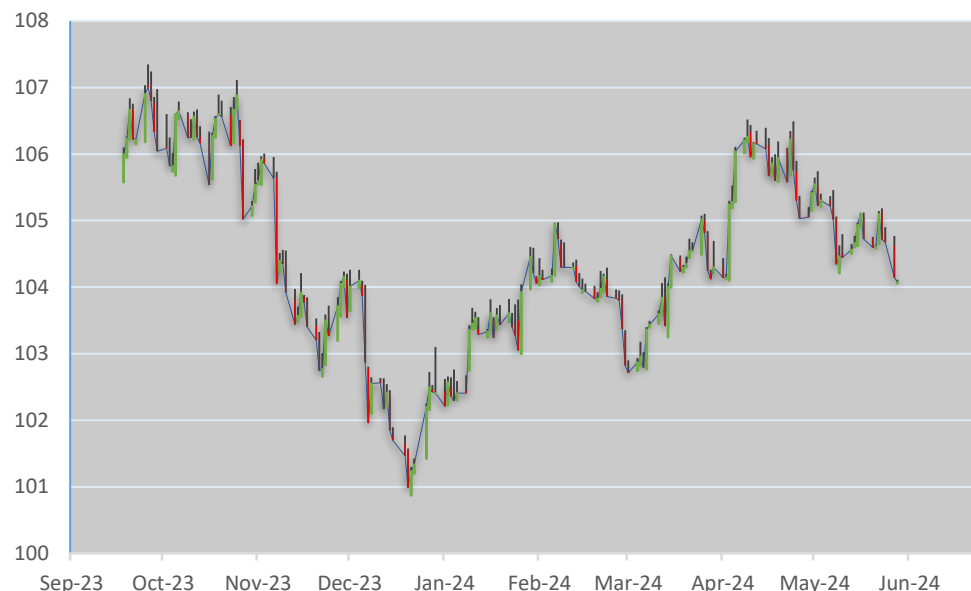


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

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


Source: Thomson Reuters

**Dollar Outlook**

• Investors' attention over the coming week will be squarely on the US May non-farm payrolls report due out on Friday. Those figures may help gauge to what extent April's slowdown in hiring was more a correction attributable to various seasonal and weather-related quirks or something more enduring. So too the JOLTS labour market report on Wednesday with its readings on the levels of job openings and so-called quits. Thursday meanwhile will bring with it a reading on first quarter growth in US labour productivity and unit labour costs, both of which are key to the inflation picture and outlook for prices.

<b>Lower Bound</b>	<b>103.80</b>	<b>Upper Bound</b>	<b>105.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- On Tuesday, the US dollar edged lower despite short-dated US rates holding steady, influenced by a broader decline in cross-market volatility and a growing appetite for risk among investors. This shift is partly attributed to the anticipation of a soft US economic landing, a scenario that investors are positioning for ahead of the upcoming core PCE inflation data release.
- The U.S. dollar steadied in Thursday near two-week highs, supported by rising yields and rising conviction the Federal Reserve will not cut interest rates anytime soon. the Dollar Index, which tracks the greenback against a basket of six other currencies, slipped marginally lower to 104.940, having earlier reached the highest since May 14 at 105.17, following a 0.5% advance in the prior session.
- The dollar retreated on Friday after the official data showed the U.S. economy grew at an 1.3% annualised rate in the first quarter, down from the advance estimate of 1.6%. This sign of slowing growth resulted in markets pricing in a 55% chance of rate cuts to begin in September, up from 51% a day before, according to the CME Group's (NASDAQ:CME) FedWatch Tool.

