

WEEKLY FOREIGN EXCHANGE OUTLOOK

21 Nov 2022 - 25 Nov 2022

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

• The dollar will move in a narrow range in beginning of the week. This week, the US data will drive the dollar to be depreciate as the GDP is expected to continue growth from the previous quarter and core PCE price index is expected to be lower which indicate that the Fed will slow monetary policy tightening. Moreover, the Job data on Friday will be on focus.

Lower Bound	105.00	Upper Bound	107.00
Forecast	Appreciation		

Dollar News

• The dollar index opened last week high after rising Covid cases in China led to new restrictions there and weighed on global investor sentiment. Heavy selling pressure recently due to softening US inflation data. The Flash Service PMI and Manufacturing PMI (23/11) also dropped below 50. The Flash US Services PMI posted 46.1 in November, down from 47.8 in October. At 47.6, down from 50.4 in October, the Flash US Manufacturing PMI signalled a renewed decline in operating conditions at manufacturers in November. The sales of new U.S. single-family homes unexpectedly jumped in October, shrugging off rising mortgage rates. New home sales rebounded 7.5% to a seasonally adjusted annual rate of 632,000 units last month, the Commerce Department (23/11). However, at the end of the week, the dollar was lower against its peers, as the prospect of the FED slowing monetary policy tightening and Thanksgiving holiday

Dollar Index Performance

Last Week Close	#N/A	Monthly High	113.94
Week Open	106.42	Monthly Low	105.34
Week Close	106.34	30 Days Average	109.42
Weekly High	0.00	90 Days Average	109.34
Weekly Low	105.86	YTD Change	#NAME?

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence	Nov	29-Nov	100.0	102.5
GDP 2nd Estimate	Q3	30-Nov	2.7%	2.6%
Consumption, Adjusted MM	Oct	1-Dec	0.8%	0.6%
Initial Jobless Clm	26 Nov, w/	1-Dec	235k	240k
S&P Global Mfg PMI Final	Nov	1-Dec		47.6
ISM Manufacturing PMI	Nov	1-Dec	49.8	50.2
Non-Farm Payrolls	Nov	2-Dec	200k	261k
Unemployment Rate	Nov	2-Dec	3.7%	3.7%

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- This week baht is like to be depreciating on acceleration of covid cases in China.
- However, the highlight of this week will be the BOT monetary policy meeting on Wednesday (30/11). The BOT is expect to hike the rate at 0.25% to 1.25%. Meanwhile, markets will focus on the statement of the BOT governor about Thailand economic outlook and the Thai baht movement.

Thai Baht News

- In the beginning of last week, Thai baht depreciated against dollar as the market was on risk-off mode. China reported record high COVID-19 infections, with cities nationwide imposing localised lockdowns, mass testing and other curbs that are fuelling frustration and darkening the outlook for the world's second largest economy.
- However, Thai baht slightly appreciated against dollar as Thailand's GDP saw 4.5% growth in the third quarter of 2022, with annual growth now projected to reach 3.2% this year. The NESDC said accelerating private consumption and investments, together with growth in exported services, were key drivers for Q3, even as exported goods and government investments saw a slowdown. The NESDC Secretary-General Danucha Pichayanan said the tourism sector has greatly contributed to the economic recovery, with the number of visitors expected to grow by 50% this year.

Thai Baht Performance

Last Week Close		#N/A THB/USD	Monthly High		#NAME? THB/USD
Week Open		34.43 THB/USD	Monthly Low		#NAME? THB/USD
Week Close		35.83 THB/USD	30 Days Average		36.98 THB/USD
Weekly High		36.02 THB/USD	90 Days Average		36.78 THB/USD
Weekly Low		35.51 THB/USD	YTD Change		#NAME?

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
GDP Growth YY	Q3	21-Nov	4.5%	
GDP Growth QQ SA	Q3	21-Nov	0.9%	
Custom-Based Export Data	Oct	23-Nov	5.50%	
Custom-Based Import Data	Oct	23-Nov	10.00%	
Customs-Based Trade Data	Oct	23-Nov	-1.40B	
Manufacturing Prod YY	Oct	23-Nov		
Forex Reserves		14 Nov, w/€ 25-Nov		

Lower Bound	35.40	Upper Bound	35.90
Forecast	Depreciation		

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Euro Graph


Source: Thomson Reuters

Euro News

- Lastweek, The Euro struggled for demand on Monday in the wake of worsening global market sentiment, compounding woes outside of China, escalating geopolitical tensions continue to weigh on the Euro as the Ukraine Russia conflict worsens.
- However, the euro fell from its gains after the minutes of the European Central Bank meeting struck a hawkish tone indicating that rates would need to rise further to curb inflation. ECB's Executive Board member Isabel Schnabel said that "incoming data so far suggest that the room for slowing down the pace of rate adjustments remains limited.
- The S&P Global's Eurozone manufacturing PMI increased to 47.3 in November from 46.4 in October. Elsewhere, a flash reading of the Eurozone composite PMI rose to 47.8 in November 2022, up from October's 47.3.

