

WEEKLY FOREIGN EXCHANGE OUTLOOK
14 Oct 2024 - 18 Oct 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- On Monday (14/10), US market is closed in observance on Columbus day.
- On the US front, the calendar will feature Fed Kashkari (14/10) and Waller (18/10) speeches, the empire state manufacturing index on Tuesday (15/10), Retail Sales, Initial Jobless Claims, Industrial Production on Thursday (17/10) and housing data (17 and 18/10).

Dollar News

- The dollar rose after better-than-expected jobs data. However, the Federal Open Market Committee's (FOMC) September Meeting Minutes showed that Fed members agreed not to lock themselves into an aggressive easing path.
- The annual headline CPI inflation decelerated to 2.4%, the lowest figure since February 2021, from 2.5% in August but grew faster than estimates of 2.3%. Meanwhile, the core CPI rose by 3.3%, faster than expectations and the former release of 3.2%.
- The Bureau of Labor Statistics reported that the headline PPI rose by 1.8%, faster than estimates of 1.6% but slower than 1.9% in August, upwardly revised from 1.7%. Also, the core PPI – which strips off volatile food and energy prices – accelerated at a faster-than-expected pace to 2.8% from 2.6% in August, upwardly revised from 2.4%. Economists estimated the core PPI to have grown by 2.7%.

Dollar Index Performance

Last Week Close	102.52	Monthly High	103.36
Week Open	102.49	Monthly Low	100.16
Week Close	102.89	30 Days Average	101.51
Weekly High	103.36	90 Days Average	103.08
Weekly Low	102.29	YTD Change	+1.85%

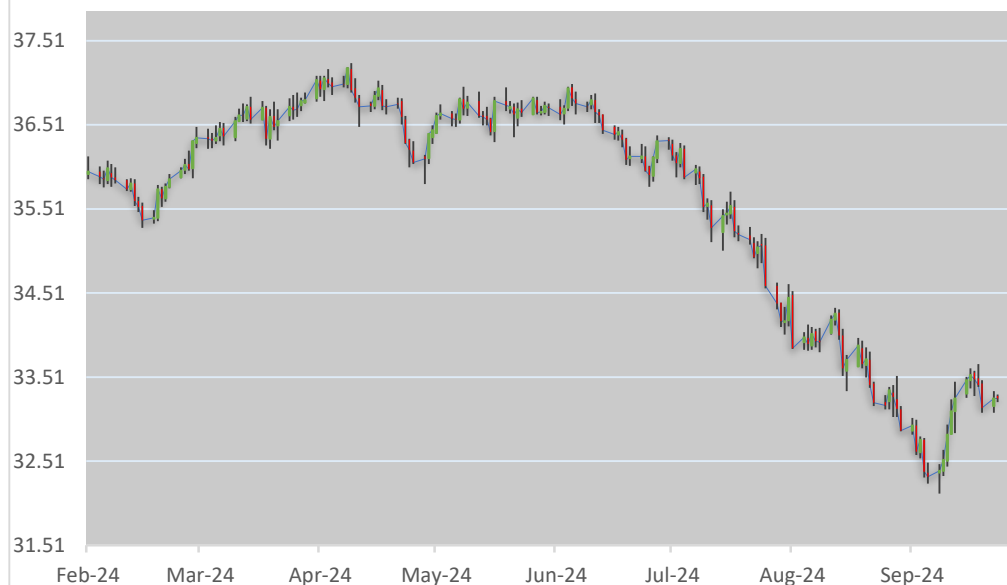
Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Import Prices YY	Sep	16-Oct		0.8%
Initial Jobless Clm	12 Oct, w/	17-Oct	258k	258k
Philly Fed Business Indx	Oct	17-Oct	3.0	1.7
Retail Sales MM	Sep	17-Oct	0.3%	0.1%
Industrial Production MM	Sep	17-Oct	-0.2%	0.8%
Housing Starts Number	Sep	18-Oct	1.350M	1.356M

Lower Bound **101.50** **Upper Bound** **104.50**
Forecast **Appreciation**

Please carefully examine the Important Disclosure on the last section of this material.

