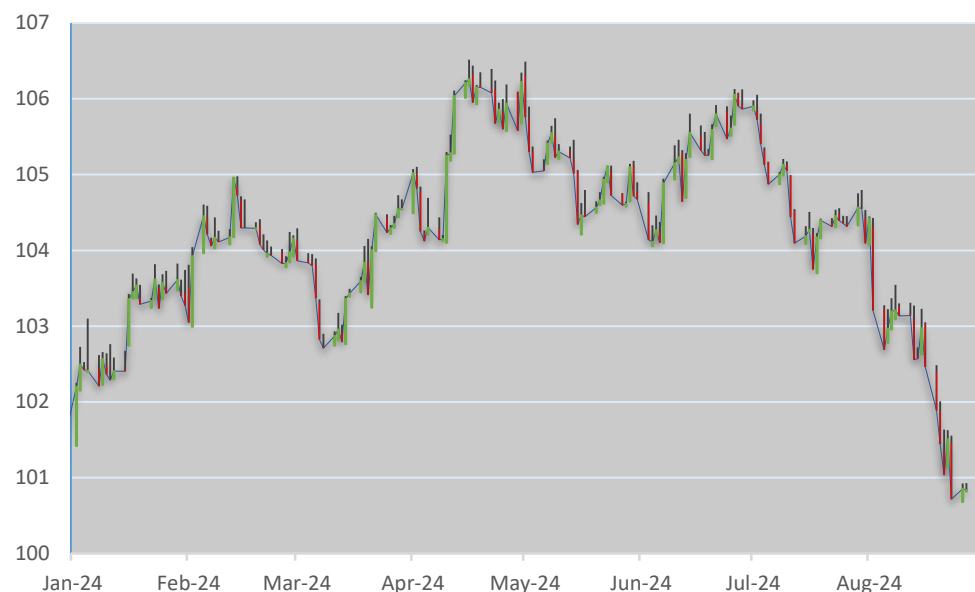


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 Aug 2024 - 30 Aug 2024**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Outlook**

- The Greenback's upside may be limited, as the Federal Reserve is expected to implement 100 basis points (bps) in rate cuts in 2024. Market analysts remain divided on whether the Fed will opt for a 25 or 50 bps cut at its September meeting.
- Powell did not want to provide a hint about the size of the rate cut in September and the pace of the rate cut this year as the Fed remains data-dependent.
- Markets are pricing in a 23% chance of a 50-basis-point cut, down from 50% a week ago, with a 25-basis-point reduction having odds of 77%, according to the CME Group's FedWatch Tool.

<b>Lower Bound</b>	<b>100.34</b>	<b>Upper Bound</b>	<b>102.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- FOMC Minutes for July's policy meeting indicated that most Fed officials agreed last month that they would likely cut their benchmark interest rate at the upcoming meeting in September as long as inflation continued to cool.
- The US Composite PMI dipped slightly to 54.1 in August, a four-month low, down from 54.3 in July, yet remained above market expectations of 53.5. This suggests that US business activity continues to expand, marking 19 straight months of growth.
- The data from the US showed that the weekly Initial Jobless Claims declined by 7,000 to 227,000. Additionally, Retail Sales rose by 1% in July, surpassing the market expectation for an increase of 0.3%.
- At Jackson Hole on Friday, Fed's Powell signalled for a September rate cut but did not mention about the size and pace of the rate cut.

