

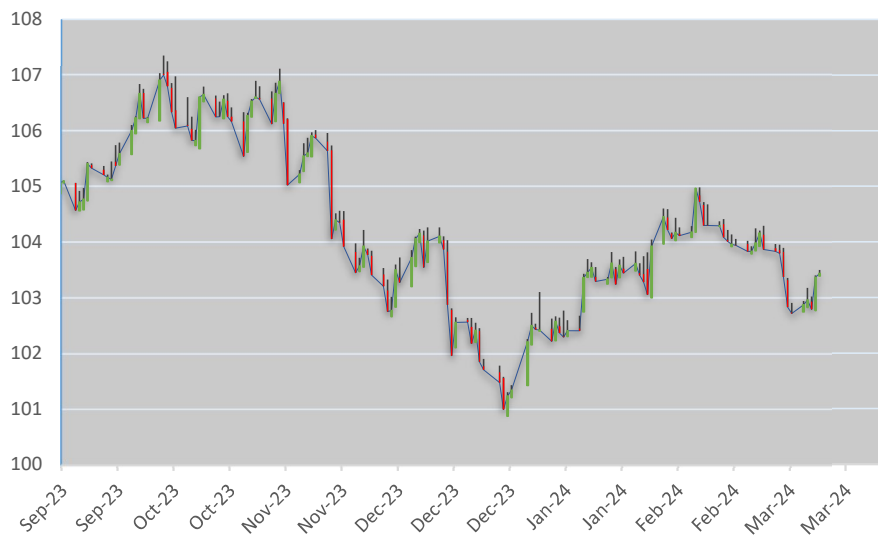
WEEKLY FOREIGN EXCHANGE OUTLOOK

18 Mar 2024 - 22 Mar 2024



Dollar Index

Dollar Index Graph



Source: Thomson Reuters

Dollar News

• The dollar index held its recent advance to around 103.4 on Friday and was set for its first weekly gain in four, as hotter-than-anticipated US inflation data further clouded the outlook on the timing and scale of Federal Reserve interest rate cuts this year. On Thursday, data showed that US producer prices rose more than expected in February both on a monthly and an annual basis. That followed data earlier in the week showing US consumer prices came in hotter-than-anticipated last month. Markets now see around a 60% chance of a Fed rate cut in June, down from 74% a week earlier. Meanwhile, the Fed is widely expected to hold rates steady both in March and May.

Dollar Index Performance

Last Week Close	102.71	Monthly High	104.98
Week Open	102.74	Monthly Low	102.36
Week Close	103.43	30 Days Average	103.83
Weekly High	103.95	90 Days Average	103.39
Weekly Low	102.64	YTD Change	#VALUE!

Dollar Outlook

• Fed meets on Wednesday with focus on new dot plot. There's a possibility the median projection for 2024 will be revised from three 25-basis-point rate cuts to just two. But even if the median projection is left unrevised, if more participants see the Fed funds rate either at 4.75% or higher, that would also reflect a hawkish tilt. Yet, Powell might still attempt to strike a balanced tone in his press briefing in the event that FOMC members predict only two rate cuts, and this could limit any selloffs in stocks and other risk assets.

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Housing Starts Number	Feb	19-Mar	1.420M	
Fed Funds Tgt Rate	20 Mar	21-Mar	5.25-5.5	
Philly Fed Business Indx	Mar	21-Mar		
S&P Global Mfg PMI Flash	Mar	21-Mar		
S&P Global Svcs PMI Flash	Mar	21-Mar		
S&P Global Comp Flash PMI	Mar	21-Mar		
Existing Home Sales	Feb	21-Mar	3.94M	
Initial Jobless Clm		11 Mar, w/ 21-Mar		

