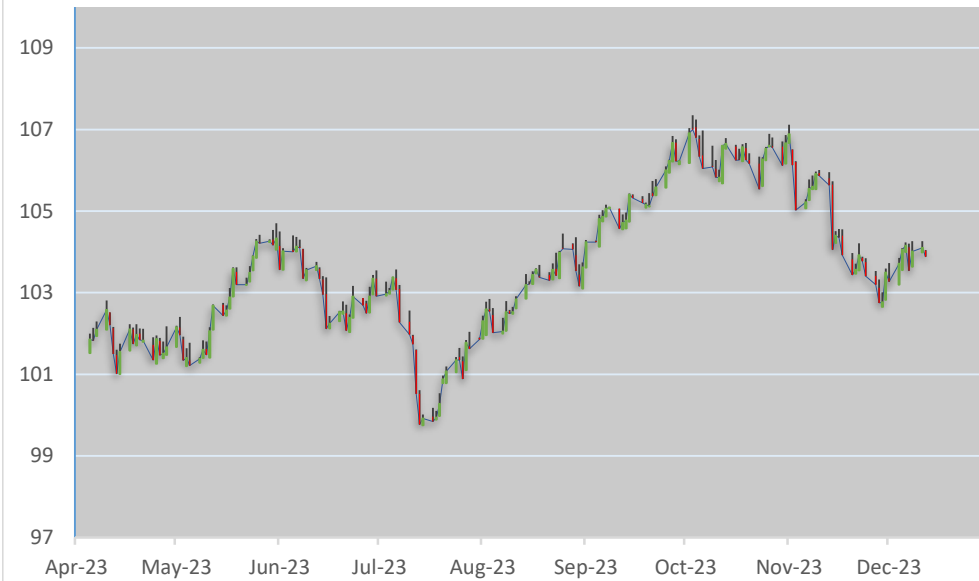


**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**11 Dec 2023 - 15 Dec 2023**

 **Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- Growing acceptance that the Federal Reserve is done raising interest rates and may start easing its policy by the first half of 2024 should cap the dollar bulls.
- Tuesday will see the release of the Headline and Core Consumer Price Index (CPI) for November, which will likely shape the expectations for the next Fed decisions.

<b>Lower Bound</b>	<b>103.00</b>	<b>Upper Bound</b>	<b>105.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- The US economy created 199,000 jobs in November, well above the 180,000 reading forecasted, and up from the 150,000 jobs created in October.
- Hourly earnings increased at a 0.4% pace, somewhat faster than the 0.3% expected by the market. The Unemployment Rate came in at 3.7%, lower than the anticipated figure of 3.9%.
- The DXY Index rose above 104 and close a 0.75% winning week. US bond yields are rising, with rates for 2-year, 5-year and 10-year bonds rising to 4.72%, 4.24%, and 4.23%, respectively.
- University of Michigan (UoM) Consumer Sentiment beats estimates while inflation expectations slide.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>103.27</b>	<b>Monthly High</b>	<b>107.11</b>
<b>Week Open</b>	<b>103.19</b>	<b>Monthly Low</b>	<b>102.47</b>
<b>Week Close</b>	<b>104.01</b>	<b>30 Days Average</b>	<b>104.35</b>
<b>Weekly High</b>	<b>104.26</b>	<b>90 Days Average</b>	<b>104.84</b>
<b>Weekly Low</b>	<b>103.06</b>	<b>YTD Change</b>	<b>+0.27%</b>