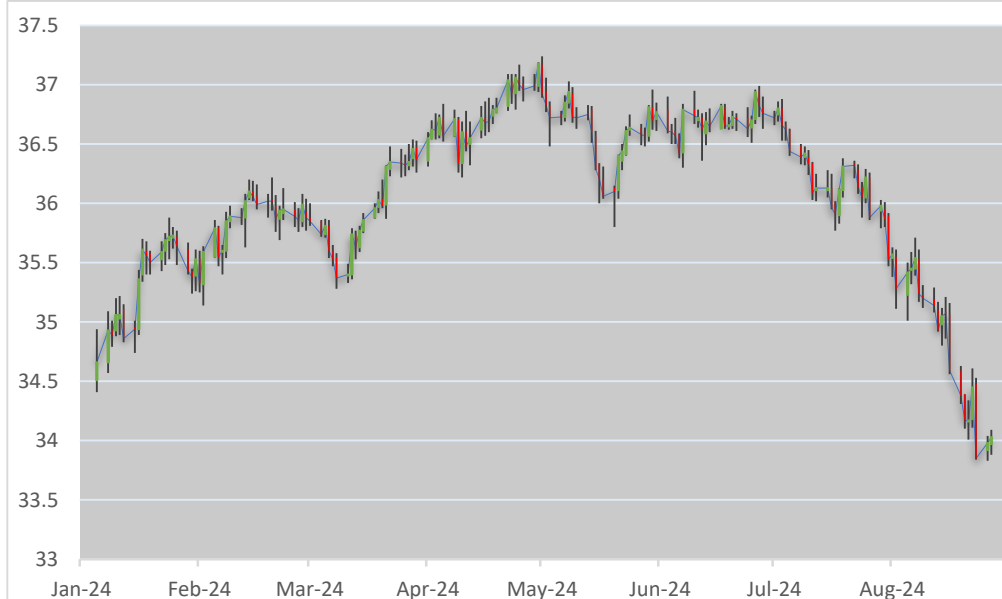
**Dollar Index Performance**

<b>Last Week Close</b>	<b>102.46</b>	<b>Monthly High</b>	<b>104.80</b>
<b>Week Open</b>	<b>102.40</b>	<b>Monthly Low</b>	<b>100.53</b>
<b>Week Close</b>	<b>100.72</b>	<b>30 Days Average</b>	<b>103.12</b>
<b>Weekly High</b>	<b>103.23</b>	<b>90 Days Average</b>	<b>104.45</b>
<b>Weekly Low</b>	<b>100.60</b>	<b>YTD Change</b>	<b>-0.49%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Durable Goods	Jul	26-Aug	4.0%	-6.7%
Consumer Confidence	Aug	27-Aug	100.1	100.3
EIA Wkly Crude Stk	23 Aug, w/	28-Aug		-4.649M
GDP 2nd Estimate	Q2	29-Aug	2.8%	2.8%
Consumption, Adjusted MM	Jul	30-Aug	0.5%	0.3%
Core PCE Price Index MM	Jul	30-Aug		0.2%
PCE Price Index MM	Jul	30-Aug	0.2%	0.1%
U Mich Sentiment Final	Aug	30-Aug		67.8

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 Aug 2024 - 30 Aug 2024**

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


Source: Thomson Reuters

**Thai Baht Outlook**

- The NESDC now expects GDP growth of between 2.3% and 2.8% this year, narrowing from its previous forecast range of 2.0% to 3.0%.
- Concerns over Thailand's elevated household debt and investment attractiveness remain a high priority for market watchers. Ms Paetongtarn, a daughter of former leader Thaksin Shinawatra, has advocated for lower interest rates and slammed the central bank as an 'obstacle' to resolving the country's economic issues. There are also reports that the new government may scrap a digital cash handout programme.
- The baht gained in line with most Asian currencies as the dollar index plunged to its lowest level since December last year on expectations the US central bank would ease its stance as early as next month.

<b>Lower Bound</b>	<b>33.70</b>	<b>Upper Bound</b>	<b>34.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Thai Baht News**

- Thailand's economic expansion accelerated in the second quarter due to stronger consumption, tourism and exports, but analysts said policy uncertainty following a change in government clouds the outlook. Gross domestic product grew 2.3% in the April-June quarter from a year earlier, National Economic and Social Development Council (NESDC) data showed, versus an upwardly revised 1.6% in the first quarter and beating 2.1% forecast.
- The baht is on course to appreciate to 34 to the dollar or an even stronger position in the near term after hitting a 13-month high as the Bank of Thailand held the policy rate at 2.5%, which could spur inflows ahead of the US Federal Reserve's next meeting in September.
- The central bank's Monetary Policy Committee (MPC) voted 6-1 to hold the one-day repurchase rate at 2.50%, the highest in more than a decade. One MPC member voted to cut the policy rate by 0.25 percentage point to reflect Thailand's lower potential growth as a result of structural challenges, and to partly alleviate debt-servicing burden for borrowers.

