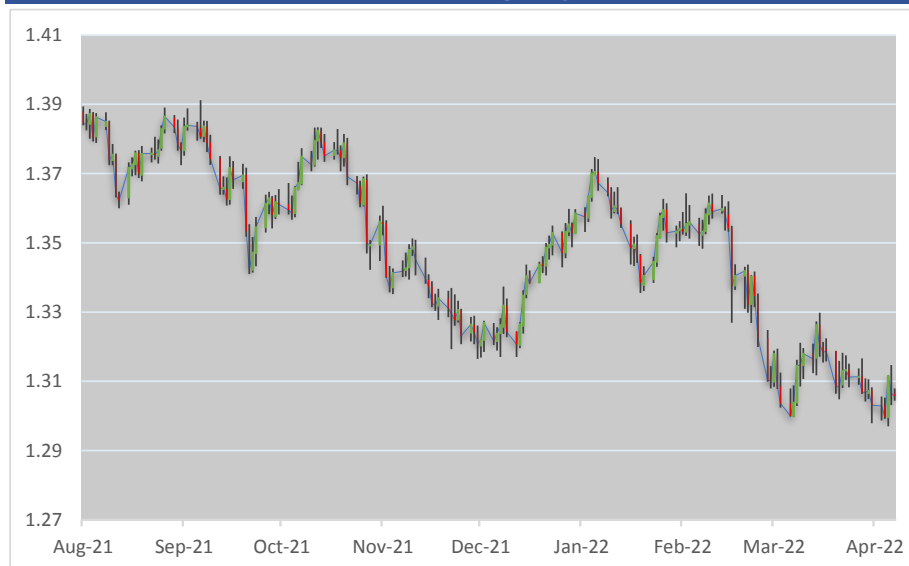
Last Week Close	1.0876 USD/EUR	Monthly High	1.1075 USD/EUR
Week Open	1.0933 USD/EUR	Monthly Low	1.0758 USD/EUR
Week Close	1.0806 USD/EUR	30 Days Average	1.0980 USD/EUR
Weekly High	1.0950 USD/EUR	90 Days Average	1.1194 USD/EUR
Weekly Low	1.0756 USD/EUR	YTD Change	-4.94%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Reserve Assets Total	Mar	19-Apr		1,091.82B
Business Climate Mfg	Apr	21-Apr	104	106
HICP Final MM	Mar	21-Apr	2.5%	0.9%
HICP Final YY	Mar	21-Apr	7.5%	7.5%
Consumer Confid. Flash	Apr	21-Apr	-20.0	-18.7

Lower Bound Forecast	1.0700	Upper Bound	1.0900
	Depreciation		

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Pound Sterling
Pound Sterling Graph
Pound Sterling News


Source: Thomson Reuters

- The pound sterling was fluctuating in narrow range around 1.3050 on Friday and remained on track to close the week slightly higher.
- A sharp decline in EUR/GBP after the ECB's policy decisions suggested that the pound sterling took some of capital outflows out of the euro.
- Meanwhile, the BoE's March meeting has changed its tone from being very hawkish to being more cautious. Which means we could see some more interest in the pound sterling as we head closer to the May's BOE monetary policy meeting.
- The next 25-bps hike, the BoE will reach the critical 1% trigger to consider QT program.

Pound Sterling Performance

Last Week Close	1.3031 USD/GBP	Monthly High	1.3166 USD/GBP
Week Open	1.3039 USD/GBP	Monthly Low	1.2974 USD/GBP
Week Close	1.3058 USD/GBP	30 Days Average	1.3112 USD/GBP
Weekly High	1.3147 USD/GBP	90 Days Average	1.3357 USD/GBP
Weekly Low	1.2970 USD/GBP	YTD Change	-3.48%

Pound Sterling Outlook

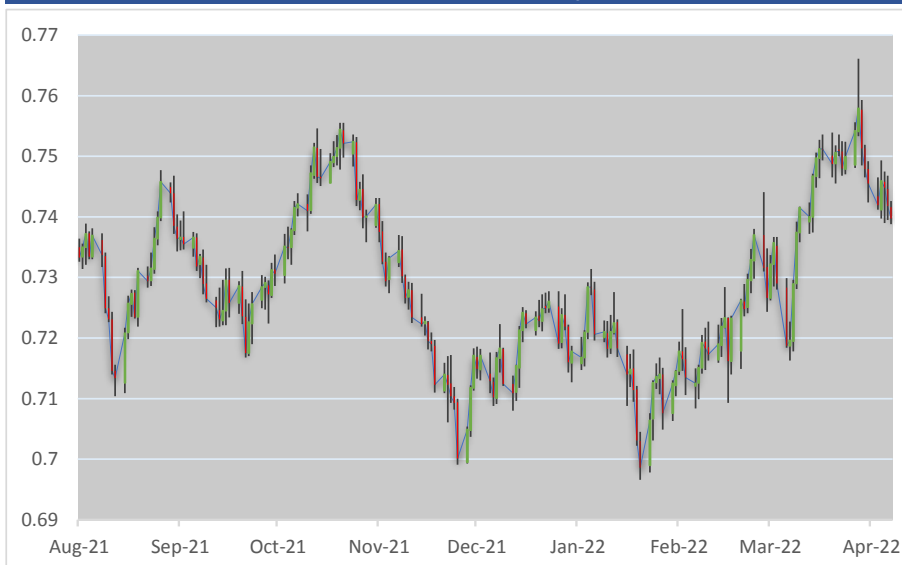
- As markets continue to look positive in dollar fundamentals, including hawkish Fed policy and the recent rise in US bond yields, while the UK fundamentals are negative as well as much more dovish BOE policy compared to the Fed, the pound sterling's upside should be capped.
- Meanwhile, this week's US inflation data has reinforced markets' expectations for rapid monetary policy tightening from the Fed, which is keeping the support to dollar and pressure the pound sterling.
- This week, the GBP/USD remains at risk of slumping under 1.3000.

