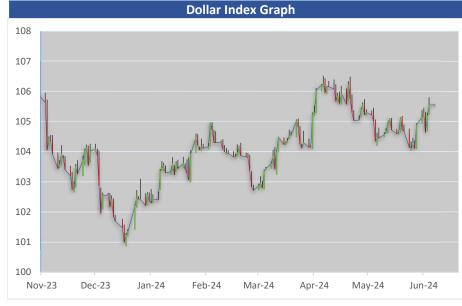


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Dollar Index



Source: Thomson Reuters

Dollar Outlook

- After the Fed meeting, the market is now pricing in a 55% chance of a rate cut in September, slightly lower than the 65% expected after the CPI report, and a 75% chance of a rate cut in December.
- Interest rates in the US are expected to end the year at 4.88%, slightly below the Fed's median estimate, but very possible, especially if we continue to see improvement in the inflation data.
- The FOMC marginally revised up its 2024 and 2025 inflation forecasts, incorporating higher than expected Q1 readings, while keeping growth estimates unchanged.

Lower Bound	103.94	Upper Bound	106.50
Forecast	Appreciation		

Dollar News

- The US CPI was unchanged in May following April's 0.3% mom increase, below market expectations. The annual headline rate slowed from 3.4% yoy in April to 3.3% yoy in May. The core rate also surprised on the downside at 0.2% mom.
- At its June meeting, the Federal Open Market Committee (FOMC) of the US Federal Reserve (Fed) left the target range for the federal funds rate unchanged at 5.25-5.50%, in line with market expectations.
- Chair Powell emphasized the labor market's strength and reassured the markets of the Federal Reserve's preparedness to adjust policy according to the evolving economic data.
- The US Producer Price Index (PPI) rose 2.2% YoY in May, compared to the 2.3% increase in April (revised from 2.2%), below the market expectation of 2.5%.
- Initial Jobless Claims for the week ending June 6 rose by 242K, above the consensus of 225K and the previous week's reading of 229K.

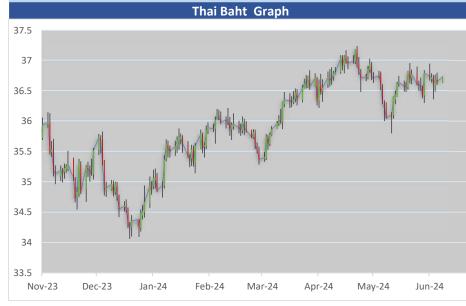
Dollar Index Performance					
Last Week Close	104.89	Monthly High	105.81		
Week Open	104.94	Monthly Low	103.99		
Week Close	105.55	30 Days Average	104.85		
Weekly High	105.81	90 Days Average	104.62		
Weekly Low	104.26	YTD Change	+4.15%		

Next Week's Dollar Index Economic Events				
Events	Period	Date	Forecast	Previous
Retail Sales MM	May	18-Jun	0.3%	0.0%
Industrial Production MM	May	18-Jun	0.2%	0.0%
Housing Starts Number	May	20-Jun	1.380M	1.360M
Philly Fed Business Indx	Jun	20-Jun	4.5	4.5
S&P Global Mfg PMI Flash	Jun	21-Jun		51.3
S&P Global Svcs PMI Flash	Jun	21-Jun		54.8
S&P Global Comp Flash PMI	Jun	21-Jun		54.5
Existing Home Sales	May	21-Jun	4.10M	4.14M
Initial Jobless Clm	10 Jun, w	ı/⊦20-Jun		



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Source: Thomson Reuters

Thai Baht Outlook

- The central bank expects the economy to expand by 2.6% this year and 3% in 2025. Growth would be driven by stronger-than-expected domestic demand in the first quarter, a continued recovery in tourism, and acceleration in government disbursement during the second quarter.
- The inflation is projected to gradually increase towards the central bank's target range of 1-3% from the fourth quarter of 2024. It forecasts headline inflation will average 0.6% for the full year and 1.3% in 2025.
- The business sector is closely monitoring factors that could impact the economy and business activities for the remainder of 2024. These include the Constitutional Court's upcoming ruling on Prime Minister Srettha Thavisin's appointment of Phichit Chuenban as Minister of the Prime Minister's Office despite his being disqualified from holding a ministerial post.

