

## Dollar Index

### Currency Pulse



### Outlook

- On the data front, the United States was scheduled to publish October Durable Goods Orders, a preliminary estimate of Q3 GDP, and CB Consumer Confidence on Tuesday (23/12), followed by weekly Unemployment Claims on Wednesday (24/12).
- DXY movement this week will depend on key U.S. data and market conditions. Durable Goods Orders and the preliminary Q3 GDP estimate will be critical, as strong readings could support the dollar while weakness may weigh on it. Consumer confidence and unemployment claims will offer further insight into spending and labor trends, with any deterioration likely pressuring DXY. Holiday-thinned liquidity could amplify volatility, and broader risk sentiment—driven by equities and geopolitical developments—will also shape dollar flows.

**Lower Bound** 97.50

**Upper Bound**

99.50

Forecast

Neutral

### Quick Take

- The U.S. Dollar Index (DXY) plunged below 98.00 on Tuesday (December 16), marking its lowest level since early October, as weak labor data fueled heavy selling. The delayed report showed that the economy added 64,000 jobs in November after losing 105,000 in October, while unemployment rose to 4.6%. Atlanta Fed President Bostic called the report "mixed" and reiterated his preference to keep rates unchanged at the last Fed meeting.
- On Thursday (18/12), the US Dollar Index gained ground to around 98.55 despite cooling inflation data. US inflation, as measured by the Consumer Price Index (CPI), eased to 2.7% in November, according to the US Bureau of Labor Statistics (BLS). This reading came in below the market consensus of 3.1%.
- On Friday (19/12), the University of Michigan released its consumer sentiment index, which registered an actual figure of 52.9. This showed an improvement from the previous figure of 51.0, although it fell short of the forecasted 53.5.

### Performance

<b>Last Week Close</b>	98.40	<b>Monthly High</b>	100.40
<b>Week Open</b>	98.40	<b>Monthly Low</b>	97.87
<b>Week Close</b>	98.60	<b>30 Days Average</b>	99.19
<b>Weekly High</b>	99.26	<b>90 Days Average</b>	98.65
<b>Weekly Low</b>	97.87	<b>YTD Change</b>	-9.07%

### Impact Events

Events	Period	Date	Forecast	Previous
Durable Goods	Oct	23-Dec	-1.5%	0.5%
GDP Advance	Q3	23-Dec	3.2%	3.8%
Industrial Production MM	Nov	23-Dec	0.1%	0.1%
Consumer Confidence	Dec	23-Dec	92.0	88.7
Initial Jobless Clm	20 Dec, w/e	24-Dec	223k	224k
New Home Sales-Units	Oct	23-Dec		

## Thai Baht

### Currency Pulse



### Outlook

- The focus this week was on rising border tensions between Thailand and Cambodia, which weighed on investor sentiment and influenced capital flows. Markets also monitored the Bank of Thailand's (BOT) actions after it announced plans to step up scrutiny on gold traders to manage baht strength, warning that large FX flows from gold trading could destabilize the currency.
- Thai baht movement was driven by several factors. Border tensions with Cambodia threatened risk-off sentiment, while BOT's tighter controls on gold-related FX flows aimed to curb speculative pressure. Year-end exporter conversions and gold transactions provided support but limited volatility. Broader U.S. dollar weakness remained a major driver, alongside regional risk sentiment and geopolitical developments. With holiday-thinned liquidity, any unexpected news or data amplified market swings.

