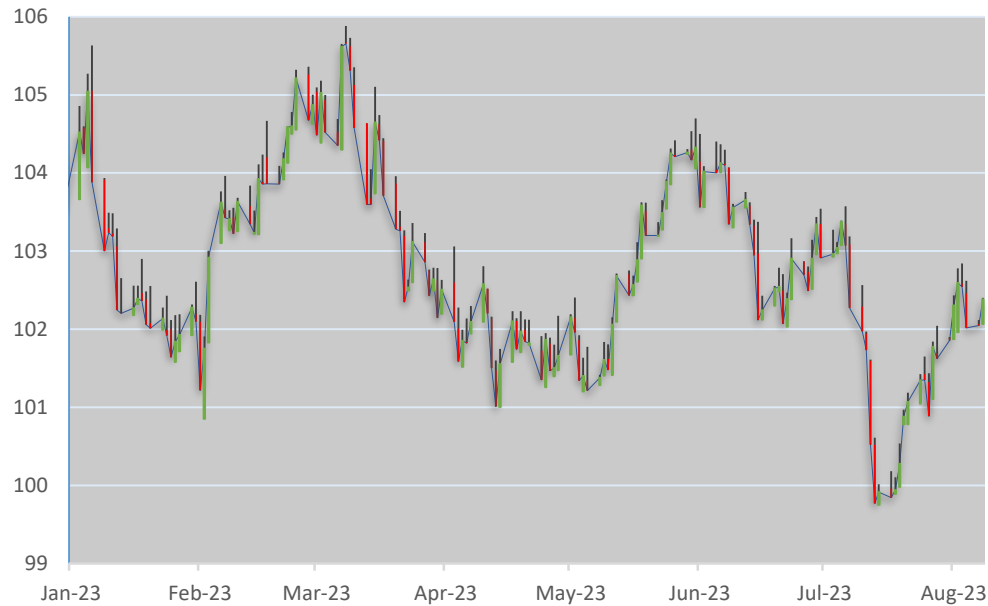


WEEKLY FOREIGN EXCHANGE OUTLOOK
07 Aug 2023 - 11 Aug 2023

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- Fed Chairman Jerome Powell reiterated that another rate hike is possible. He added that the Fed will consider the incoming data for additional rate hikes if needed.
- This week key report will be the July Consumer Price Index (CPI) scheduled for release on Thursday. Market expectations anticipate a 0.2% monthly increase. Additionally, on Friday, the Produce Price Index (PPI) will be released. Inflation figures will be crucial for the US Dollar and for shaping monetary policy expectations.

Lower Bound **100.00** **Upper Bound** **104.00**
Forecast **Appreciation**

Please carefully examine the Important Disclosure on the last section of this material.

Dollar News

- The dollar index climbed to its highest level in three weeks above 102.50 as the risk-averse market atmosphere allowed the US dollar to continue to find demand. The benchmark 10-year US Treasury bond yield broke above 4%, providing an additional boost to the currency.
- Fitch Ratings lowered the US debt rating from AAA to AA+ due to a decline in governance standards, explicitly referencing the repeated impasses over the debt ceiling.
- The US Dollar pulled back on Friday, following the Nonfarm Payrolls report that showed the economy added 187,000 jobs in July and June figures were revised lower to 185,000, the lowest reading since December 2020. The numbers offer more evidence of a softening in the labor market.

