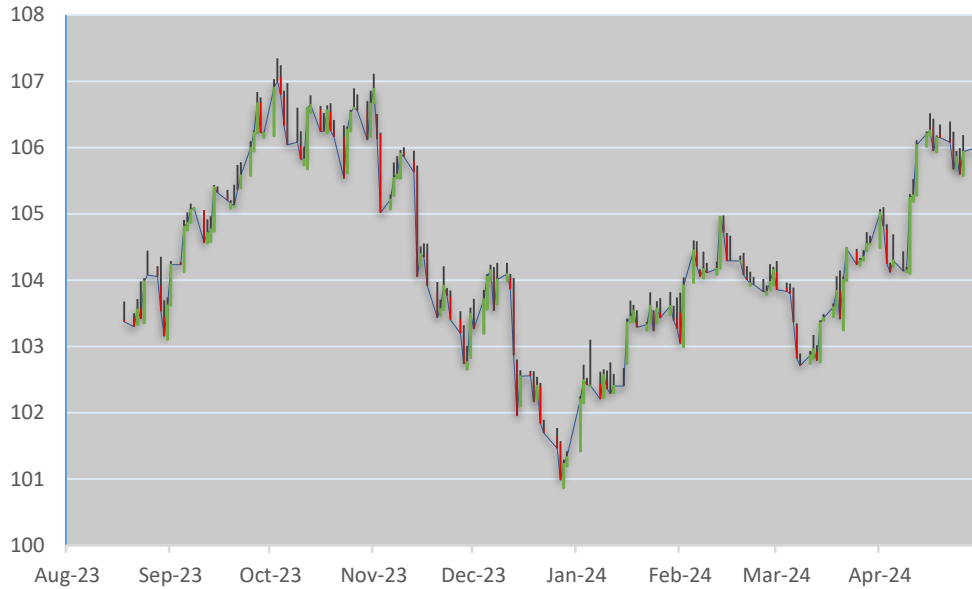


**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**29 Apr 2024 - 03 May 2024**

 **Dollar Index**

**Dollar Index Graph**



Source: Thomson Reuters

**Dollar Outlook**

- The data became more relevant ahead of the Federal Reserve (Fed) monetary policy decision on Wednesday(1/5), exacerbated by the blackout period that prevents Fed officials from making comments on the matter ten days before the event.
- Market participants believe Chair Jerome Powell & co will maintain the hawkish bias, downplaying rate-cut speculation.
- Beyond the Fed's monetary policy decision, the macroeconomic calendar for the upcoming week will include several US employment-related figures, including the US Nonfarm Payrolls (NFP) report on Friday. Furthermore, the country will publish the April ISM Manufacturing PMI and the ISM Services PMI for the same month.
- We believe that the US dollar just temporarily retreated as the Fed will remain interest rate on hold for longer period. Hawkish stance is still expected at this week meeting. The Dollar index may revisit the level of 106.5 again.

<b>Lower Bound</b>	<b>105.00</b>	<b>Upper Bound</b>	<b>107.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- Last week, the dollar index made some correction as it has been gradually lost its appeal following discouraging United States (US) macroeconomic data indicating tepid growth and persistent inflationary pressures.
- Throughout the week, the different US figures painted a worrisome picture. S&P Global released the preliminary estimates of the April PMI, which showed a sharp contraction in the US manufacturing sector, with the index falling to 49.9, back into contraction territory. At the same time, services output also declined. Meanwhile, the Q1 GDP showed a modest 1.6% annualized increase in the three months to March, well below the 2.5% anticipated and the previous 3.4%.
- Despite the discouraging economic performance, markets continued to price in the first US Federal Reserve (Fed) interest-rate cut in September, according to the CME Group's FedWatch Tool. Meanwhile, the total easing expected this year would just be 40 basis points (bps), a sea change from about the 150 basis points of cuts priced in at the beginning of the year, per Reuters.

