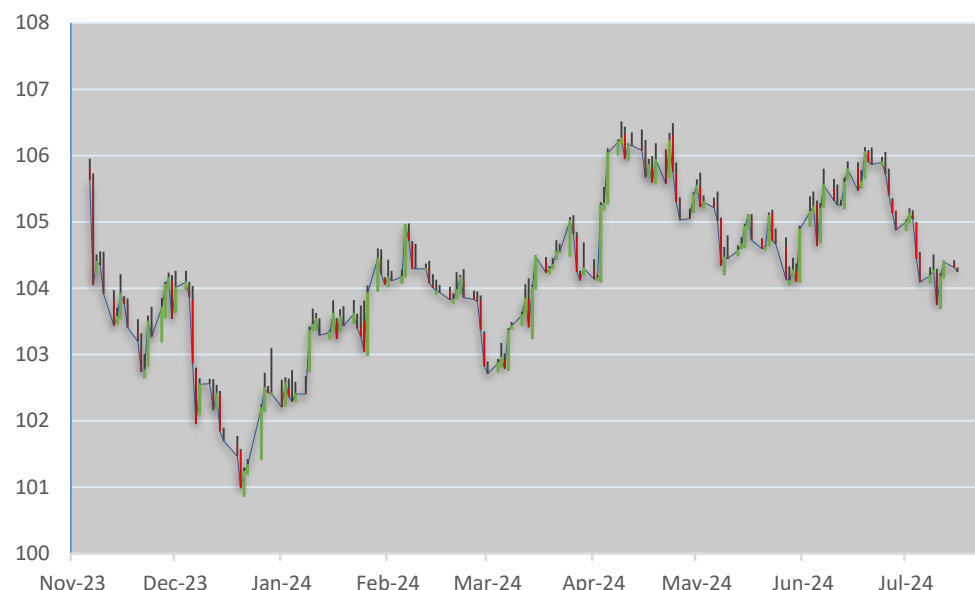


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Jul 2024 - 26 Jul 2024**

**Dollar Index**
**Dollar Index Graph**


Source: Thomson Reuters

**Dollar Outlook**

- The market looking ahead to next week's Federal Reserve meeting, which could signal when the first interest rate cut would be. Which a rate cut in September seems to be priced and could limits the upside for the USD. According to CME Group's FedWatch Tool, markets now indicate a 91.7% probability of a 25-basis point rate cut at the September Fed meeting, up from 90.3% a week earlier.
- Moreover, the market will focus on the first estimate of the second-quarter Gross Domestic Product data in the US on Wednesday (25/7) and the Personal Consumption Expenditures (PCE) Price Index on Friday (26/7), the Federal Reserve's preferred gauge of inflation, figures could drive the USD's valuation.
- However, the U.S. presidential race still also in focus after US President Joe Biden abandoned his re-election bid on Sunday under growing pressure from his fellow Democrats and endorsed Vice President Kamala Harris as the party's candidate to face Republican Donald Trump in the

**Lower Bound**      **103.50**      **Upper Bound**      **105.50**
**Forecast**      **Neutral**
**Dollar News**

- At the beginning of last week, the US dollar fell below 105.00, weighed down by soft labor market figures. The US Nonfarm payroll exceeded the market expectation of 190K, compared to May's revised increase of 218K (adjusted from 272K). Meanwhile, unemployment rate inched higher to 4.1% from 4.0%.
- The US dollar was rebounded from a three-week low on Wednesday (17/7) 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, 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.
- The dollar index climbed above 104 after US jobless claims rose by 243K, surpassing initial predictions of 230K, and worse than the prior gain of 223K (revised from 239K).

