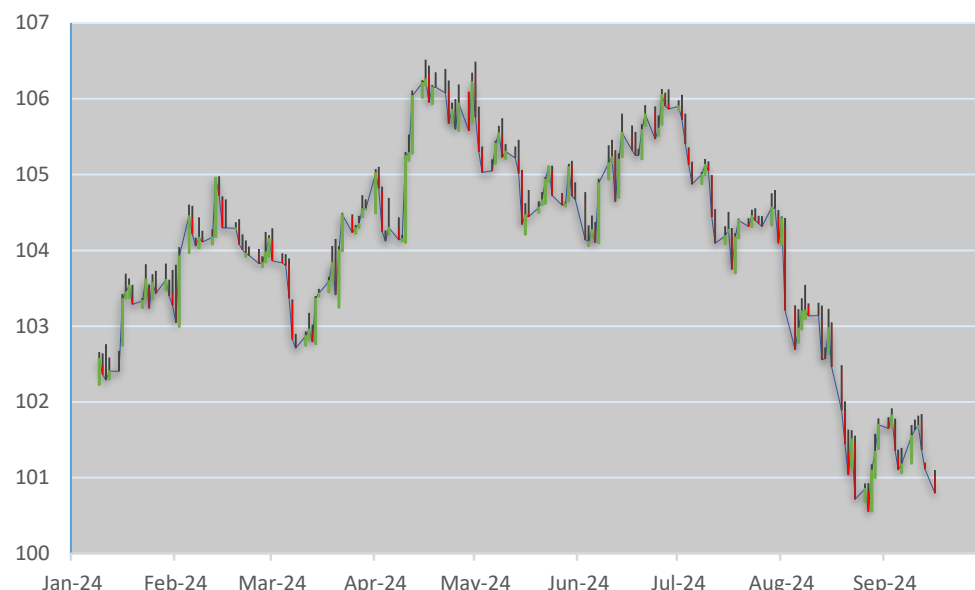


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

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


Source: Thomson Reuters

**Dollar Outlook**

- Market expect the Federal Reserve to cut rates by 25bp in the next week's meeting. Markets price in around 40% probability of a larger 50bp move. We do not expect changes to the pace of QT despite the Fed now initiating rate cuts. If this is the case, the dollar could gain as those expecting a bigger one may get disappointed, but whether it could hold onto its gains may depend on the updated dot plot and Powell's remarks about the Committee's future course of action.
- If the dot plot and Powell suggest fewer basis points worth of reductions this year than the 115 currently expected by the market, the dollar's engines may receive more fuel.

<b>Lower Bound</b>	<b>100.00</b>	<b>Upper Bound</b>	<b>101.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The dollar index fell toward 101 on Friday, extending losses from the previous session amid growing expectations that the Federal Reserve could act more aggressively when it starts cutting interest rates next week. Markets are currently assigning a 59% chance that the Fed will deliver a 25 basis point rate cut, with a 41% odds seen for a larger 50 bps reduction, according to CME's FedWatch Tool. That was a significant change in pricing when markets were almost certain that the Fed will opt for a modest quarter point rate cut following the US consumer inflation report on Wednesday. Analysts pointed to media reports from Financial Times and the Wall Street Journal suggesting the Fed's decision would be a close call, as well as higher US jobless weekly claims as the main factors driving recent expectations. Meanwhile, data on Thursday showed that US producer prices rose more than expected in August.

