Bangkok Bank ຣຆາດາຣກຽວເທໜ

WEEKLY FOREIGN EXCHANGE OUTLOOK

Dollar Index

Source: Refinitiv

Lower Bound

Forecast

23 Sep 2024 - 27 Sep 2024

Dollar Index Graph



Dollar News

• On Monday (16/9), the dollar index fell below 101, marking its third consecutive session of decline amid growing speculation that the Federal Reserve would implement more aggressive interest rate cuts at the policy meeting held last week (17-18/9).

•The dollar experienced a brief plunge following the Fed's 50 basis points rate cut, but this was short-lived as the market reacted in a typical "buy the rumor, sell the fact" manner, and the dollar subsequently began to recover.

• On Wednesday (18/9), the Fed pivoted to policy normalization by announcing a 50 basis points rate cut, bringing interest rates to a range of 4.75%-5.00%. This move signaled the Fed's focus on preventing further deterioration in labor market conditions. According to the Fed's dot plot, policymakers anticipate the federal funds rate to reach 4.4% by year-end, indicating at least one more rate cut of 25 basis points. However, market expectations suggest a total decline of 75 basis points in the remaining two policy meetings in November and December, with one of these decisions potentially involving a 50 basis points rate cut.

ų/A	Dollar Index Performance				
	Last Week Close	101.11	Monthly High	103.27	
	Week Open	101.04	Monthly Low	100.22	
-24	Week Close	100.72	30 Days Average	101.43	
	Weekly High	101.84	90 Days Average	103.58	
	Weekly Low	100.22	YTD Change	-0.35%	

Next Week's Dollar Index Economic Events Period

Date

Forecast

Previous

Thursday (19/9). The financial markets have devalued the US Dollar in response to the Bank of	
Japan and Bank of England's decisions to maintain their interest rates.	Events
• The forthcoming US presidential election is anticipated to have extensive impacts across	S&P Global Cor
financial markets. Currently, the US Dollar remains stable; however, persistent dovish bets on the	Consumer Cont
Federal Reserve may constrain its valuation.Investors will closely monitor key inflation measures and appearances by several Federal	Durable Goods
Reserve officials, especially in the wake of last week's substantial rate cut. Additionally, PMI data	GDP Final
is expected to provide fresh insights into the strength of the global economy.	Initial Jobless C
• The economic calendar for the upcoming week includes a final reading on second-quarter GDP,	Core PCE Price
reports on consumer confidence, durable goods orders, new and pending home sales, and	Core PCE Price

Upper Bound

102.00

weekly data on initial jobless claims.

Dollar Outlook • On Frida (20/9), the US Dollar exhibited further consolidation following its depreciation on

	S&P Global Comp Flash PMI	Sep	23-Sep		54.6
he	Consumer Confidence	Sep	24-Sep	103.8	103.3
	Durable Goods	Aug	26-Sep	-2.6%	9.8%
а	GDP Final	Q2	26-Sep	2.9%	3.0%
	Initial Jobless Clm	21 Sep, w/e	26-Sep	225k	219k
Ρ,	Core PCE Price Index MM	Aug	27-Sep	0.2%	0.2%
	Core PCE Price Index YY	Aug	27-Sep	2.7%	2.6%
	PCE Price Index MM	Aug	27-Sep	0.1%	0.2%
	PCE Price Index YY	Aug	27-Sep	2.3%	2.5%
	U Mich Sentiment Final	Sep	27-Sep	69.3	69.0

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

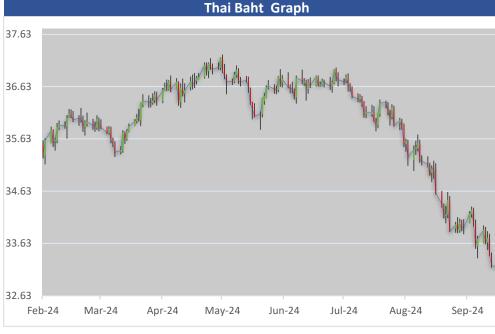
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Depreciation

