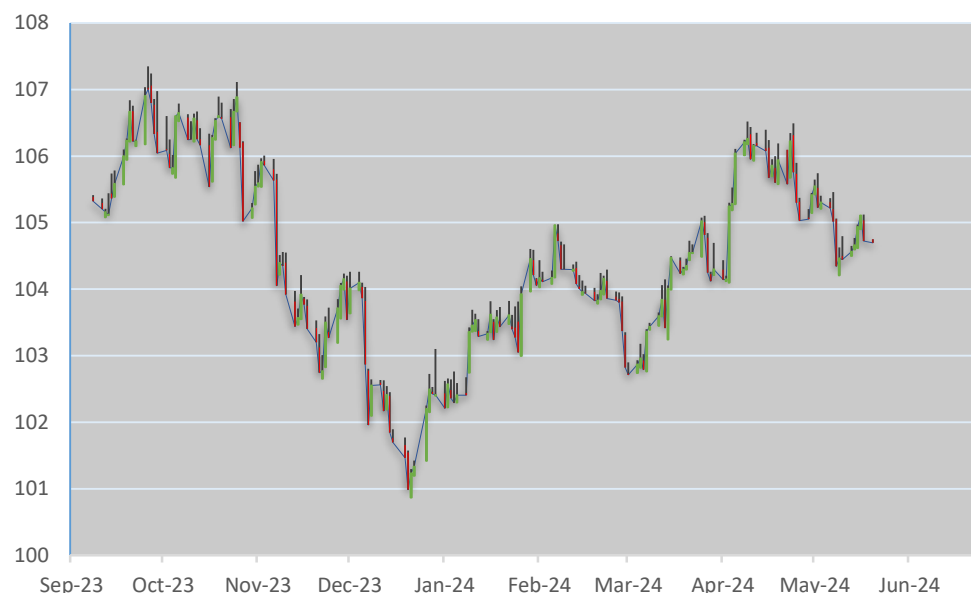


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**27 May 2024 - 31 May 2024**

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


Source: Thomson Reuters

**Dollar Outlook**

- The U.S. personal consumption expenditures (PCE) price index - due on Friday will be closely watched for clues about the direction of interest rates over the rest of the year.
- Investors will also get the chance to hear from several Fed speakers during the week including Governor Michelle Bowman, Cleveland Fed President Loretta Mester, Governor Lisa Cook, New York Fed President John Williams and Atlanta Fed President Raphael Bostic.
- The economic calendar also features revised data on first quarter economic growth on Thursday and the Fed's Beige Book on Wednesday.

<b>Lower Bound</b>	<b>104.00</b>	<b>Upper Bound</b>	<b>105.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- The dollar was firm on Monday as investors awaited further clues to help them figure out the path of U.S. interest rates in the wake of cautious comments from Federal Reserve officials.
- Atlanta Fed President Raphael Bostic said on Monday it will take a while for the U.S. central bank to be confident that inflation is on track back to the central bank's 2% goal.
- The dollar rose on Wednesday after minutes revealed concerns that inflation might not decline as quickly as hoped and that some members are open to further rate hikes if needed. Consequently, expectations for the first rate reduction have shifted from September to November. With the Federal Reserve meeting occurring just after the U.S. elections, early November could see significant market volatility.
- The dollar rose in Friday after robust PMI data and tight labor market. The recent comments from Fed speakers found more supports as economic data backed up their cautious attitude.

