

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**02 Sep 2024 - 06 Sep 2024**

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


Source: Thomson Reuters

**Dollar Outlook**

- The USD tends to be depreciated following Powell Speech , also the US yields seems to extend their bearish to multi-week lows.
- However, the weakness in the US dollar is probably temporary as the slowdown in the world's largest economy usually strengthening the greenback for risk-off trade.

**Dollar News**

- The dollar was pressured after Federal Reserve Chair Jerome Powell gave an unambiguous signal that the long-anticipated U.S. interest rate cut would come next month. The weak dollar also saw the euro hit a 13-month high, and the U.S. currency marked a 17-day low versus the yen. At his keynote speech to the Kansas City Fed's annual economic conference in Jackson Hole, Wyoming, Powell said, "The time has come for policy to adjust," given that upside risks to inflation have diminished and downside risks to employment have increased.
- Traders on Friday continued to bet on a quarter-percentage-point rate cut at the Fed's Sept. 17-18 meeting, putting the odds at 65% after Powell's remarks. But they priced in about a one-in-three chance of a bigger 50-basis point cut, up from a little more than a one-in-four probability earlier.
- The dollar gained on Friday after data showed a key inflation measure came in line with forecasts, while personal spending and income increased, supporting expectations the Federal Reserve will likely cut interest rates by a smaller 25 basis points next month, instead of 50 bps. Friday's data showed the personal consumption expenditures (PCE) price index rose 0.2% last month, in line with expectations, after an unrevised 0.1% advance in June. In the 12 months through July, the PCE price index increased 2.5%, matching June's gain.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>100.72</b>	<b>Monthly High</b>	<b>104.80</b>
<b>Week Open</b>	<b>100.68</b>	<b>Monthly Low</b>	<b>100.51</b>
<b>Week Close</b>	<b>101.70</b>	<b>30 Days Average</b>	<b>102.74</b>
<b>Weekly High</b>	<b>101.80</b>	<b>90 Days Average</b>	<b>104.25</b>
<b>Weekly Low</b>	<b>100.51</b>	<b>YTD Change</b>	<b>#NAME?</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
S&P Global Mfg PMI Final	Aug	3-Sep		48.0
ISM Manufacturing PMI	Aug	3-Sep	47.5	46.8
International Trade \$	Jul	4-Sep	-78.9B	-73.1B
Factory Orders MM	Jul	4-Sep	4.6%	-3.3%
Initial Jobless Clm	31 Aug, w/	5-Sep	230k	231k
S&P Global Comp Final PMI	Aug	5-Sep		54.1
S&P Global Svcs PMI Final	Aug	5-Sep		55.2

				ISM N-Mfg PMI	Aug	5-Sep	51.1	51.4
Lower Bound	100.50	Upper Bound	102.50	Non-Farm Payrolls	Aug	6-Sep	165k	114k
Forecast	Depreciation			Unemployment Rate	Aug	6-Sep	4.2%	4.3%

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


Source: Thomson Reuters

**Thai Baht Outlook**

- The baht is likely to remain strengthen following US dollar selloff after a release of Powell Speech.
- The baht is likely test at 33.80 support.

**Thai Baht News**

- The Thai baht gained against the US dollar during the weekend because the market expect that the Fed will start to lower interest rates in September. For the fund flow of foreign investors from August 26-30, foreign investors purchased net Thai stock of 1,200 million baht.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>34.45 THB/USD</b>	<b>Monthly High</b>	<b>#NAME? THB/USD</b>
<b>Week Open</b>	<b>33.92 THB/USD</b>	<b>Monthly Low</b>	<b>#NAME? THB/USD</b>
<b>Week Close</b>	<b>33.92 THB/USD</b>	<b>30 Days Average</b>	<b>35.00 THB/USD</b>
<b>Weekly High</b>	<b>34.13 THB/USD</b>	<b>90 Days Average</b>	<b>36.05 THB/USD</b>
<b>Weekly Low</b>	<b>33.80 THB/USD</b>	<b>YTD Change</b>	<b>#NAME?</b>

