

WEEKLY FOREIGN EXCHANGE OUTLOOK
21 Oct 2024 - 25 Oct 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

• On the US front, the Fed Beige Book will all be released on October 23. The Chicago Fed National Activity Index will be published on October 24, followed by the usual weekly Initial Jobless Claims, advanced S&P Global Manufacturing and Services PMIs, and New Home Sales. On October 25 will be published the Durable Goods Orders, the final Michigan Consumer Sentiment.

Lower Bound	102.50	Upper Bound	105.00
Forecast	Appreciation		

Dollar News

- The dollar remains firmed and hit an 11-week high, as investors ruled out a hefty interest rate cut from the Federal Reserve at the next policy meeting and priced in a potential election victory by former President Donald Trump.
- The dollar surged on Thursday after data showed U.S. retail sales rose in September, reinforcing expectations that the Federal Reserve will pursue modest interest rate cuts over the next year and a half as the world's largest economy remained resilient. Data showed U.S. retail sales rose 0.4% last month after an unrevised 0.1% gain in August. Economists polled had forecast retail sales would rise 0.3%.
- Possibility of election win by Republican candidate Donald Trump and negative impact of recent upbeat US economic data to further Fed rate cut expectations, were the key factors to support dollar.

Dollar Index Performance

Last Week Close	102.89	Monthly High	103.87
Week Open	102.92	Monthly Low	100.16
Week Close	103.49	30 Days Average	101.81
Weekly High	103.87	90 Days Average	103.00
Weekly Low	102.93	YTD Change	+2.15%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Existing Home Sales	Sep	23-Oct	3.90M	3.86M
S&P Global Mfg PMI Flash	Oct	24-Oct		47.3
S&P Global Svcs PMI Flash	Oct	24-Oct		55.2
S&P Global Comp Flash PMI	Oct	24-Oct		54.0
New Home Sales-Units	Sep	24-Oct	0.708M	0.716M
Durable Goods	Sep	25-Oct	-0.9%	0.0%
U Mich Sentiment Final	Oct	25-Oct		68.9
Initial Jobless Clm	14 Oct, w/	24-Oct		241k

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Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- Thailand's Election Commission will launch an investigation into the ruling Pheu Thai party that could lead to its dissolution, multiple local media outlets reported on Friday.
- More political disruption could put a floor under USD/THB.
- On the data front, trade data will be released on October 23.

Thai Baht News

- Thai baht traded volatile against the dollar after Thailand's central bank unexpectedly cut its key interest rate on Wednesday by 0.25%, saying the move brought rates a "neutral" level consistent with the economy's growth potential and downplaying the impact of government calls for policy easing on its decision. However, the movement of gold prices and expectation for Fed's rate cut later this year remains the main factor to indicate the baht's sentiment.
- The Thai baht traded appreciated against the dollar, still under pressure after gold prices hit the record high above \$2,700 per ounce.
- Thailand's economy could grow by 3% this year and by more than that in 2025, driven by the government's stimulus measures, Deputy Finance Minister Julapun Amornvivat said on Friday.