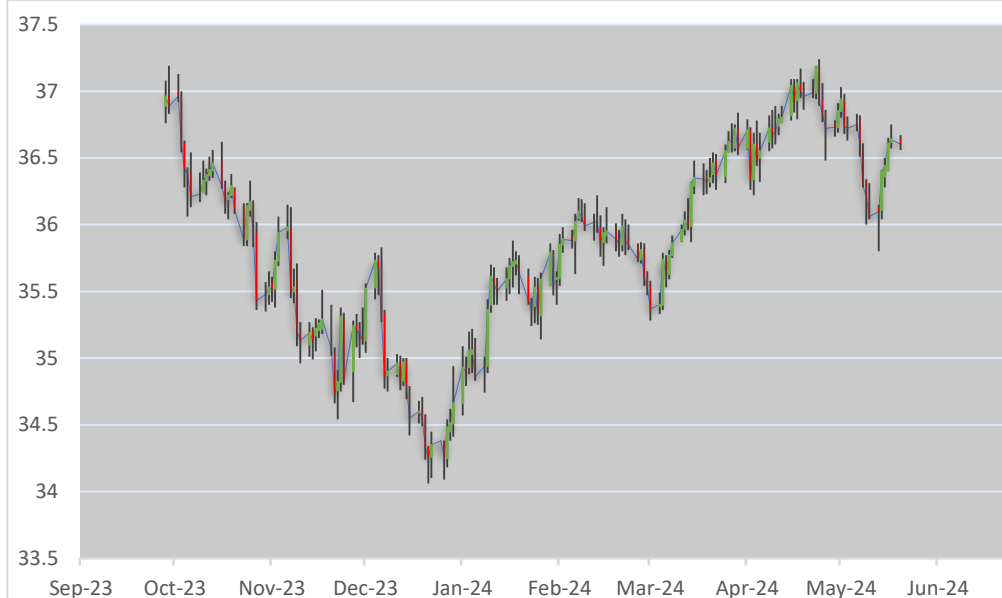
**Dollar Index Performance**

<b>Last Week Close</b>	<b>104.45</b>	<b>Monthly High</b>	<b>106.52</b>
<b>Week Open</b>	<b>104.50</b>	<b>Monthly Low</b>	<b>104.08</b>
<b>Week Close</b>	<b>104.72</b>	<b>30 Days Average</b>	<b>105.37</b>
<b>Weekly High</b>	<b>105.12</b>	<b>90 Days Average</b>	<b>104.45</b>
<b>Weekly Low</b>	<b>104.39</b>	<b>YTD Change</b>	<b>+3.32%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confidence	May	28-May	95.9	97.0
Nat Gas-EIA Implied Flow	20 May, w, 29-May			
GDP 2nd Estimate	Q1	30-May	1.5%	1.6%
Initial Jobless Clm	20 May, w, 30-May			
Consumption, Adjusted MM	Apr	31-May	0.3%	0.8%
Core PCE Price Index MM	Apr	31-May	0.3%	0.3%
Core PCE Price Index YY	Apr	31-May		2.8%
PCE Price Index MM	Apr	31-May		0.3%
PCE Price Index YY	Apr	31-May		2.7%

**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**

- Thai baht depreciated against the dollar.
- Thailand's economy expanded 1.5% in the first quarter from a year earlier, official data showed on Monday, beating analysts' expectations. On a quarterly basis, Southeast Asia's second-largest economy grew a seasonally adjusted 1.1% in the January-March quarter, data from the National Economic and Social Development Council showed. The quarterly growth meant the economy avoided a technical recession, after it had contracted by a revised 0.4% in the final quarter of 2023. Economists in a Reuters poll had forecast gross domestic product (GDP) to expand 0.8% in the March quarter from a year earlier and 0.6% from the previous three months. In the fourth quarter of 2023, GDP grew an annual 1.7%.
- The Constitutional Court has accepted a petition seeking the ouster of Prime Minister Srettha Thavisin over his decision to appoint a minister with a prison record. However, the court has voted 5-4 not to suspend him from duty pending its ruling.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>36.21 THB/USD</b>	<b>Monthly High</b>	<b>37.24 THB/USD</b>
<b>Week Open</b>	<b>36.13 THB/USD</b>	<b>Monthly Low</b>	<b>35.85 THB/USD</b>
<b>Week Close</b>	<b>36.64 THB/USD</b>	<b>30 Days Average</b>	<b>36.71 THB/USD</b>
<b>Weekly High</b>	<b>36.75 THB/USD</b>	<b>90 Days Average</b>	<b>36.22 THB/USD</b>
<b>Weekly Low</b>	<b>35.80 THB/USD</b>	<b>YTD Change</b>	<b>+6.55%</b>

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

Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Apr	30-May	-0.90%	-5.13%
Exports YY	Apr	31-May		-10.20%
Imports YY	Apr	31-May		5.20%
Trade Account	Apr	31-May		1.00B
Current Account	Apr	31-May		1.10B

