

WEEKLY FOREIGN EXCHANGE OUTLOOK

31 Jul 2023 - 04 Aug 2023



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- On Tuesday, the final US PMI and the Manufacturing ISM are due, together with the JOLTS Job Openings for June.
 - On Wednesday will be the ADP Employment report in the US. Last month.
 - Moreover, markets will eyes on Friday's U.S jobs report is expected to show that the economy added 184,000 jobs in July, while the unemployment rate remained at a historical low of 3.6% and average hourly earnings cooled.
- The resilience of the labor market has been a key factor in shaping the view that the economy is heading towards a so-called soft landing of cooling inflation and strong growth.

Lower Bound	99.18	Upper Bound	103.46
Forecast	Appreciation		

Dollar News

- The dollar index traded higher against major currencies.
- The Fed raised rates by another 25 basis points to their highest level since 2007 at the end of its two-day policy-setting meeting on Wednesday, as widely expected, and did not rule out another rate hike, saying it would follow future economic data. However, he also noted improvements in inflation, while stating that the central bank no longer expected a U.S. recession this year, opening the possibility of a soft landing for the U.S. economy this year.
- The Real Gross Domestic Product (GDP) of the US expanded at an annual pace of 2.4% in the second quarter, much stronger than the market expectation of 1.8%.
- Inflation slowed considerably in the 12 months to June, with the personal consumption expenditures index advancing 3.0%, the smallest annual gain since March 2021, the Commerce Department said on Friday.

Dollar Index Performance

Last Week Close	101.07	Monthly High	103.57
Week Open	101.70	Monthly Low	99.58
Week Close	101.36	30 Days Average	101.79
Weekly High	102.04	90 Days Average	102.29
Weekly Low	100.86	YTD Change	-1.65%

Next Week's Dollar Index Economic Events

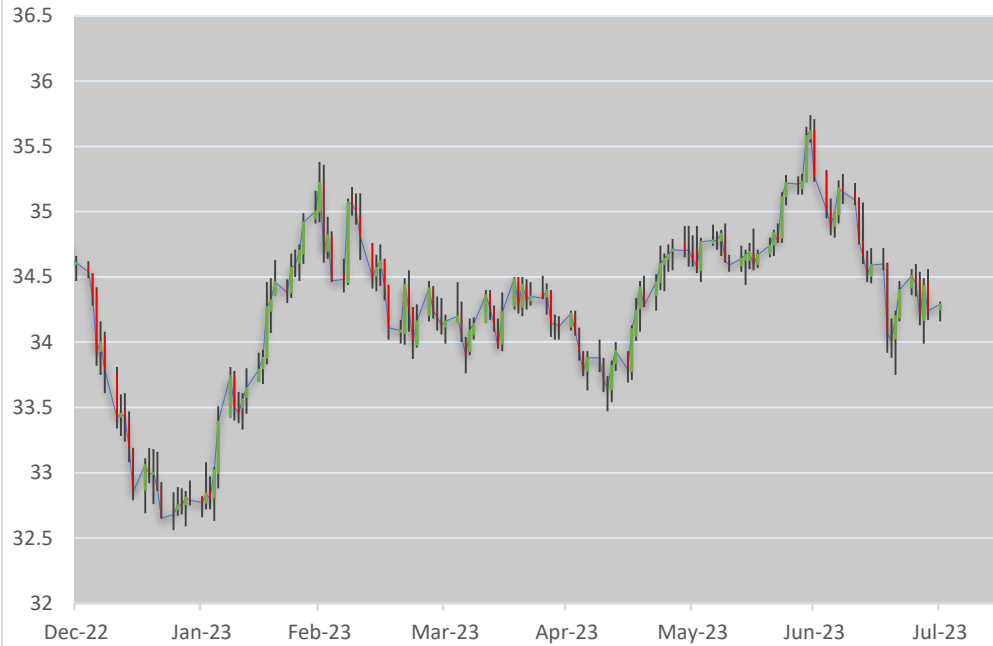
Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Jul	1-Aug		49.0
ISM Manufacturing PMI	Jul	1-Aug	46.5	46.0
S&P Global Comp Final PMI	Jul	3-Aug		52.0
S&P Global Svcs PMI Final	Jul	3-Aug		52.4
Factory Orders MM	Jun	3-Aug		0.3%
ISM N-Mfg PMI	Jul	3-Aug		53.9
Non-Farm Payrolls	Jul	4-Aug	184k	209k
Unemployment Rate	Jul	4-Aug	3.6%	3.6%
Initial Jobless Clm		24 Jul, w/e 3-Aug		

