

WEEKLY FOREIGN EXCHANGE OUTLOOK

20 Mar 2023 - 24 Mar 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- The dollar was weighted down on heightened expectations the Federal Reserve will take a less aggressive monetary path as authorities stepped in to limit the fallout from the sudden collapse of Silicon Valley Bank.
- The Fed announced it would make additional funding available through a new Bank Term Funding Program, which would offer loans up to one year to depository institutions, backed by Treasuries and other assets these institutions hold.
- The Consumer Price Index (CPI) rose 0.4% last month after accelerating 0.5% in January. In the 12 months through February, the CPI increased 6.0%, a slower pace than the 6.4% annualized gain in January, but still far off the Fed's 2% target.
- Large U.S. banks on Thursday (16/3) injected \$30 billion in deposits into First Republic Bank, swooping in to rescue the lender, which was caught up in a widening crisis triggered by the collapse of two other mid-size U.S. banks over the past week.

Dollar Index Performance

Last Week Close	104.58	Monthly High	105.88
Week Open	104.64	Monthly Low	102.59
Week Close	103.69	30 Days Average	104.21
Weekly High	105.88	90 Days Average	104.23
Weekly Low	103.44	YTD Change	+0.26%

Dollar Outlook

•This week's market highlight is on the FOMC meeting on Mar.21-22. CME's FedWatch Tool showed an 80.5% likelihood that the Fed will lift rates by a quarter point in when the meeting ended. However, some investors are hoping that the Fed could slow down on its aggressive rate-hike campaign in a bid to ease the stress on the financial sector.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Existing Home Sales	Feb	21-Mar	4.20M	
Fed Funds Tgt Rate	22 Mar	23-Mar	4.75-5	
Fed Int On Excess Reserves	22 Mar	23-Mar		
Initial Jobless Clm	18 Mar, w/	23-Mar	199k	
New Home Sales-Units	Feb	23-Mar	0.648M	
Durable Goods	Feb	24-Mar	1.2%	
S&P Global Mfg PMI Flash	Mar	24-Mar	47.6	
S&P Global Svcs PMI Flash	Mar	24-Mar	50.8	

Lower Bound	102.60	Upper Bound	104.10
Forecast	Depreciation		

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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

• Thai baht tends to be appreciated more as investor's demand has shifted to Asian currencies as the instability in financial markets in US and Europe. The Thai baht also gets a little support on further news updates in the coming election.

Thai Baht News

- The Thai baht rose sharply on Monday near 34.43 per dollar leading to strengthening Asian emerging currencies as the U.S. dollar slid amid the fallout from the collapse of Silicon Valley Bank and hopes the U.S. Federal Reserve may hike interest rates less aggressively.
- Equities in the region were largely mixed, with Singapore, Thailand, and Malaysia losing between 0.4% and 1%, while China's Shanghai Composite Index advanced 0.7%.

Thai Baht Performance

Last Week Close	34.81 THB/USD	Monthly High	35.36 THB/USD
Week Open	34.75 THB/USD	Monthly Low	34.01 THB/USD
Week Close	34.11 THB/USD	30 Days Average	34.43 THB/USD
Weekly High	34.76 THB/USD	90 Days Average	34.35 THB/USD
Weekly Low	34.02 THB/USD	YTD Change	-1.73%

Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Apr	10-May		42.0
Custom-Based Export Data	Feb	20-Mar	-7.00%	
Custom-Based Import Data	Feb	20-Mar	2.10%	
Customs-Based Trade Data	Feb	20-Mar	-1.90B	
Forex Reserves		13 Mar, w/ 24-Mar		
Currency Swaps		13 Mar, w/ 24-Mar		

Lower Bound	33.60	Upper Bound	34.30
Forecast	Appreciation		

Please carefully examine the Important Disclosure on the last section of this material.