Euro Index Performance

	#N/A	USD/EUR	Monthly High	#NAME?	USD/EUR
Last Week Close					
Week Open	1.0365	USD/EUR	Monthly Low	#NAME?	USD/EUR
Week Close	1.0324	USD/EUR	30 Days Average	1.0104	USD/EUR
Weekly High	1.0438	USD/EUR	90 Days Average	1.0020	USD/EUR
Weekly Low	1.0303	USD/EUR	YTD Change	#NAME?	

Euro Outlook

- This week the euro is likely to recover from its losses if China re-tightening Covid rules
- This week, ECB President Lagarde will deliver her opening statement at a hearing before the Committee on Economic and Monetary Affairs (ECON) of the European Parliament in Brussels. While speaking at the European Banking Congress earlier in the month, Lagarde reiterated that they expect to raise rates further. Several ECB policymakers have voiced their opposition against a 75 basis points rate hike in December and the accounts of the ECB's October policy meeting revealed last week that some members of the Governing Council voted for a 50 bps rate increase in October.

Lower Bound	1.0200	Upper Bound	1.0400
Forecast	Depreciation		

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Nov	29-Nov	-23.9	-23.9
HICP Flash YY	Nov	30-Nov	10.4%	10.6%
HICP-X F,E,A&T Flash YY	Nov	30-Nov	5.0%	5.0%
HICP-X F, E, A, T Flash MM	Nov	30-Nov		0.60%
S&P Global Mfg Final PMI	Nov	1-Dec	47.3	47.3
Unemployment Rate	Oct	1-Dec	6.6%	6.6%

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

- The pound is expected to hover at its high. Also the lower of the dollar can put the pound even higher than its current level.
- The UK CBI retail survey is due to be published on Monday (28/11), and will show how the UK consumer is dealing with soaring inflation and a pay squeeze.

Pound Sterling News

- Last week, the UK Office for Budget Responsibility (OBR) last week projected the UK GDP to slump by 1.4% next year as compared to a growth of 1.8% forecast in March. On the UK front, the release of the S&P PMI numbers will be significant for the market participants. The Manufacturing PMI is seen lower at 45.8 vs. the prior release of 46.2. And, the Services PMI is expected to decline to 46.2 from the former release of 46.5. A decline in PMI numbers could be crucial for bringing price stability as lower consumer spending would support a decline in price growth by the manufacturers and service providers.
- Later, Bank of England Chief Economist Huw Pill who confirmed the need for further rate hikes. Pill stated that inflationary pressures are becoming domestic while stating his decisions will be based on developments in the labor market.

Pound Sterling Performance

Last Week Close	#N/A USD/GBP	Monthly High	#NAME? USD/GBP
Week Open	1.1803 USD/GBP	Monthly Low	#NAME? USD/GBP
Week Close	1.1884 USD/GBP	30 Days Average	1.1613 USD/GBP
Weekly High	1.1957 USD/GBP	90 Days Average	1.1609 USD/GBP
Weekly Low	1.1760 USD/GBP	YTD Change	#NAME?

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Nov	1-Dec	-0.3%	-0.9%
Nationwide house price yy	Nov	1-Dec	5.8%	7.2%
S&P GLBL/CIPS Mfg PMI FNL	Nov	1-Dec	46.2	46.2

Lower Bound	1.1850	Upper Bound	1.2150
Forecast	Depreciation		

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Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- This week Aussie is likely to depreciate against dollar as risk appetite deteriorates in China covid news
- The focus will be on building approvals in Oct which is expected to decrease by 2.0%, better than decreasing by 5.8% in previous month.

Australian Dollar News

• The Australian dollar regained some positive traction. However, the market sentiment remains fragile amid worries about economic headwinds stemming from a new COVID-19 outbreak in China and the imposition of fresh lockdowns in several cities. Apart from this, fears of a further escalation in the Russia-Ukraine conflict take its toll on the global risk sentiment. This is evident from a softer tone around the equity markets, which should act as a tailwind for the safe-haven buck and cap the risk-sensitive Aussie. Meanwhile, Reserve Bank of Australia (RBA) Governor Philip Lowe said on Tuesday (22/11) that the central bank could return to 50 bps moves or keep rates unchanged for a time. This, along with the worsening COVID-19 situation in China, validates the bearish outlook for the AUD/USD pair.