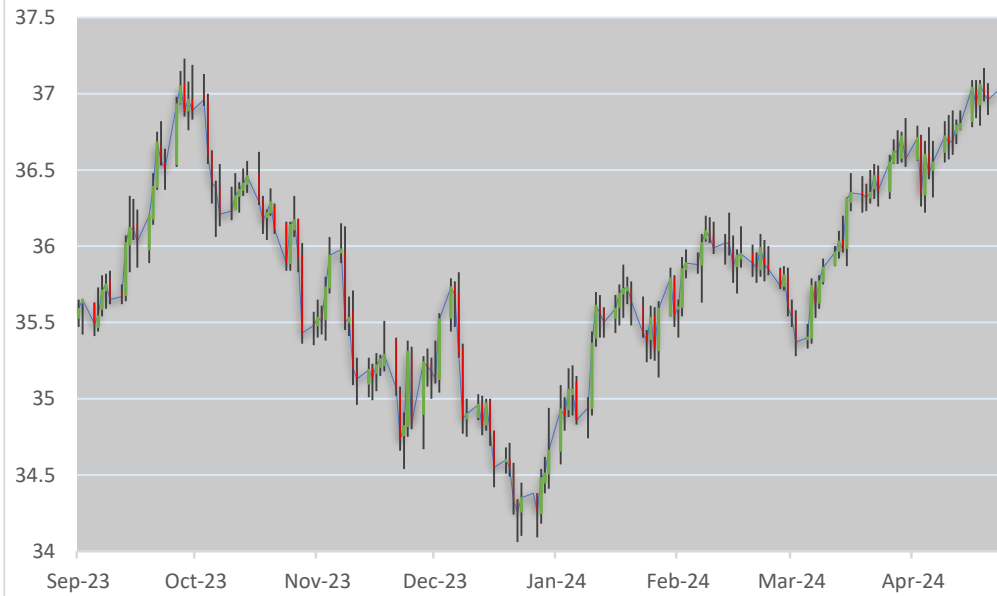
**Dollar Index Performance**

<b>Last Week Close</b>	<b>106.15</b>	<b>Monthly High</b>	<b>106.52</b>
<b>Week Open</b>	<b>106.12</b>	<b>Monthly Low</b>	<b>103.17</b>
<b>Week Close</b>	<b>105.94</b>	<b>30 Days Average</b>	<b>105.00</b>
<b>Weekly High</b>	<b>106.44</b>	<b>90 Days Average</b>	<b>103.84</b>
<b>Weekly Low</b>	<b>105.41</b>	<b>YTD Change</b>	<b>+4.29%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confidence	Apr	30-Apr	104.0	104.7
S&P Global Mfg PMI Final	Apr	1-May		49.9
ISM Manufacturing PMI	Apr	1-May	50.1	50.3
Fed Funds Tgt Rate	1 May	2-May	5.25-5.5	5.25-5.5
Initial Jobless Clm	27 Apr, w/	2-May	212k	207k
Non-Farm Payrolls	Apr	3-May	245k	303k
Unemployment Rate	Apr	3-May	3.8%	3.8%
S&P Global Comp Final PMI	Apr	3-May		50.9
S&P Global Svcs PMI Final	Apr	3-May		50.9
ISM N-Mfg PMI	Apr	3-May	52	51.4

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**29 Apr 2024 - 03 May 2024**

**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- This week, March trade data will be in focus. Moreover, the movement in gold and oil price will also be watched.
- On the interest rate story, the Bank of Thailand is unlikely to lower interest rates until the second quarter of 2025, when the economy could hit a fiscal cliff after the impact of the 10,000-baht digital handout diminishes, as expectations grow that the Federal Reserve will keep US rates elevated for longer.
- We believe that the baht still has downside risk as uncertain global factors such as the Fed's policy and geopolitics are pressuring Asian currencies, including for the baht, especially during periods with negative rate differentials.
- We believe the baht will move in the same range as last week (36.80-37.20) with the 37.20 level is the important resistance level.