**Lower Bound** 31.30

**Upper Bound**

31.55

**Forecast**

Appreciation

### Quick Take

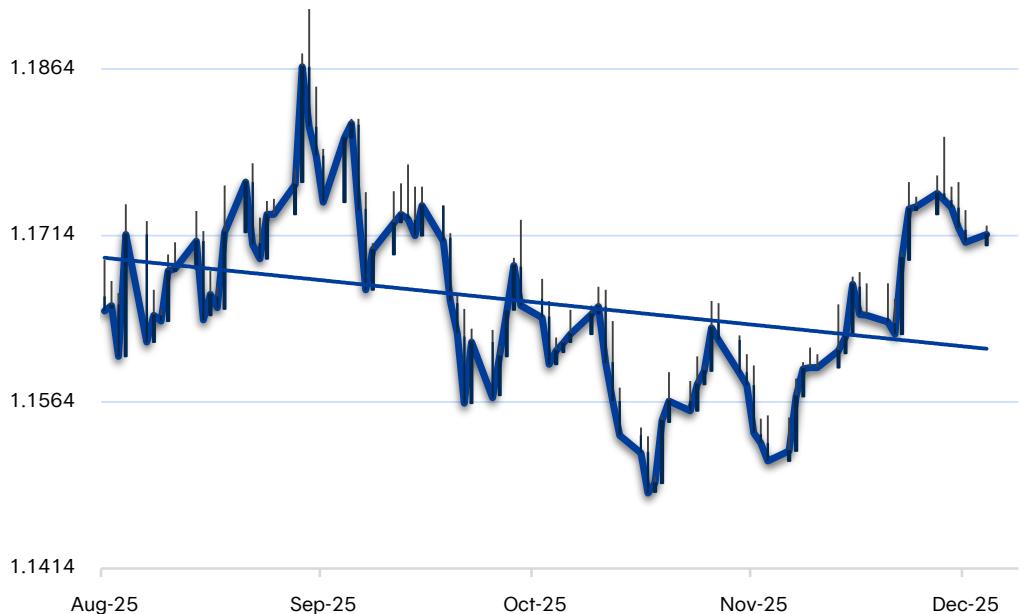
- The Thai baht strengthened against the U.S. dollar, supported by broad greenback weakness. Bank of Thailand (BOT) Governor Vitai Ratanakorn said the central bank was closely monitoring the baht's rapid appreciation and had tightened controls on currency-exchange transactions by gold traders and FX dealers to curb speculative flows.
- The Thai baht traded within a narrow range after the Monetary Policy Committee (MPC) cut the policy rate by 25 bps to 1.25% unanimously. The reduction was the fifth since October 2024, bringing rates down by a total of 125 basis points during that period. The decision reflected the BOT's view that there was room for further easing amid signs of economic slowdown and rising risks, aiming to maintain supportive financial conditions and ease debt burdens for vulnerable sectors.
- Despite the rate cut, USD/THB showed little reaction, holding in a tight band overnight. Year-end exporter flows and gold-related transactions were expected to cap any significant baht rally, while overall sentiment remained underpinned by broad U.S. dollar weakness.

### Performance

Last Week Close	31.61	THB/USD	Monthly High	32.13	THB/USD
Week Open	31.55	THB/USD	Monthly Low	31.32	THB/USD
Week Close	31.40	THB/USD	30 Days Average	32.00	THB/USD
Weekly High	31.56	THB/USD	90 Days Average	32.21	THB/USD
Weekly Low	31.33	THB/USD	YTD Change	-8.34%	

### Impact Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Nov	25-Dec		0.06%
Custom-Based Import Data	Nov	25-Dec		0.0B
Customs-Based Trade Data	Nov	25-Dec		-3.44B

**Euro**
**Currency Pulse**

**Outlook**

- This week, EUR movement was influenced by several key factors. Recent weakness in the German IFO Business Climate Index and soft Eurozone inflation continued to weigh on sentiment, with any surprise revisions or updates likely impacting the euro. Markets remained sensitive to signals from the European Central Bank, as President Lagarde's comments suggested flexibility while hinting that the easing cycle might have ended. Political uncertainty added pressure after France missed year-end budget approval and resorted to a rollover law.
- Meanwhile, the global U.S. dollar trend amid thin liquidity and year-end positioning remained a dominant driver for EUR/USD. With holiday-thinned markets, any unexpected headlines or geopolitical developments had the potential to amplify volatility despite the overall quiet tone.

**Lower Bound**
**1.1600**
**Upper Bound**
**1.1800**
**Forecast**
**Appreciation**
**Quick Take**

- The EUR/USD pair traded near 1.1750, slightly appreciating against the dollar. A light U.S. economic calendar allowed the dollar to regain some strength, while softer Eurozone inflation and weakening German business confidence kept the euro under pressure.
- The German IFO Business Climate Index unexpectedly fell to 87.6 in December, down from 88.0 in November (previously revised from 88.1), missing expectations of 88.2. The Current Assessment Index remained nearly unchanged at 85.6, while the Expectations Index dropped to 89.7 from 90.5.
- The European Central Bank (ECB) kept policy rates unchanged, reinforcing its flexible, data-dependent stance. While not committing to a hike, President Lagarde emphasized that all options remained on the table, supporting expectations that the easing cycle might have ended.
- By the end of the week, EUR/USD softened to 1.1710 after French Prime Minister Lecornu confirmed that Parliament would miss year-end budget approval, forcing a special rollover law.

