

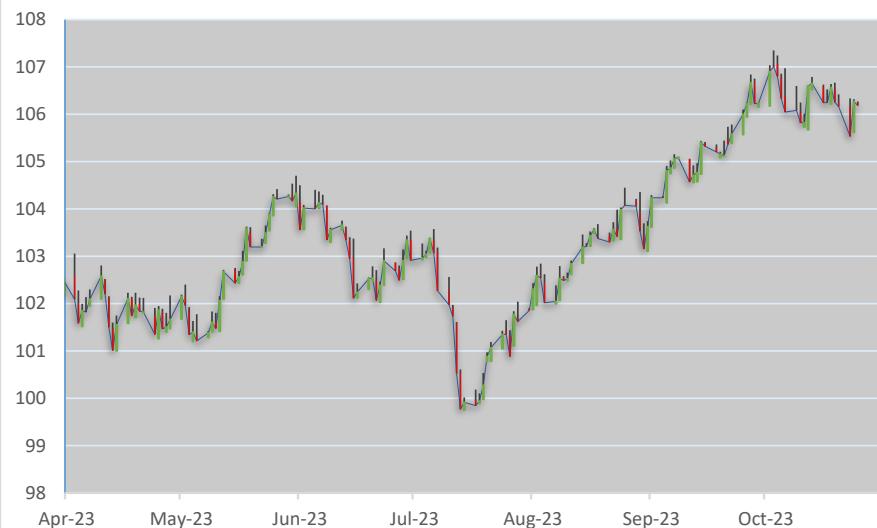
**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**23 Oct 2023 - 27 Oct 2023**



**Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- This week focus shift to US GDP and PMIs for further insight on the US economic activity.
- US Dollar rallies may come to a pause as markets digest Powell's words, however risk-off environment continue to favor USD demand.

<b>Lower Bound</b>	<b>105.58</b>	<b>Upper Bound</b>	<b>107.02</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- The dollar sees safe-haven demand as Middle East tensions persist. The dollar was also boosted by expectations of higher U.S. interest rates, as recent data showed consumer inflation and labour market remained robust. 10YT rose briefly to 5%.
- US retail sales rose 0.7% in September. Building Permits came in at 1.475M, lower than the previous 1.541M. Housing Starts rose to 1.358M, higher from the previous reading of 1.269M.
- Powell remarks suggest that rate should be high for longer but that high yields took some pressure off the Fed to raise rate. The probability of another hike by the end of the year is now down to roughly one-third. The DXY declined near 106.00 after the speech and then settled at 106.30.

