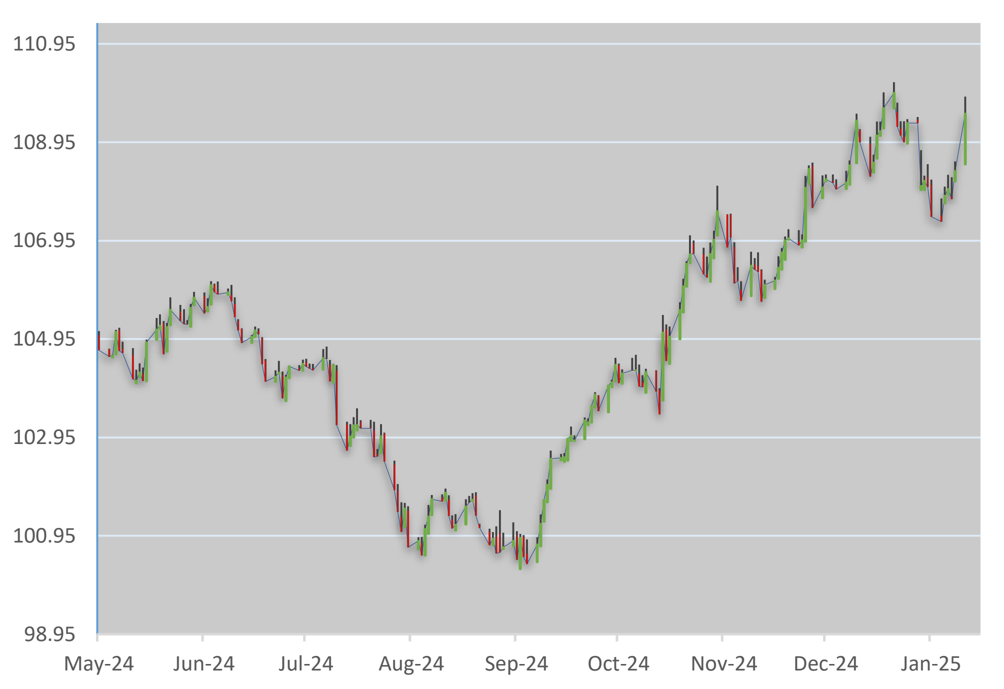
TREASURY MARKETING UNIT
TMU01 0-2021-1111
TMU02 0-2021-1222
TMU03 0-2021-1333

# WEEKLY FOREIGN EXCHANGE OUTLOOK

**03 Feb 2025 - 07 Feb 2025**

## Dollar Index

### Dollar Index Graph




Source: Refinitiv

### Dollar News

• US Dollar Index jumps to near 108.40 after Trump said said on Sunday that he will announce additional 25% tariffs on all steel and aluminum imports into the U.S., and will also announce reciprocal duties over what he sees as unfair trading practices.

•Trump's tariff threat comes just days after his 10% duties against China took effect, as the U.S. president uses tougher trade policy to push through his broader international agenda. Beijing had retaliated with a slew of measures and duties. He had threatened 25% tariffs against Canada and Mexico over stricter border control, but had postponed the tariffs on assurances from the two countries.

•The dollar rose in choppy trading on Friday after data showed that U.S. job growth slowed in January but that the unemployment rate edged down to 4.0%, giving the U.S. Federal Reserve cover to hold off cutting interest rates until at least June.er-than-expected reading raised concerns about slowing economic momentum.

### Dollar Index Performance

| | | | |
|---|---|---|---|
| Last Week Close | 107.44 | Monthly High | 110.18 |
| Week Open | 107.47 | Monthly Low | 106.97 |
| Week Close | 108.37 | 30 Days Average | 108.51 |
| Weekly High | 109.88 | 90 Days Average | 106.07 |
| Weekly Low | 106.97 | YTD Change | #NAME? |

### Dollar Outlook

• Markets are cautiously watching Donald Trump's holding a conference this week to provide more information on reciprocal trade tariffs- plans for which he had first revealed on Friday.

