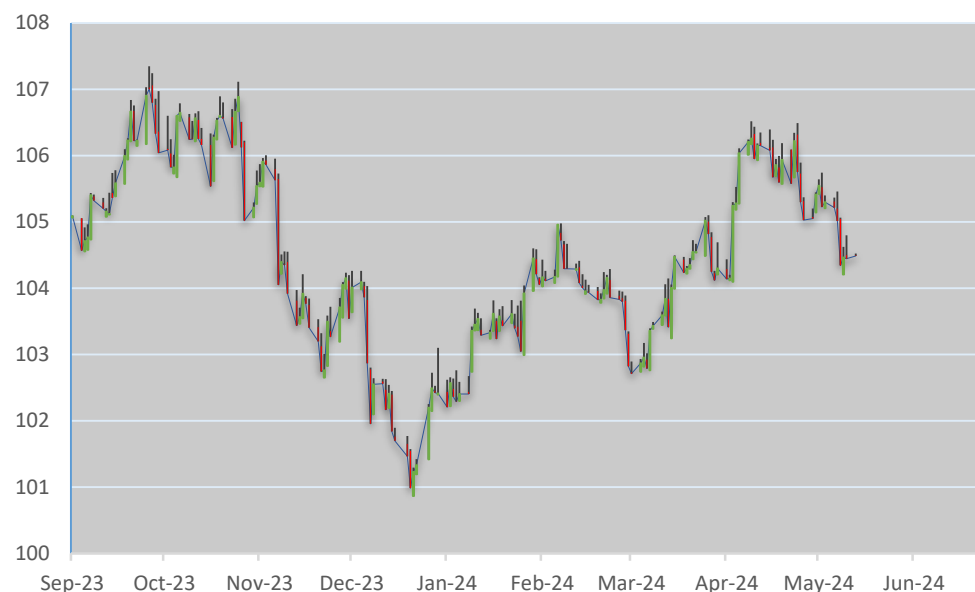


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

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


Source: Thomson Reuters

**Dollar Outlook**

- The CME FedWatch tool shows that the probability of interest rates declining from their current levels in the September meeting has increased to 73% from 69% recorded a week ago. Investors' confidence in Fed rate cuts has improved due to soft United States inflation report, easing labor market conditions and stagnant Retail Sales data for April.

**Dollar News**

- Powell expressed less confidence in the disinflation outlook compared to previous assessments. He also highlighted that Gross Domestic Product (GDP) growth is expected to reach 2% or higher.
- The Producer Price Index (PPI) for final demand in the US rose 2.2% on a yearly basis in April. This reading followed the 1.8% increase recorded in March (revised from 2.1%) and came in line with the market expectation.
- The headline CPI moving down from 3.5% in March to 3.4% in April. Core CPI also observed a fall, retreating from 3.8% to 3.6%, aligning with market expectations. In addition, U.S. Retail sales in April remained stagnant, a dip from the anticipated 0.4% growth.