<b>Lower Bound</b>	<b>36.75</b>	<b>Upper Bound</b>	<b>37.25</b>
<b>Forecast</b>	<b>Neutral</b>		

**Thai Baht News**

- Last week, the baht gradually depreciated to its weakest level since October 2023 near 37.20 level. However, it was interrupted after some profit-taking as unexpected slowing in US economic growth and disappointing US PMI data weighed on the greenback.
- During the week, the Bank of Thailand (BoT) says it has intervened in currency markets at times to ease any excessive moves in the baht, adding that the current policy rate is robust and conducive to economic recovery.
- Assistant BOT governor Piti Disyatat added that any big rate cuts would not be appropriate for the economy at the moment and lower rates would not help with financial access for smaller businesses. Cutting rates could help lower debt in the short run but could also induce risks in the longer term.
- Thai banks are set to cut the minimum retail rate (MRR) by 25 basis points for a period of six months, aiming to alleviate the debt burden for vulnerable customers in response to the prime minister asking lenders to lower interest rates for vulnerable groups and small businesses.

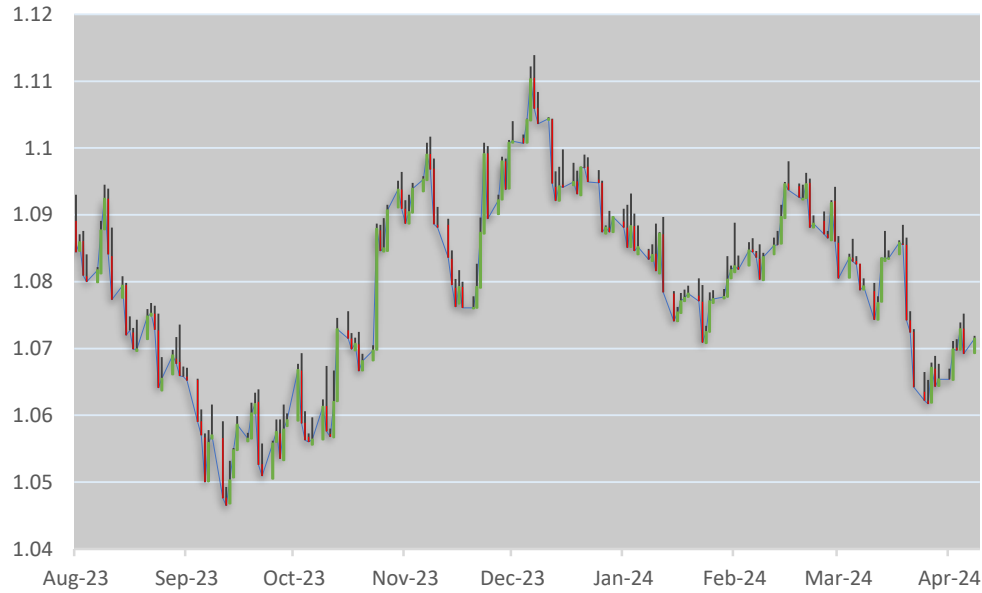
**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.79</b> THB/USD	<b>Monthly High</b>	<b>37.17</b> THB/USD
<b>Week Open</b>	<b>36.82</b> THB/USD	<b>Monthly Low</b>	<b>36.25</b> THB/USD
<b>Week Close</b>	<b>36.96</b> THB/USD	<b>30 Days Average</b>	<b>36.59</b> THB/USD
<b>Weekly High</b>	<b>37.17</b> THB/USD	<b>90 Days Average</b>	<b>35.83</b> THB/USD
<b>Weekly Low</b>	<b>36.78</b> THB/USD	<b>YTD Change</b>	<b>+7.80%</b>

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

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Mar	29-Apr	-4.50%	3.60%
Custom-Based Import Data	Mar	29-Apr	4.55%	3.20%
Customs-Based Trade Data	Mar	29-Apr	0.82B	-0.55B
Manufacturing Prod YY	Mar	30-Apr	-1.90%	-2.84%
Exports YY	Mar	30-Apr		2.50%
Imports YY	Mar	30-Apr		3.10%
Trade Account	Mar	30-Apr		1.70B
Current Account	Mar	30-Apr		2.00B
Manufacturing PMI SA	Apr	2-May		49.1

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**29 Apr 2024 - 03 May 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Germany will publish March Retail Sales and the preliminary estimate of the Q1 GDP, while the Eurozone will also unveil the first estimates of the Q1 GDP. The EU will also publish the preliminary estimates of the April Harmonized Index of Consumer Prices (HICP).
- We believe that last week's gain is just temporary as the euro is expected to continue weakening because of the comparative outlook for interest rates, which drive capital flows. Interest rates are expected to remain higher in the US compared to Europe as the ECB rate cut is still expected in June but Fed's may happened few months later.

