

WEEKLY FOREIGN EXCHANGE OUTLOOK

21 Aug 2023 - 25 Aug 2023



Dollar Index Graph



Source: Thomson Reuters

Dollar News

- The dollar hit a fresh two-month high on Friday and was set for a fifth consecutive week of gains in its longest winning streak for 15 months, buoyed by demand for safer assets on worries over China's economy and a better than expected US economics data, especially US retail sales. This was bets U.S. interest rates will stay high.

Dollar Outlook

- Fed Chair Jerome Powell is scheduled to speak on Friday (25/8) at the Jackson Hole Economic Symposium.
- Investors will look for clues on the outlook for Fed interest rates.

Lower Bound	102.50	Upper Bound	104.00
Forecast	Appreciation		

Dollar Index Performance

Last Week Close	102.84	Monthly High	103.72
Week Open	102.85	Monthly Low	99.58
Week Close	103.23	30 Days Average	101.93
Weekly High	103.72	90 Days Average	102.45
Weekly Low	102.77	YTD Change	-0.03%

Next Week's Dollar Index Economic Events

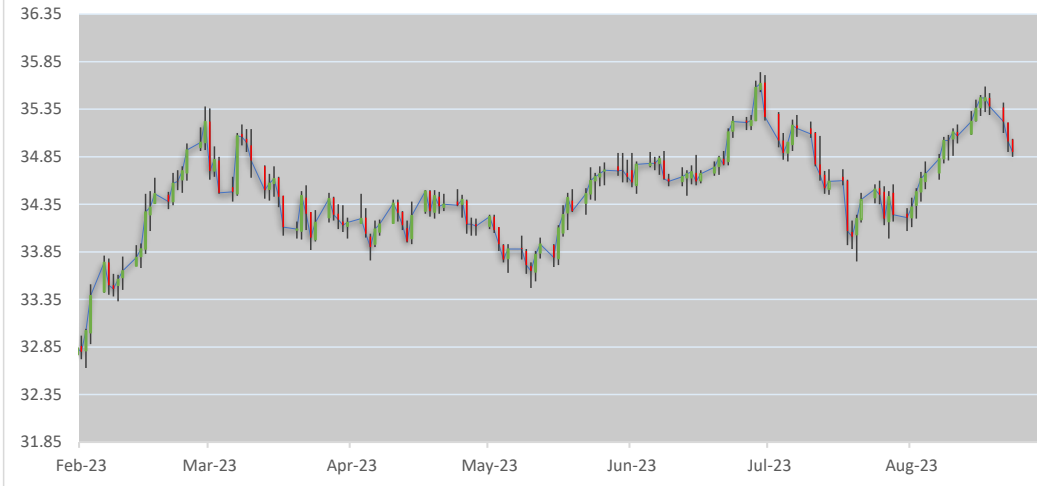
Events	Period	Date	Forecast	Previous
Existing Home Sales	Jul	22-Aug	4.15M	4.16M
S&P Global Mfg PMI Flash	Aug	23-Aug	49.3	49
S&P Global Svcs PMI Flash	Aug	23-Aug	52.2%	52.3%
S&P Global Comp Flash PMI	Aug	23-Aug		52
New Home Sales-Units	Jul	23-Aug	0.705M	0.697M
Durable Goods	Jul	24-Aug	-4.0%	4.6
Initial Jobless Clm	19 Aug, w/e	24-Aug	0.240M	0.239M
U Mich Sentiment Final	Aug	25-Aug	71.2	71.2
U Mich Sentiment Final	Apr	28-Apr	63.5	

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 **Thai Baht**

Thai Baht Graph



Source: Thomson Reuters

Thai Baht Outlook

- Markets await for any development in Thailand politics, especially, forming a new government after the joint sitting of the House and the Senate on Tuesday elected Srettha Thavisin of the Pheu Thai Party as the 30th Prime Minister of Thailand with 482 votes for, 165 votes against and 81 abstentions.
- Also, a speech by Fed Chair at the Fed's central bank Symposium, at the Jackson Hole later this week will be in focus.

Lower Bound	34.70	Upper Bound	35.50
Forecast	Appreciation		

Thai Baht News

-Thai baht and Asian currencies has depreciated due to concerns over China's economy after Country Garden, China's largest private developer, is seeking to delay payment on a private onshore bond for the first time, in a new sign of stress in the sector.

-Asian markets stumbled on Monday after China delivered a smaller cut to lending rates than markets had counted on, continuing Beijing's run of disappointing stimulus steps.