**Dollar Index Performance**

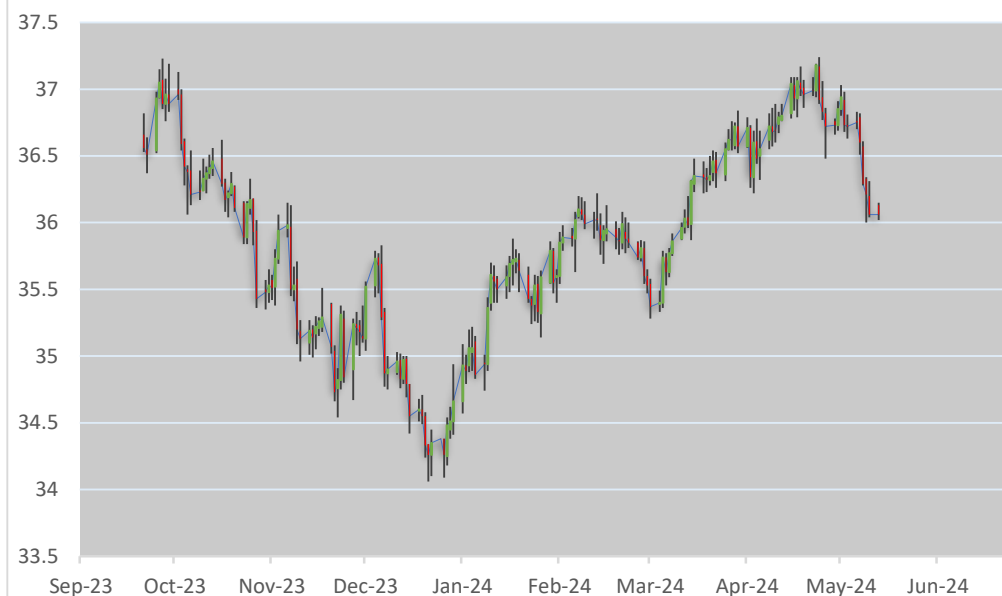
<b>Last Week Close</b>	<b>105.30</b>	<b>Monthly High</b>	<b>106.52</b>
<b>Week Open</b>	<b>105.31</b>	<b>Monthly Low</b>	<b>103.88</b>
<b>Week Close</b>	<b>104.45</b>	<b>30 Days Average</b>	<b>105.43</b>
<b>Weekly High</b>	<b>105.74</b>	<b>90 Days Average</b>	<b>104.37</b>
<b>Weekly Low</b>	<b>104.08</b>	<b>YTD Change</b>	<b>#NAME?</b>

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

Events	Period	Date	Forecast	Previous
Initial Jobless Clm	18 May, w,	23-May	220k	222k
S&P Global Mfg PMI Flash	May	23-May	50.0	50.0
S&P Global Svcs PMI Flash	May	23-May	51.3	51.3
S&P Global Comp Flash PMI	May	23-May		51.3
New Home Sales-Units	Apr	23-May	0.675M	0.693M
Durable Goods	Apr	24-May	-0.7%	2.6%
U Mich Sentiment Final	May	24-May	67.6	67.4

**Lower Bound**      **103.00**      **Upper Bound**      **105.00**
**Forecast**      **Depreciation**

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

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


Source: Thomson Reuters

**Thai Baht Outlook**

- Market continues to anticipate the Thai economy will stage a rebound from the second quarter but the baht would remain under the influence of the US interest rate trajectory.
- With the fiscal budget receiving royal approval, public spending should surge from the mid-year, lifting growth to 3.3% in the second half.
- Despite weakening fundamentals, external developments in financial markets mean the Bank of Thailand's window for easing this year is becoming limited.

**Thai Baht News**

- Thai baht strengthened against the dollar along with other regional currencies as risk appetite improved.
- Thai consumer confidence fell for a second straight month in April, dented by a slow economic recovery and higher living costs. The consumer index of the University of the Thai Chamber of Commerce (UTCC) dropped to 62.1 in April from 63.0 in March.
- The Thai Industries Sentiment Index (TISI) fell to 90.3 points in April, down from 92.4 points in March, with the planned daily minimum wage hike among the factors dealing a blow to business confidence.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.73</b> THB/USD	<b>Monthly High</b>	<b>#NAME?</b> THB/USD
<b>Week Open</b>	<b>36.76</b> THB/USD	<b>Monthly Low</b>	<b>#NAME?</b> THB/USD
<b>Week Close</b>	<b>36.06</b> THB/USD	<b>30 Days Average</b>	<b>36.72</b> THB/USD
<b>Weekly High</b>	<b>36.83</b> THB/USD	<b>90 Days Average</b>	<b>36.17</b> THB/USD
<b>Weekly Low</b>	<b>36.00</b> THB/USD	<b>YTD Change</b>	<b>#NAME?</b>

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

Events	Period	Date	Forecast	Previous
GDP Growth YY	Q1	20-May	0.8%	1.7%

<b>Lower Bound</b>	<b>35.80</b>	<b>Upper Bound</b>	<b>36.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The Euro receives support from increasing expectations for a convergence in monetary policy between the Eurozone and the United States (US). The European Central Bank (ECB) is anticipated to lower rates during its upcoming meeting in June. While, market expectations are rising for the Fed to commence interest rate cuts from September, particularly after core inflation slowed in April for the first time in six months.