• The crucial US CPI Report on February 12 will influence sentiment toward the Fed rate path. Economists forecast the core inflation rate to ease to 3.1% in January, down from 3.2% in December. A softer inflation reading may revive investor hopes for an H1 2025 Fed rate cut. Conversely, resilient inflation could signal a more hawkish Fed rate path, boosting US dollar demand.

### Next Week's Dollar Index Economic Events

| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| Core CPI MM, SA | Jan | 12-Feb | 0.3% | 0.2% |
| Core CPI YY, NSA | Jan | 12-Feb | 3.1% | 3.2% |
| CPI MM, SA | Jan | 12-Feb | 0.3% | 0.4% |
| CPI YY, NSA | Jan | 12-Feb | 2.9% | 2.9% |
| CPI MM NSA | Jan | 12-Feb | | 0.040% |
| CPI Index SA | Jan | 12-Feb | | 317.69 |
| CPI Wage Earner | Jan | 12-Feb | | 309.067 |
| Initial Jobless Clm | 8 Feb, w/e | 13-Feb | 216k | 219k |

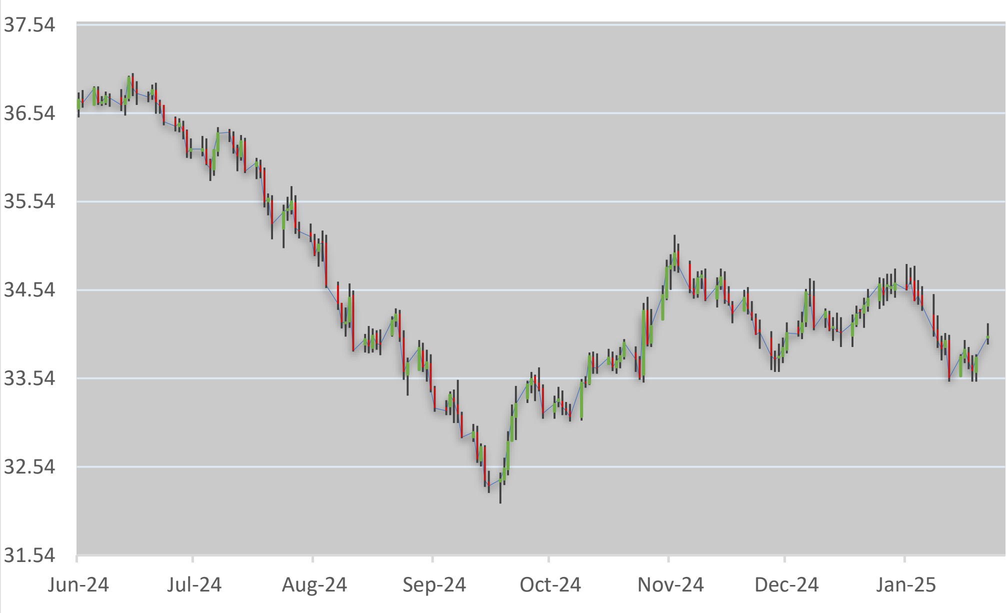
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Lower Bound** | **107.36** | **Upper Bound** | **109.95** | PPI Machine Manuf'ing | Jan | 13-Feb | 185.4 |
| **Forecast** | **Appreciation** | | | Import Prices YY | Jan | 14-Feb | 2.2% |

# WEEKLY FOREIGN EXCHANGE OUTLOOK

03 Feb 2025 - 07 Feb 2025

## Thai Baht

### Thai Baht Graph




Source: Refinitiv

### Thai Baht News

• The strength of the dollar, seen as a safe asset amid worries about geopolitical issues, has exerted pressure on many currencies during these uncertain times.

• USD/THB likely to remain well bid within a 33.50-34.00 consolidation range supported by Trump tariff threats.Thailand remains a target for tariff hikes as it recorded a trade surplus of US$40.7 billion with the US in 2023.

