

WEEKLY FOREIGN EXCHANGE OUTLOOK
28 Oct 2024 - 01 Nov 2024

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- As the likelihood of a Trump victory rises, it signals a stronger US dollar and higher US bond yields.
- However, expectations for a less aggressive Federal Reserve may ease the bullish sentiment on the US dollar.
- According to the CME Group's FedWatch Tool, there is currently a 90% probability of a quarter-point rate cut next month.

Lower Bound	103.50	Upper Bound	106.00
Forecast	Appreciation		

Dollar News

- Recently, the Greenback's strength has been supported by rising US yields, driven by strong economic fundamentals and cautious signals from Federal Reserve officials. Additionally, ongoing uncertainty ahead of the November 5th US election has further fueled demand for the US Dollar.
- Despite this, the dollar experienced a 0.4% decline, marking its largest one-day drop in a month.

Dollar Index Performance

Last Week Close	103.49	Monthly High	104.57
Week Open	103.46	Monthly Low	100.16
Week Close	104.26	30 Days Average	102.42
Weekly High	104.57	90 Days Average	102.92
Weekly Low	103.42	YTD Change	+2.90%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence	Oct	29-Oct	99.5	98.7
Core PCE Price Index MM	Sep	31-Oct	0.3%	0.1%
Core PCE Price Index YY	Sep	31-Oct	2.6%	2.7%
PCE Price Index MM	Sep	31-Oct	0.2%	0.1%
PCE Price Index YY	Sep	31-Oct	2.1%	2.2%
Initial Jobless Clm	26 Oct, w/	31-Oct	230k	227k
Non-Farm Payrolls	Oct	1-Nov	115k	254k
Unemployment Rate	Oct	1-Nov	4.1%	4.1%
Average Earnings YY	Oct	1-Nov	4.0%	4.0%
S&P Global Mfg PMI Final	Oct	1-Nov		47.8

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Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- Attention will be on the Bank of Thailand (BoT) and the finance ministry meeting this Tuesday (29/10).
- With the BoT aiming for a neutral stance and the possibility of policy adjustments if the macroeconomic outlook changes significantly, the baht is expected to be volatile.
- Additionally, the US elections will impact financial markets regardless of the outcome, particularly with the potential for increased trade tensions with China.

Lower Bound	33.50	Upper Bound	34.00
Forecast	Depreciation		

Thai Baht News

- Last week, the Bank of Thailand (BoT) unexpectedly cut interest rates for the first time since 2020. According to Deputy Governor Piti Disyatat, this move was a recalibration rather than the beginning of an easing cycle.
- In an interview, the Thailand Central Bank stated that inflation is low and well-anchored, with no risk of deflation, while the economy is converging towards trend growth.
- The Thai baht appreciated last week, influenced by the strong US dollar.

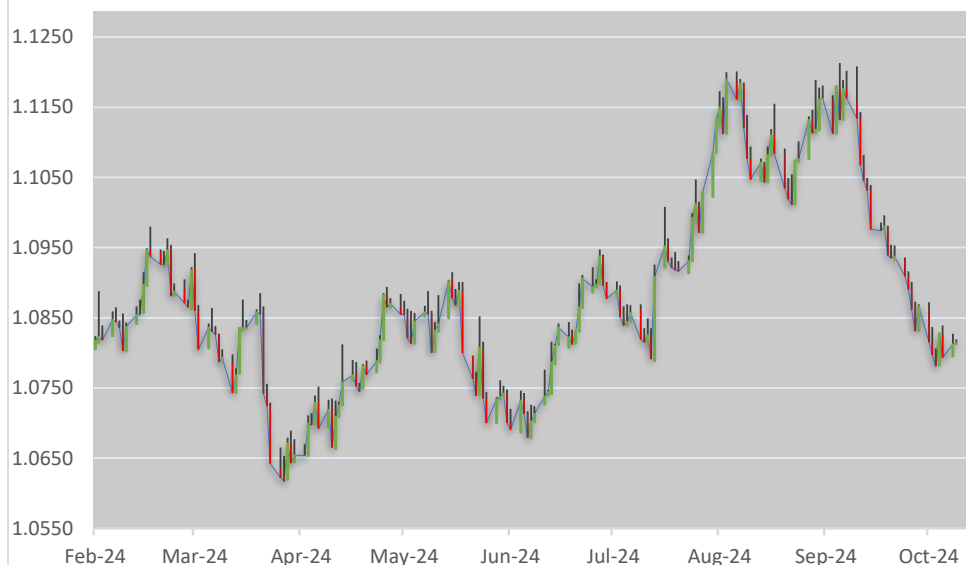
Thai Baht Performance

Last Week Close	33.17 THB/USD	Monthly High	33.87 THB/USD
Week Open	33.10 THB/USD	Monthly Low	32.39 THB/USD
Week Close	33.65 THB/USD	30 Days Average	33.17 THB/USD
Weekly High	33.84 THB/USD	90 Days Average	34.53 THB/USD
Weekly Low	33.06 THB/USD	YTD Change	-1.78%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Sep	28-Oct	2.85%	7.00%
Custom-Based Import Data	Sep	28-Oct	6.00%	8.90%
Customs-Based Trade Data	Sep	28-Oct	1.54B	0.26B
Manufacturing Prod YY	Sep	30-Oct	-0.25%	-1.91%
Exports YY	Sep	31-Oct		11.40%
Imports YY	Sep	31-Oct		8.50%
Trade Account	Sep	31-Oct		2.40B
Current Account	Sep	31-Oct		1.40B

