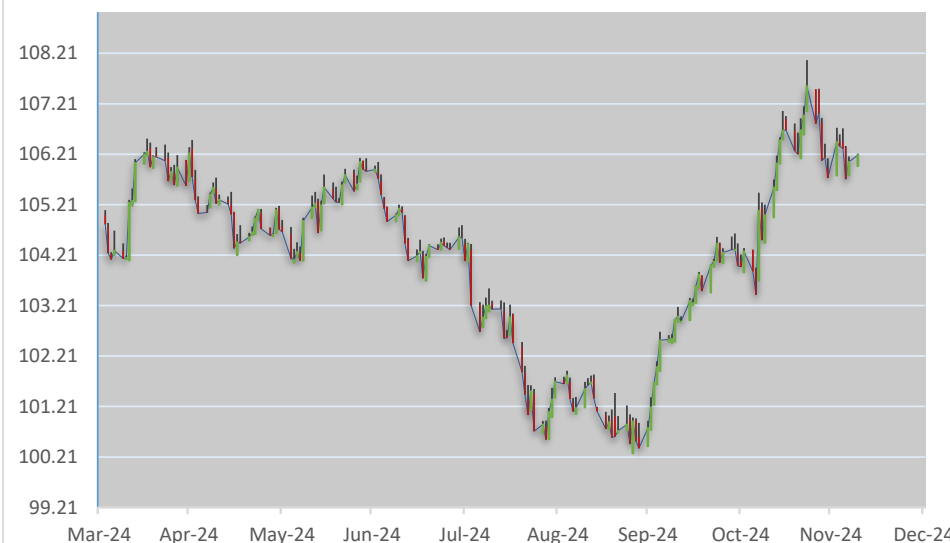


WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Dec 2024 - 13 Dec 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- This week, the U.S. will publish November data on consumer price inflation on Wednesday (11/12), providing Federal Reserve officials with a final look at price pressures ahead of their final policy meeting of the year the following week.
- Concerns over a potential revival in inflation have resurfaced due to President-elect Donald Trump's plans to raise tariffs on imports, which are expected to be inflationary.
- Following the payrolls report, U.S. rate futures now indicate an 85% chance that the Fed will lower interest rates by 25 basis points at its policy meeting later this month, up from about 70% just before the data's release, according to LSEG calculations.

Lower Bound	105.50	Upper Bound	107.00
Forecast	Neutral		

Dollar News

- The dollar index surged above 106.50 on Monday (2/12) after US President-elect Donald Trump expressed support for imposing tariffs on goods from Brazil, Russia, India, China, South Africa, and other nations interested in joining a future BRICS currency. Additionally, the dollar index extended gains following strong U.S. manufacturing data from both the ISM and S&P Global reports.
- However, the dollar index dropped after data showed that private employment jobs in November increased less than expected, and initial jobless claims rose more than anticipated.
- Furthermore, Fed Chair Jerome Powell, in a speech on Thursday (5/12), indicated that the US economy is stronger now than the central bank had expected in September when it began reducing interest rates.
- The dollar index rose again on Friday (6/12), despite earlier selling, amid a jobs report showing higher unemployment and modest job gains overall.

Dollar Index Performance

Last Week Close	105.74	Monthly High	108.07
Week Open	105.78	Monthly Low	103.37
Week Close	106.06	30 Days Average	105.73
Weekly High	106.92	90 Days Average	103.28
Weekly Low	105.42	YTD Change	+4.81%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI MM, SA	Nov	11-Dec	0.3%	0.3%
Core CPI YY, NSA	Nov	11-Dec		3.3%
CPI MM, SA	Nov	11-Dec	0.2%	0.2%
CPI YY, NSA	Nov	11-Dec		2.6%
PPI Final Demand YY	Nov	12-Dec		2.4%
PPI Final Demand MM	Nov	12-Dec	0.3%	0.2%
PPI exFood/Energy YY	Nov	12-Dec		3.1%
PPI exFood/Energy MM	Nov	12-Dec	0.3%	0.3%
Cont Jobless Clm	25 Nov, w/e	12-Dec		1.871M
Initial Jobless Clm	2 Dec, w/e	12-Dec		224k

