



## Dollar Index

Weekly FX Outlook : 18 Aug 2025 - 22 Aug 2025

### Chart



Source: LSEG

### Outlook

- Markets are focused on the high-stakes meeting between U.S. President Trump and Russian President Putin in Alaska, where discussions center on a potential ceasefire in Ukraine. Putin is pushing for Kyiv to withdraw from part of the Donbas region, but Ukrainian President Zelenskyy has firmly rejected any territorial concessions.
- Meanwhile, questions over the Fed's independence and speculation about a possible replacement for Chair Jerome Powell continue to circulate. Attention also turns to the FOMC minutes from the July 29–30 meeting, due Wednesday, and the Jackson Hole Symposium (21–23/8), where Powell is expected to speak alongside other Fed officials—potentially offering clues on future rate policy.

Lower Bound	97.00	Upper Bound	99.00
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Forecast	Appreciation
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### News

- The U.S. Dollar Index (DXY) dipped to a two-week low below 98.00 after July CPI data showed moderate inflation, reinforcing expectations for a Fed rate cut next month. Investors are currently pricing in 2–3 cuts this year.
- Earlier last week, Washington and Beijing extended their tariff truce by 90 days to continue negotiations. The U.S. maintains a 30% tariff on Chinese imports, while China imposes a 10% levy—both far below the previously threatened 145% and 125%.
- U.S. CPI rose 0.2% in July, matching June's pace and slightly below the expected 2.8% YoY increase.
- The dollar gained briefly on August 14 after hotter-than-expected PPI data, prompting markets to reassess the likelihood of multiple Fed rate cuts.
- Retail sales rose 0.5% in July, down from 0.9% in June but in line with expectations.
- The August Michigan Consumer Sentiment Index fell to 58.6, missing forecasts and keeping the dollar under pressure heading into the weekend.

### Performance

Last Week Close	98.18	Monthly High	100.26
Week Open	98.24	Monthly Low	97.11
Week Close	97.85	30 Days Average	98.23
Weekly High	99.32	90 Days Average	98.81
Weekly Low	97.63	YTD Change	-9.74%

### Economic Events

Events	Period	Date	Forecast	Previous
NAHB Housing Market Indx	Aug	18-Aug		33
Building Permits: Number	Jul	19-Aug		1.393M
Housing Starts Number	Jul	19-Aug	1.297M	1.321M
Initial Jobless Clm	11 Aug, w/e	21-Aug		224k
S&P Global Mfg PMI Flash	Aug	21-Aug		49.8
S&P Global Svcs PMI Flash	Aug	21-Aug		
S&P Global Comp PMI Flash	Aug	21-Aug		
Existing Home Sales	Jul	21-Aug	3.92M	3.93M


**Thai Baht**
**Weekly FX Outlook : 18 Aug 2025 - 22 Aug 2025**
**Chart**
**News**


Source: LSEG

**Outlook**

- Thai baht likely to trade sideways this week, with markets awaiting signals from the Jackson Hole Symposium ( 21–23/8), where Fed Chair Powell is expected to speak.
  - Uncertainty over U.S. monetary policy persists, as signs of labor market weakness and inflation from import tariffs may complicate the Fed's rate-cut path.
  - Key domestic data to watch: Thailand's Q2 GDP and Custom-Based trade data where strong export growth could support the baht.
- Moreover, if the gold prices are rising, it could lend support to the thai baht.

- At the start of last week, the Thai baht appreciated to a three-week high around 32.20 THB/USD after a long holiday, in line with gains across most Asian currencies. The move was supported by expectations of a Fed rate cut at the upcoming September FOMC meeting, which pressured the U.S. dollar.
- On Wednesday (13/8), the baht continued to outperform regional peers even after the Bank of Thailand (BoT) cut its policy rate by 25 basis points to 1.50%, marking its fourth cut in 10 months. The widely expected move aimed to support a sluggish economy facing weak consumption, SME pressure, and the impact of U.S. tariffs. Despite low inflation, the BoT signaled a continued accommodative stance and readiness to ease further if needed—reflecting investor confidence in Thailand's macroeconomic stability.
- However, by the end of the week, the baht weakened against the dollar, weighed down by stronger-than-expected U.S. PPI data and falling global gold prices, which reduced demand for the local currency.

