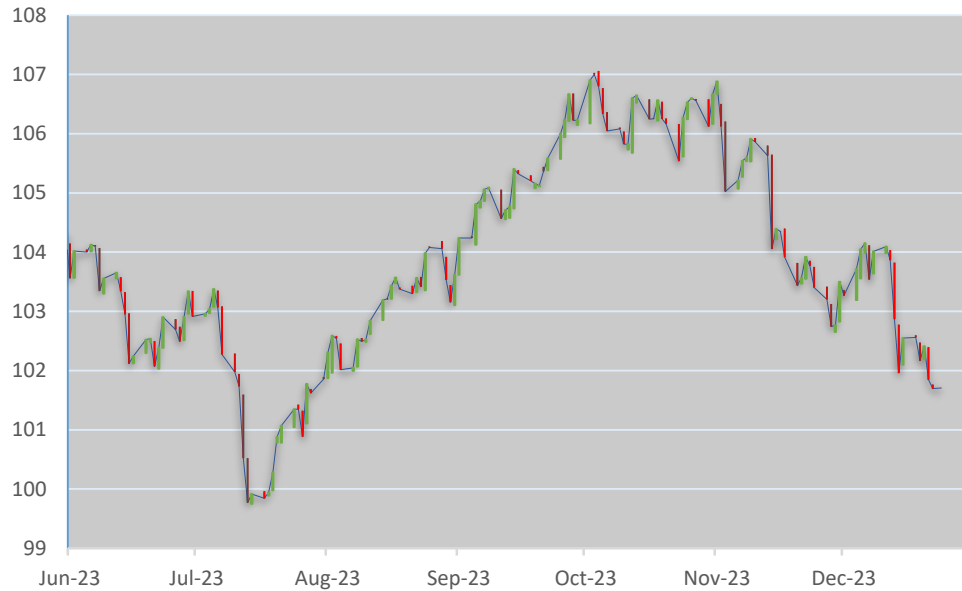


WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Dec 2023 - 28 Dec 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- Quiet week ahead as FX markets enter holiday season.
- On the data front, there are some second-tier releases in the United States, including regional Fed surveys from Dallas and Richmond on Tuesday and Wednesday, respectively.

Lower Bound	101.00	Upper Bound	103.00
Forecast	Depreciation		

Dollar News

- The dollar fell against other currencies on expectations that the Federal Reserve is about to start cutting rates as early as March. While Fed officials have pushed back against market expectations of how soon the FOMC could cut rates, those comments have done little to sway market pricing and stem the greenback's decline.
- US GDP data was released below expectation and fueled expectation that the Fed will be cutting interest rate early into 2024. The market is expecting more than 80% of a rate cut in March.
- US Personal Consumption Expenditure (PCE) Price Index softened more than expected on Friday with the Core Annualized PCE Price Index for the year through November printing at 3.2%, below the forecast 3.3% and even further back from October's YoY print of 3.4%.
- Another report indicated a 5.5% increase in Durable Goods Orders in November, and the University of Michigan Consumer Sentiment Index rose in December to 69.7 from 69.4.

Dollar Index Performance

Last Week Close	102.55	Monthly High	105.73
Week Open	102.59	Monthly Low	101.43
Week Close	101.84	30 Days Average	103.29
Weekly High	104.03	90 Days Average	104.77
Weekly Low	101.74	YTD Change	-1.75%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Monthly Home Price MM	Oct	26-Dec		0.6%
Monthly Home Price YY	Oct	26-Dec		6.1%
Monthly Home Price Index	Oct	26-Dec		414.8
Pending Homes Index	Nov	28-Dec		71.4
Pending Sales Change MM	Nov	28-Dec	0.5%	-1.5%
Chicago PMI	Dec	29-Dec	51.0	55.8
Jobless Clm 4Wk Avg		18 Dec, w/ 28-Dec		
Initial Jobless Clm		18 Dec, w/ 28-Dec		
Cont Jobless Clm		11 Dec, w/ 28-Dec		

WEEKLY FOREIGN EXCHANGE OUTLOOK
25 Dec 2023 - 28 Dec 2023

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- With no significant event in focus, Thai baht movement is this week still weighted on the movement of US dollar, gold price and year-end capital outflows.