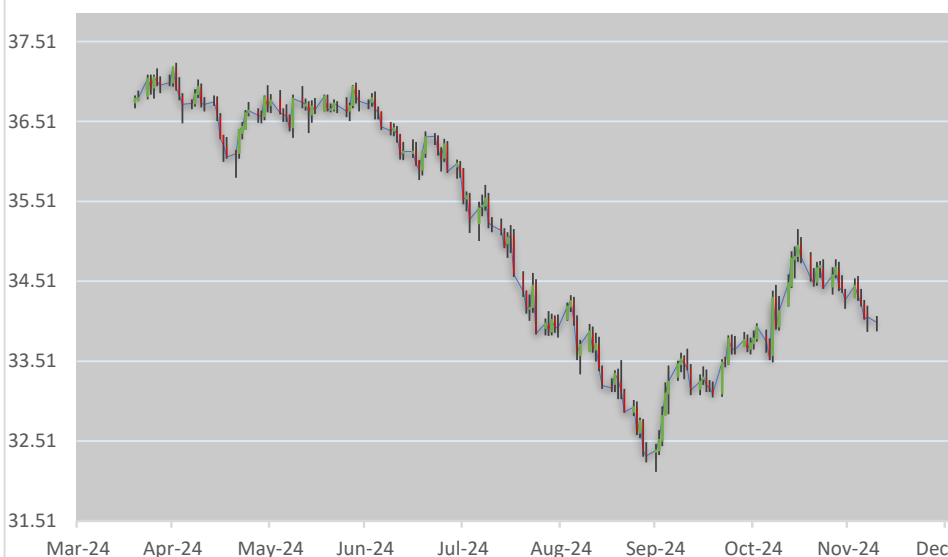
WEEKLY FOREIGN EXCHANGE OUTLOOK

09 Dec 2024 - 13 Dec 2024



Thai Baht

Thai Baht Graph



Source: Refinitiv

Thai Baht Outlook

- We believe that the baht will move within a range of 33.70-34.30.
- The market is also watching foreign fund flows, gold prices, and signs of Donald Trump's policies.
- The main economic indicators this week are the US CPI and PPI, which will affect the Thai baht.
- In Thailand, the consumer confidence index will be released on Wednesday (11/12).

Thai Baht News

- At the beginning of last week, the Thai baht weakened against the US dollar following a drop in gold prices and concerns over Trump's tariff plan.
- However, the Thai baht appreciated against the US dollar, falling below the 34.00 level by the end of the week, after weaker-than-expected US economic data was released.
- The Bank of Thailand reported that Thailand's economy improved in October due to tourism, exports, and private consumption, which were supported by the government's economic stimulus measures. Exports, a key driver of the economy, rose 14.2% in October from a year earlier, while imports increased by 17.1%, resulting in a trade surplus of \$1.4 billion.
- On Tuesday (3/12), the Finance Minister stated that there is room for a rate cut as inflation is low, though the decision ultimately lies with the central bank. He also mentioned that he wanted the baht to stabilize at a weaker level to support the economy.

Thai Baht Performance

Last Week Close	34.39 THB/USD	Monthly High	34.57 THB/USD
Week Open	34.30 THB/USD	Monthly Low	33.93 THB/USD
Week Close	34.06 THB/USD	30 Days Average	34.31 THB/USD
Weekly High	34.57 THB/USD	90 Days Average	33.92 THB/USD
Weekly Low	33.87 THB/USD	YTD Change	-0.99%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Nov	11-Dec		56.0

Lower Bound	33.70	Upper Bound	34.30
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Forecast	Neutral
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WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Dec 2024 - 13 Dec 2024

Euro Graph


Source: Refinitiv

Euro News

- At the beginning of the week, the euro dropped against the dollar after German retail sales declined and eurozone inflation accelerated in November, adding to the case for a more cautious European Central Bank interest rate cut next month.
- Additionally, political uncertainty in France has had immediate effects on the euro, as investors react to the possibility of a government collapse.
- Prime Minister Michel Barnier lost a no-confidence vote, with President Emmanuel Macron set to quickly install a new prime minister. The fall of the government leaves France without a clear path toward reducing its budgetary deficit, according to credit rating agency Standard & Poor's on Thursday (5/12).
- However, the euro rallied after the collapse of France's government, with the yield spread between French and German 10-year yields tightening to 76.9. Macron is looking to appoint a new prime minister to replace Michel Barnier.

