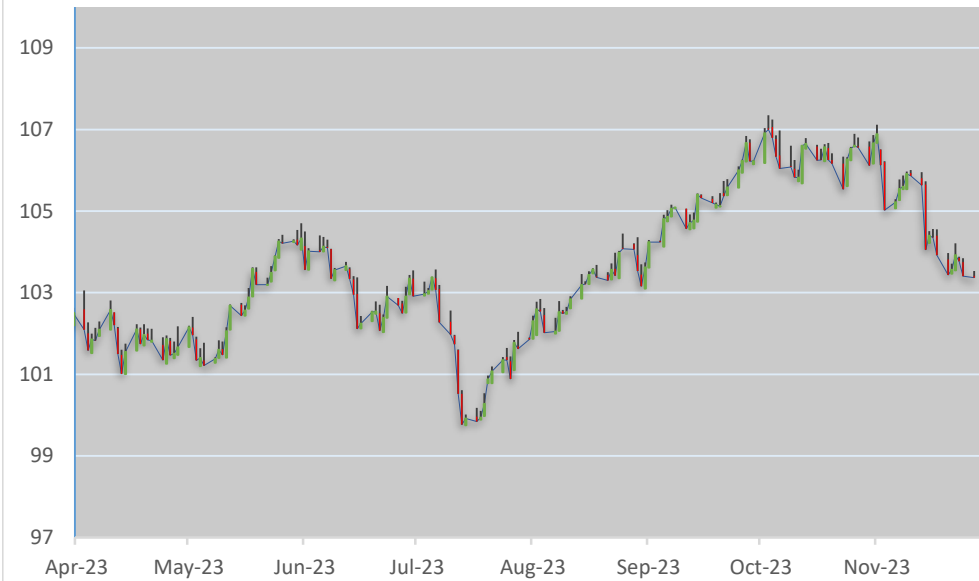


**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**27 Nov 2023 - 01 Dec 2023**

 **Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- Although, US officials are also looking to cool down rate cut speculation, financial markets are pricing in roughly 47% odds for a rate cut next May.
- Investor will monitor the PCE figures released on Thursday(30/11), if we see a similar trend payout in the core PCE deflator numbers that we saw in the headline CPI and PPI numbers, then it will become increasingly difficult for Fed officials to push back on the idea that rate cuts are coming in the middle part of next year. However, GDP Q3 and FED officials' comment will be eyed.
- To sum up, technically and fundamentally, we believe that the US dollar still has strong negative momentum and is likely to be gradually sold more towards the end of the year.

<b>Lower Bound</b>	<b>102.50</b>	<b>Upper Bound</b>	<b>104.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The recent series of consumer spending and inflation data bolstered bets for a US Federal Reserve (Fed) interest rate cut as early as May next year. Dovish Fed expectations kept the US Treasury bond yields under pressure, undermining the US Dollar valuations. Dollar index had traded below 104.00 last week and closed at 103.41.
- The Federal Open Market Committee (FOMC) released the Minutes of its latest meeting on Tuesday, but the document did not impress market participants.
- Data-wise, US figures were mixed, as Durable Goods Orders plunged 5.4% MoM in October, while Initial Jobless Claims for the week ended November 17 were 209K, much better than the previous 233K. Finally, S&P Global Services PMI improved to 50.8 in November from 50.6 in the previous month, although the manufacturing index contracted by more than anticipated, to 49.4, according to preliminary estimates. The Composite PMI was reported at 50.7 matching the October final reading.