T	hai	Bal	ht	N	ews

- The risk-averse market atmosphere helped the US Dollar (USD) stay resilient against its rivals at the beginning of the week.
- The Bank of Thailand (BOT) monetary policy committee voted 6 to 1 to maintain the policy rate at 2.50 percent. One MPC member voted to cut the policy rate by 0.25 percentage point to reflect Thailand's lower potential growth as a result of structural challenges, and to partly alleviate debt-servicing burden for borrowers.
- The Thai economy continues to expand, driven mainly by domestic demand and tourism. Export growth remains subdued as some merchandises are facing additional pressures from higher competition.
- Inflation is projected to gradually increase towards the target range since the fourth quarter of 2024.

Thai Baht Performance					
Last Week Close	36.42 THB/USD	Monthly High	36.95 THB/USD		
Week Open	36.79 THB/USD	Monthly Low	36.33 THB/USD		
Week Close	36.65 THB/USD	30 Days Average	36.59 THB/USD		
Weekly High	36.95 THB/USD	90 Days Average	36.40 THB/USD		
Weekly Low	36.36 THB/USD	YTD Change	+6.90%		

Next Week's Thai Baht Economic Events					
Events	Period	Date	Forecast	Previous	
Forex Reserves	10 Jun, w	/ 21-Jun		223.8B	
Currency Swaps	10 Jun, w	/ ₋ 21-Jun		28.6B	

Lower Bound	36.41	Upper Bound	36.86	
Forecast	Depreciation			

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Source: Thomson Reuters

Euro Outlook

- The combination of political uncertainty in Europe and rate cuts from the European Central Bank (ECB) might exert some selling pressure on the Euro.
- The ECB cut interest rates by 25 basis points (bps) during its June meeting, a move widely expected by market participants. It takes the ECB's key rate to 3.75% from a record 4% since September 2023. Financial markets have fully priced one further reduction this year, but economists polled by Reuters last week forecast two more cuts taking place towards the end of 2024.
- Investors look for fresh cues about the French election outcome. Polls show that Marine Le Pen's far-right National Rally has presented a strong claim for parliamentary elections but it is slightly short of having an absolute majority.

Lower Bound	1.0698	Upper Bound	1.0932
Forecast	Depreciation		

Euro News

- The Euro struggles to find demand at the beginning of the week as markets assess the preliminary results of the European Parliament election.
- EUR strengthened against the dollar as the USD eased on softer than expected CPI. Meanwhile concerns over France's budget deficit are growing on possible legislative control by far right National Rally party.
- EUR/USD remains stable as Eurozone Industrial Production is anticipated to decline on a monthly basis.
- ECB President Christine Lagarde said in an interview that last week's rate-cut move doesn't commit any linear declining path.
- Supporting other ECB policymakers, Governing Council member Bostjan Vasle commented that more rate cuts are possible if the disinflation process continues. However, Vasle warned that the process could slow down as wage momentum is relatively strong.

Euro Index Performance					
Last Week Close	1.0800 USD/EUR	Monthly High	1.0915 USD/EUR		
Week Open	1.0795 USD/EUR	Monthly Low	1.0669 USD/EUR		
Week Close	1.0700 USD/EUR	30 Days Average	1.0822 USD/EUR		
Weekly High	1.0852 USD/EUR	90 Days Average	1.0800 USD/EUR		
Weekly Low	1.0666 USD/EUR	YTD Change	-3.02%		

Next Week's Euro Economic Events				
Events	Period	Date	Forecast	Previous
HICP Final YY	May	18-Jun	2.6%	2.6%
ZEW Economic Sentiment	Jun	18-Jun		47.1
Consumer Confid. Flash	Jun	20-Jun		-14.3
HCOB Mfg Flash PMI	Jun	21-Jun		45.4
HCOB Services Flash PMI	Jun	21-Jun		54.2
HCOB Composite Flash PMI	Jun	21-Jun		52.4
HCOB Mfg Flash PMI	Jun	21-Jun		47.3
HCOB Services Flash PMI	Jun	21-Jun		53.2
HCOB Composite Flash PMI	Jun	21-Jun		52.2

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Source: Thomson Reuters

Pound Sterling Outlook

- The UK Inflation Rate is due on June 19 prior to the BoE's interest rate decision on June 20.
- The BoE could struggle to shift toward policy normalization as steady UK wage growth offset the impact of weaker employment levels.
- The investors will shift focus to the BoE's interest rate policy, which is scheduled for June 20. The BoE is expected to leave interest rates unchanged and shift their expectations towards August or September. Therefore, investors will keenly focus on any guidance about when the bank is expected to cut rates.
- •The GfK Consumer Confidence comes on June 21, seconded by Public Sector Net Borrowing, Retail Sales, advanced Manufacturing and Services PMIs and CBI Industrial Trend Orders.

