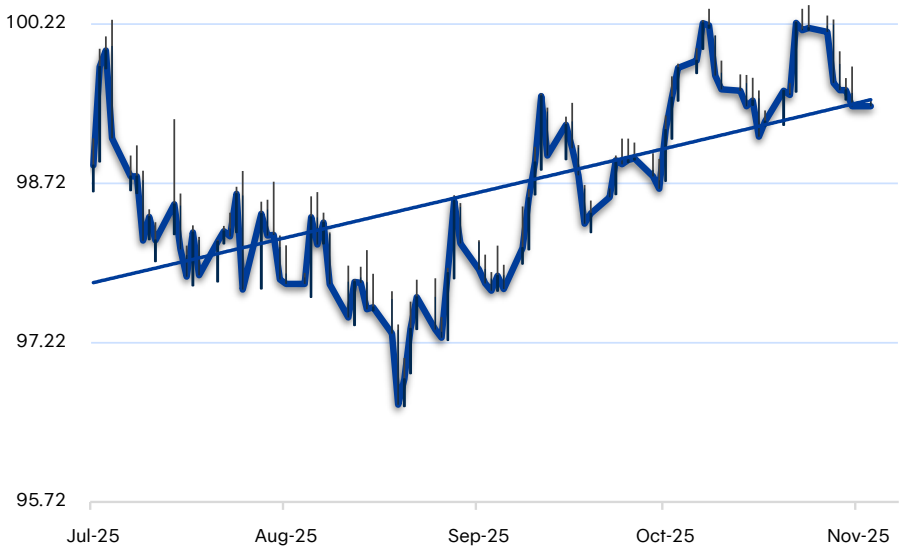
Bangkok Bank

FX Compass

01 Dec 2025 - 05 Dec 2025

Dollar Index

Currency Pulse



Quick Take

•The Dollar Index (DXY) stabilized near 99.6 on Friday, halting its slide, but still dropped 0.5% for the week as traders heavily anticipated further Federal Reserve rate cuts. Markets now price in an 87% chance of a December cut and expect three more in the following year, partly due to reports that Kevin Hassett, a low-rate advocate, is a leading candidate for the next Fed Chair. Safe-haven demand for the dollar also weakened amid potential Ukraine peace talks, and the dollar hit a weekly low against the Kiwi after the RBNZ signaled an end to its easing cycle.

Performance

Last Week Close	100.18	**Monthly High**	100.40
Week Open	100.20	**Monthly Low**	98.51
Week Close	99.44	**30 Days Average**	99.52
Weekly High	100.40	**90 Days Average**	98.63
Weekly Low	99.38	**YTD Change**	-8.33%

Outlook

• The US Dollar closed the week with decent losses, as the currency was weighed down by persistent market bets for a Federal Reserve rate cut in December. This market expectation exists despite the fact that Federal Reserve officials reportedly remain divided on the necessity or timing of further monetary easing. With the Fed now in its pre-meeting blackout, market focus shifts entirely to upcoming data, specifically the PCE Price Index and ISM surveys.

Lower Bound	**99.00**	**Upper Bound**	**100.00**
Forecast	Appreciation		

Impact Events

Events	Period	Date	Forecast	Previous
ISM Manufacturing PMI	Nov	01-Dec	49.0	48.7
ISM N-Mfg PMI	Nov	03-Dec	52.1	52.4
Initial Jobless Clm	29 Nov, w/e	04-Dec	220k	216k
Consumption, Adjusted MM	Sep	05-Dec	0.4%	0.6%
Core PCE Price Index YY	Sep	05-Dec	2.9%	2.9%
PCE Price Index YY	Sep	05-Dec	2.8%	2.7%
U Mich Sentiment Prelim	Dec	05-Dec	52.0	51.0
New Home Sales-Units	Sep	25-Nov	0.709M	0.800M
International Trade $	Sep	04-Dec	-65.5B	-59.6B

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Thai Baht

Currency Pulse

Quick Take

• The Thai baht significantly appreciated over the week, moving from the 32.40–32.50 THB/USD range to test the 32.20 support level, primarily fueled by growing expectations of a December Federal Reserve rate cut and a weaker US dollar. Domestically, the government's denial of early parliament dissolution rumors and the approval of the Thailand Fast Pass investment program supported the currency. However, a strong 5.7% rise in October exports was overshadowed by a larger 16.3% import surge, widening the trade deficit to 3.43 billion, which reflected robust domestic demand.

