

WEEKLY FOREIGN EXCHANGE OUTLOOK
05 Aug 2024 - 12 Aug 2024

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- The USD tends to be depreciated following the NFP data, also the US yields seems to extend their bearish to multi-week lows.
- With Powell openly is focusing on the employment, the Fed is likely to easing more than previously foreseen.
- However, the weakness in the US dollar is probably temporary as the slowdown in the world's largest economy usually strengthening the greenback for risk-off trade.

Dollar News

- The dollar was pressured during the week ahead of FOMC meeting on Wednesday (31/7), where the Federal Reserve held interest rates steady but opened the door to reducing borrowing costs as soon as its next meeting in September.
- Fed Chair Jerome Powell said in comments after the statement from its two-day meeting that an interest rate cut could be on the table as early as September if inflation moves down in line with expectations, growth remains reasonably strong and the labor market remains as it is but he also said that the U.S. central bank remains data dependent and has not made any decisions about future meetings.
- The dollar dropped sharply on Friday (2/8) after the data showed on Friday that US Nonfarm Payrolls (NFP) rose by 114K in July from the previous month of 179K (revised down from 206K), weaker than the expectation of 175K. Meanwhile, the US Unemployment Rate rose to the highest level since November 2021, coming in at 4.3% in July from 4.1% in June.

Dollar Index Performance

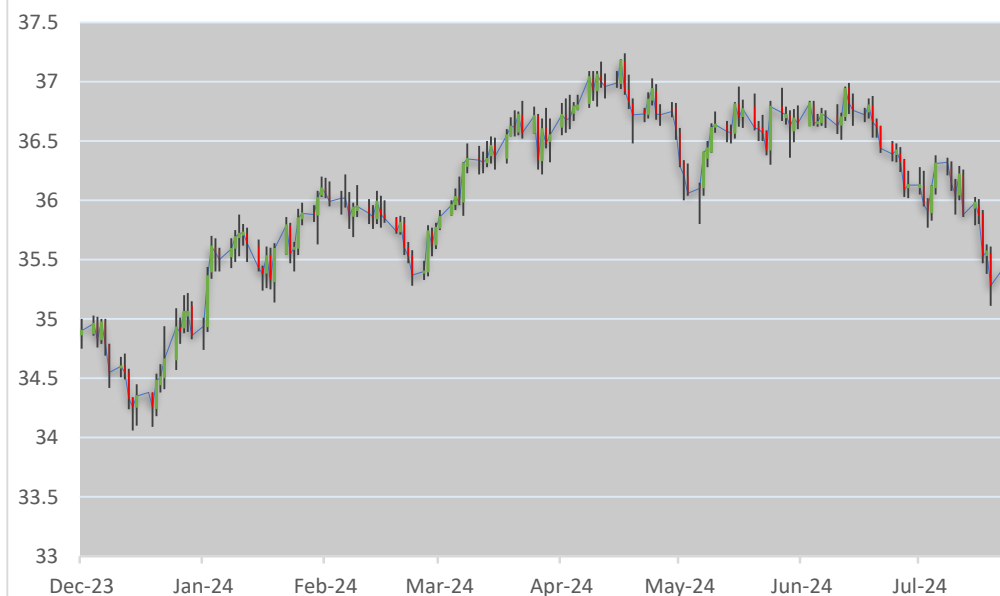
Last Week Close	104.32	Monthly High	106.13
Week Open	104.33	Monthly Low	102.16
Week Close	102.69	30 Days Average	104.60
Weekly High	104.80	90 Days Average	104.96
Weekly Low	102.16	YTD Change	+1.39%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Comp Final PMI	Jul	5-Aug		55.0
S&P Global Svcs PMI Final	Jul	5-Aug		56.0
ISM N-Mfg PMI	Jul	5-Aug	51.0	48.8
International Trade \$	Jun	6-Aug	-72.5B	-75.1B

Lower Bound	102.20	Upper Bound	103.00
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
05 Aug 2024 - 12 Aug 2024

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- The baht is likely to remain strengthen following the Asian currencies, leads by Malaysian ringgit on broad US dollar selloff after a release of weak NFP data.
- The baht is likely test at 35.00 support.