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Euro Graph


Source: Refinitiv

Euro Outlook

- The EUR/USD pair continues its corrective movement, finding support just above the 1.0750 level after a sharp decline from mid-September highs near 1.1250. The pair has briefly rebounded from this key support but remains below both the 50-day EMA at 1.0968 and the 200-day EMA at 1.0896, indicating a continued downward trend.
- Further losses could push EUR/USD to its October low of 1.0760 (23/10), potentially testing the round level at 1.0700 and the June low of 1.0666 (26/6).
- On the upside, initial resistance is at 1.0870, followed by levels at 1.0932 and 1.1031.

Lower Bound	1.0750	Upper Bound	1.1000
Forecast	Depreciation		

Euro News

- The euro reclaimed the 1.0800 level at the end of the week following mixed EU PMI data.
- HCOB PMI figures released early Thursday showed mixed results: the EU Manufacturing PMI for October rose to 45.9 from the previous month's 45.0, surpassing the expected 45.1.
- However, the EU Services PMI for October fell to 51.2, below the previous month's 51.4 and missing the forecasted increase to 51.6.

Euro Index Performance

Last Week Close	1.0866 USD/EUR	Monthly High	1.1143 USD/EUR
Week Open	1.0860 USD/EUR	Monthly Low	1.0762 USD/EUR
Week Close	1.0793 USD/EUR	30 Days Average	1.0984 USD/EUR
Weekly High	1.0872 USD/EUR	90 Days Average	1.0956 USD/EUR
Weekly Low	1.0760 USD/EUR	YTD Change	-2.00%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
GDP Flash Prelim YY	Q3	30-Oct	0.8%	0.6%
GDP Flash Prelim QQ	Q3	30-Oct	0.2%	0.2%
Business Climate	Oct	30-Oct		-0.76
Economic Sentiment	Oct	30-Oct	96.3	96.2
Industrial Sentiment	Oct	30-Oct	-10.5	-10.9
Services Sentiment	Oct	30-Oct	6.6	6.7
Consumer Confid. Final	Oct	30-Oct	-12.5	-12.5
HICP Flash YY	Oct	31-Oct	1.9%	1.7%
HICP-X F,E,A&T Flash YY	Oct	31-Oct	2.6%	2.7%
HICP-X F, E, A, T Flash MM	Oct	31-Oct		0.10%

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Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- Chancellor Rachel Reeves will deliver her Autumn Budget on Wed, 30 October. Some analysts expected that there will be a changes in debt calculations to lead to up to £36bn of extra spending in 2025-26 and £23bn of extra revenue, which could provide a modest boost to growth and the currency.

Pound Sterling News

- The pound sterling was one of the strongest performers against the dollar after UK data showed retail sales grew more than expected in September, offering investors some reassurance about the strength of the British economy.
- The pound sterling consolidated around 1.3000. A surprise fall in the UK CPI lifted bets for a 25-basis point interest rate cut at the November 7 meeting. Furthermore, the money markets are pricing in the possibility of another BoE rate cut in December, which might continue to undermine the GBP.