**Euro News**

- The EUR/USD pair extends the rally near 1.0825 on Wednesday following the upbeat ZEW Economic Sentiment Survey.
- The seasonally adjusted Gross Domestic Product (GDP) for the Eurozone expanded by 0.3% quarter-on-quarter in the first quarter, meeting expectations. This growth signals a recovery from the 0.1% contraction experienced in each of the previous two quarters. Additionally, the annual growth rate matched expectations at 0.4%.
- Price pressures in the Eurozone economy are on course to return to the desired rate of 2% as the service inflation, which remained consistent at 4% in the November-March period, declined sharply to 3.7% in April. Financial markets have anticipated that the ECB will reduce interest rates by 70 basis points (bps) this year.
- EUR/USD hovered near 1.09 by the end of the week, with an improved risk appetite following soft US CPI numbers.

**Euro Index Performance**

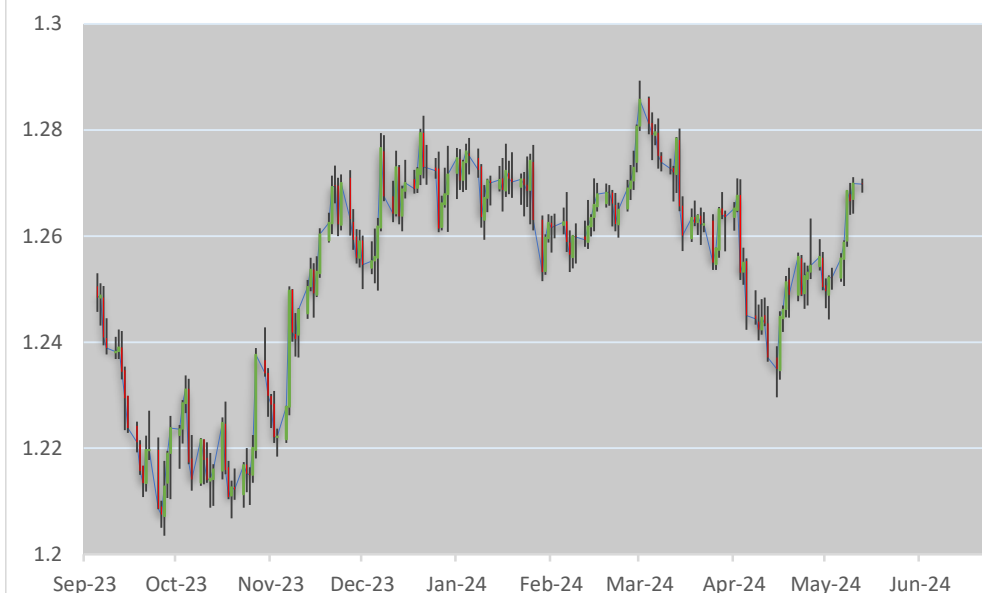
<b>Last Week Close</b>	<b>1.0769</b> USD/EUR	<b>Monthly High</b>	<b>#NAME?</b> USD/EUR
<b>Week Open</b>	<b>1.0772</b> USD/EUR	<b>Monthly Low</b>	<b>#NAME?</b> USD/EUR
<b>Week Close</b>	<b>1.0870</b> USD/EUR	<b>30 Days Average</b>	<b>1.0745</b> USD/EUR
<b>Weekly High</b>	<b>1.0894</b> USD/EUR	<b>90 Days Average</b>	<b>1.0802</b> USD/EUR
<b>Weekly Low</b>	<b>1.0764</b> USD/EUR	<b>YTD Change</b>	<b>#NAME?</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Mar	21-May		17.90B
HCOB Mfg Flash PMI	May	23-May	46.2	45.7
HCOB Services Flash PMI	May	23-May	53.4	53.3
HCOB Composite Flash PMI	May	23-May	52.0	51.7
Consumer Confid. Flash	May	23-May	-14.0	-14.7