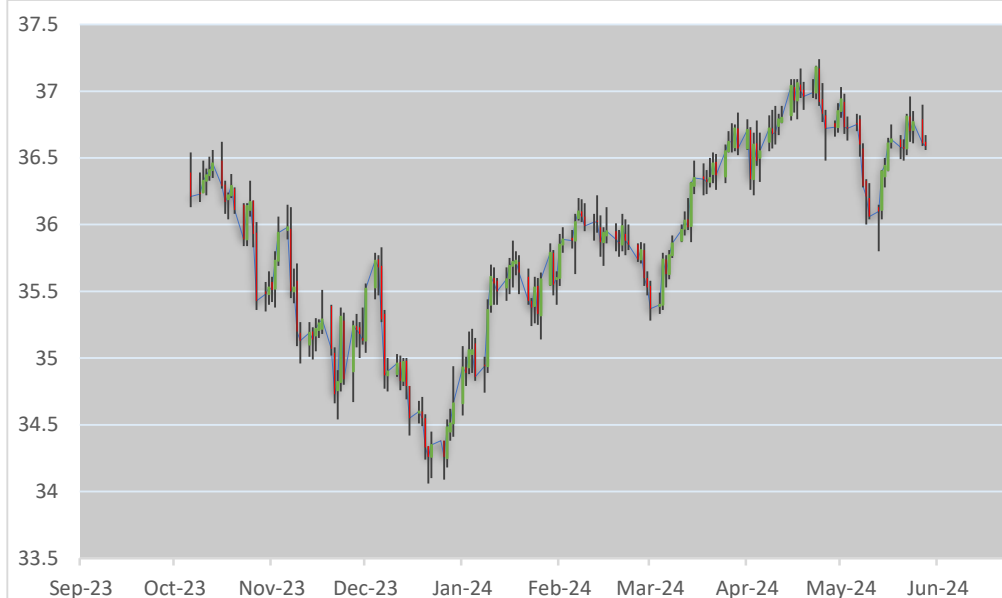
**Dollar Index Performance**

<b>Last Week Close</b>	<b>#N/A</b>	<b>Monthly High</b>	<b>106.49</b>
<b>Week Open</b>	<b>#N/A</b>	<b>Monthly Low</b>	<b>103.99</b>
<b>Week Close</b>	<b>104.72</b>	<b>30 Days Average</b>	<b>105.06</b>
<b>Weekly High</b>	<b>0.00</b>	<b>90 Days Average</b>	<b>104.52</b>
<b>Weekly Low</b>	<b>104.63</b>	<b>YTD Change</b>	<b>+2.71%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
S&P Global Mfg PMI Final	May	3-Jun		50.9
ISM Manufacturing PMI	May	3-Jun	49.6	49.2
Factory Orders MM	Apr	4-Jun	0.6%	1.6%
S&P Global Comp Final PMI	May	5-Jun		54.4
S&P Global Svcs PMI Final	May	5-Jun		54.8
ISM N-Mfg PMI	May	5-Jun	50.8	49.4
International Trade \$	Apr	6-Jun	-76.1B	-69.4B
Initial Jobless Clm	1 Jun, w/e	6-Jun	220k	219k
Non-Farm Payrolls	May	7-Jun	185k	175k
Unemployment Rate	May	7-Jun	3.9%	3.9%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

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


Source: Thomson Reuters

**Thai Baht Outlook**

- Focus now on the petition to oust the PM. Mr Srettha has 15 days to submit a defence. But if he cannot clear himself, the court may suspend him as prime minister and this could subsequently lead to a change of prime minister
- Moreover, the Bank of Thailand (BoT) is now poised to begin easing sooner than the Fed. A possible 25-basis point cut in June would put the central bank ahead of the Fed in its loosening cycle, which could in turn induce short-term downside pressure on the baht.

