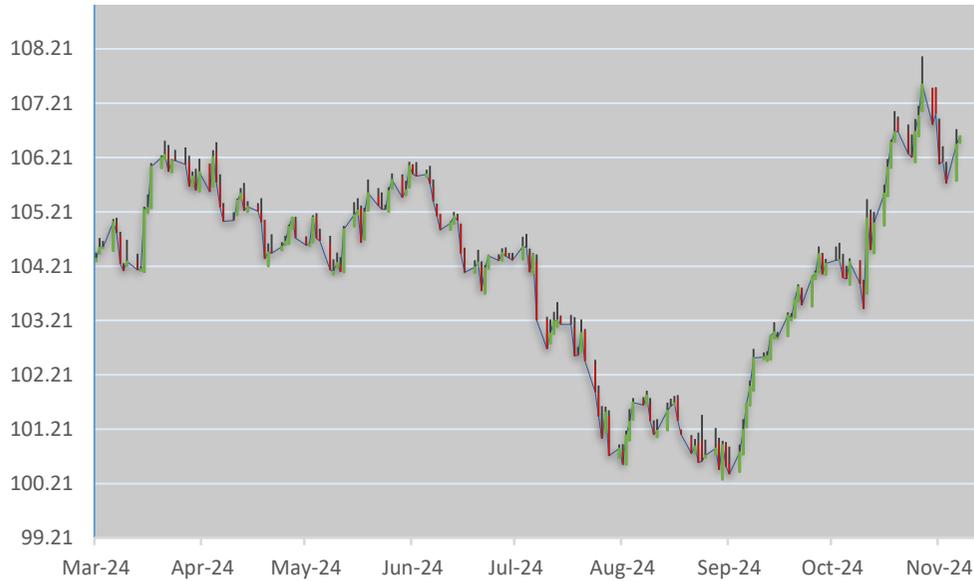


WEEKLY FOREIGN EXCHANGE OUTLOOK
02 Dec 2024 - 06 Dec 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- Speeches from several Fed policymakers will be listed throughout the week and could be significant as the 'blackout' period kicks on Saturday ahead of the December 17-18 policy meeting.
- The upcoming week will bring multiple relevant macroeconomic figures, starting on Monday with the US November ISM Manufacturing Purchasing Manager Index (PMI) and the S&P Global Manufacturing PMIs.
- US employment figures will gather most of the attention, as a tight labor market was among the main reasons inflation took so long to recede.

| | | | |
|--------------------|----------------|--------------------|---------------|
| Lower Bound | 105.50 | Upper Bound | 107.50 |
| Forecast | Neutral | | |

Dollar News

- At the beginning of the week, the Greenback saw a bearish opening gap in tandem with the US Treasury bond yields and extended the downside in response to the weekend news that US President-elect Donald Trump named billionaire Scott Bessent as his Treasury Secretary.
- Nevertheless, Trump brought back concerns to the table, as he threatened to impose a 25% tariff on Mexican and Canadian goods and services and up to 60% on Chinese imports.
- However, USD sellers returned on Wednesday alongside risk appetite on easing geopolitical tensions between Israel and Lebanon. Reuters reported that "a ceasefire between Israel and Iran-backed group Hezbollah came into effect at 0200 GMT on Wednesday.
- The US currency also suffered due to sustained expectations that the US Federal Reserve (Fed) will likely cut interest rates by 25 basis points (bps) in December.

Dollar Index Performance

| | | | |
|------------------------|---------------|------------------------|---------------|
| Last Week Close | 107.55 | Monthly High | 108.07 |
| Week Open | 107.49 | Monthly Low | 103.37 |
| Week Close | 105.74 | 30 Days Average | 105.50 |
| Weekly High | 108.07 | 90 Days Average | 103.18 |
| Weekly Low | 105.62 | YTD Change | +5.15% |

