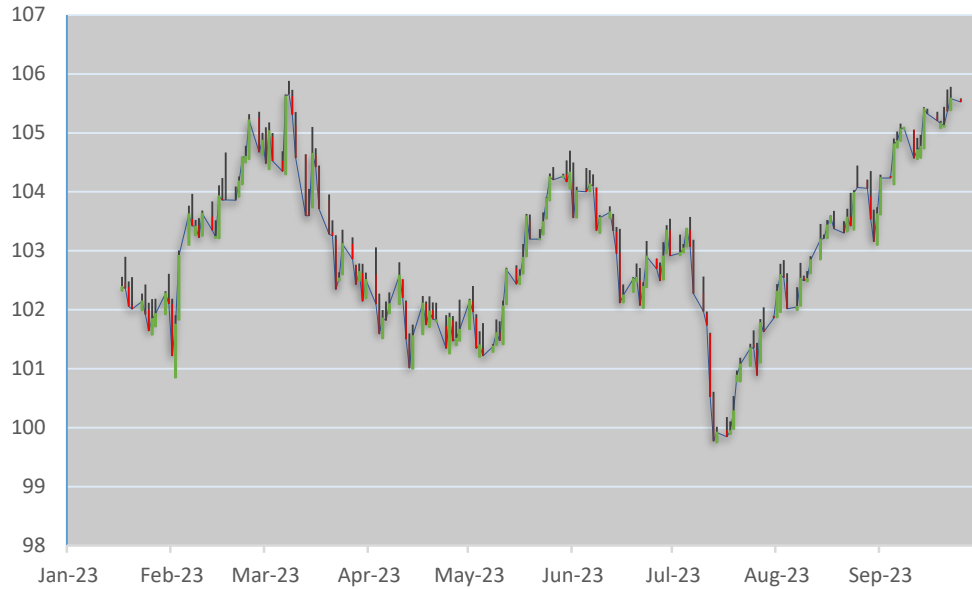


WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Sep 2023 - 29 Sep 2023

 **Dollar Index**

Dollar Index Graph



Source: Thomson Reuters

Dollar Outlook

- This week, the market will be closely watch in U.S. personal consumption expenditure figures for August on Friday (29/9). Any indication that the U.S. consumer continues to spend strongly and that price pressures remain sticky should be bullish for the U.S. dollar.
- The market also focus on US new home sales (26/9), durable goods (27/9), initial jobless claims (28/9) and University of Michigan consumer confidence (29/9).
- The potential for a U.S. government shutdown in just 10 days was also being closely watched by markets.

Lower Bound	103.42	Upper Bound	106.11
Forecast	Appreciation		

Dollar News

- The dollar index dropped against major currencies in the beginning of the week as the consumer sentiment was below expectation.
- The University of Michigan’s preliminary reading its Consumer Sentiment Index dropped to 67.7 on September V the forecast of 69.1 among economists polled.
- The dollar index gained after the Federal Reserve (Fed) held interest rates steady in a range of 5.25% to 5.5% as widely expected during its Wednesday (20/9) meeting but stiffened its hawkish stance with a further rate increase projected by the end of the year.
- The Fed is speculation about a possible rate increase this year, extending into 2024. According to the CME FedWatch tool, market sentiment indicates a 45% chance of another rate hike this year and a 44% likelihood of rate cuts by early 2024.

Dollar Index Performance

Last Week Close	105.32	Monthly High	105.78
Week Open	105.30	Monthly Low	102.94
Week Close	105.58	30 Days Average	104.31
Weekly High	105.78	90 Days Average	103.12
Weekly Low	104.67	YTD Change	+2.01%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence	Sep	26-Sep	105.9	106.1
New Home Sales-Units	Aug	26-Sep	0.700M	0.714M
Durable Goods	Aug	27-Sep	-1.6%	-5.2%
GDP Final	Q2	28-Sep	2.2%	2.1%
Initial Jobless Clm	18 Sep, w/	28-Sep		201k
Core PCE Price Index MM	Aug	29-Sep	0.2%	0.2%
Core PCE Price Index YY	Aug	29-Sep		4.2%
PCE Price Index MM	Aug	29-Sep		0.2%
PCE Price Index YY	Aug	29-Sep		3.3%
U Mich Sentiment Final	Sep	29-Sep		67.7

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Thai Baht
Thai Baht Graph

Thai Baht Outlook

- The baht may depreciate against the US dollar as higher volatility in money and capital markets worldwide after the US Federal Reserve's hawkish comments about its benchmark interest rate, which is supported by the trend of maintaining high interest rates for a prolonged period.
- However, the market will be closely monitor the outcomes of the MPC meeting on Wednesday (27/9) and the Thai August export figures on Friday (29/9).
- Additionally, the higher US Treasury yields, oil prices, foreign capital flows and weak Yuan also weighed on the baht this moment.