**Performance**

Last Week Close	1.1740	USD/EUR	Monthly High	1.1803	USD/EUR
Week Open	1.1733	USD/EUR	Monthly Low	1.1590	USD/EUR
Week Close	1.1708	USD/EUR	30 Days Average	1.1640	USD/EUR
Weekly High	1.1803	USD/EUR	90 Days Average	1.1654	USD/EUR
Weekly Low	1.1702	USD/EUR	YTD Change	+13.15%	

**Impact Events**

Events	Period	Date	Forecast	Previous
Import Prices MM	Nov	23-Dec		0.0%
Import Prices YY	Nov	23-Dec		0.0%

## Pound Sterling

### Currency Pulse



### Outlook

• Additional focus for GBP this week centered on the UK's economic resilience following upbeat PMI data, despite softer retail sales. The Bank of England's cautious tone suggested limited scope for aggressive easing, which helped keep the Pound supported in thin holiday trading. Broader U.S. dollar trends and year-end positioning continued to play a dominant role in GBP/USD performance, while holiday-thinned liquidity heightened the risk of amplified volatility on any unexpected headlines.

### Quick Take

- GBP/USD held firm near 1.3430 as the Pound gained support from upbeat UK data ahead of key events. Preliminary PMI figures surprised to the upside, with the Composite reading at 52.1 versus 51.4 expected, while services and manufacturing PMIs came in at 52.1 and 51.2, respectively.
- The Pound Sterling traded firmly against its major peers even as UK Retail Sales unexpectedly declined by 0.1% in November, signaling some weakness in consumer spending.
- Following the Bank of England (BoE) meeting, the Pound initially surged after the central bank cut rates by 25 basis points to 3.75%. However, gains later eased as markets digested the less dovish-than-expected guidance. Governor Bailey emphasized that further easing would be gradual and data-dependent, prompting traders to slightly trim expectations for additional cuts next year.

### Performance

<b>Last Week Close</b>	1.3368	USD/GBP	<b>Monthly High</b>	1.3455	USD/GBP
<b>Week Open</b>	1.3370	USD/GBP	<b>Monthly Low</b>	1.3180	USD/GBP
<b>Week Close</b>	1.3375	USD/GBP	<b>30 Days Average</b>	1.3249	USD/GBP
<b>Weekly High</b>	1.3455	USD/GBP	<b>90 Days Average</b>	1.3351	USD/GBP
<b>Weekly Low</b>	1.3308	USD/GBP	<b>YTD Change</b>	+7.06%	

### Impact Events

Events	Period	Date	Forecast	Previous
GDP QQ	Q3	22-Dec	0.10%	0.0%
GDP YY	Q3	22-Dec	1.30%	0.0%
Business Invest QQ	Q3	22-Dec		0.0
Business invest YY	Q3	22-Dec		0.0
Current Acc GBP	Q3	22-Dec	-21.260B	-28.939B

**Lower Bound** 1.3300      **Upper Bound** 1.3500

**Forecast** Appreciation

## Australian Dollar

### Currency Pulse



### Outlook

- This week, AUD movement was expected to hinge on several factors. The release of the RBA Minutes was closely watched for clues on whether the central bank would maintain its hawkish tone or signal a shift toward a more neutral stance, as any indication of concern over inflation persistence could support the Aussie.
- With limited domestic drivers, the currency remained sensitive to global risk sentiment, particularly equity trends and commodity prices such as iron ore and energy. Recent weak Chinese economic data continued to weigh on AUD, making any further developments or policy responses from Beijing critical for market direction. Additionally, broader U.S. dollar performance and thin holiday liquidity were anticipated to dominate short-term moves, potentially amplifying volatility on any unexpected headline.

**Lower Bound** 0.6500

**Upper Bound**

0.6750

Forecast

Neutral

### Quick Take

- The AUD dropped slightly to near 0.6645 after surprisingly weak Chinese Retail Sales and Industrial Production data. China's Retail Sales grew by only 1.3% on an annualized basis in November, well below expectations of a 2.9% increase. Industrial Production came in at 4.8%, down from 4.9% in October and missing economists' forecast of 5%.
- The AUD/USD pair later gained some ground as the Aussie Dollar received support from investor caution following the release of Australia's Consumer Inflation Expectations, which rose to 4.7% in December from November's three-month low of 4.5%. This uptick reinforced the Reserve Bank of Australia's (RBA) hawkish stance, suggesting that policymakers might maintain a tighter approach for longer.

