

WEEKLY FOREIGN EXCHANGE OUTLOOK

08 May 2023 - 12 May 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

• On Wednesday, the United States will publish the April Consumer Price Index (CPI), foreseen up by 4.4%, easing from 5% in March. The core CPI, on the contrary, is expected at 5.8% in the same period, increasing from the previous 5.6%. The US will also unveil the April Producer Price Index (PPI), foreseen at 1.4% YoY. Finally, on Friday, the country will release the preliminary estimate of the May Michigan Consumer Sentiment Index.

Lower Bound	100.98	Upper Bound	102.31
Forecast	Appreciation		

Dollar News

- The Greenback fell the most on Wednesday following the United States Federal Reserve (Fed) monetary policy announcement. As widely anticipated, the Fed hiked rates by 25 basis points (bps) to 5-5.25% and opened the door for a pause in tightening, as it dropped from the accompanying statement the wording saying “the Committee anticipates that some additional policy firming may be appropriate.”
- On Friday, the US published the April Nonfarm Payrolls report, further boosting the Greenback and pushing EUR/USD below 1.1000. The country added 253K new job positions, much better than the 179K expected. Additionally, the Unemployment Rate contracted to 3.4%, while the Labor Force Participation Rate increased to 62.6%. Finally, Average Hourly Earnings were up 0.5% MoM and 4.4% YoY, above market expectations

Dollar Index Performance

Last Week Close	101.66	Monthly High	103.06
Week Open	101.67	Monthly Low	100.79
Week Close	101.12	30 Days Average	101.87
Weekly High	102.40	90 Days Average	102.92
Weekly Low	101.03	YTD Change	-2.25%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI MM, SA	Apr	10-May	0.3%	
Core CPI YY, NSA	Apr	10-May		
CPI MM, SA	Apr	10-May	0.4%	
CPI YY, NSA	Apr	10-May		
CPI Wage Earner	Apr	10-May		
PPI Machine Manuf'ing	Apr	11-May		
Import Prices YY	Apr	12-May		
U Mich Sentiment Prelim	May	12-May	63.0	
Initial Jobless Clm	1 May, w/€	11-May		

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Thai Baht Graph



Source: Thomson Reuters

Thai Baht Outlook

- The baht strengthened to test the level of 34.00 baht per dollar. Market keep an eye on the key factors such as; bank situation , US debt ceiling problem and direction of foreign capital domestic politics

Thai Baht News

- Thai baht benefitted from a weakening dollar after it failed to hold above 102 and questions regarding a potential rate hike in June were raised. Investors became skeptical after another bank was auctioned off to J.P. Morgan earlier this week as the US Treasury department warned of a potential default if the debt ceiling is not raised.
- The investment portfolio status of foreign investors between May 2-3, April 2023, although foreign investors sell net Thai shares of about 409 million baht, but has a net buy position of Thai bonds up to 18,856 million baht

Thai Baht Performance

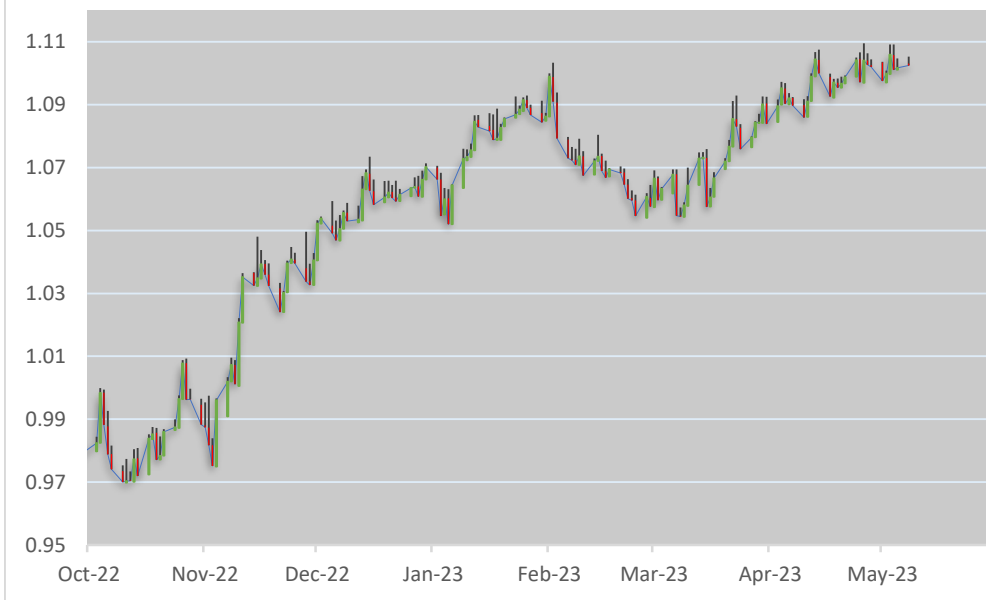
Last Week Close	34.14 THB/USD	Monthly High	34.24 THB/USD
Week Open	34.43 THB/USD	Monthly Low	33.67 THB/USD
Week Close	33.88 THB/USD	30 Days Average	34.17 THB/USD
Weekly High	34.24 THB/USD	90 Days Average	33.99 THB/USD
Weekly Low	33.63 THB/USD	YTD Change	-2.22%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Apr	11-May		
Forex Reserves	1 May, w/e	12-May		
Currency Swaps	1 May, w/e	12-May		