Performance

Last Week Close	32.44	THB/USD	**Monthly High**	32.13	THB/USD
Week Open	32.45	THB/USD	**Monthly Low**	32.05	THB/USD
Week Close	32.10	THB/USD	**30 Days Average**	32.42	THB/USD
Weekly High	32.53	THB/USD	**90 Days Average**	32.33	THB/USD
Weekly Low	32.07	THB/USD	**YTD Change**	-6.24%	

Outlook

• The Thai baht is expected to trade with a sideways-to-downward bias, supported by seasonal tourism inflows and expectations of a Fed rate cut in December, with USD/THB likely ending the year near 32.00 or slightly stronger. However, two-way risk remains elevated, as market sentiment will depend on upcoming U.S. economic data and the FOMC meeting, including any Dot Plot adjustments. If the baht weakens, resistance at 32.30–32.50 should hold amid continued dollar selling pressure.

Impact Events

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Nov	01-Dec		56.6
CPI Headline Inflation	Nov	04-Dec	-0.60%	-0.76%
CPI Core Inflation YY	Nov	04-Dec	0.57%	0.61%
CPI Index	Nov	04-Dec		100.00

Lower Bound	**31.90**	**Upper Bound**	**32.30**
Forecast	Neutral		

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Euro

Currency Pulse

Quick Take

• The euro dipped below 1.16 as mixed economic data complicated the outlook for the European Central Bank (ECB). While German retail sales disappointed, German inflation held steady at 2.3% and the EU-harmonized rate accelerated to a seven-month high of 2.6%, with rates in France and Italy remaining subdued. Despite the inflation differences, ECB meeting minutes indicated little urgency to cut rates, keeping market expectations steady for no rate adjustments through 2026. This contrasts with growing anticipation across the Atlantic for a third Federal Reserve rate cut in December, fueled by softer US indicators and dovish Fed commentary.

Performance

Last Week Close	1.1511	USD/EUR	**Monthly High**	1.1615	USD/EUR
Week Open	1.1511	USD/EUR	**Monthly Low**	1.1590	USD/EUR
Week Close	1.1595	USD/EUR	**30 Days Average**	1.1582	USD/EUR
Weekly High	1.1613	USD/EUR	**90 Days Average**	1.1639	USD/EUR
Weekly Low	1.1501	USD/EUR	**YTD Change**	+12.03%	

Outlook

• Recent dovish comments from the Federal Reserve and softer US economic data have revived market expectations for a December rate cut, contrasting with the persistent signs of slow economic recovery in the Eurozone. The EUR/USD is trading range-bound with a slight bearish tilt as traders await key data. The week features major releases, including the US ISM Manufacturing PMI, the EU HICP (preliminary November inflation), and the US PCE Price Index (the Fed's preferred inflation gauge), which will be crucial for anticipating the Fed's next policy decision.

Lower Bound	**1.1500**	**Upper Bound**	**1.1650**
Forecast	Depreciation		

Impact Events

Events	Period	Date	Forecast	Previous
HCOB Mfg PMI	Nov	01-Dec	48.4	48.4
HCOB Mfg Final PMI	Nov	01-Dec	49.7	49.7
HICP Flash YY	Nov	02-Dec	2.1%	2.1%
Unemployment Rate	Oct	02-Dec	6.3%	6.3%
HCOB Services Final PMI	Nov	03-Dec	53.1	53.1
HCOB - Composite Final PMI	Nov	03-Dec	52.4	52.4
Industrial Orders MM	Oct	05-Dec	0.5%	1.1%
Consumer Goods SA	Oct	05-Dec		107.8
GDP Revised YY	Q3	05-Dec	1.4%	1.4%