**Dollar Index Performance**

<b>Last Week Close</b>	<b>104.09</b>	<b>Monthly High</b>	<b>106.13</b>
<b>Week Open</b>	<b>104.08</b>	<b>Monthly Low</b>	<b>103.65</b>
<b>Week Close</b>	<b>104.40</b>	<b>30 Days Average</b>	<b>105.06</b>
<b>Weekly High</b>	<b>105.00</b>	<b>90 Days Average</b>	<b>105.00</b>
<b>Weekly Low</b>	<b>103.65</b>	<b>YTD Change</b>	<b>+2.94%</b>

**Next Week's Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Existing Home Sales	Jun	23-Jul	4.00M	4.11M
S&P Global Mfg PMI Flash	Jul	24-Jul		51.6
S&P Global Svcs PMI Flash	Jul	24-Jul		55.3
S&P Global Comp Flash PMI	Jul	24-Jul		54.8
New Home Sales-Units	Jun	24-Jul	0.640M	0.619M
GDP Advance	Q2	25-Jul	1.8%	1.4%
Initial Jobless Clm	Weekly	25-Jul		243k
Core PCE Price Index MM	Jun	26-Jul		0.1%
Core PCE Price Index YY	Jun	26-Jul		2.6%
U Mich Sentiment Final	Jul	26-Jul	66.0	66.0

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Jul 2024 - 26 Jul 2024**

**Thai Baht**
**Thai Baht Graph**


Source: Thomson Reuters

**Thai Baht Outlook**

- The Thai baht will be moved in a range of 36.00-36.50 THB/USD for this week. The main focus is on Thailand's June export figures which release on Wednesday (24/7), foreign capital flows US economic data and US presidential election. However, the political situation in Thailand will be also in focus.
- For the investment portfolio of foreign investors, from July 15 to 19, the foreign investor purchased 1,755.2 million baht of Thai stock market, but the net outflow was 1,118.3 million baht in Thai bond market (net sale of 785.3 million baht and expired debt securities of 333 million baht).

**Thai Baht News**

- At the beginning of last week, the Thai baht appreciated against the dollar after U.S. labor data on Friday boosted bets that Federal Reserve will soon start cutting interest rates on September.
- Meanwhile, Thailand's CPI in June decreased by 0.31% from May. Core inflation (excluding fresh food and energy) increased by 0.36% year-on-year, similar to the level in May.
- 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. 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.
- At the end of last week, the Thai baht depreciated against the dollar following a rebound in USD after stronger-than-expected data on the U.S. manufacturing.

**Thai Baht Performance**

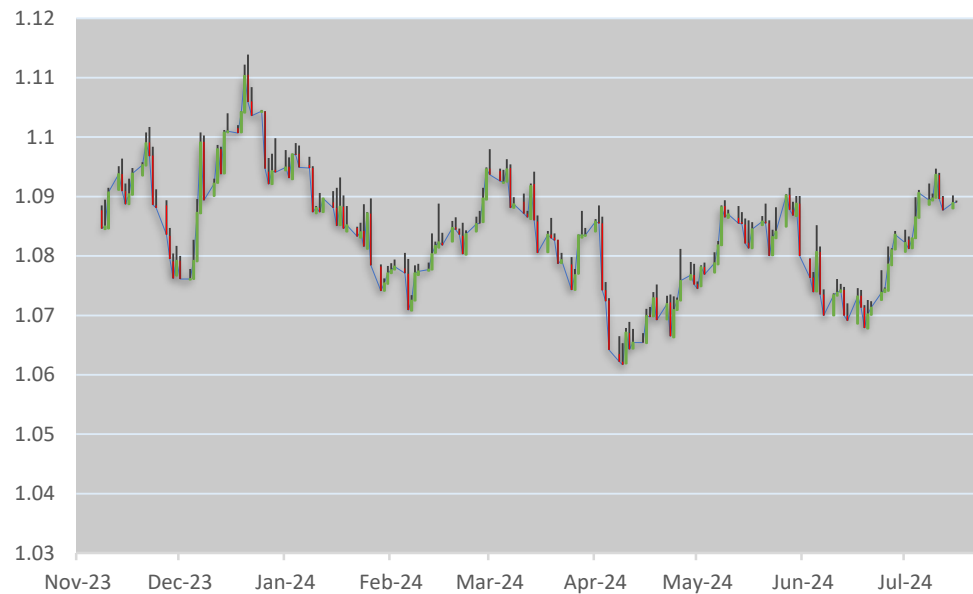
<b>Last Week Close</b>	<b>36.09 THB/USD</b>	<b>Monthly High</b>	<b>36.88 THB/USD</b>
<b>Week Open</b>	<b>36.11 THB/USD</b>	<b>Monthly Low</b>	<b>35.83 THB/USD</b>
<b>Week Close</b>	<b>36.31 THB/USD</b>	<b>30 Days Average</b>	<b>36.50 THB/USD</b>
<b>Weekly High</b>	<b>36.38 THB/USD</b>	<b>90 Days Average</b>	<b>36.58 THB/USD</b>
<b>Weekly Low</b>	<b>35.77 THB/USD</b>	<b>YTD Change</b>	<b>+5.56%</b>