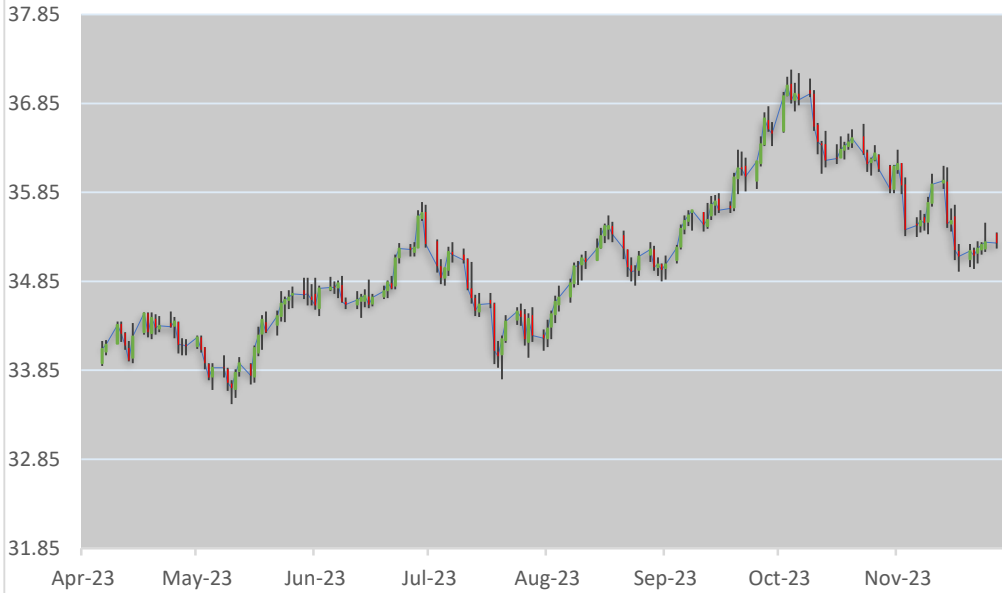
**Dollar Index Performance**

<b>Last Week Close</b>	<b>103.92</b>	<b>Monthly High</b>	<b>107.11</b>
<b>Week Open</b>	<b>103.82</b>	<b>Monthly Low</b>	<b>103.18</b>
<b>Week Close</b>	<b>103.40</b>	<b>30 Days Average</b>	<b>105.36</b>
<b>Weekly High</b>	<b>104.56</b>	<b>90 Days Average</b>	<b>104.64</b>
<b>Weekly Low</b>	<b>103.18</b>	<b>YTD Change</b>	<b>-0.14%</b>

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

Events	Period	Date	Forecast	Previous
New Home Sales-Units	Oct	27-Nov	0.721M	0.759M
GDP 2nd Estimate	Q3	29-Nov	5.0%	4.9%
Core PCE Price Index MM	Oct	30-Nov	0.2%	0.3%
Core PCE Price Index YY	Oct	30-Nov	3.5%	3.7%
PCE Price Index MM	Oct	30-Nov	0.1%	0.4%
PCE Price Index YY	Oct	30-Nov	3.1%	3.4%
Initial Jobless Clm	25 Nov, w/	30-Nov	218k	209k
S&P Global Mfg PMI Final	Nov	1-Dec		49.4
ISM Manufacturing PMI	Nov	1-Dec	47.6	46.7

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 Nov 2023 - 01 Dec 2023**

**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- This week, the MPC is expected to hold the interest rate at 2.5% at the meeting on Wednesday(29/11) as the central bank chief just said that Thailand's monetary and fiscal policies need to have policy space and ensure the economy remains resilient as it grows.
- Technically , in a short term the USD/THB may continue to rebound which has a strong resistance at 35.50-35.60 level. However, amid the weakened US dollar, in a longer term, there is still a chance that the baht would appreciated and test the support level of 35.00 again.

<b>Lower Bound</b>	<b>35.00</b>	<b>Upper Bound</b>	<b>35.60</b>
<b>Forecast</b>	<b>Neutral</b>		

**Thai Baht News**

- At the beginning of last week, the baht hovered near 35.00 level as investors digested a set of weaker-than-anticipated economic reports from the US and also the possibility that FED will start cutting the rate in mid-2024.
- However, the support at 35.00 level is too strong and the baht was simultaneously pressured as Thailand Q3 GDP expanded at a slower-than-expected pace at 1.5% YoY and 0.8% QoQ which are all lower than forecast. The economy was weighed down by weak exports and agriculture and faced sluggish global demand while investor confidence in Thailand dropped despite the end of a political deadlock following an election in May.
- During the week, the baht gradually depreciated back to the level around 35.50 as the Thai National Shippers' Council has predicted that Thailand's exports this year would contract 1.5% YoY while the tourism numbers is expected to be lower than earlier forecast.