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Euro Graph



Source: Thomson Reuters

Euro News

- The euro was up 0.72% at \$1.072, hovering near the one-month high of \$1.0737 it scaled earlier on Monday (13/3) before fell sharply on Wednesday (15/3) after Credit Suisse's tumble to a new low renewed worry about the European banking sector following Silicon Valley Bank (SVB)'s collapse.
- Credit Suisse's shares plunged as much as 30%, after its largest shareholder said it could not provide further support to the bank. The rout in its shares prompted the Swiss National Bank to throw a financial lifeline to the embattled lender, in an unprecedented move by a central bank, and Credit Suisse announced it would borrow up to 50 billion Swiss francs (\$54 billion) from the bank.
- The ECB announced a half-percentage point rate hike as promised.

Euro Index Performance

Last Week Close	1.0643 USD/EUR	Monthly High	1.0759 USD/EUR
Week Open	1.0645 USD/EUR	Monthly Low	1.0517 USD/EUR
Week Close	1.0666 USD/EUR	30 Days Average	1.0663 USD/EUR
Weekly High	1.0759 USD/EUR	90 Days Average	1.0637 USD/EUR
Weekly Low	1.0514 USD/EUR	YTD Change	-0.20%

Euro Outlook

•Markets concerned over the stability of the banking system in the U.S. and Europe could weighted the movement of EUR during this week, however as demand for US dollar has dropped the euro might get a little support.

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jan	20-Mar		
Consumer Confid. Flash	Mar	23-Mar	-18.2	
S&P Global Mfg Flash PMI	Mar	24-Mar	49.0	
S&P Global Serv Flash PMI	Mar	24-Mar	52.5	
S&P Global Comp Flash PMI	Mar	24-Mar	52.0	

Lower Bound	1.0550	Upper Bound	1.0750
Forecast	Appreciation		

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

•The same as FOMC, Bank of England also has the meeting during this week on Mar. 23 with the focus would be on the rate hike and further comments on its economy.

Lower Bound	1.2030	Upper Bound	1.2230
Forecast	Appreciation		

Pound Sterling News

- The sterling was last trading at \$1.2114, up 0.71% on Monday before was down 0.05% at \$1.2175 on Tuesday after the data showed UK pay growth slowed in the three months to January.
- Britain's economy is forecast to contract by 0.2% in 2023, but it is no longer forecast to enter a recession this year, Hunt said, citing the latest projections from the Office for Budget Responsibility (OBR).

Pound Sterling Performance

Last Week Close	1.2028 USD/GBP	Monthly High	1.2227 USD/GBP
Week Open	1.2035 USD/GBP	Monthly Low	1.1805 USD/GBP
Week Close	1.2175 USD/GBP	30 Days Average	1.2048 USD/GBP
Weekly High	1.2203 USD/GBP	90 Days Average	1.2115 USD/GBP
Weekly Low	1.2009 USD/GBP	YTD Change	+0.74%

Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Mar	20-Mar		
House Price Rightmove YY	Mar	20-Mar		
Core CPI YY	Feb	22-Mar	5.8%	
CPI YY	Feb	22-Mar	9.8%	
BOE Bank Rate	Mar	23-Mar	4.25%	
Retail Sales MM	Feb	24-Mar	0.2%	
Retail Sales Ex-Fuel MM	Feb	24-Mar	0.0%	
Retail Sales YY	Feb	24-Mar	-4.7%	
Flash Composite PMI	Mar	24-Mar	52.7	