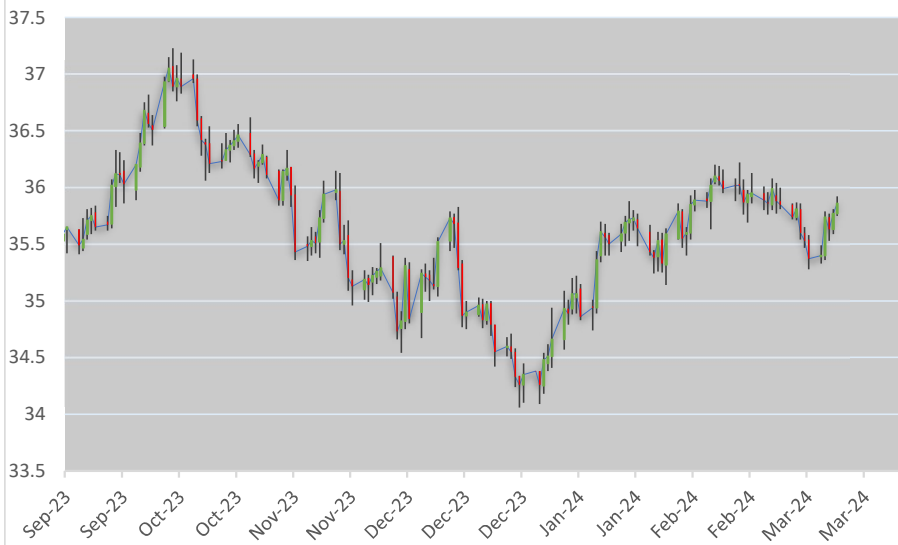
Lower Bound	102.00	Upper Bound	104.59
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK

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 Thai Baht

Thai Baht Graph



Source: Thomson Reuters

Thai Baht News

- The baht depreciated against dollar as hotter-than-anticipated US inflation data further clouded the outlook on the timing and scale of Federal Reserve interest rate cuts this year.

Thai Baht Performance

Last Week Close	35.53 THB/USD	Monthly High	#N/A Not THB/USD
Week Open	35.39 THB/USD	Monthly Low	#N/A Not THB/USD
Week Close	35.86 THB/USD	30 Days Average	35.81 THB/USD
Weekly High	35.92 THB/USD	90 Days Average	35.34 THB/USD
Weekly Low	35.33 THB/USD	YTD Change	#VALUE!

Thai Baht Outlook

- This week market will focus on FOMC meeting on Wednesday. There's a possibility the median projection for 2024 will be revised from three 25-basis-point rate cuts to just two. This will be pressure baht to depreciated against dollar

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Forex Reserves	11 Mar, w/	22-Mar		
Currency Swaps	11 Mar, w/	22-Mar		

Lower Bound	35.70	Upper Bound	36.20
Forecast	Depreciation		

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Euro

Euro Graph



Source: Thomson Reuters

Euro News

- The euro lingered slightly below \$1.09, with European Central Bank policymakers maintaining a dovish stance, while investors shifted focus to the US dollar following hotter-than-expected inflation figures from the US, which dampened expectations for a June rate cut by the Federal Reserve.
- ECB council member Olli Rehn remarked on Friday that the central bank had initiated discussions about rate reductions at the March meeting, echoing sentiments from other officials suggesting the possibility of a rate cut by spring or early summer. Earlier this month, despite keeping borrowing costs at record highs, the European Central Bank indicated preparations for its first interest rate cut after revising down inflation expectations for 2024 and 2025.

Euro Index Performance

Last Week Close	1.0937 USD/EUR	Monthly High	#N/A Not USD/EUR
Week Open	1.0943 USD/EUR	Monthly Low	#N/A Not USD/EUR
Week Close	1.0887 USD/EUR	30 Days Average	1.0833 USD/EUR
Weekly High	1.0963 USD/EUR	90 Days Average	1.0878 USD/EUR
Weekly Low	1.0871 USD/EUR	YTD Change	#VALUE!