Euro Index Performance

Last Week Close	1.0575 USD/EUR	Monthly High	1.0629 USD/EUR
Week Open	1.0575 USD/EUR	Monthly Low	1.0461 USD/EUR
Week Close	1.0568 USD/EUR	30 Days Average	1.0641 USD/EUR
Weekly High	1.0629 USD/EUR	90 Days Average	1.0890 USD/EUR
Weekly Low	1.0459 USD/EUR	YTD Change	-4.49%

Euro Outlook

- This week, the main focus is on the European Central Bank (ECB) meeting on Thursday (12/12). The market expects another rate cut by the ECB this week, with over 150 basis points of easing priced in by the end of 2025.
- The ECB is also set to publish updated growth and inflation forecasts, which are likely to be revised lower for next year.
- Since the ECB's last meeting in October, tariff risks for Europe have increased following Trump's election win. France and Germany are grappling with political turmoil, business activity has slowed sharply, and the euro has weakened.

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Sentix Index	Dec	9-Dec		-12.8
ECB Refinancing Rate	Dec	12-Dec	3.15%	3.40%
ECB Deposit Rate	Dec	12-Dec	3.00%	3.25%
Industrial Production MM	Oct	13-Dec	0.3%	-2.0%
Industrial Production YY	Oct	13-Dec		-2.8%

Lower Bound	1.0400	Upper Bound	1.0600
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Dec 2024 - 13 Dec 2024

Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- This week, the market will focus on UK GDP data for October, set to be released on Thursday (12/12), along with GfK consumer confidence and industrial output data on Friday (13/12).
- Meanwhile, markets are largely expecting the Bank of England to hold rates unchanged at its next meeting on December 19.
- The pound sterling has remained resilient despite persistent USD demand. Political turbulence in South Korea and France, US President-elect Donald Trump's tariff threats, and the diverging monetary policy outlooks between the US Federal Reserve (Fed) and the Bank of England (BoE) have emerged as the main drivers for GBP/USD price action.

Lower Bound	1.2600	Upper Bound	1.2800
Forecast	Depreciation		

Pound Sterling News

- Last week, the pound gained against the US dollar after dropping from a 1.5-year high in October as the U.S. jobs market surged and fell further in November with the re-election of Donald Trump boosting the USD.
- BOE policymaker Greene stated that it's unclear whether Trump's policy will impact UK inflation, which could lead to a more cautious approach to the BOE's future rate cut plans.
- Data showed that UK house prices rose for the fifth consecutive month in November, indicating a recovering economy.
- Mortgage lender Halifax reported that prices rose by 1.3% during the month, marking the biggest increase so far this year and pushing the annual growth rate up to 4.8%, its strongest level since November 2022.
- GBP/USD continued to push higher, reaching its strongest level since November 12 at 1.2770 on Thursday (5/12).

