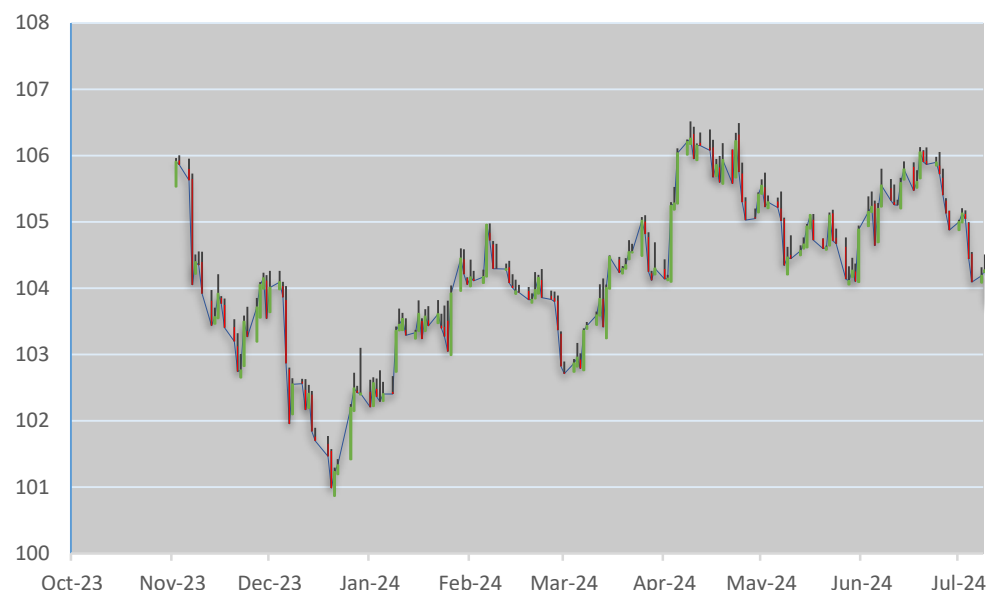


WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- On data front, market focus on Empirestate manufacturing Index on Monday (15/7), Retail Sales on Tuesday (16/7) and Unemployment Change (18/7).
- This is the final week before Fed members enter their media blackout period, which scheduled between July 20th to August 1st. For now, we just have two FOMC members speaking: Bowman on Thursday July 18th at 23:30 GMT, And Bostic on Friday 19th at 16:45. Given there is not a huge amount of US data, we may already have full-drawn conclusions as to what the Fed will do in September.

Dollar News

- The dollar moved in a narrow range after Federal Reserve Chair Jerome Powell struck a cautious tone on how soon interest rate cuts would come. In the first day of his testimony to Congress overnight, Powell said a rate cut is not appropriate until the Fed gains "greater confidence" inflation is headed toward the 2% inflation target. However, he noted the cooling job market, saying "we now face two-sided risks" and can no longer focus solely on inflation. Moreover, he said on Wednesday that he continues to see a soft landing for the U.S. economy even as the central bank's persists with its restrictive monetary policy measures to bring down inflation.
- The dollar fell weighed on by lower-than-expected US consumer prices. The headline CPI dipped 0.1% for the first time since May 2020. Market is expecting a 85% probability of a rate cut in September compared to 70% before CPI was released.

Dollar Index Performance

| | | | |
|------------------------|---------------|------------------------|---------------|
| Last Week Close | 104.88 | Monthly High | 106.13 |
| Week Open | 104.88 | Monthly Low | 103.65 |
| Week Close | 104.09 | 30 Days Average | 105.12 |
| Weekly High | 0.00 | 90 Days Average | 104.98 |
| Weekly Low | 104.04 | YTD Change | +2.92% |

