

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**05 Jun 2023 - 09 Jun 2023**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

• As the market's bets on the Fed's June rate hike dropped from around 80% in the middle of the last week to nearly 25%, the dollar tends to weak against its majors currencies toward the Fed's meeting on June 13-14.

**Dollar News**

- The dollar gained as markets raised bets on higher-for-longer interest rates after the personal consumption expenditures (PCE) price index increased 0.4% in April after rising 0.1% in March amid closely watched last-ditch talks on the U.S. debt ceiling.
  - The Senate voted 63-36 to approve the bill that was passed on Wednesday(31/5) by the House of Representatives, as lawmakers raced against the clock to avert what would have been a first-ever default.
  - The U.S. dollar drifted on Friday (2/6) from a two-month high as investors trimmed bets based on lower rate hike expectations after Fed officials pointed toward a rate hike "skip" at its June 13-14 meeting, giving time for the central bank to assess the impact of its tightening cycle thus far against still-strong inflation data.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>104.21</b>	<b>Monthly High</b>	<b>104.70</b>
<b>Week Open</b>	<b>104.24</b>	<b>Monthly Low</b>	<b>101.01</b>
<b>Week Close</b>	<b>103.38</b>	<b>30 Days Average</b>	<b>102.76</b>
<b>Weekly High</b>	<b>104.70</b>	<b>90 Days Average</b>	<b>103.04</b>
<b>Weekly Low</b>	<b>103.38</b>	<b>YTD Change</b>	<b>#VALUE!</b>

**Next Week's Dollar Index Economic Events**

Events	Period	Date	Forecast	Previous
International Trade \$	Apr	7-Jun	-75.2B	
S&P Global Comp Final PMI	May	5-Jun		
S&P Global Svcs PMI Final	May	5-Jun		
Factory Orders MM	Apr	5-Jun	0.8%	0.6%
ISM N-Mfg PMI	May	5-Jun	52.2	
Initial Jobless Clm	3 Jun, w/e	8-Jun	235k	

<b>Lower Bound</b>	<b>103.00</b>	<b>Upper Bound</b>	<b>105.01</b>
<b>Forecast</b>	<b>Depreciation</b>		

U Mich Sentiment Final	Apr	28-Apr	63.5
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**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The Thai baht should trade in sideways with the lack of significant factors to drive its direction.

**Thai Baht News**

- The baht and Asian currencies depreciated against the dollar in the early trade as markets flocked to safe-haven assets amid a potential U.S. debt ceiling.
- On Wednesday (31/5), Bank of Thailand (BoT) raised the policy rate by 25bp to 2% as widely expected and maintained a hawkish bias but will be data-driven. It opened the door to a possible pause in the coming months by said that it is “prepared to adjust the size and timing of policy normalization should the evolving growth and inflation outlook differ from the current assessment”.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>34.67</b> THB/USD	<b>Monthly High</b>	<b>Retrieving</b> THB/USD
<b>Week Open</b>	<b>34.43</b> THB/USD	<b>Monthly Low</b>	<b>Retrieving</b> THB/USD
<b>Week Close</b>	<b>34.77</b> THB/USD	<b>30 Days Average</b>	<b>34.26</b> THB/USD
<b>Weekly High</b>	<b>34.89</b> THB/USD	<b>90 Days Average</b>	<b>34.26</b> THB/USD
<b>Weekly Low</b>	<b>34.46</b> THB/USD	<b>YTD Change</b>	<b>#VALUE!</b>

**Next Week's Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
CPI Core Inflation YY	May	6-Jun	1.60%	
CPI Index	May	6-Jun		

<b>Lower Bound</b>	<b>34.50</b>	<b>Upper Bound</b>	<b>35.00</b>
<b>Forecast</b>	<b>Neutral</b>		

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**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The euro cautiously cheers hawkish ECB bias above 1.0700 EUR/USD while investors will pay attention to the risk catalysts such as a monthly prints of German Factory Orders and Eurozone Retail Sales for April that could shown a clear directions for its movements.