<b>Lower Bound</b>	<b>36.20</b>	<b>Upper Bound</b>	<b>37.00</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 has all but promised to lower interest rates from a record high of 4% in its upcoming June meeting, but it remains to be seen how quickly it will cut rates after that, particularly if inflation data out on Friday shows price pressures remain volatile. Economists expect euro zone inflation to tick up 2.5% in May year-on-year, from 2.4% in April, while underlying inflation is seen holding steady at 2.7%.
- The economic calendar for the bloc also features Germany's Ifo business climate index on Monday, and the ECB's survey of inflation expectations on Tuesday.

<b>Lower Bound</b>	<b>1.0750</b>	<b>Upper Bound</b>	<b>1.0950</b>
<b>Forecast</b>	<b>Neutral</b>		

**Euro News**

- The euro traded higher after the European Central Bank (ECB) President Christine Lagarde communicated that she is "really confident" that euro zone inflation is under control. Lagarde's words convey certainty and confidence – something that the Fed and Bank of England (BoE) appear to be moving further away from. Lagarde's words contrast the most recent ECB statement that mentioned, 'domestic price pressures are strong and are keeping services price inflation high', putting up little resistance to a general decline in the euro.
- Markets are currently pricing in 66 bps of easing from the European Central Bank this year, with the central bank last month making it clear that its next move will be a cut, most likely in June.
- Eurozone business activity expanded at its fastest pace in a year this month, Eurozone composite PMI seen 52.0 in May from 51.7 in April.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0870 USD/EUR</b>	<b>Monthly High</b>	<b>1.0894 USD/EUR</b>
<b>Week Open</b>	<b>1.0864 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0650 USD/EUR</b>
<b>Week Close</b>	<b>1.0845 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0761 USD/EUR</b>
<b>Weekly High</b>	<b>1.0884 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0800 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0803 USD/EUR</b>	<b>YTD Change</b>	<b>-1.71%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Ifo Business Climate New	May	27-May		89.4
CPI Prelim YY	May	29-May		2.2%
HICP Prelim YY	May	29-May		2.4%
Consumer Confid. Final	May	30-May		
Unemployment Rate	Apr	30-May		6.5%
GDP QQ Final	Q1	31-May		0.2%
CPI Prelim YY NSA	May	31-May		2.2%
CPI Prelim MM NSA	May	31-May		0.5%
HICP Flash YY	May	31-May	2.5%	2.4%

**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**

- The pound jumped as UK inflation neared the BoE's target in April, but did not slow as much as expected, prompting investors to pull bets on a rate cut next month.
- British consumer prices rose by 2.3% in annual terms in April, slowing from a 3.2% increase in March. The BoE and economists polled by Reuters had forecast an annual rate of 2.1%.
- Money markets now see only a 13% chance of a rate cut in June. Earlier this week, pricing in derivatives markets suggested traders saw a 55% chance of a first cut coming in June.
- Meanwhile, Prime Minister Sunak called a national election on Wednesday, naming July 4 as the date for a vote his governing Conservatives are widely expected to lose to the opposition Labour Party after 14 years in power.
- The pound eased on Friday as UK retail sales contracted at a faster pace than expected, declined 2.3%. Economists expected a decline by 0.4%.