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WEEKLY FOREIGN EXCHANGE OUTLOOK

23 Sep 2024 - 27 Sep 2024



Source: Refinitiv

Thai Baht Outlook

• In the forthcoming week, the Thai baht is anticipated to continue appreciating due to a weakening US dollar and a surge in gold prices, which reached a new record high on Friday (20/9) at \$2,572.81 per ounce. This marks gold's most robust annual performance since 2020, with an increase exceeding 24%, driven by safe-haven demand amid geopolitical and economic uncertainties, and substantial central bank purchases.

•The Thai baht is projected to fluctuate between 32.70-33.20 THB/USD during this period. However, foreign investors may engage in profit-taking on Thai assets, potentially exerting additional downward pressure on the baht.

•Attention is directed towards Federal Reserve Chair Jerome Powell's scheduled address on Thursday (26/9) at the 10th annual US Treasury Market Conference. Market participants will be vigilant for any indications regarding the Federal Reserve's stance on balance sheet reduction. Additionally, the release of various US economic data this week is expected to impact the Thai

haht			
Lower Bound	32.70	Upper Bound	33.20
Forecast	Appreciation		

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

Thai Baht News

• At the beginning of last week, the Thai baht strengthened as the US dollar weakened, driven by a decline in the 10-year U.S. bond yield and an increase in gold prices. Additionally, the baht is likely to receive further support from foreign investors' net purchases of Thai stocks and bonds, contrasting with the weakening dollar, following the European Central Bank's decision not to signal a rate cut at its next meeting.

• However, after the Federal Open Market Committee (FOMC) decision, the baht weakened against the US dollar once more as the market digested Federal Reserve Chair Jerome Powell's remarks, which indicated that further interest rate cuts may not be imminent following the Fed's first rate reduction in four years by 0.50%.

• Government officials have called for a rate cut from the Bank of Thailand (BOT) in October, following the dovish stance adopted by major central banks worldwide.

On Friday (20/9), the Thai baht appreciated against the US dollar, moving below 33.00 THB/USD.

	Thai Baht Performance				
	Last Week Close	33.41 THB/USD	Monthly High	34.33 THB/USD	
	Week Open	33.21 THB/USD	Monthly Low	32.87 THB/USD	
4	Week Close	32.87 THB/USD	30 Days Average	33.93 THB/USD	
	Weekly High	33.52 THB/USD	90 Days Average	35.52 THB/USD	
	Weekly Low	32.86 THB/USD	YTD Change	-3.99%	

Next Week's Thai Baht Economic Events				
Events	Period	Date	Forecast	Previous
Manufacturing Prod YY	Aug	26-Sep	1.00%	1.79%
Custom-Based Export Data	Aug	26-Sep	5.70%	15.20%
Custom-Based Import Data	Aug	26-Sep	7.60%	13.10%
Customs-Based Trade Data	Aug	26-Sep	-0.24B	-1.37B
	Next Week's Events Manufacturing Prod YY Custom-Based Export Data Custom-Based Import Data Customs-Based Trade Data	EventsPeriodManufacturing Prod YYAugCustom-Based Export DataAugCustom-Based Import DataAug	EventsPeriodDateManufacturing Prod YYAug26-SepCustom-Based Export DataAug26-SepCustom-Based Import DataAug26-Sep	EventsPeriodDateForecastManufacturing Prod YYAug26-Sep1.00%Custom-Based Export DataAug26-Sep5.70%Custom-Based Import DataAug26-Sep7.60%