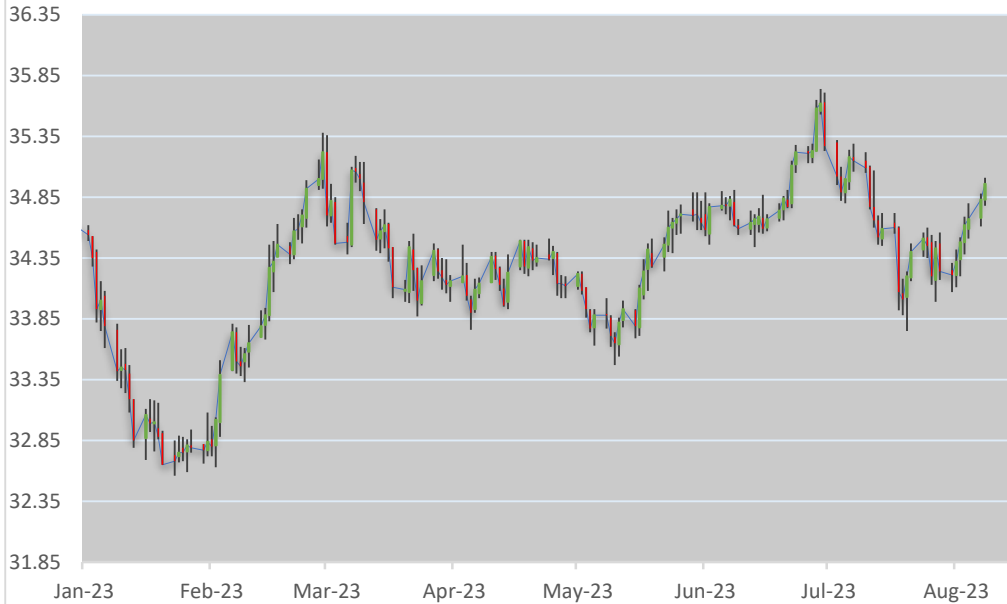
Dollar Index Performance

Last Week Close	101.62	Monthly High	103.57
Week Open	101.89	Monthly Low	99.58
Week Close	101.74	30 Days Average	101.76
Weekly High	102.84	90 Days Average	102.30
Weekly Low	101.74	YTD Change	-1.09%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI MM, SA	Jul	10-Aug	0.2%	0.2%
Core CPI YY, NSA	Jul	10-Aug	4.7%	4.8%
CPI MM, SA	Jul	10-Aug	0.2%	0.2%
CPI YY, NSA	Jul	10-Aug	3.3%	3.0%
CPI Wage Earner	Jul	10-Aug		299.394
Initial Jobless Clm	5 Aug, w/e	10-Aug	230k	227k
PPI Machine Manuf'ing	Jul	11-Aug		177.9
U Mich Sentiment Prelim	Aug	11-Aug	71.0	71.6

WEEKLY FOREIGN EXCHANGE OUTLOOK
07 Aug 2023 - 11 Aug 2023

Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Thailand postpones vote for PM, prolonging uncertainty, could pressure THB in the short run.
- Hawkish hike from BOT see terminal rate at 2.5%, however, any delay in the formation of the government could shift the economic outlook, and could swing the BOT towards a wait and see approach. On the data front, CPI data will be released on Monday.

Thai Baht News

- The Bank of Thailand delivered another rate increase by 25 basis point to 2.25% despite rapid disinflation and political gridlock. The authorities are banking on tourism revival and firmer economic rebound to counter risks from delayed government formation. Meanwhile, the political uncertainty has weighed on Thai stocks with foreign investors being net sellers of 120-billion-baht worth of shares this year.

Thai Baht Performance

Last Week Close	34.43 THB/USD	Monthly High	35.01 THB/USD
Week Open	34.43 THB/USD	Monthly Low	34.16 THB/USD
Week Close	34.67 THB/USD	30 Days Average	34.69 THB/USD
Weekly High	34.80 THB/USD	90 Days Average	34.49 THB/USD
Weekly Low	34.07 THB/USD	YTD Change	+1.04%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
CPI Headline Inflation	Jul	7-Aug	0.64%	1.32%
CPI Core Inflation YY	Jul	7-Aug	0.90%	107.83
CPI Index	Jul	7-Aug		

Lower Bound **34.50** **Upper Bound** **35.50**
Forecast **Depreciation**

Please carefully examine the Important Disclosure on the last section of this material.