Thai Baht Performance

Last Week Close	35.11 THB/USD	Monthly High	35.59 THB/USD
Week Open	35.09 THB/USD	Monthly Low	34.16 THB/USD
Week Close	35.38 THB/USD	30 Days Average	34.70 THB/USD
Weekly High	35.59 THB/USD	90 Days Average	34.61 THB/USD
Weekly Low	35.08 THB/USD	YTD Change	+0.84%

Next Week's Thai Baht Economic Events

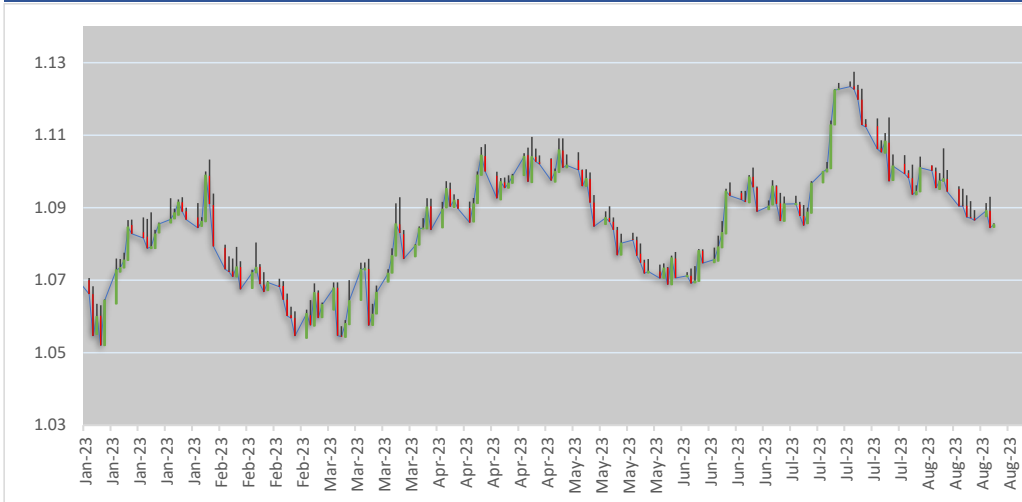
Events	Period	Date	Forecast	Previous
GDP Growth YY	Q2 2023	21-Aug	3.10%	2.6

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Euro

Euro Graph



Source: Thomson Reuters

Euro Outlook

-Investors expect a pause in ECB rate hikes in September's meeting, and also with no significant event in Europe to follow in this week, the euro may weaken more.

Lower Bound	1.0700	Upper Bound	1.0950
Forecast	Depreciation		

Euro News

- The euro fell 0.1% to 1.0900, after German wholesale prices fell 0.2% on the month in July, a drop of 2.8% on an annual basis. This could cause the European Central Bank to pause its year-long rate-hiking campaign in September, even with inflation still running above the central bank's medium-term target.

Euro Index Performance			
Last Week Close	1.0944 USD/EUR	Monthly High	1.1064 USD/EUR
Week Open	1.0951 USD/EUR	Monthly Low	1.0834 USD/EUR
Week Close	1.0865 USD/EUR	30 Days Average	1.1025 USD/EUR
Weekly High	1.0959 USD/EUR	90 Days Average	1.0928 USD/EUR
Weekly Low	1.0843 USD/EUR	YTD Change	+1.41%

Next Week's Euro Economic Events				
Events	Period	Date	Forecast	Previous
HCOB Mfg Flash PMI	Aug 2023	23-Aug	42.6	42.7
HCOB Services Flash PMI	Aug 2023	23-Aug	50.5	50.9
HCOB Composite Flash PMI	Aug 2023	23-Aug	48.5	48.6
Consumer Confid. Flash	Aug 2023	23-Aug	-14.3	-15.1

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 **Pound Sterling**

Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

- The Pound's positioning has been helped out by continued high inflation in the United Kingdom which brings forecasts for higher interest rates. So this would cause the pound to strengthen more in this week.

Pound Sterling News

- The pound appreciated after data showed that the U.K. economy grew 0.2% in the second quarter, against expectations for a flat reading, helped by monthly growth of 0.5% in June. That said, the U.K. economy remains the only large advanced economy yet to regain its pre-COVID late-2019 level, and with inflation remaining highly elevated further interest rate hikes could stifle this growth going forward.
- The pound continue its gain after data showed British core inflation stayed strong in July and left the market pricing in another 75bp in BoE hikes to a 6% peak by mid-2024 with only 50bp of cuts from there into the end of next year.

