


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**01 Apr 2024 - 05 Apr 2024**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Outlook**

- Fed's Waller emphasized that the Fed is in no rush to cut the policy rate as it's prudent to hold its restrictive stance for longer than previously expected to bring down inflation to the 2% target.
- The rekindling of geopolitical tensions between Russia and Ukraine combined with fairly hawkish commentaries from US Federal Reserve (Fed) policymakers continued to support the US Dollar.
- Markets are now pricing about a 64% probability that the Fed will begin cutting rates in June, according to CMEGroup's FedWatch Tool, down from a 70% chance seen at the start of the week.

<b>Lower Bound</b>	<b>102.42</b>	<b>Upper Bound</b>	<b>105.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- The US Census Bureau reported that Durable Goods Orders increased by 1.4% MoM in February, outperforming the consensus of 1.1% and showing a significant improvement from the previous drop of 6.9%.
- The final estimate of the Q4 Gross Domestic Product (GDP) was upwardly revised to 3.4% from the previous 3.2% estimate. Additionally, the country released Initial Jobless Claims for the week ended March 22, which came in better than anticipated at 210K.
- The US Personal Consumption Expenditures (PCE) Price Index rose at an annual rate of 2.5% in February, as expected, while the Fed's preferred inflation measure, the core PCE Price Index, grew at a slightly slower pace of 2.8% YoY in the same period after January's upward revision to 2.9%.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>104.47</b>	<b>Monthly High</b>	<b>104.73</b>
<b>Week Open</b>	<b>104.43</b>	<b>Monthly Low</b>	<b>102.36</b>
<b>Week Close</b>	<b>104.55</b>	<b>30 Days Average</b>	<b>103.76</b>
<b>Weekly High</b>	<b>104.73</b>	<b>90 Days Average</b>	<b>103.34</b>
<b>Weekly Low</b>	<b>104.01</b>	<b>YTD Change</b>	<b>+3.13%</b>

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

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Mar	1-Apr		
ISM Manufacturing PMI	Mar	1-Apr	48.5	
Factory Orders MM	Feb	2-Apr	1.0%	
S&P Global Comp Final PMI	Mar	3-Apr		
S&P Global Svcs PMI Final	Mar	3-Apr		
ISM N-Mfg PMI	Mar	3-Apr	52.5	
International Trade \$	Feb	4-Apr	-66.5B	
Non-Farm Payrolls	Mar	5-Apr	198k	
Unemployment Rate	Mar	5-Apr	3.9%	
Initial Jobless Clm		25 Mar, w/ 4-Apr		

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**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- Investors await incoming U.S. data to form further expectations on the timing of the easing cycle.
- The BOT is monitoring the global economic recovery, government spending and economic stimulus measures.

**Thai Baht News**

- Thailand's customs-based exports rose 3.6 per cent in February from a year earlier, the commerce ministry said on Tuesday, below analysts' expectations. Imports rose 3.2 per cent in February from a year earlier, compared with a 1.5 per cent increase expected in the poll, creating a trade deficit of \$0.55 billion for the month.
- Thailand's economy expanded slowly in February with growth in the service sector and an increase in tourist arrivals offsetting a fall in exports from the previous month, the Bank of Thailand (BOT) said on Friday.
- Thailand recorded a current account, opens new tab surplus of \$2 billion in February, after a deficit of \$0.2 billion in the previous month, the BOT said. There have been 8.73 million foreign tourist arrivals in Thailand this year up to March 24, up 44% year-on-year, with visitors from China reaching 1.63 million, tourism ministry data showed.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.31</b> THB/USD	<b>Monthly High</b>	<b>36.39</b> THB/USD
<b>Week Open</b>	<b>36.36</b> THB/USD	<b>Monthly Low</b>	<b>36.34</b> THB/USD
<b>Week Close</b>	<b>36.37</b> THB/USD	<b>30 Days Average</b>	<b>35.95</b> THB/USD
<b>Weekly High</b>	<b>36.54</b> THB/USD	<b>90 Days Average</b>	<b>35.45</b> THB/USD
<b>Weekly Low</b>	<b>36.22</b> THB/USD	<b>YTD Change</b>	<b>+5.79%</b>

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

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Mar	1-Apr		
Overall Comprehensive Risk	Q2	5-Apr		4.94
CPI Headline Inflation	Mar	5-Apr		
CPI Core Inflation YY	Mar	5-Apr		
CPI Index	Mar	5-Apr		