WEEKLY FOREIGN EXCHANGE OUTLOOK

31 Jul 2023 - 04 Aug 2023



Thai Baht Graph



Source: Thomson Reuters

Thai Baht Outlook

- Investors waited to see the political development in Thailand. Thailand's parliament is scheduled to meet on Aug 4 to pick a new prime minister as a coalition of pro-democracy parties seek to end a political impasse that has gripped the country since the May general election.
- Moreover, the market will focus on Monetary Policy Committee's Decision on Wednesday (2/8).

Lower Bound	33.85	Upper Bound	34.85
Forecast	Depreciation		

Thai Baht News

- The Thai baht appreciated against the dollar.
- The commerce ministry reported that Thai exports shrank for a ninth consecutive month in June, a smaller rate than expected, as global demand remains sluggish, but still expects some growth for the full year. Customs-based exports, a key driver of Thailand's economy, dropped 6.4% in June from the same month a year earlier, beating analysts' average estimated decline of 7.3%. Thailand posted a trade surplus of \$58 million in June versus a forecast deficit of \$900 million, with imports showing a 10.3% on-year decline. In the first half of 2023, exports contracted 5.4% from a year earlier, imports fell 3.5% and the trade deficit stood at \$6.3 billion.

Thai Baht Performance

Last Week Close	34.20 THB/USD	Monthly High	35.32 THB/USD
Week Open	34.43 THB/USD	Monthly Low	33.76 THB/USD
Week Close	34.24 THB/USD	30 Days Average	34.78 THB/USD
Weekly High	34.60 THB/USD	90 Days Average	34.47 THB/USD
Weekly Low	33.99 THB/USD	YTD Change	-1.01%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Jun	31-Jul		-5.90%
Imports YY	Jun	31-Jul		-2.30%
Trade Account	Jun	31-Jul		0.10B
Current Account	Jun	31-Jul		-2.80B
Manufacturing PMI SA	Jul	2-Aug		53.2
1-Day Repo Rate	2 Aug	2-Aug	2.25%	2.00%

WEEKLY FOREIGN EXCHANGE OUTLOOK
31 Jul 2023 - 04 Aug 2023

Euro Graph


Source: Thomson Reuters

Euro Outlook

- The Eurozone is to release a preliminary estimate of July inflation and second quarter GDP on Monday that will be closely watched amid debate over whether the European Central Bank may raise interest rates again at its next meeting in September. The GDP data is expected to show that the bloc's economy returned to growth in the second quarter, while inflation is expected to moderate only slightly.
- On Tuesday, the final Manufacturing PMI from the Eurozone and the German Unemployment Rate will be released.
- On Thursday, the final reading of the Services PMIs will be featured. Eurostat will also release the Producer Price Index (PPI) for June.
- The further important data is the Eurozone's Retail Sales which will be released on Friday

Lower Bound	1.0850	Upper Bound	1.1150
Forecast	Depreciation		

Euro News

- The ECB raised its deposit rate to a historic high on Thursday but removed a clear hint at further hikes from its policy statement, meaning another increase at its upcoming September meeting should not be taken for granted. ECB President Christine Lagarde said what would come next was in the balance, even if the central bank was determined to "break the back" of inflation.
- Inflation data, released earlier Friday, showed the annual rates slowing down, added to the possibility of a pause next month as inflation in the German state of North Rhine-Westphalia, the country's most populous state, rose an annual 5.8% in July, below the 6.2% expected. French annual inflation came in at 4.3% in July, a drop from the previous month's 4.5%, and while Spanish inflation climbed to an annual 2.3%, this is still well below most of the other countries in the eurozone.