Next Week's Dollar Index Economic Events

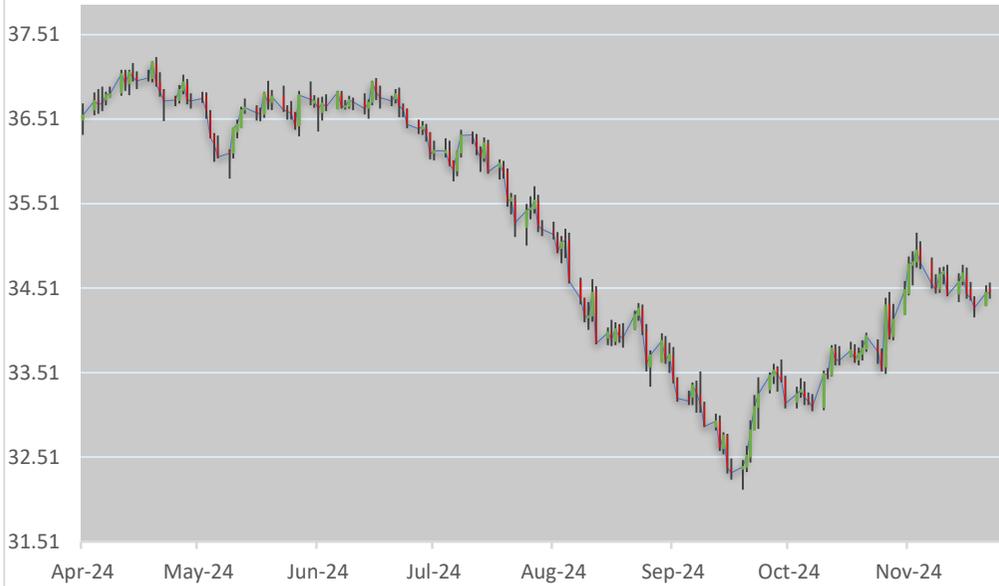
| Events | Period | Date | Forecast | Previous |
|---------------------------|-------------|-------|----------|----------|
| S&P Global Mfg PMI Final | Nov | 2-Dec | 48.8 | 48.8 |
| ISM Manufacturing PMI | Nov | 2-Dec | 47.5 | 46.5 |
| S&P Global Comp Final PMI | Nov | 4-Dec | 55.3 | 55.3 |
| S&P Global Svcs PMI Final | Nov | 4-Dec | 57.0 | 57.0 |
| ISM N-Mfg PMI | Nov | 4-Dec | 55.5 | 56.0 |
| Initial Jobless Clm | 30 Nov, w/€ | 5-Dec | 215k | 213k |
| Non-Farm Payrolls | Nov | 6-Dec | 200k | 12k |
| Unemployment Rate | Nov | 6-Dec | 4.2% | 4.1% |
| Average Earnings YY | Nov | 6-Dec | 3.9% | 4.0% |
| U Mich Sentiment Prelim | Dec | 6-Dec | 73.0 | 71.8 |

WEEKLY FOREIGN EXCHANGE OUTLOOK

02 Dec 2024 - 06 Dec 2024



Thai Baht Graph



Source: Refinitiv

Thai Baht News

- Last week, the baht gradually appreciated against the US dollar after the greenback was in the consolidated phases after President-elect Donald Trump picking Scott Bessent as Treasury Secretary to oversee economic and tax policies.
- The gain of the baht, however, is capped after gold prices have dropped drastically from above 2700 level to 2600s.
- The Trade Policy and Strategy Office (TPSO) announced yesterday that exports in October increased by 14.6% to US\$27.2 billion (897 billion baht), marking a fourth consecutive month of growth while Imports increased by 15.9% to \$28 billion (935 billion baht), resulting in a trade deficit of \$794 million (38 million baht).

