

WEEKLY FOREIGN EXCHANGE OUTLOOK
13 Feb 2023 - 17 Feb 2023

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- This week, we expect that the US dollar will be traded sideway with focus now turning to upcoming U.S. CPI for January that will release on Tuesday (14/2) firmly in the spotlight, as traders look for additional clues on the policy outlook.
- Data on Tuesday (14/2) is likely to show the CPI climbing 0.4% month-on-month in January and the core CPI gaining 0.4% as well, according to a Reuters survey of economists.
- However, the U.S. CPI could show a number that is higher than markets forecast amid data showing expectations for a continued rise in prices over the next year.

Lower Bound	100.98	Upper Bound	103.98
Forecast	Appreciation		

Dollar Index News

- At the beginning of last week, the dollar had a short-lived rally following Friday's (3/2) blockbuster jobs report, which showed that non-farm payrolls had surged by 517,000 jobs last month, well above economists' estimates of 185,000. Also, the unemployment rate fell to 3.4%, the lowest level since May 1969. And average hourly earnings rose by 0.3%.
- However, the dollar eased on Wednesday (8/2) after Federal Reserve Chair Jerome Powell saying he expects significant declines in inflation this year.
- At the end of the week, Fed Governor Christopher Waller and New York Fed President John William called for more interest rate hikes in the coming months, given that inflation is likely to remain elevated due to strength in the jobs market.
- The University of Michigan surveys on Friday (10/2) showed a one-year inflation outlook of 4.2%, higher than the final number in January. The overall index of consumer sentiment came out at 66.4, up from 64.9 the prior month.

Dollar Index Performance

Last Week Close	102.92	Monthly High	105.63
Week Open	103.10	Monthly Low	100.82
Week Close	102.90	30 Days Average	102.78
Weekly High	103.96	90 Days Average	106.26
Weekly Low	102.64	YTD Change	+0.15%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI MM, SA	Jan	14-Feb	0.4%	0.3%
Core CPI YY, NSA	Jan	14-Feb		5.7%
CPI MM, SA	Jan	14-Feb	0.5%	-0.1%
CPI YY, NSA	Jan	14-Feb		6.5%
Industrial Production MM	Jan	15-Feb	0.4%	-0.7%
Retail Sales MM	Jan	15-Feb	0.9%	-1.1%
Initial Jobless Clm	6 Feb, w/e	16-Feb		196k
Housing Starts Number	Jan	16-Feb	1.299M	1.382M
Philly Fed Business Indx	Feb	16-Feb		-8.9

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht News

- In the beginning of last week, the Thai baht dramatically dropped against the US dollar and touch level 33.80 THB/USD, as dollar rebounded after a release of better than expected in U.S. nonfarm payrolls data.
- Later, the Thai baht appreciated against the US dollar after Jerome Powell's comment failed to revert Fed's hawkish stance.
- Data showed that Thai consumer confidence rose for an eighth straight month in January, bolstered by a rebound in tourism and government stimulus measures, but the high cost of living remained a worry. The consumer confidence hit a 26-month high of 51.7 in January from 49.7 in the previous month.

Thai Baht Performance

Last Week Close	33.39 THB/USD	Monthly High	33.85	THB/USD
Week Open	33.43 THB/USD	Monthly Low	32.66	THB/USD
Week Close	33.65 THB/USD	30 Days Average	33.26	THB/USD
Weekly High	33.81 THB/USD	90 Days Average	35.20	THB/USD
Weekly Low	33.33 THB/USD	YTD Change	-2.34%	

Thai Baht Outlook

- The lack of economic data shifted investors will focus to comments from central bank officials and US CPI data that will be released on Tuesday (14/2).
- The Thai baht is likely to continue to trade sideways after failing to break a resistance level at around 33.80 THB/USD.
- Meanwhile, Thailand's GDP on fourth-quarter data will be released on Friday (17/2).