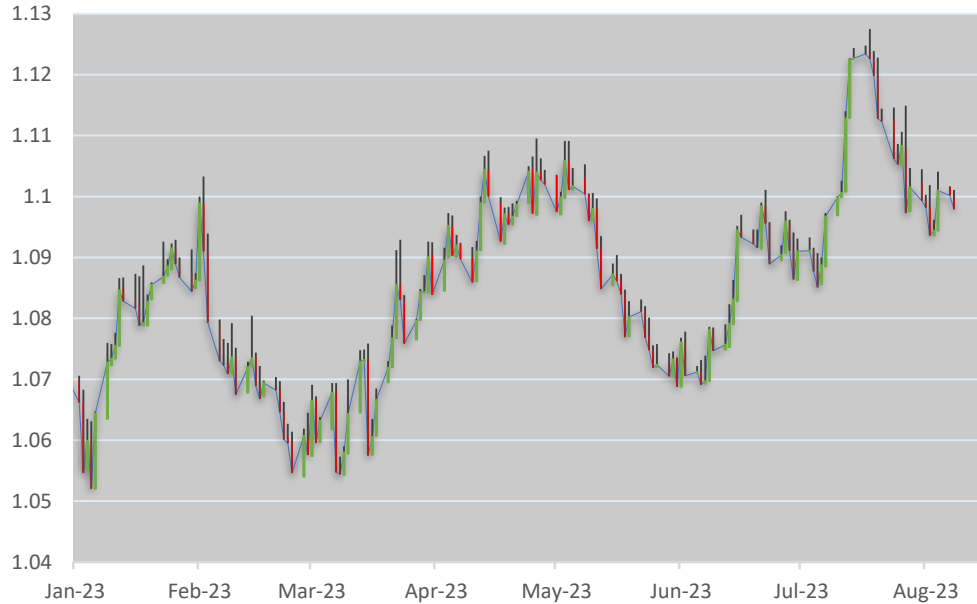
WEEKLY FOREIGN EXCHANGE OUTLOOK

07 Aug 2023 - 11 Aug 2023



Euro

Euro Graph



Source: Thomson Reuters

Euro News

- EUR/USD rallied sharply above the 1.1000 on weak US NFP report.
- On the Eurozone (EU) front, Germany reported solid factory orders in June but was outweighed by soft Retail Sales amongst the whole bloc. June Retail Sales came at -0.3% MoM, below 0.2% estimates, and trailed May's 0.6% upward revision. Following the data, interest rate probabilities for the European Central Bank (ECB) are subdued, with odds at a 35% chance of a 25 bps hike in September. But October and November estimations remain high at 60% and 70%, suggesting the ECB could follow the Fed's path of skipping monetary policy meetings.

Euro Index Performance

Last Week Close	1.1015 USD/EUR	Monthly High	1.1041 USD/EUR
Week Open	1.1021 USD/EUR	Monthly Low	1.0913 USD/EUR
Week Close	1.1010 USD/EUR	30 Days Average	1.1034 USD/EUR
Weekly High	1.1045 USD/EUR	90 Days Average	1.0932 USD/EUR
Weekly Low	1.0910 USD/EUR	YTD Change	+2.58%

Euro Outlook

- All in all, the Fed and the ECB are in data-dependant mode, but the strength of the US economy, could send the EUR/USD's drifting lower, despite Fitch's recent US credit downgrade.
- This week inflation releases in Germany and EZ could give some clues regarding the actual status of prices. Soft readings could prevent the institution from raising rates at their September meetings.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Industrial Production YY SA	Jun	7-Aug		0.82%
Reserve Assets Total	Jul	7-Aug		212,396M
HICP Final YY	Jul	8-Aug	6.5%	6.5%
CPI (EU Norm) Final MM	Jul	10-Aug	-1.5%	-1.5%
CPI (EU Norm) Final YY	Jul	10-Aug	6.4%	6.4%
CPI (EU Norm) Final MM	Jul	11-Aug	0.0%	0.0%
CPI (EU Norm) Final YY	Jul	11-Aug	5.0%	5.0%