Thai Baht Performance

| | | | |
|------------------------|----------------------|------------------------|----------------------|
| Last Week Close | 34.70 THB/USD | Monthly High | 34.57 THB/USD |
| Week Open | 34.44 THB/USD | Monthly Low | 34.36 THB/USD |
| Week Close | 34.27 THB/USD | 30 Days Average | 34.25 THB/USD |
| Weekly High | 34.78 THB/USD | 90 Days Average | 33.98 THB/USD |
| Weekly Low | 34.16 THB/USD | YTD Change | +0.17% |

Thai Baht Outlook

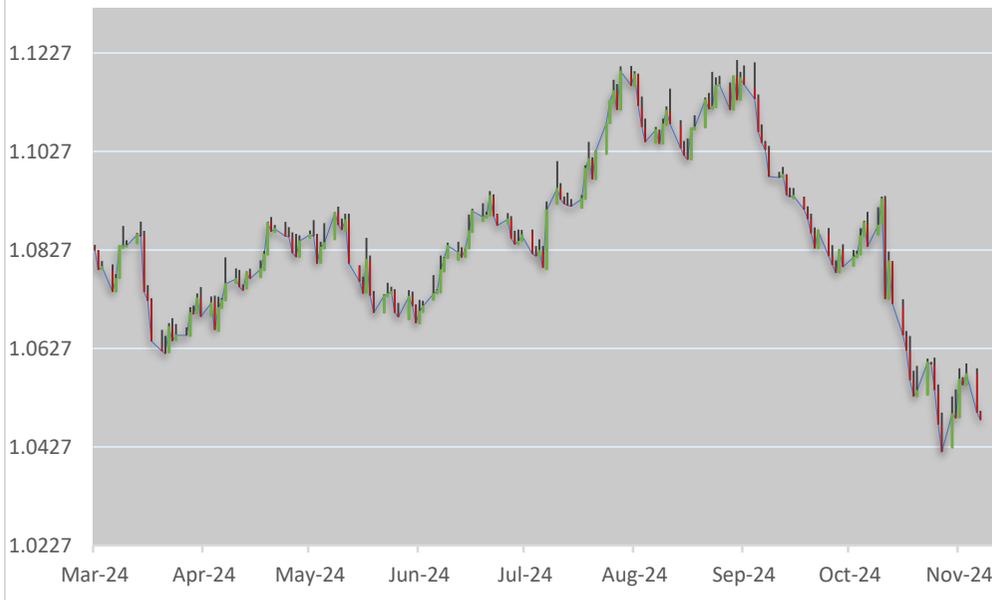
- We believe that the baht will stabilize in a range between 34.30-34.80 depend on factors especially news related trade issues.
- Investors will focus on local data including S&P PMI (2/12) and CPI figures(4/12).
- At the weekend, president-elect Donald Trump said he would require countries that are part of BRICS to commit to not creating new currency or face 100% tariffs during his administration. This news will pressure the baht.

Next Week's Thai Baht Economic Events

| Events | Period | Date | Forecast | Previous |
|------------------------|--------|-------|----------|----------|
| Manufacturing PMI SA | Nov | 2-Dec | | 50.0 |
| CPI Headline Inflation | Nov | 4-Dec | 1.12% | 0.83% |
| CPI Core Inflation YY | Nov | 4-Dec | 0.77% | 0.77% |
| CPI Index | Nov | 4-Dec | | 108.61 |

| | | | |
|--------------------|----------------|--------------------|--------------|
| Lower Bound | 34.30 | Upper Bound | 34.80 |
| Forecast | Neutral | | |

WEEKLY FOREIGN EXCHANGE OUTLOOK
02 Dec 2024 - 06 Dec 2024

Euro Graph


Source: Refinitiv

Euro News

- The EUR/USD pair ended a three-week losing streak, recovering towards 1.0600 before finally finding sellers as the US Dollar (USD) gapped lower at the weekly opening after reaching fresh 2024 highs against its European rival, with EUR/USD bottoming at 1.0332 on November 22.
- A more hawkish stance from ECB Executive Board member Isabel Schnabel underpinned the Euro in the near term. Schnabel said the ECB is getting closer to neutral territory, estimating the neutral rate at 2% to 3%. Furthermore, she warned about growth risks related to fresh US tariffs under Trump's administration, urging her colleagues to take a gradual interest rate cut path.
- Other than that, European inflation data was pretty encouraging. Germany reported that the Harmonized Index of Consumer Prices (HICP) rose 2.4% in the year to November, below the 2.6% anticipated and according to preliminary estimates. The Eurozone HICP rose 2.3% year-over-year (YoY) and slid 0.3% in the month. Finally, the core HICP rose 2.8% YoY in November, slightly higher than the 2.7% increase from October, albeit in line with the market's forecast.

