

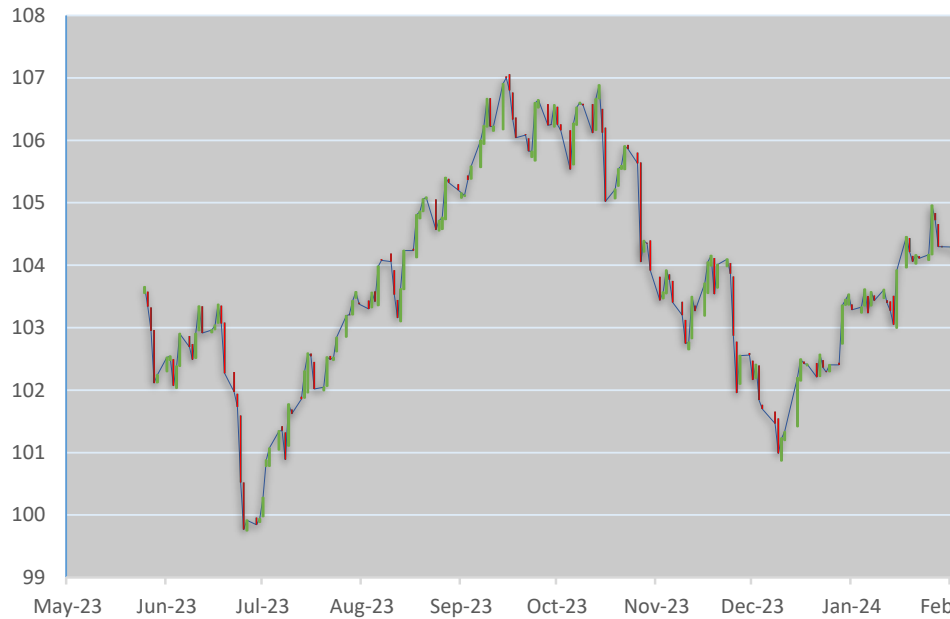
WEEKLY FOREIGN EXCHANGE OUTLOOK

19 Feb 2024 - 23 Feb 2024



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar News

- On Tuesday , the dollar index held gains against its peer currencies after the release of US CPI. The US monthly headline and core inflation grew at a higher pace of 0.3% and 0.4% in January, respectively. Investors projected the headline and core inflation to rise steadily by 0.2% and 0.3%, respectively. On an annualized basis, the core inflation rose steadily by 3.9% while investors anticipated a decline to 3.7%. The headline CPI at 3.1% was higher than expectations of 2.9% but lower than the prior reading of 3.4%.
- On Thursday, U.S. retail sales in January showed the sharpest drop in 10 months , giving some in the market pause as the report suggested slowing momentum in consumer spending as sales were revised lower in november and december too.
- The dollar retreated on friday amid concerns about the strength of the U.S. economy after higher-than-expected producer prices raised expectations that the Federal Reserve will desist from cutting interest rates until at least the middle of the year. The rise in producer prices reported by the Labor Department was the largest in five months and followed a hotter-than-expected report on tuesday for consumer prices last month.

Dollar Index Performance

Last Week Close	104.11	Monthly High	104.98
Week Open	104.08	Monthly Low	102.09
Week Close	104.30	30 Days Average	103.63
Weekly High	104.98	90 Days Average	103.92
Weekly Low	103.90	YTD Change	+2.81%

Dollar Outlook

- Friday's strong performance helped the Greenback maintain its multi-week positive streak unchanged. Moreover, Chief Powell almost ruled out a rate cut in March. Everything now points to a later-than-expected rate cut in May or June rather than March. This supported dollar to be appreciated against major currencies.
- It is a relatively quiet week for data, S&P Manufacturing PMI will be in focus.

