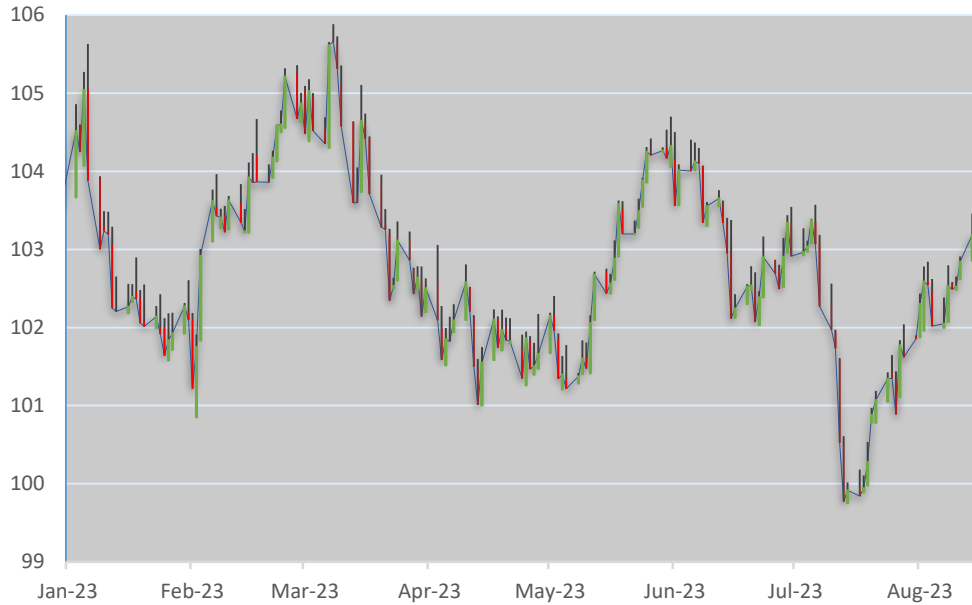


WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Aug 2023 - 18 Aug 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- US Dollar Index (DXY) rose to its highest level since July 07 before retreating from 103.46, around 103.16 by the press time. That said, the US 10-year Treasury bond yields rose to the highest level in nine months whereas the two-year counterpart also refreshed the monthly peak amid the market's dumping of the Treasury bonds. It's worth noting that such higher yields previously triggered recession woes and the risk-off sentiment which in turn favored the US Dollar due to its haven appeal.
- US Retail Sales will be crucial for clear directions as Greenback ignores dovish Fed bets to stay firmer.

Dollar News

- The dollar continued its gain after Fed Governor Michele Bowman said on Monday that additional interest rate hikes will likely be needed to lower inflation to the U.S. central bank's 2% target. Traders put the chance of no rate hike at the Fed's next policy meeting in September at 86.5%, according to CME FedWatch Tool. Investors are now focusing on Thursday's U.S. inflation data, which looms large in a market hungry for clues on the path for Federal Reserve policy
- The dollar recovers from pre-inflation data jitters after inflation rose moderately in July. CPI rose 0.2% in July as expected by the market and still way above 2% target of the Fed policy. The expectation is that next month there will not be additional hikes but rising Treasury yields gave the dollar some momentum. The main obstacle continues to be the labor market as noted by Mary Daly, Fed officials from San Francisco, she mentioned that more progress is needed to tame inflation and that the labor market is still unbalanced.