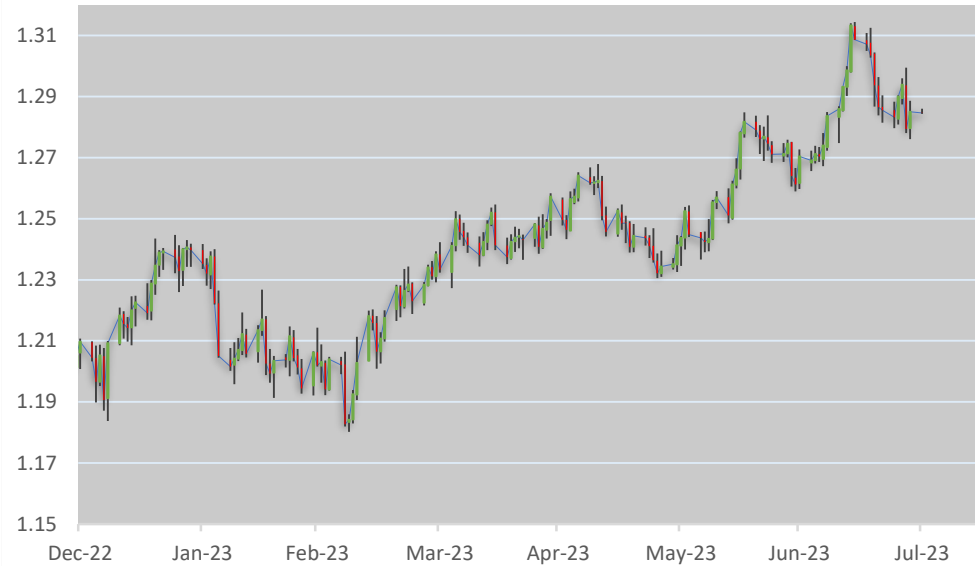
Euro Index Performance

Last Week Close	1.1123 USD/EUR	Monthly High	1.1275 USD/EUR
Week Open	1.1125 USD/EUR	Monthly Low	1.0835 USD/EUR
Week Close	1.1015 USD/EUR	30 Days Average	1.1025 USD/EUR
Weekly High	1.1149 USD/EUR	90 Days Average	1.0924 USD/EUR
Weekly Low	1.0942 USD/EUR	YTD Change	+2.88%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
GDP Flash Prelim YY	Q2	31-Jul		1
GDP Flash Prelim QQ	Q2	31-Jul	0.2	-0.1
HCOB Mfg PMI	Jul	1-Aug		38.8
Unemployment Rate SA	Jul	1-Aug		5.7
HCOB Mfg Final PMI	Jul	1-Aug		42.7
Unemployment Rate	Jun	1-Aug		6.5
HCOB Composite Final PMI	Jul	3-Aug		48.3
HCOB Services Final PMI	Jul	3-Aug		51.1
S&P Global Comp Final PMI	Jul	3-Aug		48.9%
Industrial Orders MM	Jun	4-Aug		6.4%

WEEKLY FOREIGN EXCHANGE OUTLOOK
31 Jul 2023 - 04 Aug 2023

Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The BOE holds its latest rate setting meeting on Thursday and markets are split about whether policymakers will revert back to a 25-basis point rate hike after a 50-bps hike in June, as economic growth remains fragile, the labor market is tight and inflation is cooling.

Pound Sterling News

- The UK calendar was relatively data-light but the disappointing preliminary S&P Global Purchasing Managers' Index (PMI) reports on Monday checked the rebound in the Pound Sterling from multi-day lows set at 1.2797 against the Greenback. The S&P Global/CIPS composite PMI showed a preliminary reading of 50.7, down from 52.8 in June in the biggest drop in 11 months.
- However, the GBP/USD turnaround gathered steam during midweek after the US Federal Reserve (Fed) policy announcements were widely viewed as dovish.