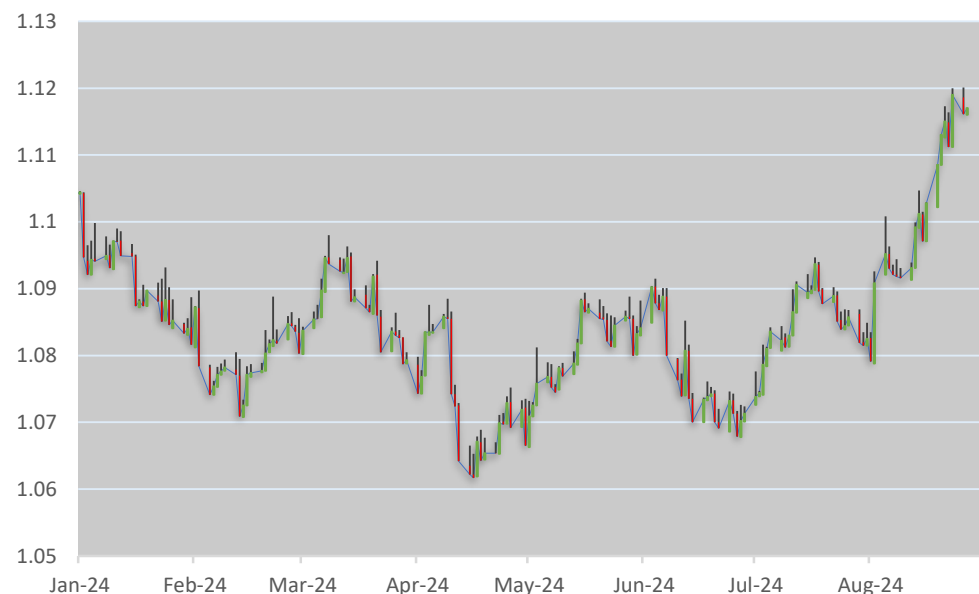
**Thai Baht Performance**

<b>Last Week Close</b>	<b>35.07 THB/USD</b>	<b>Monthly High</b>	<b>35.71 THB/USD</b>
<b>Week Open</b>	<b>34.59 THB/USD</b>	<b>Monthly Low</b>	<b>33.88 THB/USD</b>
<b>Week Close</b>	<b>33.85 THB/USD</b>	<b>30 Days Average</b>	<b>35.28 THB/USD</b>
<b>Weekly High</b>	<b>34.63 THB/USD</b>	<b>90 Days Average</b>	<b>36.18 THB/USD</b>
<b>Weekly Low</b>	<b>33.84 THB/USD</b>	<b>YTD Change</b>	<b>-0.87%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Manufacturing Prod YY	Jul	30-Aug	-0.70%	-1.71%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 Aug 2024 - 30 Aug 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The ECB July policy meeting showed that the September meeting was widely seen as a good time to re-evaluate the level of monetary policy restriction. Adding to this, ECB Governing Council member Martins Kazaks voiced confidence in inflation returning to 2% as well as worries over the economy and said that he's ready to discuss another interest rate cut at the September meeting. Hence, any subsequent move up might continue to confront some resistance, though the bearish sentiment surrounding the Greenback might continue to act as a tailwind for the EUR/USD pair.
- The ECB was among the first major central banks in the world to cut interest rates in June, partially reversing a record string of hikes, but held rates steady in July and gave no firm signals about its upcoming Sept. 12 meeting.

