

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**25 Jul 2022 - 29 Jul 2022**

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


Source: Thomson Reuters

**Dollar News**

- Expectations of a super-sized tightening by the Federal Reserve at 100 basis points have been reined in, with Fed Governor Christopher Waller and St. Louis Fed President James Bullard, both known hawks, favoring a 75 bps hike.
- The DXY dropped from the 107.50 area to close at 106.7 after market reduced bets on Fed rate hike. However, USD gained back momentum by the end of the week on safe-haven flows.
- The US published Initial Jobless Claims for the week which increased to 251, worse than anticipated. Also, the July Philadelphia Fed Manufacturing Survey missed expectations, falling to -12.3 from -3.3 previously.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>108.06</b>	<b>Monthly High</b>	<b>109.29</b>
<b>Week Open</b>	<b>107.98</b>	<b>Monthly Low</b>	<b>103.42</b>
<b>Week Close</b>	<b>106.11</b>	<b>30 Days Average</b>	<b>105.96</b>
<b>Weekly High</b>	<b>109.29</b>	<b>90 Days Average</b>	<b>103.03</b>
<b>Weekly Low</b>	<b>106.11</b>	<b>YTD Change</b>	<b>+11.37%</b>

**Dollar Outlook**

- Fed officials signalled they would likely stick with a 75-basis-point interest rate increase at their July 26-27 meeting, though a recent high inflation reading could still warrant larger increases than anticipated later in the year.
  - Dollar may fall against a basket of currencies as rate hike bets ease.
- The US economic calendar will feature inflation data and Q2 Gross Domestic Product.

**Next Week's Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confidence	Jul	26-Jul	97.3	98.7
New Home Sales-Units	Jun	26-Jul	0.664M	0.696M
Durable Goods	Jun	27-Jul	-0.3%	0.8%
Fed Funds Tgt Rate	27 Jul	28-Jul	2.25-2.5	1.5-1.75
GDP Advance	Q2	28-Jul	0.4%	-1.6%
Initial Jobless Clm	23 Jul, w/e	28-Jul	253k	251k
Consumption, Adjusted MM	Jun	29-Jul	0.9%	0.2%
U Mich Sentiment Final	Jul	29-Jul	51.1	51.1

<b>Lower Bound</b>	<b>104.37</b>	<b>Upper Bound</b>	<b>109.09</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**25 Jul 2022 - 29 Jul 2022**

**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The BOT plans to assess the appropriate timing for a gradual policy normalisation, in accordance with a shift in the outlook and risks surrounding growth and inflation. Market may perceive this as a dovish persona, which continue to reflect in THB weakness against the dollar.
- High volatility may be a theme during Thailand's long holiday weekend as market await the upcoming debate of the FOMC's July meeting.

<b>Lower Bound</b>	<b>36.00</b>	<b>Upper Bound</b>	<b>37.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Thai Baht News**

- The Bank of Thailand will monitor economic circumstances before deciding on a policy rate move at a suitable time to keep the economic recovery intact.
- BOT played down inflationary pressure and expected inflation to start falling in Q4.
- Thai baht depreciated against the dollar, reaching toward the weakest level since 2006 at 36.96 as safe-haven flows bolstered dollar demand.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.62</b> THB/USD	<b>Monthly High</b>	<b>36.94</b> THB/USD
<b>Week Open</b>	<b>34.43</b> THB/USD	<b>Monthly Low</b>	<b>35.33</b> THB/USD
<b>Week Close</b>	<b>36.64</b> THB/USD	<b>30 Days Average</b>	<b>35.82</b> THB/USD
<b>Weekly High</b>	<b>36.94</b> THB/USD	<b>90 Days Average</b>	<b>34.65</b> THB/USD
<b>Weekly Low</b>	<b>36.51</b> THB/USD	<b>YTD Change</b>	<b>+9.96%</b>

**Next Week's Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Jun	27-Jul		-2.11%
Custom-Based Export Data	Jun	25-Jul	8.50%	10.50%
Custom-Based Import Data	Jun	25-Jul	20.60%	24.10%
Customs-Based Trade Data	Jun	25-Jul	-1.53B	-1.87B
Exports YY	Jun	27-Jul		11.30%
Imports YY	Jun	27-Jul		23.30%
Trade Account	Jun	27-Jul		2.00B
Current Account	Jun	27-Jul		-3.70B

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**25 Jul 2022 - 29 Jul 2022**

**Euro**
**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Focus shifts to the Transmission Protection Instrument (TPI).
- EURUSD may be pressured by dollar strength based on safe-haven flows, and euro weakness related to Lagarde's lack of TPI details and September commitment. The risk of a sovereign debt crisis in Italy could also hold back traders from placing fresh bullish bets.
- The renewed upswing of 1.0270 will open doors toward 1.0460. On the flip side, support is seen at 1.02, below which the 1.015 psychological barrier will come into play.

