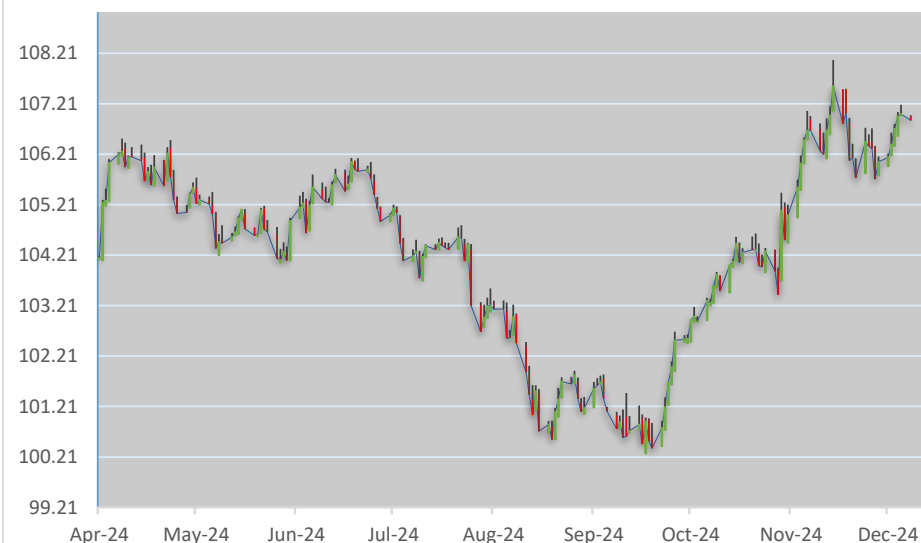


WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

• This week market focus on: US December Purchasing Managers Index (PMI) figures are due on Monday, Retail Sales data on Tuesday, the Federal Reserve's (Fed) final rate call of 2024 on Wednesday. Markets are widely anticipating a third straight quarter-point rate trim for 25 bps, but a recent upswing in US inflation metrics could begin to challenge market hopes for a continued rate cut schedule heading into 2025. Friday will round out a tense week with a fresh update to US Core Personal Consumption Expenditures Price Index (PCEPI) inflation data for November.

Lower Bound	105.50	Upper Bound	107.00
Forecast	Neutral		

Dollar News

- The dollar recovered from a 3-1/2week low Friday and moved moderately higher. Short covering emerged in the dollar after the University of Michigan US Dec consumer sentiment index rose more than expected to an 8-month high. Also, hawkish Fed comments supported the dollar when Fed Governor Bowman said the Fed should proceed cautiously with rate cuts, and Cleveland Fed President Hammack said the Fed is near the point of slowing interest rate cuts.
- The dollar held gains after the US Consumer Price Index (CPI) came broadly in line of expectations. No real outliers with the Monthly Headline Inflation coming in at 0.3% while the monthly Core Inflation measure ticked up by 0.3% as well.
- In addition, US Producer Price Index (PPI) data showed inflation jetting above expectations, which may slow the Federal Reserve's (Fed) turn toward loose monetary policy next year.

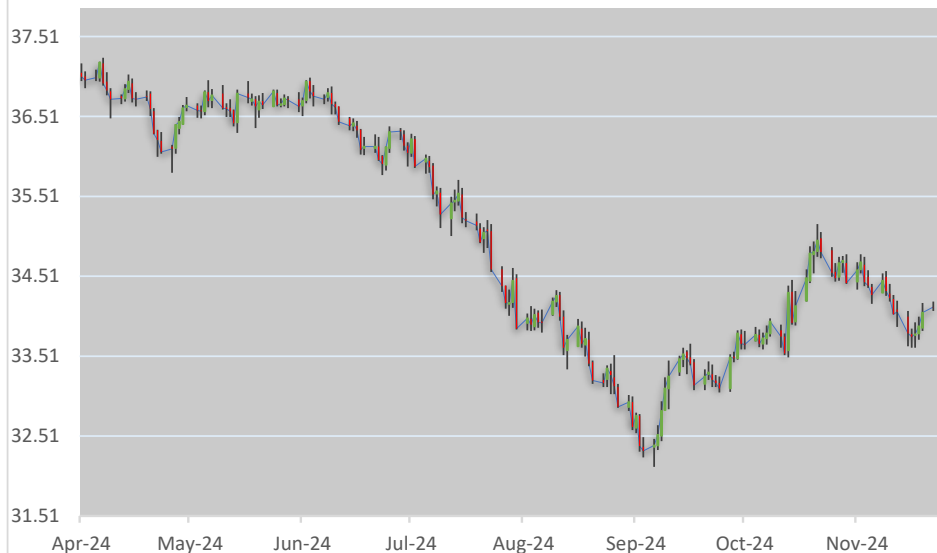
Dollar Index Performance

Last Week Close	106.06	Monthly High	108.07
Week Open	105.97	Monthly Low	103.37
Week Close	107.00	30 Days Average	106.16
Weekly High	107.19	90 Days Average	103.48
Weekly Low	105.80	YTD Change	+5.43%