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

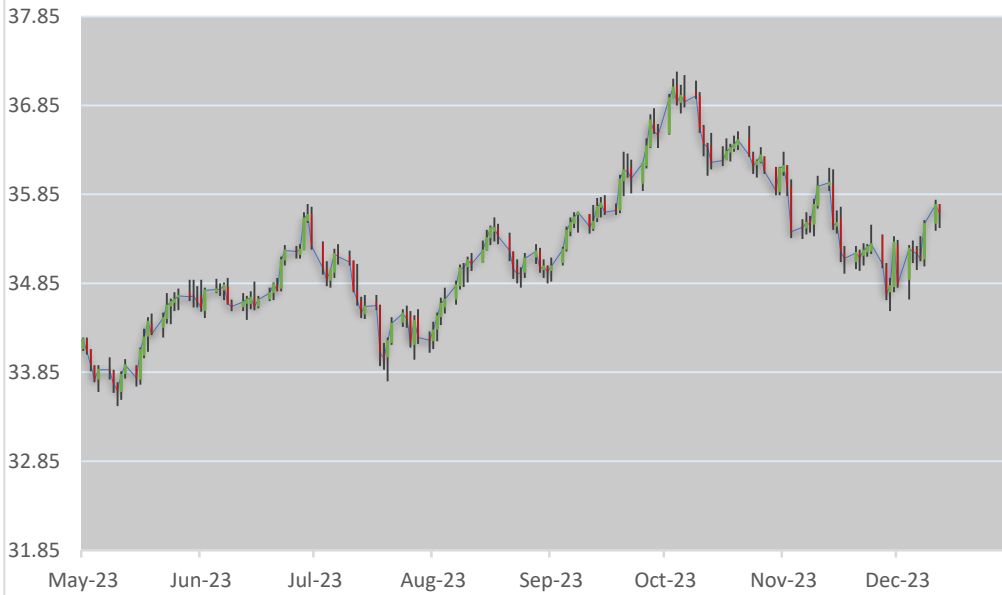
<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Core CPI MM, SA	Nov	12-Dec	0.3%	0.2%
Core CPI YY, NSA	Nov	12-Dec	4.0%	4.0%
CPI MM, SA	Nov	12-Dec	0.0%	0.0%
CPI YY, NSA	Nov	12-Dec	3.1%	3.2%
Fed Funds Tgt Rate	13 Dec	14-Dec	5.25-5.5	5.25-5.5
Initial Jobless Clm	9 Dec, w/e	14-Dec	220k	220k
Retail Sales MM	Nov	14-Dec	-0.1%	-0.1%
Industrial Production MM	Nov	15-Dec	0.3%	-0.6%
S&P Global Mfg PMI Flash	Dec	15-Dec	49.3	49.4
S&P Global Svcs PMI Flash	Dec	15-Dec	50.6	50.8

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**11 Dec 2023 - 15 Dec 2023**



**Thai Baht Graph**



Source: Thomson Reuters

**Thai Baht Outlook**

• Although the Bank of Thailand's revised GDP growth forecast to 3.2-3.8% next year, analysts are warning that an economic slowdown in China and the US means downside risks remain, while the effectiveness of government stimulus is still in question.

**Thai Baht News**

- Thailand's headline consumer price index came in at -0.44% in November, the second consecutive decline, and lowest in nearly three years. Core CPI was at 0.58% year-on-year in November, versus a forecast of 0.60%. Headline inflation next year is seen in the range of -0.3% to 1.7%, due to measures to reduce costs of living.
- The Bank of Thailand believed that goods exports and tourism have recovered more slowly than expected due to subdued growth in China and a delayed upturn in global electronics demand. Total foreign arrivals are targeted to climb from 28.3 million this year to 34.5 million in 2024, which is still below the pre-pandemic level of 40 million in 2019.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>35.31</b> THB/USD	<b>Monthly High</b>	<b>35.79</b> THB/USD
<b>Week Open</b>	<b>34.90</b> THB/USD	<b>Monthly Low</b>	<b>34.69</b> THB/USD
<b>Week Close</b>	<b>35.52</b> THB/USD	<b>30 Days Average</b>	<b>35.39</b> THB/USD
<b>Weekly High</b>	<b>35.56</b> THB/USD	<b>90 Days Average</b>	<b>35.71</b> THB/USD
<b>Weekly Low</b>	<b>34.67</b> THB/USD	<b>YTD Change</b>	<b>+3.03%</b>

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

Events	Period	Date	Forecast	Previous
Forex Reserves	8 Dec, w/e	15-Dec		220.4B
Currency Swaps	8 Dec, w/e	15-Dec		30.1B

<b>Lower Bound</b>	<b>35.00</b>	<b>Upper Bound</b>	<b>36.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**11 Dec 2023 - 15 Dec 2023**