• The renewed upswing	<b>1.0000</b>	<b>Upper Bound</b>	<b>1.0300</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- The European Central Bank raised its key interest rate by 50 basis points, the first increase in 11 years and the biggest since 2000 as it confronts surging inflation even as recession risks mount. EUR/USD recaptured on the 1.03 level, but significant uncertainty remains.
- Recent EU-China trade talk was made on macroeconomic policy coordination, unblocking supply chains and reforming the world trading system. This could be seen as a positive for the euro in the coming months.
- Russia's Nord Stream 1 pipeline resume gas flows at reduced levels.

**Euro Index Performance**

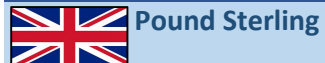
<b>Last Week Close</b>	<b>1.0087</b> USD/EUR	<b>Monthly High</b>	<b>1.0477</b> USD/EUR
<b>Week Open</b>	<b>1.0083</b> USD/EUR	<b>Monthly Low</b>	<b>0.9953</b> USD/EUR
<b>Week Close</b>	<b>1.0210</b> USD/EUR	<b>30 Days Average</b>	<b>1.0337</b> USD/EUR
<b>Weekly High</b>	<b>1.0278</b> USD/EUR	<b>90 Days Average</b>	<b>1.0597</b> USD/EUR
<b>Weekly Low</b>	<b>1.0077</b> USD/EUR	<b>YTD Change</b>	<b>-10.36%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Jul	28-Jul	-27.0	-27.0
HICP Flash YY	Jul	29-Jul	8.7%	8.6%
HICP-X F&E Flash YY	Jul	29-Jul	4.7%	4.6%
GDP Flash Prelim YY	Q2	29-Jul	3.4%	5.4%
GDP Flash Prelim QQ	Q2	29-Jul	0.1%	0.6%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**25 Jul 2022 - 29 Jul 2022**



**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling Outlook**

- The UK political uncertainty continue to offsets aggressive BOE tightening expectations.
- Recession fears also weighed on investors' sentiment and benefitted the safe-haven USD.
- The near-term technical outlook doesn't yet point to a bullish tilt and sellers could take action if the pair falls below 1.1920.

**Pound Sterling News**

- GBP/USD struggled to make it through the 1.2040-1.2045 resistance zone.
- The UK Office for National Statistics (ONS) reported that the headline UK CPI accelerated to the 9.4% YoY rate in June, surpassing estimates pointing to a rise to 9.3% from the 9.1% in the previous month.
- Services PMI in the UK comes in at 53.3 in July, better than forecasts, while UK Manufacturing PMI eases to 52.2 from 52.8 in June.
- BoE Govoner stated that a 50 bps increase will be among the choices on the table at the next meeting.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.1852</b> USD/GBP	<b>Monthly High</b>	<b>1.2165</b> USD/GBP
<b>Week Open</b>	<b>1.1874</b> USD/GBP	<b>Monthly Low</b>	<b>1.1761</b> USD/GBP
<b>Week Close</b>	<b>1.2002</b> USD/GBP	<b>30 Days Average</b>	<b>1.2068</b> USD/GBP
<b>Weekly High</b>	<b>1.2063</b> USD/GBP	<b>90 Days Average</b>	<b>1.2504</b> USD/GBP
<b>Weekly Low</b>	<b>1.1859</b> USD/GBP	<b>YTD Change</b>	<b>-11.52%</b>

**Next Week's Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
CBI Trends - Orders	Jul	25-Jul		18
CBI Business Optimism	Q3	25-Jul		-34
CBI Distributive Trades	Jul	26-Jul		-5
BOE Consumer Credit	Jun	29-Jul	1.000B	0.844B
Mortgage Lending	Jun	29-Jul		7.426B
Mortgage Approvals	Jun	29-Jul	65.345k	66.163k

<b>Lower Bound</b>	<b>1.1750</b>	<b>Upper Bound</b>	<b>1.2000</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**25 Jul 2022 - 29 Jul 2022**

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


Source: Thomson Reuters

**Australian Dollar Outlook**

- AUD/USD may struggles around 0.6900 as recession fears return.
- The Australian economic calendar will feature consumer inflation data, retail sales, and the Australian PPI.