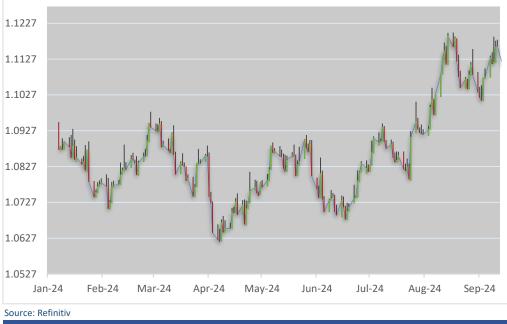
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Euro

WEEKLY FOREIGN EXCHANGE OUTLOOK

23 Sep 2024 - 27 Sep 2024

Euro Graph



Euro Outlook

- This week's data will focus on the preliminary estimates of the September Purchasing Managers Indexes (PMIs) for European economies, released by Hamburg Commercial Bank (HCOB) and S&P Global.
- Several European Central Bank (ECB) policymakers have expressed their preference to wait until December to gather more data before considering another policy rate reduction. Although it is highly unlikely, the Euro could weaken against its rivals if President Lagarde hints at a potential rate cut in October.
- However, a continuation of the risk rally could further pressure the USD and support an increase in the EUR/USD exchange rate this week.

Lower Bound	1.1000	Upper Bound	1.1200
Forecast	Appreciation		

Euro News

The euro appreciated against the US dollar following the European Central Bank's decision to reduce interest rates by 25 basis points on Thursday, September 12th. ECB President Christine Lagarde tempered expectations for another rate cut next month, stating that the rate path was not predetermined and that the central bank would decide on rates on a meeting-by-meeting basis, without any pre-commitments.
However, the euro retreated on Wednesday, September 18th, after the dollar rebounded. This was due to dovish sentiments from the committee, although Federal Reserve Chair Jerome Powell maintained a neutral stance during his press conference.

• On Friday (20/9), the euro fluctuated slightly above 1.1150. In the absence of significant macroeconomic data releases, comments from central bank officials and the prevailing risk sentiment could influence the currency pair's movements heading into the weekend.

	Euro Index Performance				
	Last Week Close	1.1076 USD/EUR	Monthly High	1.1189 USD/EUR	
	Week Open	1.1076 USD/EUR	Monthly Low	1.1003 USD/EUR	
24	Week Close	1.1162 USD/EUR	30 Days Average	1.1095 USD/EUR	
	Weekly High	1.1189 USD/EUR	90 Days Average	1.0911 USD/EUR	
	Weekly Low	1.1067 USD/EUR	YTD Change	+0.65%	

Next Week's Euro Economic Events				
Events	Period	Date	Forecast	Previous
HCOB Mfg Flash PMI	Sep	23-Sep	45.6	45.8
HCOB Services Flash PMI	Sep	23-Sep	52.1	52.9
HCOB Composite Flash PMI	Sep	23-Sep	50.5	51.0
Money-M3 Annual Grwth	Aug	26-Sep	2.6%	2.3%
Business Climate	Sep	27-Sep		-0.62
Economic Sentiment	Sep	27-Sep	96.5	96.6
Industrial Sentiment	Sep	27-Sep	-9.8	-9.7
Services Sentiment	Sep	27-Sep	5.6	6.3
Consumer Confid. Final	Sep	27-Sep		-12.9

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WEEKLY FOREIGN EXCHANGE OUTLOOK

Pound Sterling



Pound Sterling Outlook • The Pound Sterling extended its gains against the US Dollar (USD) following the previous week's

TREASURY MARKETING UNIT TMU01 0-2021-1111 TMU02 0-2021-1222 TMU03 0-2021-1333

23 Sep 2024 - 27 Sep 2024

Pound Sterling News

• The Pound Sterling retreated to 1.3200 USD/GBP after initially surging to 1.3300 USD/GBP following the Federal Reserve's announcement of a significant 50 basis points rate cut on Wednesday (18/9). On Thursday (19/9), the Sterling appreciated against the US dollar after the Bank of England (BOE) maintained interest rates at 5.00%, as anticipated, and the UK core Consumer Price Index (CPI) data for August exceeded expectations. In a hawkish surprise, only one policymaker voted in favor of a 25 basis points rate cut.