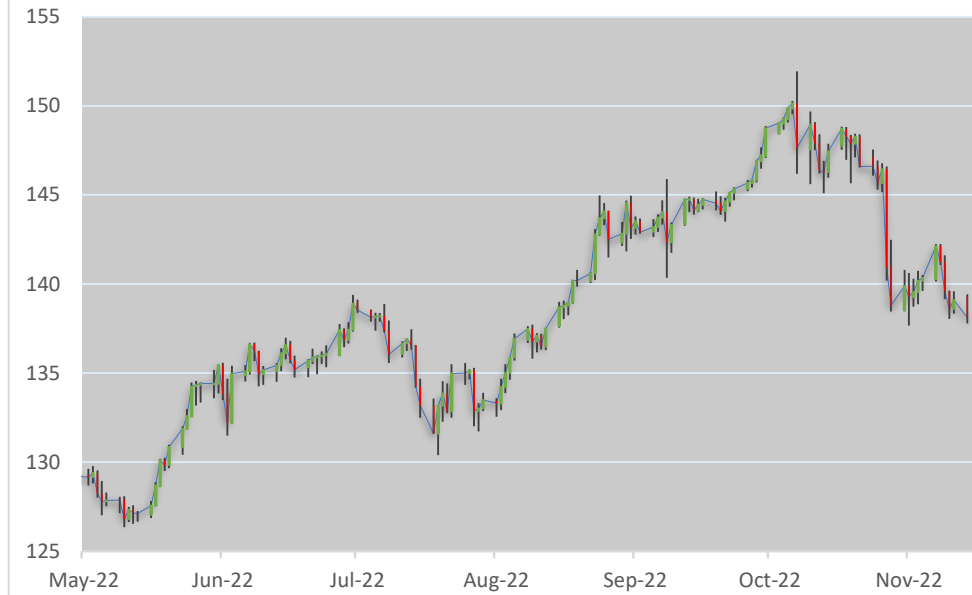
Australian Dollar Performance

Last Week Close	#N/A	USD/AUD	Monthly High	#NAME?	USD/AUD
Week Open	0.6692	USD/AUD	Monthly Low	#NAME?	USD/AUD
Week Close	0.6671	USD/AUD	30 Days Average	0.66961	USD/AUD
Weekly High	0.6792	USD/AUD	90 Days Average	0.68634	USD/AUD
Weekly Low	0.6632	USD/AUD	YTD Change	#NAME?	

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Retail Sales MM Final	Oct	28-Nov	0.5%	0.6%
Building Approvals	Oct	30-Nov	-1.8%	-5.8%
Building Approval Total YY	Oct	30-Nov		5.1%
Mfg PMI Final	Nov	1-Dec		51.5
Capital Expenditure	Q3	1-Dec	1.5%	-0.3%
Owner-Occp'd Hous'g Fin MM	Oct	2-Dec	-4.50%	-9.30%
Invest Hous'g Fin MM	Oct	2-Dec		-6.00%

Lower Bound	0.6580	Upper Bound	0.6800
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Yen could continue dropping on concern of the tightening Covid restrictions in China.
- This week, the highlight will be Japan Unemployment rate, retail sales and Manufacturing PMI.

Japanese Yen News

- The Yen was depreciating as the strong dollar and came under fresh selling pressure later amid broad-based the dollar's weakness.
- The Japan PM KISHIDA said that he agreed with BoJ gov KURODA at meeting on Tuesday (22/11) that gov and BoJ will work closely to take flexible policy response, aiming for sustainable and stable inflation goal. Moreover, The BoJ Governor Haruhiko Kuroda reiterated on Friday that the central bank will stick to its monetary easing to support the economy and added that raising rates now would be inappropriate in light of current economic conditions.

Japanese Yen Performance

Last Week Close	#N/A JPY/USD	Monthly High	#NAME? JPY/USD
Week Open	138.52 JPY/USD	Monthly Low	#NAME? JPY/USD
Week Close	140.35 JPY/USD	30 Days Average	135.64 JPY/USD
Weekly High	140.74 JPY/USD	90 Days Average	132.15 JPY/USD
Weekly Low	138.72 JPY/USD	YTD Change	#NAME?

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jobs/Applicants Ratio	Oct	29-Nov	1.35	1.34
Unemployment Rate	Oct	29-Nov	2.5%	2.6%
Large Scale Retail Sales YY	Oct	29-Nov		5%
Industrial O/P Prelim MM SA	Oct	30-Nov	-1.5%	-1.7%
JibunBK Mfg PMI Final SA	Nov	1-Dec		49.4
Monetary Base YY	Nov	2-Dec		-6.84%

Lower Bound	137.00	Upper Bound	142.00
Forecast	Depreciation		

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