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Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- Monday (14/10) is Thailand's Day off for Anniversary of the Death of King Bhumibol.
- Market focus on Bank of Thailand policy meeting on Wednesday (16/10). While, market expects the BOT to maintain its policy rate at its meeting.

Thai Baht News

- Thai baht depreciated further as the dollar rose on the back of stronger-than-expected jobs data. BOT assistant governor Chai-anant told reporters that the BOT had managed the baht's volatility after it appreciated to sub 32.20 on September 30 and since then has reversed course after investors started to dial back expectation of a dovish Fed.
- Finance Minister Pichai Chunhavajira met with BoT Governor Sethaput Suthiwartnarueput on Wednesday and discussed the country's household debt and possibilities of an interest rate cut continues to pressure BoT to lower interest rate.

Thai Baht Performance

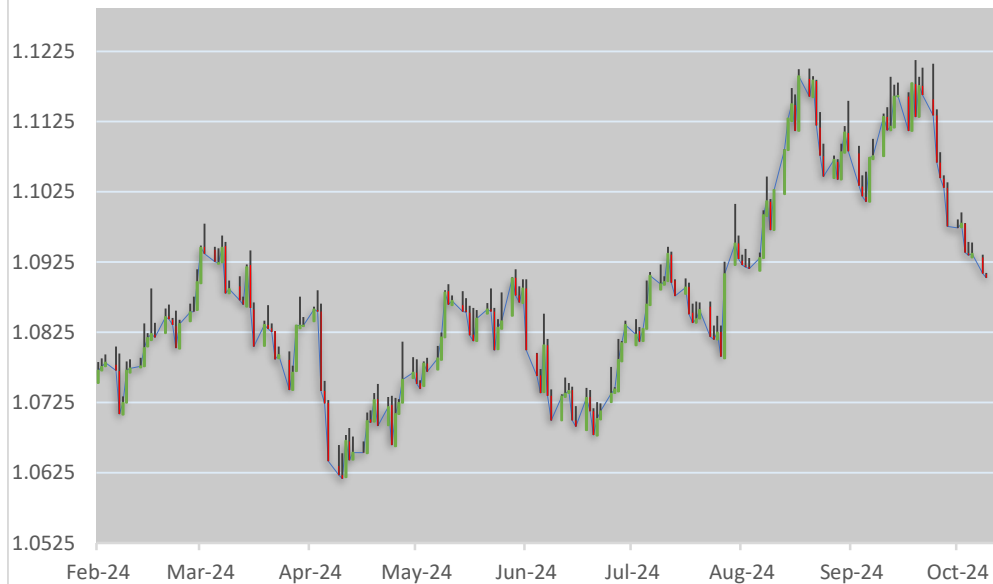
Last Week Close	33.10 THB/USD	Monthly High	33.66 THB/USD
Week Open	33.31 THB/USD	Monthly Low	32.39 THB/USD
Week Close	33.14 THB/USD	30 Days Average	33.20 THB/USD
Weekly High	33.66 THB/USD	90 Days Average	34.88 THB/USD
Weekly Low	33.08 THB/USD	YTD Change	-3.20%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
1-Day Repo Rate	16 Oct	16-Oct	2.50%	2.50%

Lower Bound	33.00	Upper Bound	34.00
Forecast	Depreciation		

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Euro Graph


Source: Refinitiv

Euro Outlook

- ECB chief economist Philip Lane as well as board members Piero Cipollone and Jose Luis Escriva are all scheduled to speak later Monday (17/10), and are likely to follow President Christine Lagarde in signaling a brisk pace of further easing.
- The European Central Bank (ECB) monetary policy decision on Thursday (17/10). Market widely expected to deliver a 25 basis points (bps) interest rate cut, as ECB officials have paved the way for additional trims amid the economic setback undergoing the Union. The central bank has lowered rates twice this year, but roughly 90% of market players believe the ECB will keep delivering meeting-by-meeting 25 bps in the upcoming decisions.