### Thai Baht Performance

| | | | | | |
|---|---|---|---|---|---|
| Last Week Close | 33.96 | THB/USD | Monthly High | #NAME? | THB/USD |
| Week Open | 33.56 | THB/USD | Monthly Low | #NAME? | THB/USD |
| Week Close | 33.77 | THB/USD | 30 Days Average | 34.20 | THB/USD |
| Weekly High | 33.97 | THB/USD | 90 Days Average | 34.03 | THB/USD |
| Weekly Low | 33.50 | THB/USD | YTD Change | #NAME? | |

### Thai Baht Outlook

- Potential volatility may arise from the release of Trump’s speech and U.S. economic data.so we anticipate the baht to fluctuate between 33.65 and 34.20 THB/USD this week

| | | | |
|---|---|---|---|
| Lower Bound | 33.60 | Upper Bound | 34.20 |
| Forecast | Depreciation | | |

### Next Week's Thai Baht Economic Events

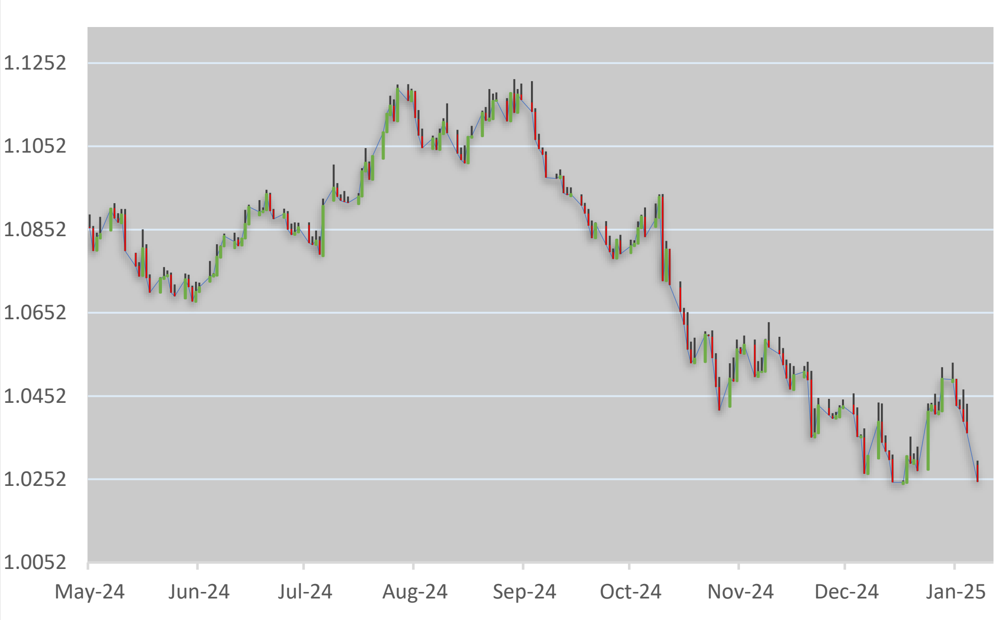
| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| Consumer Confidence Idx | Jan | 13-Feb | | 57.9 |
| Forex Reserves | 3 Feb, w/e | 14-Feb | | 242.1B |
| Currency Swaps | 3 Feb, w/e | 14-Feb | | 24.0B |

# WEEKLY FOREIGN EXCHANGE OUTLOOK

**03 Feb 2025 - 07 Feb 2025**

## Euro

### Euro Graph




Source: Refinitiv

### Euro News

- Last week EUR/USD traded below 1.0400 as of weak economic data.
- German industrial production experienced a significant decrease in December 2024, marking the largest fall in five months. The manufacturing sector continued to struggle, even as other sectors showed signs of potential stabilization. The output fell by 2.4% from the previous month, compared to a forecast of 0.7% drop. The primary contributors to this decline were the car and machinery industries, according to information released by the statistics office on Friday.
- The French trade deficit has continued to decrease in 2024, as reported by the country's customs office on Friday. This marks the second year in a row that the deficit has been on a recovery path after hitting a record low of more than 162 billion euros ($168.4 billion) in 2022.