**Euro Graph**


Source: Thomson Reuters

**Euro News**

- The euro remained on the back foot as the economic future remains uncertain. EUR/USD retreated below the 1.0800 mark after a strong US labor market fueled demand for safety by the end of the week.
- German inflation data came in at 2.3%, in line with the market consensus, below 3% prior month. In addition, European macroeconomic figures indicated that the Eurozone could suffer a steep recession in the near future, with growth-related gauges reflecting continued economic contraction. The EU reported Retail Sales were down 1.2% YoY in October, while the annualized Gross Domestic Product (GDP) was downwardly revised to 0.0% in Q3.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0881</b> USD/EUR	<b>Monthly High</b>	<b>1.0912</b> USD/EUR
<b>Week Open</b>	<b>1.0885</b> USD/EUR	<b>Monthly Low</b>	<b>1.0724</b> USD/EUR
<b>Week Close</b>	<b>1.0761</b> USD/EUR	<b>30 Days Average</b>	<b>1.0816</b> USD/EUR
<b>Weekly High</b>	<b>1.0894</b> USD/EUR	<b>90 Days Average</b>	<b>1.0733</b> USD/EUR
<b>Weekly Low</b>	<b>1.0722</b> USD/EUR	<b>YTD Change</b>	<b>+0.85%</b>

**Euro Outlook**

- The ECB monetary policy meeting will be in the spotlight this week. Investors will look for ECB President Christine Lagarde’s words on the Pandemic Emergency Purchase Programme (PEPP). Not so long ago, Lagarde said the Government Council would discuss unwinding the programme in the “not too distant future,” and any comment on the matter could shake the Euro.
- The markets anticipate that the European Central Bank (ECB) will hold interest rates until inflation will return to target in a timely manner and will start to cut interest rates in March 2024.

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
ECB Refinancing Rate	Dec	14-Dec	4.50%	4.50%
ECB Deposit Rate	Dec	14-Dec	4.00%	4.00%
HCOB Mfg Flash PMI	Dec	15-Dec	44.6	44.2
HCOB Services Flash PMI	Dec	15-Dec	49.0	48.7
HCOB Composite Flash PMI	Dec	15-Dec	48.0	47.6
Total Trade Balance SA	Oct	15-Dec		9.20B
Reserve Assets Total	Nov	15-Dec		1,154.15B

<b>Lower Bound</b>	<b>1.0650</b>	<b>Upper Bound</b>	<b>1.0850</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**11 Dec 2023 - 15 Dec 2023**

**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The Bank of England and its latest interest rate decision will be scheduled mid week where markets are expected the BoE to keep interest rates steady to close out 2023 at 5.25%.
- Tuesday brings UK Average Earnings and Claimant Count Change figures; annualized quarterly average earnings are expected to decline from 7.7% to 7.4% in the third quarter, while November is expected to show a slight increase in the number of unemployment benefits seekers from 17.8K to 20.3K.

<b>Lower Bound</b>	<b>1.2400</b>	<b>Upper Bound</b>	<b>1.2600</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Pound Sterling News**

- GBP/USD hit low on Friday after a week of rough downside action. The GBP/USD is trying to hold onto 1.25 handle after a better-than-expected US Nonfarm Payrolls (NFP) gave the US Dollar one last bump across the board to round out the trading week.
- The Bank of England (BoE) governor Andrew Bailey said last month it was far too early to be thinking about rate cuts while warning there was “no room for complacency” on inflation despite a fall in the Consumer Price Index from 6.7% in September to 4.6% in October.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2700</b> USD/GBP	<b>Monthly High</b>	<b>1.2724</b> USD/GBP
<b>Week Open</b>	<b>1.2710</b> USD/GBP	<b>Monthly Low</b>	<b>1.2503</b> USD/GBP
<b>Week Close</b>	<b>1.2546</b> USD/GBP	<b>30 Days Average</b>	<b>1.2464</b> USD/GBP
<b>Weekly High</b>	<b>1.2724</b> USD/GBP	<b>90 Days Average</b>	<b>1.2419</b> USD/GBP
<b>Weekly Low</b>	<b>1.2500</b> USD/GBP	<b>YTD Change</b>	<b>+3.85%</b>

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

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Nov	12-Dec	15.0k	17.8k
ILO Unemployment Rate	Oct	12-Dec	4.2%	4.2%
HMRC Payrolls Change	Nov	12-Dec		33k
GDP Est 3M/3M	Oct	13-Dec	0.1%	0.0%
GDP Estimate YY	Oct	13-Dec	0.6%	1.3%
BOE Bank Rate	Dec	14-Dec	5.25%	5.25%
Flash Composite PMI	Dec	15-Dec	50.9	50.7
Flash Manufacturing PMI	Dec	15-Dec	47.5	47.2
Flash Services PMI	Dec	15-Dec	51.0	50.9