**Thai Baht News**

- On Tuesday, The Thai baht traded in a limited range as US markets remain closed for the Memorial Day break. On the data front, Thailand's employment dropped 0.1% in the first quarter from a year earlier due to lower farm jobs, after a 1.7% year-on-year increase in the previous quarter. Jobs in the hotel and restaurant sector rose 10.6% year-on-year in the March quarter, driven by more than 9.3 million foreign tourist arrivals.
- On Wednesday, The Thai baht slightly depreciated as U.S. consumer confidence unexpectedly improved in May after deteriorating for three straight months amid optimism about the labor market, but worries about inflation persisted and many households expected higher interest rates over the next year.
- On Friday, The Thai baht is stronger against the dollar after a broad dollar weakening. Thailand's manufacturing production index rose 3.43% against the forecast of a 1.1% fall. The Bank of Thailand's deputy director said that rates could change if economic outlook shifts but highlighting the fact that rates are not a key factor for boosting economy.

**Thai Baht Performance**

<b>Last Week Close</b>	#N/A	THB/USD	<b>Monthly High</b>	<b>36.90</b> THB/USD
<b>Week Open</b>	#N/A	THB/USD	<b>Monthly Low</b>	<b>36.58</b> THB/USD
<b>Week Close</b>	<b>36.64</b>	THB/USD	<b>30 Days Average</b>	<b>36.68</b> THB/USD
<b>Weekly High</b>	<b>36.75</b>	THB/USD	<b>90 Days Average</b>	<b>36.30</b> THB/USD
<b>Weekly Low</b>	<b>36.40</b>	THB/USD	<b>YTD Change</b>	<b>+6.52%</b>

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

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	May	4-Jun		48.6
CPI Headline Inflation	May	7-Jun	1.19%	0.19%
CPI Core Inflation YY	May	7-Jun	0.36%	0.37%
CPI Index	May	7-Jun		108.16
Consumer Confidence Idx	May	7-Jun		62.1

<b>Lower Bound</b>	<b>36.10</b>	<b>Upper Bound</b>	<b>37.20</b>
<b>Forecast</b>	<b>Neutral</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The European Central Bank could open the door to a weaker euro on Thursday as its first interest-rate cut of the cycle puts the region on a divergent policy path from the US. With a quarter-point reduction all but certain, officials will finally embrace a widening in the difference between borrowing costs on either side of the Atlantic, the implications of which they've discussed for months.

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

**Euro News**

- On Tuesday, The euro extended upside amid uncertainty over ECB rate cuts beyond June. ECB policymakers do not want to promise more rate cuts as they seem to be concerned that aggressive policy easing could revamp price pressures again. Many are reluctant to commit to any subsequent move and want to remain data-dependent.
- On Wednesday, The euro depreciated as Eurozone consumers lowered their inflation expectations last month, a fresh European Central Bank survey showed on Tuesday, just as the bank was making plans to start rolling back a record string of interest rate hikes. Expectations for inflation in the next 12 months eased to 2.9% from 3.0% a month earlier to hit their lowest level since September 2021. Meanwhile expectations for inflation three years out slipped to 2.4% from 2.5%, still far above the ECB's 2% target.
- On Friday, The euro rose underpinned by lower-than-expected euro zone unemployment and weak US economic data.

**Euro Index Performance**

<b>Last Week Close</b>	<b>#N/A</b>	<b>USD/EUR</b>	<b>Monthly High</b>	<b>1.0915</b>	<b>USD/EUR</b>
<b>Week Open</b>	<b>#N/A</b>	<b>USD/EUR</b>	<b>Monthly Low</b>	<b>1.0828</b>	<b>USD/EUR</b>
<b>Week Close</b>	<b>1.0845</b>	<b>USD/EUR</b>	<b>30 Days Average</b>	<b>1.0802</b>	<b>USD/EUR</b>
<b>Weekly High</b>	<b>1.0860</b>	<b>USD/EUR</b>	<b>90 Days Average</b>	<b>1.0800</b>	<b>USD/EUR</b>
<b>Weekly Low</b>	<b>1.0803</b>	<b>USD/EUR</b>	<b>YTD Change</b>	<b>-1.16%</b>	