Euro Outlook

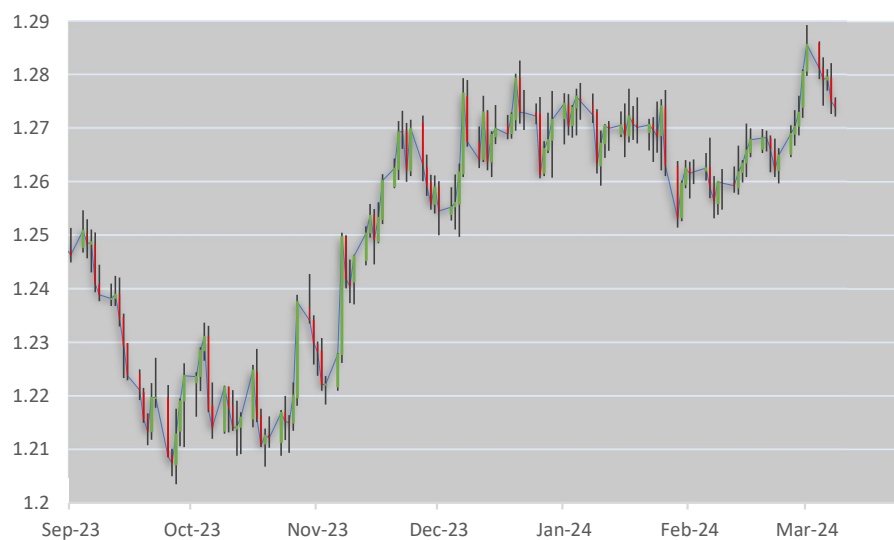
- This week, the Eurozone will publish the final estimate of the February Harmonized Index of Consumer Prices (HICP), expected to be confirmed at 3.1% YoY, and the preliminary estimate of March Consumer Confidence. Also, Germany will release the March ZEW Survey on Economic Sentiment, the February Producer Price Index (PPI) and the March IFO survey on business conditions and expectations.
- Finally, the Hamburg Commercial Bank (HCOB) and S&P Global will release the preliminary estimates of the March Producer Manager Indexes (PMIs) for the EU by the end of the week.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jan	18-Mar		
HICP Final MM	Feb	18-Mar	0.6%	
HICP Final YY	Feb	18-Mar	2.6%	
HICP-X F, E, A, T Final MM	Feb	18-Mar		
HICP-X F,E,A&T Final YY	Feb	18-Mar	3.1%	
Consumer Confid. Flash	Mar	20-Mar	-14.8	
HCOB Mfg Flash PMI	Mar	21-Mar	47.0	
HCOB Services Flash PMI	Mar	21-Mar	50.5	
HCOB Composite Flash PMI	Mar	21-Mar	49.7	

Lower Bound	1.0761	Upper Bound	1.0964
Forecast	Depreciation		

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Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling News

- The British pound held steady at \$1.28, remaining below its over seven-month peak of \$1.289 touched on March 8th, as investors digested a batch of economic data while anticipating the Bank of England's interest rate decision next week. GDP figures released on Wednesday indicated that Britain's economy grew by 0.2% in January compared to the previous month, driven by a resurgence in retailing and house-building, following the country's entry into a recession in late 2023. Additionally, the latest jobs report revealed that British regular pay grew by 6.1% year-on-year in the three months leading up to the end of January, marking the slowest pace since the three months prior to October 2022 and slightly below the anticipated increase of 6.2%.

Pound Sterling Performance

Last Week Close	1.2857 USD/GBP	Monthly High	#N/A Not USD/GBP
Week Open	1.2860 USD/GBP	Monthly Low	#N/A Not USD/GBP
Week Close	1.2739 USD/GBP	30 Days Average	1.2668 USD/GBP
Weekly High	1.2863 USD/GBP	90 Days Average	1.2650 USD/GBP
Weekly Low	1.2722 USD/GBP	YTD Change	#VALUE!