Dollar Index Performance

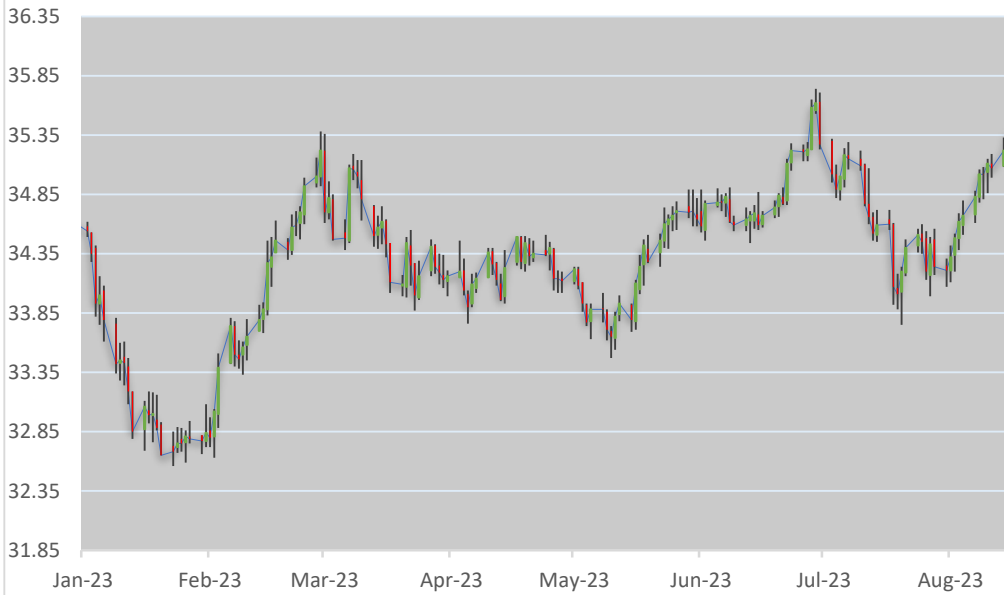
Last Week Close	102.02	Monthly High	103.57
Week Open	101.99	Monthly Low	99.58
Week Close	102.42	30 Days Average	101.72
Weekly High	103.46	90 Days Average	102.34
Weekly Low	101.78	YTD Change	-0.52%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Import Prices YY	Jul	15-Aug		-6.1%
Retail Sales MM	Jul	15-Aug	0.4%	0.2%
Housing Starts Number	Jul	16-Aug	1.448M	1.434M
Industrial Production MM	Jul	16-Aug	0.3%	-0.5%
Initial Jobless Clm	12 Aug, w/e	17-Aug	240k	248k
Philly Fed Business Indx	Aug	17-Aug	-10.0	-13.5

Lower Bound	100.00	Upper Bound	104.00
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Thailand political uncertainty still remain the main factor pressured directly on local currency.
- Thai baht weakening the most, as another array of disappointing data from China fanned worries about its faltering economic recovery.

Thai Baht News

• Thai baht weakened above 35.00 level on late Tuesday after stronger dollar and negative indicators from China, which reveal a notable contraction in both exports and imports during July. This reinforces the belief that the Chinese economy has yet to experience a significant recovery. Moreover, weakness in the yuan, China economy woes add to pressure on Asian currencies. The market is becoming more optimistic regarding formation of the new government as Pheu Thai has clear majority in the lower house and expects full support from senator for PM candidate.