<b>Lower Bound</b>	<b>1.0600</b>	<b>Upper Bound</b>	<b>1.0800</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- The euro temporarily reconquered the 1.0700 threshold this week, settling at around that round level after traded at its highest level since April 11 at around 1.0750 on Thursday (25/4).
- The Euro saw modest support from mixed local data after the HCOB and S&P Global PMIs showed that the services sector continued to improve while the EU Composite PMI surged to 51.4 in April, according to preliminary estimates. Additionally, the German IFO Survey showed Business Climate improved in April by more than anticipated, hitting 89.4 after printing 87.9 in March.
- However, the gain of the EUR/USD is limited as European Central Bank (ECB) officials kept paving the way for a rate cut in June. Bank of France and ECB policymaker François Villeroy de Galhau said they should cut rates in June because policymakers are "now confident enough and increasingly confident about the disinflationary path in the euro area."
- Finally, ECB President Christine Lagarde maintained its cautious approach, saying that policymakers "need to build a bit more confidence in the disinflationary process," adding moderating the restrictive monetary policy is nearby.

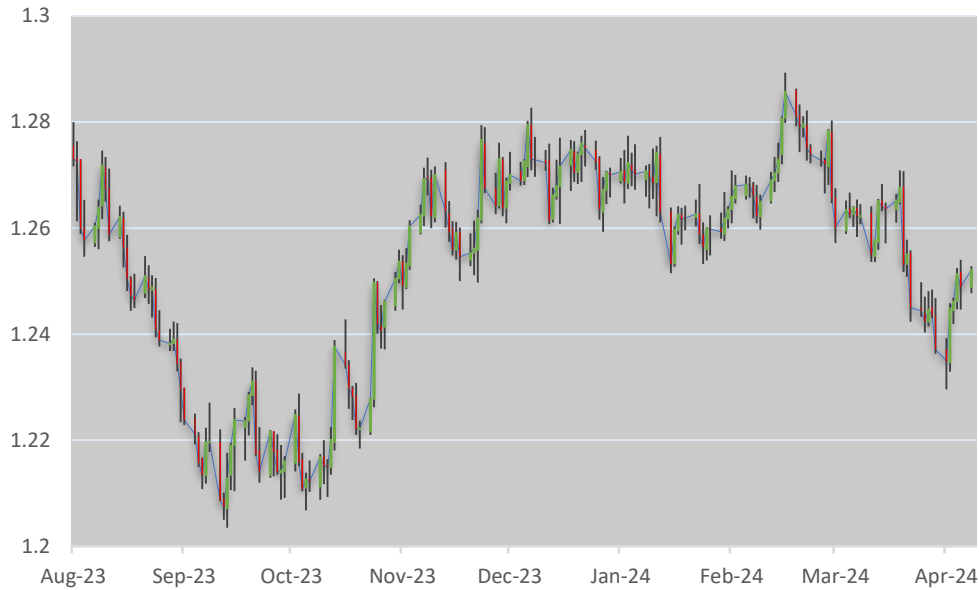
**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0654 USD/EUR</b>	<b>Monthly High</b>	<b>1.0885 USD/EUR</b>
<b>Week Open</b>	<b>1.0654 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0602 USD/EUR</b>
<b>Week Close</b>	<b>1.0692 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0767 USD/EUR</b>
<b>Weekly High</b>	<b>1.0752 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0837 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0622 USD/EUR</b>	<b>YTD Change</b>	<b>-2.86%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Apr	29-Apr	-14.7	-14.7
HICP Flash YY	Apr	30-Apr	2.4%	2.4%
HICP-X F,E,A&T Flash YY	Apr	30-Apr	2.7%	2.9%
HICP-X F, E, A, T Flash MM	Apr	30-Apr	0.80%	1.10%
GDP Flash Prelim YY	Q1	30-Apr	0.2%	0.1%
GDP Flash Prelim QQ	Q1	30-Apr	0.2%	0.0%
HCOB Mfg Final PMI	Apr	2-May	45.6	45.6
Unemployment Rate	Mar	3-May	6.5%	6.5%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**29 Apr 2024 - 03 May 2024**

