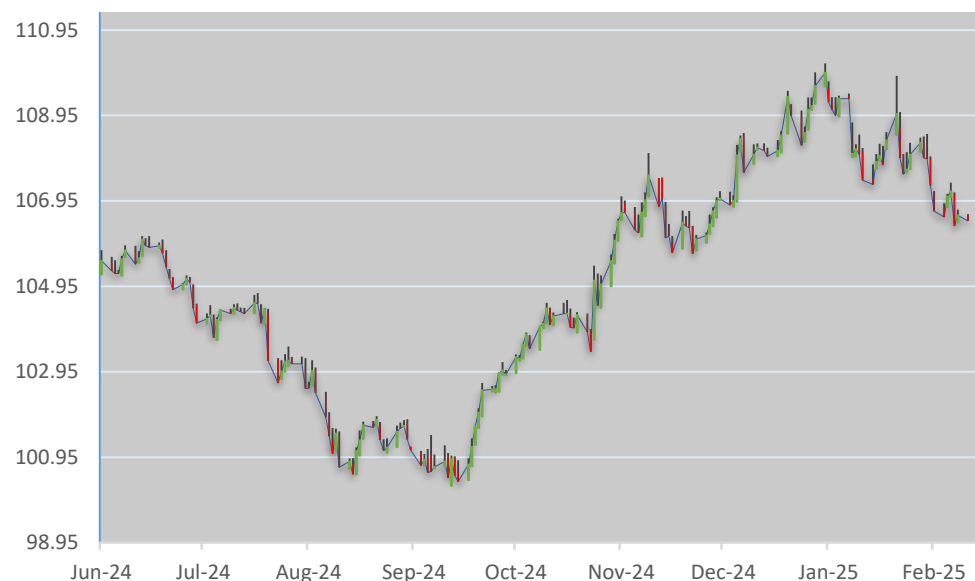


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Feb 2025 - 28 Feb 2025**

**Dollar Index**
**Dollar Index Graph**


Source: Refinitiv

**Dollar Outlook**

- The intense bearish tone in the Greenback has been gathering steam pari passu the unabated uncertainty over the White House's trade policy.
- Yet, there's a silver lining: Federal Reserve (Fed) Chair Jerome Powell recently reminded markets that the US economy is still "in a very good place," offering some reassurance amid the chaos.
- All eyes are on next week's US economic calendar. The spotlight will be on the release of US inflation figures—this time measured by the Personal Consumption Expenditures (PCE) index.
- We have a little bias to the bearish side and if the sellers remain in control, the US Dollar Index (DXY) could first find support at the 2025 bottom of 106.30 (observed on February 20), followed by the December 2024 trough at 105.40 and then the crucial 200-day SMA at 104.90. Holding above that moving average is essential to keep the bullish narrative intact.

<b>Lower Bound</b>	<b>105.00</b>	<b>Upper Bound</b>	<b>107.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The US Dollar Index clinched its third week in a row of losses as the steady lack of clarity over US tariffs hurt the sentiment. US President Donald Trump's tariff threats and geopolitical tensions surrounding Russia and Ukraine peace deal returned but failed to lift the haven demand for the Greenback.
- Trump said midweek that he would announce tariffs related to imports of timber, cars, semiconductors and pharmaceuticals "over the next month or sooner"
- The hawkish Minutes of the Fed's January meeting also failed to trigger any positive reaction around the buck. The Minutes backed the Fed's cautious stance on Wednesday as it showed that "many participants noted that the committee could hold the policy rate at a restrictive level if the economy remained strong and inflation remained elevated" in the face of Trump's trade policies.
- The final data release of the week showed that the US S&P Global Composite PMI declined to 50.4 in February's flash estimate from 52.7 in January. This print showed a loss of growth momentum in the private sector's economic activity and made it difficult for the USD outperform its rivals heading into the weekend.