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
HCOB Mfg Final PMI	May	3-Jun	47.4	47.4
HCOB Services Final PMI	May	5-Jun	53.3	53.3
HCOB - Composite Final PMI	May	5-Jun	52.3	52.3
Producer Prices MM	Apr	5-Jun	-0.4%	-0.4%
Producer Prices YY	Apr	5-Jun	-5.3%	-7.8%
HCOB Construction PMI	May	6-Jun		41.9
ECB Refinancing Rate	Jun	6-Jun	4.25%	4.50%
ECB Deposit Rate	Jun	6-Jun	3.75%	4.00%
GDP Revised QQ	Q1	7-Jun	0.3%	0.3%
GDP Revised YY	Q1	7-Jun	0.4%	0.4%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

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


Source: Thomson Reuters

**Pound Sterling Outlook**

- The pound, which is up against most major currencies, has been lifted by expectations that interest rates could be cut as late as December.
- Traders have reduced bets that the Bank of England could begin cutting interest rates over the summer after inflation figures came in higher than expected in April.

**Pound Sterling News**

- On Tuesday , The British Pound consolidated its upside above 1.250 after reaching two-month highs during the early Asian session on Tuesday as traders anticipate that the Bank of England (BoE) will maintain its borrowing costs for longer to cool inflation.
- On Wednesday , The British Pound depreciated as prices in British shops rose at the slowest pace in 2-1/2 years this month, according to the British Retail Consortium which said the rate of inflation in the sector was back to normal after its surge. In a latest sign of easing inflation pressure that will be welcomed by the Bank of England, annual shop price inflation slowed to 0.6% in May from 0.8% in April, the smallest increase since November 2021.
- On Friday , The British Pound edged higher after US GDP data disappointed, the rate cut odds for the BOE continues to fade away. The expectation of a rate cut in June is almost entirely gone and a move in August is down to around 50%.

**Pound Sterling Performance**

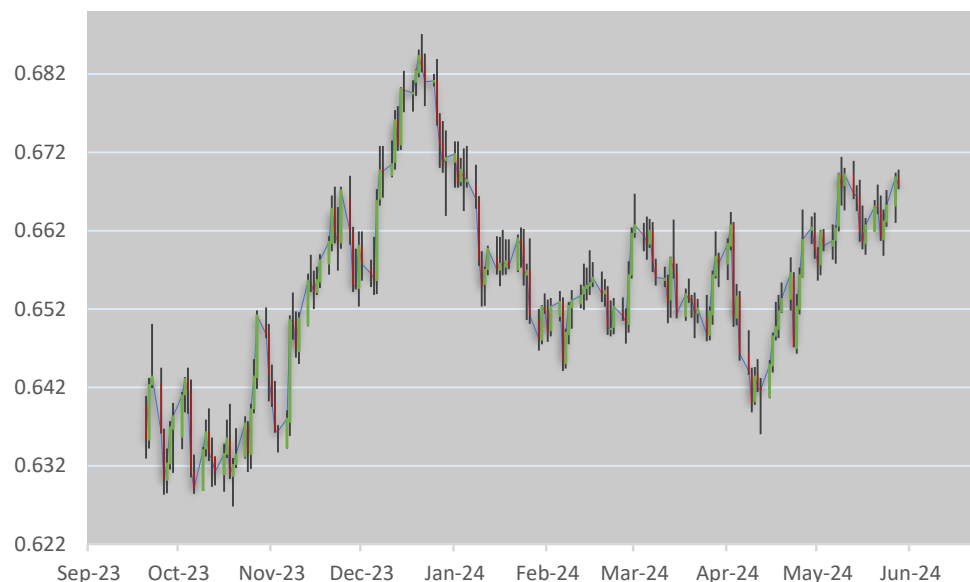
<b>Last Week Close</b>	#N/A	USD/GBP	<b>Monthly High</b>	<b>1.2817</b>	USD/GBP
<b>Week Open</b>	#N/A	USD/GBP	<b>Monthly Low</b>	<b>1.2695</b>	USD/GBP
<b>Week Close</b>	<b>1.2740</b>	USD/GBP	<b>30 Days Average</b>	<b>1.2618</b>	USD/GBP
<b>Weekly High</b>	<b>1.2750</b>	USD/GBP	<b>90 Days Average</b>	<b>1.2625</b>	USD/GBP
<b>Weekly Low</b>	<b>1.2676</b>	USD/GBP	<b>YTD Change</b>	<b>+0.64%</b>	