Euro Index Performance

| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 1.0417 USD/EUR | Monthly High | 1.0587 USD/EUR |
| Week Open | 1.0426 USD/EUR | Monthly Low | 1.0461 USD/EUR |
| Week Close | 1.0575 USD/EUR | 30 Days Average | 1.0674 USD/EUR |
| Weekly High | 1.0597 USD/EUR | 90 Days Average | 1.0903 USD/EUR |
| Weekly Low | 1.0424 USD/EUR | YTD Change | -4.96% |

Euro Outlook

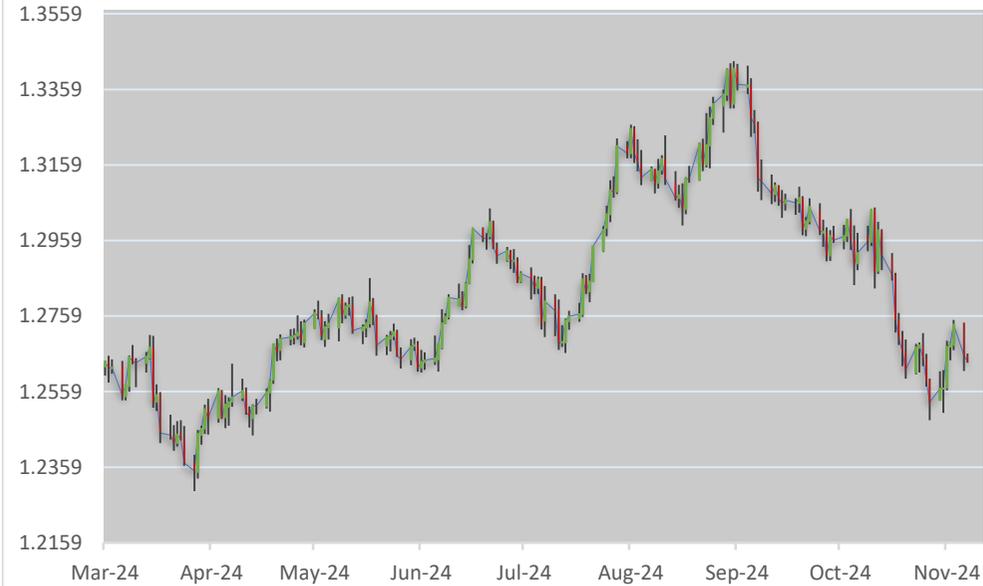
- We believe that the euro is still fragile in term of both fundamental and technical as the central bank released the annual Financial Stability Review report, which noted that the Eurozone could face a debt crisis if it did not boost growth, lower public debt and fix policy uncertainty.
- The EUR/USD pair hovers around 1.0550 and the weekly chart shows it posted a higher low yet held below the previous weekly top at 1.0609, suggesting unconvinced buyers. Moreover, according to the daily chart, the EUR/USD corrective advance may well be over.
- A slide below the 1.0500 threshold will open the door for another leg south. The next support level comes at 1.0440, the October 2023 low, en route to 1.0400. A break below the latter should be followed by a retest of the year low in the 1.0330 price zone.
- The upcoming week will bring multiple relevant macroeconomic figures, starting with PMI data (2,4/12), PPI (4/12), Retail Sales (5/12) and Q3 GDP(6/12).