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Flash	Feb	22-Feb		50.7
S&P Global Svcs PMI Flash	Feb	22-Feb		52.5
S&P Global Comp Flash PMI	Feb	22-Feb		52.0
Existing Home Sales	Jan	22-Feb	3.96M	3.78M
Exist. Home Sales % Chg	Jan	22-Feb		-1.0%
Initial Jobless Clm	12 Feb, w/e	22-Feb		212k
Cont Jobless Clm	5 Feb, w/e	22-Feb		1.895M

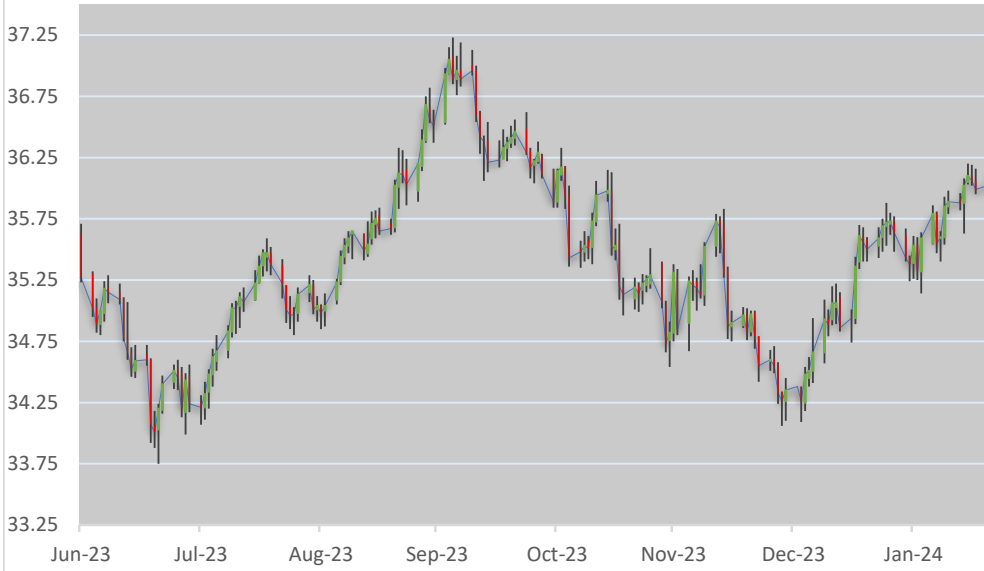
Lower Bound	103.00	Upper Bound	105.00
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

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Thai Baht Graph



Source: Thomson Reuters

Thai Baht News

- Last week Thai baht depreciated against dollar after U.S. consumer prices increased more than expected in January. The hotter report takes the possibility of any Fed cut in March 20 down markedly. The question is whether or not May 1 remains a possibility if the next series of inflation related data do not edge lower than expected.
- Moreover, the political uncertainty remains pressure the baht in a long run as the Move Forward Party (MFP) could face dissolution after the Constitutional Court ruled that its push for an amendment to the lese-majeste law, Section 112 of the Criminal Code is an attempt to overthrow the constitutional.

Thai Baht Performance

Last Week Close	35.85 THB/USD	Monthly High	36.22 THB/USD
Week Open	35.90 THB/USD	Monthly Low	35.19 THB/USD
Week Close	35.99 THB/USD	30 Days Average	35.59 THB/USD
Weekly High	36.20 THB/USD	90 Days Average	35.39 THB/USD
Weekly Low	35.63 THB/USD	YTD Change	+5.04%

Thai Baht Outlook

- This week, Thai baht is likely to depreciate against dollar as dollar gains against major currencies, Investors focus on GDP Growth Q4 data that will release on Monday .

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
GDP Growth YY	Q4	19-Feb	2.5%	1.5%
GDP Growth QQ SA	Q4	19-Feb	0.1%	0.8%
Custom-Based Export Data	Jan	19-Feb		4.70%
Custom-Based Import Data	Jan	19-Feb		-3.10%
Customs-Based Trade Data	Jan	19-Feb		0.97B