Thai Baht News

- Thai baht appreciated against the dollar as investor expectations of Federal Reserve (Fed) rate cuts accelerating in 2024.
- The greenback is under pressure after US GDP data and Personal Consumption Expenditure (PCE) Price Index were released below expectation.

Thai Baht Performance

Last Week Close	34.87 THB/USD	Monthly High	35.83 THB/USD
Week Open	34.88 THB/USD	Monthly Low	34.46 THB/USD
Week Close	34.79 THB/USD	30 Days Average	35.14 THB/USD
Weekly High	35.03 THB/USD	90 Days Average	35.68 THB/USD
Weekly Low	34.69 THB/USD	YTD Change	-0.06%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Nov	28-Dec		7.00%
Imports YY	Nov	28-Dec		10.50%
Trade Account	Nov	28-Dec		1.30B
Current Account	Nov	28-Dec		0.70B

Lower Bound	34.50	Upper Bound	34.80
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Dec 2023 - 28 Dec 2023



Euro Graph



Source: Thomson Reuters

Euro News

- The euro appreciated against the dollar after US inflation missed the mark on Friday, printing below expectations and keeping investor expectations of Federal Reserve (Fed) rate cuts accelerating in 2024.
- The European Central Bank expressed their desire to keep policy tight well into next year to combat inflation, as they kept interest rates unchanged on Thursday.
- The euro opened higher after USD broadly fell on weak GDP data. Another weak inflation data could raise investors hope regarding more than 75 bps interest cut next year as that will tighten the interest gap between the EU and US. Europe is currently facing harsher economic slowdown as a result of high interest rate than the US and some are concerns about their path to stabilizing inflation could lead to minor recession. ☹️

Euro Index Performance

Last Week Close	1.0894 USD/EUR	Monthly High	1.1040 USD/EUR
Week Open	1.0901 USD/EUR	Monthly Low	1.0724 USD/EUR
Week Close	1.1008 USD/EUR	30 Days Average	1.0901 USD/EUR
Weekly High	1.1012 USD/EUR	90 Days Average	1.0735 USD/EUR
Weekly Low	1.0890 USD/EUR	YTD Change	+2.91%

Euro Outlook

- No key market movers are due for release in Europe ahead of holiday season.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Unemp Class-A SA	Nov	28-Dec		2,821.4k
HICP Flash YY	Dec	29-Dec		3.3%
CPI YY Flash NSA	Dec	29-Dec		3.2%
Current Account Balance	Oct	29-Dec		3.45B

Lower Bound	1.0900	Upper Bound	1.1050
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Dec 2023 - 28 Dec 2023



Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

- The UK's GDP and the CPI is in focus.
- On the data front, UK house price release on Friday.

Pound Sterling News

-The pound sterling traded higher against the dollar.
 - BoE's Broadbent said the central bank needs to see signs of clearer decline in inflation before it can conclude a downward trend.
 - The UK reported better-than-expected Retail Sales in November. UK Retail Sales grew 1.3% MoM in November, beating the forecast 0.4% and rebounding from October's flat print of 0.0%. Annualized Retail Sales through November also gained on market forecasts, printing at 0.1% versus the forecast -1.3%, rebounding from the previous period's -2.5%.
 - Upbeat UK Retail Sales helped Pound Sterling bidders shake off a miss in the UK Gross Domestic Product (GDP) print, which came in below expectations. Annualized quarterly UK GDP came in at just 0.3% versus the forecast hold at 0.6%, with quarterly GDP declining QoQ, coming in at -0.1% versus the forecast 0.0% flat reading.