Lower Bound	34.86	Upper Bound	36.29
Forecast	Depreciation		

Thai Baht News

- The Thai baht depreciated further and broke through psychological resistance at 36.00 THB/USD on Monday and hit high level at 36.33 THB/USD after the outflow of fund from the sale of long-term maturity Thailand's government bond.
- The recent spike in Thailand's Treasury yield stemmed from cash injection policy which requires need of funding through sales of bond, the outflow of fund then triggered bearish baht momentum.
- Meanwhile Thailand's government plans to borrow about 2.4 trillion baht for the fiscal year 2024 starting Oct. 1, up 9% from the current year that pressured Thai baht.
- The Thai baht slid continuously as both the dollar and US 10-year bond yields continued to rise on the Fed's suggestion it may lift interest rates one more time this year, while signalling fewer rate cuts next year.

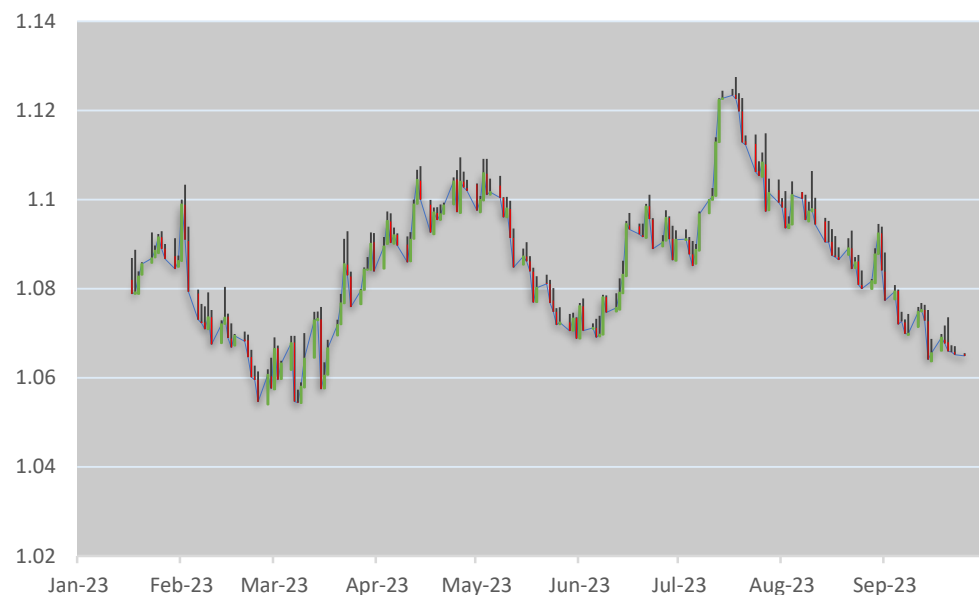
Thai Baht Performance

Last Week Close	35.75 THB/USD	Monthly High	36.33 THB/USD
Week Open	35.70 THB/USD	Monthly Low	34.91 THB/USD
Week Close	36.03 THB/USD	30 Days Average	35.44 THB/USD
Weekly High	36.33 THB/USD	90 Days Average	34.98 THB/USD
Weekly Low	35.62 THB/USD	YTD Change	+4.02%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
1-Day Repo Rate	27 Sep	27-Sep		2.25%
Custom-Based Export Data	Aug	27-Sep	-3.30%	-6.20%
Custom-Based Import Data	Aug	27-Sep	-10.00%	-11.10%
Customs-Based Trade Data	Aug	27-Sep	-1.80B	-1.98B
Manufacturing Prod YY	Aug	27-Sep	-6.50%	-4.43%
Exports YY	Aug	29-Sep		-5.50%
Imports YY	Aug	29-Sep		-12.00%
Trade Account	Aug	29-Sep		0.40B
Current Account	Aug	29-Sep		-0.40B