Lower Bound	35.70	Upper Bound	36.30
Forecast	Depreciation		

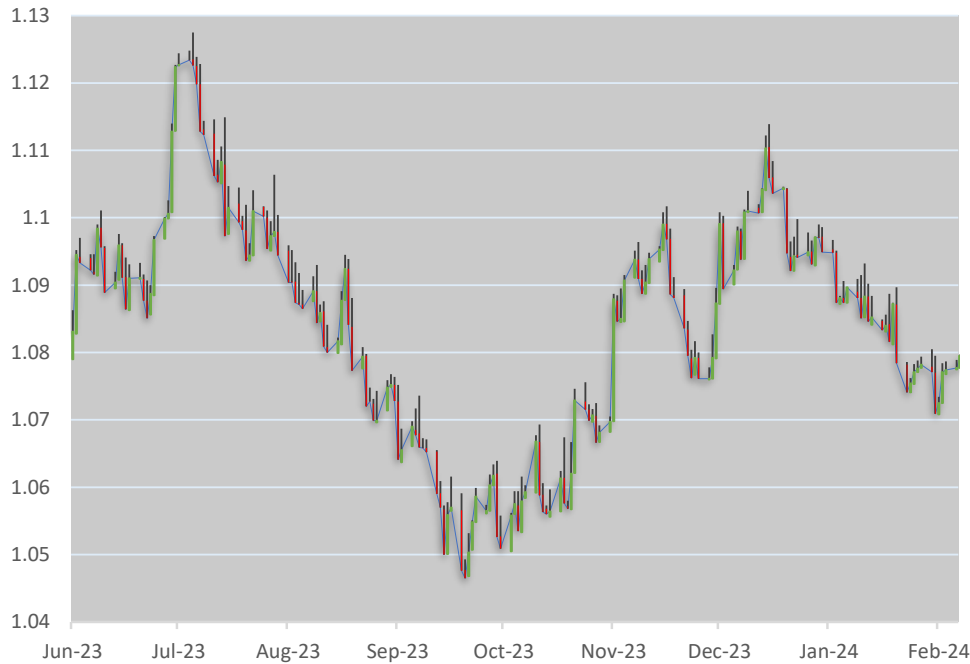
WEEKLY FOREIGN EXCHANGE OUTLOOK

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Euro

Euro Graph



Source: Thomson Reuters

Euro Outlook

• Recent US data has pushed back rate cut expectations, while Euro area data suggests that the ECB is likely to pip and be the first major central bank to start cutting rates, If this week EU and German data continues to highlight weakness in the single block, these expectations may harden, and that likely to weaken the Euro in the weeks ahead.

Euro News

- On Tuesday, The euro depreciated against the dollar but, before the release of US CPI, rallied a little after Eurozone and German Economic Sentiment data from ZEW come in above expectations at 25 vs. 20.1 forecast, and 19.9 vs. 17.5 expected, respectively. However, The Euro receives a challenge from expectations of an ECB interest rate cut at the start of the second quarter.
- On Thursday, Germany's DIHK chambers of industry and commerce warned that Europe's biggest economy will shrink by 0.5% this year, in a second year of recession and its worst downturn in two decades. The European Commission on Thursday said Germany will be the biggest drag on euro zone growth this year and next, with growth of only 0.3% in 2024 rather than 0.8% expected in November and 1.2% in 2025, after a 0.3% recession last year.
- However, EURUSD stays in a consolidation phase above 1.0750 on Friday after closing the previous two days in positive territory. Although the pair near term technical outlook points to a buildup of bullish momentum. Mixes economic data releases from the U.S. and the positive shift seen in risk mood made it difficult for the US Dollar to hold its ground on Thursday and allowed EURUSD to extend its recovery.

Euro Index Performance

Last Week Close	1.0782 USD/EUR	Monthly High	1.0897 USD/EUR
Week Open	1.0779 USD/EUR	Monthly Low	1.0696 USD/EUR
Week Close	1.0774 USD/EUR	30 Days Average	1.0840 USD/EUR
Weekly High	1.0805 USD/EUR	90 Days Average	1.0828 USD/EUR
Weekly Low	1.0693 USD/EUR	YTD Change	-2.19%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Current Account NSA, EUR	Dec	20-Feb		31.70B
Current Account SA, EUR	Dec	20-Feb		24.600B
Consumer Confid. Flash	Feb	21-Feb	-15.7	-16.1
HCOB Mfg Flash PMI	Feb	22-Feb	47.1	46.6
HCOB Services Flash PMI	Feb	22-Feb	48.7	48.4
HCOB Composite Flash PMI	Feb	22-Feb	48.5	47.9
HICP Final MM	Jan	22-Feb	-0.4%	0.2%
HICP Final YY	Jan	22-Feb	2.8%	2.8%