• Later that day, BOE Governor Andrew Bailey expressed optimism that UK interest rates would decline but emphasized the need for more evidence of diminishing residual inflation pressures. Despite a slight retreat in GBP/USD following the BOE event, the pair closed in positive territory on Friday, September 20th. • Early on Friday, renewed selling pressure on the US Dollar and positive UK economic data helped push GBP/USD higher. The UK's Office for National Statistics reported a 1% monthly increase in Retail Sales for August, surpassing the market expectation of a 0.4% rise.

	Pound Sterling Performance				
	Last Week Close	1.3122 USD/GBP	Monthly High	1.3340 USD/GBP	
	Week Open	1.3120 USD/GBP	Monthly Low	1.3003 USD/GBP	
4	Week Close	1.3321 USD/GBP	30 Days Average	1.3107 USD/GBP	
	Weekly High	1.3340 USD/GBP	90 Days Average	1.2886 USD/GBP	
	Weekly Low	1.3117 USD/GBP	YTD Change	+4.44%	

resurgence, with the GBP/USD pair reaching its highest level since March 2022, surpassing	Next Week's Pound Sterling Economic Events				
1.3300 last week.Despite challenges, the Pound Sterling has been the best-performing G10 currency this year,	Events	Period	Date	Forecast	Previous
appreciating by 3.9% against the dollar. This rally has been driven by signs of a stabilizing UK	Flash Composite PMI	Sep	23-Sep	53.5	53.8
economy and persistent inflation.	Flash Manufacturing PMI	Sep	23-Sep	52.5	52.5
• The Pound Sterling may continue to gain traction against the US Dollar due to policy divergence	Flash Services PMI	Sep	23-Sep	53.5	53.7
between the US and the UK.	Nationwide house price mm	Sep	27-Sep		-0.2%
• Attention now shifts to the upcoming global business PMI data and the US Personal Consumption Expenditures (PCE) inflation data due this week.	Nationwide house price yy	Sep	27-Sep		2.4%
consumption Expenditures (FCE) initiation data due this week.					

• In addition to these macroeconomic data releases, speeches from several Federal Reserve

policymakers and developments in the Middle East could also serve as significant market-moving

factors.	
Lower	Bound

Lower Bound	1.3200	Upper Bound	1.3400
Forecast	Appreciation		

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WEEKLY FOREIGN EXCHANGE OUTLOOK

Australian Dollar

Australian Dollar Graph



Source: Refinitiv

Australian Dollar Outlook

• This week, our attention is on the RBA meeting on Tuesday (24/9). The RBA is expected to maintain the cash rate at 4.35%. We'll be looking for any signs of a shift from their hawkish stance.

• The August minutes suggested that the cash rate would likely stay higher than market expectations, indicating a more dovish tone compared to last month.

- Additionally, the monthly inflation report will be released on Wednesday (25/9), which the RBA will likely consider before making any dovish moves.
- The Fed has implemented a significant rate cut and forecasted more to come. Continued rate cuts in the US, while the RBA remains cautious, will likely support the Australian Dollar.

Lower Bound	0.6750	Upper Bound	0.6950
Forecast	Appreciation		

TREASURY MARKETING UNIT TMU01 0-2021-1111 TMU02 0-2021-1222 TMU03 0-2021-1333

23 Sep 2024 - 27 Sep 2024

Australian Dollar News

• The Australian Dollar (AUD) remained strong due to positive Australian Employment data, which has tempered expectations for the Reserve Bank of Australia (RBA) to reduce interest rates this year.

• August's Employment report showed that 47.5K new jobs were added, surpassing the forecast of 25K and closely matching the revised figure of 48.9K from the previous release.