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

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	May	28-May		-44
Nationwide house price mm	May	29-May		-0.4%
Nationwide house price yy	May	29-May		0.6%
BOE Consumer Credit	Apr	31-May		1.577B
Mortgage Lending	Apr	31-May		0.260B
Mortgage Approvals	Apr	31-May		61.325k

<b>Lower Bound</b>	<b>1.2700</b>	<b>Upper Bound</b>	<b>1.2900</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

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


Source: Thomson Reuters

**Australian Dollar Outlook**

- Investors eagerly anticipate the Australian GDP data report on Tuesday, seeking insights into the trajectory of domestic monetary policy.

**Australian Dollar News**

- On Tuesday, Australian Dollar depreciated as Australia retail sales grew at a slower-than-expected pace in April as consumer spending remained under pressure from sticky inflation and concerns over high for longer interest rates. Retail sales grew 0.1% month-on-month in April, data from the Australian Bureau of Statistics showed on Tuesday. The figure was weaker than expectations for growth of 0.3%, and recovered marginally from the drop of 0.4% seen in March.
- However, On Thursday, Australian consumer price index inflation grew more than expected in April, fueling renewed concerns that the Reserve Bank will have to keep interest rates high to bring down price pressures. CPI inflation grew 3.6% year-on-year in April, data from the Australian Bureau of Statistics showed on Wednesday. The reading was above expectations of 3.4%, and also picked up from the 3.5% seen in March.
- Thursday's reading saw inflation push further above the Reserve Bank of Australia's 2% to 3% annual target. The RBA only expects inflation to fall within its target range by end-2024, and to settle comfortably within the range by mid-2025.