WEEKLY FOREIGN EXCHANGE OUTLOOK
25 Sep 2023 - 29 Sep 2023

Euro Graph


Source: Thomson Reuters

Euro Outlook

- The euro was pressured against the US dollar since mid-July. This downward trend has been primarily driven by the contrasting economic performance of the United States and the Euro Area.
- Furthermore, the market is awaiting the release of September inflation figures in the Eurozone on Friday (29/9)
- Moreover, Germany will publish on Thursday (28/9) the preliminary estimate of the September Harmonized Index of Consumer Prices (HICP). The annual HICP is expected at 4.6% from 6.1% previously, while the core yearly reading is anticipated to print 4.7% vs. 6.4% the month before.

Lower Bound	1.0573	Upper Bound	1.0884
Forecast	Depreciation		

Euro News

- At the beginning of last week, the euro rebound to 1.0670 EUR/USD after the European Central Bank raised interest to 4.0% on 14 Sep but ECB said that this hiking could be its last.
- The euro zone head line inflation came below forecast of 5.3% but remain much higher than 2% target, however comment that rates are now restrictive enough will continue to be a headwind for the euro.
- The euro fell against the stronger dollar. German producer prices falling 12.6% on the year in August, the biggest year-on-year decline since data collection began in 1949, spurring hopes for further easing of inflation in Europe's largest economy.
- The data from Germany and the Euro area showed that the business activity in the private sector contracted at a softer pace in early August than in July.
- HCOB Composite PMI rose to 46.2 and 47.1 in Germany and the Euro area, respectively. These readings failed to provide a noticeable boost to the Euro but helped it hold its

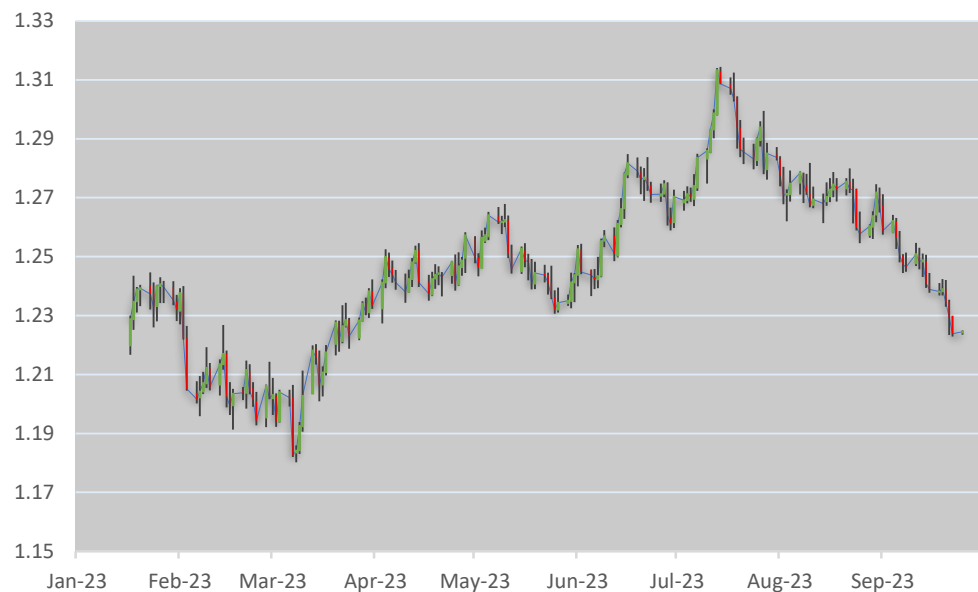
Euro Index Performance

Last Week Close	1.0655 USD/EUR	Monthly High	1.0881 USD/EUR
Week Open	1.0661 USD/EUR	Monthly Low	1.0615 USD/EUR
Week Close	1.0652 USD/EUR	30 Days Average	1.0784 USD/EUR
Weekly High	1.0736 USD/EUR	90 Days Average	1.0875 USD/EUR
Weekly Low	1.0613 USD/EUR	YTD Change	-0.54%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Economic Sentiment	Sep	28-Sep		93.3
Industrial Sentiment	Sep	28-Sep		-10.3
Services Sentiment	Sep	28-Sep		3.9
Consumer Confid. Final	Sep	28-Sep		-17.8
HICP Flash YY	Sep	29-Sep	4.6%	5.2%
HICP-X F,E,A&T Flash YY	Sep	29-Sep	4.9%	5.3%
HICP-X F, E, A, T Flash MM	Sep	29-Sep		0.30%

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The Pound is among the worst performers of last week after the Bank of England's decision to keep interest rates unchanged.
- Moreover, the worsening UK economic outlook is likely to force the BoE to refrain from further tightening policy. Hence, the widening policy divergence between the Federal Reserve and the BoE could cause GBP/USD to stay in a downtrend.
- This week, the market will be watching nationwide house price on Tuesday (26/9) and GDP Q2 on Friday (29/9).