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
GDP Growth YY	Q4	17-Feb		4.5%
GDP Growth QQ SA	Q4	17-Feb		1.2%
Currency Swaps	6 Feb, w/e 17-Feb			
Forex Reserves	6 Feb, w/e 17-Feb			
Annual GDP Growth	2022	17-Feb		1.60%

Lower Bound	33.30	Upper Bound	33.85
Forecast	Depreciation		

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Euro
Euro Graph


Source: Thomson Reuters

Euro News

- At the beginning of last week, the euro dropped against the greenback after US dollar rebounded. However, the European Central Bank President Christine Lagarde guided for another 50-basis point rate hike next month.
- The earthquake in central Turkey and northwest Syria also added pressure on Euro.
- Moreover, the euro slid despite hawkish tone from the Dutch central bank governor, Knot, a member of ECB voiced his concerns about core inflation.
- At the end of last week, the euro traded higher as support from the likelihood of further interest rate hikes by the European Central Bank. The market is expecting a half percentage hike in March and a likely smaller hike in May.

Euro Index Performance

Last Week Close	1.0793 USD/EUR	Monthly High	1.1033	USD/EUR
Week Open	1.0789 USD/EUR	Monthly Low	1.0656	USD/EUR
Week Close	1.0675 USD/EUR	30 Days Average	1.0792	USD/EUR
Weekly High	1.0798 USD/EUR	90 Days Average	1.0434	USD/EUR
Weekly Low	1.0664 USD/EUR	YTD Change	-0.22%	

Euro Outlook

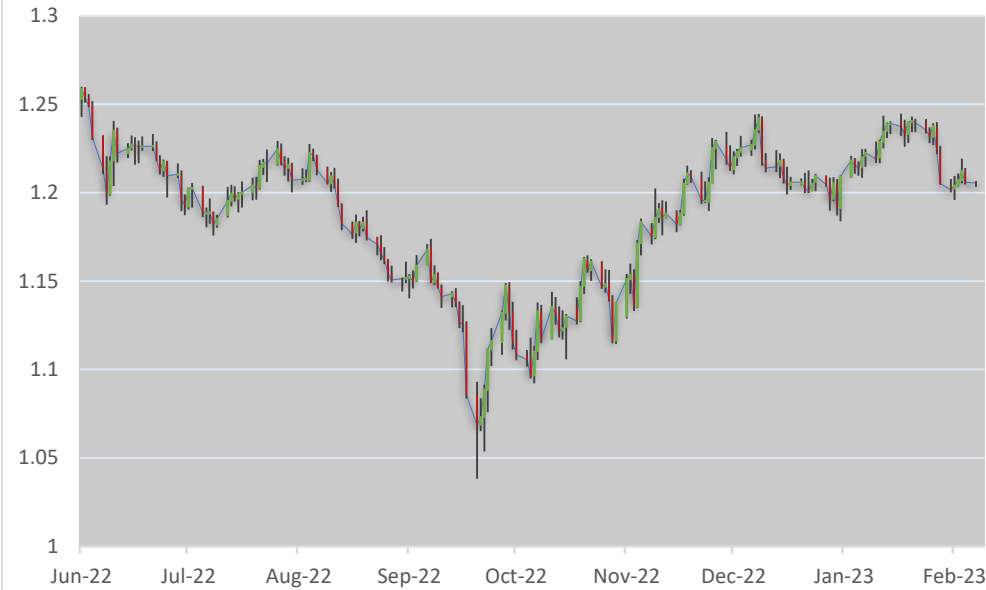
- This week, we expect that the euro may drop against the US dollar following a soft of US CPI data. Moreover, in the latest meeting the ECB announced it would raise its interest rates by 50 bps in March too, anticipating market speculation.
- Fresh clues on economic developments will be available this week. On Tuesday (14/2), the Eurozone will release the preliminary estimate of the 2022 Q4 Gross Domestic Product. The economy grew at an annualized pace of 1.9% in the third quarter and a modest 0.1% in the three months to September.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
GDP Flash Estimate QQ	Q4	14-Feb		
GDP Flash Estimate YY	Q4	14-Feb		1.9%
Reserve Assets Total	Jan	15-Feb		1,114.24B
Total Trade Balance SA	Dec	15-Feb		-15.20B
Industrial Production MM	Dec	15-Feb	-0.8%	1.0%
Industrial Production YY	Dec	15-Feb	-0.6%	2.0%