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

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Aug	2-Sep		52.8
CPI Headline Inflation	Aug	5-Sep	0.40%	0.83%
CPI Core Inflation YY	Aug	5-Sep	0.55%	0.52%
CPI Index	Aug	5-Sep		108.71

<b>Lower Bound</b>	<b>33.50</b>	<b>Upper Bound</b>	<b>34.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

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**Euro Graph**


Source: Thomson Reuters

**Euro Outlook**

- The EUR/USD edges lower to near 1.07 support level on depressing sentiment. However, as the US dollar continues to depreciate, the EUR is expected to strengthen.
- Investors will be watching for clue of European Central Bank (ECB) rate cuts. GDP EUROZONE Q2 is also in focused.

**Euro News**

- The euro appreciated against the US dollar as Eurozone consumers' inflation expectations over the next 12 months remained steady for the third month in a row in July, a European Central Bank survey showed on Friday. This survey could be used by ECB policymakers as evidence that the public has faith in their ability to bring down inflation to their 2% goal while cutting interest rates. The ECB has room to cut interest rates possibly two more times this year as inflation remains broadly on the declining path policymakers envisaged, ECB policymaker Martins Kazaks said. "We are broadly along the baseline of our projections and that is consistent with a gradual decline in interest rates," Kazaks, Latvia's central bank governor, said on the sidelines of the U.S. Federal Reserve's Jackson Hole Economic Symposium.
- The euro fell on Friday after data showed German inflation fell more than expected in August, declining to its lowest level in more than three years and making it easier for the European Central Bank to cut interest rates in September. Inflation eased to 2.0% in August, its lowest level since June 2021, thanks to lower energy prices, preliminary data from the federal statistics office showed on Thursday. Analysts polled by Reuters had forecast a reading of 2.3% in August, after a year-on-year increase in consumer prices of 2.6% in July, based on data harmonised to compare with other European Union countries.

**Euro Index Performance**

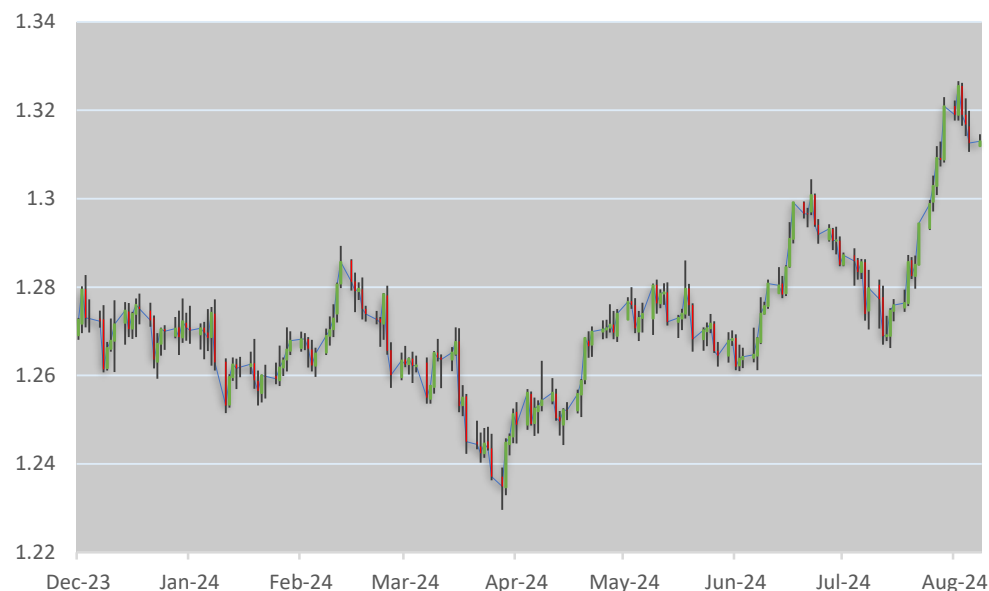
<b>Last Week Close</b>	<b>1.1190</b> USD/EUR	<b>Monthly High</b>	<b>#NAME?</b> USD/EUR
<b>Week Open</b>	<b>1.1186</b> USD/EUR	<b>Monthly Low</b>	<b>#NAME?</b> USD/EUR
<b>Week Close</b>	<b>1.1047</b> USD/EUR	<b>30 Days Average</b>	<b>1.0987</b> USD/EUR
<b>Weekly High</b>	<b>1.1201</b> USD/EUR	<b>90 Days Average</b>	<b>1.0859</b> USD/EUR
<b>Weekly Low</b>	<b>1.1043</b> USD/EUR	<b>YTD Change</b>	<b>#NAME?</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
HCOB Mfg Final PMI	Aug	2-Sep	45.6	45.6
HCOB Services Final PMI	Aug	4-Sep	53.3	53.3
HCOB - Composite Final PMI	Aug	4-Sep	51.2	51.2
GDP Revised QQ	Q2	6-Sep	0.3%	0.3%
GDP Revised YY	Q2	6-Sep	0.6%	0.6%