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%	3.3%
CPI MM, SA	Nov	11-Dec	0.3%	0.2%
CPI YY, NSA	Nov	11-Dec	2.7%	2.6%
CPI Wage Earner	Nov	11-Dec		309.358
PPI Machine Manuf'ing	Nov	12-Dec		185.1
Import Prices YY	Nov	13-Dec		0.8%
Initial Jobless Clm	2 Dec, w/e	12-Dec	220k	225k

WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- Market will take a focus on Major bank (FED. BOE and BOJ) monetary policy decision meeting.
- Also, Bank of Thailand will have a policy meeting on Wednesday which economist expect BOT to keep the rate unchanged after a surprise October trim.

Thai Baht News

- Thailand consumer confidence index in November was at 56.9, higher than prior.
- The baht move in a sideways down pattern as there's no new catalyst to the market.
- On Tuesday, Thailand's market was closed due to constitution day.
- The baht depreciated against the dollar after the gold price fell from profit taking while foreign investor still hold a net sell position.

Thai Baht Performance

Last Week Close	34.03 THB/USD	Monthly High	34.57 THB/USD
Week Open	34.00 THB/USD	Monthly Low	33.66 THB/USD
Week Close	34.05 THB/USD	30 Days Average	34.32 THB/USD
Weekly High	34.17 THB/USD	90 Days Average	33.84 THB/USD
Weekly Low	33.61 THB/USD	YTD Change	-0.64%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	Nov	12-Dec		56.0
Forex Reserves	6 Dec, w/e	13-Dec		237.5B
Currency Swaps	6 Dec, w/e	13-Dec		27.0B

Lower Bound	33.70	Upper Bound	34.30
Forecast	Neutral		

WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Euro Graph


Source: Refinitiv

Euro Outlook

- Market's momentum is shift to the Fed policy meeting which will lead to the direction of many central banks while outlook of the euro is still negative.
- Also other focus is on Germany politics, Chancellor Scholz has called for a vote of confidence on Wednesday and the Bundestag will vote next Monday on 16 Dec. To survive the vote, Scholz would need to receive the support of an absolute majority of 367 votes. But in the event, he fails, then Germany is likely to make way for elections on 23 Feb 2025. Far-right AfD is calling for Germany to leave the European Union, the EUR and Paris climate deal as the party prepares for early elections in Feb-2025.

Lower Bound	1.0400	Upper Bound	1.0600
Forecast	Depreciation		

Euro News

- The euro declined by 0.2% to 1.0530 after German inflation held steady at 2.4% in November, confirming earlier estimates.
- The European Central Bank (ECB) policy meeting in which the central bank reduced its Rate on Deposit Facility by 25 basis points (bps) to 3%, as expected. Similarly, the Main Refinancing Operations Rate was reduced by 25 bps to 3.15%. This was the third straight 25 bps interest rate cut by the ECB in a row and the fourth of the year.
- The ECB President Christine Lagarde admitted that a 50 basis point rate cut scenario was on the table. However, the Governing Council agreed that a 25 basis point rate cut was more appropriate, while ECB policymaker Martins Kazaks said on Friday that "the direction of interest rates is clearly down."
- Eurozone's industrial sector activity showed no growth in October, the latest data published by Eurostat showed on Friday. Industrial output in the old continent came in 0% MoM, compared to the expected decrease of 0.1% and a -1.5% in September.

Euro Index Performance

Last Week Close	1.0568 USD/EUR	Monthly High	1.0629 USD/EUR
Week Open	1.0562 USD/EUR	Monthly Low	1.0454 USD/EUR
Week Close	1.0502 USD/EUR	30 Days Average	1.0584 USD/EUR
Weekly High	1.0594 USD/EUR	90 Days Average	1.0867 USD/EUR
Weekly Low	1.0452 USD/EUR	YTD Change	-4.70%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Sentix Index	Dec	9-Dec	-13.5	-12.8
CPI Final MM	Nov	10-Dec	-0.2%	-0.2%
CPI Final YY	Nov	10-Dec	2.2%	2.2%
HICP Final MM	Nov	10-Dec	-0.7%	-0.7%
HICP Final YY	Nov	10-Dec	2.4%	2.4%
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	-0.1%	-2.0%
Industrial Production YY	Oct	13-Dec	-1.9%	-2.8%

WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- Market focus on policy direction of the UK central bank, BoE will have a policy meeting on Thursday which expect to hold the rate unchanged at 4.75%.
- On data front, UK's CPI will be released on Wednesday which expected to be at 2.6%, while retail sales will be released on Friday which expected to increased by 0.5%.