### Performance

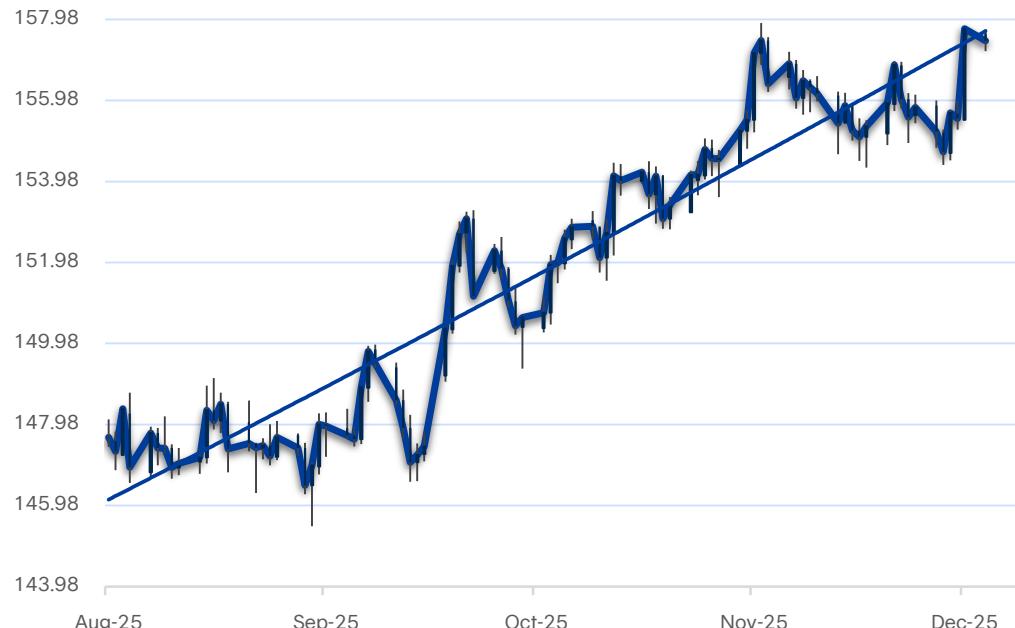
<b>Last Week Close</b>	0.6652	USD/AUD	<b>Monthly High</b>	0.6685	USD/AUD
<b>Week Open</b>	0.6648	USD/AUD	<b>Monthly Low</b>	0.6538	USD/AUD
<b>Week Close</b>	0.6610	USD/AUD	<b>30 Days Average</b>	0.6553	USD/AUD
<b>Weekly High</b>	0.6661	USD/AUD	<b>90 Days Average</b>	0.6550	USD/AUD
<b>Weekly Low</b>	0.6590	USD/AUD	<b>YTD Change</b>	+7.05%	

### Impact Events

Events	Period	Date	Forecast	Previous

## Japanese Yen

### Currency Pulse



### Outlook

• This week, JPY movement focused on key domestic and global factors. Tokyo CPI and Retail Trade data were closely watched for signals on inflation and consumer demand, with stronger readings likely supporting the yen. BoJ Governor Ueda's speech was expected to provide clues on future policy direction, while global risk sentiment and U.S. dollar trends remained dominant drivers. Thin holiday liquidity added the potential for amplified volatility on any unexpected headlines.

### Quick Take

- The Japanese Yen depreciated against the dollar, trading around 155.60 JPY/USD after Federal Reserve Governor Christopher Waller signaled that rate cuts could happen but were not imminent.
- The Japanese Yen weakened sharply against the U.S. Dollar on Friday as the currency slumped across the board following the Bank of Japan's interest rate decision. Earlier in the Asian session, the BoJ raised its policy rate by 25 basis points to 0.75%, marking the highest level in roughly three decades. The central bank stated that Japan's economy had continued to recover at a moderate pace, supported by tight labor market conditions and solid corporate profits driving steady wage increases.
- Japan's Finance Minister Satsuki Katayama spoke at an online meeting with other G7 finance ministers, noting that most of the discussion focused on support for Ukraine and adding that she would take appropriate action against excessive moves following the Bank of Japan's decision on Friday (19/12).

### Performance

<b>Last Week Close</b>	155.81	JPY/USD	<b>Monthly High</b>	157.77	JPY/USD
<b>Week Open</b>	155.85	JPY/USD	<b>Monthly Low</b>	154.35	JPY/USD
<b>Week Close</b>	157.75	JPY/USD	<b>30 Days Average</b>	147.62	JPY/USD
<b>Weekly High</b>	157.77	JPY/USD	<b>90 Days Average</b>	147.62	JPY/USD
<b>Weekly Low</b>	154.39	JPY/USD	<b>YTD Change</b>	+0.39%	

### Impact Events

Events	Period	Date	Forecast	Previous
Service PPI	Nov	24-Dec		2.70%
CPI Tokyo Ex fresh food YY	Dec	26-Dec	2.5%	2.8%
CPI, Overall Tokyo	Dec	26-Dec		2.7%
Jobs/Applicants Ratio	Nov	26-Dec	1.18	1.18
Unemployment Rate	Nov	26-Dec	2.6%	2.6%
Industrial O/P Prelim MM SA	Nov	26-Dec	-2.0%	1.5%

**Lower Bound** 156.00      **Upper Bound** 158.00

**Forecast** Depreciation

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