Next Week's Dollar Index Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------------|--------|--------------------|----------|----------|
| Import Prices YY | Jun | 16-Jul | | 1.1% |
| Retail Sales MM | Jun | 16-Jul | 0.0% | 0.1% |
| Housing Starts Number | Jun | 17-Jul | 1.305M | 1.277M |
| Industrial Production MM | Jun | 17-Jul | 0.3% | 0.9% |
| Initial Jobless Clm | | 13 Jul, w/e 18-Jul | | 222k |
| Philly Fed Business Indx | Jul | 18-Jul | 2.9 | 1.3 |

Lower Bound **104.50** **Upper Bound** **105.50**
Forecast **Depreciation**

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- As there's no important Thailand's economic data released, market eyes on the political issue that constitution court will have a conclusion in disband of kaoklai party on Wednesday (17/7).

Thai Baht News

- The baht moved in a narrow range against the dollar as market wait for the result of prime minister's qualification issue from the court. However, the political temperature is expected to rise as the Constitutional Court begins its deliberation of three political cases
- The baht rose VS the dollar. Thailand's government has sufficient funds to finance a 500 billion-baht (\$13.8 billion) household handout scheme, which is on track to be rolled out in the fourth quarter, a deputy finance minister said on Wednesday. The government has prepared 450 billion baht from 2024 and 2025 fiscal budgets for the program, and may not need to use funds from a state-owned bank.
- The baht also get the support from lower-than-expectation of US's CPI which lead to higher expectation of Fed rate cut on September.

Thai Baht Performance

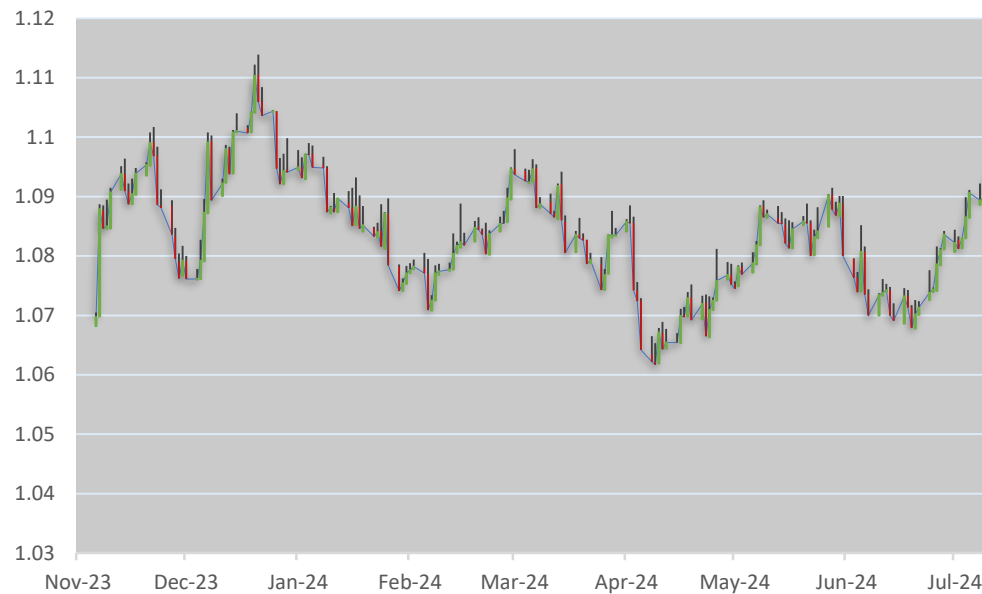
| | | | | | |
|------------------------|--------------|----------------|------------------------|---------------|----------------|
| Last Week Close | #N/A | THB/USD | Monthly High | 36.88 | THB/USD |
| Week Open | 36.48 | THB/USD | Monthly Low | 35.83 | THB/USD |
| Week Close | 36.13 | THB/USD | 30 Days Average | 36.53 | THB/USD |
| Weekly High | 36.48 | THB/USD | 90 Days Average | 36.57 | THB/USD |
| Weekly Low | 36.02 | THB/USD | YTD Change | +5.53% | |