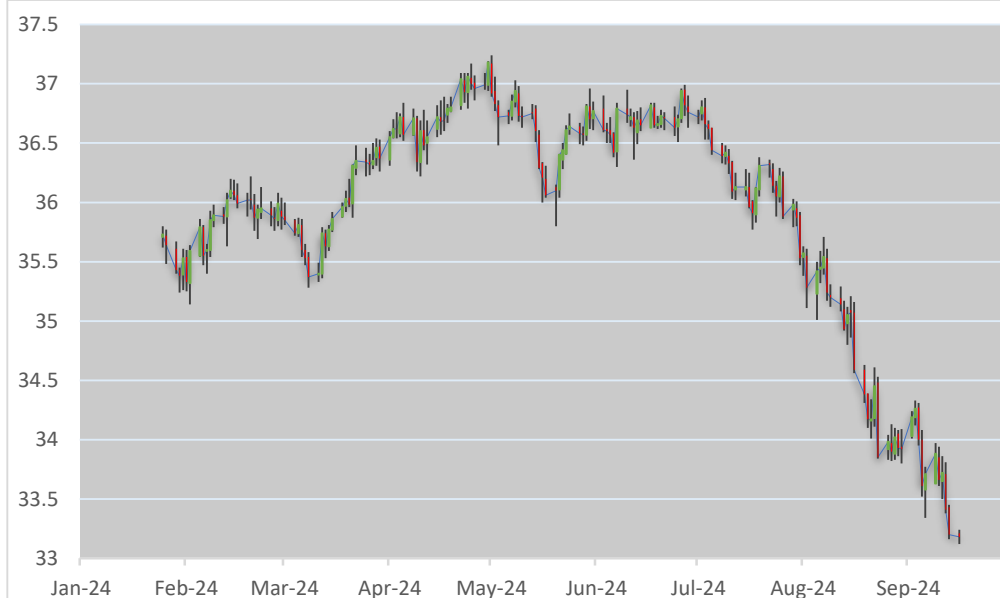
**Dollar Index Performance**

<b>Last Week Close</b>	<b>101.18</b>	<b>Monthly High</b>	<b>103.55</b>
<b>Week Open</b>	<b>101.19</b>	<b>Monthly Low</b>	<b>100.51</b>
<b>Week Close</b>	<b>101.11</b>	<b>30 Days Average</b>	<b>101.82</b>
<b>Weekly High</b>	<b>101.84</b>	<b>90 Days Average</b>	<b>103.79</b>
<b>Weekly Low</b>	<b>100.88</b>	<b>YTD Change</b>	<b>-0.57%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Retail Sales MM	Aug	17-Sep	0.1%	1.0%
Industrial Production MM	Aug	17-Sep	0.1%	-0.6%
Housing Starts Number	Aug	18-Sep	1.311M	1.238M
EIA Wkly Crude Stk	13 Sep, w/	18-Sep		0.833M
Fed Funds Tgt Rate	18 Sep	19-Sep	5-5.25	5.25-5.5
Fed Int On Excess Reserves	18 Sep	19-Sep		5.40%
Philly Fed Business Indx	Sep	19-Sep	2.7	-7.0
Existing Home Sales	Aug	19-Sep	3.88M	3.95M

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

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


Source: Thomson Reuters

**Thai Baht Outlook**

- This week, Thai baht will appreciate against dollar as market expected that Fed will cut rates by 0.5%. The main focus will be on FOMC meeting. However, Thai baht may be depreciated against dollar if Fed cut rates by 25 bps.

**Thai Baht News**

- The sentiment around the pair was mainly driven by the dynamics of the US Dollar. The Greenback continued to remain at the mercy of the market's expectations on the size of the interest rate cut by the US Federal Reserve (Fed) in the upcoming week.
- Moreover, Thai Prime Minister Paetongtarn Shinawatra on Thursday outlined her government's policy agenda to parliament, headlined by plans to give away 450 billion baht (\$13.4 billion) in handouts to jumpstart Southeast Asia's second-largest economy. Paetongtarn told lawmakers her government was facing challenges, including structural economic problems, and said it would act with urgency to stimulate growth. Finance Minister Pichai Chunhavanjira said economic stimulus would help ease household debt, which remains stubbornly high at 16.4 trillion baht (\$486.50 billion), or 90.8% of gross domestic product as of March.