Lower Bound	1.2669	Upper Bound	1.2812
Forecast	Neutral		

Pound Sterling News

- The GBP/USD has edged lower after the weaker reports, as the Unemployment Rate and May Claimant data showed a worrying picture of the UK labour market condition.
- The Employment Change declined by 140K in the three months to April, compared to a 177K decrease in the previous reading. Meanwhile, the ILO Unemployment Rate increased to 4.4% in the three months to April from the previous reading of 4.3%, worse than the market expectation of 4.3%. The number of people claiming jobless benefits rose by 50.4K in May from an increase of 8.4K in April.
- The UK economy stalled in April, with GDP arriving at 0% after expanding 0.4% in March, the latest data published by the Office for National Statistics (ONS) showed on Wednesday. Markets expected no growth in the reported period.
- Other data from the UK showed that Industrial Production and Manufacturing Production dropped 0.9% and 1.4%, respectively, on a monthly basis, in April.
- GBP/USD drifts lower on Thursday amid the hawkish Fed-inspired USD buying interest.

Pound Sterling Performance					
Last Week Close	1.2721 USD/GBP Mon	thly High	1.2860 USD/GBP		
Week Open	1.2721 USD/GBP Mon	thly Low	1.2658 USD/GBP		
Week Close	1.2682 USD/GBP 30 D	ays Average	1.2687 USD/GBP		
Weekly High	1.2860 USD/GBP 90 D	ays Average	1.2636 USD/GBP		
Weekly Low	1.2654 USD/GBP YTD	Change	-0.38%		

Next Week's Pound Sterling Economic Events					
Events	Period	Date	Forecast	Previous	
House Price Rightmove YY	Jun	17-Jun		0.6%	
Core CPI YY	May	19-Jun		3.9%	
CPI YY	May	19-Jun		2.3%	
BOE Bank Rate	Jun	20-Jun	5.25%	5.25%	
Retail Sales MM	May	21-Jun		-2.3%	
Retail Sales YY	May	21-Jun		-2.7%	
Flash Composite PMI	Jun	21-Jun		53.0	
Flash Manufacturing PMI	Jun	21-Jun		51.2	
Flash Services PMI	Jun	21-Jun		52.9	



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Source: Thomson Reuters

• The Australian economy shows some signs of weakness, but the stubbornly high

• The Australian economy snows some signs of weakness, but the stubbornly high inflation is prompting the Reserve Bank of Australia to delay cuts, which may limit the downside.

Australian Dollar Outlook

- The RBA's Board is expected to remain on hold at 4.35% (12-year peak) for a fifth consecutive meeting this week and likely communicate that it had discussed raising the Cash Rate. The central bank is forecast to remain at current levels into 2025. Also of note, rate hike expectations have now been priced out.
- The RBA is expected to leave rates on hold for a longer period of time than the Fed.

Australian Dollar News

- The Australian Dollar may struggle due to softer-than-expected Chinese consumer inflation data released on Wednesday. China's CPI increased by 0.3% year-over-year in May, missing expectations for a 0.4% rise. Chinese CPI inflation decreased by 0.1% MoM versus April's 0.1% increase
- AUD rose against the dollar due to the Fed's decision to revise its interest rate outlook, indicating a more hawkish stance. Meanwhile economic weakness in China might prompt sooner rate cuts affecting Aussie dollar performance.
- Australia's Unemployment Rate dropped to 4.0% in May, compared with the expectations of 4.0% and the previous figure of 4.1%, according to the official data released by the Australian Bureau of Statistics (ABS) on Thursday. Furthermore, the Australian Employment Change arrived at 39.7K in May from 38.5K in April, compared with the consensus forecast of 30.0K.