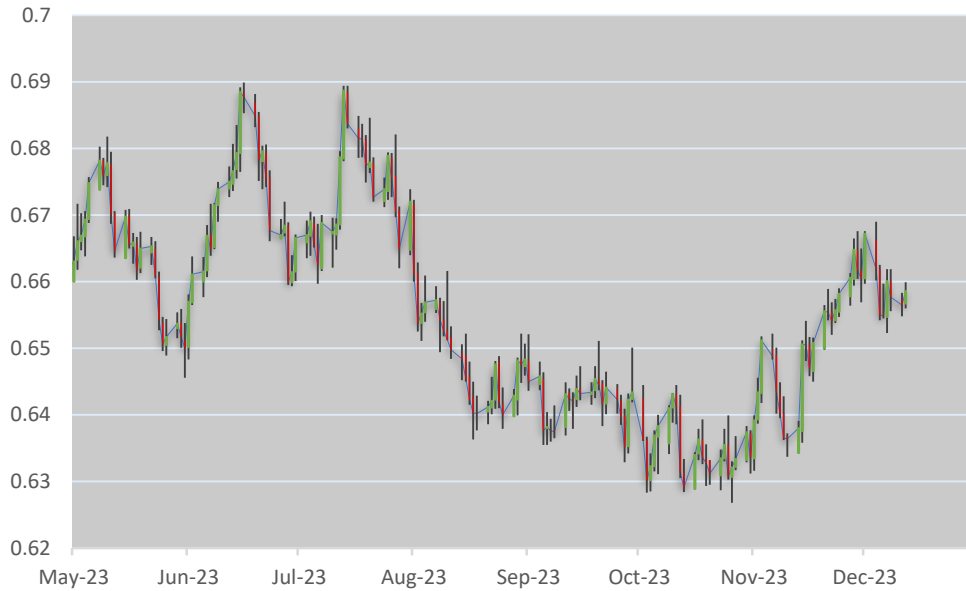
**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**11 Dec 2023 - 15 Dec 2023**



**Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- Market players will keep an eye on the Reserve Bank of Australia (RBA) Governor Bullock's speech and the US CPI data on Tuesday. This event could trigger volatility in the market and give a clear direction to the AUD/USD pair.
- The RBA opted to maintain the cash rate at 4.35% at its December meeting, while recent economic indicators suggest a likelihood of no further rate hikes in the near future.

**Australian Dollar News**

- AUD/USD lost ground near 0.6572 on the stronger US Dollar.
- The downbeat Chinese CPI and PPI data also weighed on the Australian Dollar.
- The Australian Bureau of Statistics revealed last week that the nation's trade surplus narrowed to 7,129M in October from 6,184 in the previous reading, below the market estimation of 7,500M. However, the concern about deflation in China and the weaker than expected Consumer Price Index (CPI) and Producer Price Index (PPI) exert some selling pressure on the China-proxy Australian Dollar (AUD).