**Thai Baht Performance**

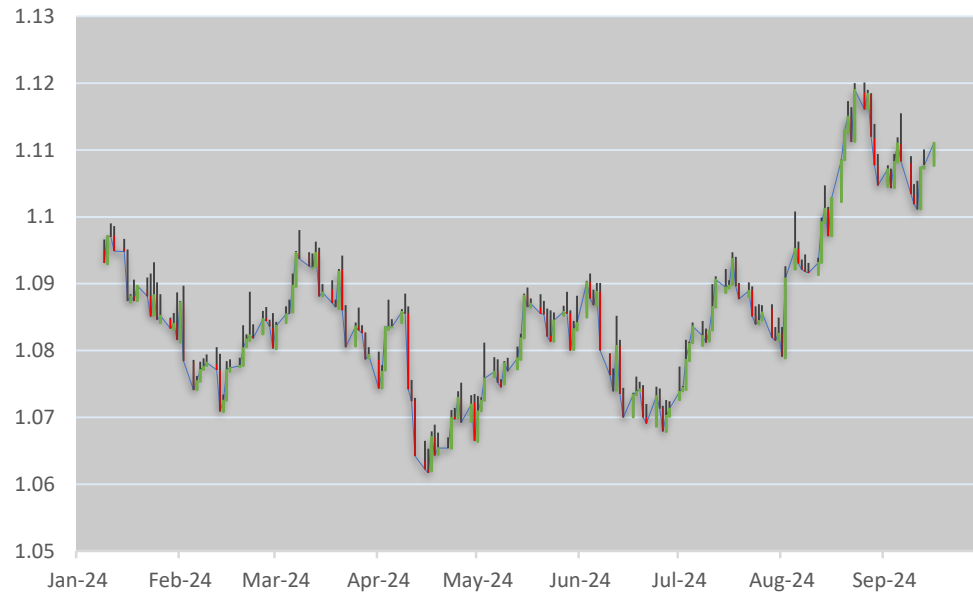
<b>Last Week Close</b>	<b>33.61 THB/USD</b>	<b>Monthly High</b>	<b>34.33 THB/USD</b>
<b>Week Open</b>	<b>33.63 THB/USD</b>	<b>Monthly Low</b>	<b>33.16 THB/USD</b>
<b>Week Close</b>	<b>33.20 THB/USD</b>	<b>30 Days Average</b>	<b>34.30 THB/USD</b>
<b>Weekly High</b>	<b>33.97 THB/USD</b>	<b>90 Days Average</b>	<b>35.70 THB/USD</b>
<b>Weekly Low</b>	<b>33.16 THB/USD</b>	<b>YTD Change</b>	<b>-3.35%</b>

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

Events	Period	Date	Forecast	Previous
Forex Reserves	9 Sep, w/e 20-Sep			
Currency Swaps	9 Sep, w/e 20-Sep			

<b>Lower Bound</b>	<b>32.80</b>	<b>Upper Bound</b>	<b>33.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- Last week the ECB cut rates by 25bp as widely expected. President Lagarde provided no guidance on the timing of the next policy move yet given that she did not see the need to impact the market pricing, we believe that the ECB is overall content with the current market pricing of 25bp/quarter through the end of next year, as domestic inflation pressure remains elevated due to high wage growth. Lagarde also highlighted the further confidence of the 2% inflation target being met in the medium-term, while the accompanying staff projections only saw cosmetic changes.
- Final Euro area inflation data will release in this week. It has remained high and is a key reason we expect only a gradual cutting approach from the ECB.

**Euro News**

• The Euro edged up to above \$1.1 as traders digest the latest monetary policy decision from the ECB. The central bank lowered borrowing costs as anticipated, saying recent inflation data have come in broadly as expected. Policymakers see headline inflation rising again later this year and to fall to the target over the second half of next year. However, core inflation rate is seen slightly higher for both 2024 and 2025. The central bank reiterated it will keep policy rates sufficiently restrictive for as long as necessary and will continue to follow a data-dependent and meeting-by-meeting approach to determine further rate cuts. Traders have pared bets for another rate reduction in October, but see one or two more quarter-point cuts this year.