**Performance**

<b>Last Week Close</b>	<b>32.31 THB/USD</b>	<b>Monthly High</b>	<b>32.87 THB/USD</b>
<b>Week Open</b>	<b>32.34 THB/USD</b>	<b>Monthly Low</b>	<b>32.24 THB/USD</b>
<b>Week Close</b>	<b>32.41 THB/USD</b>	<b>30 Days Average</b>	<b>32.41 THB/USD</b>
<b>Weekly High</b>	<b>32.51 THB/USD</b>	<b>90 Days Average</b>	<b>32.72 THB/USD</b>
<b>Weekly Low</b>	<b>32.20 THB/USD</b>	<b>YTD Change</b>	<b>-5.09%</b>

**Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
GDP Growth YY	Q2	18-Aug	2.5%	3.1%
GDP Growth QQ SA	Q2	18-Aug	0.3%	0.7%
Custom-Based Export Data	Jul	22-Aug		15.50%
Custom-Based Import Data	Jul	22-Aug		13.10%
Customs-Based Trade Data	Jul	22-Aug		1.06B
Manufacturing Prod YY	Jul	22-Aug		0.58%

**Lower Bound**      32.20      **Upper Bound**      32.60

**Forecast**      Neutral



Euro

Weekly FX Outlook : 18 Aug 2025 - 22 Aug 2025

Chart

News



Source: LSEG

### Outlook

- The euro is currently trading around 1.1700, with a short-term range seen between 1.1600 and 1.1780. The euro is supported by expectations of a Fed rate cut, but upside may be capped by weak eurozone data and cautious ECB tone.
- Preliminary August PMIs for major eurozone economies will be released on Thursday (21/8) by Hamburg Commercial Bank and S&P Global. These will offer early insights into the region's economic momentum; Eurozone Manufacturing PMI is expected to remain below 50, signaling contraction. Services PMI may show modest resilience, but any surprise could move EUR/USD.
- The Jackson Hole Symposium (21–23/8) is the main global event; Fed Chair Jerome Powell speaks on Friday, and ECB President Christine Lagarde on Saturday.
- Markets will watch for any policy signals on interest rates, inflation, and labor market trends.

Lower Bound	1.1600	Upper Bound	1.1800
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Forecast	Depreciation
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- The euro rose against the U.S. dollar despite weaker-than-expected sentiment data from the eurozone.
- Germany's August ZEW Economic Sentiment Index fell sharply to 34.7, down from 52.7 and below the 40 expected.
- The EU-wide ZEW index also declined, dropping from 36.1 in July to 25.1.
- The assessment of Germany's current situation worsened, falling to -68.6 from -59.5 in the previous month.
- Germany's July Harmonized Index of Consumer Prices (HICP) rose 1.8% YoY, in line with earlier estimates.
- The Eurozone's Q2 GDP was confirmed at 0.1% growth, while industrial production contracted 1.3% MoM in June, worse than the 1% decline expected and the 1.1% gain in May.

### Performance

Last Week Close	1.1639 USD/EUR	Monthly High	1.1730 USD/EUR
Week Open	1.1637 USD/EUR	Monthly Low	1.1392 USD/EUR
Week Close	1.1697 USD/EUR	30 Days Average	1.1656 USD/EUR
Weekly High	1.1730 USD/EUR	90 Days Average	1.1498 USD/EUR
Weekly Low	1.1589 USD/EUR	YTD Change	+13.02%

### Economic Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jun	18-Aug		16.20B
HICP Final MM	Jul	20-Aug	0.2%	0.3%
HICP Final YY	Jul	20-Aug	2.0%	2.0%
HCOB Mfg Flash PMI	Aug	21-Aug	49.5	49.8
HCOB Services Flash PMI	Aug	21-Aug	50.7	51.0
HCOB Composite Flash PMI	Aug	21-Aug	50.6	50.9
Consumer Confid. Flash	Aug	21-Aug	-14.7	-14.7
GDP Detailed QQ SA	Q2	22-Aug	-0.1%	-0.1%
GDP Detailed YY NSA	Q2	22-Aug		0.0%