Thai Baht News

- The Thai baht gained against the US dollar during the weekend after US inflation data was released and in line with expected and the market expect that the Fed will start to lower interest rates in September. For the fund flow of foreign investors from July 22-26, foreign investors purchased net Thai bonds and stock of 20,442 million baht and 85.5 million baht respectively.

Thai Baht Performance

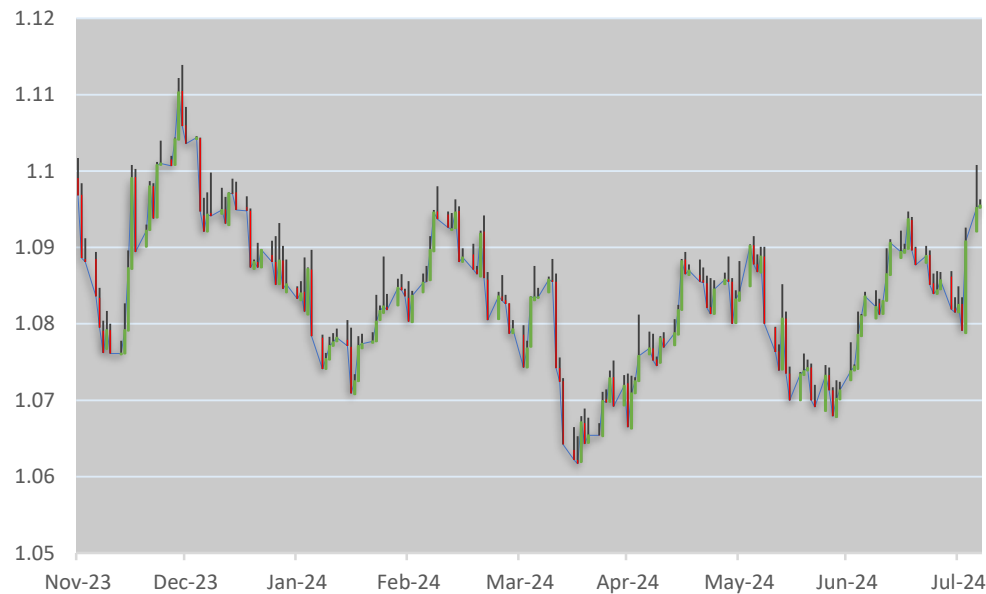
Last Week Close	36.22 THB/USD	Monthly High	35.63 THB/USD
Week Open	35.94 THB/USD	Monthly Low	35.06 THB/USD
Week Close	35.42 THB/USD	30 Days Average	36.18 THB/USD
Weekly High	36.03 THB/USD	90 Days Average	36.51 THB/USD
Weekly Low	35.01 THB/USD	YTD Change	+3.11%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Jul	6-Aug		58.9
CPI Headline Inflation	Jul	7-Aug	0.70%	0.62%
CPI Core Inflation YY	Jul	7-Aug	0.40%	0.36%
CPI Index	Jul	7-Aug		108.50

Lower Bound	35.00	Upper Bound	35.50
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
05 Aug 2024 - 12 Aug 2024

Euro Graph


Source: Thomson Reuters

Euro Outlook

- The EUR/USD edges lower to near 1.09 support level on depressing sentiment. However, as the US dollar continues to depreciate, the EUR is expected to strengthen.
- Investors will be watching HICP (Harmonized Index of Consumer Prices) for clue of European Central Bank (ECB) rate cuts. ISM Services PMI is also in focused.

Euro News

- The euro fell against the US dollar as the euro zone's economy grew slightly more than expected in the three months to June, though a mixed underlying picture and a string of pessimistic surveys cloud the outlook for the rest of the year.
- The euro fell after data showed eurozone manufacturing activity remained mired in contraction in July, suggesting the European Central Bank will have to cut interest rates again this year to boost a slowing economy. HCOB's final eurozone manufacturing Purchasing Managers' Index, compiled by S&P Global, held at June's 45.8 in July, just ahead of a 45.6 preliminary estimate.