Pound Sterling News

- The Pound sterling enjoyed a brief jump after the U.S. payrolls report showed a rise in the unemployment rate that supported the case for a rate cut at the Fed's final policy meeting of the year, but lack of follow-through gains underpinned the view that alternatives to the dollar are lacking.
- The Pound falls sharply against its major peers on Friday after the United Kingdom (UK) Office for National Statistics (ONS) reported that monthly GDP surprisingly contracted in October. The report showed that the economy declined by 0.1%, as it did in September, while economists expected it to expand by 0.1%.

Pound Sterling Performance

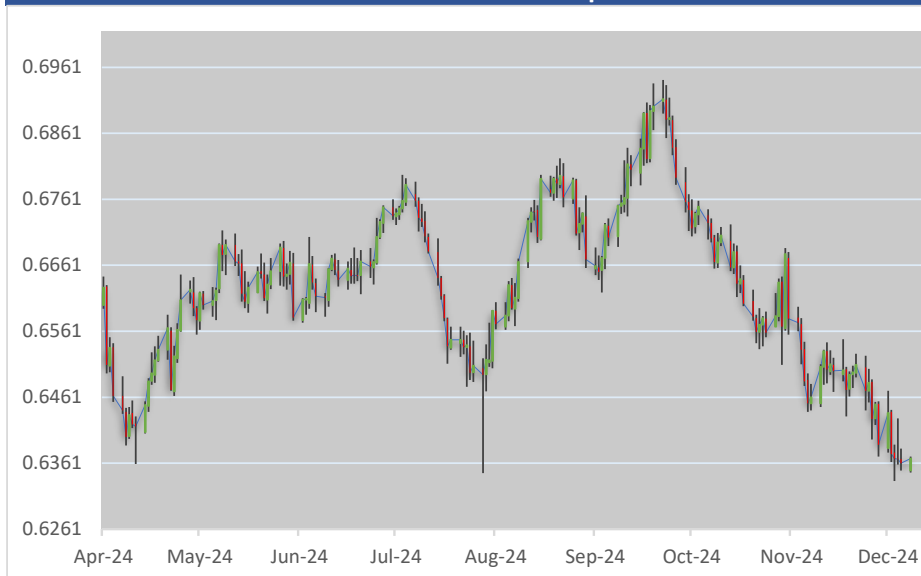
Last Week Close	1.2742 USD/GBP	Monthly High	1.2811 USD/GBP
Week Open	1.2731 USD/GBP	Monthly Low	1.2609 USD/GBP
Week Close	1.2618 USD/GBP	30 Days Average	1.2718 USD/GBP
Weekly High	1.2798 USD/GBP	90 Days Average	1.2975 USD/GBP
Weekly Low	1.2605 USD/GBP	YTD Change	-0.75%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Oct	13-Dec	0.1%	0.1%
GDP Estimate MM	Oct	13-Dec	0.1%	-0.1%
GDP Estimate YY	Oct	13-Dec	1.6%	1.0%
Services MM	Oct	13-Dec	0.1%	0.0%
Services YY	Oct	13-Dec	2.0%	1.5%
Manufacturing Output MM	Oct	13-Dec	0.2%	-1.0%

Lower Bound	1.2600	Upper Bound	1.2800
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- The Australian Dollar exhibits a subdued performance in Friday's session, pressured by a strengthening US Dollar (USD). Markets anticipate the Federal Reserve (Fed) will shift toward a more hawkish stance after Wednesday's interest rate cut.
- Market eyes on the releasing of China's Industrial production and retail sales on Monday.

Australian Dollar News

- The Aud fell sharply after the Reserve Bank of Australia (RBA) delivered less hawkish interest rate guidance. RBA Governor Michele Bullock expressed confidence that inflation risks had eased but not disappeared. She noted that the decision to cut interest rates in the upcoming February meeting would be data-dependent, but she was confident that wages and demand were slowing.
- The Australian economy added 35.6K workers, higher than estimates of 25K and the former release of 12.1K. The Unemployment Rate surprisingly fell to 3.9% from 4.1% in October, which was expected to accelerate to 4.2%.
- The Australian Dollar exhibits a subdued performance in Friday's session, pressured by a strengthening US Dollar (USD). Markets anticipate the Federal Reserve (Fed) will shift toward a more hawkish stance after Wednesday's interest rate cut.

