
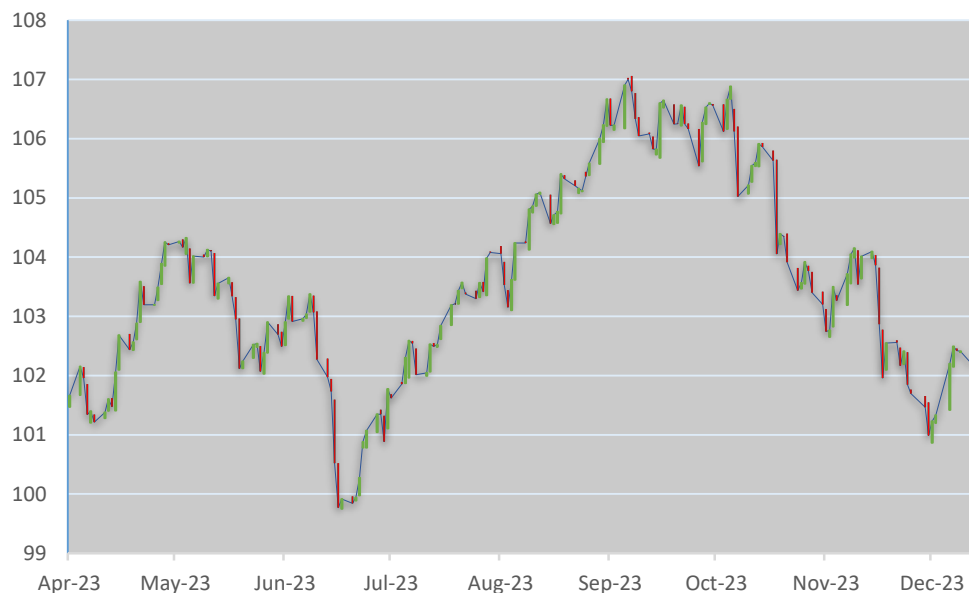


**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**08 Jan 2024 - 12 Jan 2024**

 **Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- The focus is set on the Consumer Price Index (CPI) figures from December, due on Wednesday.

<b>Lower Bound</b>	<b>100.65</b>	<b>Upper Bound</b>	<b>104.03</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The dollar rose against other currencies supported by higher U.S. yields
- Richmond Federal Reserve President Thomas Barkin said that Potential for additional rate hikes remains on the table as services inflation getting stuck at a high levels and demand remaining strong.
- The dollar gain after firm labor data were released, the ADP and unemployment claims suggest that the labor market is moderating but not at the rapid rate that was previously believed. Investors expect that the Fed will cut interest rate in March, the probability of a rate cut went down to roughly 60% from 80% in the last week of 2023
- The ISM Services PMI for December came in at 50.6, missing the consensus of 52.6 and lower than the previous figure of 52.7.
- The Nonfarm Payrolls report surpassed expectations with the addition of 216,000 jobs, beating the 170,000 job consensus and the previous 173,000 figure.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>101.33</b>	<b>Monthly High</b>	<b>104.26</b>
<b>Week Open</b>	<b>#N/A</b>	<b>Monthly Low</b>	<b>100.62</b>
<b>Week Close</b>	<b>102.41</b>	<b>30 Days Average</b>	<b>102.71</b>
<b>Weekly High</b>	<b>103.10</b>	<b>90 Days Average</b>	<b>104.60</b>
<b>Weekly Low</b>	<b>101.34</b>	<b>YTD Change</b>	<b>+0.87%</b>