Pound Sterling Performance

Last Week Close	1.2675 USD/GBP	Monthly High	1.2794 USD/GBP
Week Open	1.2675 USD/GBP	Monthly Low	1.2501 USD/GBP
Week Close	1.2688 USD/GBP	30 Days Average	1.2592 USD/GBP
Weekly High	1.2761 USD/GBP	90 Days Average	1.2415 USD/GBP
Weekly Low	1.2609 USD/GBP	YTD Change	+4.92%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Dec	29-Dec		0.2%
Nationwide house price yy	Dec	29-Dec		-2.0%

Lower Bound	1.2600	Upper Bound	1.2750
Forecast	Appreciation		

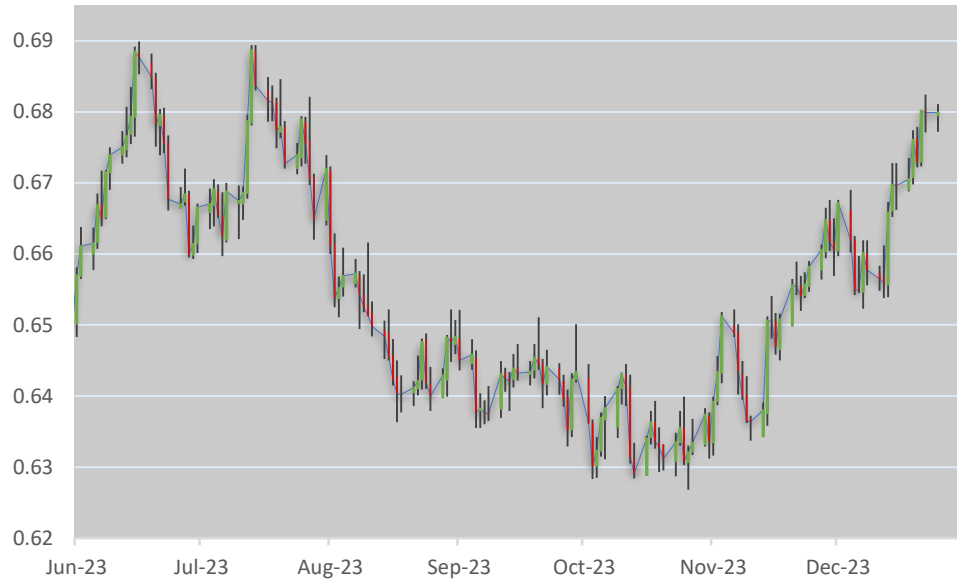
WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Dec 2023 - 28 Dec 2023



Australian Dollar

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- No key economics data are due for releasethis week ahead of holiday season.

Australian Dollar News

- The Reserve Bank of Australia (RBA) maintained its interest rate at 4.35% during its December 5 meeting, initially perceived as dovish. On Tuesday, the minutes revealed a hawkish stance, The central bank opened the door for further tightening amid the encouraging signs of falling inflationary pressures across the economy. However, it will depend on the incoming data and the evolving assessment of risks.
- Regarding the market expectations on the RBA, as indicated by the World Interest Rate Probability Tool (WIRP), suggest a low probability of a rate cut on February 6, followed by higher chances of easing in the May and June's meetings while a rate cut is already priced in for the November meeting in 2024.
- This aligns with markets betting on a less aggressive Fed and with investors contemplating rate cuts in early 2024. In that sense, monetary policy divergences seem to be favoring the Aussie over the US Dollar.