**Euro News**

- EUR strengthened against the dollar, rising to an eight month high as the USD eased and US treasury yields fell ahead of Fed Chair Jerome Powell's speech and investors expecting the Fed to begin its rate cutting cycle.
- EUR/USD remains pressured below 1.1150 after downbeat German PMIs. The HCOB Manufacturing PMI in the Eurozone's top economy came in at 42.1 this month, declining from July's 43.2 while missing the forecast of 43.5 by a wide margin. The measure hit a five-month bottom. Meanwhile, Services PMI fell from 52.5 in July to 51.4 in August, falling short of the market expectations of 52.3 in the reported period. The gauge also touched a five-month trough.
- EUR/USD falls as robust US Treasury yields bolster the dollar, despite Fed signals of potential September rate cuts.

**Euro Index Performance**

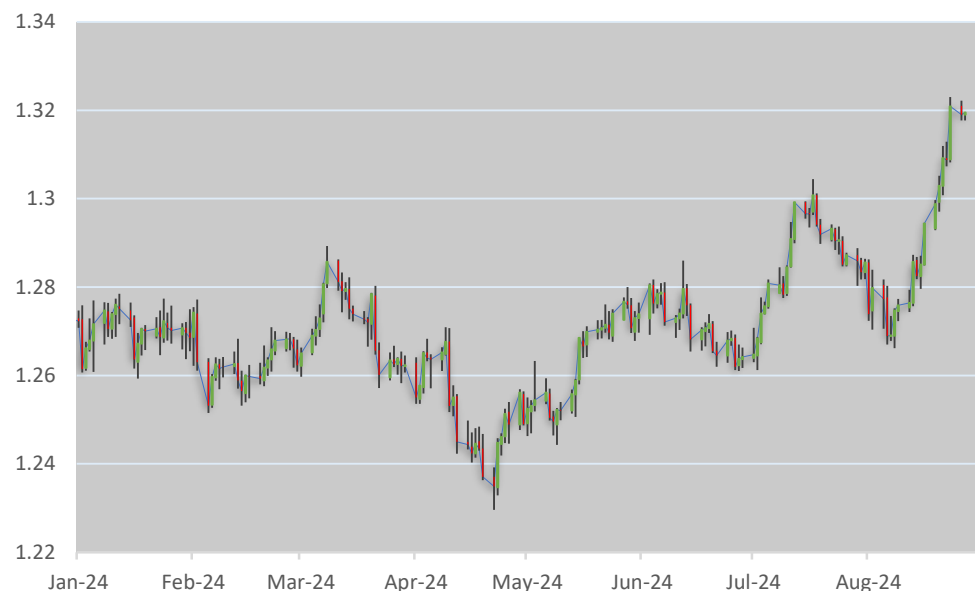
<b>Last Week Close</b>	<b>1.1028</b> USD/EUR	<b>Monthly High</b>	<b>1.1201</b> USD/EUR
<b>Week Open</b>	<b>1.1022</b> USD/EUR	<b>Monthly Low</b>	<b>1.0778</b> USD/EUR
<b>Week Close</b>	<b>1.1190</b> USD/EUR	<b>30 Days Average</b>	<b>1.0961</b> USD/EUR
<b>Weekly High</b>	<b>1.1200</b> USD/EUR	<b>90 Days Average</b>	<b>1.0842</b> USD/EUR
<b>Weekly Low</b>	<b>1.1021</b> USD/EUR	<b>YTD Change</b>	<b>+1.18%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Consumer Confid. Final	Aug	29-Aug		-13.4
HICP Flash YY	Aug	30-Aug	2.3%	2.6%
HICP-X F,E,A&T Flash YY	Aug	30-Aug	2.8%	2.9%
HICP-X F, E, A, T Flash MM	Aug	30-Aug		-0.20%
Unemployment Rate	Jul	30-Aug	6.5%	6.5%

<b>Lower Bound</b>	<b>1.1000</b>	<b>Upper Bound</b>	<b>1.1250</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 Aug 2024 - 30 Aug 2024**

**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- The firmer bets of the Fed rate cuts continue to undermine the Greenback and create a tailwind for GBP/USD.
- The Pound Sterling trades firm on expectations that the policy-easing cycle from the Bank of England (BoE) will be slower than that of other central banks.
- Investors slightly pushed back their expectations on a Bank of England (BoE) interest rate cut in September after the upbeat Purchasing Managers' Index (PMI) reports. This, in turn, further boosts the Pound Sterling (GBP) against the Greenback.
- The markets are now pricing in less than 30% odds of a BoE September rate cut after Thursday's PMI data.