Pound Sterling Performance

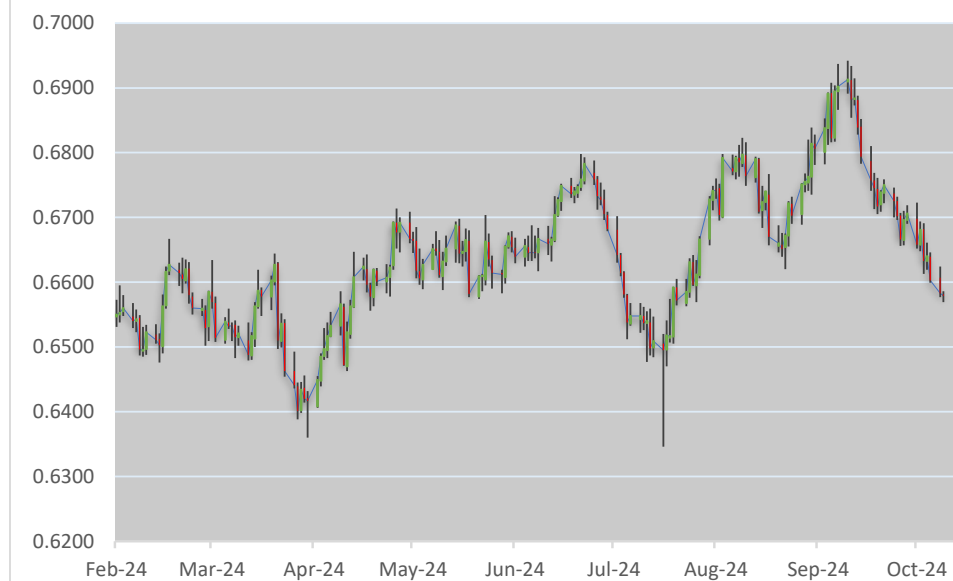
Last Week Close	1.3048 USD/GBP	Monthly High	1.3389 USD/GBP
Week Open	1.3038 USD/GBP	Monthly Low	1.2908 USD/GBP
Week Close	1.2959 USD/GBP	30 Days Average	1.3140 USD/GBP
Weekly High	1.3058 USD/GBP	90 Days Average	1.3000 USD/GBP
Weekly Low	1.2904 USD/GBP	YTD Change	+1.89%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	Oct	28-Oct		4
BOE Consumer Credit	Sep	29-Oct	1.300B	1.295B
Mortgage Lending	Sep	29-Oct	2.800B	2.861B
Mortgage Approvals	Sep	29-Oct	65.000k	64.858k
Nationwide house price mm	Oct	1-Nov	0.3%	0.7%
Nationwide house price yy	Oct	1-Nov	2.8%	3.2%
S&P GLOBAL MANUFACTURING PMI	Oct	1-Nov	50.3	50.3

Lower Bound	1.2900	Upper Bound	1.3050
Forecast	Neutral		

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Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- Markets do not see rates coming down in Australia until April next year, with a total easing of 65 basis points priced in for all of 2025.

Australian Dollar News

- The Australia dollars edged higher on Monday after three straight weeks of declines. The currency had been under pressure as markets pared expectations for aggressive U.S. easing in light of strong data and rising odds of a Donald Trump victory in the presidential election. Tensions in the Middle East and disappointment over China's stimulus are also factors.
- Andrew Hauser, deputy governor of the Reserve Bank of Australia, said on Monday he has been surprised at the strength of the labour market, but policymakers are not obsessed about one data point.

Australian Dollar Performance

Last Week Close	0.6706 USD/AUD	Monthly High	0.69340 USD/AUD
Week Open	0.6698 USD/AUD	Monthly Low	0.65730 USD/AUD
Week Close	0.6603 USD/AUD	30 Days Average	0.66464 USD/AUD
Weekly High	0.6723 USD/AUD	90 Days Average	0.66533 USD/AUD
Weekly Low	0.6599 USD/AUD	YTD Change	-3.39%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Weighted CPI YY	Sep	30-Oct	2.3%	2.7%
CPI SA MM	Sep	30-Oct		-0.10%
CPI SA YY	Sep	30-Oct		2.70%
CPI QQ	Q3	30-Oct	0.3%	1.0%
CPI YY	Q3	30-Oct	2.9%	3.8%
Retail Trade	Q3	31-Oct	0.4%	-0.3%
Retail Sales MM Final	Sep	31-Oct	0.3%	0.7%

Lower Bound **0.6450** **Upper Bound** **0.6700**
Forecast **Depreciation**


Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- The recent verbal intervention by Japanese authorities has been a key factor in offering some support to the JPY, potentially strengthening it slightly.
- Additionally, expectations for smaller rate cuts by the Federal Reserve may continue to support the Greenback, limiting losses for the USD/JPY pair.
- However, doubts about further interest rate hikes by the Bank of Japan in 2024, amid election-related uncertainty in Japan, might cap any further appreciation of the JPY.

Japanese Yen News

- The JPY touched 153 hurdles on Tuesday and went back to below 152 level during the end of the week after verbal intervention by authorities.
- Tokyo CPI rose 1.8% on yearly basis in October, at softer pace than the 2.1% increased recorded in September.

Japanese Yen Performance

Last Week Close	149.52 JPY/USD	Monthly High	153.87 JPY/USD
Week Open	149.47 JPY/USD	Monthly Low	142.98 JPY/USD
Week Close	152.30 JPY/USD	30 Days Average	158.83 JPY/USD
Weekly High	153.18 JPY/USD	90 Days Average	155.40 JPY/USD
Weekly Low	149.07 JPY/USD	YTD Change	+8.44%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Jobs/Applicants Ratio	Sep	29-Oct	1.23	1.23
Unemployment Rate	Sep	29-Oct	2.5%	2.5%
Industrial O/P Prelim MM SA	Sep	31-Oct	1.0%	-3.3%
Large Scale Retail Sales YY	Sep	31-Oct		5%
JP BOJ Rate Decision	31 Oct	31-Oct	0.25%	0.25%
JibunBK Mfg PMI Final SA	Oct	1-Nov		49.0

Lower Bound	150.00	Upper Bound	153.00
Forecast	Depreciation		

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