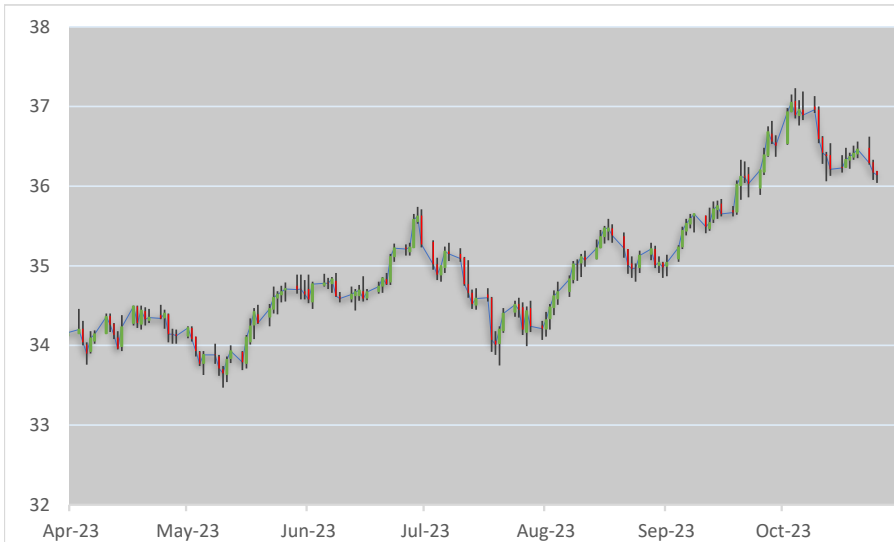
**Dollar Index Performance**

<b>Last Week Close</b>	<b>106.65</b>	<b>Monthly High</b>	<b>107.35</b>
<b>Week Open</b>	<b>106.58</b>	<b>Monthly Low</b>	<b>104.56</b>
<b>Week Close</b>	<b>106.16</b>	<b>30 Days Average</b>	<b>106.04</b>
<b>Weekly High</b>	<b>106.79</b>	<b>90 Days Average</b>	<b>103.80</b>
<b>Weekly Low</b>	<b>105.98</b>	<b>YTD Change</b>	<b>+2.54%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
S&P Global Mfg PMI Flash	Oct	24-Oct	49.5	49.8
S&P Global Svcs PMI Flash	Oct	24-Oct	49.8	50.1
S&P Global Comp Flash PMI	Oct	24-Oct	0.680M	50.2
GDP Advance	Q3	26-Oct	4.3%	2.1%
Initial Jobless Clm	21 Oct, w/€	26-Oct	208k	198k
Core PCE Price Index YY	Sep	27-Oct	3.7%	3.9%
PCE Price Index MM	Sep	27-Oct	0.3%	0.4%
PCE Price Index YY	Sep	27-Oct	3.4%	3.5%
U Mich Sentiment Final	Oct	27-Oct	63.0	63.0

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**Thai Baht Graph**

**Thai Baht Outlook**

- The 10,000-baht digital wallet policy remain a significant concern with regards to the source of funding and boundaries of usage.
- The Bank of Thailand's governor suggested that rate hike should be paused for now and further action will depend on economic recovery.

<b>Lower Bound</b>	<b>35.95</b>	<b>Upper Bound</b>	<b>36.60</b>
<b>Forecast</b>	<b>Neutral</b>		

**Thai Baht News**

- Thai baht depreciated against the dollar (at 36.50) as appetite for risk-driven Asian currencies remained fragile, while fears of higher U.S. interest rates, following a strong US inflation reading for September, kept sentiment towards Asian markets largely negative.
- Although data showed China's GDP Q3 grew 4.9 from a year earlier, escalating tension in the Middle East continued to pressure emerging market currencies.
- Thailand's industrial sentiment dropped for a third straight month in September from 91.3 to 90.0, hurt by softer global demand, a weak baht, and a rate hike by the BoT.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.38</b> THB/USD	<b>Monthly High</b>	<b>37.23</b> THB/USD
<b>Week Open</b>	<b>36.24</b> THB/USD	<b>Monthly Low</b>	<b>36.06</b> THB/USD
<b>Week Close</b>	<b>36.46</b> THB/USD	<b>30 Days Average</b>	<b>36.39</b> THB/USD
<b>Weekly High</b>	<b>36.56</b> THB/USD	<b>90 Days Average</b>	<b>35.43</b> THB/USD
<b>Weekly Low</b>	<b>36.17</b> THB/USD	<b>YTD Change</b>	<b>+4.39%</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	Sep	24-Oct	-1.75%	2.60%
Custom-Based Import Data	Sep	24-Oct	-5.55%	-12.80%
Customs-Based Trade Data	Sep	24-Oct	0.49B	0.36B
Forex Reserves	20 Oct, w/€	27-Oct		211.4B
Currency Swaps	20 Oct, w/€	27-Oct		30.2B
Manufacturing Prod YY	Sep	25-Oct	-5.00%	-7.53%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
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**Euro**
**Euro Graph**
**Euro News**


- The euro traded with mild positive bias above 1.0500, while speculations of no further rate hikes by the ECB continue to cap gains for the EUR/USD pair.
- September's CPI figures came in as-expected at 0.3%.
- The ECB President Christine Lagarde noting that underlying inflation remains strong with wage growth still "historically high".
- The economic sentiment in both Germany and the broader euro area tracked by the ZEW Institute came in above expectations at -1.1 lower than previous month of 2.3.

Source: Thomson Reuters

**Euro Outlook**

- The US bond yields and the broader risk sentiment, will drive the USD demand and provide some impetus to the EUR/USD pair. The next key event will be the European Central Bank (ECB) meeting this week where markets anticipate that key rates will remain unchanged for the first time since June of last year.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0509</b> USD/EUR	<b>Monthly High</b>	<b>1.0693</b> USD/EUR
<b>Week Open</b>	<b>1.0505</b> USD/EUR	<b>Monthly Low</b>	<b>1.0449</b> USD/EUR
<b>Week Close</b>	<b>1.0593</b> USD/EUR	<b>30 Days Average</b>	<b>1.0595</b> USD/EUR
<b>Weekly High</b>	<b>1.0616</b> USD/EUR	<b>90 Days Average</b>	<b>1.0821</b> USD/EUR
<b>Weekly Low</b>	<b>1.0505</b> USD/EUR	<b>YTD Change</b>	<b>-0.93%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Flash	Oct	23-Oct	-18.3	-17.8
HCOB Mfg Flash PMI	Oct	24-Oct	43.7	43.4
HCOB Services Flash PMI	Oct	24-Oct	48.7	48.7
HCOB Composite Flash PMI	Oct	24-Oct	47.4	47.2
ECB Refinancing Rate	Oct	26-Oct	4.50%	4.50%
ECB Deposit Rate	Oct	26-Oct	4.00%	4.00%