Lower Bound	33.76	Upper Bound	34.57
Forecast	Depreciation		

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Euro Graph


Source: Thomson Reuters

Euro News

- The European Central Bank has raised interest rates by 25bps in line with expectations. No surprise here as recent data from the Bank Lending Survey did show some signs that tightening is beginning to filter through the economy. The Central Bank confirmed that incoming information broadly supports the assessment of the medium-term inflation outlook that the ECB formed at its previous meeting.
- The euro has regained its traction and climbed above 1.1000 after having declined toward 1.0950 with the initial reaction to the upbeat April jobs report from the US. The positive shift seen in risk sentiment ahead of the weekend weighs on the USD and helps the pair edge higher.

Euro Index Performance

Last Week Close	1.1020 USD/EUR	Monthly High	1.1091 USD/EUR
Week Open	1.1034 USD/EUR	Monthly Low	1.0943 USD/EUR
Week Close	1.1017 USD/EUR	30 Days Average	1.0966 USD/EUR
Weekly High	1.1091 USD/EUR	90 Days Average	1.0801 USD/EUR
Weekly Low	1.0940 USD/EUR	YTD Change	+2.99%

Euro Outlook

- The upcoming week will feature first-tier inflation figures. Germany will release the final estimate of its April Harmonized Index of Consumer Prices (HICP), previously estimated at 7.6% YoY.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Industrial Output MM	Mar	8-May		
Industrial Production YY SA	Mar	8-May		
Reserve Assets Total	Apr	9-May		
HICP Final YY	Apr	10-May		
CPI (EU Norm) Final MM	Apr	12-May		
CPI (EU Norm) Final YY	Apr	12-May		

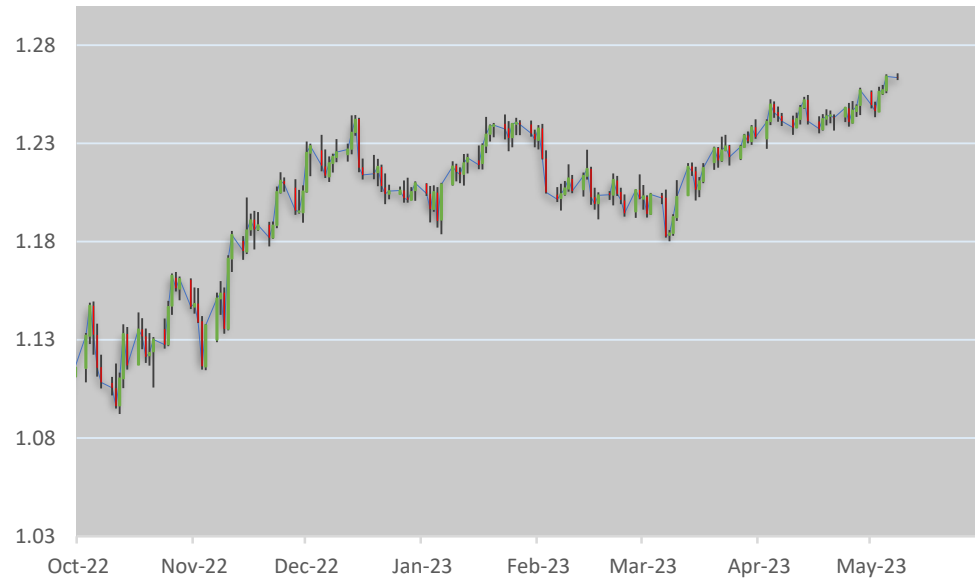
Lower Bound	1.0919	Upper Bound	1.1074
Forecast	Depreciation		