Pound Sterling News

- The pound slightly bounced against USD at the beginning of the week after consumer inflation expectations rose to 3.6% which above the forecast of 3.5%.
- The pound sterling fell to a near four-month earlier in the session following data showed on Wednesday (20/9) that British annual consumer price inflation (CPI) unexpectedly fell to 6.7% in August, economists polled had forecast CPI would rise to 7.0% from July's 6.8%.
- The pound dropped against the dollar on late Thursday (21/9) after the BoE's Monetary Policy Committee (MPC) voted 5-4 in favor of holding the policy rate steady at 5.25% following the September policy meetin while markets were expecting the BoE to raise the interest rate by 25 basis points to 5.5%.
- Moreover, UK retail sales disappoint sending the pound dropped on Friday (22/9). UK retail sales largely failed to improve on July's rain affected print as rising oil prices and weaker online contributed to the less than stellar results.

Pound Sterling Performance

Last Week Close	1.2389 USD/GBP	Monthly High	1.2712 USD/GBP
Week Open	1.2381 USD/GBP	Monthly Low	1.2231 USD/GBP
Week Close	1.2238 USD/GBP	30 Days Average	1.2551 USD/GBP
Weekly High	1.2424 USD/GBP	90 Days Average	1.2653 USD/GBP
Weekly Low	1.2229 USD/GBP	YTD Change	+1.20%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Sep	26-Sep		-0.8%
Nationwide house price yy	Sep	26-Sep		-5.3%
GDP QQ	Q2	29-Sep		0.2%
GDP YY	Q2	29-Sep		0.4%
Current Acc GBP	Q2	29-Sep		-10.757B

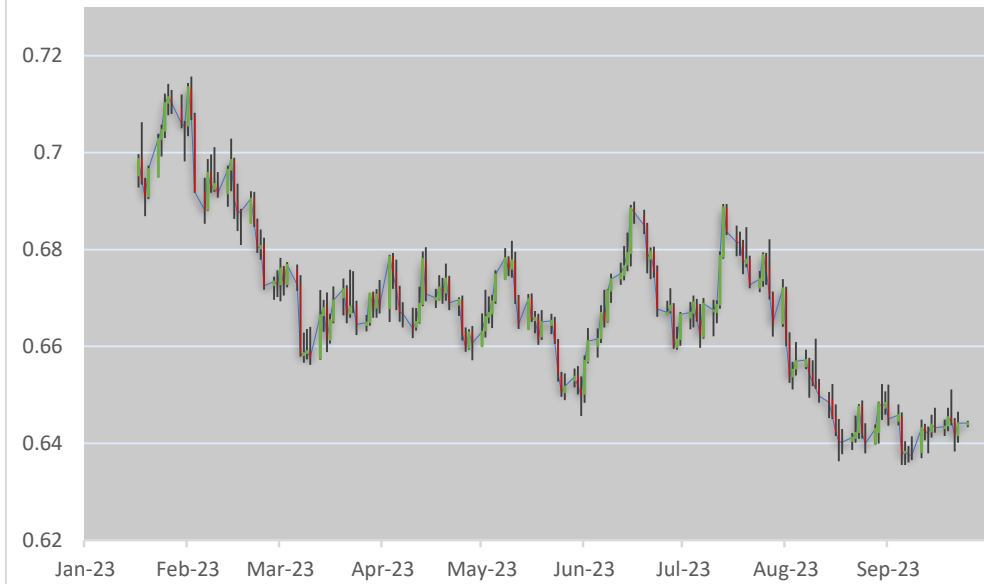
Lower Bound	1.2204	Upper Bound	1.2737
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

25 Sep 2023 - 29 Sep 2023

 **Australian Dollar**

Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

- The Australian dollar could get a little bit of a boost from inflation data that will be release on Wednesday (27/9), in the sense that commodity markets do tend to strengthen in an inflationary environment. If that's the case, that may push up demand for the Aussie dollar.
- Moreover, the market also eyes on retail sales data on Thursday (28/9).