### Euro Index Performance

| | | | | | |
|---|---|---|---|---|---|
| **Last Week Close** | **1.0493** | USD/EUR | **Monthly High** | **#NAME?** | USD/EUR |
| **Week Open** | **1.0485** | USD/EUR | **Monthly Low** | **#NAME?** | USD/EUR |
| **Week Close** | **1.0362** | USD/EUR | **30 Days Average** | **1.0371** | USD/EUR |
| **Weekly High** | **1.0532** | USD/EUR | **90 Days Average** | **1.0584** | USD/EUR |
| **Weekly Low** | **1.0349** | USD/EUR | **YTD Change** | **#NAME?** | |

### Euro Outlook

- Investors remain concerned that US President Donald Trump's trade tariffs would reignite inflationary concerns, triggering a modest recovery in the US Treasury bond yields.
- President Christine Lagarde stated that the ECB is not planning to reduce interest rates below the neutral level to stimulate the economy. She emphasised that rate decisions are made based on current data without committing to a specific pace.

### Next Week's Euro Economic Events

| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| Employment Overall Flash | Q4 | 14-Feb | | 169,112.9k |
| GDP Flash Estimate QQ | Q4 | 14-Feb | 0.0% | 0.0% |
| GDP Flash Estimate YY | Q4 | 14-Feb | 0.9% | 0.9% |
| Reserve Assets Total | Jan | 14-Feb | | 1,394.03B |
| Reserve Assets Total | Jan | 13-Feb | | 1,394.03B |

| | | | |
|---|---|---|---|
| **Lower Bound** | **1.0150** | **Upper Bound** | **1.0400** |
| **Forecast** | **Depreciation** | | |

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# WEEKLY FOREIGN EXCHANGE OUTLOOK

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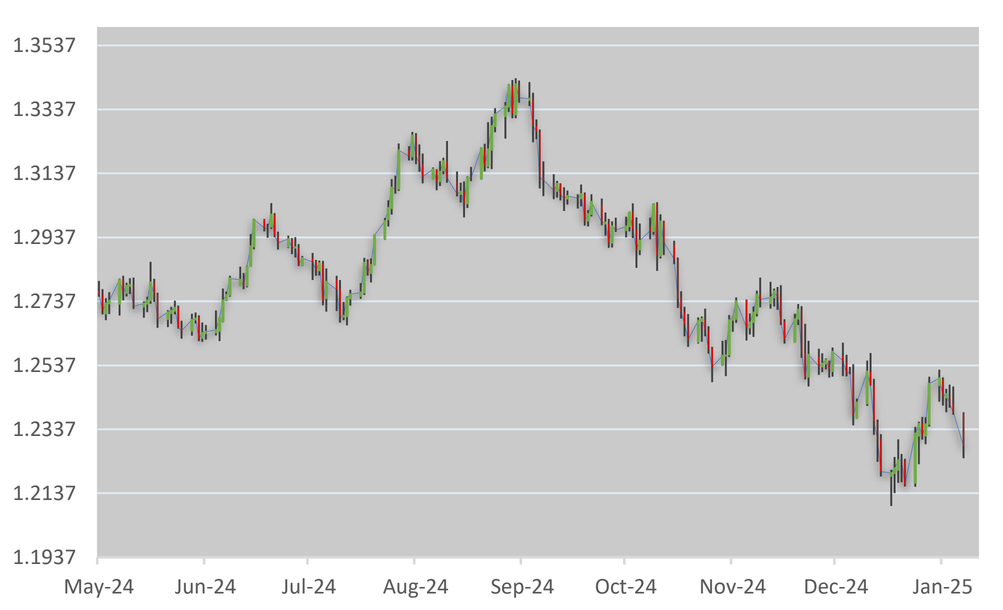
## Pound Sterling

### Pound Sterling Graph




Source: Refinitiv

### Pound Sterling News

• The Pound Sterling extended its losses against the Greenback on Tuesday as US President Donald Trump threatened to impose tariffs on computer chips and other industries.