**Euro Index Performance**

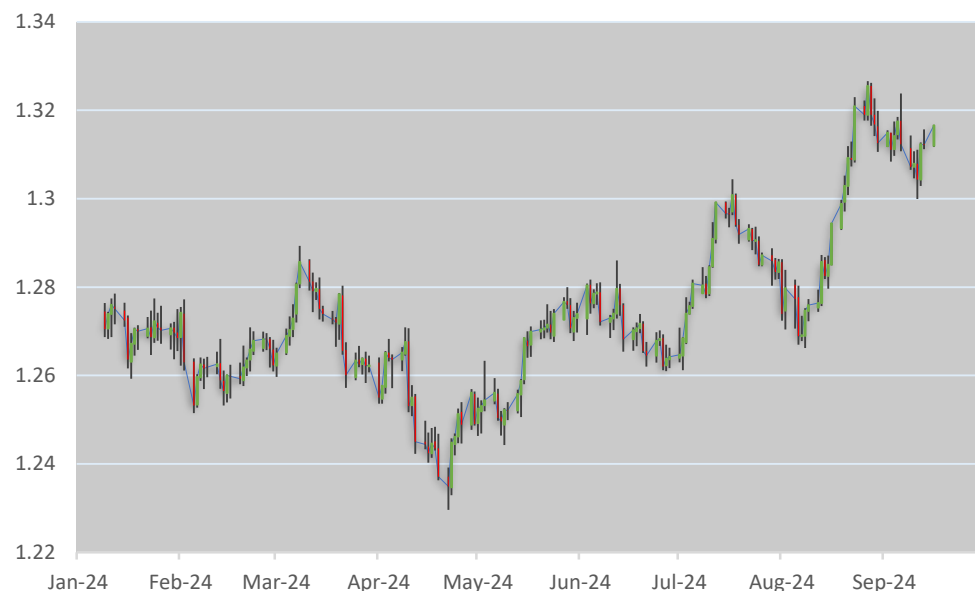
<b>Last Week Close</b>	<b>1.1083</b> USD/EUR	<b>Monthly High</b>	<b>1.1155</b> USD/EUR
<b>Week Open</b>	<b>1.1080</b> USD/EUR	<b>Monthly Low</b>	<b>1.1003</b> USD/EUR
<b>Week Close</b>	<b>1.1076</b> USD/EUR	<b>30 Days Average</b>	<b>1.1058</b> USD/EUR
<b>Weekly High</b>	<b>1.1101</b> USD/EUR	<b>90 Days Average</b>	<b>1.0895</b> USD/EUR
<b>Weekly Low</b>	<b>1.1001</b> USD/EUR	<b>YTD Change</b>	<b>+0.69%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jul	16-Sep		17.50B
Reserve Assets Total	Aug	16-Sep		1,282.79B
HICP Final MM	Aug	18-Sep	0.0%	0.0%
HICP Final YY	Aug	18-Sep	2.2%	2.2%
HICP-X F, E, A, T Final MM	Aug	18-Sep		0.3%
HICP-X F,E,A&T Final YY	Aug	18-Sep	2.8%	2.8%
Consumer Confid. Flash	Sep	20-Sep	-13.0	-13.5

<b>Lower Bound</b>	<b>1.0994</b>	<b>Upper Bound</b>	<b>1.1195</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

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


Source: Thomson Reuters

**Pound Sterling Outlook**

The BoE is expected to keep rates unchanged at 5% next week, with markets pricing an 80% chance of no change following a 25 bps cut last month. Investors predict the BoE will shift to rate cuts from November, lowering rates possibly to 3% by September 2025.

• The August inflation numbers are coming out on Wednesday, while on Friday, retail sales are scheduled to be released.

**Pound Sterling News**

- The Pound Sterling staged a late rebound against the US Dollar, with 1.3000 tested. GBP/USD awaits a fresh directional impetus from the UK CPI data and Fed, BoE decisions.
- The Pound Sterling also felt the heat from softer UK pay growth and Gross Domestic Product (GDP) data released on Tuesday and Wednesday respectively. Average Earnings excluding Bonus in the UK rose 5.1% 3M YoY in July versus a 5.4% growth seen in June. The UK economy showed no growth over the month in July after stalling in June, data from the Office for National Statistics (ONS) showed Wednesday, missing the expected 0.2% growth. These fundamental factors dragged GBP/USD to the lowest level in three weeks to just above the 1.3000 level.

**Pound Sterling Performance**

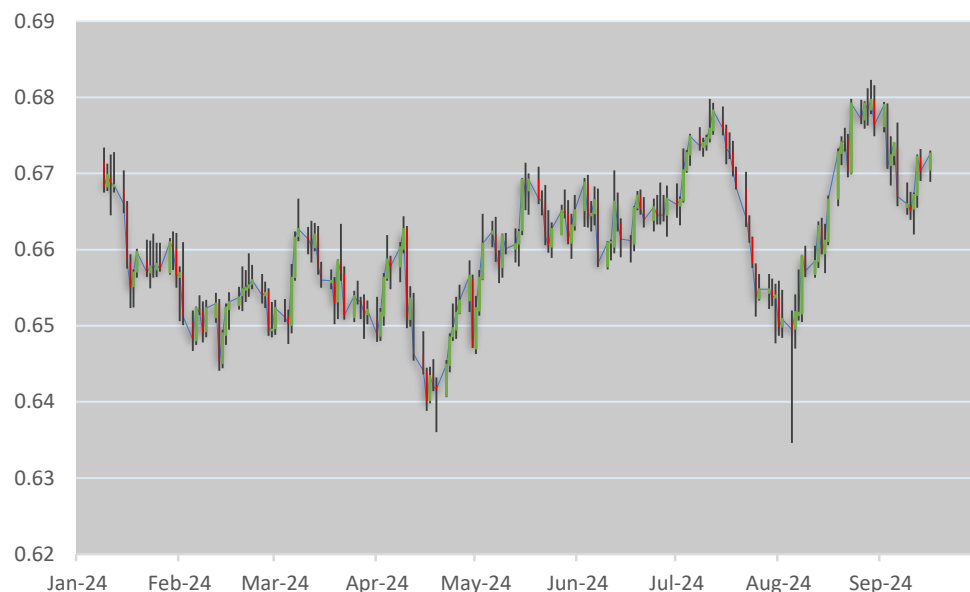
<b>Last Week Close</b>	<b>1.3123</b> USD/GBP	<b>Monthly High</b>	<b>1.3238</b> USD/GBP
<b>Week Open</b>	<b>1.3114</b> USD/GBP	<b>Monthly Low</b>	<b>1.3003</b> USD/GBP
<b>Week Close</b>	<b>1.3122</b> USD/GBP	<b>30 Days Average</b>	<b>1.3021</b> USD/GBP
<b>Weekly High</b>	<b>1.3157</b> USD/GBP	<b>90 Days Average</b>	<b>1.2852</b> USD/GBP
<b>Weekly Low</b>	<b>1.2999</b> USD/GBP	<b>YTD Change</b>	<b>+3.46%</b>