<b>Lower Bound</b>	<b>1.0630</b>	<b>Upper Bound</b>	<b>1.0800</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Euro News**

- The euro stays pressured at the lowest levels in 10 weeks as political turmoil in Spain, unimpressive ECB talks and fears of German recession weigh on Euro.
- Leading European policymakers struck varying tones on the future path of euro zone inflation, with European Central Bank chief economist Philip Lane pushing back against concerns about core inflation.
- The euro was last up 0.73% to \$1.0767, coming off a two-month low of \$1.0635 on Wednesday (31/5), after some European countries released national inflation data showing signs that price pressures have eased.
- European Central Bank (ECB) President Christine Lagarde said further policy tightening was necessary.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0724</b> USD/EUR	<b>Monthly High</b>	<b>Retrieving</b> USD/EUR
<b>Week Open</b>	<b>1.0724</b> USD/EUR	<b>Monthly Low</b>	<b>Retrieving</b> USD/EUR
<b>Week Close</b>	<b>1.0706</b> USD/EUR	<b>30 Days Average</b>	<b>1.0872</b> USD/EUR
<b>Weekly High</b>	<b>1.0778</b> USD/EUR	<b>90 Days Average</b>	<b>1.0806</b> USD/EUR
<b>Weekly Low</b>	<b>1.0633</b> USD/EUR	<b>YTD Change</b>	<b>#VALUE!</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
S&P Global Comp Final PMI	May	5-Jun	53.3	
GDP Revised QQ	Q1	8-Jun	0.0%	
GDP Revised YY	Q1	8-Jun	1.2%	

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**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling News**

- Sterling was last trading at \$1.2352, up 0.26% in the early trade, after data showed British consumers picked up spending in April, although the currency was still heading for a weekly loss.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2343</b> USD/GBP	<b>Monthly High</b>	<b>Retrieving</b> USD/GBP
<b>Week Open</b>	<b>1.2342</b> USD/GBP	<b>Monthly Low</b>	<b>Retrieving</b> USD/GBP
<b>Week Close</b>	<b>1.2448</b> USD/GBP	<b>30 Days Average</b>	<b>1.2477</b> USD/GBP
<b>Weekly High</b>	<b>1.2544</b> USD/GBP	<b>90 Days Average</b>	<b>1.2296</b> USD/GBP
<b>Weekly Low</b>	<b>1.2325</b> USD/GBP	<b>YTD Change</b>	<b>#VALUE!</b>

**Pound Sterling Outlook**

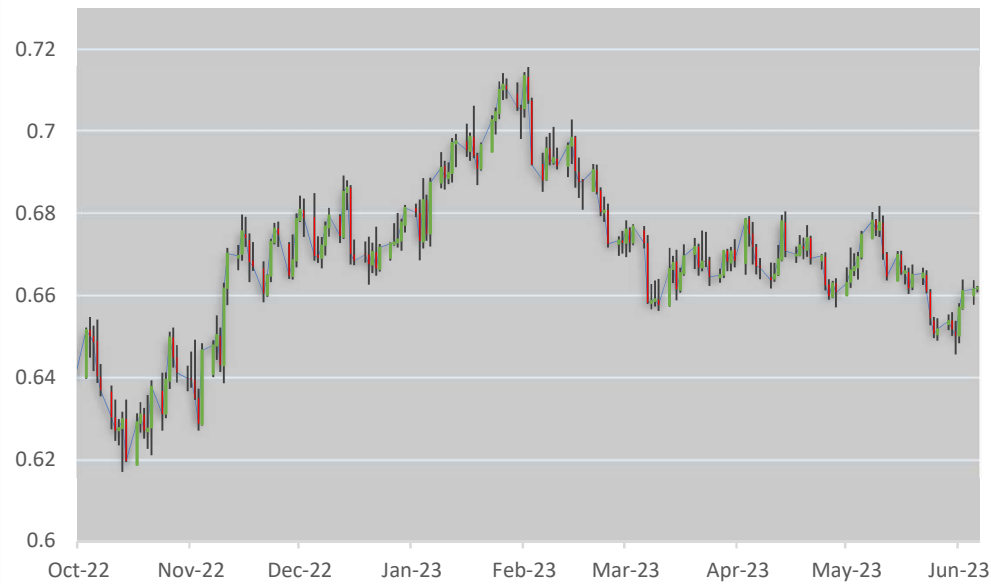
- With the support from UK data that had been released during last week and the thought that BoE will have to be more aggressive with hiking policy, the pound can go a bit stronger in this week.