• The Australian Dollar showed little reaction to the People's Bank of China (PBoC) keeping its oneyear and five-year Loan Prime Rates (LPRs) unchanged at 3.35% and 3.85%, respectively, last week. Typically, economic developments in China significantly impact the Australian Dollar due to their close trading relationship.

Australian Dollar Performance				
Last Week Close	0.6703 USD/AUD	Monthly High	0.68390 USD/AUD	
Week Open	0.6705 USD/AUD	Monthly Low	0.66230 USD/AUD	
Week Close	0.6806 USD/AUD	30 Days Average	0.66682 USD/AUD	
Weekly High	0.6839 USD/AUD	90 Days Average	0.66087 USD/AUD	
Weekly Low	0.6689 USD/AUD	YTD Change	+0.19%	

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%	

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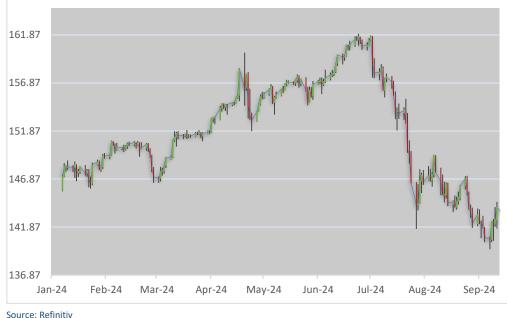
WEEKLY FOREIGN EXCHANGE OUTLOOK

Japanesese Yen

Lower Bound

Forecast

Japanese Yen Graph



Japanese Yen News

23 Sep 2024 - 27 Sep 2024

- The Japanese yen strengthened due to the anticipation of lower U.S. interest rates, with traders building long positions ahead of the Bank of Japan meeting on Friday (20/9).
- The yen rose above 143 JPY/USD, driven by a 2.2% increase in the Nikkei and a risk-on sentiment, though gains were limited by differing rate paths of the Fed and BOJ.
- On Friday (20/9), the yen surged above 144 JPY/USD following the Bank of Japan's monetary policy announcement. The BOJ maintained interest rates between 0.15%-0.25%, as expected, and did not signal further hikes for the year.

• Japan's National Consumer Price Index (CPI) for August increased to 3% from 2.8% in July. Excluding fresh food, the CPI rose to 2.8%, up from 2.7% previously.

	Japanese Yen Performance			
1	Last Week Close	140.82 JPY/USD	Monthly High	147.20 JPY/USD
-24	Week Open	140.74 JPY/USD	Monthly Low	139.59 JPY/USD
	Week Close	143.91 JPY/USD	30 Days Average	155.88 JPY/USD
	Weekly High	144.49 JPY/USD	90 Days Average	152.59 JPY/USD
	Weekly Low	139.56 JPY/USD	YTD Change	+1.66%

Japanese Yen Outlook

• The USD/JPY outlook leans towards an upward trend, despite significant fluctuations following the FOMC policy meeting. Initially, the yen strengthened against the dollar but then fell sharply as traders took profits.

• Recently, Bank of Japan policymakers have made hawkish comments supporting more rate hikes. At the upcoming policy meeting on Friday (20/9), the BoJ is expected to keep rates unchanged. However, the market will focus on their future policy signals. More hawkish remarks could bolster the yen.

Next Week's Japanese Yen Economic Events				
Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Sep	24-Sep		49.8
JibunBK Comp Op Flash SA	Sep	24-Sep		52.9
JibunBK SVC PMI Flash SA	Sep	24-Sep		53.7
Service PPI	Aug	25-Sep		2.80%
Chain Store Sales YY	Aug	25-Sep		-1.0%
CPI Tokyo Ex fresh food YY	Sep	27-Sep	2.0%	2.4%
CPI, Overall Tokyo	Sep	27-Sep		2.6%
Leading Indicator Revised	Jul	27-Sep		0.4

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142.00

Appreciation

Upper Bound

144.00



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