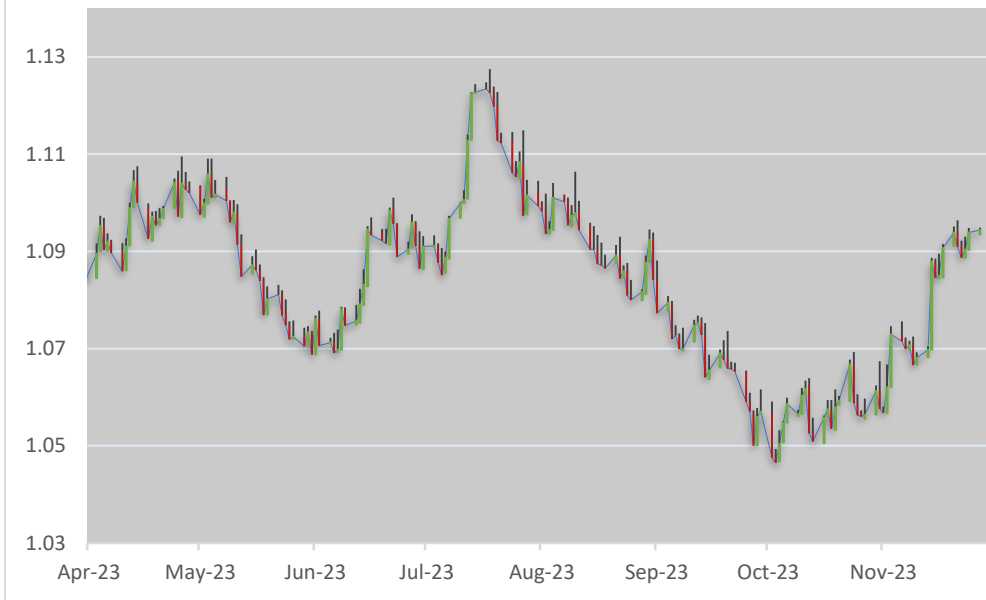
**Thai Baht Performance**

<b>Last Week Close</b>	<b>35.20</b> THB/USD	<b>Monthly High</b>	<b>36.33</b> THB/USD
<b>Week Open</b>	<b>35.10</b> THB/USD	<b>Monthly Low</b>	<b>35.01</b> THB/USD
<b>Week Close</b>	<b>35.29</b> THB/USD	<b>30 Days Average</b>	<b>35.79</b> THB/USD
<b>Weekly High</b>	<b>35.51</b> THB/USD	<b>90 Days Average</b>	<b>35.63</b> THB/USD
<b>Weekly Low</b>	<b>34.99</b> THB/USD	<b>YTD Change</b>	<b>+1.82%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Custom-Based Export Data	Oct	27-Nov	9.30%	2.10%
Custom-Based Import Data	Oct	27-Nov	6.00%	-8.30%
Customs-Based Trade Data	Oct	27-Nov	0.53B	2.10B
1-Day Repo Rate	29 Nov	29-Nov	2.50%	2.50%
Exports YY	Oct	30-Nov		1.00%
Imports YY	Oct	30-Nov		-7.90%
Trade Account	Oct	30-Nov		3.80B
Current Account	Oct	30-Nov		3.40B

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 Nov 2023 - 01 Dec 2023**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Since European Central Bank (ECB) officials continue to maintain a cautious stance regarding the region's future. Inflation remains high, growth is still on the back foot, and rates stand at multi-year highs, leaving them with little room to manoeuvre to fix it all. It is clear that additional hikes are not the preferred path. Still, market participants continuously increase bets for a soon-to-come rate cut, anticipating the first one in April.
- Germany and the Eurozone will release the preliminary estimates of their respective November Harmonized Index of Consumer Prices (HICP) next week.
- We believe that the euro will move in a sideways-up mode with the 1.100 mark is located as first important resistance.

<b>Lower Bound</b>	<b>1.0850</b>	<b>Upper Bound</b>	<b>1.1050</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Euro News**