Next Week's Thai Baht Economic Events

| Events | Period | Date | Forecast | Previous |
|----------------|---------------|-------------|-----------------|-----------------|
| Forex Reserves | 8 Jul, w/e | 19-Jul | | 225.7B |
| Currency Swaps | 8 Jul, w/e | 19-Jul | | 28.4B |

| | | | |
|--------------------|----------------|--------------------|--------------|
| Lower Bound | 36.25 | Upper Bound | 36.90 |
| Forecast | Neutral | | |

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Euro Graph


Source: Thomson Reuters

Euro Outlook

- The European Central Bank (ECB) will have an interest rate decision on Thursday (18/7) and are very unlikely to cut their interest rate next, and it is not all that clear they have a good enough case to in September. Headline inflation is moving lower yet services and wage growth remaining stubbornly high and the labour market remains strong. It therefore seems likely that the ECB will keep their cards close to their chest and refrain from signalling a September cut.

Euro News

- The euro slipped against the greenback as traders are still trying to digest the implications of Sunday's second round of parliamentary elections in France, with the country now facing a hung parliament and difficult negotiations to form a government.
- The euro rose as the Marine Le Pen-led far-right National Rally fails to gain an absolute majority in French elections. The far-right misses an outright majority despite leading in the first round, resulting in diminished fears of a widening French financial crisis.

Euro Index Performance

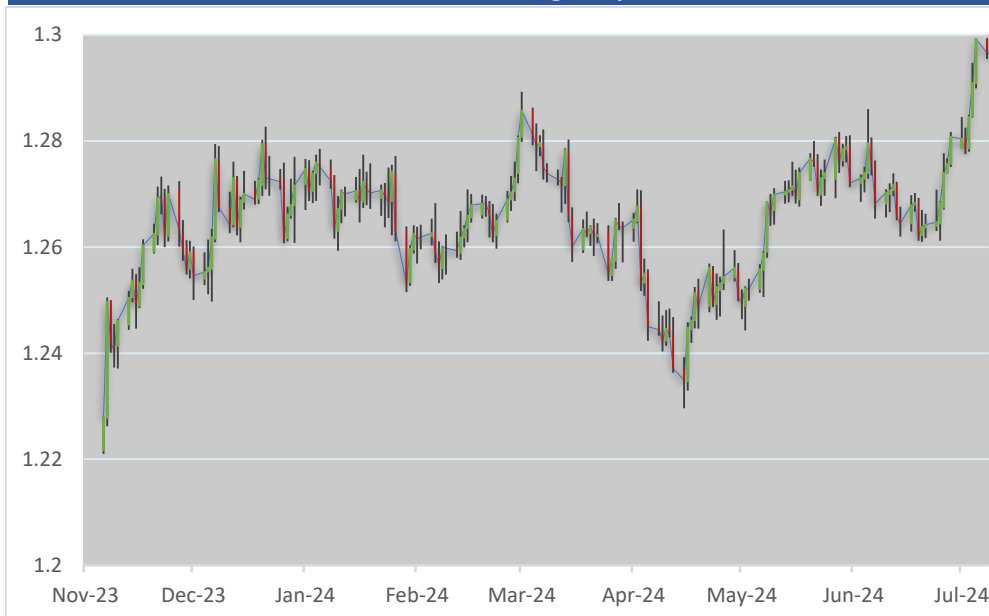
| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 1.0836 USD/EUR | Monthly High | 1.0947 USD/EUR |
| Week Open | 1.0807 USD/EUR | Monthly Low | 1.0710 USD/EUR |
| Week Close | 1.0906 USD/EUR | 30 Days Average | 1.0790 USD/EUR |
| Weekly High | 1.0911 USD/EUR | 90 Days Average | 1.0787 USD/EUR |
| Weekly Low | 1.0804 USD/EUR | YTD Change | -1.34% |