Lower Bound 1.0800 **Upper Bound** 1.1100

Forecast Depreciation

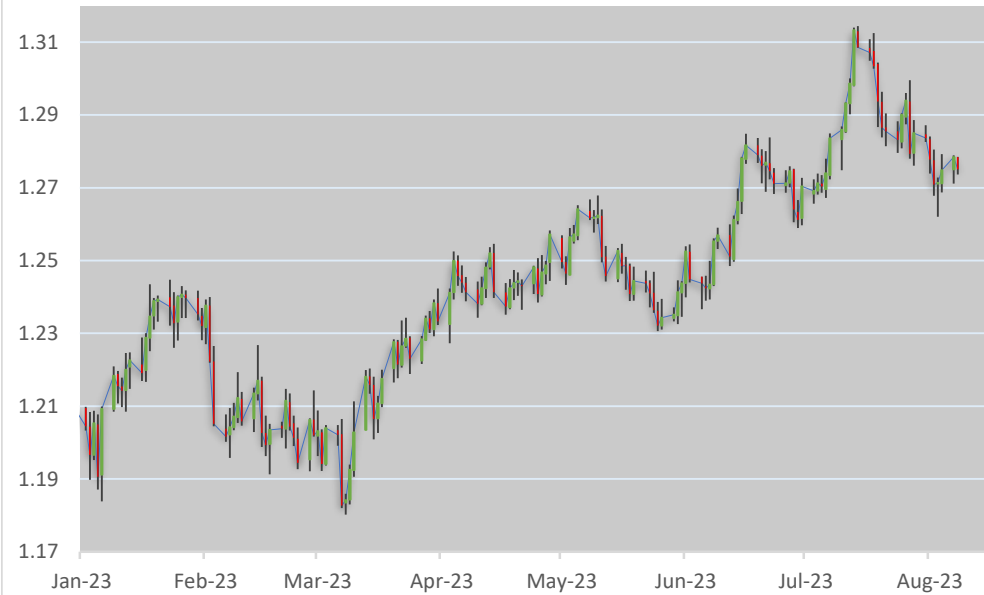
Please carefully examine the Important Disclosure on the last section of this material.

WEEKLY FOREIGN EXCHANGE OUTLOOK

07 Aug 2023 - 11 Aug 2023

 **Pound Sterling**

Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling Outlook

• Friday will be the busiest day of the week in terms of data releases, as the preliminary estimate of the second quarter UK GDP will drop alongside the monthly release and the Industrial Production data. Any indications that the UK economy is heading toward a recession will act as a major headwind for the Pound Sterling. Apart from the data releases, GBP/USD will also take cues from Fed and BoE policymakers speeches.

Pound Sterling News

- GBP/USD climbed toward 1.2800 on Friday supported by a weaker US Dollar across the board.
- The Bank of England (BoE) raised its policy rate by 25 basis points (bps) to 5.25% after the August policy meeting, as expected. In its policy statement, the BoE lowered inflation forecasts and caused Pound Sterling to come under renewed bearish pressure. In the post-meeting press conference, BoE Governor Andrew Bailey said that they didn't have a presumed path for interest rates from where they currently stand, putting additional weight on GBP/USD's shoulders.

Pound Sterling Performance

Last Week Close	1.2850 USD/GBP	Monthly High	1.2838 USD/GBP
Week Open	1.2847 USD/GBP	Monthly Low	1.2623 USD/GBP
Week Close	1.2748 USD/GBP	30 Days Average	1.2830 USD/GBP
Weekly High	1.2872 USD/GBP	90 Days Average	1.2620 USD/GBP
Weekly Low	1.2620 USD/GBP	YTD Change	+5.40%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Halifax House Prices YY	Jul	7-Aug		-2.60%
GDP Est 3M/3M	Jun	11-Aug	0.1%	0.0%
GDP Estimate MM	Jun	11-Aug	0.2%	-0.1%
GDP Estimate YY	Jun	11-Aug	0.5%	-0.4%
Manufacturing Output MM	Jun	11-Aug	0.2%	-0.2%
GDP Prelim QQ	Q2	11-Aug	0.0%	0.1%
GDP Prelim YY	Q2	11-Aug	0.2%	0.2%