<b>Lower Bound</b>	<b>1.0700</b>	<b>Upper Bound</b>	<b>1.1000</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

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


Source: Thomson Reuters

**Pound Sterling Outlook**

- The near-term outlook of the GBP/USD pair is upbeat as uncertainty over the Bank of England (BoE) rate-cut timing has deepened due to stubborn United Kingdom (UK) wage growth. This is a favorable scenario for the Pound Sterling.
- Buying interest remains strong, as RSI points upwards, yet to become overbought. Key resistance lies at 1.2670, which would exacerbate followed by 1.2700.

<b>Lower Bound</b>	<b>1.2500</b>	<b>Upper Bound</b>	<b>1.2800</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Pound Sterling News**

- The Pound Sterling trades close to the round-level resistance of 1.2700 against the US Dollar. The GBP/USD pair remains firm as the market sentiment is quite bullish amid strong speculation that the Federal Reserve (Fed) will start lowering interest rates from the September meeting..
- The United Kingdom (UK) Office for National Statistics (ONS) has reported that labor market has witnessed a drawdown for the third time in a row while wage growth momentum remains steady at relatively high levels.

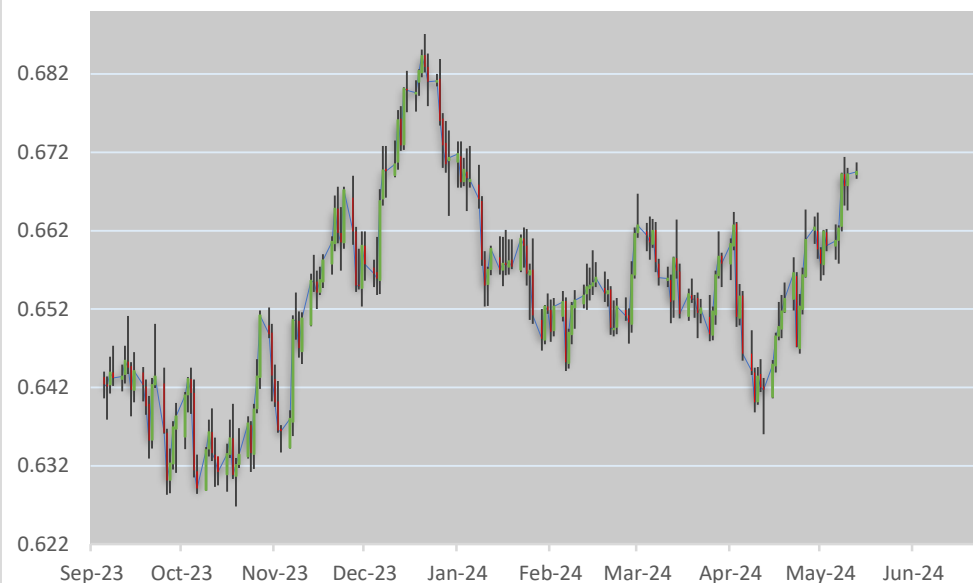
**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2521</b> USD/GBP	<b>Monthly High</b>	<b>#NAME?</b> USD/GBP
<b>Week Open</b>	<b>1.2521</b> USD/GBP	<b>Monthly Low</b>	<b>#NAME?</b> USD/GBP
<b>Week Close</b>	<b>1.2699</b> USD/GBP	<b>30 Days Average</b>	<b>1.2523</b> USD/GBP
<b>Weekly High</b>	<b>1.2711</b> USD/GBP	<b>90 Days Average</b>	<b>1.2619</b> USD/GBP
<b>Weekly Low</b>	<b>1.2506</b> USD/GBP	<b>YTD Change</b>	<b>#NAME?</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
House Price Rightmove MM	May	20-May		1.1%
House Price Rightmove YY	May	20-May		1.7%
Core CPI YY	Apr	22-May	3.6%	4.2%
CPI YY	Apr	22-May	2.1%	3.2%
Flash Composite PMI	May	23-May	54.0	54.1
Flash Manufacturing PMI	May	23-May	49.4	49.1
Flash Services PMI	May	23-May	54.7	55.0
Retail Sales MM	Apr	24-May	-0.3%	0.0%
Retail Sales Ex-Fuel MM	Apr	24-May	-0.5%	-0.3%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