- Last week, the euro held ground in an uneventful week, ending it as it had started, at around the 1.0900 mark. The Thanksgiving holiday and a scarce macroeconomic calendar kept the pair within a limited range.
- S&P Global released the preliminary estimates of the November PMI, most of which surprised to the upside. The indexes still indicated contraction, but improved from October readings and beat the market expectations. The EU Composite PMI jumped from 46.5 to 47.1, also above the 46.9 forecast. The official report noted that the contraction rate was softer than anticipated, although business activity continued to fall amid a further solid decline in new orders.
- Meanwhile, Germany confirmed the Q3 Gross Domestic Product (GDP) fell by 0.1% QoQ. At the same time, the October Producer Price Index (PPI) contracted 11% from a year earlier.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0907</b> USD/EUR	<b>Monthly High</b>	<b>1.0964</b> USD/EUR
<b>Week Open</b>	<b>1.0911</b> USD/EUR	<b>Monthly Low</b>	<b>1.0518</b> USD/EUR
<b>Week Close</b>	<b>1.0939</b> USD/EUR	<b>30 Days Average</b>	<b>1.0721</b> USD/EUR
<b>Weekly High</b>	<b>1.0964</b> USD/EUR	<b>90 Days Average</b>	<b>1.0752</b> USD/EUR
<b>Weekly Low</b>	<b>1.0850</b> USD/EUR	<b>YTD Change</b>	<b>+2.28%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confid. Final	Nov	29-Nov	-16.9	-16.9
HICP Flash YY	Nov	30-Nov	2.8%	2.9%
HICP-X F,E,A&T Flash YY	Nov	30-Nov	3.9%	4.2%
HICP-X F, E, A, T Flash MM	Nov	30-Nov		0.20%
Unemployment Rate	Oct	30-Nov	6.5%	6.5%
HCOB Mfg Final PMI	Nov	1-Dec	43.8	43.8

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 Nov 2023 - 01 Dec 2023**
 **Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- Some industry experts said that the fiscal stimulus offered by Finance Minister Hunt increases the likelihood that the BoE will delay cutting interest rates which support the demand for the pound.
- Once again, the British economic calendar this week is devoid of any high-impact data as BoE Governor Bailey will deliver brief remarks at an event later on Wednesday(29/11) while the final manufacturing PMI data will be released on Friday(1/12)
- All in all, we believe the pound is aiming for the continuation of the uptrend. Technically, the door remains open for a test of the 1.2815 level but it is likely meet an initial hurdle at around 1.2650.

<b>Lower Bound</b>	<b>1.2500</b>	<b>Upper Bound</b>	<b>1.2800</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Pound Sterling News**

- Last week, the pound extended its gain and hit two-month highs above 1.2550 amid a persistent bearish bias around the US Dollar.
- The Pound Sterling capitalized on the hawkish commentaries from the BoE policymakers commenting on the interest rate outlook, BoE Governor Andrew Bailey said “risks are on the upside as markets underestimate risk of inflation persistence.” BoE policymaker Catherine Mann said that “the prospects for more persistent inflation imply a need for tighter monetary policy.”
- GBP/USD received an additional boost from strong UK preliminary business PMI data, which showed that the country’s services sector returned to expansion in November, with a 50.5 reading. Meanwhile, buyers also cheered British Finance Minister Jeremy Hunt’s announcement of tax cuts for workers and permanent investment incentives for businesses in his Autumn Statement fiscal update.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2461</b> USD/GBP	<b>Monthly High</b>	<b>1.2615</b> USD/GBP
<b>Week Open</b>	<b>1.2454</b> USD/GBP	<b>Monthly Low</b>	<b>1.2097</b> USD/GBP
<b>Week Close</b>	<b>1.2603</b> USD/GBP	<b>30 Days Average</b>	<b>1.2294</b> USD/GBP
<b>Weekly High</b>	<b>1.2615</b> USD/GBP	<b>90 Days Average</b>	<b>1.2441</b> USD/GBP
<b>Weekly Low</b>	<b>1.2444</b> USD/GBP	<b>YTD Change</b>	<b>+4.18%</b>