Lower Bound 1.0700 Upper Bound 1.0900

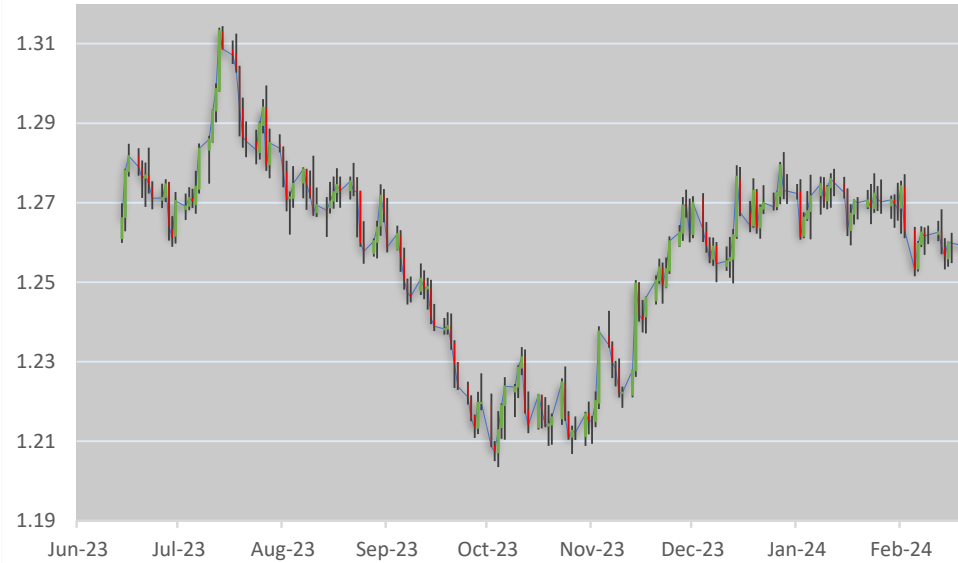
Please carefully examine the important Disclosure on the last section of this material.

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Pound Sterling Graph



Source: Thomson Reuters

Pound Sterling News

- On Wednesday ,British inflation unexpectedly held steady at 4.0% in January, defying forecasts of a rise, official data showed, offering relief for the Bank of England (BoE) and Prime Minister Rishi Sunak too ahead of a national election expected this year.
- Economists polled by Reuters had expected an increase in the annual rate to 4.2%. Consumer price inflation, which surged as high as a 11.1% in October 2022, is expected to fall further in the coming months, paving the way for the BoE to start cutting borrowing costs from their 16-year high. Sterling weakened against the dollar and the euro after the inflation data was published.
- Early Friday, the UK's Office for National Statistics reported that Retail Sales rose 3.4% on a monthly basis in January. Although this reading surpassed the market expectation for an increase of 1.5% by a wide margin, it failed to trigger a noticeable market reaction.

Pound Sterling Performance

Last Week Close	1.2619 USD/GBP	Monthly High	1.2772 USD/GBP
Week Open	1.2621 USD/GBP	Monthly Low	1.2519 USD/GBP
Week Close	1.2598 USD/GBP	30 Days Average	1.2659 USD/GBP
Weekly High	1.2683 USD/GBP	90 Days Average	1.2546 USD/GBP
Weekly Low	1.2532 USD/GBP	YTD Change	-1.00%

Pound Sterling Outlook

• This week, the Pound Sterling (GBP) continues to remain in the back seat against the US Dollar (USD), as GBP/USD extended its bearish momentum into the fifth week in a row. The price action around the GBP/USD pair was mainly driven by a host of top-tier economic data releases from the United States (US) and the United Kingdom (UK), which helped reprice the markets' expectations of a dovish policy pivot by the US Federal Reserve (Fed) and the Bank of England (BoE). On Friday, BoE official Greene will speak again while the Fed Monetary Policy Report is likely to stand out that day.