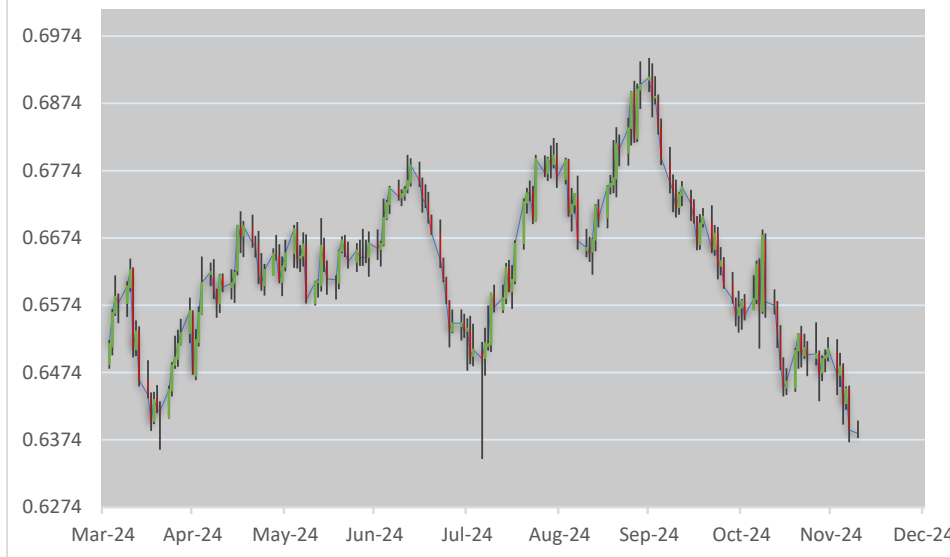
Pound Sterling Performance

Last Week Close	1.2737 USD/GBP	Monthly High	1.2811 USD/GBP
Week Open	1.2742 USD/GBP	Monthly Low	1.2618 USD/GBP
Week Close	1.2742 USD/GBP	30 Days Average	1.2761 USD/GBP
Weekly High	1.2811 USD/GBP	90 Days Average	1.2977 USD/GBP
Weekly Low	1.2614 USD/GBP	YTD Change	-0.06%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Oct	12-Dec		0.1%
GDP Estimate MM	Oct	12-Dec	0.2%	-0.1%
GDP Estimate YY	Oct	12-Dec		1.0%
Goods Trade Balance GBP	Oct	12-Dec		-16.321B
GfK Consumer Confidence	Dec	13-Dec		-18
Industrial Output MM	Oct	13-Dec		-0.5%
Industrial Output YY	Oct	13-Dec		-1.8%
Manufacturing Output MM	Oct	13-Dec		-1.0%
Manufacturing Output YY	Oct	13-Dec		-0.7%

WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Dec 2024 - 13 Dec 2024

Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- The data revealed a significantly stronger-than-expected increase in US jobs, which, combined with rising expectations for an interest rate cut by the Reserve Bank of Australia (RBA), put additional pressure on the Australian Dollar. Furthermore, weaker-than-expected domestic GDP growth figures further dampened the outlook for AUD/USD.
- This week, the market is also focused on the RBA meeting on Tuesday, December 10th, and the unemployment rate release on Thursday (12/12).

Australian Dollar News

- The Australian dollar experienced a sharp decline on Wednesday, December 4th, following weaker-than-expected GDP data, which increased speculation that the Reserve Bank of Australia might cut interest rates earlier in 2025.
- Third-quarter GDP grew by 0.8% year-on-year, falling short of the anticipated 1.1% and slowing from the previous quarter's 1% growth. Quarter-on-quarter growth rose to 0.3%, but this also missed expectations of 0.5% and was below the RBA's forecast of 0.5%.
- The weaker GDP reading was primarily due to low private spending, as persistent inflation and high mortgage rates dampened consumer demand. Additionally, soft commodity export prices impacted the economy, with weak overseas demand, particularly from China.
- On Friday (6/12), the AUD/USD exchange rate dropped to near its August lows of 0.6350, following the release of the US Non-Farm Payroll report for November.