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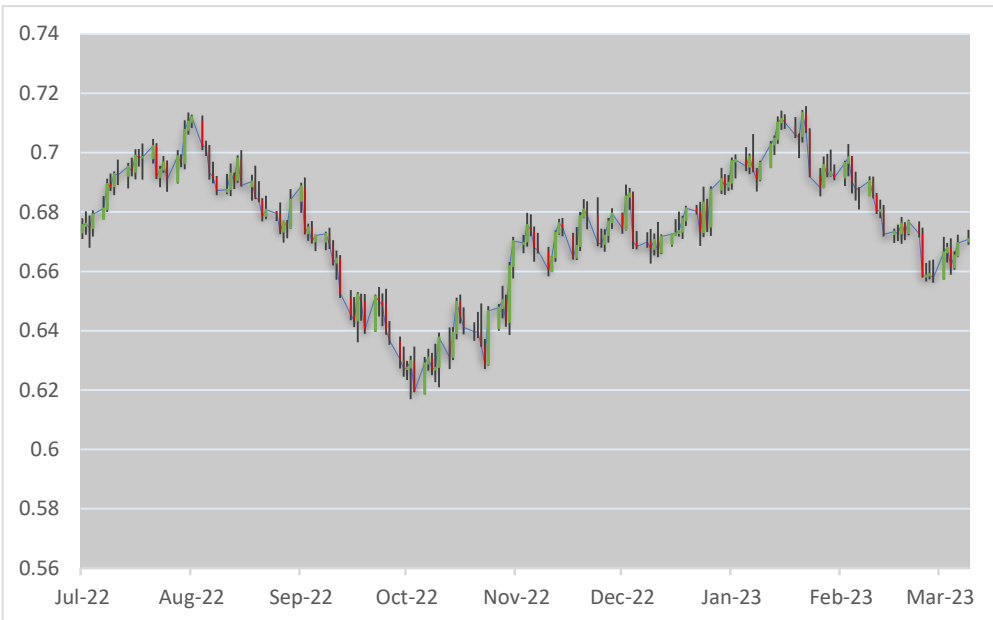
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Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar News

• The Australian dollar surged 1.31% to \$0.666, and was on track for its biggest one-day percentage jump since Jan, however it was struggling to make headway after having slid close to 1% each on Wednesday pressured by weak economic data released on Thursday which showed New Zealand's economy shrinking in the fourth quarter.

Australian Dollar Performance

Last Week Close	0.6577 USD/AUD	Monthly High	0.67830 USD/AUD
Week Open	0.6575 USD/AUD	Monthly Low	0.65650 USD/AUD
Week Close	0.6695 USD/AUD	30 Days Average	0.68376 USD/AUD
Weekly High	0.6724 USD/AUD	90 Days Average	0.66352 USD/AUD
Weekly Low	0.6572 USD/AUD	YTD Change	-1.60%

Australian Dollar Outlook

• The Aussie could appreciate against the dollar as investor's demand for US dollar has been changed on market concerned over the bank systems in US and Europe during this time.

Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Feb	22-Mar		
Judo Bank Mfg PMI Flash	Mar	24-Mar		
Judo Bank Svs PMI Flash	Mar	24-Mar		
Judo Bank Comp PMI Flash	Mar	24-Mar		

Lower Bound	0.6550	Upper Bound	0.6800
Forecast	Appreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Fragile market sentiment had changed investor demand to the yen. So the yen may continue its gain against the US dollar and try to break 132 level.

Japanese Yen News

- The Japanese yen strengthened 0.61% versus the U.S. dollar to 134.18 per dollar, having touched a one-month high of 133.58 earlier in the session.
- As the safe haven currencies, the yen continued to gain and touched 132 per dollar on renewed fears of a global banking crisis, after contagion from the implosion of U.S.-based Silicon Valley Bank had spread across the Atlantic to Swiss bank Credit Suisse.

Japanese Yen Performance

Last Week Close	134.98 JPY/USD	Monthly High	137.91 JPY/USD
Week Open	134.97 JPY/USD	Monthly Low	131.57 JPY/USD
Week Close	131.79 JPY/USD	30 Days Average	142.79 JPY/USD
Weekly High	135.11 JPY/USD	90 Days Average	141.56 JPY/USD
Weekly Low	131.55 JPY/USD	YTD Change	+0.75%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Reuters Tankan N-Man Idx	Mar	23-Mar		
Chain Store Sales YY	Feb	23-Mar		
CPI, Core Nationwide YY	Feb	24-Mar	3.1%	
CPI, Overall Nationwide	Feb	24-Mar		
JibunBK Mfg PMI Flash SA	Mar	24-Mar		
JibunBK Comp Op Flash SA	Mar	24-Mar		
JibunBK SVC PMI Flash SA	Mar	24-Mar		

Lower Bound	131.00	Upper Bound	133.50
Forecast	Appreciation		

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