Australian Dollar Performance				
Last Week Close	0.6582 USD/AUD Monthly High	0.67040 USD/AUD		
Week Open	0.6578 USD/AUD Monthly Low	0.65770 USD/AUD		
Week Close	0.6614 USD/AUD 30 Days Average	0.65199 USD/AUD		
Weekly High	0.6704 USD/AUD 90 Days Average	0.65817 USD/AUD		
Weekly Low	0.6574 USD/AUD YTD Change	-3.03%		

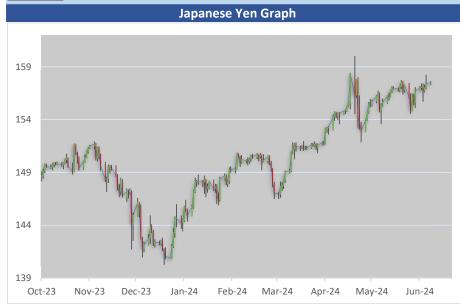
Next Week's Australian Dollar Economic Events					
Events	Period	Date	Forecast	Previous	
RBA Cash Rate	Jun	18-Jun	4	4.35%	
Judo Bank Mfg PMI Flash	Jun	21-Jun	4	19.7	
Judo Bank Svs PMI Flash	Jun	21-Jun	ŗ	52.5	
Judo Bank Comp PMI Flash	Jun	21-Jun	ŗ	52.1	

Lower Bound	0.6581	Upper Bound	0.6686
Forecast	Appreciation		

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Japanesese Yen



Source: Thomson Reuters

Japanese Yen Outlook

- Market participants are paying close attention to any announcements concerning changes to the central bank's bond purchasing program, which could influence market dynamics. While the central bank decided to lay out details of its tapering plan for the next one to two years at its July meeting.
- Japanese Finance Minister Shunichi Suzuki said that he aims to achieve the primary balance goal. Suzuki further stated that he will keep an eye on China's excess production on the Japanese economy.
- The flash Jibun Bank Manufacturing and Services PMIs and Inflation Rate will close the docket on June 21.

Japanese Yen News

- The Japanese Yen lost ground as US Dollar advanced on robust jobs data.
- Japan released mixed data on Monday, which could limit the downside of the Japanese Yen. Gross Domestic Product Annualized showed that Japan's economy contracted less than expected in the first quarter. Meanwhile, GDP (QoQ) shrank in Q1, matching flash data.
- Japanese Finance Minister Shunichi Suzuki said on Tuesday that it's important to continue efforts to achieve fiscal health. Suzuki stated that he's interested in discussing Russia's sanctions at G7 summit, adding usage of frozen Russian assets needs to be in.
- The Bank of Japan (BoJ) board members decided to keep its policy rate at 0% after concluding its twoday monetary policy review meeting for June. The Japanese central bank held rates for the second straight meeting in June, and the decision matched market expectations.
- The Japanese Yen (JPY) attracts some sellers after the BoJ decided not to reduce bond purchases.

Japanese Yen Performance				
Last Week Close	156.70 JPY/USD	Monthly High	158.25 JPY/USD	
Week Open	156.73 JPY/USD	Monthly Low	154.56 JPY/USD	
Week Close	157.37 JPY/USD	30 Days Average	149.02 JPY/USD	
Weekly High	158.25 JPY/USD	90 Days Average	147.33 JPY/USD	
Weekly Low	155.71 JPY/USD	YTD Change	+11.64%	

Next Week's Japanese Yen Economic Events				
Events	Period	Date	Forecast	Previous
Machinery Orders MM	Apr	17-Jun	2	.9%
Reuters Tankan N-Man Idx	Jun	19-Jun	2	.6
Exports YY	May	19-Jun	8	3.3%
Imports YY	May	19-Jun	8	3.3%
Trade Balance Total Yen	May	19-Jun	-	462.5B
CPI, Core Nationwide YY	May	21-Jun	2	.2%
CPI, Overall Nationwide	May	21-Jun	2	5%
JibunBK Mfg PMI Flash SA	Jun	21-Jun	5	0.4

Lower Bound	155.42	Upper Bound	158.04
Forecast	Depreciation		





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TMU03 0-2021-1333

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