Lower Bound **1.2600** **Upper Bound** **1.2900**

Forecast **Depreciation**

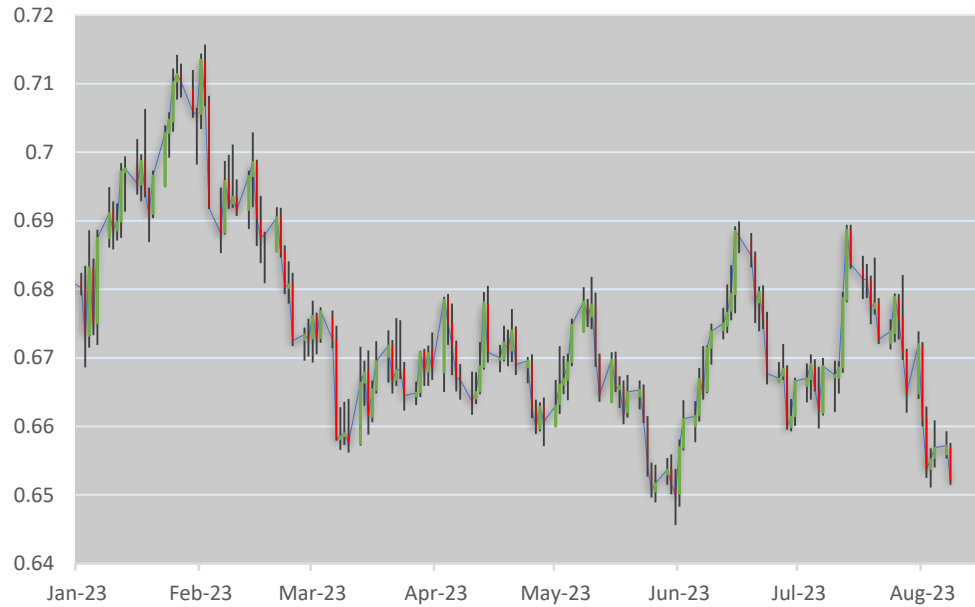
Please carefully examine the Important Disclosure on the last section of this material.

WEEKLY FOREIGN EXCHANGE OUTLOOK

07 Aug 2023 - 11 Aug 2023

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- A possibility that both the RBA and the Federal Reserve have reached peak interest rates could contain AUD/USD within its current range.
- AUD/USD is in a sideways trend on both the long and medium-term. However, the 0.6458 low established in June is a key level for bears, which if breached decisively, would give the chart a more bearish overtone from a longer-term perspective.

Australian Dollar News

- The Australian Dollar (AUD) plummeted after the Reserve Bank of Australia (RBA) decided to keep its key interest rate unchanged at 4.10% at its August meeting, when it had been expected to raise it by 0.25%.
- AUD/USD declined for the third consecutive week, breaking below 0.6600, although the pair managed to remain above 0.6500. Antipodean currencies were the worst performers among the G10 currencies due to concerns about the economic outlook and lower commodity prices.