Lower Bound	1.0800	Upper Bound	1.1150
Forecast	Depreciation		

Euro News

- The euro traded weaker VS the dollar after strong US labor data substantiated Powell's case for a more hawkish approach than the market initially expected and the ECB call for more rate cut in October. French Central Bank Chief Villeroy, told reporters that the ECB will probably cut interest rates again this month, citing fear that the inflation will undershoot 2% target.
- German factory orders slumped 5.8% on the month in August. However, Industrial Production, which rose by 2.9% in the month, much better than the 0.8% anticipated by market players. Compared to a year earlier, however, Industrial Production declined by 2.7%, still better than the previous -5.3%.

Euro Index Performance

Last Week Close	1.0976 USD/EUR	Monthly High	1.1143 USD/EUR
Week Open	1.0974 USD/EUR	Monthly Low	1.0889 USD/EUR
Week Close	1.0937 USD/EUR	30 Days Average	1.1068 USD/EUR
Weekly High	1.0996 USD/EUR	90 Days Average	1.0946 USD/EUR
Weekly Low	1.0898 USD/EUR	YTD Change	-1.20%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
ZEW Current Conditions	Oct	15-Oct	-84.5	-84.5
Reserve Assets Total	Sep	15-Oct		1,288.39B
Total Trade Balance SA	Aug	17-Oct		15.50B
ECB Refinancing Rate	Oct	17-Oct	3.40%	3.65%
ECB Deposit Rate	Oct	17-Oct	3.25%	3.50%
ZEW Economic Sentiment	Oct	15-Oct	10.0	3.6

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Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- The focus now shifts to a batch of high-impact economic data from the United Kingdom, which could provide a sense of what markets expect from the Bank of England (BoE) next month.
- Wednesday (16/10) will feature the UK CPI data for September, which will have a significant impact on the BoE's interest rate move in November, as well as on the Pound Sterling.

Pound Sterling News

- The Pound sterling edged higher after BOE's Chief Economist Pill said that they should move gradually with cutting interest rates, an opposite of what the Governor Bailey said a day earlier as he mentioned that the BOE might move more aggressively to cut interest rates.
- The Pound Sterling (GBP) falls to near the monthly low of 1.3000 against the US Dollar (USD) in Thursday's North American session. The GBP/USD pair weakens after the release of the United States (US) Consumer Price Index (CPI) data, which showed that price pressures were hotter than expected in September.
- The UK economy expanded by 0.2% over the month in August, having stagnated for the second consecutive month in July, the latest data published by the Office for National Statistics (ONS) showed on Friday. The reading matched the market consensus of 0.2% growth in the reported period.

Pound Sterling Performance

Last Week Close	1.3116 USD/GBP	Monthly High	1.3389 USD/GBP
Week Open	1.3102 USD/GBP	Monthly Low	1.3023 USD/GBP
Week Close	1.3066 USD/GBP	30 Days Average	1.3186 USD/GBP
Weekly High	1.3134 USD/GBP	90 Days Average	1.2969 USD/GBP
Weekly Low	1.3019 USD/GBP	YTD Change	+2.59%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Sep	15-Oct		23.7k
ILO Unemployment Rate	Aug	15-Oct	4.1%	4.1%
Core CPI YY	Sep	16-Oct	3.4%	3.6%
CPI YY	Sep	16-Oct	1.9%	2.2%
Retail Sales MM	Sep	18-Oct	-0.3%	1.0%
Retail Sales Ex-Fuel MM	Sep	18-Oct	-0.3%	1.1%
Retail Sales YY	Sep	18-Oct	3.2%	2.5%

Lower Bound	1.2950	Upper Bound	1.3250
Forecast	Depreciation		

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Australian Dollar
Australian Dollar Graph


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Australian Dollar Outlook

- Next week, the Australian economic docket will be scarce. Tier The Reserve Bank of Australia (RBA) Assistant Governor Sarah Hunter will cross the wires on October 15, followed by the release of jobs data on October 16.