**Next Week's Thai Baht Economic Events**

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Jun	24-Jul	2.30%	7.20%
Custom-Based Import Data	Jun	24-Jul	3.00%	-1.70%
Customs-Based Trade Data	Jun	24-Jul	0.60B	0.66B

<b>Lower Bound</b>	<b>36.00</b>	<b>Upper Bound</b>	<b>36.50</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Jul 2024 - 26 Jul 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- EUR/USD trades in a tight range slightly below 1.0900 early Monday.
- Market reaction to US politics remain subdued at the beginning of the week. The pair could stretch lower if 1.0880 support fails
- Additionally, several European Central Bank (ECB) officials hinted at another rate reduction in September on Friday (19/7), making it difficult for the euro to gather strength.
- The market also eyes on Euro zone consumer confidence on Tuesday (23/7), manufacturing and service PMI data on Wednesday (24/7).

<b>Lower Bound</b>	<b>1.0800</b>	<b>Upper Bound</b>	<b>1.1000</b>
<b>Forecast</b>	<b>Neutral</b>		

**Euro News**

- At the beginning of last week, the euro hovered around 1.083 as the leftist New Popular Front leads exit poll in French election.
- However, the euro slipped against the US dollar after French President Emmanuel Macron asked his prime minister to stay in the row for now, pending what will be difficult negotiations to form a new government after a surprise life-wing surge in elections that delivered a hung parliament.
- The euro fell below 1.090, after the European Central Bank kept rates steady. The Main Refinancing Operations Rate and the Deposit Facility Rate remain at 4.25% and 3.75%, respectively.
- Meanwhile, ECB President Christine Lagarde said in the policy statement, "The governing council is not pre-committing to a particular rate path." Lagarde added that the headline inflation is seen well-above the desired rate into next year. We will continue to follow a data-dependent and meeting-by-meeting approach to determining the appropriate level and duration of restriction."

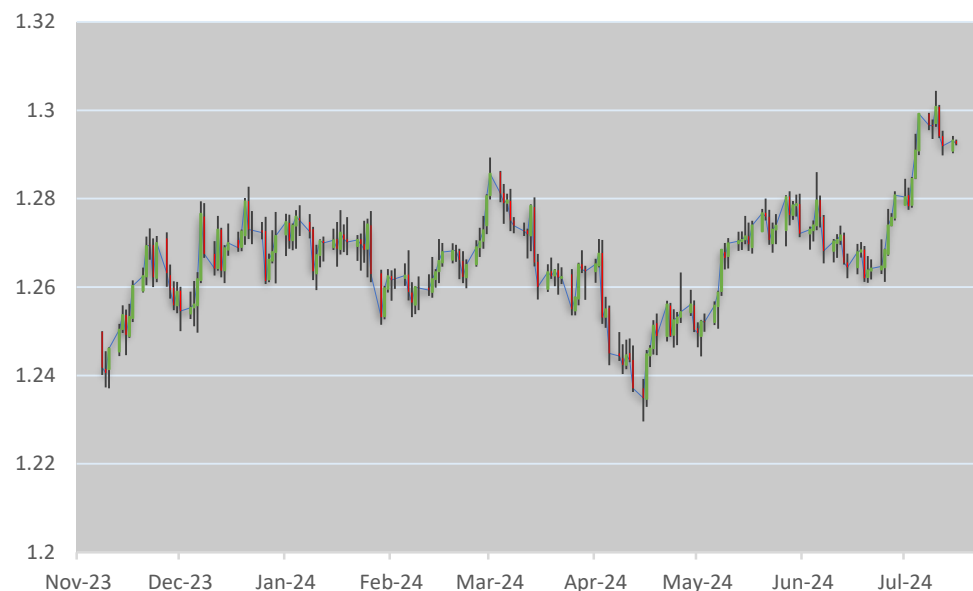
**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0906 USD/EUR</b>	<b>Monthly High</b>	<b>1.0947 USD/EUR</b>
<b>Week Open</b>	<b>1.0886 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0710 USD/EUR</b>
<b>Week Close</b>	<b>1.0877 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0799 USD/EUR</b>
<b>Weekly High</b>	<b>1.0947 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0787 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0870 USD/EUR</b>	<b>YTD Change</b>	<b>-1.39%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Germany Retail Sales MM Real	May	22-Jul	0.0%	-1.2%
Germany Retail Sales YY Real	May	22-Jul		-0.6%
Euro Zone Consumer Confid. Flash	Jul	23-Jul	-13.2	-14.0
Germany GfK Consumer Sentiment	Aug	24-Jul	-21.0	-21.8
Germany HCOB Composite Flash PMI	Jul	24-Jul		50.4
Euro Zone HCOB Mfg Flash PMI	Jul	24-Jul	46.3	45.8
Euro Zone HCOB Services Flash PMI	Jul	24-Jul	53.0	52.8
Euro Zone HCOB Composite Flash PMI	Jul	24-Jul		50.9
Germany Ifo Business Climate New	Jul	25-Jul	89.0	88.6