• Moreover , Britain's jobs market showed further signs of cooling at the start of the year as demand for staff fell by the most since mid-2020, according to a survey that suggested the government's payroll tax hike and economic uncertainty is weighing on hiring.

### Pound Sterling Performance

| | | | | | |
|---|---|---|---|---|---|
| **Last Week Close** | **1.2479** | USD/GBP | **Monthly High** | **#NAME?** | USD/GBP |
| **Week Open** | **1.2474** | USD/GBP | **Monthly Low** | **#NAME?** | USD/GBP |
| **Week Close** | **1.2390** | USD/GBP | **30 Days Average** | **1.2392** | USD/GBP |
| **Weekly High** | **1.2523** | USD/GBP | **90 Days Average** | **1.2693** | USD/GBP |
| **Weekly Low** | **1.2382** | USD/GBP | **YTD Change** | **#NAME?** | |

### Pound Sterling Outlook

• The Pound Sterling remains under pressure as concerns grow over the risk of stagflation in the UK economy, driven by weakening labor demand and persistent inflation.

| | | | |
|---|---|---|---|
| **Lower Bound** | **1.2250** | **Upper Bound** | **1.2500** |
| **Forecast** | **Depreciation** | | |

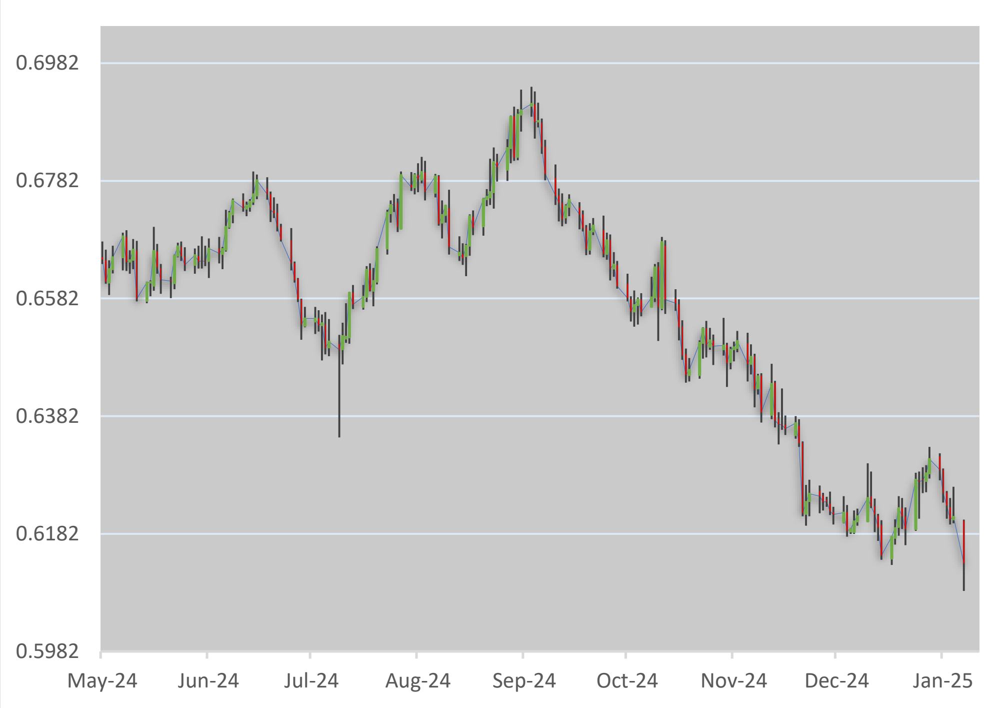
### Next Week's Pound Sterling Economic Events

| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| GDP Est 3M/3M | Dec | 13-Feb | -0.1% | 0.0% |
| GDP Estimate MM | Dec | 13-Feb | 0.1% | 0.1% |
| GDP Estimate YY | Dec | 13-Feb | 1.1% | 1.0% |
| Services MM | Dec | 13-Feb | 0.0% | 0.1% |
| Services YY | Dec | 13-Feb | | 1.5% |
| Manufacturing Output MM | Dec | 13-Feb | 0.0% | -0.3% |
| GDP Prelim QQ | Q4 | 13-Feb | -0.1% | 0.0% |
| GDP Prelim YY | Q4 | 13-Feb | 1.1% | 0.9% |

## WEEKLY FOREIGN EXCHANGE OUTLOOK — 03 Feb 2025 - 07 Feb 2025

### Australian Dollar

### Australian Dollar Graph




Source: Refinitiv

### Australian Dollar News

• The Australian Dollar continues to decline against the US Dollar. The risk-sensitive AUD also faced challenges amid increased risk aversion,, particularly those related to China. The AUD has demonstrated heightened sensitivity to tariff news, momentarily dipping to post-Covid lows against the US dollar (USD) and its trade-weighted index.

• Moreover , Australia's trade balance rose less than expected in January as imports surged, and exports came in sharply below estimates amid bleak demand from China. Trade balance shrunk to a surplus of A$5.09 billion in December, from A$6.56 billion seen in the prior month, data from the Australian Bureau of Statistics showed on Thursday. The reading was lower than expectations for a surplus of A$6.79 billion.
Overall exports rose by just 1.1%, sharply lower than the previous month's 4.8% rise. This was due to lower demand for metals, machinery, and port products as Australia's biggest export destination, China, continued to see weak demand amid U.S tariff tensions, weak domestic sentiment, and a beleaguered property sector.

### Australian Dollar Performance

| | | | | | |
|---|---|---|---|---|---|
| **Last Week Close** | **0.6309** | USD/AUD | **Monthly High** | **#NAME?** | USD/AUD |
| **Week Open** | **0.6314** | USD/AUD | **Monthly Low** | **#NAME?** | USD/AUD |
| **Week Close** | **0.6211** | USD/AUD | **30 Days Average** | **0.65046** | USD/AUD |
| **Weekly High** | **0.6319** | USD/AUD | **90 Days Average** | **0.66521** | USD/AUD |
| **Weekly Low** | **0.6198** | USD/AUD | **YTD Change** | **#NAME?** | |

### Australian Dollar Outlook

• Easing inflationary pressures toward the end of 2024 have fueled speculation that the Reserve Bank of Australia could consider a rate cut in February.so the Australian dollar's (AUD) remain bearish in this week.

### Next Week's Australian Dollar Economic Events

| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| Owner-Occp'd Hous'g Fin MM | Dec | 12-Feb | | 0.10% |
| Invest Hous'g Fin MM | Dec | 12-Feb | | -1.00% |