**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The UK economic docket is once again relatively quiet data-wise, and therefore, the sentiment around the Fed rate expectations and the US Dollar price action will continue to drive the GBP/USD pair.
- We believe that the GBP/USD upturn is unlikely to last as the Fed rate decision and US Nonfarm Payrolls loom. Technically, the Pound Sterling needs acceptance above 1.2555 to sustain the recovery.

**Pound Sterling News**

- Pound Sterling witnessed a negative start to the week despite the return of risk appetite on ebbing fears over a wider regional conflict in the Middle East. Moreover, it looked like the British Pound suffered from the dovish commentary delivered on previous Friday by BOE Governor Dave Ramsden, who said that risks to persistence in domestic inflation pressures were receding, suggesting that a BoE policy pivot is inevitable later this year.
- Thereafter, the tide turned in favor of the GBP/USD pair, allowing it to stage a solid comeback from a new five-month low of 1.2300. The retreat in the US Dollar from multi-month highs against its major currency counterparts was the main reason behind the pair's turnaround.
- Additionally, improving UK business activity in April aided the GBP/USD recovery. The S&P Global UK Composite Purchasing Managers' Index for the services and manufacturing sectors jumped to an 11-month high of 54.0 in April from March's 52.8.
- The pound had been rebounded and closed week at 1.0492/94 USD/GBP.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2371</b> USD/GBP	<b>Monthly High</b>	<b>1.2709</b> USD/GBP
<b>Week Open</b>	<b>1.2371</b> USD/GBP	<b>Monthly Low</b>	<b>1.2300</b> USD/GBP
<b>Week Close</b>	<b>1.2489</b> USD/GBP	<b>30 Days Average</b>	<b>1.2559</b> USD/GBP
<b>Weekly High</b>	<b>1.2540</b> USD/GBP	<b>90 Days Average</b>	<b>1.2645</b> USD/GBP
<b>Weekly Low</b>	<b>1.2296</b> USD/GBP	<b>YTD Change</b>	<b>-1.56%</b>

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

Events	Period	Date	Forecast	Previous
BOE Consumer Credit	Mar	30-Apr	1.500B	1.378B
Nationwide house price mm	Apr	1-May		-0.2%
Nationwide house price yy	Apr	1-May		1.6%
S&P GLOBAL MANUFACTURING PMI	Apr	1-May	48.7	48.7
S&P GLOBAL SERVICE PMI	Apr	3-May	54.9	54.9
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Apr	3-May	54.0	54.0

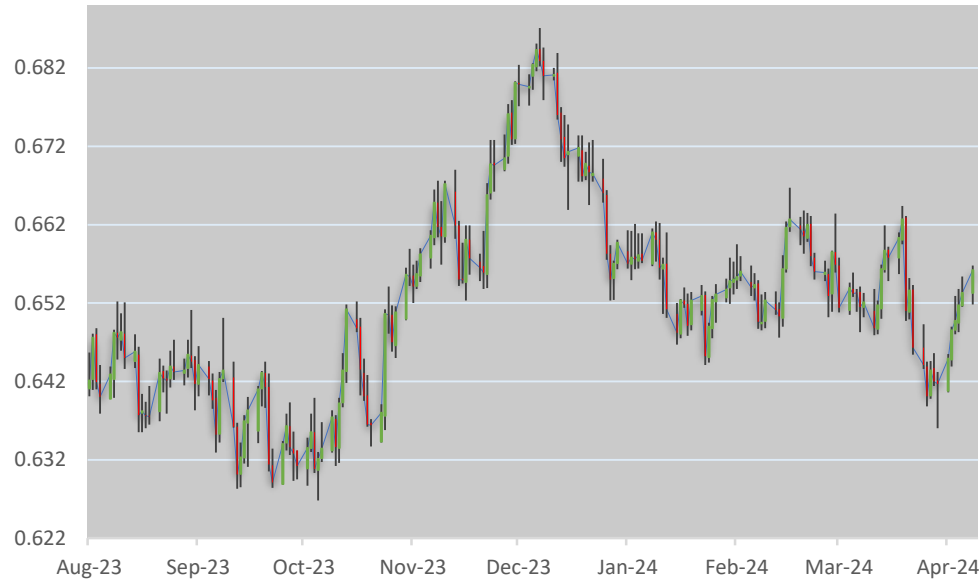
<b>Lower Bound</b>	<b>1.2350</b>	<b>Upper Bound</b>	<b>1.2600</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**

