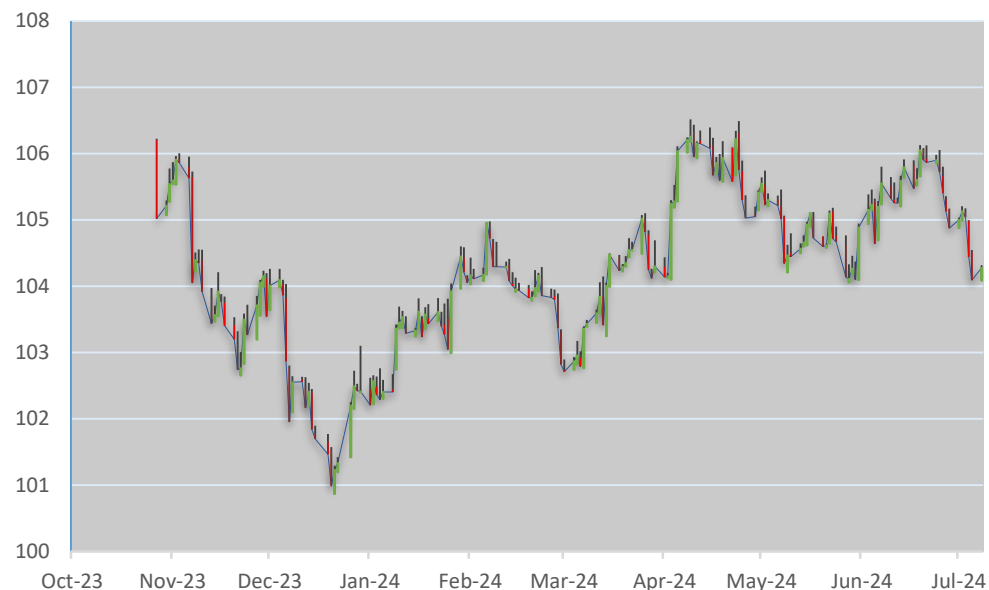


WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Dollar Index
Dollar Index Graph


Source: Thomson Reuters

Dollar Outlook

- Signs of disinflation in the US economy have begun to surface, thereby boosting confidence in a potential rate cut. Yet, Federal Reserve officials remain cautious and data-dependant so this week's meeting will be crucial for the short-term market's dynamics.
- On Wednesday, the central bank is expected to keep rates unchanged, but the meeting could pave the way for the first cut at the September meeting. Thus, Powell's statement will be carefully studied.
- On Friday will also see US Nonfarm Payrolls, a key data point for pricing out odds of a September rate call.

Lower Bound	103.50	Upper Bound	105.50
Forecast	Neutral		

Dollar News

- The US Gross Domestic Product (GDP) for the second quarter showed an expansion at an annual rate of 2.8%, which exceeded the market expectation of 2%, follows a 1.4% growth reported in the first quarter.
- The US PCE in June rose by 0.1% month-over-month (MoM) and 2.5% year-over-year (YoY); both figures were as expected, with the annual rate falling from 2.6%. Core PCE expanded by 0.2% MoM, exceeding estimates and May's figure. On an annual basis, Core PCE rose by 2.6%, higher than forecasts and unchanged from the prior month's reading.
- Equity selloffs, US election bets, and carry trade unwinding have contributed to a heterogeneous picture in the currency market.

Dollar Index Performance

Last Week Close	104.88	Monthly High	106.13
Week Open	104.88	Monthly Low	103.99
Week Close	104.09	30 Days Average	105.15
Weekly High	105.80	90 Days Average	104.94
Weekly Low	104.04	YTD Change	+1.87%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Thai Baht
Thai Baht Graph


Source: Thomson Reuters

Thai Baht Outlook

- Analysts believe the Bank of Thailand will maintain interest rates at 2.5% throughout 2024 as the economy is recovering.
- The baht movement remain volatile on vibrant commodity trades, particularly on the fluctuation in gold price.
- A downward trajectory seems suggestive as market sentiment continues to get lead by Fed rate cut hopes.