Thai Baht Performance

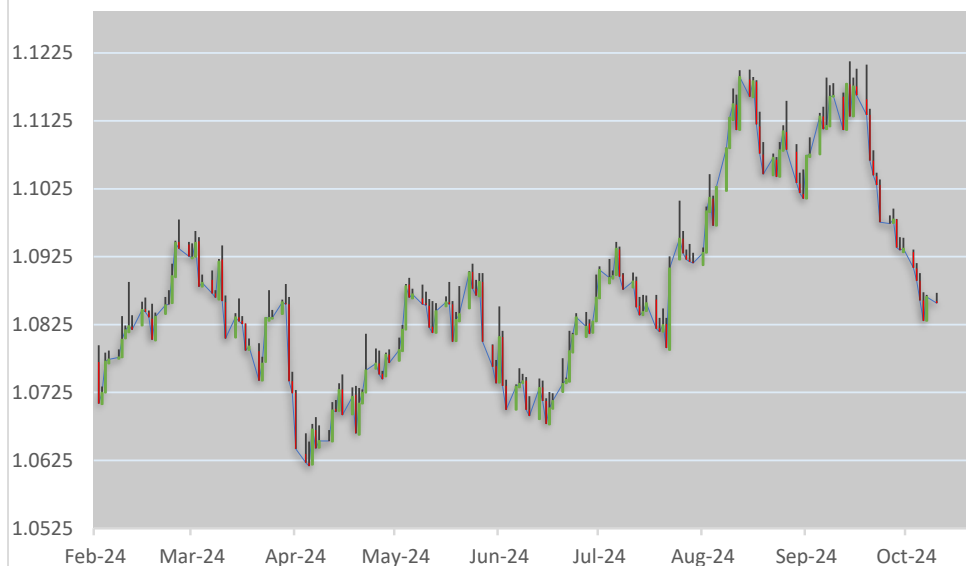
Last Week Close	33.41 THB/USD	Monthly High	33.66 THB/USD
Week Open	33.16 THB/USD	Monthly Low	32.39 THB/USD
Week Close	33.10 THB/USD	30 Days Average	33.12 THB/USD
Weekly High	33.44 THB/USD	90 Days Average	34.73 THB/USD
Weekly Low	33.05 THB/USD	YTD Change	-3.00%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Sep	23-Oct		7.00%
Custom-Based Import Data	Sep	23-Oct		8.90%
Customs-Based Trade Data	Sep	23-Oct		0.26B
Manufacturing Prod YY	Sep	23-Oct		-1.91%
Forex Reserves	14 Oct, w/e	25-Oct		
Currency Swaps	14 Oct, w/e	25-Oct		

Lower Bound	33.00	Upper Bound	33.50
Forecast	Depreciation		

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Euro Graph


Source: Refinitiv

Euro Outlook

- Germany's Producer Prices are due on October 21. The flash HCOB Manufacturing and Services PMIs in Germany and the euro area will be revealed on October 24. On October 25 comes the ECB's Consumer Inflation Expectations and M3 Money Supply, all seconded by the IFO's Business Climate in Germany.
- Other than that, ECB President Christine Lagarde will make multiple public appearances throughout the first half of the week, and comments on monetary policy may affect the Euro.

Lower Bound	1.0750	Upper Bound	1.1000
Forecast	Depreciation		

Euro News

- The euro touched its lowest level in 10 weeks at 1.0811 during the American trading hours on Thursday.
- The euro fell against the dollar after the European Central Bank cut interest rates on Thursday for the third time this year. ECB officials trimmed the three benchmark rates by 25 basis points (bps) each. The Rate on the Deposit Facility then stands now at 3.25%.
- It said inflation in the euro zone was increasingly under control while the outlook for the region's economy has been worsening. ECB President Christine Lagarde, in her press briefing, did not provide clues as to the bank's future moves, but traders expect a fourth cut in December is likely unless economic or inflation data turns around in the coming weeks.

Euro Index Performance

Last Week Close	1.0937 USD/EUR	Monthly High	1.1143 USD/EUR
Week Open	1.0932 USD/EUR	Monthly Low	1.0812 USD/EUR
Week Close	1.0866 USD/EUR	30 Days Average	1.1038 USD/EUR
Weekly High	1.0936 USD/EUR	90 Days Average	1.0951 USD/EUR
Weekly Low	1.0810 USD/EUR	YTD Change	-1.63%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confid. Flash	Oct	23-Oct	-12.7	-12.9
HCOB Composite Flash PMI	Oct	24-Oct		48.6
HCOB Mfg Flash PMI	Oct	24-Oct	40.5	40.6
HCOB Services Flash PMI	Oct	24-Oct	50.5	50.6
HCOB Composite Flash PMI	Oct	24-Oct		47.5
HCOB Mfg Flash PMI	Oct	24-Oct	45.1	45.0
HCOB Services Flash PMI	Oct	24-Oct	51.6	51.4
HCOB Composite Flash PMI	Oct	24-Oct	49.7	49.6
Ifo Business Climate New	Oct	25-Oct	85.4	85.4

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Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- On the data front, The advanced S&P Global Manufacturing and Services PMIs will come on October 24. Closing the weekly docket, GfK's Consumer Confidence is expected on October 25.

Pound Sterling News

- The GBP/USD remains close to a one-month low touched last week amid a bullish USD.
- The Pound sterling fell after data showing the rate of annual consumer price inflation dropped to 1.7% in September from 2.2% in August. That was the lowest reading since April 2021, and under the 1.9% forecast by a Reuters poll of economists. Its reinforced bets on a BoE interest rate cut next month and made a further cut in December more likely.
- The data published by the UK's Office for National Statistics showed early Friday that Retail Sales rose 0.3% on a monthly basis in September. This reading followed the 1% increase recorded in August and came in better than the market expectation for a decline of 0.3%, further supporting Pound Sterling.
- The money markets are pricing in the possibility of another BoE rate cut in December, which might continue to undermine the British Pound.