Next Week's Euro Economic Events

| Events | Period | Date | Forecast | Previous |
|------------------------|--------|--------|----------|----------|
| ZEW Economic Sentiment | Jul | 16-Jul | 42.5 | 47.5 |
| ZEW Current Conditions | Jul | 16-Jul | -74.3% | -73.8% |
| Producer Prices MM | Jun | 19-Jul | 0.0% | 0.0% |
| Producer Prices YY | Jun | 19-Jul | | 0.0% |

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 1.0750 | Upper Bound | 1.0900 |
| Forecast | Appreciation | | |

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- Market keeps an eye on CPI data which will be released on Wednesday (17/7).
- Inflation data on Wednesday, therefore, warrants a close look. Whilst the headline CPI figure finally tapped the BOE's 2% target, core CPI remains at 3.5% and may need to dip a lot closer to 3% to rekindle hopes of a BOE cut any time soon.
- Over the past few days, we have heard the BOE's chief economist flirt with the discussion of rate cuts, alongside better-than-expected output figures, which have sent GBP/USD to a 12-month high. Clearly, markets are paying greater attention to incoming data over BOE officials', and with good reason given the multiple times the BOE has tried to talk a dovish game only for the economy to outperform expectations.

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 1.2750 | Upper Bound | 1.2900 |
| Forecast | Appreciation | | |

Pound Sterling News

- The British pound traded largely unchanged at 1.2805, after rising as high as 1.2845 on Monday, its strongest since June 12. Bank of England policymaker Jonathan Haskel said that day he wanted to keep interest rates on hold as inflation pressures remained in the jobs market. The Bank of England next meets at the start of August.
- The pound sterling rose on Bank of England Chief Economist Huw Pill's remarks that the Monetary Policy Committee (MPC) should be cautious in seeing a single piece of data as a trigger for policy reassessment.

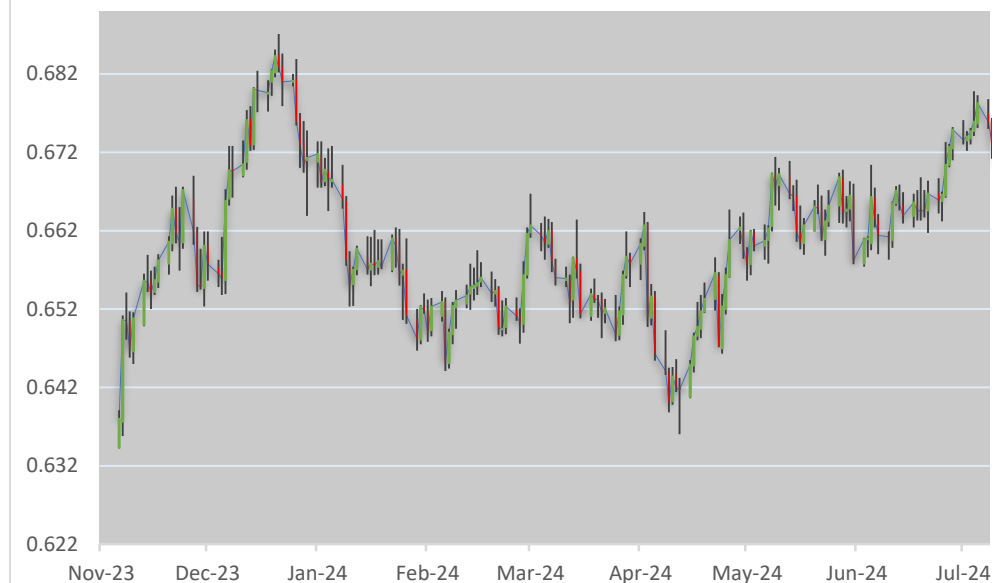
Pound Sterling Performance

| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 1.2808 USD/GBP | Monthly High | 1.3044 USD/GBP |
| Week Open | 1.2786 USD/GBP | Monthly Low | 1.2616 USD/GBP |
| Week Close | 1.2992 USD/GBP | 30 Days Average | 1.2771 USD/GBP |
| Weekly High | 1.2993 USD/GBP | 90 Days Average | 1.2662 USD/GBP |
| Weekly Low | 1.2775 USD/GBP | YTD Change | +1.63% |