Euro Index Performance

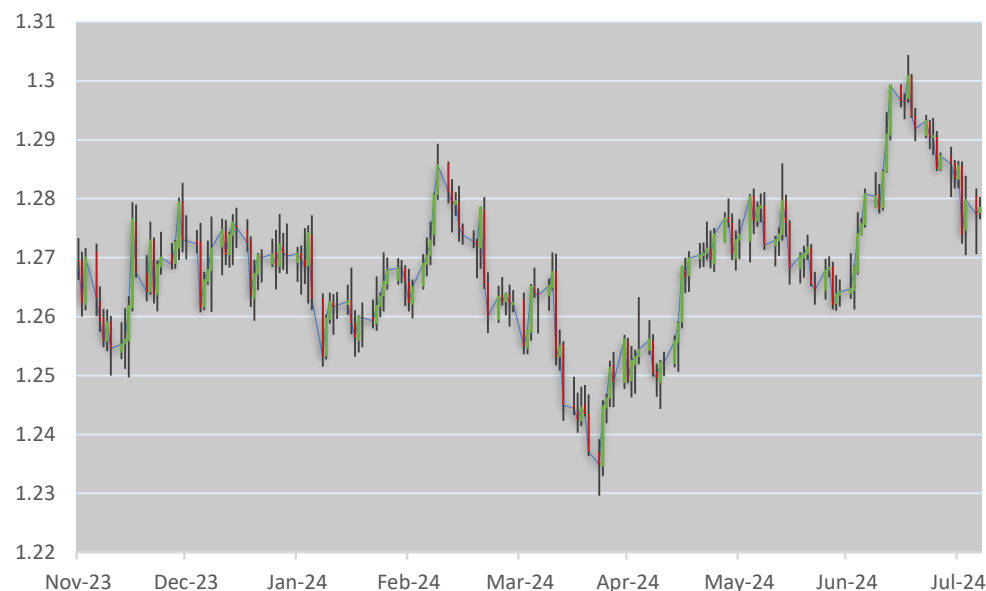
Last Week Close	1.0857 USD/EUR	Monthly High	1.1008 USD/EUR
Week Open	1.0862 USD/EUR	Monthly Low	1.0778 USD/EUR
Week Close	1.0952 USD/EUR	30 Days Average	1.0841 USD/EUR
Weekly High	1.1008 USD/EUR	90 Days Average	1.0791 USD/EUR
Weekly Low	1.0775 USD/EUR	YTD Change	-0.75%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
HCOB Services Final PMI	Jul	5-Aug	51.9	51.9
HCOB - Composite Final PMI	Jul	5-Aug	50.1	50.1

Lower Bound	1.0800	Upper Bound	1.1100
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
05 Aug 2024 - 12 Aug 2024

Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The Sterling is likely to appreciate on trigger USD selloff after weak US jobs data. The GBP/USD is moving near 1.2800 and might test the 1.2840 resistance.
- This week, the GBP is likely to move around 1.2700 – 1.2840 USD/GBP.

Pound Sterling News

- The Pound Sterling fell against the US dollar before the Bank of England's Thursday (1/8) meeting. Market pricing sees it as roughly a coin toss whether the BoE cuts rates.
- The Pound Sterling fell after the Bank of England cut interest rates from a 16-year high following a tight vote by its policymakers who were split over whether inflation pressures had eased sufficiently. Governor Andrew Bailey led the 5-4 decision to reduce rates by a quarter-point to 5% and he said the BoE would move cautiously going forward.