**29 Apr 2024 - 03 May 2024**

 **Australian Dollar**

**Australian Dollar Graph**



Source: Thomson Reuters

**Australian Dollar Outlook**

- Persistent inflation means the Reserve Bank of Australia (RBA) is seen as the last G10 bank likely to cut interest rates, with some analysts now delaying calls for an RBA rate cut until February 2025. The expectation that Aussie interest rates will fall more slowly than in other countries is supportive for the AUD as relatively higher interest rates attract greater capital inflows.
- Moreover, the aussie will be supported by further improvement in the risk complex as well as by the positive performance of copper and iron ore prices.
- We believe that the AUD/USD could extend its gains and may make a test of the April peak of 0.6644, followed by the March high of 0.6667 (March 8).

<b>Lower Bound</b>	<b>0.6450</b>	<b>Upper Bound</b>	<b>0.6675</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

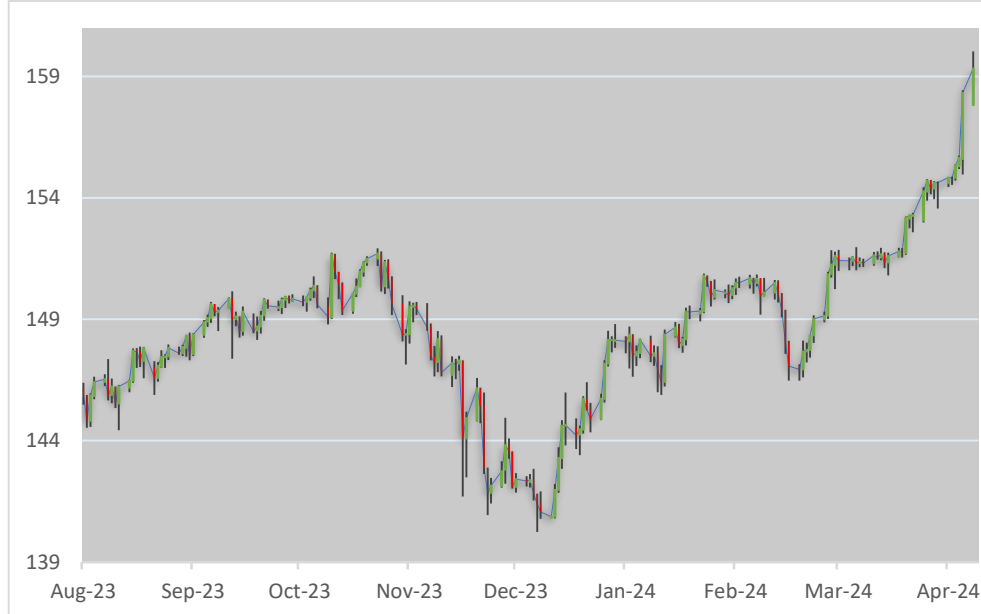
- Last week, the Australian dollar gained every single day amid high inflation and growing support for a hawkish stance from the Reserve Bank of Australia (RBA) while the Aussie 10-year yield hitting a 21-week high of 4.59%.
- In March, the Consumer Price Index (CPI) indicator in Australia rose to 3.5% YoY. While this figure exceeded expectations of 3.4%, it represented the highest level in four months. The uptick was primarily driven by faster increases in housing and transport prices.
- Luci Ellis, the chief economist at Westpac and former Assistant Governor (Economic) at the Reserve Bank of Australia, notes that inflation slightly exceeded expectations in the March quarter. Westpac anticipates that the Board will keep interest rates unchanged in May and has adjusted their forecasted date for the first rate cut from September to November this year.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6417</b> USD/AUD	<b>Monthly High</b>	<b>0.66440</b> USD/AUD
<b>Week Open</b>	<b>0.6408</b> USD/AUD	<b>Monthly Low</b>	<b>0.63630</b> USD/AUD
<b>Week Close</b>	<b>0.6533</b> USD/AUD	<b>30 Days Average</b>	<b>0.65345</b> USD/AUD
<b>Weekly High</b>	<b>0.6554</b> USD/AUD	<b>90 Days Average</b>	<b>0.65905</b> USD/AUD
<b>Weekly Low</b>	<b>0.6406</b> USD/AUD	<b>YTD Change</b>	<b>-3.67%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Retail Sales MM Final	Mar	30-Apr	0.2%	0.3%
Judo Bank Mfg PMI Final	Apr	1-May		49.9
Building Approvals	Mar	2-May	3.0%	-1.9%
Building Approval Total YY	Mar	2-May		5.2%
Judo Bank Svs PMI Final	Apr	3-May		54.2
Judo Bank Comp PMI Final	Apr	3-May		53.6
Owner-Occp'd Hous'g Fin MM	Mar	3-May	1.00%	1.60%
Invest Hous'g Fin MM	Mar	3-May		1.20%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The BoJ's uncertain rate outlook, signs that inflation in Japan is cooling, and a generally positive tone around the equity markets turn out to be key factors undermining the safe-haven JPY.
- From a technical perspective, momentum beyond the 158.00 mark could be seen as a fresh trigger for bullish traders and supports prospects for additional gains (160 is expected).
- Further intervention is still possibility as Japan's Finance Minister Shunichi Suzuki reiterated that he is closely monitoring FX fluctuations and that he will prepare to take full steps on the currency if need.