**Pound Sterling Performance**

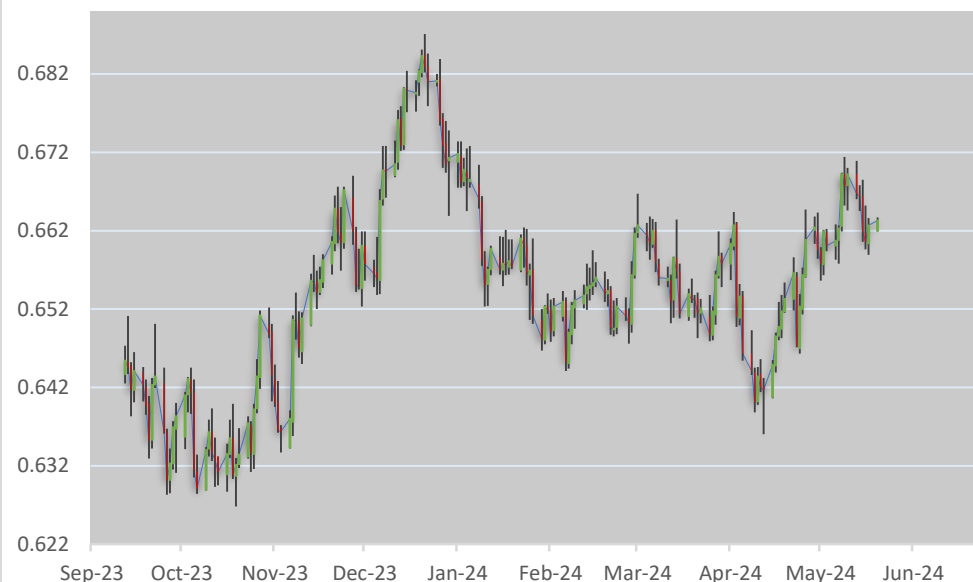
<b>Last Week Close</b>	<b>1.2699</b> USD/GBP	<b>Monthly High</b>	<b>1.2761</b> USD/GBP
<b>Week Open</b>	<b>1.2699</b> USD/GBP	<b>Monthly Low</b>	<b>1.2447</b> USD/GBP
<b>Week Close</b>	<b>1.2740</b> USD/GBP	<b>30 Days Average</b>	<b>1.2551</b> USD/GBP
<b>Weekly High</b>	<b>1.2761</b> USD/GBP	<b>90 Days Average</b>	<b>1.2622</b> USD/GBP
<b>Weekly Low</b>	<b>1.2676</b> USD/GBP	<b>YTD Change</b>	<b>+0.09%</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>1.2600</b>	<b>Upper Bound</b>	<b>1.2850</b>
<b>Forecast</b>	<b>Appreciation</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 Monthly Australian Consumer Price Index report on Wednesday, seeking insights into the trajectory of domestic monetary policy.

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

**Australian Dollar News**

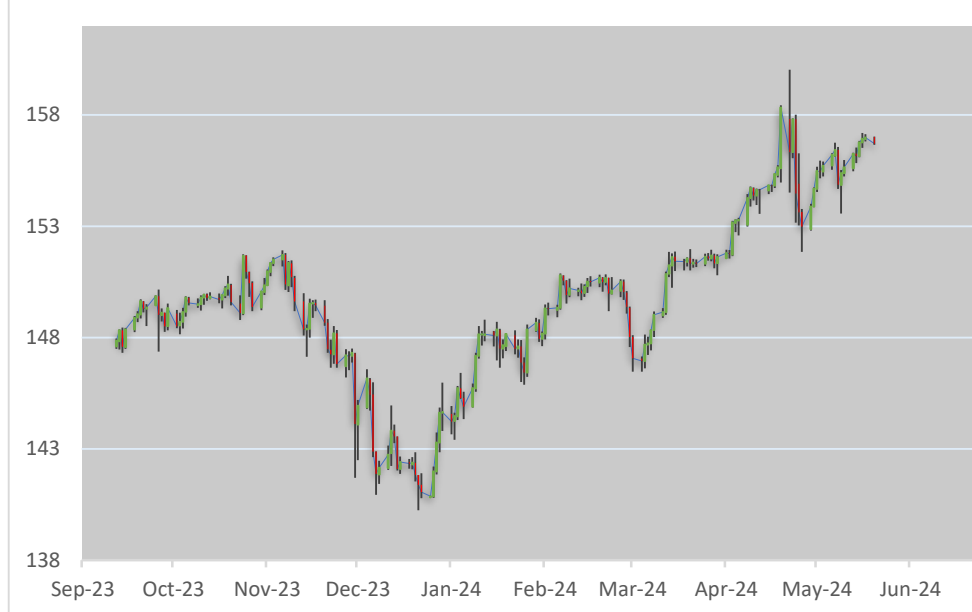
- The Reserve Bank of Australia considered increasing interest rates during its May meeting, the minutes of the bank's meeting showed on Tuesday, as it grappled with a sticky outlook for inflation.
- The RBA had left its official cash rate target unchanged at 4.35% in April, and had struck a somewhat less hawkish tone than markets were expecting. While the bank did acknowledge that inflation was turning sticky, it did not explicitly mention the possibility of another rate hike. But the minutes of the meeting showed that policymakers had indeed considered a rate increase, especially amid concerns that inflation will not ease as quickly as initially forecast.
- The outlook for future rate decisions remained cloudy, amid uncertainty over the path of the economy.
- Still, the RBA expects Australian economic conditions to cool further in the coming months, and that the labor market will also deteriorate. These trends are expected to help inflation meet the bank's target within its forecast period.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6692</b> USD/AUD	<b>Monthly High</b>	<b>0.67140</b> USD/AUD
<b>Week Open</b>	<b>0.6692</b> USD/AUD	<b>Monthly Low</b>	<b>0.64660</b> USD/AUD
<b>Week Close</b>	<b>0.6627</b> USD/AUD	<b>30 Days Average</b>	<b>0.65498</b> USD/AUD
<b>Weekly High</b>	<b>0.6709</b> USD/AUD	<b>90 Days Average</b>	<b>0.66045</b> USD/AUD
<b>Weekly Low</b>	<b>0.6589</b> USD/AUD	<b>YTD Change</b>	<b>-2.60%</b>