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Jul 2024 - 26 Jul 2024**

**Pound Sterling**
**Pound Sterling Graph**


Source: Thomson Reuters

**Pound Sterling Outlook**

- After reaching its highest level in a year above 1.3000 last week, GBP/USD closed the week in negative territory after declining sharply at the end of last week.
- The risk-averse market atmosphere ahead of the weekend helped the US dollar gather strength against its rivals and forced GBP/USD to edge lower.
- Moreover, the market will be eyes on preliminary Services and Manufacturing PMI from the UK on Wednesday (24/7).

**Pound Sterling News**

- At the beginning of the week, the pound sterling rose to 1.2845, its strongest level since June 12, bolstered by a broad-market risk appetite recovery fueled by the US rate cut hopes after the US show soft labor market figures.
- Bank of England policymaker Jonathan Haskel said that 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 rallied on sticky UK inflation data which reduced a chance of BOE's rate cut in August.
- However, the British Pound depreciated against the dollar after UK jobs data showed unemployment rate held steady at 4.4%. Meanwhile, number of people claiming jobless benefits rose to 32.3K in June and average earnings in 3 months excluding bonus rose 5.7% YoY in May versus a 6.0 % growth registered in April.

**Pound Sterling Performance**

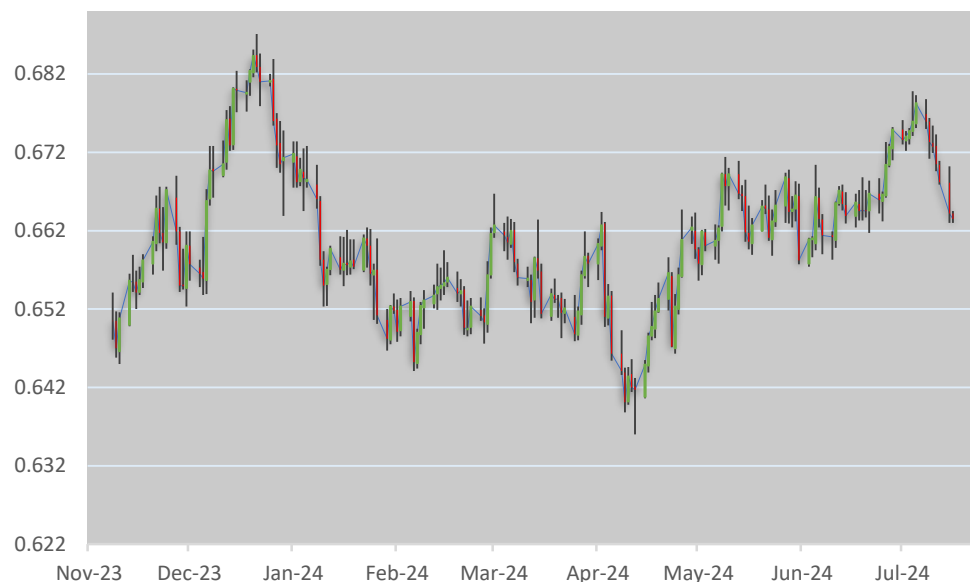
<b>Last Week Close</b>	<b>1.2992</b> USD/GBP	<b>Monthly High</b>	<b>1.3044</b> USD/GBP
<b>Week Open</b>	<b>1.2992</b> USD/GBP	<b>Monthly Low</b>	<b>1.2616</b> USD/GBP
<b>Week Close</b>	<b>1.2919</b> USD/GBP	<b>30 Days Average</b>	<b>1.2784</b> USD/GBP
<b>Weekly High</b>	<b>1.3044</b> USD/GBP	<b>90 Days Average</b>	<b>1.2666</b> USD/GBP
<b>Weekly Low</b>	<b>1.2898</b> USD/GBP	<b>YTD Change</b>	<b>+1.50%</b>