<b>Lower Bound</b>	<b>1.0505</b>	<b>Upper Bound</b>	<b>1.0695</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

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 **Pound Sterling**

**Pound Sterling Graph**



Source: Thomson Reuters

**Pound Sterling News**

- The British Pound hold lower ground near 1.21 as investors digested the soft wage data, which dampened the outlook for consumer spending and increased the chance of another pause by the BoE at its November monetary policy meeting.
- The British pound struggles to gain any meaningful traction later in the week after the latest UK inflation data are held steady at 6.7%, higher than the market expectation of 6.5%. While, the annual Core CPI rose 6.1% in the same period, compared to 6.2% increase recorded in August.
- The UK Retail Sales declined 0.9% MoM in September, a big miss. Core Retail Sales dropped 1.0% MoM in September.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2141</b> USD/GBP	<b>Monthly High</b>	<b>1.2337</b> USD/GBP
<b>Week Open</b>	<b>1.2135</b> USD/GBP	<b>Monthly Low</b>	<b>1.2038</b> USD/GBP
<b>Week Close</b>	<b>1.2160</b> USD/GBP	<b>30 Days Average</b>	<b>1.2224</b> USD/GBP
<b>Weekly High</b>	<b>1.2219</b> USD/GBP	<b>90 Days Average</b>	<b>1.2568</b> USD/GBP
<b>Weekly Low</b>	<b>1.2088</b> USD/GBP	<b>YTD Change</b>	<b>+0.64%</b>

**Pound Sterling Outlook**

- A slowdown in progress in achieving 2% inflation has escalated hawkish BoE bets, however, the market mood remains risk-off amid increasing Israel-Hamas tensions.
- Going forward, focus shift to UK employment data this week.

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

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Sep	24-Oct		-9.0k
ILO Unemployment Rate	Aug	24-Oct	4.3%	4.3%
Flash Composite PMI	Oct	24-Oct	48.7	48.5
Flash Manufacturing PMI	Oct	24-Oct	44.7	44.3
Flash Services PMI	Oct	24-Oct	49.3	49.3
CBI Business Optimism	Q4	24-Oct		6

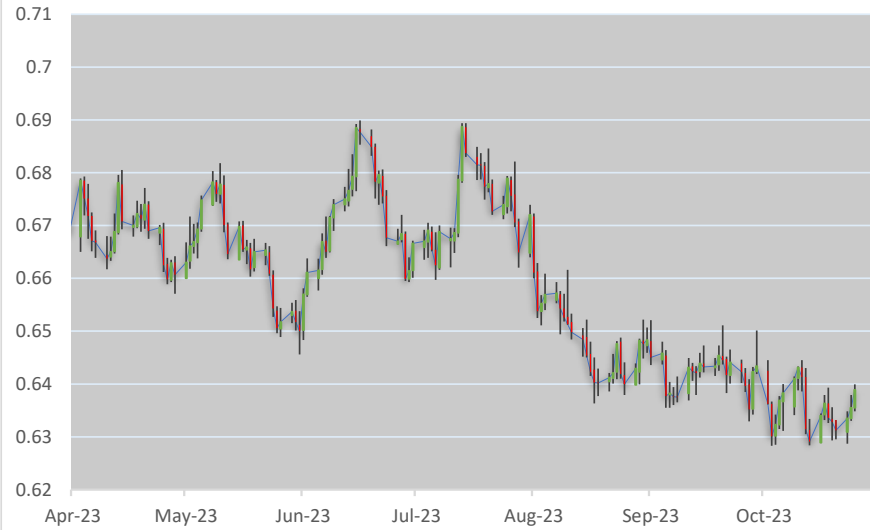
<b>Lower Bound</b>	<b>1.2088</b>	<b>Upper Bound</b>	<b>1.2301</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**23 Oct 2023 - 27 Oct 2023**