Next Week's Euro Economic Events

| Events | Period | Date | Forecast | Previous |
|----------------------------|--------|-------|----------|------------|
| HCOB Mfg Final PMI | Nov | 2-Dec | 45.2 | 45.2 |
| Unemployment Rate | Oct | 2-Dec | 6.3% | 6.3% |
| HCOB Services Final PMI | Nov | 4-Dec | 49.2 | 49.2 |
| HCOB - Composite Final PMI | Nov | 4-Dec | 48.1 | 48.1 |
| Producer Prices MM | Oct | 4-Dec | 0.4% | -0.6% |
| Producer Prices YY | Oct | 4-Dec | -3.3% | -3.4% |
| HCOB Construction PMI | Nov | 5-Dec | | 43.0 |
| Employment Overall Final | Q3 | 6-Dec | | 169,064.1k |

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 1.0350 | Upper Bound | 1.0600 |
| Forecast | Depreciation | | |

WEEKLY FOREIGN EXCHANGE OUTLOOK
02 Dec 2024 - 06 Dec 2024

Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- The UK economic calendar lacks any high-impact data releases in the upcoming week. The Nationwide house price (2/12) and S&P PMI (2,4/12) will be eyed as well as the appearance of BoE Governor Andrew Bailey (4/12).
- Apart from the data publication, risk sentiment will play a pivotal role in influencing the higher-yielding Pound Sterling as global trade war fears mount following US President-elect Donald Trump's announcement of tariffs.
- Despite the latest recovery, the GBP/USD pair's downside risks remain intact as long as the 14-day Relative Strength Index (RSI) remains below the 50 level.
- The Pound Sterling needs a sustained break above the 200-day SMA at 1.2820 to initiate a meaningful uptrend toward the strong contention area near 1.2975, where the 50-day SMA and the 100-day SMA hang. On the downside, strong support aligns at the 1.2600 round level, below which the weekly low of 1.2507 will be tested.

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 1.2500 | Upper Bound | 1.2750 |
| Forecast | Depreciation | | |

Pound Sterling News

- The Pound Sterling (GBP) snapped a two-week downtrend and staged a comeback against the US Dollar (USD), driving the GBP/USD pair back to the 1.2700 threshold.
- Starting the week, they jumped in on Monday, helping the pair rebound from the six-month low of 1.2488, set on November 22 after the weekend news that US President-elect Donald Trump named billionaire Scott Bessent as his Treasury Secretary.
- Since the middle of the week, the weakness of USD extended due to sustained expectations that the US Federal Reserve (Fed) will likely cut interest rates by 25 basis points, aiding the additional upswing in the Pound Sterling and pushing the pair to the highest level in two weeks above 1.2700.
- Meanwhile, there was no high-impact economic data from the UK during the week, while Bank of England (BoE) policymakers continued to voice caution about further rate cuts. Deputy Governor Clare Lombardelli said Tuesday that she needs to see more evidence of cooling price pressures before she backs another interest rate reduction, per Bloomberg.

Pound Sterling Performance

| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 1.2531 USD/GBP | Monthly High | 1.2742 USD/GBP |
| Week Open | 1.2537 USD/GBP | Monthly Low | 1.2618 USD/GBP |
| Week Close | 1.2737 USD/GBP | 30 Days Average | 1.2792 USD/GBP |
| Weekly High | 1.2749 USD/GBP | 90 Days Average | 1.2979 USD/GBP |
| Weekly Low | 1.2503 USD/GBP | YTD Change | -0.66% |