## Pound Sterling

### Chart



Source: LSEG

### Outlook

- The pair is trading around 1.3560, with forecasts suggesting a potential range between 1.3400 and 1.3595 this week. Movement will depend heavily on U.S. dollar dynamics and key UK data releases.
- UK July CPI will be released on Tuesday (20/8). Markets expect a slight uptick in inflation, which could influence BoE rate expectations. Core CPI and services inflation will be key indicators to watch for signs of persistent price pressures.
- BoE Governor Andrew Bailey's Speech is scheduled for Friday (23/8) at the Jackson Hole Symposium. Bailey is expected to address inflation persistence and monetary policy trade-offs. His tone may offer clues on future BoE rate decisions.
- Any dovish signals from Bailey or weaker UK inflation could pressure the pound. Conversely, stronger-than-expected CPI or hawkish remarks may support GBP.

Lower Bound	1.3450	Upper Bound	1.3650
Forecast	Depreciation		

### News

- The British pound appreciated against the U.S. dollar earlier this month, supported by renewed dollar weakness amid progress on trade talks and expectations of further Fed rate cuts.
- UK labor market data showed continued softening, though at a slower pace. However, wage growth remained strong, reinforcing the Bank of England's cautious stance on easing.
- The BoE's latest decision to cut rates passed by a narrow 5–4 vote, suggesting limited appetite for aggressive easing.
- On Thursday (14/8), sterling fell sharply, retreating from a two-day rally as strong U.S. PPI data boosted the dollar and dampened hopes for multiple Fed rate cuts.
- Upbeat UK economic data provided limited support: Q2 GDP grew 0.3% QoQ, beating expectations of 0.1%. June industrial production rose 0.7% MoM, though May's figure was revised down to -1.3%, highlighting ongoing sector volatility.

### Performance

Last Week Close	1.3449 USD/GBP	Monthly High	1.3594 USD/GBP
Week Open	1.3422 USD/GBP	Monthly Low	1.3142 USD/GBP
Week Close	1.3551 USD/GBP	30 Days Average	1.3442 USD/GBP
Weekly High	1.3594 USD/GBP	90 Days Average	1.3442 USD/GBP
Weekly Low	1.3396 USD/GBP	YTD Change	+8.30%

### Economic Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Aug	18-Aug		-1.2%
House Price Rightmove YY	Aug	18-Aug		0.1%
Core CPI YY	Jul	20-Aug		3.7%
CPI YY	Jul	20-Aug		3.6%
Flash Manufacturing PMI	Aug	21-Aug		48.0
Flash Services PMI	Aug	21-Aug		
Retail Sales MM	Jul	22-Aug		0.9%
Retail Sales YY	Jul	22-Aug		1.7%
Nationwide house price mm	Aug	22-Aug		0.6%
Nationwide house price yy	Aug	22-Aug		2.4%



Source: LSEG

### Outlook

- The Australian dollar is expected to remain supported this week, with bullish sentiment in AUD/USD driven by a softer U.S. dollar and expectations of a Fed rate cut. Key focus will be on Australia's August PMI data, which will offer insight into business activity and economic momentum.
- Other drivers include interest rate differentials, commodity price trends—especially iron ore and coal—and China's economic performance, which directly impacts Australian exports.

- The Australian dollar initially dipped after the Reserve Bank of Australia (RBA) cut its policy rate by 25 basis points to 3.60% at its August 12 meeting, as widely expected.
- The RBA cited slowing inflation and a loosening labor market as reasons for the cut, while maintaining a cautious tone on future easing. RBA Governor Michele Bullock noted that further rate reductions may be needed to ensure price stability but emphasized a meeting-by-meeting approach, avoiding firm commitments amid global uncertainty.
- The July employment report showed: Employment Change: +24.5K (vs. 25K expected, up from a revised 1K in June) Unemployment Rate: Fell to 4.2% from 4.3%, in line with expectations
- The RBA's policy statement highlighted that inflation continues to moderate, but the economic outlook remains uncertain. The central bank reaffirmed its commitment to price stability and full employment as top priorities.