**Pound Sterling News**

- GBP ended higher against the dollar, climbs for a third straight day amid USD weakness as investors await signs of rate cuts from the Fed.
- GBP/USD extended its uptrend and reached its highest level in over a month at 1.3000.
- The Pound Sterling (GBP) extends gains above 1.3100 on Thursday after strong UK PMI data. The seasonally adjusted S&P Global/CIPS UK Manufacturing Purchasing Managers' Index (PMI) improved from 52.1 in July to 52.5 in August. Markets had expected a 52.1 print. Meanwhile, the Preliminary UK Services Business Activity Index rose to 53.3 in August, compared to July's 52.5 and the estimated 52.8 figure.
- BoE Governor Andrew Bailey said on Friday that inflation remains a major concern for the UK central bank, although many pricing pressures have eased quicker than expected. Bailey noted that it is premature to declare victory on inflation.

**Pound Sterling Performance**

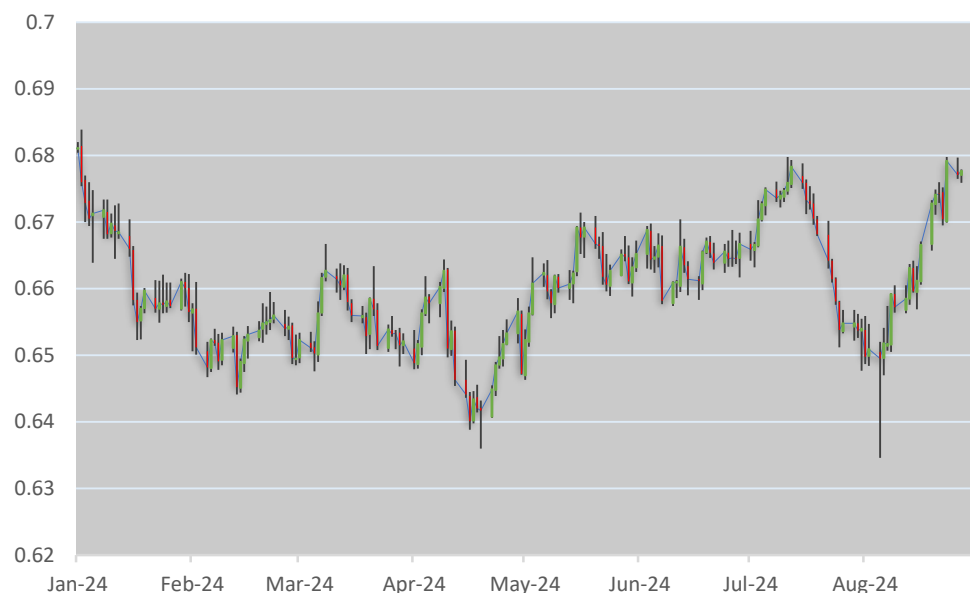
<b>Last Week Close</b>	<b>1.2944</b> USD/GBP	<b>Monthly High</b>	<b>1.3230</b> USD/GBP
<b>Week Open</b>	<b>1.2933</b> USD/GBP	<b>Monthly Low</b>	<b>1.2665</b> USD/GBP
<b>Week Close</b>	<b>1.3209</b> USD/GBP	<b>30 Days Average</b>	<b>1.2899</b> USD/GBP
<b>Weekly High</b>	<b>1.3230</b> USD/GBP	<b>90 Days Average</b>	<b>1.2756</b> USD/GBP
<b>Weekly Low</b>	<b>1.2929</b> USD/GBP	<b>YTD Change</b>	<b>+3.59%</b>