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

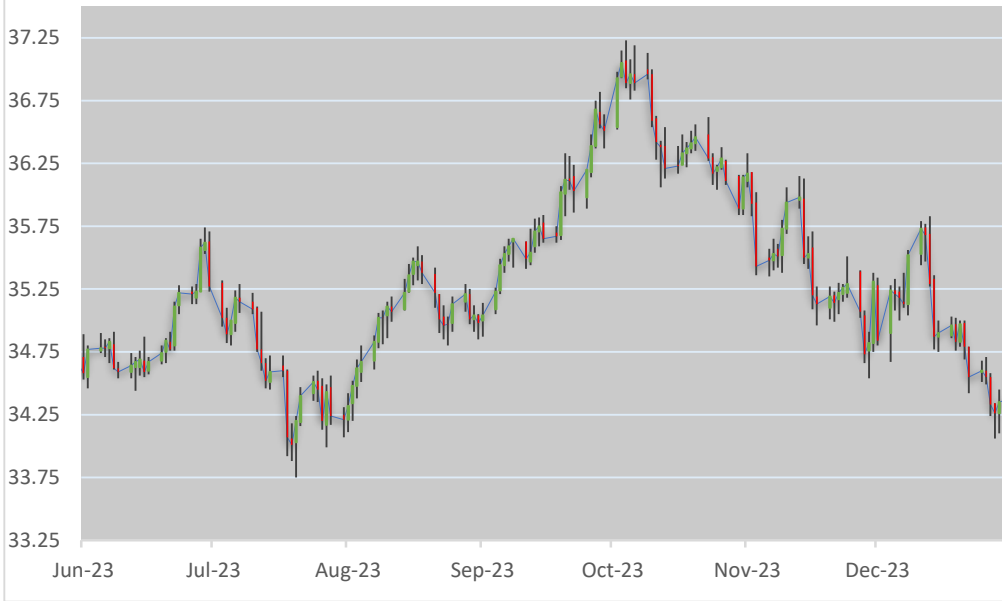
<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
International Trade \$	Nov	9-Jan	-65.0B	-65.9B
Core CPI MM, SA	Dec	11-Jan	0.2%	0.2%
Core CPI YY, NSA	Dec	11-Jan	3.8%	3.8%
CPI MM, SA	Dec	11-Jan	0.2%	0.1%
CPI YY, NSA	Dec	11-Jan	3.2%	3.0%
CPI Wage Earner	Dec	11-Jan		
Initial Jobless Clm	6 Jan, w/e	11-Jan	210k	205k
PPI Machine Manuf'ing	Dec	12-Jan		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**08 Jan 2024 - 12 Jan 2024**



**Thai Baht Graph**



Source: Thomson Reuters

**Thai Baht Outlook**

- Thailand's Prime Minister Srettha Thavasin on Monday said he plans to speak to the central bank governor to talk about cutting interest rates due to lower inflation.

**Thai Baht News**

- The Thai baht weakened against dollar as dollar was supported by higher U.S. yields. However, the baht has been pressured by local economic outlook in the coming years and the effect of digital wallet policy which is pending to commence before mid-2024.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>34.26</b> THB/USD	<b>Monthly High</b>	<b>35.09</b> THB/USD
<b>Week Open</b>	<b>34.38</b> THB/USD	<b>Monthly Low</b>	<b>34.12</b> THB/USD
<b>Week Close</b>	<b>34.66</b> THB/USD	<b>30 Days Average</b>	<b>34.85</b> THB/USD
<b>Weekly High</b>	<b>34.94</b> THB/USD	<b>90 Days Average</b>	<b>35.61</b> THB/USD
<b>Weekly Low</b>	<b>34.09</b> THB/USD	<b>YTD Change</b>	<b>+1.51%</b>

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

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Dec	11-Jan		60.9
Forex Reserves	1 Jan, w/e	12-Jan		224.5B
Currency Swaps	1 Jan, w/e	12-Jan		30.1B

<b>Lower Bound</b>	<b>34.11</b>	<b>Upper Bound</b>	<b>35.23</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**08 Jan 2024 - 12 Jan 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro News**

-The euro depreciated against the dollar as data showing euro zone factory activity contracted in December for an 18th straight month. Across the pond, an increased possibility of rate cuts from the European Central Bank (ECB) to boost the economy, while the Fed may hold the rate a little longer, exert some selling pressure on the Euro and act as a headwind for EUR/USD.

- The euro was initially stronger against the dollar as the Euro zone bond yields edged higher after French and German inflation rises. The gain was short-lived after the release of firm labor data from the US weighed on the pair. The market is expecting a total of 158 bps rate cut from the ECB this year, but lower than last week's expectation of roughly 170. □

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1036</b> USD/EUR	<b>Monthly High</b>	<b>1.1046</b> USD/EUR
<b>Week Open</b>	<b>1.1042</b> USD/EUR	<b>Monthly Low</b>	<b>1.0878</b> USD/EUR
<b>Week Close</b>	<b>1.0941</b> USD/EUR	<b>30 Days Average</b>	<b>1.0937</b> USD/EUR
<b>Weekly High</b>	<b>1.1046</b> USD/EUR	<b>90 Days Average</b>	<b>1.0755</b> USD/EUR
<b>Weekly Low</b>	<b>1.0875</b> USD/EUR	<b>YTD Change</b>	<b>-0.75%</b>

**Euro Outlook**

- The Euro (EUR) may struggle at the start of this week in response to some underwhelming industrial data from Germany. EUR investors are likely to look to speeches by European Central Bank (ECB) policymakers for fresh impetus later in the week, with the single currency potentially firming if they continue to push back against interest rate cut speculation.