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

Events	Period	Date	Forecast	Previous
Retail Sales MM Final	Apr	28-May		-0.4%
Composite Leading Idx MM	Apr	29-May		-0.05%
Weighted CPI YY	Apr	29-May		3.5%
CPI SA MM	Apr	29-May		0.40%
CPI SA YY	Apr	29-May		3.80%
Building Approvals	Apr	30-May		1.9%
Building Approval Total YY	Apr	30-May		-2.5%
Capital Expenditure	Q1	30-May		0.8%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- Tokyo inflation data due on Friday will be closely watched as markets try to gauge when the Bank of Japan could next raise rates. The figures come two weeks before the BOJ's next monetary policy meeting, where some are betting the central bank could deliver its second rate rise after March's historic move.
- 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.

<b>Lower Bound</b>	<b>155.00</b>	<b>Upper Bound</b>	<b>158.00</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Japanese Yen News**

- The Japanese yen depreciated against the dollar. Fears of currency intervention by Tokyo still had traders on alert after suspected rounds of intervention earlier this month.
- PMI data for Japan showed manufacturing activity expanded for the first time in 11 months.
- Japan's core inflation slowed for a second straight month in April, meeting market expectations - and staying above the central bank's target - at 2.2%. The reading raised more questions about just how much headroom the Bank of Japan has to tighten policy further, presenting more headwinds for the yen.
- Japan stands ready to take appropriate action in the market "any time" to counter excessive moves in the yen, its top currency diplomat Masato Kanda said on Friday, issuing a fresh warning on the chance of renewed exchange-rate intervention.
- Kanda also said he was in frequent and close contact with overseas counterparts, particularly in the U.S., on issues including financial markets.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>155.65 JPY/USD</b>	<b>Monthly High</b>	<b>158.01 JPY/USD</b>
<b>Week Open</b>	<b>155.60 JPY/USD</b>	<b>Monthly Low</b>	<b>151.87 JPY/USD</b>
<b>Week Close</b>	<b>156.99 JPY/USD</b>	<b>30 Days Average</b>	<b>146.38 JPY/USD</b>
<b>Weekly High</b>	<b>157.19 JPY/USD</b>	<b>90 Days Average</b>	<b>147.23 JPY/USD</b>
<b>Weekly Low</b>	<b>155.47 JPY/USD</b>	<b>YTD Change</b>	<b>+11.10%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Leading Indicator Revised	Mar	27-May		-0.7
Service PPI	Apr	28-May		2.30%
CPI Tokyo Ex fresh food YY	May	31-May		1.6%
CPI, Overall Tokyo	May	31-May		1.8%
Jobs/Applicants Ratio	Apr	31-May		1.28
Unemployment Rate	Apr	31-May		2.6%
Industrial O/P Prelim MM SA	Apr	31-May		4.4%
Large Scale Retail Sales YY	Apr	31-May		7%

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