Thai Baht Performance

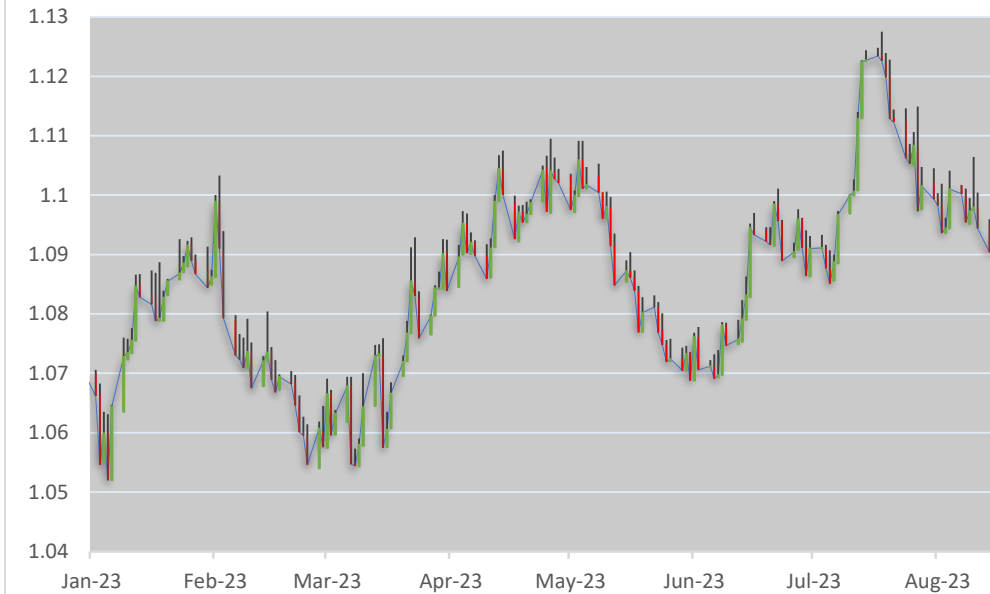
Last Week Close	34.62 THB/USD	Monthly High	35.40 THB/USD
Week Open	34.43 THB/USD	Monthly Low	34.16 THB/USD
Week Close	35.07 THB/USD	30 Days Average	34.65 THB/USD
Weekly High	35.19 THB/USD	90 Days Average	34.55 THB/USD
Weekly Low	34.61 THB/USD	YTD Change	+2.25%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	11 Aug, w/e	18-Aug		218.5B
Currency Swaps	11 Aug, w/e	18-Aug		31.3B

Lower Bound	35.20	Upper Bound	35.65
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Euro Graph


Source: Thomson Reuters

Euro Outlook

• EUR/USD drops to the lowest level in a week surrounding 1.0940 as bears keep control amid the early hours of Monday's Asian session, after a four-week downtrend. That said, the fears of the European Central Bank (ECB) policy pivot join the firmer US Treasury bond yields to exert downside pressure on the Euro pair. However, a light calendar and cautious mood ahead of this week's top-tier US data, as well as Minutes of the latest Federal Open Market Committee (FOMC) monetary policy meeting, put a floor under the prices..

Lower Bound	1.0800	Upper Bound	1.1100
Forecast	Depreciation		

Euro News

- Euro rebounded to 1.1000 USD/EUR on fears of ECB peak rates, hawkish Fed moves on upbeat US CPI.
- The Euro traded slightly lower against the dollar. Italian government announced a surprise 40% windfall tax on banks. Italy's finance ministry subsequently clarified that the one-off measure which targets gains from banks' higher interest rates, would not amount to more than 0.1% of their total assets. But the initial decision stripped 3.5% off major euro zone lenders' shares.
- The euro initially printed a weekly high near 1.1050 USD/EUR before making a U-turn as higher US treasury yields underpinned the dollar. The market opinion is that the Fed wouldn't continue to increase interest rate but the bond yields skyrocketed after a 30-year auction with the 10-year benchmark gaining 10 bps.

Euro Index Performance

Last Week Close	1.1010 USD/EUR	Monthly High	1.1064 USD/EUR
Week Open	1.1016 USD/EUR	Monthly Low	1.0875 USD/EUR
Week Close	1.0944 USD/EUR	30 Days Average	1.1042 USD/EUR
Weekly High	1.1064 USD/EUR	90 Days Average	1.0935 USD/EUR
Weekly Low	1.0927 USD/EUR	YTD Change	+2.17%