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

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	Aug	27-Aug		-43
Nationwide house price mm	Aug	30-Aug		0.3%
Nationwide house price yy	Aug	30-Aug		2.1%
BOE Consumer Credit	Jul	30-Aug		1.162B
Mortgage Lending	Jul	30-Aug		2.653B
Mortgage Approvals	Jul	30-Aug		59.976k

<b>Lower Bound</b>	<b>1.3100</b>	<b>Upper Bound</b>	<b>1.3250</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 Aug 2024 - 30 Aug 2024**

**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- The Reserve Bank of Australia considered raising rates but concluded that maintaining a steady rate better balanced the risks. RBA members agreed that a rate cut is unlikely in the short term.
- Overall, the RBA is expected to be the last among the G10 central banks to begin cutting interest rates. The potential for Federal Reserve easing in the medium term, contrasted with the RBA's expected prolonged restrictive stance, could support AUD/USD in the coming months.
- However, a slow recovery in the Chinese economy may limit the Australian dollar's rebound. China continues to face post-pandemic challenges, such as deflation and insufficient stimulus.
- The next key event will be the RBA's Monthly CPI Indicator on August 28.

<b>Lower Bound</b>	<b>0.6650</b>	<b>Upper Bound</b>	<b>0.6830</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

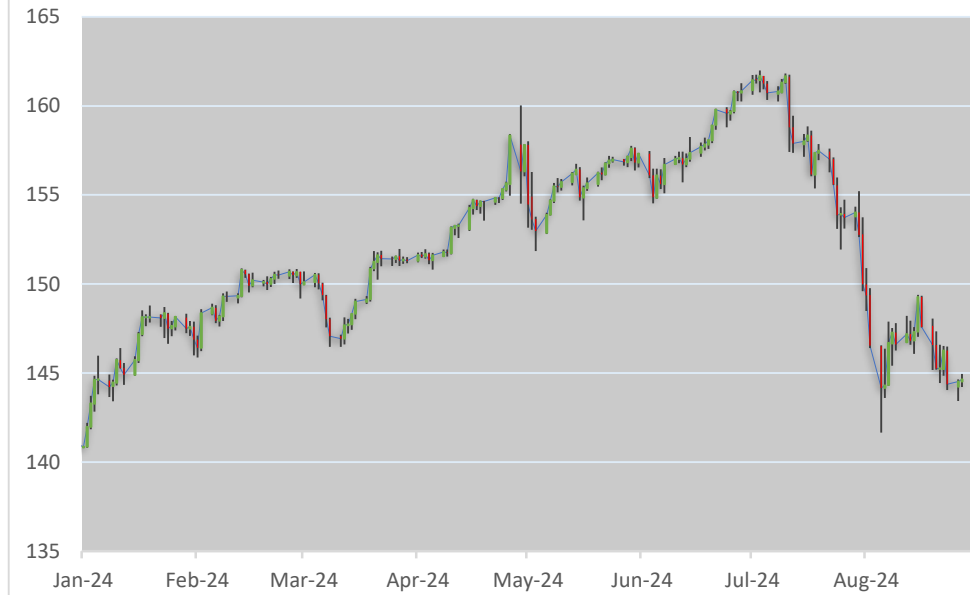
- AUD ended higher against the dollar due to a weaker USD. Despite the mixed Australian economic outlook and the high inflation, the continued hawkish stance of the RBA supported AUD against its peers.
- On Tuesday (20/8), the minutes of the Reserve Bank of Australia's (RBA) August policy meeting showed that the board members considered a case to raise rates but decided that a steady outcome would better balance the risks. The central bank further stated that the cash rate might have to stay steady for an "extended period." After rising nearly 1% and reaching its highest level in a month on Monday, AUD/USD retreated slightly and was last seen trading above 0.6700.
- The People's Bank of China (PBoC) kept its one-year and five-year Loan Prime Rates (LPRs) unchanged at 3.35% and 3.85%, respectively, in August's meeting on Tuesday. Any change in the Chinese economy may impact Australian markets as both are close trade partners.
- The AUD may appreciate further due to the hawkish sentiment surrounding the RBA's stance on its policy outlook.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6666 USD/AUD</b>	<b>Monthly High</b>	<b>0.67980 USD/AUD</b>
<b>Week Open</b>	<b>0.6667 USD/AUD</b>	<b>Monthly Low</b>	<b>0.63500 USD/AUD</b>
<b>Week Close</b>	<b>0.6792 USD/AUD</b>	<b>30 Days Average</b>	<b>0.66458 USD/AUD</b>
<b>Weekly High</b>	<b>0.6798 USD/AUD</b>	<b>90 Days Average</b>	<b>0.65857 USD/AUD</b>
<b>Weekly Low</b>	<b>0.6657 USD/AUD</b>	<b>YTD Change</b>	<b>-0.56%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Weighted CPI YY	Jul	28-Aug	3.4%	3.8%
CPI SA MM	Jul	28-Aug		0.40%
CPI SA YY	Jul	28-Aug		3.90%
Capital Expenditure	Q2	29-Aug	1.1%	1.0%
Retail Sales MM Final	Jul	30-Aug	0.2%	0.5%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The Japanese currency has gained on optimism that the interest rate gap between the U.S. and Japan will continue to shrink and due to a continued unwind of dollar/yen carry trades.
- A Reuters poll suggested that 31 out of 54 economists expect the BoJ to raise rates before the end of the year. The median forecast points to a 25 basis point hike, which would bring the end-of-year rate to 0.50%.
- BoJ Governor Kazuo Ueda also indicated that there would be no change in the stance on adjusting monetary easing if the economy and inflation continue to align with forecasts.