<b>Lower Bound</b>	<b>1.0900</b>	<b>Upper Bound</b>	<b>1.1050</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Industrial Orders MM	Nov	8-Jan	1.0%	-3.7%
Manufacturing O/P Cur Price SA	Nov	8-Jan		-7.1%
Consumer Goods SA	Nov	8-Jan		123.1
Reserve Assets Total	Dec	8-Jan		222,926M
Unemployment Rate	Nov	8-Jan	6.5%	6.5%
Industrial Output MM	Nov	9-Jan	0.2%	-0.4%
Industrial Production YY SA	Nov	9-Jan		-3.38%
CPI (EU Norm) Final MM	Dec	12-Jan	0.1%	0.1%
CPI (EU Norm) Final YY	Dec	12-Jan	4.1%	4.1%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**08 Jan 2024 - 12 Jan 2024**

 **Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling Outlook**

- A glimpse at the upcoming events across the Channel suggests that investors' attention should be focused on the release of UK GDP figures, Industrial and Manufacturing Production for November, all due in the latter half of the next week.

**Pound Sterling News**

- The pound sterling dropped against the dollar, suffering along with peers in the face of at least a temporarily resurgent greenback, while also being affected by the latest signs of slowing inflation in Britain.
- however, the fear of recession and a weakened manufacturing sector in the UK economy have diminished the appeal of the pound.
- UK final services PMI was higher than expected but market is focusing on who will be the first to start cutting interest rate and by how much over the course of 2024

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2729</b> USD/GBP	<b>Monthly High</b>	<b>1.2770</b> USD/GBP
<b>Week Open</b>	<b>1.2729</b> USD/GBP	<b>Monthly Low</b>	<b>1.2612</b> USD/GBP
<b>Week Close</b>	<b>1.2716</b> USD/GBP	<b>30 Days Average</b>	<b>1.2669</b> USD/GBP
<b>Weekly High</b>	<b>1.2770</b> USD/GBP	<b>90 Days Average</b>	<b>1.2423</b> USD/GBP
<b>Weekly Low</b>	<b>1.2607</b> USD/GBP	<b>YTD Change</b>	<b>+0.19%</b>

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

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Nov	12-Jan	-0.1%	0.0%
GDP Estimate MM	Nov	12-Jan	0.2%	-0.3%
GDP Estimate YY	Nov	12-Jan	0.2%	0.3%
Manufacturing Output MM	Nov	12-Jan	0.3%	-1.1%

<b>Lower Bound</b>	<b>1.2600</b>	<b>Upper Bound</b>	<b>1.2750</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**08 Jan 2024 - 12 Jan 2024**

 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- the Australian Retail Sales for November will be due later on Tuesday. The figure is projected to rise 1.2% from a 0.2% drop in the previous reading. The report could influence the Reserve Bank of Australia (RBA) to maintain interest rates high for longer.

<b>Lower Bound</b>	<b>0.6700</b>	<b>Upper Bound</b>	<b>0.6850</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

- The weakened market sentiment and a widespread decline in commodity prices are both playing a role in the Aussie Dollar's weakness.
- Australia's latest Judo Bank Purchasing Managers Index (PMI) data indicated a contraction in business activities across both the services and manufacturing sectors, further highlighting the vulnerability of the Australian Dollar. The Services PMI specifically showed the most rapid contraction in services since the third quarter of 2021. However, Matthew De Pasquale, Economist at Judo Bank, proposes that the deceleration in the Australian economy is not gaining momentum.