Next Week's Euro Economic Events

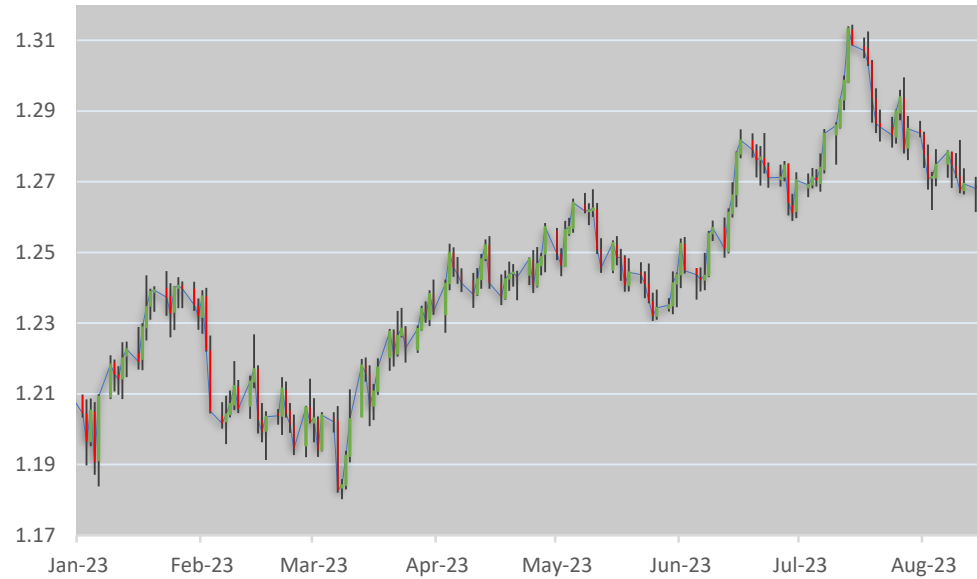
Events	Period	Date	Forecast	Previous
Reserve Assets Total	Jul	15-Aug		1,105.60B
GDP Flash Estimate QQ	Q2	16-Aug	0.3%	0.3%
GDP Flash Estimate YY	Q2	16-Aug	0.6%	0.6%
Total Trade Balance SA	Jun	17-Aug		-0.90B
HICP Final MM	Jul	18-Aug	-0.1%	0.3%
HICP Final YY	Jul	18-Aug	5.3%	5.3%

WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Aug 2023 - 18 Aug 2023



Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

- Market participants await the UK employment data on tuesday.

Lower Bound	1.2623	Upper Bound	1.2953
Forecast	Depreciation		

Pound Sterling News

- GBP/USD climbed toward 1.2800 on Friday supported by a weaker US Dollar across the board.
- BoE chief economist Huw Pill seems confident that United Kingdom's inflation will soften to 5% this year but in the process of achieving 2% inflation, the British economy could enter into a recession.

Pound Sterling Performance

Last Week Close	1.2748 USD/GBP	Monthly High	1.2838 USD/GBP
Week Open	1.2751 USD/GBP	Monthly Low	1.2617 USD/GBP
Week Close	1.2694 USD/GBP	30 Days Average	1.2836 USD/GBP
Weekly High	1.2818 USD/GBP	90 Days Average	1.2635 USD/GBP
Weekly Low	1.2664 USD/GBP	YTD Change	+5.06%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Jul	15-Aug		25.7k
ILO Unemployment Rate	Jun	15-Aug	4.0%	4.0%
HMRC Payrolls Change	Jul	15-Aug		-9k
Core CPI YY	Jul	16-Aug	6.8%	6.9%
CPI YY	Jul	16-Aug	6.8%	7.9%
Retail Sales MM	Jul	18-Aug	-0.5%	0.7%
Retail Sales Ex-Fuel MM	Jul	18-Aug	-0.7%	0.8%
Retail Sales YY	Jul	18-Aug	-2.1%	-1.0%