**Australian Dollar Performance**

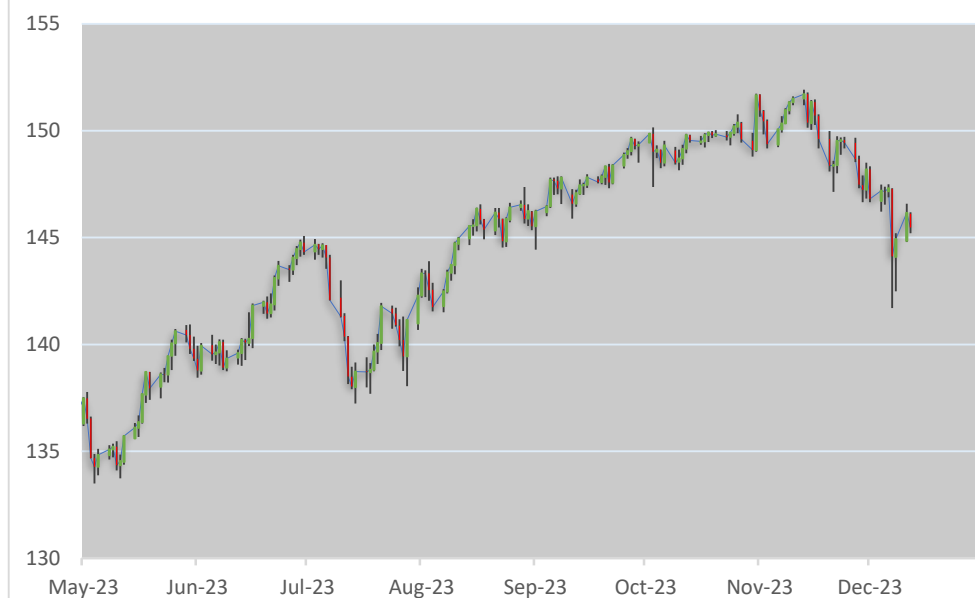
<b>Last Week Close</b>	<b>0.6672</b> USD/AUD	<b>Monthly High</b>	<b>0.66900</b> USD/AUD
<b>Week Open</b>	<b>0.6662</b> USD/AUD	<b>Monthly Low</b>	<b>0.65260</b> USD/AUD
<b>Week Close</b>	<b>0.6577</b> USD/AUD	<b>30 Days Average</b>	<b>0.63914</b> USD/AUD
<b>Weekly High</b>	<b>0.6690</b> USD/AUD	<b>90 Days Average</b>	<b>0.65399</b> USD/AUD
<b>Weekly Low</b>	<b>0.6523</b> USD/AUD	<b>YTD Change</b>	<b>-3.26%</b>

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

Events	Period	Date	Forecast	Previous
Employment	Nov	14-Dec	11.0k	55.0k
Unemployment Rate	Nov	14-Dec	3.8%	3.7%
Judo Bank Mfg PMI Flash	Dec	15-Dec		47.7
Judo Bank Svs PMI Flash	Dec	15-Dec		46.0
Judo Bank Comp PMI Flash	Dec	15-Dec		46.2

<b>Lower Bound</b>	<b>0.6400</b>	<b>Upper Bound</b>	<b>0.6700</b>
<b>Forecast</b>	<b>Depreciation</b>		

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


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- Expectations are growing that the BOJ will soon signal a winding down of its ultra-low rates policy, in place since 2016, and its Dec. 18-19 meeting could provide an opportunity.

**Japanese Yen News**

- The USD/JPY plunged over 4% below 142.00 before recovering to close out the week just above 144.00 USD/JPY. The pair bounced back after Japan's Q3 GDP missed estimates. On a quarterly basis, Japan's Q3 GDP shrank by 0.7% compared to the 0.5% fall estimated. However, the Yen held the upper hand against the US Dollar on hints of BoJ's policy pivot.
- Japanese inflation has spent 19 consecutive months overshooting the BoJ's 2% inflation target.
- With Japanese wages expected to see outsized gains next year as employers step up pay increases to combat rising prices, the BoJ appears prepared to begin discussing a reversal of its long-running negative rate policy mechanism.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>146.81</b> JPY/USD	<b>Monthly High</b>	<b>148.34</b> JPY/USD
<b>Week Open</b>	<b>146.71</b> JPY/USD	<b>Monthly Low</b>	<b>141.73</b> JPY/USD
<b>Week Close</b>	<b>144.93</b> JPY/USD	<b>30 Days Average</b>	<b>143.12</b> JPY/USD
<b>Weekly High</b>	<b>147.50</b> JPY/USD	<b>90 Days Average</b>	<b>140.54</b> JPY/USD
<b>Weekly Low</b>	<b>141.70</b> JPY/USD	<b>YTD Change</b>	<b>+10.88%</b>

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

Events	Period	Date	Forecast	Previous
Tankan Big Mf Idx	Q4	13-Dec	10	9
Tankan Small Mf Idx	Q4	13-Dec	-4	-5
Machinery Orders MM	Oct	14-Dec	-0.5%	1.4%
Machinery Orders YY	Oct	14-Dec	-5.1%	-2.2%
JibunBK Mfg PMI Flash SA	Dec	15-Dec		48.3
JibunBK Comp Op Flash SA	Dec	15-Dec		49.6
JibunBK SVC PMI Flash SA	Dec	15-Dec		50.8

<b>Lower Bound</b>	<b>144.00</b>	<b>Upper Bound</b>	<b>147.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**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.