<b>Lower Bound</b>	<b>35.27</b>	<b>Upper Bound</b>	<b>36.68</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Euro**

**Euro Graph**



Source: Thomson Reuters

**Euro News**

- EUR rose against the dollar after mixed Fed views and weaker US housing data. While gains were limited after ECB's Fabio Panetta added that the EU's inflation is quickly falling toward its 2% target, giving room to cut rates.
- EUR fell against the dollar due to USD strength, buoyed by durable goods data. Additionally, dovish comments from ECB Governing Council member Muller undermined EUR.
- EUR fell against the dollar due to dovish comments from ECB Governing Council member Kazaks and ECB Executive Board member Cipollon. However losses were limited as EZ economic confidence report was stronger than expected.
- European Central Bank (ECB) Board member Fabio Panetta repeated that the risks to price stability in the Euro Zone are diminishing, materializing the conditions for starting to ease monetary policy.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0805</b> USD/EUR	<b>Monthly High</b>	<b>1.0798</b> USD/EUR
<b>Week Open</b>	<b>1.0806</b> USD/EUR	<b>Monthly Low</b>	<b>1.0784</b> USD/EUR
<b>Week Close</b>	<b>1.0793</b> USD/EUR	<b>30 Days Average</b>	<b>1.0862</b> USD/EUR
<b>Weekly High</b>	<b>1.0864</b> USD/EUR	<b>90 Days Average</b>	<b>1.0874</b> USD/EUR
<b>Weekly Low</b>	<b>1.0766</b> USD/EUR	<b>YTD Change</b>	<b>-2.24%</b>

**Euro Outlook**

- European officials keep signaling a rate cut in June, more linked to easing the pressures on the economy than a result of inflation returning to desirable levels.
- Germany and the Eurozone will release the preliminary estimates of the March Harmonized Index of Consumer Prices (HICP). The EU will also publish the February Producer Price Index (PPI) and Retail Sales data for the same month.

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
HCOB Mfg Final PMI	Mar	2-Apr	45.7	
HICP Flash YY	Mar	3-Apr	2.5%	
HICP-X F,E,A&T Flash YY	Mar	3-Apr	3.0%	
HICP-X F, E, A, T Flash MM	Mar	3-Apr		
Unemployment Rate	Feb	3-Apr	6.4%	
HCOB Services Final PMI	Mar	4-Apr	51.1	
HCOB - Composite Final PMI	Mar	4-Apr	49.9	

<b>Lower Bound</b>	<b>1.0765</b>	<b>Upper Bound</b>	<b>1.0973</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling Outlook**

- The GBP/USD pair struggles for direction as investors wait for fresh cues about when the Bank of England (BoE) will begin reducing interest rates. The United Kingdom's inflation has come down significantly, but BoE policymakers are expected to adopt a cautious approach as early rate cuts could revamp price pressures again.
- Investors expect that the BoE will start cutting rates from the June meeting. The expectations have been prompted by sharply easing inflation in February.
- The Pound Sterling weakens when investors expect the BoE will start reducing borrowing rates early.

<b>Lower Bound</b>	<b>1.2558</b>	<b>Upper Bound</b>	<b>1.2866</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Pound Sterling News**

- The Pound Sterling drops as investors expect the BoE to cut rates sooner than expected. To a certain extent, the BoE has turned dovish on the interest rate outlook as the United Kingdom's inflation is softening.
- BoE Governor Andrew Bailey said market expectations for rate cuts this year are not unreasonable. About the inflation outlook, Bailey said "We are not seeing a lot of sticky persistence."
- The UK Office for National Statistics (ONS) released on Thursday its revised Q4 2023 Gross Domestic Product (GDP) estimates, confirming that the economy contracted by 0.3% in the October-December period.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2601</b> USD/GBP	<b>Monthly High</b>	<b>1.2641</b> USD/GBP
<b>Week Open</b>	<b>1.2596</b> USD/GBP	<b>Monthly Low</b>	<b>1.2623</b> USD/GBP
<b>Week Close</b>	<b>1.2623</b> USD/GBP	<b>30 Days Average</b>	<b>1.2692</b> USD/GBP
<b>Weekly High</b>	<b>1.2667</b> USD/GBP	<b>90 Days Average</b>	<b>1.2674</b> USD/GBP
<b>Weekly Low</b>	<b>1.2583</b> USD/GBP	<b>YTD Change</b>	<b>-0.79%</b>