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

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Sep	16-Sep		-1.5%
House Price Rightmove YY	Sep	16-Sep		0.8%
Core CPI YY	Aug	18-Sep		3.3%
CPI YY	Aug	18-Sep	2.2%	2.2%
CPI Services MM	Aug	18-Sep		0.5%
BOE Bank Rate	Sep	19-Sep	5.00%	5.00%
Retail Sales MM	Aug	20-Sep	0.2%	0.5%
Retail Sales Ex-Fuel MM	Aug	20-Sep		0.7%
Retail Sales YY	Aug	20-Sep		1.4%

<b>Lower Bound</b>	<b>1.3030</b>	<b>Upper Bound</b>	<b>1.3250</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

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


Source: Thomson Reuters

**Australian Dollar Outlook**

- Market expected that Fed will cut rates by 25 bps, In contrast, the Reserve Bank of Australia (RBA) remains hawkish, which lends support to the Aussie.
- The Australian economic outlook is uncertain, with the Reserve Bank of Australia (RBA) maintaining a cautious approach due to elevated inflation. As a result, financial markets anticipate only a modest interest rate cut of 0.25% in 2024, reflecting a shift away from previous expectations of more significant easing. This cautious stance indicates the RBA's concern about inflation and its commitment to controlling price pressures while balancing the need for economic growth.

**Australian Dollar News**

•The Australian dollar appreciated past \$0.67, hitting a one-week high as a global rally in risk assets boosted sentiment. Stronger commodity prices also lifted the currency as Australia is a net exporter of major commodities such as iron ore, gold and oil, among others. Moreover, the Reserve Bank of Australia has maintained a hawkish outlook, with RBA Governor Michele Bullock saying last 2 weeks that it is too soon to consider rate cuts as inflation remains too high. RBA Assistant Governor Sarah Hunter also said last week that the labor market remains tight, but noted that there were signs wage growth was likely past its peak and set to slow further. The Aussie also benefited from a broad decline in the US dollar amid growing expectations that the Federal Reserve could deliver a bigger 50 basis point rate cut next week.