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Feb	19-Feb		1.3%
House Price Rightmove YY	Feb	19-Feb		-0.7%
Flash Composite PMI	Feb	22-Feb		52.9
Flash Manufacturing PMI	Feb	22-Feb	47.5	47.0
Flash Services PMI	Feb	22-Feb	54.3	54.3

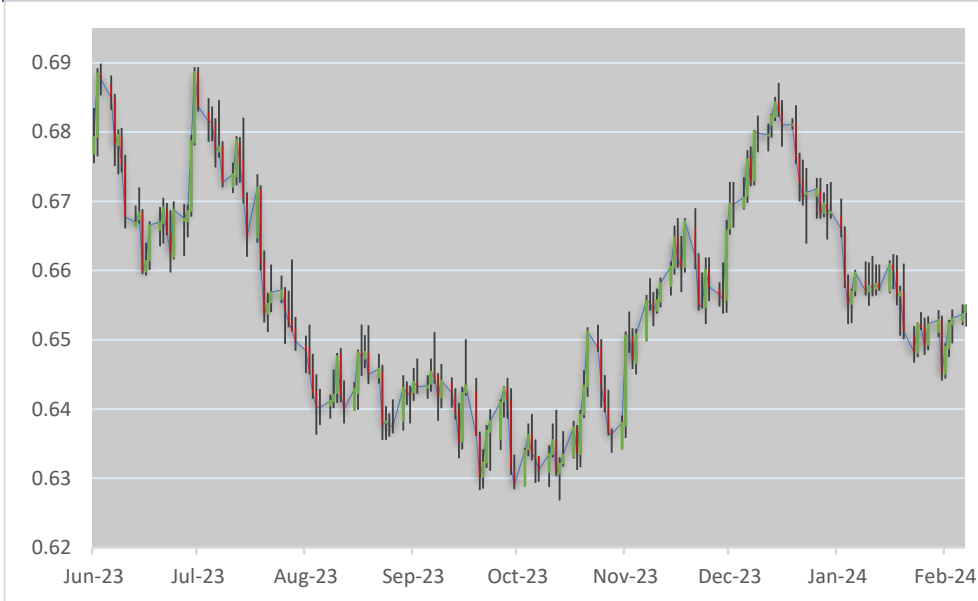
Lower Bound	1.2500	Upper Bound	1.2700
Forecast	Depreciation		

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Australian Dollar Graph



Source: Thomson Reuters

Australian Dollar Outlook

• This week, the Reserve Bank of Australia is widely expected to hold rates steady at this meeting so AUDUSD likely to be appreciated, while markets see around a two-thirds chance of a rate cut in June and are fully priced in for a move in August.

Australian Dollar News

- The Australian held steadily to \$0.65-\$0.66 range in last week. Australian consumer sentiment improved substantially in early-February, a private survey showed on Tuesday, amid increased hopes that the Reserve Bank was done hiking interest rates, while the government's planned tax cuts also lifted spirits.
- On Friday, The Westpac-Melbourne Institute Index of Consumer Sentiment jumped 6.2% to a 20-month high in February, also marking its biggest rise in 10 months. This saw the index recover sharply from near record lows. Sentiment was aided chiefly by growing hopes that the Reserve Bank of Australia was done raising interest rates, especially following softer inflation prints for the fourth quarter and December, Westpac analysts said in a note.