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

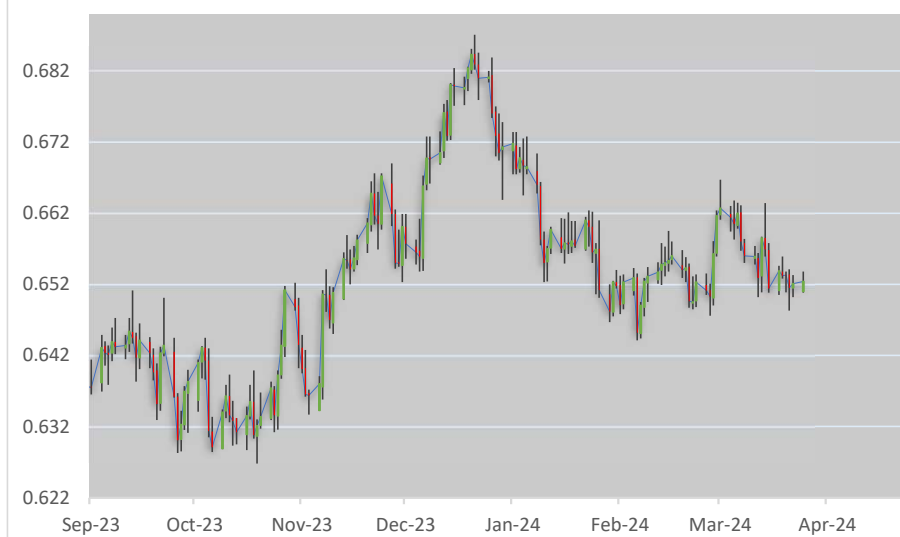
Events	Period	Date	Forecast	Previous
Nationwide house price mm	Mar	2-Apr	0.3%	
Nationwide house price yy	Mar	2-Apr	2.4%	
S&P GLOBAL MANUFACTURING PMI	Mar	2-Apr	49.9	
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Mar	4-Apr	52.9	
Overall Comprehensive Risk	Q2	4-Apr		8.93
Reserve Assets Total	Mar	4-Apr		
Halifax House Prices MM	Mar	5-Apr		
Halifax House Prices YY	Mar	5-Apr		
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Mar	5-Apr		

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 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- The Australian Dollar encountered challenges amidst weaker Consumer Inflation Expectations, possibly signaling expectations for interest rate cuts by the Reserve Bank of Australia (RBA) in late 2024.
- Investors are likely to closely monitor the release of the RBA Meeting Minutes scheduled for Tuesday.

**Australian Dollar News**

- The AUD faced slight downward pressure following the release of Australia's Westpac Consumer Confidence data, which dipped 1.8% to 84.4 in March 2024 from February's 86.0, easing from 20-month highs.
- AUD rose against the dollar amid Fed's mixed messages on interest rates, with Atlanta Fed's Bostic cautious on cuts and sway market sentiment.
- Australian Dollar extends its losses following the softer-than-expected Aussie CPI. Australia's Monthly Consumer Price Index (YoY) rose by 3.4% in February, consistent with previous levels but slightly below the anticipated 3.5%. Still, the latest reading pointed to the lowest since November 2021.
- Australia's Retail Sales, a measure of the country's consumer spending, rose 0.3% MoM in February from the previous reading of a 1.1% rise, according to the official data published by the Australian Bureau of Statistics (ABS) on Thursday.