Australian Dollar Performance

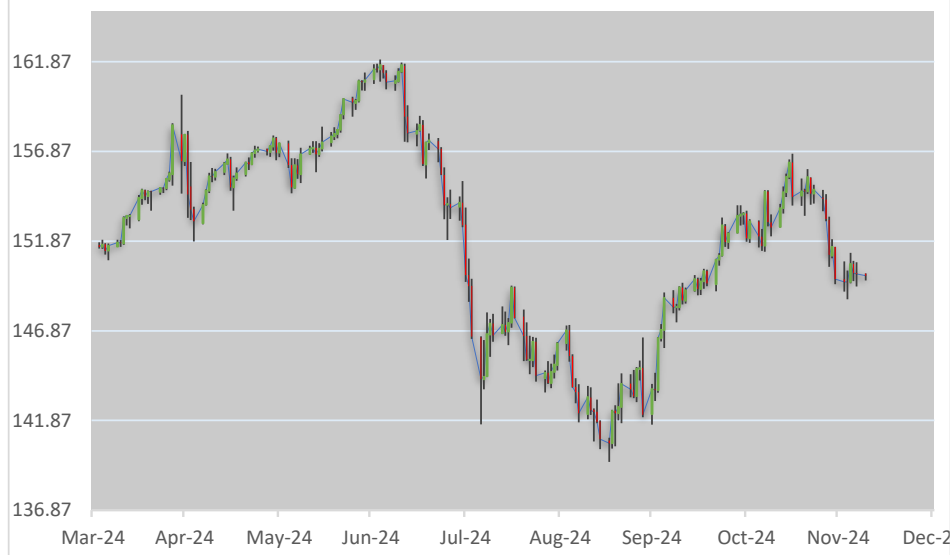
Last Week Close	0.6510 USD/AUD	Monthly High	0.65240 USD/AUD
Week Open	0.6506 USD/AUD	Monthly Low	0.63730 USD/AUD
Week Close	0.6389 USD/AUD	30 Days Average	0.67722 USD/AUD
Weekly High	0.6524 USD/AUD	90 Days Average	0.66987 USD/AUD
Weekly Low	0.6371 USD/AUD	YTD Change	-6.23%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Invest Hous'g Fin MM	Oct	6-Dec		-1.00%
NAB Business Conditions	Nov	10-Dec		7
NAB Business Confidence	Nov	10-Dec		5
RBA Cash Rate	Dec	10-Dec	4.35%	4.35%
Employment	Nov	12-Dec	25.0k	15.9k
Full Time Employment	Nov	12-Dec		9.7k
Unemployment Rate	Nov	12-Dec	4.2%	4.1%

Lower Bound	0.6300	Upper Bound	0.6500
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Dec 2024 - 13 Dec 2024

Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- We expect the Japanese yen to appreciate against the US dollar due to the divergent monetary policy expectations of the Federal Reserve (Fed) and the Bank of Japan (BoJ). While the BoJ is on track for more interest rate hikes, other major central banks, including the Fed, are expected to lower borrowing costs further.
- In Japan, the market consensus anticipates a 25 basis point hike later this month. However, dovish comments by board member Nakamura on Thursday, December 5th, have cast some doubts on the final decision, putting pressure on the yen.

Lower Bound	148.00	Upper Bound	151.00
Forecast	Appreciation		

Japanese Yen News

- At the beginning of the week, the Japanese yen weakened above the 150.50 level once again after reaching a six-week high against the dollar. This movement was driven by faster-than-expected inflation in Tokyo, which supported bets for a Bank of Japan (BoJ) interest rate hike this month. Markets now imply a 56% chance that the BoJ will raise rates by a quarter point to 0.5% at its policy meeting on December 18-19.
- The Statistics Bureau of Japan reported that Tokyo's core consumer price index (excluding volatile fresh food costs) rose 2.2% year-on-year in November, up from 1.8% the previous month and surpassing forecasts of a 2.1% increase.
- The yen strengthened against the dollar. However, speculation that the BoJ could hike interest rates again in December is expected to limit any significant depreciation of the yen. Additionally, US President-elect Donald Trump's looming trade tariff threats, along with persistent geopolitical risks, might support the safe-haven yen.

Japanese Yen Performance

Last Week Close	149.75 JPY/USD	Monthly High	151.22 JPY/USD
Week Open	149.73 JPY/USD	Monthly Low	148.66 JPY/USD
Week Close	150.03 JPY/USD	30 Days Average	150.51 JPY/USD
Weekly High	151.22 JPY/USD	90 Days Average	155.03 JPY/USD
Weekly Low	148.63 JPY/USD	YTD Change	+6.30%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Oct	9-Dec	2,318.0B	1,717.1B
Current Account Bal SA	Oct	9-Dec		1,271,700M
Trade Bal Cust Basis SA	Oct	9-Dec		-324,169.00M
GDP Rev QQ Annualised	Q3	9-Dec	0.9%	0.9%
GDP Revised QQ	Q3	9-Dec	0.2%	0.2%
Corp Goods Price MM	Nov	11-Dec	0.2%	0.2%
Corp Goods Price YY	Nov	11-Dec	3.4%	3.4%
Tankan Big Mf Idx	Q4	13-Dec	12	13
Tankan Big Mf Outlook DI	Q4	13-Dec	11	14
Tankan Big Non-Mf Idx	Q4	13-Dec	32	34

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