Lower Bound	35.50	Upper Bound	36.50
Forecast	Appreciation		

Thai Baht News

- Exports in June shrank by 0.3%, representing the first contraction in three months, due to the end of the season for fruit products. For the first half of 2024, Thai exports increased by 2% to 145 billion while imports increased by 3% to roughly 150 billion, resulting in a trade deficit of \$5.24 billion.
- Finance Ministry raises GDP growth expectations to 2.7% in 2024. The growth forecast did not factor in the 450-billion-baht digital wallet cash handout scheduled to be rolled out in the fourth quarter.
- Between Jan 1 and July 25, 19.6 million foreign tourists entered Thailand, generating 925 billion baht in revenue. The previous forecast called for 35.7 million foreign arrivals in 2024 with projected spending of 1.59 trillion baht.

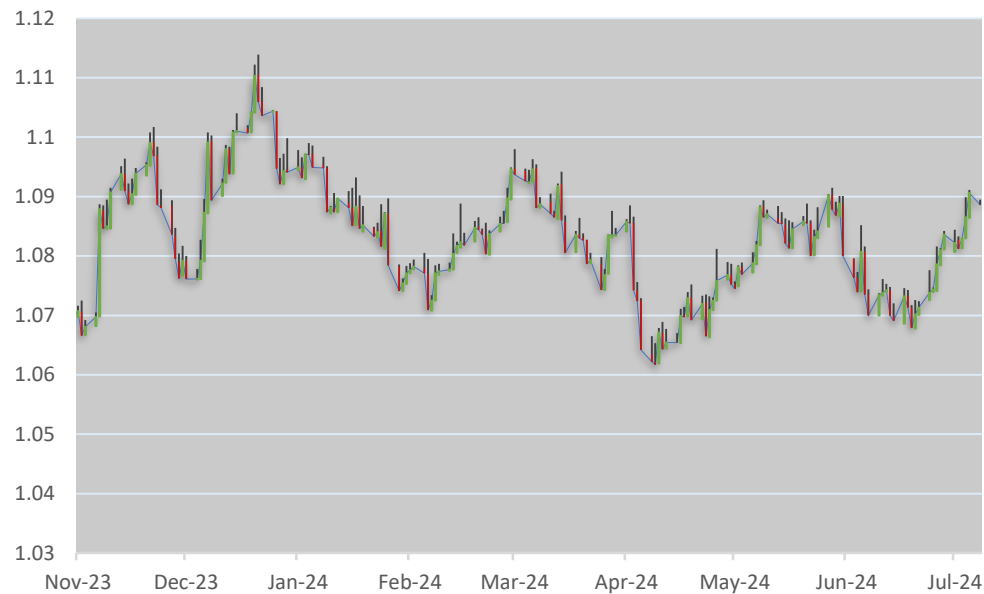
Thai Baht Performance

Last Week Close	36.62 THB/USD	Monthly High	35.71 THB/USD
Week Open	36.48 THB/USD	Monthly Low	35.06 THB/USD
Week Close	36.13 THB/USD	30 Days Average	36.60 THB/USD
Weekly High	36.50 THB/USD	90 Days Average	36.56 THB/USD
Weekly Low	36.02 THB/USD	YTD Change	

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
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WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Euro Graph


Source: Thomson Reuters

Euro Outlook

- EU Harmonized Index of Consumer Prices (HICP) inflation figures will drop on Wednesday, giving investors a key look into when they could expect a follow-up rate cut from the ECB after policymakers gave a 25 basis point trim in June. EU-wide headline HICP inflation for the year ended in July is expected to ease to 2.3% from the previous 2.5% YoY.

Euro News

- The euro remained in the red below 1.0850 after downbeat PMI data. The Eurozone Manufacturing Purchasing Managers Index (PMI) dropped from 45.8 in June to 45.6 in July, missing the market consensus of 46.1. The bloc's Services PMI declined from 52.8 in June to 51.9 in July. The data fell short of the expectations of 53.0 and hit a four-month low.
- Germany's Manufacturing PMI dropped to 42.6 in July vs. 44.0 anticipated. Services PMI for the German economy fell to 52.0 in July vs. 53.1 estimate.
- Meanwhile, rising expectations of two more rate cuts by the European Central Bank (ECB) have also weighed down the Euro. A few ECB policymakers see firm speculation for two more rate cuts as appropriate.