Next Week's Pound Sterling Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------------|---------------|-------------|-----------------|-----------------|
| Core CPI YY | Jun | 17-Jul | 3.5% | 3.5% |
| CPI YY | Jun | 17-Jul | 2.0% | 2.0% |
| CPI Services MM | Jun | 17-Jul | | 0.6% |
| Claimant Count Unem Chng | Jun | 18-Jul | | 50.4k |
| ILO Unemployment Rate | May | 18-Jul | 4.4% | 4.4% |
| HMRC Payrolls Change | Jun | 18-Jul | | -3k |
| Retail Sales MM | Jun | 19-Jul | -0.4% | 2.9% |
| Retail Sales Ex-Fuel MM | Jun | 19-Jul | -0.5% | 2.9% |
| Retail Sales YY | Jun | 19-Jul | 0.2% | 1.3% |

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The main focus for AUD on labor date on Thursday (18/7).
- The strong labour market in Australia has been a key reason that the RBA have been unable to switch to a dovish tone, when inflation was falling. Yet the rise of inflation this year prompted then RBA to discuss a potential hike at the last two meetings. And if employment heats up from here, it simply means that the odds of another RBA hike increase.

Australian Dollar News

- The AUD receives pressure as the Consumer Price Index (CPI) in China, a close trade partner of Australia, rose at an annual rate of 0.2% in June, down from a 0.3% rise in May. The market had forecasted a 0.4% increase for the period. Monthly, Chinese CPI inflation declined by 0.2% in June, compared to a 0.1% decline in May, which came in below the expected decline of 0.1%.
- The AUD jumps in Thursday's American session after US CPI report showed that inflationary pressures cool down again in June. This has prompted expectations for the Federal Reserve (Fed) to start reducing interest rates from the September meeting.