**Next Week's Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Halifax House Prices MM	May	7-Jun	0.0%	
Halifax House Prices YY	May	7-Jun	-0.95%	
Composite PMI Final	May	5-Jun	53.9	
Reserve Assets Total	May	5-Jun		

<b>Lower Bound</b>	<b>1.2350</b>	<b>Upper Bound</b>	<b>1.2600</b>
<b>Forecast</b>	<b>Appreciation</b>		

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**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- Markets eyes are on the RBA meeting on June 6, there are expecting the RBA will leave rates unchanged at its monetary policy meeting. However, a less hawkish tone from RBA could be a greater reaction in AUD.

**Australian Dollar News**

- The Australian Dollar remains buoyed on Tuesday (30/5) despite some soft domestic data. Building approvals for April fell 8.1% month-on-month, below estimates of a 2% rise and -1.0% prior.
- The Aussie rose as much as 0.61% to \$0.6613, its strongest since May 24 on Friday (2/6). The primary driver was an announcement by Australia's independent wage-setting body that it would raise the minimum wage by 5.75% from July 1.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6517</b> USD/AUD	<b>Monthly High</b>	<b>Retrieving</b> USD/AUD
<b>Week Open</b>	<b>0.6530</b> USD/AUD	<b>Monthly Low</b>	<b>Retrieving</b> USD/AUD
<b>Week Close</b>	<b>0.6611</b> USD/AUD	<b>30 Days Average</b>	<b>0.66796</b> USD/AUD
<b>Weekly High</b>	<b>0.6638</b> USD/AUD	<b>90 Days Average</b>	<b>0.68066</b> USD/AUD
<b>Weekly Low</b>	<b>0.6456</b> USD/AUD	<b>YTD Change</b>	<b>#VALUE!</b>

**Next Week's Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Net Exports Contribution	Q1	6-Jun	-0.6%	
RBA Cash Rate	Jun	6-Jun	3.85%	
Real GDP QQ SA	Q1	7-Jun	0.3%	
Real GDP YY SA	Q1	7-Jun	2.4%	
Judo Bank Svs PMI Final	May	5-Jun		
Judo Bank Comp PMI Final	May	5-Jun		
Trade Balance G&S (A\$)	Apr	8-Jun	14,000M	

<b>Lower Bound</b>	<b>0.6550</b>	<b>Upper Bound</b>	<b>0.6700</b>
<b>Forecast</b>	<b>Appreciation</b>		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The Yen tends to move a back-and-forth action between 138.00 - 140.00 JPY/USD. The asset is expected to extend its downside journey as the upside in the USD Index seems restricted.

<b>Lower Bound</b>	<b>138.50</b>	<b>Upper Bound</b>	<b>141.00</b>
<b>Forecast</b>	<b>Neutral</b>		

**Japanese Yen News**

- The yen slumped to a fresh six-month low of 141 per dollar in early trade as the Bank of Japan (BoJ) Governor Kazuo Ueda said “ the BoJ will patiently maintain the easy monetary policy as there is still a distance to go to stable 2% inflation.”

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>140.62 JPY/USD</b>	<b>Monthly High</b>	<b>Retrieving JPY/USD</b>
<b>Week Open</b>	<b>140.68 JPY/USD</b>	<b>Monthly Low</b>	<b>Retrieving JPY/USD</b>
<b>Week Close</b>	<b>139.94 JPY/USD</b>	<b>30 Days Average</b>	<b>130.76 JPY/USD</b>
<b>Weekly High</b>	<b>140.93 JPY/USD</b>	<b>90 Days Average</b>	<b>136.58 JPY/USD</b>
<b>Weekly Low</b>	<b>138.45 JPY/USD</b>	<b>YTD Change</b>	<b>#VALUE!</b>

**Next Week's Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
JibunBK Comp Op Final SA	May	5-Jun		
JibunBK SVC PMI Final SA	May	5-Jun		
Current Account Bal SA	Apr	8-Jun		
Trade Bal Cust Basis SA	Apr	8-Jun		
GDP Rev QQ Annualised	Q1	8-Jun	1.9%	
GDP Revised QQ	Q1	8-Jun	0.5%	
GDP Cap Ex Rev QQ	Q1	8-Jun	1.3%	
M2 Money Supply	May	9-Jun		
Broad Money	May	9-Jun		

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