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

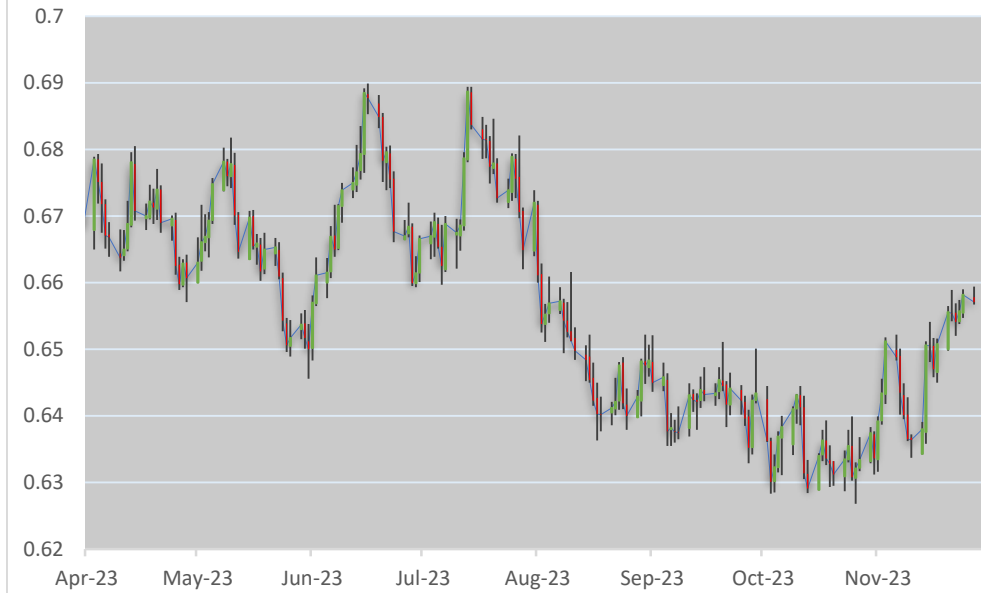
Events	Period	Date	Forecast	Previous
BOE Consumer Credit	Oct	29-Nov		1.391B
Nationwide house price mm	Nov	1-Dec		0.9%
Nationwide house price yy	Nov	1-Dec		-3.3%
S&P GLBL/CIPS Mfg PMI FNL	Nov	1-Dec	46.6	46.7

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**27 Nov 2023 - 01 Dec 2023**

 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- This week, the Australian economic calendar will feature RBA Bullock's speech, retail sales, and the release of inflation figures.
- We believe that the AUD/USD pair will continue to move with a bullish bias despite the data, supported by a weaker US Dollar. Positive sentiment in global markets weighed on the Greenback. Moreover, news that China continues stimulating the property market has also improved investors' mood, as shown by Asian, European, and North American equity markets.

**Australian Dollar News**

- The AUD/USD hit three-month high at around 0.6590 USD/AUD, fueled by an upbeat market sentiment and overall US Dollar weakness.
- However, the upside gain is limited after the Australian Judo Bank Flash Australia Composite PMI dropped in November from 47.6 to 46.4, reaching the lowest level in 27 months. The Services PMI fell to 46.3, the lowest in 26 months, and the Manufacturing PMI declined to 47.7, the lowest in 42 months.
- Despite the figures, Warren Hogan, Chief Economic Advisor at Judo Bank, said: "Activity weakened in Australia's services and manufacturing sectors in November. Manufacturing has remained soft for most of 2023, although the sector does not appear to be slipping into recession at this stage."

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6508</b> USD/AUD	<b>Monthly High</b>	<b>0.65940</b> USD/AUD
<b>Week Open</b>	<b>0.6500</b> USD/AUD	<b>Monthly Low</b>	<b>0.63190</b> USD/AUD
<b>Week Close</b>	<b>0.6582</b> USD/AUD	<b>30 Days Average</b>	<b>0.64199</b> USD/AUD
<b>Weekly High</b>	<b>0.6590</b> USD/AUD	<b>90 Days Average</b>	<b>0.65807</b> USD/AUD
<b>Weekly Low</b>	<b>0.6498</b> USD/AUD	<b>YTD Change</b>	<b>-3.54%</b>

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

Events	Period	Date	Forecast	Previous
Retail Sales MM Final	Oct	28-Nov	0.2%	0.9%
Building Approvals	Oct	30-Nov	1.4%	-4.6%
Building Approval Total YY	Oct	30-Nov		-7.1%
Capital Expenditure	Q3	30-Nov	1.0%	2.8%
Judo Bank Mfg PMI Final	Nov	1-Dec		47.7