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


Source: Thomson Reuters

**Australian Dollar Outlook**

- The slowing wage growth and an increase in unemployment rate has led markets to discount the possibility of any interest rate hikes by the Reserve Bank of Australia (RBA).
- The pair may benefit from a risk-on market profile, China's steady policy rates and surging Gold and Copper prices. Focus now remains on Fed speak for fresh impetus.

**Australian Dollar News**

- The Australian Unemployment Rate rose to 4.1% in April from the previous reading of 3.9%. This has marked the highest jobless rate since January with the number of unemployed individuals rising by 30.3K to 604.2K.
- The Australian Dollar received support during the early hours on Thursday due to the improved risk appetite following lower-than-expected monthly Consumer Price Index and Retail Sales data in the United States (US)
- AUD/USD clings to mild gains near 0.7000 at the end of the week as the pair benefits from a risk-on market profile, China's steady policy rates and surging Gold and Copper prices.

**Australian Dollar Performance**

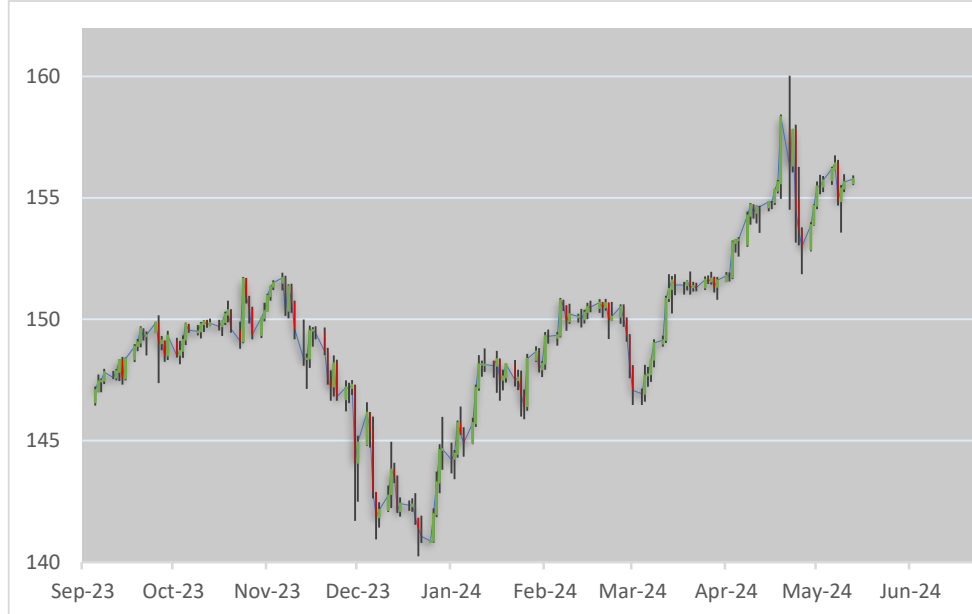
<b>Last Week Close</b>	<b>0.6601</b> USD/AUD	<b>Monthly High</b>	<b>#NAME?</b> USD/AUD
<b>Week Open</b>	<b>0.6601</b> USD/AUD	<b>Monthly Low</b>	<b>#NAME?</b> USD/AUD
<b>Week Close</b>	<b>0.6692</b> USD/AUD	<b>30 Days Average</b>	<b>0.65526</b> USD/AUD
<b>Weekly High</b>	<b>0.6714</b> USD/AUD	<b>90 Days Average</b>	<b>0.66091</b> USD/AUD
<b>Weekly Low</b>	<b>0.6578</b> USD/AUD	<b>YTD Change</b>	<b>#NAME?</b>