Euro Index Performance

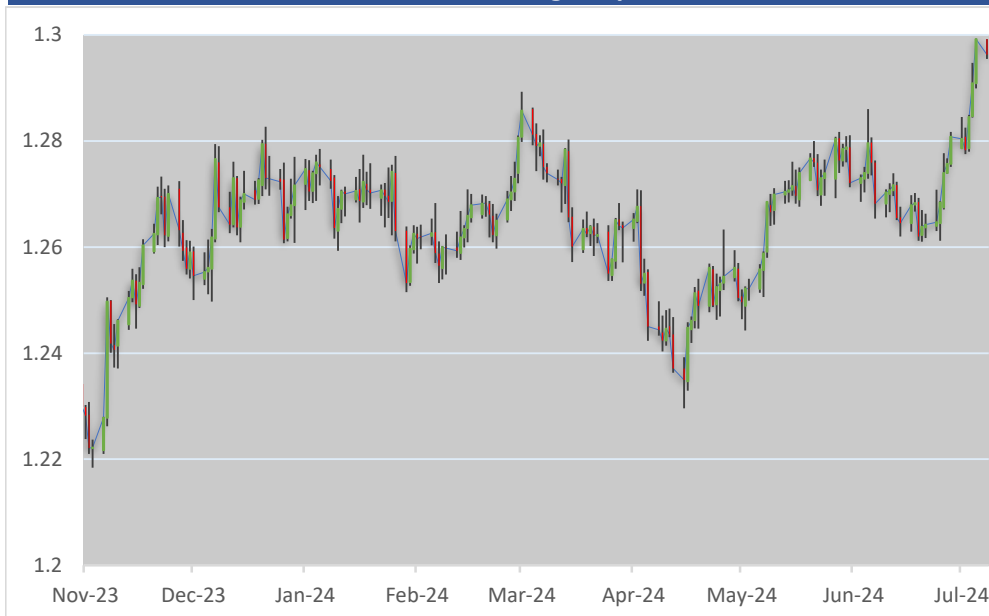
Last Week Close	1.0836 USD/EUR	Monthly High	1.1008 USD/EUR
Week Open	1.0807 USD/EUR	Monthly Low	1.0778 USD/EUR
Week Close	1.0906 USD/EUR	30 Days Average	1.0785 USD/EUR
Weekly High	1.0911 USD/EUR	90 Days Average	1.0787 USD/EUR
Weekly Low	1.0800 USD/EUR	YTD Change	

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
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Lower Bound	1.0700	Upper Bound	1.0900
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Pound Sterling
Pound Sterling Graph


Source: Thomson Reuters

Pound Sterling Outlook

- The Bank of England (BoE) is anticipated to cut the bank rate at its August meeting as inflation is expected to hover around the central bank target.
- Money markets see the BoE's benchmark rate getting trimmed to 5.0% from 5.25% in August and another 25 bps in November, bringing the interest rate to 4.75% by the end of 2024
- Expectations of a widening of rate differential is putting downward pressure on the Pound Sterling.

Pound Sterling News

- The British Pound held positive ground around 1.29 on upbeat UK PMI data. The Composite PMI came in higher at 52.7 than estimates of 52.6 and the former release of 52.3 due to an increase in activities in the manufacturing as well as service sectors. The Manufacturing and Services PMI expanded to 51.8 and 52.4, respectively, outperforming their former releases.
- However, the potential upside of the major pair seems limited as market expectations of a Bank of England (BoE) rate cut in August weigh down the Pound Sterling. GBP/USD traded in the red by the end of the week, declining to 1.2850 on Friday.

Pound Sterling Performance

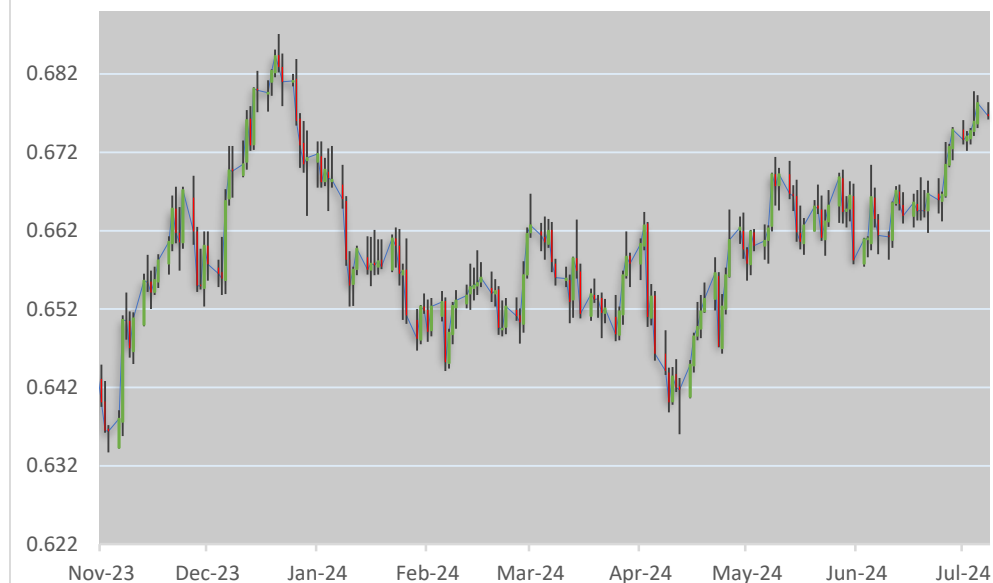
Last Week Close	1.2808 USD/GBP	Monthly High	1.2860 USD/GBP
Week Open	1.2786 USD/GBP	Monthly Low	1.2673 USD/GBP
Week Close	1.2992 USD/GBP	30 Days Average	1.2745 USD/GBP
Weekly High	1.2993 USD/GBP	90 Days Average	1.2653 USD/GBP
Weekly Low	1.2775 USD/GBP	YTD Change	