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

• The Bank of England is expected to raise the Bank rate by a further 25 basis points this Thursday (11/5) as part of an ongoing effort to combat super strong and sticky UK inflation. UK headline inflation (10.1%) remains in double-digit territory for the seventh month in a row, while UK inflation of 6.2% is just 0.3% away from the multi-decade high of 6.5% seen in September and October last year. For all the talk that UK inflation will fall away quickly as we head into the second half of the year, there's nothing, as yet, to be positive about.

Lower Bound	1.2340	Upper Bound	1.2634
Forecast	Depreciation		

Pound Sterling News

- The weakness in the US dollar post-FOMC helped GBP/USD to a near one-year high of 1.2590, nearly eight big figures than the March 8th swing low.

Pound Sterling Performance

Last Week Close	1.2572 USD/GBP	Monthly High	1.2657 USD/GBP
Week Open	1.2562 USD/GBP	Monthly Low	1.2436 USD/GBP
Week Close	1.2641 USD/GBP	30 Days Average	1.2450 USD/GBP
Weekly High	1.2652 USD/GBP	90 Days Average	1.2243 USD/GBP
Weekly Low	1.2433 USD/GBP	YTD Change	+4.41%

Next Week's Pound Sterling Economic Events

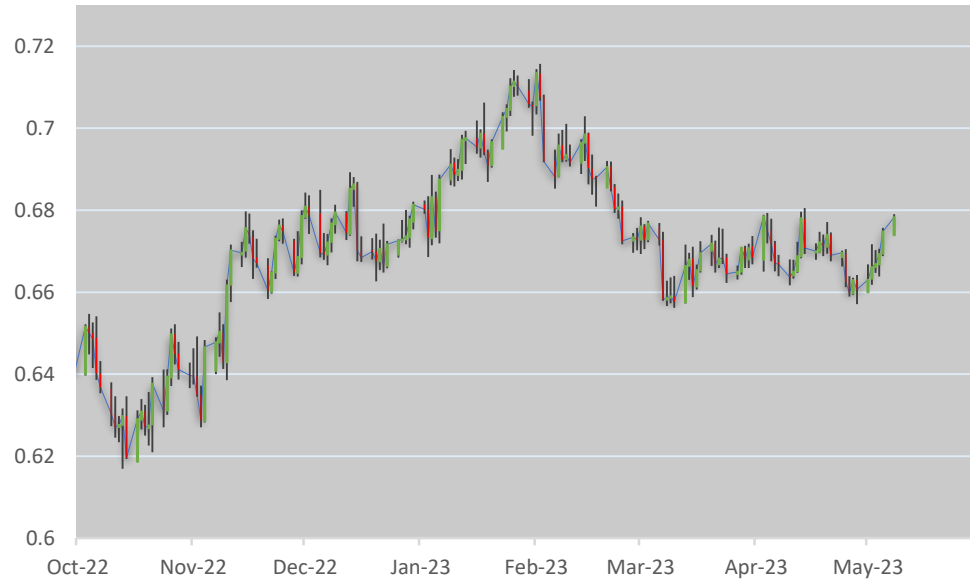
Events	Period	Date	Forecast	Previous
Halifax House Prices MM	Apr	9-May		
Halifax House Prices YY	Apr	9-May		
BOE Bank Rate	May	11-May	4.50%	
GDP Est 3M/3M	Mar	12-May		
GDP Estimate MM	Mar	12-May		
GDP Estimate YY	Mar	12-May		
GDP Prelim QQ	Q1	12-May		
GDP Prelim YY	Q1	12-May		
Manufacturing Output MM	Mar	10-May		

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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- In the coming week, Australia Westpac consumer confidence data on Tuesday;

Australian Dollar News

- The AUD/USD pair has supported by Australia's trade balance figures surprised to the upside hitting a surplus of A\$15.27 billion in March largely driven by iron ore and coal exports. While this is a positive for the local economy, external uncertainty is gripping financial markets leaving the AUD in limbo for now.