<b>Lower Bound</b>	<b>143.00</b>	<b>Upper Bound</b>	<b>145.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- JPY rose against the dollar, rising to a more than one-week high as the USD fell broadly and US treasury yields retreated as traders await comments from Fed Chair Jerome Powell this week with focus on Fed cuts.
- Japan showed that Machinery Orders rose by 2.1% on a monthly basis in June, following the 3.2% contraction recorded in May and surpassing the market expectation for an increase of 1.1%.
- Japan's Merchandise Trade Balance fell into a deficit of ¥621.84 billion in July, reversing the surplus of ¥224.0 billion reported in June and missing market estimates of a ¥330.7 billion shortfall. Japan's imports surged by 16.6% year-on-year in July, reaching a 19-month high of ¥10,241.01 billion, significantly up from the 3.2% rise in June. Meanwhile, exports increased by 10.3% YoY to a seven-month high of ¥9,619.17 billion, falling short of market forecasts of 11.4%.
- The Japanese Yen (JPY) strengthens against the US Dollar (USD) following the release of the National Consumer Price Index (CPI) inflation data. Japan's National CPI rose by 2.8% YoY in July, remaining at its highest level since February.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>147.58 JPY/USD</b>	<b>Monthly High</b>	<b>150.89 JPY/USD</b>
<b>Week Open</b>	<b>147.65 JPY/USD</b>	<b>Monthly Low</b>	<b>141.70 JPY/USD</b>
<b>Week Close</b>	<b>144.37 JPY/USD</b>	<b>30 Days Average</b>	<b>154.09 JPY/USD</b>
<b>Weekly High</b>	<b>148.05 JPY/USD</b>	<b>90 Days Average</b>	<b>150.60 JPY/USD</b>
<b>Weekly Low</b>	<b>144.04 JPY/USD</b>	<b>YTD Change</b>	<b>+2.58%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Leading Indicator Revised	Jun	26-Aug		-2.6
Service PPI	Jul	27-Aug		3.00%
CPI Tokyo Ex fresh food YY	Aug	30-Aug	2.2%	2.2%
CPI, Overall Tokyo	Aug	30-Aug		2.2%
Jobs/Applicants Ratio	Jul	30-Aug	1.23	1.23
Unemployment Rate	Jul	30-Aug	2.5%	2.5%
Industrial O/P Prelim MM SA	Jul	30-Aug	3.3%	-4.2%
Large Scale Retail Sales YY	Jul	30-Aug		7%

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