**Australian Dollar News**

- AUD/USD retreated from monthly top towards 0.6900 on softer Aussie PMIs. Hawkish RBA minutes revealed during the week cushioned the AUD/USD from falling further.
- Australia's S&P Global Manufacturing PMI eased to 55.7 in July versus 56.2 prior and 56.4 expected. Further, the S&P Global Services PMI dropped to 50.4 during the stated month compared to 55.0 market consensus and 52.6 prior.
- The minutes of RBA's July policy meeting, showed the central bank is on track for more policy tightening, despite recent hikes, are still low to curb rising inflation.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6792</b> USD/AUD	<b>Monthly High</b>	<b>0.69770</b> USD/AUD
<b>Week Open</b>	<b>0.6777</b> USD/AUD	<b>Monthly Low</b>	<b>0.66820</b> USD/AUD
<b>Week Close</b>	<b>0.6925</b> USD/AUD	<b>30 Days Average</b>	<b>0.70914</b> USD/AUD
<b>Weekly High</b>	<b>0.6977</b> USD/AUD	<b>90 Days Average</b>	<b>0.72328</b> USD/AUD
<b>Weekly Low</b>	<b>0.6775</b> USD/AUD	<b>YTD Change</b>	<b>-5.07%</b>

**Next Week's Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
CPI QQ	Q2	27-Jul	1.9%	2.1%
CPI YY	Q2	27-Jul	6.3%	5.1%
RBA Weightd Medn CPI QQ	Q2	27-Jul	1.4%	1.0%
RBA Weightd Medn CPI YY	Q2	27-Jul	4.2%	3.2%
RBA Trimmed Mean CPI QQ	Q2	27-Jul	1.5%	1.4%
RBA Trimmed Mean CPI YY	Q2	27-Jul	4.7%	3.7%
Retail Sales MM Final	Jun	28-Jul	0.6%	0.9%

<b>Lower Bound</b>	<b>0.6700</b>	<b>Upper Bound</b>	<b>0.6900</b>
<b>Forecast</b>	<b>Depreciation</b>		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- Policy divergence between the FED and the BOJ continue to reflect in JPY weakness against the dollar.
- From the technical standpoint, USD/JPY remains on the road to the 140.00 psychological magnet with the support lines around 137.50 and 136.70.

**Japanese Yen News**

- BOJ left monetary policy unchanged at -0.10% while keeping the target rate for the Japanese Government Bonds (JGBs) at 0.0%. Meanwhile, quarterly economic outlook report seemed downbeat.
- Governor Kuroda repeated his pledge while saying that he won't hesitate to ease monetary policy further if necessary.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>138.53</b> JPY/USD	<b>Monthly High</b>	<b>139.39</b> JPY/USD
<b>Week Open</b>	<b>138.53</b> JPY/USD	<b>Monthly Low</b>	<b>134.75</b> JPY/USD
<b>Week Close</b>	<b>136.05</b> JPY/USD	<b>30 Days Average</b>	<b>119.39</b> JPY/USD
<b>Weekly High</b>	<b>138.87</b> JPY/USD	<b>90 Days Average</b>	<b>116.25</b> JPY/USD
<b>Weekly Low</b>	<b>135.56</b> JPY/USD	<b>YTD Change</b>	<b>+18.55%</b>

**Next Week's Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
Leading Indicator Revised	May	27-Jul		-1.5
CPI Tokyo Ex fresh food YY	Jul	29-Jul	2.2%	2.1%
CPI, Overall Tokyo	Jul	29-Jul		2.3%
Jobs/Applicants Ratio	Jun	29-Jul	1.25	1.24
Unemployment Rate	Jun	29-Jul	2.5%	2.6%
Industrial O/P Prelim MM SA	Jun	29-Jul	3.7%	-7.5%
JibunBK Mfg PMI Final SA	Jul	1-Aug		52.2

<b>Lower Bound</b>	<b>136.50</b>	<b>Upper Bound</b>	<b>139.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

## IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.