### Performance

Last Week Close	0.6524 USD/AUD	Monthly High	0.6568 USD/AUD
Week Open	0.6519 USD/AUD	Monthly Low	0.6420 USD/AUD
Week Close	0.6504 USD/AUD	30 Days Average	0.6470 USD/AUD
Weekly High	0.6568 USD/AUD	90 Days Average	0.6371 USD/AUD
Weekly Low	0.6479 USD/AUD	YTD Change	+5.30%

### Economic Events

Events	Period	Date	Forecast	Previous
Indicator Name	Period	Local Start Dat	Reuters Poll	Prior
S&P Global Mfg PMI Flash	Aug	21-Aug		51.3
S&P Global Svs PMI Flash	Aug	21-Aug		
S&P Global Comp PMI Flash	Aug	21-Aug		

Lower Bound 0.6400 Upper Bound 0.6600

Forecast Neutral



## Japanese Yen

Weekly FX Outlook : 18 Aug 2025 - 22 Aug 2025

### Chart



Source: LSEG

### Outlook

- The pair is trading in a narrow range between 147.00 and 148.00, with traders buying dips below 147 and selling rallies above 148. Volatility may increase later in the week with key data releases and central bank speeches.
- This week, the Japanese yen's movement will be influenced by several key domestic data releases. Markets will closely watch the Tertiary Industry Index (18/8) for signs of economic momentum, and Trade Data (20/80), where a drop in exports could reflect tariff impacts and weigh on the yen. On Thursday (21/8), the S&P Global Services PMI is expected to dip slightly, but a stronger reading could fuel speculation of a BoJ rate hike. Finally, the National CPI report (23/8) will be crucial, with stable or higher inflation figures likely to support a more hawkish stance from the BoJ and strengthen the yen.

Lower Bound	146.50	Upper Bound	148.50
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Forecast	Neutral
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### News

- The Japanese yen appreciated against the U.S. dollar after Japan's Q2 GDP beat expectations, reinforcing speculation of a potential Bank of Japan (BoJ) rate hike.
- Japan's preliminary Q2 GDP rose 0.3% QoQ (vs. 0.1% expected) and 1.0% annualized (vs. 0.4% forecast), signaling stronger-than-expected economic momentum.
- The upbeat data has fueled expectations that the BoJ may adopt a more confident tone in upcoming meetings, supporting the yen further.
- Meanwhile, on Friday (15/8), Japan's government dismissed rare public remarks from U.S. Treasury Secretary Scott Bessent, who criticized the BoJ for being "behind the curve" on policy—comments seen as pressure for Japan to raise rates.

### Performance

Last Week Close	147.72 JPY/USD	Monthly High	150.91 JPY/USD
Week Open	147.44 JPY/USD	Monthly Low	146.22 JPY/USD
Week Close	147.18 JPY/USD	30 Days Average	145.45 JPY/USD
Weekly High	148.52 JPY/USD	90 Days Average	150.43 JPY/USD
Weekly Low	146.19 JPY/USD	YTD Change	-6.19%

### Economic Events

Events	Period	Date	Forecast	Previous
Machinery Orders MM	Jun	20-Aug	-1.0%	-0.6%
Machinery Orders YY	Jun	20-Aug	5.0%	4.4%
Exports YY	Jul	20-Aug	-2.1%	-0.5%
Imports YY	Jul	20-Aug	-10.4%	0.2%
Trade Balance Total Yen	Jul	20-Aug	196.2B	153.1B
S&P Global Mfg PMI Flash SA	Aug	21-Aug		48.9
S&P Global Comp Op Flash SA	Aug	21-Aug		
S&P Global SVC PMI Flash SA	Aug	21-Aug		
CPI, Core Nationwide YY	Jul	22-Aug	3.0%	3.3%
CPI, Overall Nationwide	Jul	22-Aug		3.3%

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