Pound Sterling Outlook

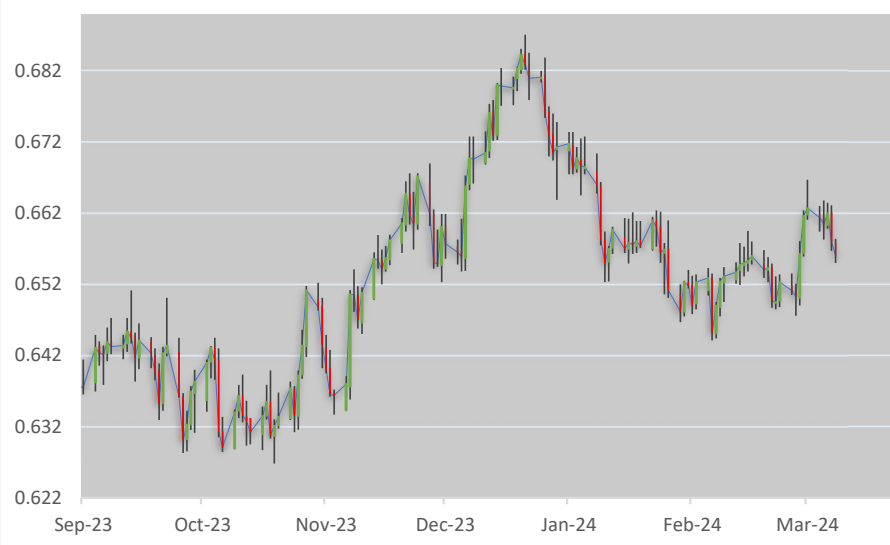
- The Bank of England is widely expected to maintain rates at 5.25% this Thursday, with traders believing UK policymakers are most likely to cut borrowing costs in August, later than the ECB and the Fed, which are expected to do so in June. This will support the pound to be able to stand tall against the US dollar in terms of year-to-date performance. More to the point, the latest market pricing puts UK interest rates the highest in the G7 by year end, amid stickier inflation and wage pressures than in other economies.
- The CPI report for February is due on Wednesday, the flash PMIs will follow on Thursday, and retail sales will wrap up the week on Friday. The inflation numbers will come just in time before the MPC votes later on Wednesday.

Lower Bound	1.2621	Upper Bound	1.2853
Forecast	Appreciation		

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Core CPI YY	Feb	20-Mar		
CPI YY	Feb	20-Mar	3.6%	
Flash Composite PMI	Mar	21-Mar		
Flash Manufacturing PMI	Mar	21-Mar		
Flash Services PMI	Mar	21-Mar	54.2	
BOE Bank Rate	Mar	21-Mar	5.25%	
Retail Sales MM	Feb	22-Mar		
Retail Sales Ex-Fuel MM	Feb	22-Mar		
Retail Sales YY	Feb	22-Mar		

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar News

- The Australian dollar depreciated toward \$0.655, sliding to its weakest levels in over a week as stronger-than-expected US inflation data further clouded the outlook on the timing and scale of Federal Reserve interest rate cuts this year.
- Domestically, data last week showed that Australia's economy expanded less than expected in the fourth quarter, supporting bets that the Reserve Bank of Australia could start cutting rates this year. Markets are currently priced for a 70% chance that the RBA would start reducing its cash rate in August and see a total of 40 basis points of easing for this year

Australian Dollar Performance

Last Week Close	0.6627 USD/AUD	Monthly High	#N/A Not USD/AUD
Week Open	0.6619 USD/AUD	Monthly Low	#N/A Not USD/AUD
Week Close	0.6560 USD/AUD	30 Days Average	0.67084 USD/AUD
Weekly High	0.6638 USD/AUD	90 Days Average	0.65323 USD/AUD
Weekly Low	0.6550 USD/AUD	YTD Change	#VALUE!

Australian Dollar Outlook

- Reserve Bank of Australia will meet on Tuesday. The RBA has been on hold after last hiking rates back in November. Policymakers considered hiking again at both of their subsequent meetings but decided against it. At the March meeting, the decision will likely be less contentious as there's been some further progress in bringing down inflation since the last gathering, particularly in the underlying measures. But would that be enough for the RBA to drop its tightening bias? There's been a notable hawkish shift in RBA policy under Governor Michelle Bullock, but in her last comments when she testified in Parliament in February, she sounded slightly more optimistic about inflation coming down. A more neutral tone on Tuesday is therefore probable and this may weigh on the local dollar.