Next Week's Pound Sterling Economic Events

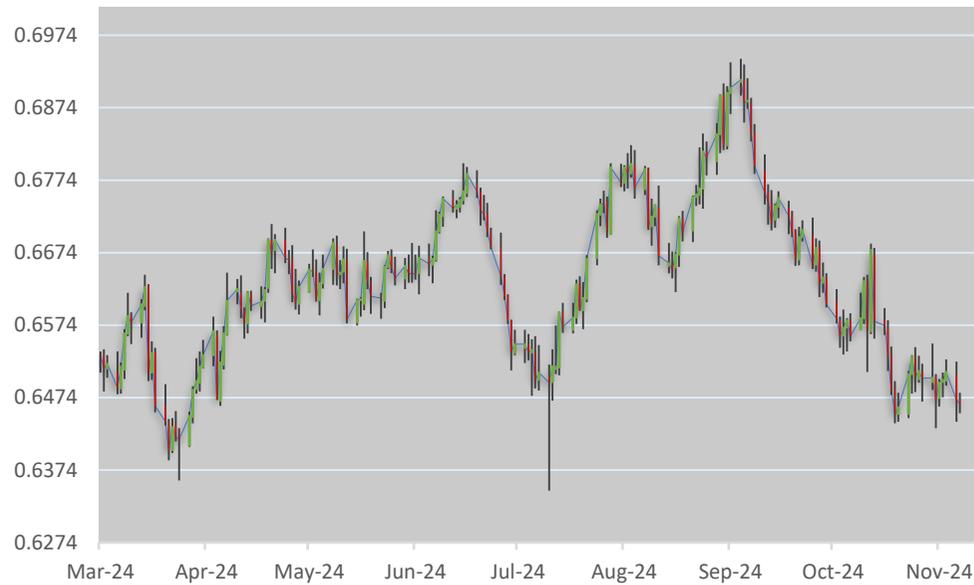
| Events | Period | Date | Forecast | Previous |
|--|--------|-------|----------|----------|
| Nationwide house price mm | Nov | 2-Dec | 0.2% | 0.1% |
| Nationwide house price yy | Nov | 2-Dec | 2.4% | 2.4% |
| S&P GLOBAL MANUFACTURING PMI | Nov | 2-Dec | 48.6 | 48.6 |
| S&P GLOBAL SERVICE PMI | Nov | 4-Dec | 50.0 | 50.0 |
| S&P GLOBAL PMI: COMPOSITE - OUTPUT | Nov | 4-Dec | 49.9 | 49.9 |
| S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT | Nov | 5-Dec | | 52.0 |
| S&P Global CONSTRUCTION PMI | Nov | 5-Dec | 53.4 | 54.3 |
| Halifax House Prices MM | Nov | 6-Dec | 0.2% | 0.2% |
| Halifax House Prices YY | Nov | 6-Dec | 3.60% | 3.90% |

WEEKLY FOREIGN EXCHANGE OUTLOOK

02 Dec 2024 - 06 Dec 2024

 **Australian Dollar**

Australian Dollar Graph



Source: Refinitiv

Australian Dollar News

- The Australian dollar dropped to a fresh multi-month since August at around 0.6430 area after US President-elect Donald Trump, on Tuesday, threatened to impose a 25% tariff on all products coming into the US from Mexico and Canada and an additional 10% tariff on all Chinese imports. This, in turn, tempers investors' appetite for riskier assets and turns out to be a key factor undermining the China-proxy Australian Dollar (AUD).
- However, the aussie rebounded after ANZ has revised its expectations, now forecasting the Reserve Bank of Australia (RBA) to cut interest rates in May instead of February, following a new warning about inflation remaining elevated for another two years. Adam Boyton, ANZ's head of Australian economics, updated his projections on Friday morning after RBA Governor Michele Bullock stated that inflation is unlikely to "sustainably" return to the central bank's target range before 2026.
- RBA Governor Bullock stated on Thursday that Australia's core inflation remains "too high" to contemplate interest rate cuts in the near future.
- The trimmed mean - a closely watched measure of core inflation - rose to an annual 3.5 per cent from 3.2 per cent in September, taking it further above the Reserve Bank of Australia's 2 per cent to 3 per cent target band and making it a hurdle to cuts in interest rates.

Australian Dollar Performance

| | | | |
|------------------------|-----------------------|------------------------|------------------------|
| Last Week Close | 0.6501 USD/AUD | Monthly High | 0.65240 USD/AUD |
| Week Open | 0.6496 USD/AUD | Monthly Low | 0.64440 USD/AUD |
| Week Close | 0.6510 USD/AUD | 30 Days Average | 0.67776 USD/AUD |
| Weekly High | 0.6549 USD/AUD | 90 Days Average | 0.66943 USD/AUD |
| Weekly Low | 0.6432 USD/AUD | YTD Change | -4.96% |

Australian Dollar Outlook

- Technically, the AUD/USD pair remains under pressure as technical indicators continue to point to a bearish bias, with the Relative Strength Index (RSI) hovering below the 50 mark.
- Trade wars fears between the US and China might pressure the Aussie as China is one of its largest trade partners as the US is set to unveil further Artificial Intelligence (AI) chip sanctions against China on Monday, which is weighing on the AUD/USD, due to the risk-off market sentiment that has been triggered.
- On the other side, the Aussie could see some gains by the RBA's hawkishness as the markets are seeing the RBA's first rate cut to come in Q2 of 2025, while continuing to be confident of a Fed cut in December but Australia's mixed economic outlook might limit the upside.