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Retail Sales MM	Mar	22-Apr	-0.3%	-0.3%
Retail Sales Ex-Fuel MM	Mar	22-Apr	-0.5%	-0.7%
Retail Sales YY	Mar	22-Apr	2.8%	7.0%
Flash Composite PMI	Apr	22-Apr	59.1	60.9
Flash Manufacturing PMI	Apr	22-Apr	54.0	55.2
Flash Services PMI	Apr	22-Apr	60.3	62.6

Lower Bound	1.2900	Upper Bound	1.3150
Forecast	Neutral		

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The jobs data has underpinned a neutral stance by the RBA in May's monetary policy.
- Next week will bring the RBA Minutes and Consumer Price Index.
- Risk aversion, broad US dollar strength, and a "decent" Australian jobs report may continually weigh on the AUD.
- And the fact that the RBA kept its monetary policy unchanged, the RBA Governor Lowe said that the RBA is going to a 'wait and watch' approach as the current energy prices pressure is not advocating any sudden requirement of interest rate hikes.

Australian Dollar News

- The Aussie last week was pressure by a risk-off mood, alongside with mixed US economic data, Russia-Ukraine jitters and China's Covid-19 outbreak in Shanghai cloud the global sentiment.
- On the data front for Australia; employment figures came out good but lower than expectations. The Australian economy added just 17.9K new jobs, lower than the 40K estimated. While the unemployment rate ticked up to 4%, higher than the 3.9% expected.
- However, the Aussie plunged higher against the dollar as a firmer rebound in Wall Street on Wednesday has underpinned a positive market sentiment as the fears of higher US inflation faded away. This has further increased the demand for risk-perceived assets, Aussie.

Australian Dollar Performance

Last Week Close	0.7455 USD/AUD	Monthly High	0.7661 USD/AUD
Week Open	0.7434 USD/AUD	Monthly Low	0.7392 USD/AUD
Week Close	0.7397 USD/AUD	30 Days Average	0.7158 USD/AUD
Weekly High	0.7493 USD/AUD	90 Days Average	0.7228 USD/AUD
Weekly Low	0.7388 USD/AUD	YTD Change	+1.89%

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Mfg PMI Flash	Apr	22-Apr		57.7
Services PMI Flash	Apr	22-Apr		55.6
Comp PMI Flash	Apr	22-Apr		55.1

Lower Bound	0.7350	Upper Bound	0.7550
Forecast	Neutral		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The outlook for USD/JPY remains positive supported by the divergence between the Fed and the BoJ. Since early March, it has consolidated above a long-term resistance area seen around 125.00.
- The divergence between the Fed and the BoJ should pressure the yen to downward side.
- If the geopolitical situation is getting worse, it could also lead a sharp loss in equity markets and boost Treasuries' demand which should weaken the USD/JPY.
- With most recent updates on the Russia-Ukraine war suggested that peace remains farther than expected, it could further drive demand toward safe-haven, gold.

Japanese Yen News

- The BoJ is likely to keep its monetary policy ultra-loose despite expected upward revision to inflation forecasts while Reuters reported that the BoJ is expected to raised its 2022 inflation forecast to above 1.5% from current of 1.1% at April meeting; while downgrading the 2022 growth forecast from current of 3.8% expansion.
- Following the headline, the Yen touched its highest level in almost 20 years above 126.50 early Friday.
- Japanese PM Fumio Kishida said on Friday that the BoJ's monetary policy is aimed at achieving its 2% inflation target, not at manipulating currency rates.

Japanese Yen Performance

Last Week Close	124.32 JPY/USD	Monthly High	126.68 JPY/USD
Week Open	124.05 JPY/USD	Monthly Low	121.83 JPY/USD
Week Close	126.35 JPY/USD	30 Days Average	113.97 JPY/USD
Weekly High	126.68 JPY/USD	90 Days Average	112.67 JPY/USD
Weekly Low	123.99 JPY/USD	YTD Change	+9.81%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Mar	20-Apr	17.5%	19.1%
Imports YY	Mar	20-Apr	28.9%	34.0%
Trade Balance Total Yen	Mar	20-Apr	-100.8B	-668.3B
CPI, Core Nationwide YY	Mar	22-Apr	0.8%	0.6%
CPI, Overall Nationwide	Mar	22-Apr		0.9%
JibunBK Mfg PMI Flash SA	Apr	22-Apr		54.1

Lower Bound	124.00	Upper Bound	127.00
Forecast	Depreciation		

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