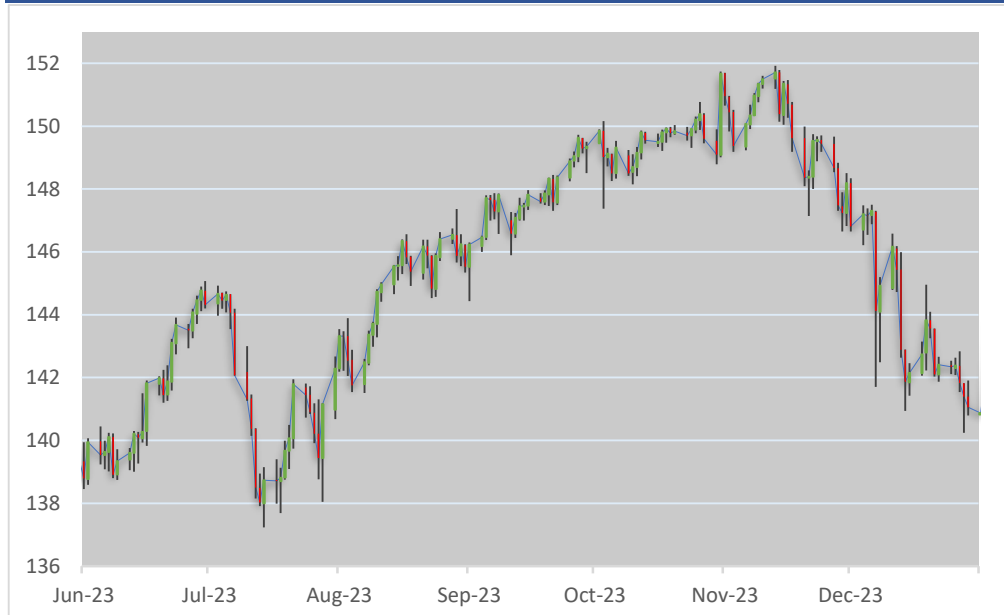
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**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6810</b> USD/AUD	<b>Monthly High</b>	<b>0.68390</b> USD/AUD
<b>Week Open</b>	<b>0.6810</b> USD/AUD	<b>Monthly Low</b>	<b>0.66410</b> USD/AUD
<b>Week Close</b>	<b>0.6713</b> USD/AUD	<b>30 Days Average</b>	<b>0.63814</b> USD/AUD
<b>Weekly High</b>	<b>0.6839</b> USD/AUD	<b>90 Days Average</b>	<b>0.64685</b> USD/AUD
<b>Weekly Low</b>	<b>0.6639</b> USD/AUD	<b>YTD Change</b>	<b>-1.25%</b>

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

Events	Period	Date	Forecast	Previous
Building Approvals	Nov	9-Jan	-2.0%	7.5%
Building Approval Total YY	Nov	9-Jan		1.8%
Retail Sales MM Final	Nov	9-Jan	1.2%	-0.2%
Weighted CPI YY	Nov	10-Jan	4.4%	4.9%
CPI SA MM	Nov	10-Jan		-0.40%
CPI SA YY	Nov	10-Jan		4.80%
Trade Balance G&S (A\$)	Nov	11-Jan	7,500M	7,129M
Owner-Occp'd Hous'g Fin MM	Nov	12-Jan	0.00%	5.60%
Invest Hous'g Fin MM	Nov	12-Jan		5.00%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- On the data front, markets will focus on CPI and Trade Balance.

**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**

<b>Last Week Close</b>	<b>141.06</b> JPY/USD	<b>Monthly High</b>	<b>145.98</b> JPY/USD
<b>Week Open</b>	<b>140.82</b> JPY/USD	<b>Monthly Low</b>	<b>140.82</b> JPY/USD
<b>Week Close</b>	<b>144.65</b> JPY/USD	<b>30 Days Average</b>	<b>146.67</b> JPY/USD
<b>Weekly High</b>	<b>145.98</b> JPY/USD	<b>90 Days Average</b>	<b>143.11</b> JPY/USD
<b>Weekly Low</b>	<b>140.80</b> JPY/USD	<b>YTD Change</b>	<b>+1.86%</b>

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

Events	Period	Date	Forecast	Previous
CPI Tokyo Ex fresh food YY	Dec	9-Jan	2.1%	2.3%
CPI, Overall Tokyo	Dec	9-Jan		2.6%
Current Account NSA JPY	Nov	12-Jan	2,385.1B	2,582.8B
Current Account Bal SA	Nov	12-Jan		2,621,700M
Trade Bal Cust Basis SA	Nov	12-Jan		-291,500M

<b>Lower Bound</b>	<b>140.00</b>	<b>Upper Bound</b>	<b>145.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

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