**Next Week's Pound Sterling Economic Events**

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Jul	24-Jul		52.3
Flash Manufacturing PMI	Jul	24-Jul		50.9
Flash Services PMI	Jul	24-Jul		52.1

<b>Lower Bound</b>	<b>1.2850</b>	<b>Upper Bound</b>	<b>1.3050</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**22 Jul 2024 - 26 Jul 2024**

**Australian Dollar**
**Australian Dollar Graph**


Source: Thomson Reuters

**Australian Dollar Outlook**

- The market will be focus on Australia PMI data which due on Wednesday (24/7) .
- In addition, the weak outlook for the Chinese economy, in the absence of significant stimulus measures, has led to a decline in commodities prices, further weighing on Australian Dollar outlook.
- The RBA remains among the last central banks within the G10 countries expected to begin rate cuts, a commitment that could bolster the AUD's position.
- The market currently predicts roughly a 50% chance of the RBA hiking either in September or November.

**Australian Dollar News**

- The Australian Dollar saw considerable losses against the US dollar, falling to 0.6690. This slump in the currency is mostly due to the strengthening of the US Dollar amid increased aversion to risk.
- However, higher-than-expected Employment Change figures from Australia, indicating a tight labor market, could curb the AUD's downside by raising concerns over a potential interest rate hike from the Reserve Bank of Australia (RBA) and hence limit the pair's downside.
- Markets continue to digest Thursday's employment figures from Australia which came in mixed. It was announced a substantial 50.2K increase in employment changes, soaring beyond earlier market forecasts of 20K and May's 39.5K record.
- On the negative side, the Unemployment Rate rose marginally from 4.0% to 4.1%, which might provide some relief to the RBA's hawkish stance.

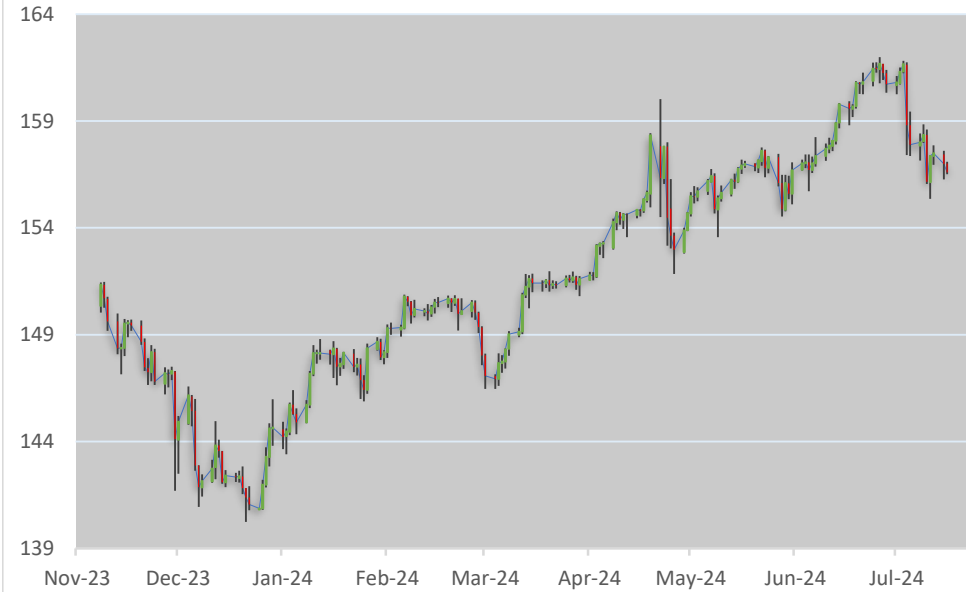
**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6783</b> USD/AUD	<b>Monthly High</b>	<b>0.67980</b> USD/AUD
<b>Week Open</b>	<b>0.6769</b> USD/AUD	<b>Monthly Low</b>	<b>0.66290</b> USD/AUD
<b>Week Close</b>	<b>0.6682</b> USD/AUD	<b>30 Days Average</b>	<b>0.65857</b> USD/AUD
<b>Weekly High</b>	<b>0.6788</b> USD/AUD	<b>90 Days Average</b>	<b>0.65543</b> USD/AUD
<b>Weekly Low</b>	<b>0.6679</b> USD/AUD	<b>YTD Change</b>	<b>-2.64%</b>