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01 Dec 2025 - 05 Dec 2025

Pound Sterling

Currency Pulse

Quick Take

• The British pound slipped to 1.322 on Friday but still achieved its strongest weekly gain since early August (up 1%), following the government's new budget. The budget, presented by Rachel Reeves, aims to raise £26 billion in new taxes to fund welfare and signals more disciplined borrowing, which was generally welcomed by investors despite the muted market reaction indicating the news was largely priced in. Going forward, the pound's upside may be limited as its yield advantage over other currencies fades, with expectations strengthening for a Bank of England rate cut next month due to easing inflation.

Performance

Last Week Close	1.3094	USD/GBP	**Monthly High**	1.3246	USD/GBP
Week Open	1.3096	USD/GBP	**Monthly Low**	1.3223	USD/GBP
Week Close	1.3236	USD/GBP	**30 Days Average**	1.3181	USD/GBP
Weekly High	1.3268	USD/GBP	**90 Days Average**	1.3358	USD/GBP
Weekly Low	1.3077	USD/GBP	**YTD Change**	+5.72%	

Outlook

• The Pound Sterling reached new monthly highs above 1.3250 against the US Dollar, largely supported by the UK's recent budget announcement, although the recovery faces a bearish technical risk. The pair's direction this week hinges on major US data, including the ISM Manufacturing PMI (Monday) and the PCE Price Index (Friday), along with statements from Bank of England policymakers.

Impact Events

Events	Period	Date	Forecast	Previous
S&P GLOBAL MANUFACTURING PMI	Nov	01-Dec	50.2	50.2
Nationwide house price mm	Nov	02-Dec	0.0%	0.3%
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Nov	03-Dec	50.5	50.5
Reserve Assets Total	Nov	03-Dec		219,612.88M
Halifax House Prices MM	Nov	05-Dec		0.6%
Halifax House Prices YY	Nov	05-Dec		1.90%

Lower Bound	**1.3100**	**Upper Bound**	**1.3300**
Forecast	Depreciation		

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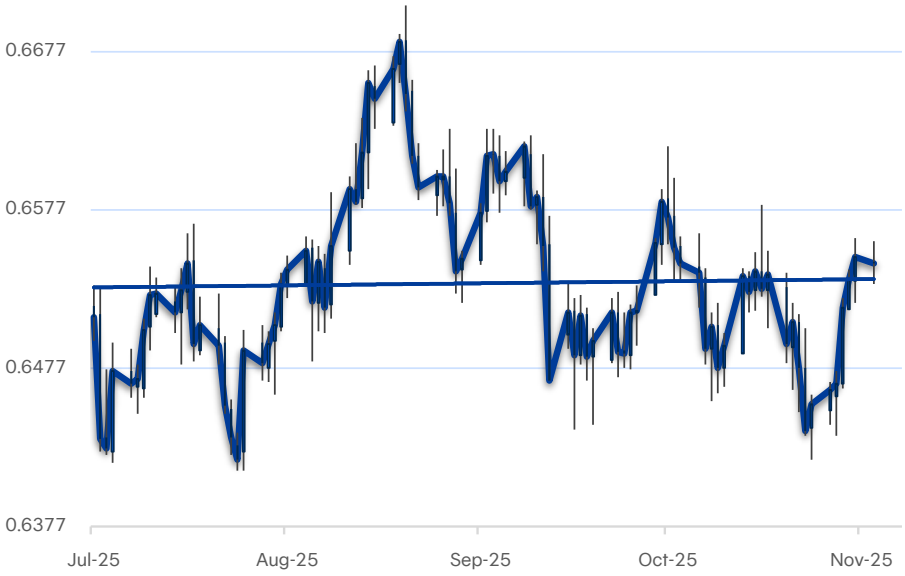
Australian Dollar

Currency Pulse



Quick Take

• The Australian dollar jumped to a two-week high of about 0.653 after October's inflation figures came in higher than anticipated. Both headline inflation (3.8%) and the RBA's core measure, trimmed mean inflation (3.3%), exceeded predictions, confirming the Reserve Bank's hawkish stance. As a result of this persistent price pressure and a robust labor market, traders have drastically scaled back expectations for a rate cut in May (from 40%to 7%) and are now seeing a significant 40% chance of a rate increase by late 2026.