Australian Dollar Performance

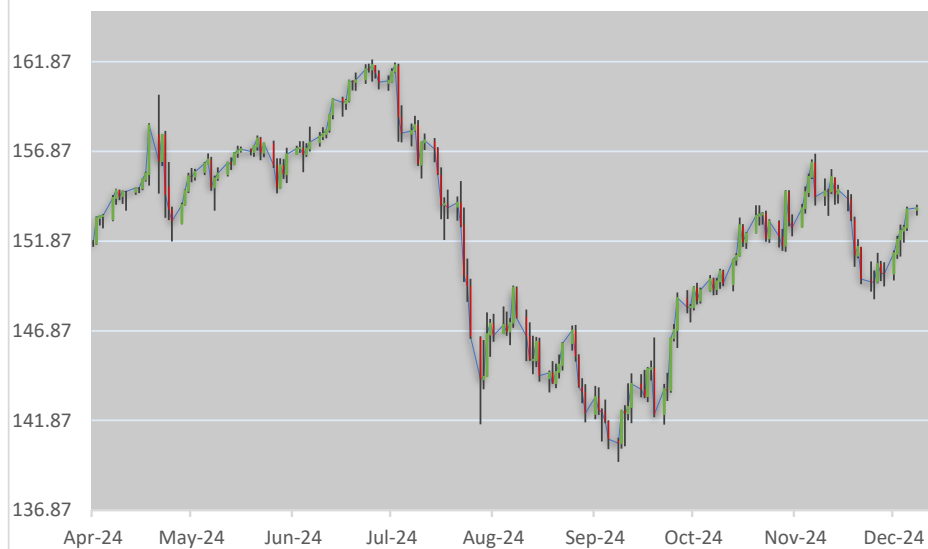
Last Week Close	0.6389 USD/AUD	Monthly High	0.65240 USD/AUD
Week Open	0.6384 USD/AUD	Monthly Low	0.63370 USD/AUD
Week Close	0.6361 USD/AUD	30 Days Average	0.67718 USD/AUD
Weekly High	0.6471 USD/AUD	90 Days Average	0.67013 USD/AUD
Weekly Low	0.6334 USD/AUD	YTD Change	-6.48%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
RBA Cash Rate	Dec	10-Dec	4.35%	4.35%
Employment	Nov	12-Dec	25.0k	15.9k
Unemployment Rate	Nov	12-Dec	4.2%	4.1%
Owner-Occp'd Hous'g Fin MM	Oct	13-Dec		0.10%
Invest Hous'g Fin MM	Oct	13-Dec		-1.00%

Lower Bound	0.6300	Upper Bound	0.6500
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
16 Dec 2024 - 20 Dec 2024

Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- The eternally-dovish BoJ is expected to maintain its policy rates at 0.25% once again, but JPY market participants will be keeping a close eye out for any hints about policy direction from the BoJ's Press Conference following its rate call.
- Traders see just a 23% chance of a quarter-point hike by the BOJ on Dec. 19, following reports by Reuters and Bloomberg that pointed to officials forgoing tightening this time in order to wait for more evidence of wage growth and see how U.S. policy takes shape under incoming president Donald Trump.

Lower Bound	148.00	Upper Bound	151.00
Forecast	Appreciation		

Japanese Yen News

- Traders seem to be less confident about the BoJ pushing interest rates higher even though Japan's Q3 Gross Domestic Product (GDP) grew faster than projected. Japanese Cabinet Office reported in the Asian session that the economy rose by 1.2% compared to the same quarter of the previous year against the estimates and the Q2 growth of 0.9%.
- USD/JPY traded higher this week after PM Ishiba told parliament that the government is not considering revising a long-standing agreement between BoJ and the government as Japan has not escaped deflation yet. He also added that BoJ's monetary policy doesn't aim to move FX.
- BoJ officials remain open to a hike next week depending on data, market developments.

Japanese Yen Performance

Last Week Close	150.03 JPY/USD	Monthly High	153.90 JPY/USD
Week Open	150.06 JPY/USD	Monthly Low	148.66 JPY/USD
Week Close	153.64 JPY/USD	30 Days Average	148.38 JPY/USD
Weekly High	153.79 JPY/USD	90 Days Average	154.44 JPY/USD
Weekly Low	149.67 JPY/USD	YTD Change	+9.05%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
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%
Reuters Tankan N-Man Idx	Dec	11-Dec		19
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 Non-Mf Idx	Q4	13-Dec	32	34

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