Lower Bound	1.0550	Upper Bound	1.1200	
Forecast	Appreciation			

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


Source: Thomson Reuters

**Pound Sterling Outlook**

- The Sterling is likely to appreciate on trigger USD selloff after Powell Speech. The GBP/USD is moving near 1.3100 and might test the 1.3200 resistance.
- This week, the GBP is likely to move around 1.3000 – 1.3250 USD/GBP.

**Pound Sterling News**

- Sterling climbed to a more than two-year high on the dollar on Friday, on recent signs of strength in the UK economy and dovish comments from Federal Reserve Chair Jerome Powell that sent the dollar sliding against several global currencies. Britain's pound jumped 0.7% to \$1.3185, touching its highest since late March 2022. It surpassed a previous 13-month high of \$1.3144. Following Powell's remarks, traders priced in a bigger chance of a super-sized 50 basis point rate cut at the U.S. central bank's September meeting. Sterling has been among the top performing major currencies this year, picking up steam in the last two months after a slew of stronger-than-expected economic data suggested the BoE need not be in a rush to cut interest rates.

- Latest numbers showed British consumer confidence held at an almost three-year high in August. A survey on Thursday showed UK business activity accelerated in August and cost pressures eased to their weakest in over three years.

**Pound Sterling Performance**

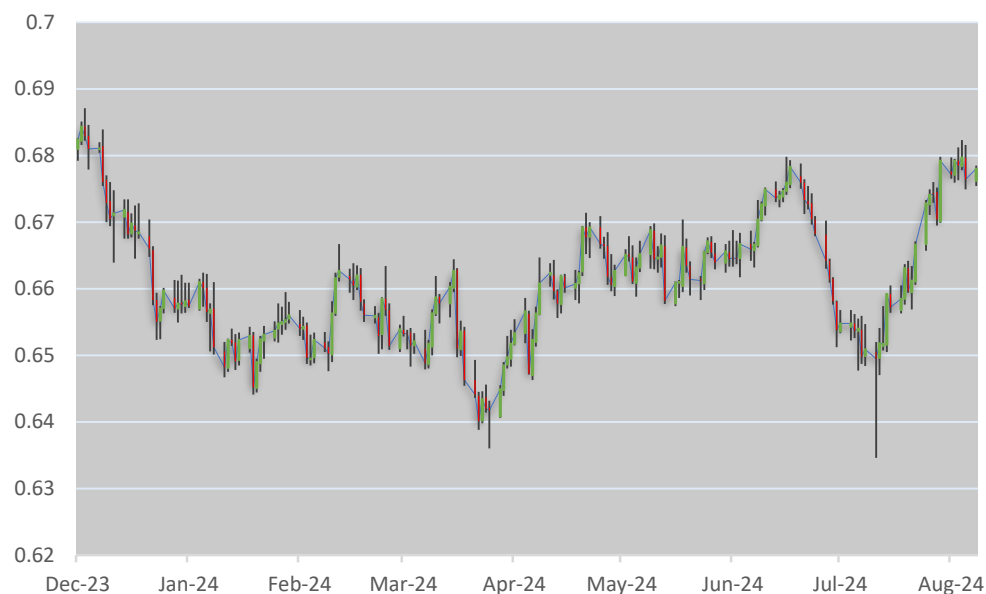
<b>Last Week Close</b>	<b>1.3209</b> USD/GBP	<b>Monthly High</b>	<b>#NAME?</b> USD/GBP
<b>Week Open</b>	<b>1.3210</b> USD/GBP	<b>Monthly Low</b>	<b>#NAME?</b> USD/GBP
<b>Week Close</b>	<b>1.3126</b> USD/GBP	<b>30 Days Average</b>	<b>1.2929</b> USD/GBP
<b>Weekly High</b>	<b>1.3266</b> USD/GBP	<b>90 Days Average</b>	<b>1.2787</b> USD/GBP
<b>Weekly Low</b>	<b>1.3106</b> USD/GBP	<b>YTD Change</b>	<b>#NAME?</b>