Pound Sterling Performance

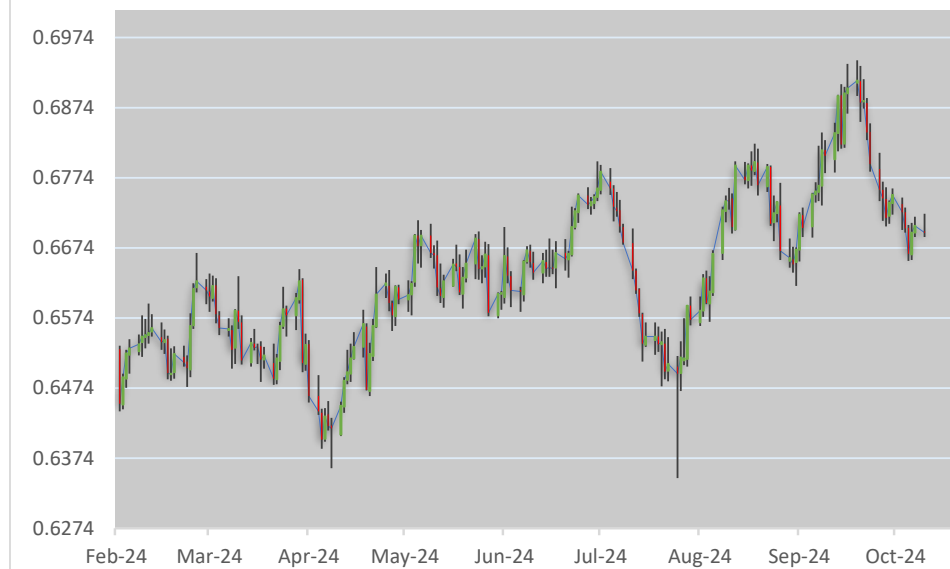
Last Week Close	1.3066 USD/GBP	Monthly High	1.3389 USD/GBP
Week Open	1.3060 USD/GBP	Monthly Low	1.2974 USD/GBP
Week Close	1.3048 USD/GBP	30 Days Average	1.3171 USD/GBP
Weekly High	1.3102 USD/GBP	90 Days Average	1.2981 USD/GBP
Weekly Low	1.2971 USD/GBP	YTD Change	+2.41%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Oct	21-Oct		0.8%
House Price Rightmove YY	Oct	21-Oct		1.2%
CBI Distributive Trades	Oct	21-Oct		4
Flash Composite PMI	Oct	24-Oct		52.6
Flash Manufacturing PMI	Oct	24-Oct		51.5
Flash Services PMI	Oct	24-Oct		52.4
GfK Consumer Confidence	Oct	25-Oct		-20

Lower Bound	1.2950	Upper Bound	1.3150
Forecast	Depreciation		

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Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- AUD/USD extended its multi-week decline despite a positive performance in the last couple of days. The flash Judo Bank Manufacturing and Services PMIs are due on October 24.

Australian Dollar News

- The Aussie Dollar benefits from a weaker US Dollar and strong employment data.
- Risk-on sentiment in global equity markets undermines USD safe-haven demand.
- Employment increased by 64.1K, showing slightly higher growth than the strong results seen in August with most gains in full-time jobs. The unemployment rate was adjusted downward to 4.1%, staying close to historic lows and significantly below the decade's average.
- Due to strong employment data release this week, markets might start betting on a more hawkish RBA. As for now, the consensus indicated a single 25 bps cut in 2024.