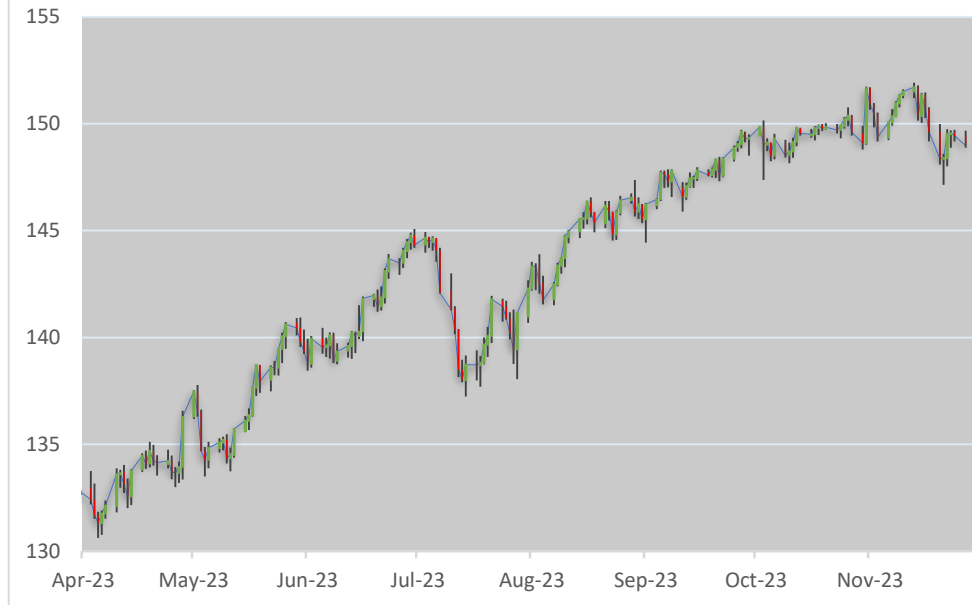
<b>Lower Bound</b>	<b>0.6400</b>	<b>Upper Bound</b>	<b>0.6700</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**27 Nov 2023 - 01 Dec 2023**



**Japanese Yen Graph**



Source: Thomson Reuters

**Japanese Yen News**

- The USD/JPY dropped to its lowest level since October below 147.5 earlier last week as dovish Fed expectations continue to drag the US bond yields lower and undermine the USD. Meanwhile, the yen has been supported from rising bets for a shift in the Bank of Japan's (BoJ) policy stance.
- The expectations were reinforced by Japan's National CPI report released earlier last Friday, which showed that the headline and core rates of inflation remained above the BoJ's 2% target for the 19th consecutive month in October.
- Moreover, expectations are that another substantial round of pay hikes next year will support sustained and stable inflation. This could allow the BoJ to end its negative rate policy in 2024.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>149.62 JPY/USD</b>	<b>Monthly High</b>	<b>151.92 JPY/USD</b>
<b>Week Open</b>	<b>149.62 JPY/USD</b>	<b>Monthly Low</b>	<b>147.16 JPY/USD</b>
<b>Week Close</b>	<b>149.44 JPY/USD</b>	<b>30 Days Average</b>	<b>141.63 JPY/USD</b>
<b>Weekly High</b>	<b>149.99 JPY/USD</b>	<b>90 Days Average</b>	<b>139.08 JPY/USD</b>
<b>Weekly Low</b>	<b>147.14 JPY/USD</b>	<b>YTD Change</b>	<b>+13.63%</b>

**Japanese Yen Outlook**

- Although the headline(inflation) rate rose again, it was less than expected. At the same time, the core rate fell slightly more than expected. All in all, this suggests that inflationary pressures are easing in Japan as well and then the BoJ may be unlikely to seek an exit from its ultra-expansionary monetary policy for the time being.
- Hence, the movement of USD/JPY is likely to remain almost entirely dependent on the USD in the coming weeks and we believe that the sideways movement around 150 level is the most likely way.

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

Events	Period	Date	Forecast	Previous
Service PPI	Oct	27-Nov		2.10%
Industrial O/P Prelim MM SA	Oct	30-Nov	0.8%	0.5%
Large Scale Retail Sales YY	Oct	30-Nov		5%
Jobs/Applicants Ratio	Oct	1-Dec	1.29	1.29
Unemployment Rate	Oct	1-Dec	2.6%	2.6%
JibunBK Mfg PMI Final SA	Nov	1-Dec		48.1

<b>Lower Bound</b>	<b>148.00</b>	<b>Upper Bound</b>	<b>151.00</b>
<b>Forecast</b>	<b>Neutral</b>		

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