Australian Dollar News

- The Australian dollar firmed slightly as Michele Bullock took over as governor of the Reserve Bank of Australia.
- Moreover, the minutes of the Reserve Bank of Australia's last meeting showed it considered raising rates by 25 basis points, before eventually deciding to hold rates unchanged.
- Uncertainty over China saw the Australian dollar fell against the US dollar. The People's Bank of China (PBOC) kept its loan prime rates steady at record lows. However, the PBOC also set a stronger-than-expected daily midpoint for the yuan on Wednesday (20/9), as it struggles to maintain a balance between fostering an economic recovery and preventing further weakness in the yuan.
- The Australian dollar gained on Friday (22/9) as preliminary business activity data for September showed some resilience.

Australian Dollar Performance

Last Week Close	0.6432 USD/AUD	Monthly High	0.65210 USD/AUD
Week Open	0.6431 USD/AUD	Monthly Low	0.63580 USD/AUD
Week Close	0.6441 USD/AUD	30 Days Average	0.67137 USD/AUD
Weekly High	0.6511 USD/AUD	90 Days Average	0.66926 USD/AUD
Weekly Low	0.6383 USD/AUD	YTD Change	-5.68%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Weighted CPI YY	Aug	27-Sep	5.2%	4.9%
CPI SA MM	Aug	27-Sep		0.30%
CPI SA YY	Aug	27-Sep		4.90%
Retail Sales MM Final	Aug	28-Sep	0.3%	0.5%
Private Sector Credit	Aug	29-Sep		0.3%
Housing Credit	Aug	29-Sep		0.3%

Lower Bound	0.6367	Upper Bound	0.6497
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
25 Sep 2023 - 29 Sep 2023

Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Monetary policy divergences between the Federal Reserve and the Bank of Japan will continue to weigh on the outlook for the Japanese yen.
- BOJ Governor Kazuo Ueda stated that they have not yet seen inflation reaching a stable 2% level. He also mentioned that the next monetary policy decision in October will be driven by data, including the government's extension of gasoline subsidies.
- The market will await on Japan economic data this week such as CPI and unemployment rate on Friday (29/9)

Lower Bound	145.63	Upper Bound	148.90
Forecast	Depreciation		

Japanese Yen News

- At the beginning of the week, the Japanese yen traded flat with markets in Japan closed for a national holiday on Monday (18/9), however Japan's top financial diplomat, Masato Kanda, warned that intervention isn't out of the question if volatility remain high and that Japan is in close communication with U.S. and oversea policymakers.
- However, the Japanese yen traded above 148 against the dollar ahead of the outcome of BOJ policy rate meeting on Friday (22/9), with traders keeping their eyes open for possible intervention to support the yen.
- The Japanese yen fell to a 10-month low against the U.S. dollar on Thursday (21/9), as the Federal Reserve's rate projections.
- The Bank of Japan (BOJ) rigorously holds onto its dovish stance. The central bank stuck to its short-term interest rate at -0.1% and that of the 10-year bond yields at around 0% at Friday's (22/9) monetary policy meeting.

Japanese Yen Performance

Last Week Close	147.82 JPY/USD	Monthly High	148.48 JPY/USD
Week Open	147.72 JPY/USD	Monthly Low	144.45 JPY/USD
Week Close	148.37 JPY/USD	30 Days Average	137.65 JPY/USD
Weekly High	148.45 JPY/USD	90 Days Average	134.88 JPY/USD
Weekly Low	147.31 JPY/USD	YTD Change	+13.18%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Service PPI	Aug	26-Sep		1.70%
Leading Indicator Revised	Jul	27-Sep		-1.2
CPI Tokyo Ex fresh food YY	Sep	29-Sep	2.6%	2.8%
CPI, Overall Tokyo	Sep	29-Sep		2.9%
Jobs/Applicants Ratio	Aug	29-Sep	1.29	1.29
Unemployment Rate	Aug	29-Sep	2.6%	2.7%
Industrial O/P Prelim MM SA	Aug	29-Sep	-0.8%	-1.8%
Large Scale Retail Sales YY	Aug	29-Sep		6%

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