Lower Bound	1.0500	Upper Bound	1.0750
Forecast	Depreciation		

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Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- This week, we expect that the pound will be depreciate against the US dollar in case the one-year U.S. inflation rose more than expected. On the other hand, a decline in that figure should make it difficult for the USD to hold its ground and help the pound higher against the US dollar.
- Moreover, the market will eyes on data that will be release this week such as CPI (15/2) and retail sales (17/2).

Lower Bound	1.1950	Upper Bound	1.2150
Forecast	Depreciation		

Pound Sterling News

- At the beginning of last week, the pound sterling dropped against the dollar after the dollar rebounded.
- Moreover, the Bank of England hinted that it may have finished raising interest rates after a 50 basis points hike on Thursday (2/2). That message was more dovish than the market had expected, and sterling was down nearly 2% last week against the US dollar.
- Data on Friday (10/2) released that U.K. gross domestic product fell 0.5% on the month in December, however GDP was unchanged in the fourth quarter, meaning the country's economy just avoided entering a technical recession after falling 0.3% in the July-September quarter.

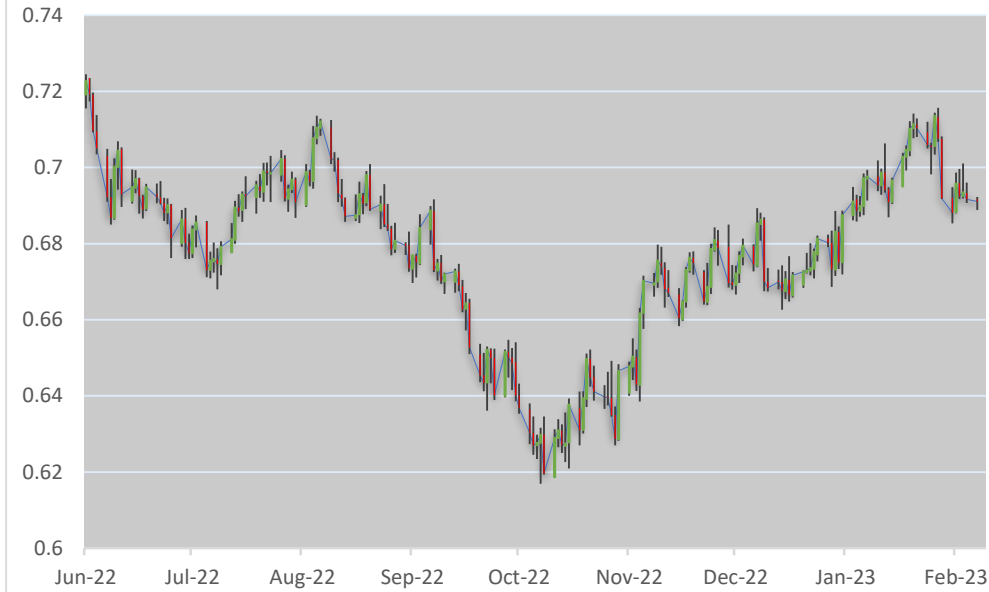
Pound Sterling Performance

Last Week Close	1.2051 USD/GBP	Monthly High	1.2400 USD/GBP
Week Open	1.2038 USD/GBP	Monthly Low	1.1962 USD/GBP
Week Close	1.2058 USD/GBP	30 Days Average	1.2200 USD/GBP
Weekly High	1.2193 USD/GBP	90 Days Average	1.1934 USD/GBP
Weekly Low	1.1958 USD/GBP	YTD Change	-0.33%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Jan	14-Feb		19.7k
ILO Unemployment Rate	Dec	14-Feb		3.7%
HMRC Payrolls Change	Jan	14-Feb		28k
Employment Change	Dec	14-Feb		27k
Avg Wk Earnings 3M YY	Dec	14-Feb		6.4%
Core CPI YY	Jan	15-Feb		6.3%
CPI YY	Jan	15-Feb		10.5%
Retail Sales MM	Jan	17-Feb		-1.0%
Retail Sales YY	Jan	17-Feb		-5.8%