| Lower Bound | 0.6100 | Upper Bound | 0.6350 |
|---|---|---|---|

| Forecast | Depreciation |
| --- | --- |

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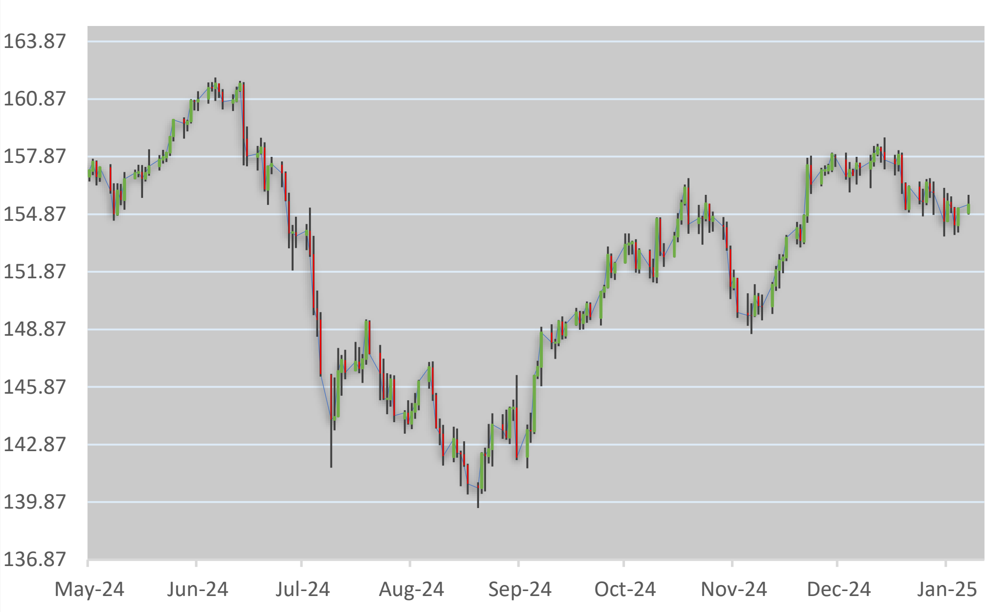
## WEEKLY FOREIGN EXCHANGE OUTLOOK — 03 Feb 2025 - 07 Feb 2025

### Japanesese Yen

### Japanese Yen Graph




Source: Refinitiv

### Japanese Yen News

• Japanese policymakers have been sensitive to the risk of Trump making explicit comments about the yen and causing market volatility that could hurt its fragile economic recovery.

•The yen was a standout performer in Asia last week, with the USD/JPY pair set to fall about 2.3%- its biggest weekly drop since November. The Japanese currency was buoyed chiefly by increased bets that the BOJ will have enough impetus to raise interest rates even further in the coming months. Strong wage and household spending data factored into these expectations, as did hawkish comments from some BOJ board members. The BOJ is expected to raise rates by at least 50 basis points, bringing them to 1% by end-2025.

### Japanese Yen Performance

| | | | |
|---|---|---|---|
| **Last Week Close** | **155.98** JPY/USD | **Monthly High** | **#NAME?** JPY/USD |
| **Week Open** | **155.71** JPY/USD | **Monthly Low** | **#NAME?** JPY/USD |
| **Week Close** | **155.18** JPY/USD | **30 Days Average** | **145.23** JPY/USD |
| **Weekly High** | **156.24** JPY/USD | **90 Days Average** | **150.20** JPY/USD |
| **Weekly Low** | **153.71** JPY/USD | **YTD Change** | **#NAME?** |

### Japanese Yen Outlook

• Investors now seem convinced that the Bank of Japan (BoJ) will hike interest rates further, which, in turn, is seen underpinning the JPY.

• Moreover, the recent narrowing of the US-Japan yield differential turns out to be another factor driving flows towards the lower-yielding JPY.

### Next Week's Japanese Yen Economic Events

| Events | Period | Date | Forecast | Previous |
|---|---|---|---|---|
| Current Account NSA JPY | Dec | 10-Feb | 1,362.3B | 3,352.5B |
| Current Account, Goods | Dec | 10-Feb | | 97.931B |
| Current Account Bal SA | Dec | 10-Feb | | 3,033,400M |
| Trade Bal Cust Basis SA | Dec | 10-Feb | | -29,725.00M |
| M2 Money Supply | Jan | 12-Feb | | 1,259,917,300M |
| Broad Money | Jan | 12-Feb | | 2,199.3T |
| Corp Goods Price MM | Jan | 13-Feb | 0.3% | 0.3% |
| Corp Goods Price YY | Jan | 13-Feb | 4.0% | 3.8% |

| | | | |
|---|---|---|---|
| **Lower Bound** | **154.16** | **Upper Bound** | **158.36** |
| **Forecast** | **Neutral** | | |

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