Pound Sterling Performance

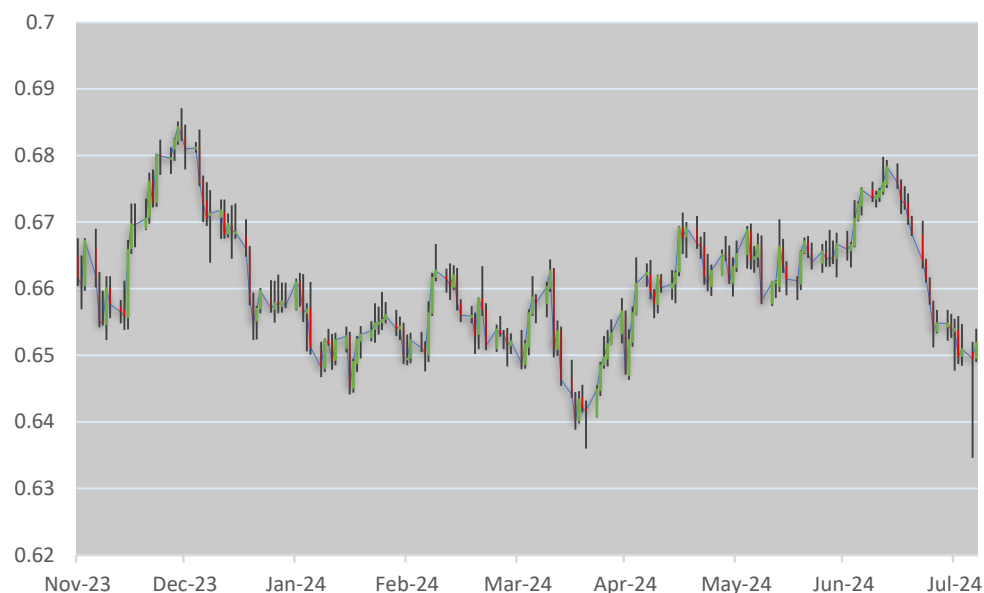
Last Week Close	1.2872 USD/GBP	Monthly High	1.2860 USD/GBP
Week Open	1.2872 USD/GBP	Monthly Low	1.2708 USD/GBP
Week Close	1.2773 USD/GBP	30 Days Average	1.2825 USD/GBP
Weekly High	1.2888 USD/GBP	90 Days Average	1.2687 USD/GBP
Weekly Low	1.2704 USD/GBP	YTD Change	+0.46%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Jul	5-Aug	52.7	52.7
Reserve Assets Total	Jul	5-Aug		182,606.90M
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Jul	6-Aug		52.3
Halifax House Prices MM	Jul	7-Aug	0.3%	-0.2%
Halifax House Prices YY	Jul	7-Aug		1.60%

Lower Bound	1.2700	Upper Bound	1.2840
Forecast	Appreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
05 Aug 2024 - 12 Aug 2024

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- RBA will hold the meeting on this coming 5-6 Aug, where markets eye will be on the rate decision.

Australian Dollar News

- The Australian dollar traded sideways during last week. However, a rate hike bet in Australia was eased on Wednesday (31/8) as annual Q2 CPI printed in line with the RBA's 3.8% forecast, from 3.6% in Q1, and below the market consensus of 4%.
- Trimmed mean CPI was 3.9% - a tick above the RBA but down from 4% in Q1 and below the market expectation. ANZ Senior Economist Catherine Birch says the data saw any expectations for a rate hike by the RBA vanish, with markets pricing in a full 25 basis point cut in February.