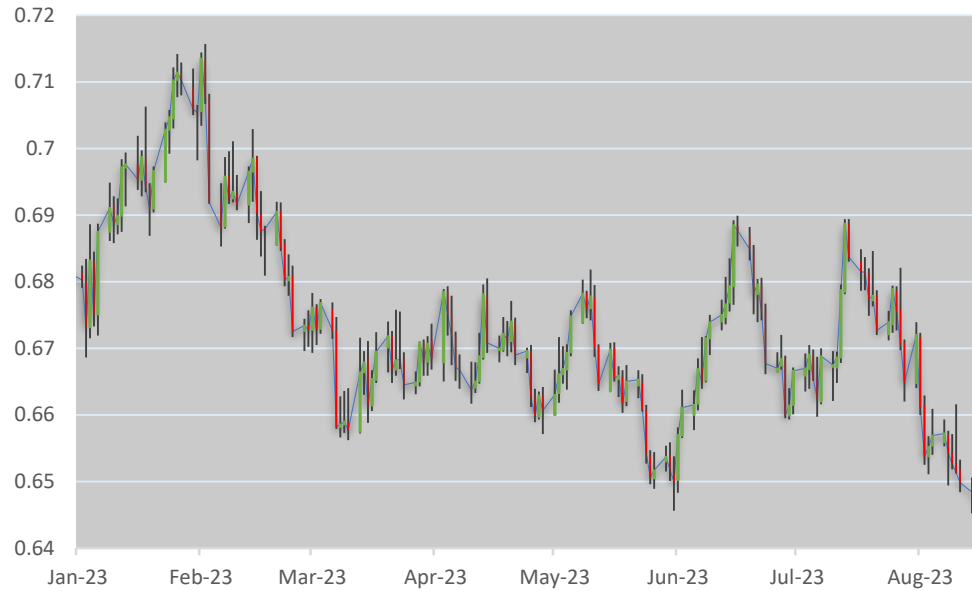
WEEKLY FOREIGN EXCHANGE OUTLOOK

14 Aug 2023 - 18 Aug 2023



Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- AUD/USD stalls nearby 0.6500 amid UST yield surge, China's real estate concerns. China's real estate jitters involving its largest private developer Country Garden, reignited worries on its property market, as the company failed to pay bond interest last week, as happened to Evergrande in 2021.
- In the meantime, Tuesday's Asian session will feature the release of the Reserve Bank of Australia's (RBA) last meeting minutes, with no surprises expected after the RBA's decided to hold rates at 4.10%. After that, the Wage Price Index is estimated to stay at 3.7%, though any upticks could be seen as inflation gathering momentum, triggering further action by the central bank.

Australian Dollar News

- The Australian Dollar (AUD) dropped after the stronger US Dollar has unsettled commodity markets with metals in particular seeing some recent weakness.
- AUD/USD steps back around 0.6530 after Australia inflation clues print a softer outcome for August. Australia Consumer Inflation Expectations eased to 4.9% from 5.2% prior, which in turn backs the Reserve Bank of Australia's (RBA) recent pause to the tightening cycle.