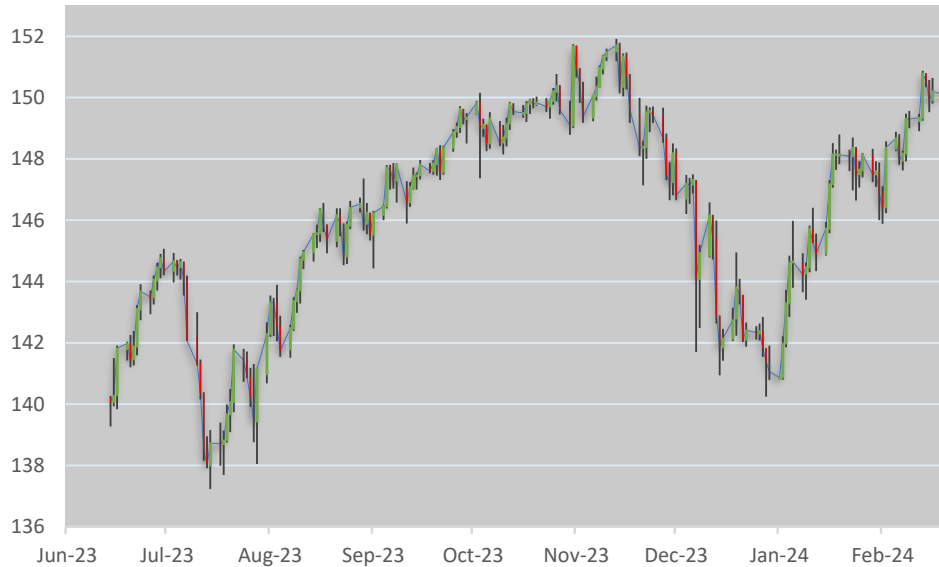
Australian Dollar Performance

Last Week Close	0.6523 USD/AUD	Monthly High	0.66100 USD/AUD
Week Open	0.6511 USD/AUD	Monthly Low	0.64430 USD/AUD
Week Close	0.6531 USD/AUD	30 Days Average	0.66494 USD/AUD
Weekly High	0.6544 USD/AUD	90 Days Average	0.64824 USD/AUD
Weekly Low	0.6441 USD/AUD	YTD Change	-3.83%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Jan	21-Feb		-0.03%
Wage Price Index QQ	Q4	21-Feb	0.9%	1.3%
Wage Price Index YY	Q4	21-Feb	4.1%	4.0%
Judo Bank Mfg PMI Flash	Feb	22-Feb		50.1
Judo Bank Svs PMI Flash	Feb	22-Feb		49.1
Judo Bank Comp PMI Flash	Feb	22-Feb		49.0

Lower Bound	0.6400	Upper Bound	0.6600
Forecast	Depreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Japanese Yen may be weighed down by the risk-on mood, though the BoJ's hawkish tilt limits losses.
- Geopolitical tensions and China's economic woes could also act as a tailwind for the safe-haven JPY.

Lower Bound	148.00	Upper Bound	151.00
Forecast	Depreciation		

Japanese Yen News

- The Japanese yen move to a 150.0-per-dollar level, closing in on the lowest level in 2 months. This drop was triggered by U.S. Treasury yields rose and the dollar edged up against the yen on Friday after data showed U.S. producer prices increased more than expected in January, adding to the view that any interest rate cuts by the Federal Reserve are not imminent.
- Bank of Japan Governor Kazuo Ueda said on Friday that monetary policy would most likely remain accommodative, even after ending negative interest rates, echoing recent reassurances from BOJ officials that have weighed on the yen. Moreover, Japan's benchmark Nikkei rallied to a 34-year high and was on the cusp of eclipsing the all-time peak reached during the heyday of the nation's bubble economy in the 1980s. Figures on Thursday showed that Japan slipped into recession at the end of last year.

Japanese Yen Performance

Last Week Close	149.30 JPY/USD	Monthly High	150.88 JPY/USD
Week Open	149.24 JPY/USD	Monthly Low	145.90 JPY/USD
Week Close	150.21 JPY/USD	30 Days Average	149.53 JPY/USD
Weekly High	150.88 JPY/USD	90 Days Average	145.95 JPY/USD
Weekly Low	148.91 JPY/USD	YTD Change	+6.54%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Dec	19-Feb	2.5%	-4.9%
Machinery Orders YY	Dec	19-Feb	-1.4%	-5.0%
Reuters Tankan Man'f Idx	Feb	21-Feb		6
Reuters Tankan N-Man Idx	Feb	21-Feb		29
Exports YY	Jan	21-Feb	9.5%	9.7%
Imports YY	Jan	21-Feb	-8.4%	-6.9%
Trade Balance Total Yen	Jan	21-Feb	-1,925.9B	68.9B
JibunBK Mfg PMI Flash SA	Feb	22-Feb		48.0
JibunBK Comp Op Flash SA	Feb	22-Feb		51.5
JibunBK SVC PMI Flash SA	Feb	22-Feb		53.1

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