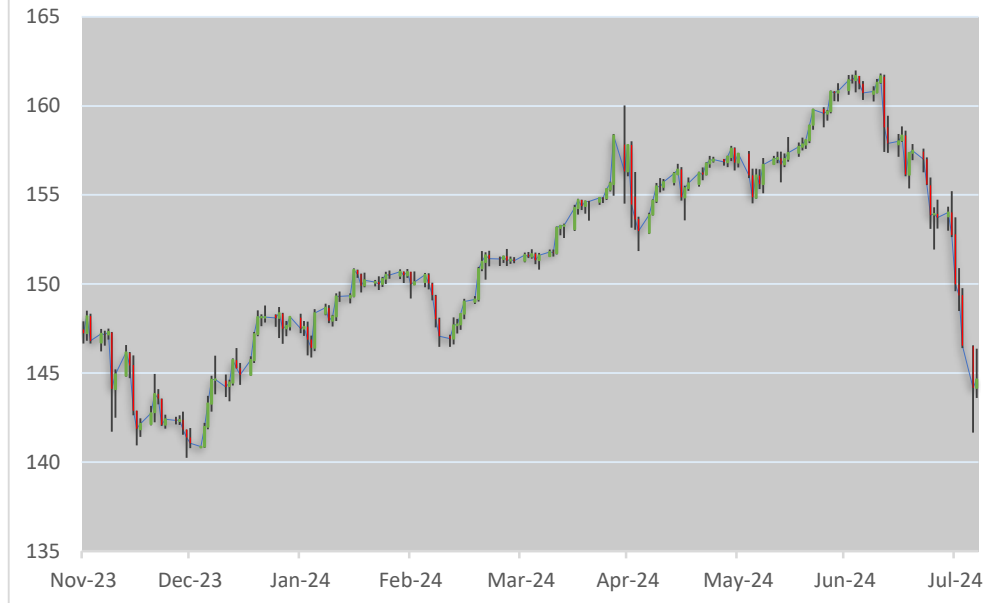
Australian Dollar Performance

Last Week Close	0.6548 USD/AUD	Monthly High	0.65590 USD/AUD
Week Open	0.6543 USD/AUD	Monthly Low	0.63500 USD/AUD
Week Close	0.6495 USD/AUD	30 Days Average	0.66337 USD/AUD
Weekly High	0.6568 USD/AUD	90 Days Average	0.65644 USD/AUD
Weekly Low	0.6346 USD/AUD	YTD Change	-4.36%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Judo Bank Svs PMI Final	Jul	5-Aug		50.8
Judo Bank Comp PMI Final	Jul	5-Aug		50.2
RBA Cash Rate	Aug	6-Aug	4.35%	4.35%
AIG Manufacturing Index	Jul	7-Aug		-26.5
AIG Construction Index	Jul	7-Aug		-23.2

Lower Bound	0.6400	Upper Bound	0.6600
Forecast	Appreciation		


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The yen continued its gain against the dollar after BOJ meeting last week and also a safe-haven asset on escalating Middle East conflicts.
- The support levels are 140 while resistant levels are 143 and 144 this week.

Japanese Yen News

- The Japanese yen gained against the US dollar on news reports that the Bank of Japan is considering raising rates to 0.25% when it concludes its two-day meeting on Wednesday.
- The Japanese Yen continues to gather strength against the US Dollar and traded below 150 level, capitalizing on the unexpectedly hawkish policy announcements by the Bank of Japan (BoJ).
- The BoJ raised the short-term rate target by 15 basis points (bps) from the range of 0%-0.1% to 0.15%-0.25%. Additionally, the bank set out a plan to taper Japanese government bonds (JGB) buying to ¥3 trillion per month as of the first quarter of 2026. BoJ Governor Kazuo Ueda deemed it appropriate to adjust the degree of easing to sustainably and stably achieve the 2% inflation target. Moreover, he emphasized that they will keep raising interest rates.

Japanese Yen Performance

Last Week Close	153.72 JPY/USD	Monthly High	150.89 JPY/USD
Week Open	153.79 JPY/USD	Monthly Low	141.70 JPY/USD
Week Close	144.17 JPY/USD	30 Days Average	151.54 JPY/USD
Weekly High	155.21 JPY/USD	90 Days Average	148.50 JPY/USD
Weekly Low	141.66 JPY/USD	YTD Change	+2.66%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Comp Op Final SA	Jul	5-Aug		52.6
JibunBK SVC PMI Final SA	Jul	5-Aug		53.9
Current Account NSA JPY	Jun	8-Aug	1,789.7B	2,849.9B
Current Account Bal SA	Jun	8-Aug		2,406,200M
Trade Bal Cust Basis SA	Jun	8-Aug		-474,700M

Lower Bound	140.00	Upper Bound	145.00
Forecast	Appreciation		

IMPORTANT DISCLAIMER

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.