<b>Lower Bound</b>	<b>154.00</b>	<b>Upper Bound</b>	<b>161.00</b>
<b>Forecast</b>	<b>Neutral</b>		

**Japanese Yen News**

- The Japanese Yen (JPY) plummeted to a fresh multi-decade low of 158.2 JPY/USD on Friday, after the Bank of Japan (BoJ) decided to leave policy settings unchanged and US data continued to show rising inflation in the US.
- Government data showed on Friday that consumer inflation in Tokyo decelerated sharply in April as the headline Tokyo CPI rose 1.8% YoY in April, while core CPI increased by 1.8% YoY during the reported month, both missing consensus estimates.
- The Japanese central bank, as was widely anticipated, left its short-term interest rates unchanged at 0%-0.10% and expects accommodative monetary conditions to continue for the time being. The BoJ, meanwhile, lowered its economic growth forecast for the current fiscal year 2024 to 0.8% from the 1.2% estimated previously, while CPI ex fresh food for FY 2024 is seen at 2.8% vs 2.4% prior.
- The Yen failed to gain any respite from BoJ Governor Kazuo Ueda's remarks during the post-meeting press conference. Despite what looks like an intervention attempt on Friday morning the JPY only temporarily recovered and a heavy selling bias remains.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>154.63</b> JPY/USD	<b>Monthly High</b>	<b>160.03</b> JPY/USD
<b>Week Open</b>	<b>154.61</b> JPY/USD	<b>Monthly Low</b>	<b>150.82</b> JPY/USD
<b>Week Close</b>	<b>158.33</b> JPY/USD	<b>30 Days Average</b>	<b>143.70</b> JPY/USD
<b>Weekly High</b>	<b>158.43</b> JPY/USD	<b>90 Days Average</b>	<b>147.36</b> JPY/USD
<b>Weekly Low</b>	<b>154.45</b> JPY/USD	<b>YTD Change</b>	<b>+11.45%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Jobs/Applicants Ratio	Mar	30-Apr	1.26	1.26
Unemployment Rate	Mar	30-Apr	2.5%	2.6%
Industrial O/P Prelim MM SA	Mar	30-Apr	3.5%	-0.6%
Large Scale Retail Sales YY	Mar	30-Apr		8%
JibunBK Mfg PMI Final SA	Apr	1-May		49.9
Monetary Base YY	Apr	2-May		1.24%

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