Pound Sterling Performance

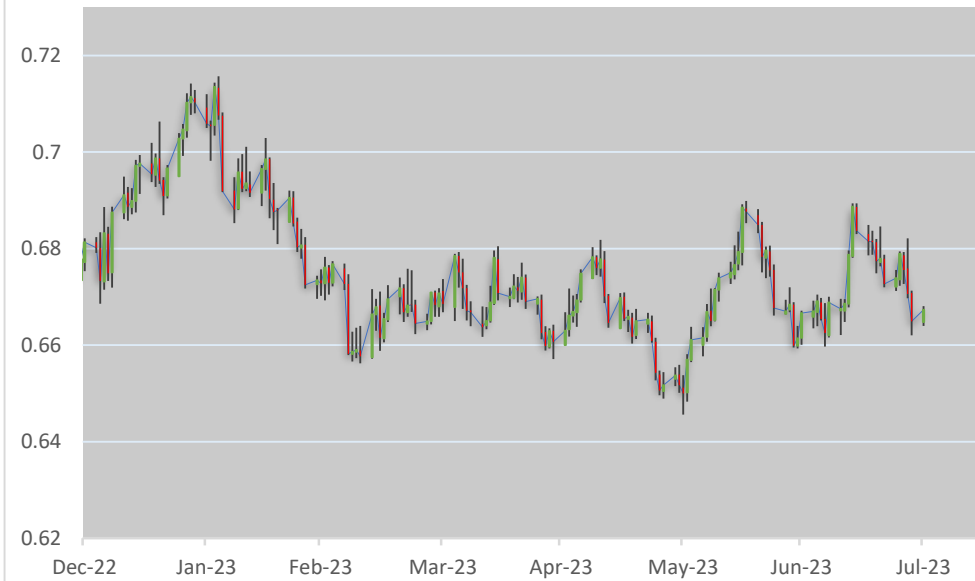
Last Week Close	1.2855 USD/GBP	Monthly High	1.3144 USD/GBP
Week Open	1.2855 USD/GBP	Monthly Low	1.2659 USD/GBP
Week Close	1.2850 USD/GBP	30 Days Average	1.2830 USD/GBP
Weekly High	1.2995 USD/GBP	90 Days Average	1.2594 USD/GBP
Weekly Low	1.2761 USD/GBP	YTD Change	+6.22%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
S&P GLBL/CIPS Mfg PMI FNL	Jul	1-Aug		45.0
Composite PMI Final	Jul	3-Aug		50.7
Reserve Assets Total	Jul	3-Aug		184,503.97M
BOE Bank Rate	Aug	3-Aug	5.25%	5.00%
All-Sector PMI	Jul	4-Aug		52.5
Nationwide house price mm	Jul	27-Jul	-0.2%	0.1%
Nationwide house price yy	Jul	27-Jul	-3.8%	-3.5%

Lower Bound	1.2700	Upper Bound	1.3000
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
31 Jul 2023 - 04 Aug 2023

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The official manufacturing PMI, which largely focuses on big and state-owned firms, and its survey for the services sector, will be released on Monday. The Caixin manufacturing PMI, which focuses on small and medium-sized enterprises, will be released on Tuesday.
- A majority of analysts expect the central bank to keep interest rates on hold on Tuesday, although some analysts are still holding out for one more hike by the RBA this year.

Australian Dollar News

- The Australian dollar inching up on Monday on the prospect of more stimulus measures in China given the importance of that market to the Australian export market.
- On Wednesday, The Australian dollar falling sharply after softer-than-expected consumer price index (CPI) inflation data ramped up bets that the Reserve Bank of Australia (RBA) was done hiking interest rates. Headline inflation rose 6% y/y in the second quarter, down from 7% in the first quarter and below the consensus estimate of 6.2%. June monthly inflation dipped to 5.4% y/y as expected, below the May reading of 5.5%.
- On Friday, Data showed Australian retail sales unexpectedly fell in June, The reading points to slower consumer spending amid pressure from high inflation and interest rates. But it could also herald a coming slowdown in consumer inflation.