Australian Dollar News

- The AUD/USD declined by 0.60%, influenced by China's uncertain economic outlook. A leading Chinese official failed to go into detail about the size or parameters of the government's upcoming stimulus measures, which worried investors and sent the Chinese stock market reeling. Despite the uncertainties surrounding the Australian economy, the Reserve Bank of Australia (RBA) signaled a dovish tone in the release of its latest minutes, which fueled bets of an initial cut in December.
- The AUD/USD pair extends its decline to near 0.6740 during the Asian session on Wednesday. The stronger US Dollar (USD) and disappointment over additional China stimulus measures continue to undermine the pair.
- The AUD gains ground on Friday. Nonetheless, the lower odds of aggressive interest rate cuts from the US Federal Reserve (Fed) after the hotter-than-expected inflation data might lift the US Dollar (USD) and cap the upside for the pair.

Australian Dollar Performance

Last Week Close	0.6794 USD/AUD	Monthly High	0.69340 USD/AUD
Week Open	0.6787 USD/AUD	Monthly Low	0.67030 USD/AUD
Week Close	0.6750 USD/AUD	30 Days Average	0.66205 USD/AUD
Weekly High	0.6810 USD/AUD	90 Days Average	0.66235 USD/AUD
Weekly Low	0.6705 USD/AUD	YTD Change	-1.19%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Sep	16-Oct		-0.04%
Employment	Sep	17-Oct	25.0k	47.5k
Unemployment Rate	Sep	17-Oct	4.2%	4.2%

Lower Bound	0.6600	Upper Bound	0.6800
Forecast	Neutral		


Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- On Monday (14/10), Japan's market is closed in observance of Health-Sports day.
- On data front, Core Machinery Order will be released on Wednesday (16/10), Trade Balance on Thursday (17/10) and National Core CPI on Friday (18/10).
- Japanese Yen bulls remain on the sidelines amid BoJ uncertainty, modest USD strength

Japanese Yen News

- The Yen slid continues to slide against weighed down by dovish Japan's interest rate view and strong US labor data. The new prime minister Shigeru Ishiba, surprised the market when he said that the economy was not ready for more rate hikes. Ishiba has previously called for BOJ to unwind their long-standing position of extreme monetary stimulus.
- Prices of goods and services at factory gates are estimated to have risen at a slower pace of 2.3% from 2.5% in August. Signs of producer inflation remaining persistent would prompt expectations of more hikes by the Bank of Japan (BoJ).

Japanese Yen Performance

Last Week Close	148.71 JPY/USD	Monthly High	149.98 JPY/USD
Week Open	148.71 JPY/USD	Monthly Low	142.98 JPY/USD
Week Close	149.13 JPY/USD	30 Days Average	157.63 JPY/USD
Weekly High	149.54 JPY/USD	90 Days Average	154.18 JPY/USD
Weekly Low	147.33 JPY/USD	YTD Change	+6.13%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Aug	16-Oct	-0.1%	-0.1%
Machinery Orders YY	Aug	16-Oct	3.6%	8.7%
Exports YY	Sep	17-Oct	0.5%	5.6%
Imports YY	Sep	17-Oct	3.2%	2.3%
Trade Balance Total Yen	Sep	17-Oct	-237.6B	-695.3B
CPI, Core Nationwide YY	Sep	18-Oct	2.3%	2.8%
CPI, Overall Nationwide	Sep	18-Oct		3.0%

Lower Bound	148.00	Upper Bound	151.00
Forecast	Neutral		

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