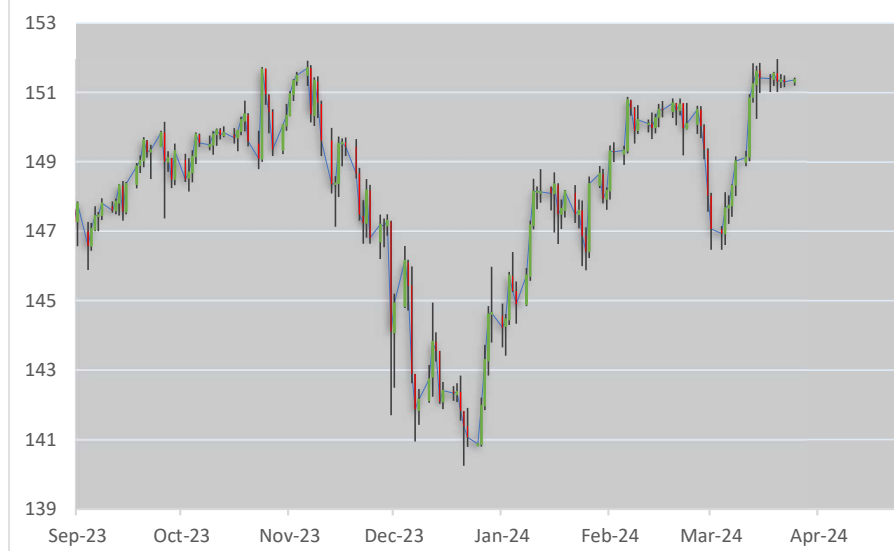
**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6514</b> USD/AUD	<b>Monthly High</b>	<b>0.65380</b> USD/AUD
<b>Week Open</b>	<b>0.6511</b> USD/AUD	<b>Monthly Low</b>	<b>0.65160</b> USD/AUD
<b>Week Close</b>	<b>0.6521</b> USD/AUD	<b>30 Days Average</b>	<b>0.66410</b> USD/AUD
<b>Weekly High</b>	<b>0.6559</b> USD/AUD	<b>90 Days Average</b>	<b>0.65517</b> USD/AUD
<b>Weekly Low</b>	<b>0.6483</b> USD/AUD	<b>YTD Change</b>	<b>-4.20%</b>

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

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Final	Mar	2-Apr		
Judo Bank Svs PMI Final	Mar	4-Apr		
Judo Bank Comp PMI Final	Mar	4-Apr		
Building Approvals	Feb	4-Apr	3.2%	
Building Approval Total YY	Feb	4-Apr		

<b>Lower Bound</b>	<b>0.6482</b>	<b>Upper Bound</b>	<b>0.6638</b>
<b>Forecast</b>	<b>Depreciation</b>		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen News**

- USD/JPY started the week in a vacillating mood around the 151.50 zone, while market participants remained wary about potential FX intervention as the pair approaches the key 152.00 hurdle.
- The data from Japan showed that the Leading Economic Index declined to 109.5 in January from 109.9 and the Coincident Index improved to 112.1 from 110.2.
- BoJ sees lower February Core Price trends indicators compared to the previous month.
- JPY ended lower against the dollar after the USD recovered from losses and moved higher and also verbal intervention by Japanese officials continued which failed to support JPY.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>151.42</b> JPY/USD	<b>Monthly High</b>	<b>151.41</b> JPY/USD
<b>Week Open</b>	<b>151.42</b> JPY/USD	<b>Monthly Low</b>	<b>151.26</b> JPY/USD
<b>Week Close</b>	<b>151.31</b> JPY/USD	<b>30 Days Average</b>	<b>148.00</b> JPY/USD
<b>Weekly High</b>	<b>151.97</b> JPY/USD	<b>90 Days Average</b>	<b>148.02</b> JPY/USD
<b>Weekly Low</b>	<b>151.02</b> JPY/USD	<b>YTD Change</b>	<b>+7.31%</b>

**Japanese Yen Outlook**

- The uncertainty over the BoJ's future policy steps continues to undermine the JPY.
- The Bank of Japan (BoJ) struck a dovish tone at the end of the March policy meeting and stopped short of offering any guidance about future policy steps, or the pace of policy normalization.
- Speculations that Japanese authorities may soon intervene in the markets to support the domestic currency prompted traders to lighten their bearish bets around the JPY.
- The Bank of Japan's (BoJ) cautious approach and uncertain outlook for future rate hikes caps any further JPY appreciating move.

<b>Lower Bound Forecast</b>	<b>146.52</b>	<b>Upper Bound</b>	<b>153.16</b>
	<b>Depreciation</b>		

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

Events	Period	Date	Forecast	Previous
Tankan Big Mf Idx	Q1	1-Apr	10	
Tankan All Big Capex Est	Q1	1-Apr	9.2%	
Tankan Small Mf Idx	Q1	1-Apr	-2	
Tankan All Sm Capex Est	Q1	1-Apr	5.7%	
JibunBK Mfg PMI Final SA	Mar	1-Apr		
Monetary Base YY	Mar	2-Apr		
JibunBK Comp Op Final SA	Mar	3-Apr		
JibunBK SVC PMI Final SA	Mar	3-Apr		
Overall Comprehensive Risk	Q2	5-Apr		9.07

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