**Next Week's Australian Dollar Economic Events**

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Flash	Jul	24-Jul		47.2
Judo Bank Svs PMI Flash	Jul	24-Jul		51.2
Judo Bank Comp PMI Flash	Jul	24-Jul		50.7

<b>Lower Bound</b>	<b>0.6550</b>	<b>Upper Bound</b>	<b>0.6750</b>
<b>Forecast</b>	<b>Depreciation</b>		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The Japanese yen tend to be higher against the US dollar due to the hawkish sentiment surrounding BoJ's policy stance for next week which an interest rate hike might be on the table to support the Japanese yen.
- Moreover, the USD/JPY could limit its upside as the US Dollar faces challenges due to rising bets on a Federal Reserve (Fed) rate cut in September increase and concerns about the fragility of the US labor market persist.
- The market also eyes on manufacturing and service PMI data which due on Wednesday (24/7) and CPI Tokyo ex fresh food which due on Friday (26/7).

**Japanese Yen News**

- The Japanese yen fell below the psychological 161.00 figure as US Treasury bond yields edge lower and the Greenback weakens. Meanwhile, the sell-off in the pair was also driven by verbal intervention from Japanese authorities.
- However, any significant appreciation of JPY might be limited amid a dovish stance by the Bank of Japan (BoJ). The Japanese central bank remains reluctant to provide a detailed plan for the reduction of bond purchases and further rate hikes.
- The BOJ is expected to lay out a plan on how to taper its huge bond buying at its upcoming policy meeting on July 30-31, as it works gradually towards policy normalization.
- Against the Japanese yen, the dollar strengthened 0.7% to 157.40, rebounding from a drop in the prior session that sparked speculation of intervention by the Bank of Japan.
- The data showed that Japan's headline National Consumer Price Index (CPI) held steady and came in at the 2.8% YoY rate for June. Meanwhile, Core CPI inflation rose by 2.6% during the reported period versus the previous 2.5% and consensus estimates for a reading of 2.7%.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>157.89 JPY/USD</b>	<b>Monthly High</b>	<b>161.99 JPY/USD</b>
<b>Week Open</b>	<b>157.85 JPY/USD</b>	<b>Monthly Low</b>	<b>155.38 JPY/USD</b>
<b>Week Close</b>	<b>157.49 JPY/USD</b>	<b>30 Days Average</b>	<b>150.14 JPY/USD</b>
<b>Weekly High</b>	<b>158.85 JPY/USD</b>	<b>90 Days Average</b>	<b>147.48 JPY/USD</b>
<b>Weekly Low</b>	<b>155.36 JPY/USD</b>	<b>YTD Change</b>	<b>+10.95%</b>

**Next Week's Japanese Yen Economic Events**

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Jul	24-Jul		50.0
JibunBK Comp Op Flash SA	Jul	24-Jul		49.7
JibunBK SVC PMI Flash SA	Jul	24-Jul		49.4
Service PPI	Jun	25-Jul		2.50%
CPI Tokyo Ex fresh food YY	Jul	26-Jul	2.2%	2.1%

<b>Lower Bound</b>	<b>155.50</b>	<b>Upper Bound</b>	<b>157.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

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