 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar News**

- Australian Dollar continues to lose ground over escalating fears of the Israel-Gaza conflict, however, the AUD/USD pair found some uplift from a weakened US Dollar (USD) following comments by Federal Reserve (Fed) Chairman Jerome Powell on Thursday.
- Unemployment rate outperformed expectations, standing at 3.6%.
- Australian Employment Change for the same month was 6.7K, falling short of the consensus forecast of 20K. This is a notable decline from the 64.9K jobs added in August.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6291</b> USD/AUD	<b>Monthly High</b>	<b>0.64450</b> USD/AUD
<b>Week Open</b>	<b>0.6289</b> USD/AUD	<b>Monthly Low</b>	<b>0.62860</b> USD/AUD
<b>Week Close</b>	<b>0.6312</b> USD/AUD	<b>30 Days Average</b>	<b>0.65370</b> USD/AUD
<b>Weekly High</b>	<b>0.6393</b> USD/AUD	<b>90 Days Average</b>	<b>0.66407</b> USD/AUD
<b>Weekly Low</b>	<b>0.6288</b> USD/AUD	<b>YTD Change</b>	<b>-6.22%</b>

**Australian Dollar Outlook**

- Risk-off flow dominant continue to weigh on AUD/USD.
- The RBA expressed concern about the inflation impact stemming from supply shocks. If inflation persists above projections, the RBA will take responsive policy measures.

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

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Flash	Oct	24-Oct		48.7
Judo Bank Svs PMI Flash	Oct	24-Oct		51.8
Judo Bank Comp PMI Flash	Oct	24-Oct		51.5
CPI QQ	Q3	25-Oct	1.1%	0.8%
CPI YY	Q3	25-Oct	5.3%	6.0%
RBA Weightd Medn CPI QQ	Q3	25-Oct	1.0%	1.0%
RBA Weightd Medn CPI YY	Q3	25-Oct	5.0%	5.5%
RBA Trimmed Mean CPI QQ	Q3	25-Oct	1.1%	0.9%
RBA Trimmed Mean CPI YY	Q3	25-Oct	5.0%	5.9%

<b>Lower Bound</b>	<b>0.6273</b>	<b>Upper Bound</b>	<b>0.6448</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**23 Oct 2023 - 27 Oct 2023**

**Japanese Yen**
**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The risk-off mood undermines the JPY amid intervention fears, while the divergent BoJ-Fed policy stance remained a key factor acting as a tailwind for the pair.

<b>Lower Bound</b>	<b>148.52</b>	<b>Upper Bound</b>	<b>150.32</b>
<b>Forecast</b>	<b>Neutral</b>		

**Japanese Yen News**

- The Japanese yen remained just shy of the 150 level, which investors believe will attract intervention by the Japanese government in currency markets.
- The headline CPI eased from a 3.2% YoY rate to 3% in September. The National Core CPI, which excludes volatile fresh food prices, fell below the 3% mark for the first time in 13 months.
- The latest Bank of Japan (BoJ) Financial System Report published on Friday revealed that “Japan’s financial system has been maintaining stability on the whole.”

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>149.55 JPY/USD</b>	<b>Monthly High</b>	<b>150.16 JPY/USD</b>
<b>Week Open</b>	<b>149.46 JPY/USD</b>	<b>Monthly Low</b>	<b>147.40 JPY/USD</b>
<b>Week Close</b>	<b>149.84 JPY/USD</b>	<b>30 Days Average</b>	<b>141.71 JPY/USD</b>
<b>Weekly High</b>	<b>150.03 JPY/USD</b>	<b>90 Days Average</b>	<b>136.93 JPY/USD</b>
<b>Weekly Low</b>	<b>149.21 JPY/USD</b>	<b>YTD Change</b>	<b>+14.26%</b>

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

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Oct	24-Oct		48.5
JibunBK Comp Op Flash SA	Oct	24-Oct		52.1
JibunBK SVC PMI Flash SA	Oct	24-Oct		53.8
Chain Store Sales YY	Sep	25-Oct		3.4%
Leading Indicator Revised	Aug	25-Oct		1.3
Service PPI	Sep	26-Oct		2.10%
CPI Tokyo Ex fresh food YY	Oct	27-Oct	2.5%	2.5%
CPI, Overall Tokyo	Oct	27-Oct		2.8%

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