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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- We expect that the Australian dollar may be fell against the US dollar.
- The minutes of the RBA monetary policy meeting will be watching on Monday (10/2) which signalling that further rate increases will be needed to ensure that inflation returns to target.
- Moreover, the market are eyeing RBA's Governor Philip Lowe speech alongside the Aussie employment situation.

Australian Dollar News

- At the beginning of last week the Australian Dollar dropped against the dollar after US jobs report growth than expected.
- However, in the middle of the week, the Australian dollar surged as much as 1% after the Reserve Bank of Australia (RBA) hiked rates by 25 basis points to 3.35%. They also turned more hawkish in the ensuing Statement on Monetary Policy on the back of accelerating inflation.

Last Week Close	0.6919 USD/AUD	Monthly High	0.71570 USD/AUD
Week Open	0.6920 USD/AUD	Monthly Low	0.68570 USD/AUD
Week Close	0.6916 USD/AUD	30 Days Average	0.67188 USD/AUD
Weekly High	0.7011 USD/AUD	90 Days Average	0.66228 USD/AUD
Weekly Low	0.6853 USD/AUD	YTD Change	+1.45%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
NAB Business Conditions	Jan	14-Feb		12
NAB Business Confidence	Jan	14-Feb		-1
Consumer Sentiment	Feb	14-Feb		5.0%
Employment	Jan	16-Feb	15.0k	-14.6k
Unemployment Rate	Jan	16-Feb	3.5%	3.5%
Full Time Employment	Jan	16-Feb		17.6k

Lower Bound	0.6800	Upper Bound	0.7000
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen News

- At the beginning of last week, the Japanese yen weakened against the US dollar after data showed the Japan's services sector grew at a slightly slower-than-expected pace in January.
- Moreover, Nikkei reported that Masayoshi Amamiya was approached by the government for the role of Bank of Japan governor, a choice that would be seen as likely to extend the current incumbent's ultra-easy policy.
- At the end of last week, the Japanese yen gained against the US dollar, after Nikkei reported that Kazuo Ueda was to be nominated as the BOJ's next governor when incumbent Haruhiko Kuroda's term in office expires on April 8. The idea is that front-runner Amamiya is an ultra dove, so any other candidate represents a more hawkish choice.

Last Week Close	131.17 JPY/USD	Monthly High	132.90	JPY/USD
Week Open	132.18 JPY/USD	Monthly Low	128.09	JPY/USD
Week Close	131.41 JPY/USD	30 Days Average	145.87	JPY/USD
Weekly High	132.90 JPY/USD	90 Days Average	140.07	JPY/USD
Weekly Low	129.79 JPY/USD	YTD Change	+0.79%	

Japanese Yen Outlook

- The focus for this week remains on who will be the next Bank of Japan Governor, Investors kept to the sidelines ahead of a widely anticipated unveiling of candidates for the next Bank of Japan Governor.
- Japan's government is planning to present the new Bank of Japan governor nominee to parliament on Feb 14. Markets are closely watching the appointment, as the new governor's agenda will be scrutinized as to how quickly the central bank could phase out its massive stimulus.

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
GDP QQ	Q4	14-Feb	0.5%	-0.2%
GDP QQ Annualised	Q4	14-Feb	2.0%	-0.8%
Machinery Orders MM	Dec	16-Feb	3.0%	-8.3%
Machinery Orders YY	Dec	16-Feb	-6.0%	-3.7%
Exports YY	Jan	16-Feb	0.8%	11.5%
Imports YY	Jan	16-Feb	18.4%	20.6%
Trade Balance Total Yen	Jan	16-Feb	-3,871.5B	-1,448.5B

Lower Bound	131.50	Upper Bound	134.00
Forecast	Depreciation		

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