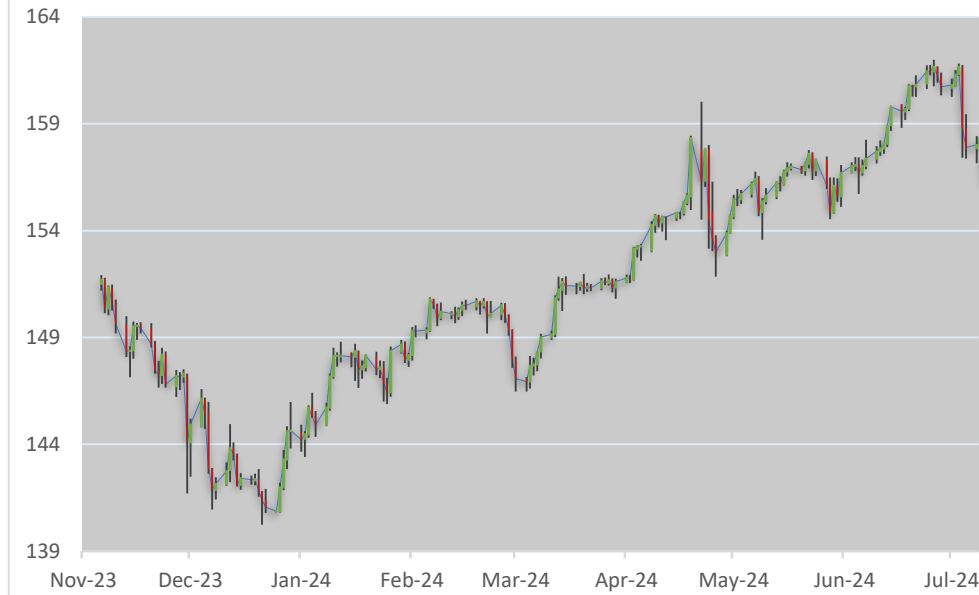
Australian Dollar Performance

| | | | |
|------------------------|-----------------------|------------------------|------------------------|
| Last Week Close | 0.6749 USD/AUD | Monthly High | 0.67980 USD/AUD |
| Week Open | 0.6749 USD/AUD | Monthly Low | 0.66350 USD/AUD |
| Week Close | 0.6783 USD/AUD | 30 Days Average | 0.65725 USD/AUD |
| Weekly High | 0.6798 USD/AUD | 90 Days Average | 0.65535 USD/AUD |
| Weekly Low | 0.6722 USD/AUD | YTD Change | -1.62% |

Next Week's Australian Dollar Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------------|--------|--------|----------|----------|
| Composite Leading Idx MM | Jun | 17-Jul | | 0.0% |
| Employment | Jun | 18-Jul | 20.0k | 39.7k |
| Participation Rate | Jun | 18-Jul | 66.70% | 0.7% |
| Unemployment Rate | Jun | 18-Jul | 4.00% | 0.0% |

| | | | |
|--------------------|---------------------|--------------------|---------------|
| Lower Bound | 0.6675 | Upper Bound | 0.6820 |
| Forecast | Appreciation | | |


Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- Japanese banks will be closed on Monday (15/7) in observance of Marine day.
- Japan reports provisional trade figures on Thursday (18/7) , followed by nationwide consumer inflation data on Friday (19/7)--both for June.

Japanese Yen News

- The Yen consolidated below the psychological 161.00 USD/JPY , with the yen remaining under pressure as a swathe of weak Japanese economic readings furthered bets that the Bank of Japan will have limited headroom to raise interest rates further.
- On Friday, the yen plunged by more than 200 bps after weaker-than-expected US inflation supported dovish view on US interest rate path. Early in Asia session, yen was very volatile after it dropped 150 bps early in the session before the gain was erased by Japanese importers. Some suspected of a stealth BOJ intervention. There was no confirmation from Minister of Finance Kanda.

Japanese Yen Performance

| | | | |
|------------------------|-----------------------|------------------------|-----------------------|
| Last Week Close | 160.72 JPY/USD | Monthly High | 161.99 JPY/USD |
| Week Open | 160.68 JPY/USD | Monthly Low | 155.38 JPY/USD |
| Week Close | 157.89 JPY/USD | 30 Days Average | 150.07 JPY/USD |
| Weekly High | 161.82 JPY/USD | 90 Days Average | 147.39 JPY/USD |
| Weekly Low | 157.37 JPY/USD | YTD Change | +11.87% |

Next Week's Japanese Yen Economic Events

| Events | Period | Date | Forecast | Previous |
|--------------------------|-------------|------|----------|-------------------|
| Tertiary Inc 16 Jul 2024 | 11:30 | May | 16-Jul | -9.5% |
| Reuters Ta 17 Jul 2024 | 06:00 | Jul | 17-Jul | 31 |
| Exports YY 18 Jul 2024 | 06:50 | Jun | 18-Jul | 6.4% 13.5% |
| Imports YY 18 Jul 2024 | 06:50 | Jun | 18-Jul | 9.3% 9.5% |
| Trade Bala 18 Jul 2024 | 06:50 | Jun | 18-Jul | -240.0B -1,221.3B |
| CPI, Core 19 Jul 2024 | 06:30 | Jun | 19-Jul | 2.7% 2.5% |
| CPI, Overall 19 Jul 2024 | 06:30 | Jun | 19-Jul | 2.8% |
| Reuters Ta 16 Jul 2024 | ##### 06:00 | Jul | 16-Jul | 31 |

| | | | |
|--------------------|----------------|--------------------|---------------|
| Lower Bound | 156.49 | Upper Bound | 163.14 |
| Forecast | Neutral | | |

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