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 0.6350 | Upper Bound | 0.6550 |
| Forecast | Depreciation | | |

Next Week's Australian Dollar Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------|--------|-------|----------|----------|
| ank Mfg PMI Final | Nov | 2-Dec | | 49.4 |
| ank Svs PMI Final | Nov | 4-Dec | | 49.6 |
| ank Comp PMI Final | Nov | 4-Dec | | 49.4 |
| anufacturing Index | Nov | 4-Dec | | -19.7 |
| onstruction Index | Nov | 4-Dec | | -40.9 |


Japanese Yen
Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- At the weekend, President-elect Donald Trump said he would require countries that are part of BRICS to commit to not creating new currency or face 100% tariffs during his administration. Investors now seem convinced that Trump's tariff plans setting the stage for the Federal Reserve to stop cutting interest rates or possibly raise them again.
- Any rebounding US bond yields and a positive risk tone will drive flows away from the safe-haven JPY. Any meaningful JPY losses, however, seem limited in the wake of firming expectations for another interest rate hike by the Bank of Japan (BoJ) in December.
- BoJ Governor Kazuo Ueda said on Saturday that the next interest rate hikes are nearing in the sense that economic data are on track, though he would like to see what kind of momentum the fiscal 2025 Shunto creates.
- We stay neutral stance for USD/JPY as the move up or dip down chance are almost equal.

| | | | |
|--------------------|----------------|--------------------|---------------|
| Lower Bound | 148.00 | Upper Bound | 152.00 |
| Forecast | Neutral | | |

Japanese Yen News

- Since the beginning of the week, the yen has appreciated after Scott Bessent's nomination as the US Treasury secretary provided some respite to US bond investors and dragged the benchmark 10-year US Treasury yield to a two-week low.
- Moreover, against the backdrop of geopolitical risks stemming from the protracted Russia-Ukraine war, concerns about US President-elect Donald Trump's tariff plans turn out to be key factors driving flows towards the safe-haven JPY.
- Data released by the Statistics Bureau of Japan on Friday showed that the headline Tokyo Consumer Price Index (CPI) climbed by 2.6% YoY in November, compared to 1.8% in the previous month. Meanwhile, the Tokyo CPI ex Fresh Food, Energy rose by 2.2% YoY in November versus 1.8% prior.
- The core CPI has stayed above the Bank of Japan's (BoJ) 2% target and kept alive market expectations for a near-term interest rate hike. This, in turn, boosts the JPY and creates a headwind for USD/JPY. BoJ Governor Kazuo Ueda stated the Japanese central bank will keep raising rates if inflation remains on track to stably hit 2% as it projects.

Japanese Yen Performance

| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 154.74 JPY/USD | Monthly High | 150.74 JPY/USD |
| Week Open | 154.29 JPY/USD | Monthly Low | 149.09 JPY/USD |
| Week Close | 149.75 JPY/USD | 30 Days Average | 152.44 JPY/USD |
| Weekly High | 154.72 JPY/USD | 90 Days Average | 155.41 JPY/USD |
| Weekly Low | 149.46 JPY/USD | YTD Change | +6.43% |

Next Week's Japanese Yen Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------|---------------|-------------|-----------------|-----------------|
| < Mfg PMI Final SA | | Nov 2-Dec | | 49.0 |
| etary Base YY | | Nov 3-Dec | | -0.04% |
| < Comp Op Final SA | | Nov 4-Dec | | 49.8 |
| < SVC PMI Final SA | | Nov 4-Dec | | 50.2 |

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