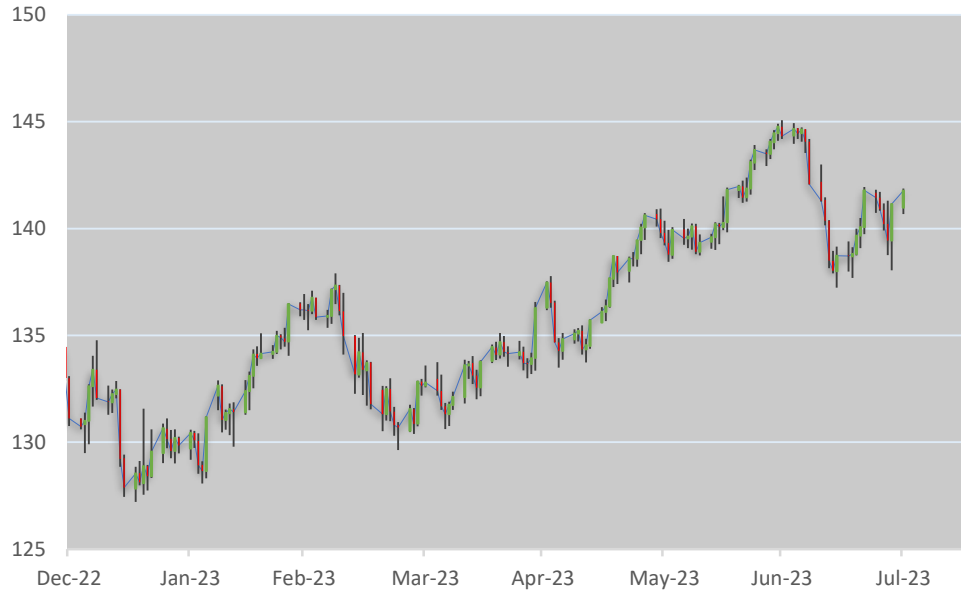
Australian Dollar Performance

Last Week Close	0.6727 USD/AUD	Monthly High	0.68940 USD/AUD
Week Open	0.6721 USD/AUD	Monthly Low	0.66000 USD/AUD
Week Close	0.6649 USD/AUD	30 Days Average	0.66371 USD/AUD
Weekly High	0.6821 USD/AUD	90 Days Average	0.67139 USD/AUD
Weekly Low	0.6620 USD/AUD	YTD Change	-2.01%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Final	Jul	1-Aug		49.6
Invest Hous'g Fin MM	Jun	1-Aug		6.20%
RBA Cash Rate	Aug	1-Aug	4.35%	4.10%
Judo Bank Svs PMI Final	Jul	3-Aug		48.0
Judo Bank Comp PMI Final	Jul	3-Aug		48.3
Trade Balance G&S (A\$)	Jun	3-Aug		11,791M

Lower Bound	0.6600	Upper Bound	0.6750
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The markets, meanwhile, already seem to have digested the Bank of Japan's (BoJ) hawkish move to make its Yield Curve Control (YCC) policy flexible on Friday.
- This week, market will eyes on unemployment rate, Final Manufacturing PMI on Tuesday and Monetary Policy Meeting Minutes release on Wednesday.

Lower Bound	138.50	Upper Bound	144.50
Forecast	Depreciation		

Japanese Yen News

- The Japanese Government said on Monday that inflation is likely to moderate further this year, before slowing to around 1.5% next year when stripping away the effect of one-off factors.
- The yen had its most volatile trading session in months on Friday after the Bank of Japan's decision to conduct its yield curve control policy more flexibly, allowing the 10-year yield to move 0.5% around the 0% target, leaving investors wondering if an eventual shift in its massive stimulus program is approaching.
- Regarding Governor Ueda's comments, he stated that the decision was not a step toward normalisation as the bank is still far from where it can raise short-term rates, and its dovish tone seems to be weakening the Yen.

Japanese Yen Performance

Last Week Close	141.79 JPY/USD	Monthly High	144.93 JPY/USD
Week Open	141.68 JPY/USD	Monthly Low	137.26 JPY/USD
Week Close	141.15 JPY/USD	30 Days Average	132.99 JPY/USD
Weekly High	141.81 JPY/USD	90 Days Average	132.66 JPY/USD
Weekly Low	138.05 JPY/USD	YTD Change	+8.17%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Industrial O/P Prelim MM SA	Jun	31-Jul		-2.2%
Large Scale Retail Sales YY	Jun	31-Jul		4%
Jobs/Applicants Ratio	Jun	1-Aug		1.31
Unemployment Rate	Jun	1-Aug		2.6%
JibunBK Mfg PMI Final SA	Jul	1-Aug		49.4
Monetary Base YY	Jul	2-Aug		-1.21%
JibunBK Comp Op Final SA	Jul	3-Aug		52.1
JibunBK SVC PMI Final SA	Jul	3-Aug		53.9

IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.