Performance

Last Week Close	0.6454	USD/AUD	**Monthly High**	0.6557	USD/AUD
Week Open	0.6450	USD/AUD	**Monthly Low**	0.6539	USD/AUD
Week Close	0.6547	USD/AUD	**30 Days Average**	0.6587	USD/AUD
Weekly High	0.6559	USD/AUD	**90 Days Average**	0.6544	USD/AUD
Weekly Low	0.6434	USD/AUD	**YTD Change**	0.0575	

Outlook

• The Australian Dollar (AUD) remains strong because hotter-than-expected domestic inflation is delaying market expectations for aggressive rate cuts by the Reserve Bank of Australia (RBA). Further bolstering the case for a vigilant RBA, Australian private sector credit growth exceeded forecasts. Conversely, the US Dollar (USD) is under pressure as markets increasingly price in the likelihood of additional Federal Reserve rate cuts in the years ahead.

Lower Bound	**0.6453**	**Upper Bound**	**0.6650**
Forecast	Appreciation		

Impact Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Nov	01-Dec		51.6
Building Approvals	Oct	02-Dec	-4.5%	12.0%
Current Account Balance SA	Q3	02-Dec	-13.3B	-13.7B
S&P Global Svs PMI Final	Nov	03-Dec		52.7
S&P Global Comp PMI Final	Nov	03-Dec		52.6
Real GDP YY SA	Q3	03-Dec	2.2%	1.8%
Balance on Goods	Oct	04-Dec	4,219M	3,938M
Goods/Services Imports	Oct	04-Dec		1.1%
Goods/Services Exports	Oct	04-Dec		7.9%

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Japanese Yen

Currency Pulse

Quick Take

• The Japanese yen stabilized near 156.3 per dollar supported by better-than-expected economic data and higher-than-forecast Tokyo core inflation, keeping the Bank of Japan (BOJ) on track for a potential rate hike as early as next month. Despite this, the yen is set to fall over 1% for the month due to growing concerns over Japan's fiscal position following the approval of a ¥21.3 trillion stimulus package funded by issuing new bonds.

Performance

Last Week Close	156.39	JPY/USD	**Monthly High**	155.98	JPY/USD
Week Open	156.56	JPY/USD	**Monthly Low**	155.40	JPY/USD
Week Close	156.15	JPY/USD	**30 Days Average**	147.88	JPY/USD
Weekly High	157.18	JPY/USD	**90 Days Average**	147.88	JPY/USD
Weekly Low	155.63	JPY/USD	**YTD Change**	-0.82%	

Outlook

• The USD/JPY pair is struggling to gain momentum as rising concerns over Japan's fiscal health are offsetting market bets on a potential Bank of Japan (BoJ) rate hike. The pair finds modest support from a positive global risk sentiment that typically undermines the safe-haven Japanese Yen and a slight uptick in the US Dollar. However, the upside remains limited due to broad expectations for a more dovish Federal Reserve and persistent market fears of currency intervention by Japanese authorities.

Impact Events

Events	Period	Date	Forecast	Previous
Business Capex (MOF) YY	Q3	01-Dec		7.6%
S&P Global Mfg PMI Final SA	Nov	01-Dec		48.8
Monetary Base YY	Nov	02-Dec		-7.86%
S&P Global Comp Op Final SA	Nov	03-Dec		52.0
S&P Global SVC PMI Final SA	Nov	03-Dec		53.1
All Household Spending YY	Oct	05-Dec	1.0%	1.8%
All Household Spending MM	Oct	05-Dec	0.7%	-0.7%

Lower Bound	**154.00**	**Upper Bound**	**157.50**
Forecast	Neutral		

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