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
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Lower Bound	1.2750	Upper Bound	1.2900
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
15 Jul 2024 - 19 Jul 2024

Australian Dollar
Australian Dollar Graph


Source: Thomson Reuters

Australian Dollar Outlook

- The near-term outlook of the Aussie asset remains vulnerable as the continual weakness in China's economy paired with depreciating iron ore prices have dampened the Australian Dollar's (AUD) appeal.
- The Reserve Bank of Australia (RBA) delays its rate cuts due to persistently high inflation. This stance could potentially limit further depreciation of the AUD.
- The next move in the Australian Dollar will be influenced by the Aussie Q2 CPI data.

Lower Bound	0.6400	Upper Bound	0.6600
Forecast	Depreciation		

Australian Dollar News

- The Australian Dollar has been facing an intense sell-off for more than a week as deepening worries over the global growth outlook have dampened iron ore prices, raising concerns over foreign flows to the nation.
- In addition, AUD/USD has remained firmly rooted in the 'risk-off' sentiment, dominated by concerns over the health of the Chinese economy after the People's Bank of China (PBoC) decided to cut rates. AUD/USD continues to consolidate above 0.6520 after mixed cues from the US PCE inflation report for June.

Australian Dollar Performance

Last Week Close	0.6749 USD/AUD	Monthly High	0.65640 USD/AUD
Week Open	0.6749 USD/AUD	Monthly Low	0.63500 USD/AUD
Week Close	0.6783 USD/AUD	30 Days Average	0.65515 USD/AUD
Weekly High	0.6798 USD/AUD	90 Days Average	0.65509 USD/AUD
Weekly Low	0.6722 USD/AUD	YTD Change	

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
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Japanese Yen Graph


Source: Thomson Reuters

Japanese Yen Outlook

- The Bank of Japan will conclude its latest policy setting on Wednesday, and speculation over the prospect of a rate hike is mounting despite a fragile economy and weak consumer sentiment.
- Hawkish sentiment surrounding the BoJ continue to drive strength in the Japanese Yen.
- Markets are betting that the BoJ may lift rates by 10 basis points to 0.1% and is widely expected to announce its bond purchase tapering plans.

Lower Bound	150.00	Upper Bound	155.00
Forecast	Appreciation		

Japanese Yen News

- The JPY receive support as traders potentially unwind their carry trades ahead of the Bank of Japan's policy decision.
- The headline Tokyo CPI for July increased by 2.2% year-over-year, slightly down from the previous 2.3% rise. The Tokyo CPI excluding Fresh Food and Energy went up by 1.5% YoY, compared to the earlier increase of 1.8%. Moreover, the CPI excluding Fresh Food also rose by 2.2% in July, matching market expectations.
- Rising odds of a more aggressive Bank of Japan (BOJ) tightening cycle and expectations of Fed easing dragged US-Japan 2-year bond yield spreads to the lowest since May 2023.

Japanese Yen Performance

Last Week Close	160.72 JPY/USD	Monthly High	150.89 JPY/USD
Week Open	160.68 JPY/USD	Monthly Low	141.70 JPY/USD
Week Close	157.89 JPY/USD	30 Days Average	149.88 JPY/USD
Weekly High	161.82 JPY/USD	90 Days Average	147.23 JPY/USD
Weekly Low	157.37 JPY/USD	YTD Change	

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
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