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

Events	Period	Date	Forecast	Previous
S&P GLOBAL MANUFACTURING PMI	Aug	2-Sep	52.5	52.5
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Aug	4-Sep	53.4	53.4
Reserve Assets Total	Aug	4-Sep		188,793.02M
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Aug	5-Sep		53.1
Halifax House Prices MM	Aug	6-Sep		0.8%
Halifax House Prices YY	Aug	6-Sep		2.30%

<b>Lower Bound</b>	<b>1.2700</b>	<b>Upper Bound</b>	<b>1.2840</b>
<b>Forecast</b>	<b>Appreciation</b>		

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


Source: Thomson Reuters

**Australian Dollar Outlook**

- RBA will hold the meeting on this coming 5-6 Aug, where markets eye will be on the rate decision.

<b>Lower Bound</b>	<b>0.6600</b>	<b>Upper Bound</b>	<b>0.6900</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Australian Dollar News**

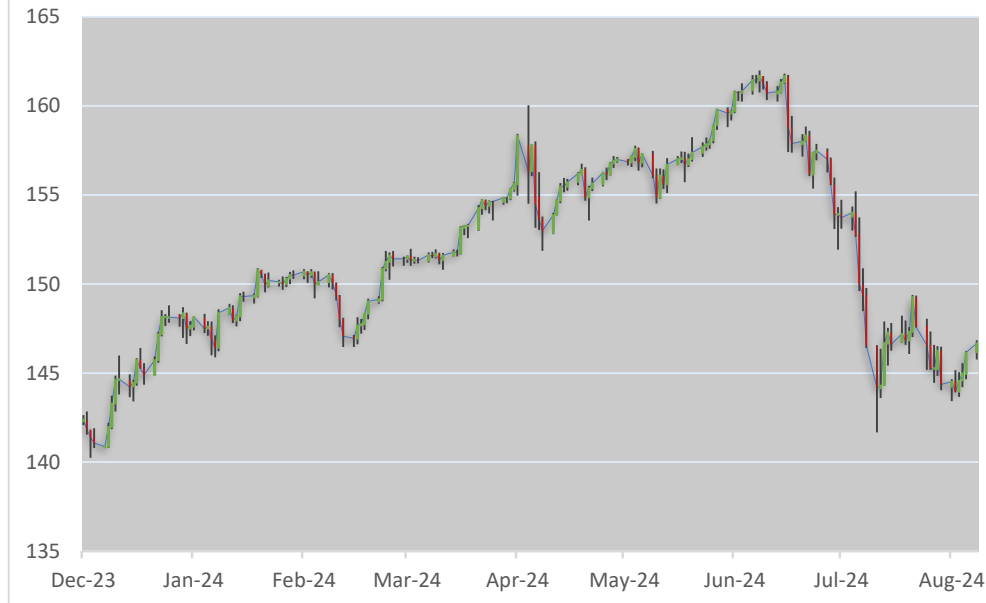
- The Australian dollar appreciated as Australia consumer price index inflation grew more than expected in July amid sticky fresh food costs, although softer housing and energy costs spurred a small decline in core inflation. But the reading still fed into persistent concerns that the Reserve Bank could raise rates further to quash stubborn inflation. CPI inflation grew 3.5% year-on-year in July, data from the Australian Bureau of Statistics showed on Wednesday. The reading was higher than expectations of 3.4% but eased from the 3.8% seen in the prior month. Core CPI inflation, which excludes volatile items such as fuel, fresh food and holiday spending, fell to 3.7% in July from 4% in the prior month.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6792</b> USD/AUD	<b>Monthly High</b>	<b>#NAME?</b> USD/AUD
<b>Week Open</b>	<b>0.6776</b> USD/AUD	<b>Monthly Low</b>	<b>#NAME?</b> USD/AUD
<b>Week Close</b>	<b>0.6764</b> USD/AUD	<b>30 Days Average</b>	<b>0.66592</b> USD/AUD
<b>Weekly High</b>	<b>0.6823</b> USD/AUD	<b>90 Days Average</b>	<b>0.65956</b> USD/AUD
<b>Weekly Low</b>	<b>0.6749</b> USD/AUD	<b>YTD Change</b>	<b>#NAME?</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Judo Bank Mfg PMI Final	Aug	2-Sep		48.7
Building Approvals	Jul	2-Sep	2.5%	-6.5%
Building Approval Total YY	Jul	2-Sep		9.8%
Current Account Balance SA	Q2	3-Sep	-5.9B	-4.9B
Net Exports Contribution	Q2	3-Sep	0.6%	-0.9%
Judo Bank Svs PMI Final	Aug	4-Sep		52.2
Judo Bank Comp PMI Final	Aug	4-Sep		51.4
Real GDP QQ SA	Q2	4-Sep	0.3%	0.1%
Real GDP YY SA	Q2	4-Sep	1.0%	1.1%