Pound Sterling Performance

Last Week Close	1.2694 USD/GBP	Monthly High	1.2838 USD/GBP
Week Open	1.2684 USD/GBP	Monthly Low	1.2617 USD/GBP
Week Close	1.2730 USD/GBP	30 Days Average	1.2821 USD/GBP
Weekly High	1.2787 USD/GBP	90 Days Average	1.2655 USD/GBP
Weekly Low	1.2614 USD/GBP	YTD Change	+5.32%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Aug	23-Aug	50.3	50.8
Flash Manufacturing PMI	Aug	23-Aug	45.0	45.3
Flash Services PMI	Aug	23-Aug	51.0	51.5
House Price Rightmove MM	Aug	21-Aug		-0.2%
House Price Rightmove YY	Aug	21-Aug		0.5%

Lower Bound	1.2700	Upper Bound	1.2850
Forecast	Appreciation		

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 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- While China's economy is in concern, the Aussie has a very high chance to weaken more.

Australian Dollar News

- The Australian dollar, which often trades as a proxy for China, rose 0.08% to \$0.641, after hitting a nine-month low of \$0.6365 on Thursday on concern over China's economy.

Australian Dollar Performance

Last Week Close	0.6498 USD/AUD	Monthly High	0.67230 USD/AUD
Week Open	0.6492 USD/AUD	Monthly Low	0.63660 USD/AUD
Week Close	0.6402 USD/AUD	30 Days Average	0.66709 USD/AUD
Weekly High	0.6522 USD/AUD	90 Days Average	0.66813 USD/AUD
Weekly Low	0.6363 USD/AUD	YTD Change	-5.37%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Flash	Aug	23-Aug		49.6
Judo Bank Svs PMI Flash	Aug	23-Aug		47.9
Judo Bank Comp PMI Flash	Aug	23-Aug		48.2

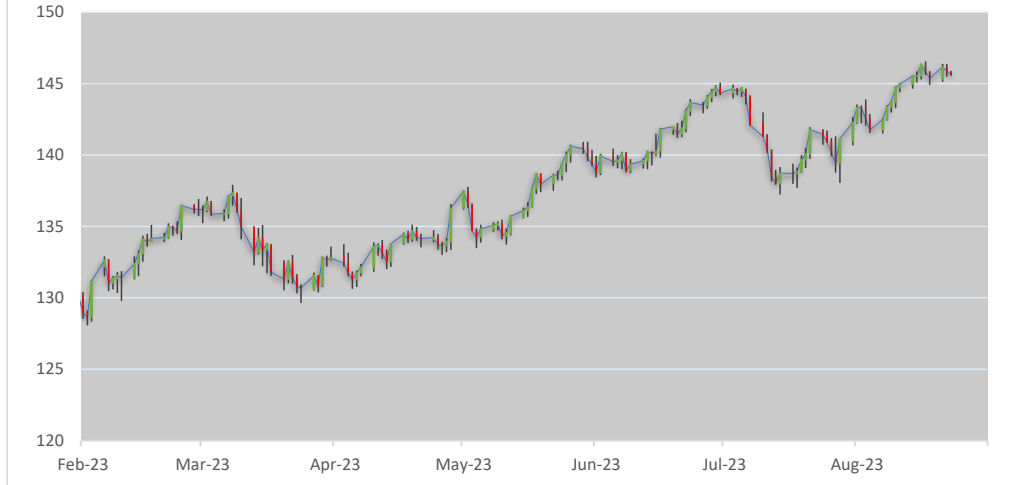
Lower Bound	0.6350	Upper Bound	0.6600
Forecast	Depreciation		

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 Japanese Yen

Japanese Yen Graph



Source: Thomson Reuters

Japanese Yen Outlook

- Market is expecting the BOJ to intervene sometime after weakening past 146 level. While the BOJ is hesitating, the difference between Japanese bond yields and other major currency continues to widen.

Lower Bound	144.00	Upper Bound	148.00
Forecast	Depreciation		

Japanese Yen News

- The Japanese yen was trading at its lowest level since November at 146.50 per dollar, with the dollar up 0.36% against the currency. The Bank of Japan has stuck to its ultra-loose monetary policy as other global central banks hiked interest rates, making returns in other countries look more attractive and weighing heavily on the yen.

Japanese Yen Performance

Last Week Close	144.96 JPY/USD	Monthly High	146.56 JPY/USD
Week Open	144.96 JPY/USD	Monthly Low	141.53 JPY/USD
Week Close	145.37 JPY/USD	30 Days Average	133.75 JPY/USD
Weekly High	146.56 JPY/USD	90 Days Average	132.81 JPY/USD
Weekly Low	144.65 JPY/USD	YTD Change	+11.06%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Aug	23-Aug		49.6
JibunBK Comp Op Flash SA	Aug	23-Aug		52.2
JibunBK SVC PMI Flash SA	Aug	23-Aug		53.8
Chain Store Sales YY	Jul	24-Aug		2.1%
CPI Tokyo Ex fresh food YY	Aug	25-Aug	2.9%	3.0%
CPI, Overall Tokyo	Aug	25-Aug		3.2%
Service PPI	Jul	25-Aug		1.20%

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