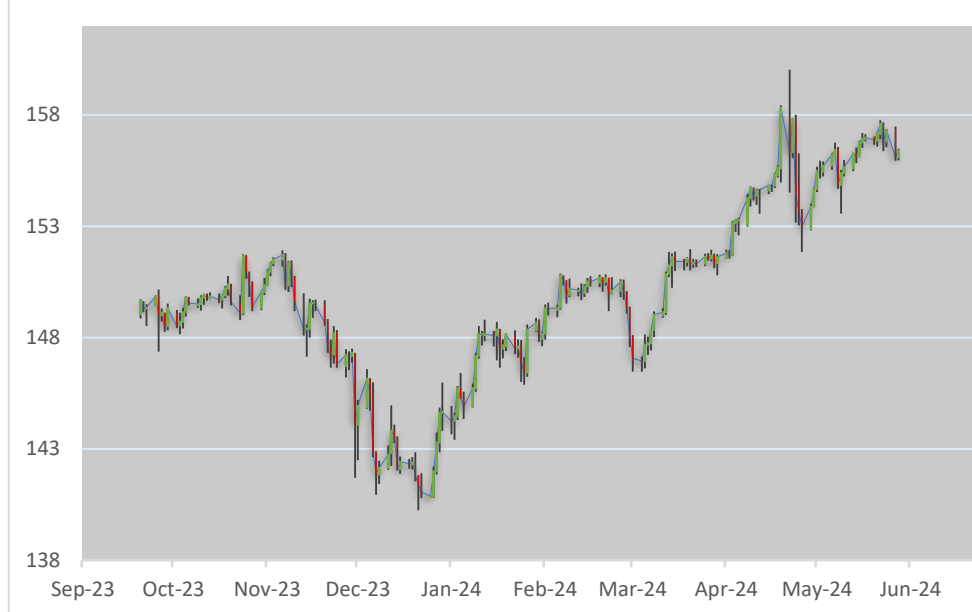
**Australian Dollar Performance**

<b>Last Week Close</b>	#N/A	USD/AUD	<b>Monthly High</b>	0.66980	USD/AUD
<b>Week Open</b>	#N/A	USD/AUD	<b>Monthly Low</b>	0.66330	USD/AUD
<b>Week Close</b>	0.6627	USD/AUD	<b>30 Days Average</b>	0.65567	USD/AUD
<b>Weekly High</b>	0.6652	USD/AUD	<b>90 Days Average</b>	0.66027	USD/AUD
<b>Weekly Low</b>	0.6589	USD/AUD	<b>YTD Change</b>	-1.92%	

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

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Final	May	3-Jun		49.6
Business Inventories	Q1	4-Jun	0.7%	-1.7%
Current Account Balance SA	Q1	4-Jun	5.1B	11.8B
Net Exports Contribution	Q1	4-Jun	-0.6%	0.6%
Real GDP QQ SA	Q1	5-Jun	0.2%	0.2%
Real GDP YY SA	Q1	5-Jun	1.2%	1.5%
Owner-Occp'd Hous'g Fin MM	Apr	6-Jun	1.20%	2.80%

<b>Lower Bound</b>	0.6550	<b>Upper Bound</b>	0.6800
<b>Forecast</b>	Neutral		


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- Policymakers are facing mounting pressure to hike rates amid ongoing weakness in the yen which hurts consumption by inflating the cost of raw material imports.

**Japanese Yen News**

- On Tuesday , The yen held ground just below 157.00 as investors await hints on central bank rate moves. On the data front, Japanese Corporate Services Price Index inflation rose faster than expected through the year ended in April, rising 2.8% YoY, expanding faster than the previous period's 2.3% and accelerating at its fastest pace since 2015. Japanese Tokyo Consumer Price Index (CPI) inflation is due later this week, with markets expecting a similar uptick in inflationary pressure with Core Tokyo CPI inflation forecast to tick up to 1.9% YoY versus the previous 1.6%.
- On Wednesday , The yen traded beyond 157.00 as The Bank of Japan's key measurements of underlying inflation in April all fell below its 2% target for the first time since August 2022, data showed on Tuesday, heightening uncertainty on the timing of its next interest rate hike.
- On Friday , The yen appreciated underpinned by lower US Treasury yield and risk-off mood added to the yen status as safe haven currency. Japan's finance minister, Suzuki warned that excessive FX moves will warrant a respond.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>#N/A</b> JPY/USD	<b>Monthly High</b>	<b>157.47</b> JPY/USD
<b>Week Open</b>	<b>#N/A</b> JPY/USD	<b>Monthly Low</b>	<b>155.96</b> JPY/USD
<b>Week Close</b>	<b>156.99</b> JPY/USD	<b>30 Days Average</b>	<b>147.78</b> JPY/USD
<b>Weekly High</b>	<b>157.19</b> JPY/USD	<b>90 Days Average</b>	<b>147.28</b> JPY/USD
<b>Weekly Low</b>	<b>156.52</b> JPY/USD	<b>YTD Change</b>	<b>+10.87%</b>

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

Events	Period	Date	Forecast	Previous
Business Capex (MOF) YY	Q1	3-Jun		16.4%
JibunBK Mfg PMI Final SA	May	3-Jun		50.5
Monetary Base YY	May	4-Jun		1.76%
JibunBK Comp Op Final SA	May	5-Jun		52.4
JibunBK SVC PMI Final SA	May	5-Jun		53.6
All Household Spending YY	Apr	7-Jun	0.6%	-1.2%
All Household Spending MM	Apr	7-Jun	0.2%	1.2%

<b>Lower Bound</b>	<b>155.00</b>	<b>Upper Bound</b>	<b>157.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

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