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

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Flash	May	23-May	49.6	
Judo Bank Svs PMI Flash	May	23-May	53.6	
Judo Bank Comp PMI Flash	May	23-May	53.0	

<b>Lower Bound</b>	<b>0.6500</b>	<b>Upper Bound</b>	<b>0.7000</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**20 May 2024 - 24 May 2024**

**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The fear of further FX intervention from Japanese authorities might provide some support to the Japanese Yen (JPY) and cap the pair's upside.
- However, weakness in the Japanese economy also raises questions over just how much headroom the BoJ has to keep tightening policy.

<b>Lower Bound</b>	<b>150.00</b>	<b>Upper Bound</b>	<b>160.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Japanese Yen News**

- The USD/JPY pair trims losses near 154.45 during the early Asian session on Thursday. The softer US CPI inflation data has exerted some selling pressure on the US Dollar (USD). However, the major pair recovers modestly following the recent weaker-than-expected Japan's Gross Domestic Product (GDP) in the first quarter of 2024.
- The preliminary Japanese GDP shrank 0.5% QoQ in Q1 from 0.1 expansion in Q4 of 2023, weaker than the expectation of a 0.4% contraction. The Annualized GDP contracted 2.0% versus the estimation of 1.5% contraction and 0.4% expansion prior.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>155.72 JPY/USD</b>	<b>Monthly High</b>	<b>#NAME? JPY/USD</b>
<b>Week Open</b>	<b>155.73 JPY/USD</b>	<b>Monthly Low</b>	<b>#NAME? JPY/USD</b>
<b>Week Close</b>	<b>155.65 JPY/USD</b>	<b>30 Days Average</b>	<b>145.26 JPY/USD</b>
<b>Weekly High</b>	<b>156.75 JPY/USD</b>	<b>90 Days Average</b>	<b>147.25 JPY/USD</b>
<b>Weekly Low</b>	<b>153.57 JPY/USD</b>	<b>YTD Change</b>	<b>#NAME?</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Tertiary Ind Act NSA	Mar	20-May		0.6%
Reuters Tankan N-Man Idx	May	22-May		25
Machinery Orders MM	Mar	22-May	-2.2%	7.7%
Exports YY	Apr	22-May	11.1%	7.3%
Imports YY	Apr	22-May	9.0%	-5.1%
Trade Balance Total Yen	Apr	22-May	-339.5B	387.0B
JibunBK Mfg PMI Flash SA	May	23-May		49.6
JibunBK Comp Op Flash SA	May	23-May		52.3
JibunBK SVC PMI Flash SA	May	23-May		54.3
Chain Store Sales YY	Apr	23-May		9.3%

**IMPORTANT DISCLAIMER**

This material was prepared by a Treasury Marketing Unit, Bangkok Bank PCL, only. Any opinions expressed herein may differ from these by other departments. This material is prepared for informational purpose only, not to be an offer to the recipients to purchase or sale any financial instrument. The information herein has been obtained from other public sources and the rates informed are subject to change according to the market condition. The use of any information provided shall be on the recipients' discretion. Opinions and Assumptions in this document constitute the current judgment as of the date of the author only, do not reflect the opinions of Bangkok Bank, and are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person make no representations or warranties of any kind, about the completeness, accuracy, reliability or suitability, of the information contained in this presentation and will not be liable for any loss or damage whatsoever arising from the use of any such information. Each recipient should carefully consider the risks associated and make a determination based upon the recipient's own particular circumstances entering into such transaction.