**Australian Dollar Performance**

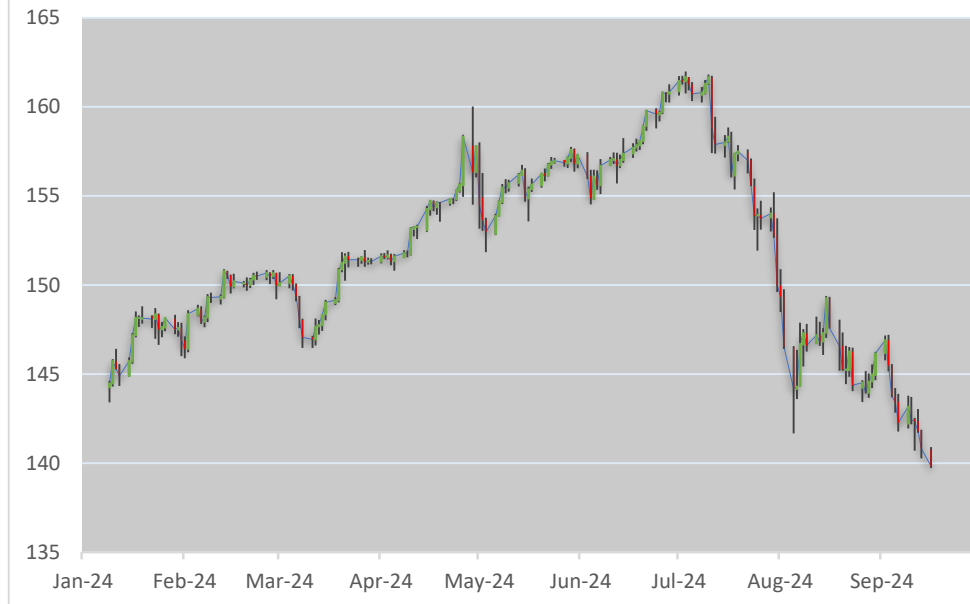
<b>Last Week Close</b>	<b>0.6670</b> USD/AUD	<b>Monthly High</b>	<b>0.67940</b> USD/AUD
<b>Week Open</b>	<b>0.6656</b> USD/AUD	<b>Monthly Low</b>	<b>0.66230</b> USD/AUD
<b>Week Close</b>	<b>0.6703</b> USD/AUD	<b>30 Days Average</b>	<b>0.66834</b> USD/AUD
<b>Weekly High</b>	<b>0.6732</b> USD/AUD	<b>90 Days Average</b>	<b>0.66090</b> USD/AUD
<b>Weekly Low</b>	<b>0.6620</b> USD/AUD	<b>YTD Change</b>	<b>-1.23%</b>

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

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Aug	18-Sep		-0.04%
Employment	Aug	19-Sep	30.0k	58.2k
Full Time Employment	Aug	19-Sep		60.5k
Participation Rate	Aug	19-Sep	67.1%	67.1%
Unemployment Rate	Aug	19-Sep	4.2%	4.2%

<b>Lower Bound</b>	<b>0.6600</b>	<b>Upper Bound</b>	<b>0.6800</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**16 Sep 2024 - 20 Sep 2024**

**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The Bank of Japan (BoJ) is set to hold their monetary meeting across 19 – 20 September 2024, therefore any inaction on interest rates may offer little surprises and trigger limited moves in the Japanese yen and the Nikkei. We expect the next BoJ hike in December. Anything corroborating the market's view that another increase could be delivered before year-end, may allow the yen to continue marching north.

<b>Lower Bound</b>	<b>139.00</b>	<b>Upper Bound</b>	<b>142.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- The Japanese yen climbed back toward 141 per dollar on Friday, approaching year-to-date highs amid a firm hawkish outlook on Bank of Japan monetary policy. BOJ board member Naoki Tamura said on Thursday that the central bank must push up short-term rates to at least around 1% through fiscal 2026 to stably achieve the 2% inflation target. BOJ board member Junko Nakagawa also said last week that the central bank will continue raising interest rates if the economy and inflation move in line with its forecasts. Moreover, Fitch revised its forecasts for Japan's policy rate, now seeing it at 0.5% by the end of 2024, 0.75% in 2025 and 1% by end-2026. The yen also benefited from a broad decline in the dollar amid growing expectations that the Federal Reserve could deliver a bigger 50 basis point rate cut next week.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>142.27 JPY/USD</b>	<b>Monthly High</b>	<b>147.20 JPY/USD</b>
<b>Week Open</b>	<b>142.22 JPY/USD</b>	<b>Monthly Low</b>	<b>139.74 JPY/USD</b>
<b>Week Close</b>	<b>140.82 JPY/USD</b>	<b>30 Days Average</b>	<b>155.78 JPY/USD</b>
<b>Weekly High</b>	<b>143.79 JPY/USD</b>	<b>90 Days Average</b>	<b>152.10 JPY/USD</b>
<b>Weekly Low</b>	<b>140.27 JPY/USD</b>	<b>YTD Change</b>	<b>-0.87%</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	Jul	17-Sep		1.4%
Machinery Orders MM	Jul	18-Sep	0.5%	2.1%
Machinery Orders YY	Jul	18-Sep	4.2%	-1.7%
Exports YY	Aug	18-Sep	10.0%	10.3%
Imports YY	Aug	18-Sep	13.4%	16.6%
Trade Balance Total Yen	Aug	18-Sep	-1,380.0B	-621.8B
JP BOJ Rate Decision	20 Sep	20-Sep	0.25%	0.25%
CPI, Core Nationwide YY	Aug	20-Sep	2.8%	2.7%
CPI, Overall Nationwide	Aug	20-Sep		2.8%

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