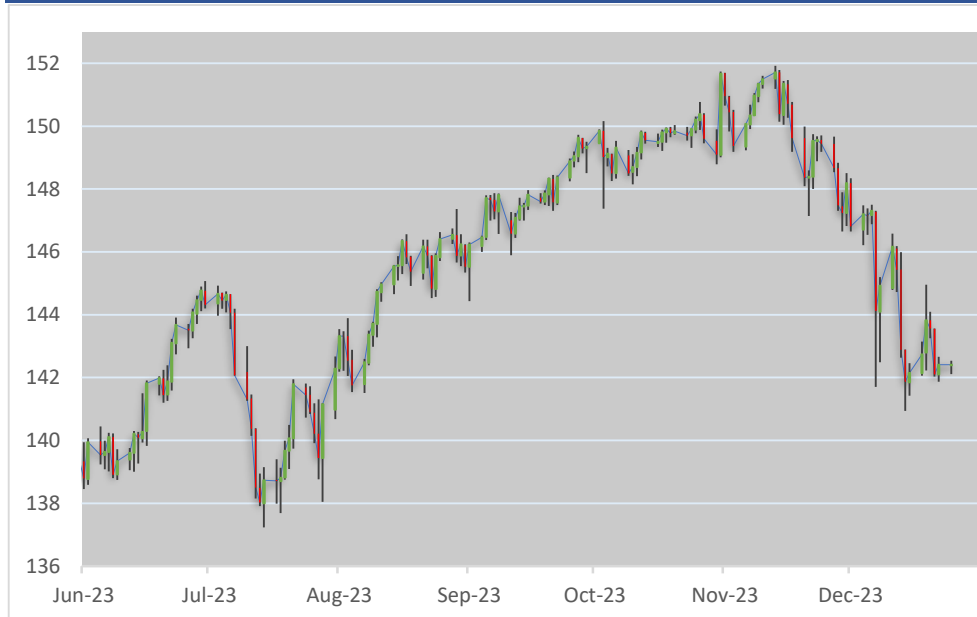
Australian Dollar Performance

Last Week Close	0.6696 USD/AUD	Monthly High	0.68240 USD/AUD
Week Open	0.6691 USD/AUD	Monthly Low	0.65260 USD/AUD
Week Close	0.6801 USD/AUD	30 Days Average	0.63638 USD/AUD
Weekly High	0.6803 USD/AUD	90 Days Average	0.64979 USD/AUD
Weekly Low	0.6688 USD/AUD	YTD Change	-0.21%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous

Lower Bound	0.6700	Upper Bound	0.6850
Forecast	Appreciation		


Japanese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- On the data front, markets will focus on unemployment rate and service PPI on Tuesday and industrial production release on Thursday.

Japanese Yen News

- The Japanese yen appreciated against the dollar.
- The Bank of Japan left interest rates in negative territory as widely expected, and said it will continue with its yield curve control measures to support Japanese economic growth. The Japanese yen depreciated against the dollar after the rate decision, with traders disappointed with the lack of cues for 2024.
- The Japanese yen strengthened after the dollar index plunged on Friday. The national core CPI was lower than last month's but investors are still hoping for exit from ultra-loose monetary policy. The BOJ minute suggest that members still agree on maintaining the current policy to continue support wage growth but noted that making the yield curve control flexible will help with volatility in the market.

Japanese Yen Performance

Last Week Close	142.15 JPY/USD	Monthly High	148.34 JPY/USD
Week Open	142.14 JPY/USD	Monthly Low	140.98 JPY/USD
Week Close	142.10 JPY/USD	30 Days Average	145.05 JPY/USD
Weekly High	144.95 JPY/USD	90 Days Average	141.71 JPY/USD
Weekly Low	142.03 JPY/USD	YTD Change	+8.62%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jobs/Applicants Ratio	Nov	26-Dec		1.30
Unemployment Rate	Nov	26-Dec		2.5%
Service PPI	Nov	26-Dec		2.30%
Housing Starts YY	Nov	27-Dec		-6.3%
Industrial O/P Prelim MM SA	Nov	28-Dec		1.3%
Retail Sales YY	Nov	28-Dec		4.2%
Large Scale Retail Sales YY	Nov	28-Dec		4%

Lower Bound	140.00	Upper Bound	145.00
Forecast	Appreciation		

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