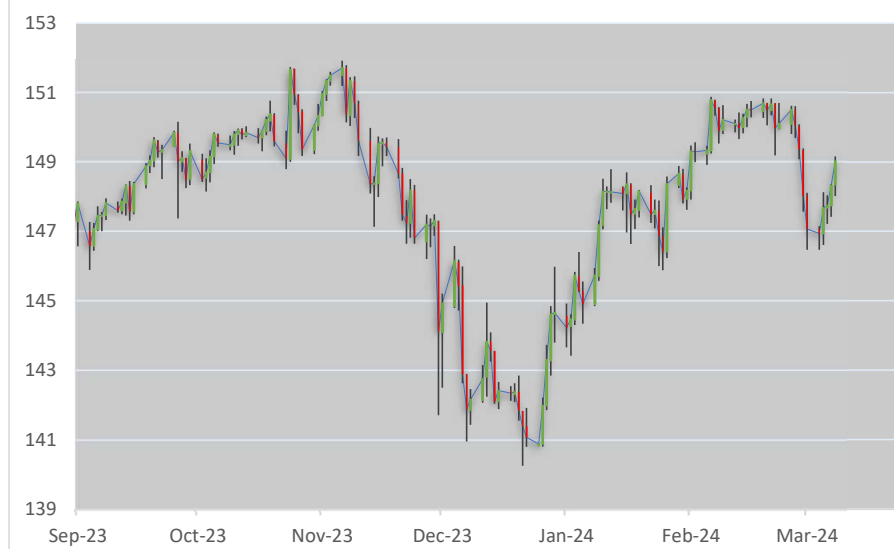
Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
RBA Cash Rate	Mar	19-Mar	4.35%	
Judo Bank Mfg PMI Flash	Mar	21-Mar		
Judo Bank Svs PMI Flash	Mar	21-Mar		
Judo Bank Comp PMI Flash	Mar	21-Mar		
Employment	Feb	21-Mar	30.0k	
Unemployment Rate	Feb	21-Mar	4.0%	

Lower Bound	0.6476	Upper Bound	0.6639
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Forecast	Depreciation
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WEEKLY FOREIGN EXCHANGE OUTLOOK
18 Mar 2024 - 22 Mar 2024

Japanese Yen
Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen News

- The yen dipped below 148.5 against the USD, moving away from recent five-week highs as traders await the upcoming BoJ monetary policy decision. Speculation is growing that the central bank may abandon its negative interest rate policy, especially after news of a significant wage increase by Rengo, Japan's largest trade union. Despite this, it appears the market has already factored in this potential policy shift and there are concerns about a slow pace of tightening. Meanwhile, BOJ Governor Kazuo Ueda offered a slightly bleaker assessment of the economy, telling parliament that "Japan's economy is recovering moderately, although weakness has been seen in some data".

Japanese Yen Performance

Last Week Close	147.07 JPY/USD	Monthly High	#N/A Not JPY/USD
Week Open	147.06 JPY/USD	Monthly Low	#N/A Not JPY/USD
Week Close	149.02 JPY/USD	30 Days Average	149.82 JPY/USD
Weekly High	149.17 JPY/USD	90 Days Average	147.72 JPY/USD
Weekly Low	146.47 JPY/USD	YTD Change	#VALUE!

Japanese Yen Outlook

- The Japanese Yen rebound in March amid renewed speculation that the Bank of Japan is close to ending its negative rates policy. Early indications from the spring wage negotiations point to much bigger pay deals this year than in 2023. Governor Ueda couldn't have made it clearer that any exit from negative rates is conditional on a sustained acceleration in wage growth.
- Some board members already see this criteria being met so may vote for a rate increase at Tuesday's policy decision. However, They may even announce some changes to their asset purchases by ending the program for buying exchange-traded funds.

Lower Bound Forecast	146.90	Upper Bound	151.91
	Appreciation		

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Jan	18-Mar	-1.0%	
JP BOJ Rate Decision	19 Mar	19-Mar	0.00%	
Exports YY	Feb	21-Mar	5.3%	
Imports YY	Feb	21-Mar	2.2%	-9.8%
JibunBK Mfg PMI Flash SA	Mar	21-Mar		
JibunBK Comp Op Flash SA	Mar	21-Mar		
JibunBK SVC PMI Flash SA	Mar	21-Mar		
CPI, Core Nationwide YY	Feb	22-Mar	2.8%	
CPI, Overall Nationwide	Feb	22-Mar		

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