Australian Dollar Performance

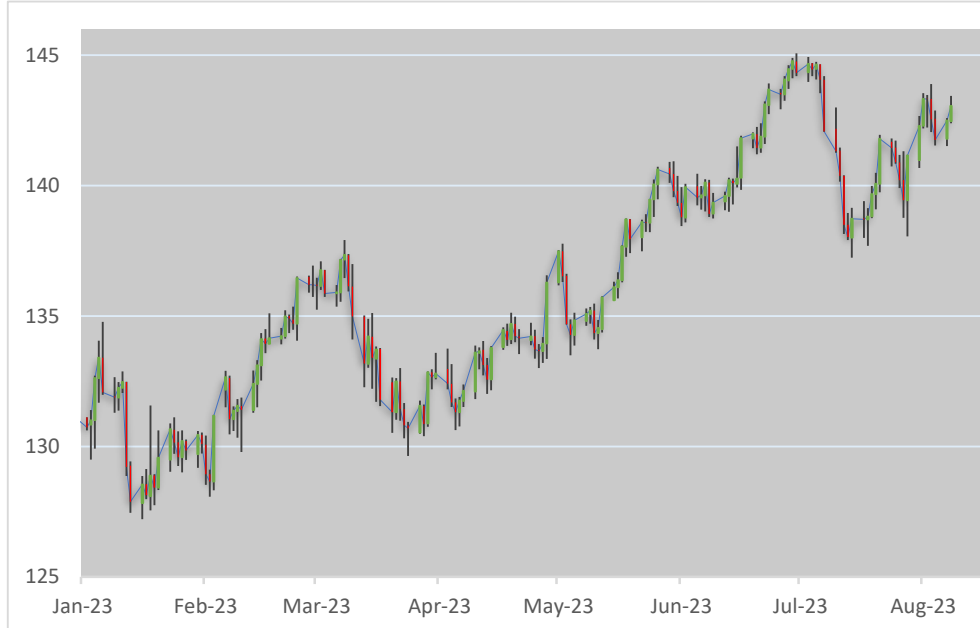
Last Week Close	0.6649 USD/AUD	Monthly High	0.67230 USD/AUD
Week Open	0.6648 USD/AUD	Monthly Low	0.65150 USD/AUD
Week Close	0.6569 USD/AUD	30 Days Average	0.66598 USD/AUD
Weekly High	0.6739 USD/AUD	90 Days Average	0.66992 USD/AUD
Weekly Low	0.6511 USD/AUD	YTD Change	-4.33%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
NAB Business Conditions	Jul	8-Aug		9
NAB Business Confidence	Jul	8-Aug		0
Refinitiv IPSOS PCSI	Aug	11-Aug		48.05

Lower Bound **0.6450** **Upper Bound** **0.6750**

Please carefully examine the important Disclosure on the last section of this material.


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Despite the dovish BoJ tone, the Japanese Yen seems to be benefitting from risk aversion.
- However, the BoJ's decision to give flexibility to its YCC, within the 0.50%-1%, keeps speculators guessing, which would be the peak for the BoJ, as the bank has continued to exercise unscheduled bond-buying operations in the market. On the data front, Japan's current account will be released on Monday.

Japanese Yen News

- The Bank of Japan (BoJ) decided to maintain its short-term interest rates at -0.1% while keeping its 10-year JGB yield target around 0%. However, the BoJ surprised financial markets by making its yield curve control (YCC) more flexible. That said, the central bank will allow the 10-year yield to move above the cap as long as it stays below 1.0% rather than being capped at 0.5%.
- USD/JPY is bouncing back toward 143.50 after the Bank of Japan (BoJ) intervened to buy unlimited amounts of 5 to 10-year JGBs. The BoJ's responded after 10-year JGBs hit fresh nine-year highs near 0.65%. However, USD/JPY dipped below 142 on Friday, down 0.47%, after the US jobs data showed easing in the labor market.

Japanese Yen Performance

Last Week Close	141.15 JPY/USD	Monthly High	143.89 JPY/USD
Week Open	140.98 JPY/USD	Monthly Low	141.53 JPY/USD
Week Close	141.75 JPY/USD	30 Days Average	132.67 JPY/USD
Weekly High	143.89 JPY/USD	90 Days Average	132.51 JPY/USD
Weekly Low	140.68 JPY/USD	YTD Change	+9.11%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Current Account Bal SA	Jun	8-Aug		1,702,700M
Trade Bal Cust Basis SA	Jun	8-Aug		-478,700M
M2 Money Supply	Jul	9-Aug		1,231,953,500M
Broad Money	Jul	9-Aug		2,111.0T
Corp Goods Price MM	Jul	10-Aug	0.2%	-0.2%
Corp Goods Price YY	Jul	10-Aug	3.5%	4.1%

Lower Bound **139.00** **Upper Bound** **144.00**

Please carefully examine the important Disclosure on the last section of this material.

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.