Australian Dollar Performance

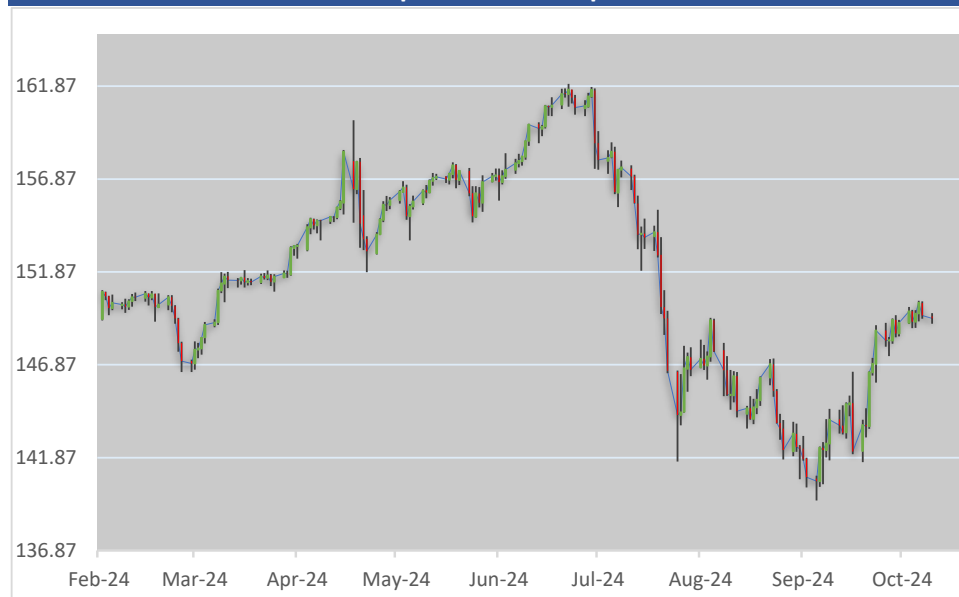
Last Week Close	0.6750 USD/AUD	Monthly High	0.69340 USD/AUD
Week Open	0.6737 USD/AUD	Monthly Low	0.66590 USD/AUD
Week Close	0.6706 USD/AUD	30 Days Average	0.66231 USD/AUD
Weekly High	0.6746 USD/AUD	90 Days Average	0.66379 USD/AUD
Weekly Low	0.6656 USD/AUD	YTD Change	-1.69%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Judo Bank Mfg PMI Flash	Oct	24-Oct		46.7
Judo Bank Svs PMI Flash	Oct	24-Oct		50.5
Judo Bank Comp PMI Flash	Oct	24-Oct		49.6

Lower Bound	0.6650	Upper Bound	0.6800
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK
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Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

• On data front, The usual weekly Foreign Bond Investment is due on October 24, along with the preliminary Jibun Bank Manufacturing and Services PMIs. On October 25, the Tokyo inflation figures will take centre stage, followed by the final Coincident Index and Leading Economic Index.

Japanese Yen News

- The Japanese yen hold lose against the US dollar, while bank of Japan board member Seiji Adachi said on Wednesday the central bank must raise rates at a "very moderate" pace and avoid hiking prematurely given uncertainties about the global outlook and domestic wage developments.
- The Japanese yen traded around 150.00 against the dollar after Japanese CPI inflation data. Japan's annual Consumer Price Index (CPI) rose 2.5% in September, compared to 3.0% reported in August. The slowdown in price gains might have a limited impact on the Bank of Japan's (BoJ) policy path.
- USD/JPY slide below the 150.00 psychological mark during the early European session amid verbal intervention from Japanese authorities, though the uncertainty over the Bank of Japan's (BoJ) rate-hike plans should limit the downside.

Japanese Yen Performance

Last Week Close	149.13 JPY/USD	Monthly High	150.32 JPY/USD
Week Open	149.12 JPY/USD	Monthly Low	142.98 JPY/USD
Week Close	149.52 JPY/USD	30 Days Average	158.25 JPY/USD
Weekly High	150.32 JPY/USD	90 Days Average	154.66 JPY/USD
Weekly Low	148.84 JPY/USD	YTD Change	+5.91%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Chain Store Sales YY	Sep	23-Oct		3.8%
JibunBK Mfg PMI Flash SA	Oct	24-Oct		49.7
JibunBK Comp Op Flash SA	Oct	24-Oct		52.0
JibunBK SVC PMI Flash SA	Oct	24-Oct		53.1
CPI Tokyo Ex fresh food YY	Oct	25-Oct	1.7%	2.0%
CPI, Overall Tokyo	Oct	25-Oct		2.2%
Service PPI	Sep	25-Oct		2.70%
Leading Indicator Revised	Aug	25-Oct		-2.6

Lower Bound	148.00	Upper Bound	151.00
Forecast	Depreciation		

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