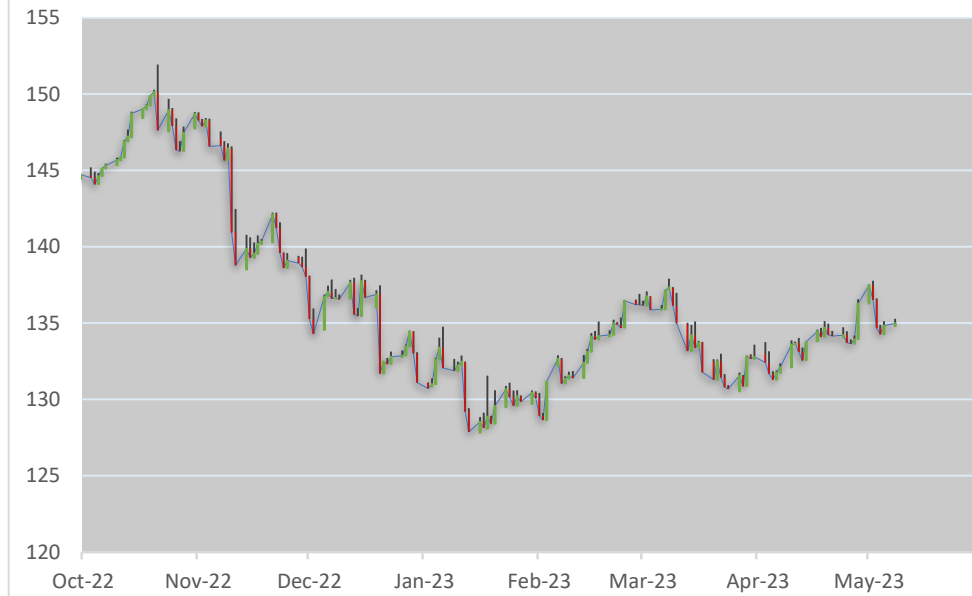
Australian Dollar Performance

Last Week Close	0.6607 USD/AUD	Monthly High	0.67900 USD/AUD
Week Open	0.6600 USD/AUD	Monthly Low	0.66110 USD/AUD
Week Close	0.6748 USD/AUD	30 Days Average	0.68126 USD/AUD
Weekly High	0.6757 USD/AUD	90 Days Average	0.68102 USD/AUD
Weekly Low	0.6599 USD/AUD	YTD Change	-0.46%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Retail Trade	Q1	9-May	-0.5%	
Building Approvals	Mar	3-May		

Lower Bound	0.6582	Upper Bound	0.6791
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Finalized Japanese service PMI numbers for April and the Bank of Japan Monetary Policy Meeting Minutes will be in focus.

Japanese Yen News

- The Japanese Yen spikes to 135.00 mark on upbeat NFP report, lacks follow-through buying.
- Nevertheless, the USD/JPY pair, for now, seems to have snapped a three-day losing streak and stalled this week's sharp retracement slide from the 137.75-137.80 region, or a two-month high. Spot prices, however, remain on track to register losses for the first time in the previous four weeks. This makes it prudent to wait for strong follow-through buying before placing fresh bullish bets around the major.

Japanese Yen Performance

Last Week Close	136.28 JPY/USD	Monthly High	137.77 JPY/USD
Week Open	136.29 JPY/USD	Monthly Low	133.51 JPY/USD
Week Close	134.83 JPY/USD	30 Days Average	132.45 JPY/USD
Weekly High	137.77 JPY/USD	90 Days Average	139.77 JPY/USD
Weekly Low	133.49 JPY/USD	YTD Change	+2.97%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Comp Op Final SA	Apr	8-May		
JibunBK SVC PMI Final SA	Apr	8-May		
Current Account NSA JPY	Mar	11-May	2,947.3B	
Current Account Bal SA	Mar	11-May		
Trade Bal Cust Basis SA	Mar	11-May		
M2 Money Supply	Apr	12-May		
Broad Money	Apr	12-May		

Lower Bound	132.20	Upper Bound	136.73
Forecast	Depreciation		

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