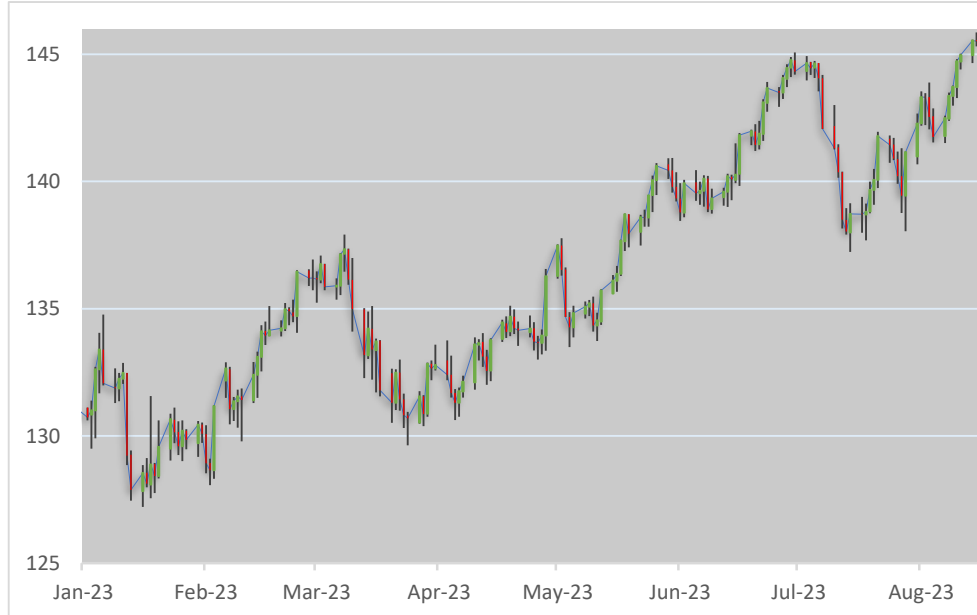
Australian Dollar Performance

Last Week Close	0.6569 USD/AUD	Monthly High	0.67230 USD/AUD
Week Open	0.6559 USD/AUD	Monthly Low	0.64550 USD/AUD
Week Close	0.6498 USD/AUD	30 Days Average	0.66698 USD/AUD
Weekly High	0.6616 USD/AUD	90 Days Average	0.66929 USD/AUD
Weekly Low	0.6484 USD/AUD	YTD Change	-5.05%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Wage Price Index QQ	Q2	15-Aug	0.9%	0.8%
Wage Price Index YY	Q2	15-Aug	3.7%	3.7%
Composite Leading Idx MM	Jul	16-Aug		0.12%
Employment	Jul	17-Aug	15.0k	32.6k
Unemployment Rate	Jul	17-Aug	3.6%	3.5%

Lower Bound	0.6408	Upper Bound	0.6600
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- On the Japanese side, Tuesday will witness the release of the Q2 Gross Domestic Product (GDP) preliminary report, with projections anticipating a rise at a yearly rate of 3.1%. Nonetheless, it's worth noting that the Bank of Japan (BoJ) has yet to show any indications of pivoting away from its accommodative monetary approach or engaging in market interference to manage the depreciation of the JPY. This lack of action could fuel an avenue for additional negative movement for the pair. However, if the Japanese economy shows signs of recovery, the BoJ might consider a pivot in its policies which could limit the Yen's losses.

Japanese Yen News

- The yen depreciated after hitting a one-week high of 141.52 per dollar. The Bank of Japan debated growing prospects of sustained inflation at their July meeting with one board member saying wages and prices could keep rising at a pace "not seen in the past", according to a summary of opinions released on Monday.
- The Japanese yen continue to depreciate and approaching "the red zone" at 145 JPY/USD, as the rising 10-year US treasury yield weigh on the pair. If the yen is continuing this trajectory, market is expecting some intervention talk once yen depreciate past 145 JPY/USD level. Eyes will be on tonight US PPI data while Japan is on holiday

Japanese Yen Performance

Last Week Close	141.75 JPY/USD	Monthly High	145.86 JPY/USD
Week Open	141.79 JPY/USD	Monthly Low	141.53 JPY/USD
Week Close	144.96 JPY/USD	30 Days Average	132.95 JPY/USD
Weekly High	145.03 JPY/USD	90 Days Average	132.61 JPY/USD
Weekly Low	141.51 JPY/USD	YTD Change	+10.99%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
GDP QQ	Q2	15-Aug	0.8%	0.9%
Reuters Tankan N-Man Idx	Aug	16-Aug		23
Machinery Orders MM	Jun	17-Aug	3.6%	-7.6%
Exports YY	Jul	17-Aug	-0.8%	1.5%
Imports YY	Jul	17-Aug	-14.7%	-12.9%
Trade Balance Total Yen	Jul	17-Aug	24.6B	43.1B
CPI, Core Nationwide YY	Jul	18-Aug	3.1%	3.3%

Lower Bound	142.00	Upper Bound	146.10
Forecast	Depreciation		

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

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