**Japanese Yen Graph**


Source: Thomson Reuters

**Japanese Yen Outlook**

- The yen continued its gain against the dollar after BOJ meeting last month and also a safe-haven asset on escalating Middle East conflicts.
- The support levels are 144 while resistant levels are 144 and 143 this week.

**Japanese Yen News**

- The Japanese yen gained against the US dollar as Consumer price index inflation in Japan's capital grew more than expected in August as stronger wages spurred further improvements in private spending, potentially setting the stage for more interest rate hikes by the Bank of Japan. Tokyo Core CPI- which excludes volatile fresh food prices- grew 2.4% year-on-year in August, government data showed on Friday. The reading was higher than expectations that it would remain steady at 2.2% from the prior month. A core CPI reading that excludes both fresh food and energy costs, and is used as a key gauge of underlying inflation by the BOJ, rose 1.6% y-o-y in August from 1.5% in the prior month. But the reading still remained shy of the BOJ's 2% annual target. Headline CPI inflation grew 2.6% y-o-y in August from 2.2% in the prior month, picking up sharply on higher food costs. Tokyo inflation data usually heralds a similar trend from nationwide inflation data, which is due later in September.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>144.37 JPY/USD</b>	<b>Monthly High</b>	<b>#NAME? JPY/USD</b>
<b>Week Open</b>	<b>144.23 JPY/USD</b>	<b>Monthly Low</b>	<b>#NAME? JPY/USD</b>
<b>Week Close</b>	<b>146.16 JPY/USD</b>	<b>30 Days Average</b>	<b>154.62 JPY/USD</b>
<b>Weekly High</b>	<b>146.24 JPY/USD</b>	<b>90 Days Average</b>	<b>151.07 JPY/USD</b>
<b>Weekly Low</b>	<b>143.43 JPY/USD</b>	<b>YTD Change</b>	<b>#NAME?</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
JibunBK Mfg PMI Final SA	Aug	2-Sep		49.5
Monetary Base YY	Aug	3-Sep		1.17%
JibunBK Comp Op Final SA	Aug	4-Sep		53.0
JibunBK SVC PMI Final SA	Aug	4-Sep		54.0
Overall Lab Cash Earnings	Jul	5-Sep		4.5%

<b>Lower Bound</b>	<b>143.00</b>	<b>Upper Bound</b>	<b>148.00</b>
<b>Forecast</b>	<b>Appreciation</b>		



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