**Dollar Index Performance**

<b>Last Week Close</b>	<b>106.71</b>	<b>Monthly High</b>	<b>109.88</b>
<b>Week Open</b>	<b>106.79</b>	<b>Monthly Low</b>	<b>106.13</b>
<b>Week Close</b>	<b>106.61</b>	<b>30 Days Average</b>	<b>107.91</b>
<b>Weekly High</b>	<b>108.52</b>	<b>90 Days Average</b>	<b>106.92</b>
<b>Weekly Low</b>	<b>106.33</b>	<b>YTD Change</b>	<b>-1.73%</b>

**Next Week's Dollar Index Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Consumer Confidence	Feb	25-Feb	103.0	104.1
GDP 2nd Estimate	Q4	27-Feb	2.3%	2.3%
Initial Jobless Clm	22 Feb, w/	27-Feb	220k	219k
Consumption, Adjusted MM	Jan	28-Feb	0.2%	0.7%
Core PCE Price Index MM	Jan	28-Feb	0.3%	0.2%
Core PCE Price Index YY	Jan	28-Feb	2.6%	2.8%
PCE Price Index MM	Jan	28-Feb	0.3%	0.3%
PCE Price Index YY	Jan	28-Feb	2.5%	2.6%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Feb 2025 - 28 Feb 2025**

**Thai Baht**
**Thai Baht Graph**


Source: Refinitiv

**Thai Baht Outlook**

- Investors are closely monitoring several key factors this week, including the results of the Monetary Policy Committee (MPC) meeting, Thailand's January exports, the movement of foreign capital, and the fluctuations of the US dollar and gold prices.
- MPC is expected to hold the interest rate at the same level at the meeting on Wednesday(26/2), but may send some signal that the BOT might need to cut the rate sooner than expected.
- We strongly believe that the support level of the USD/THB at 33.50 THB/USD is likely to be broken as the greenback continues to feel the strain as tariff uncertainty looms large, driven by the Trump administration's unpredictable trade stance. If it happens, the next support will be at 33.30 and 33.05 respectively.

<b>Lower Bound</b>	<b>33.00</b>	<b>Upper Bound</b>	<b>33.75</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Thai Baht News**

- The USD/THB fluctuated in a narrow range between 33.55-33.80, in line with major currencies as the steady lack of clarity over US tariffs hurt the sentiment of the greenback, sending other ccy gain.
- However, the baht was pressured due to lower-than-expected Q4 GDP figures released by the NESDC on Monday. Thailand's Q3 economy grew by 3.2% YoY, up from 3.0% in the previous quarter but below the expectation of 3.8%. Moreover, the 2024 GDP was at 2.5% below the forecast of 2.8%.
- The baht has been also volatiled as the gold prices moved testing all-time high level at 2,955 \$/onz and then retreated below that level. However, the \$3,000 level is still expected.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>33.62 THB/USD</b>	<b>Monthly High</b>	<b>34.23 THB/USD</b>
<b>Week Open</b>	<b>33.65 THB/USD</b>	<b>Monthly Low</b>	<b>33.38 THB/USD</b>
<b>Week Close</b>	<b>33.53 THB/USD</b>	<b>30 Days Average</b>	<b>33.88 THB/USD</b>
<b>Weekly High</b>	<b>33.82 THB/USD</b>	<b>90 Days Average</b>	<b>34.11 THB/USD</b>
<b>Weekly Low</b>	<b>33.47 THB/USD</b>	<b>YTD Change</b>	<b>-2.02%</b>

**Next Week's Thai Baht Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
1-Day Repo Rate	26 Feb	26-Feb	2.25%	2.25%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Feb 2025 - 28 Feb 2025**

**Euro Graph**


Source: Refinitiv

**Euro Outlook**

- The euro will be supported this week as exit polls showed that Germany's conservatives would win the election and AfD leaped to second place, which revives hopes for better economic outlook.
- The EU will publish the final estimate of the January HICP on Monday, while Germany will unveil the preliminary estimates of the February HICP on Friday. Meanwhile, in the middle week, the calendar will also include a revision of the German Q4 Gross Domestic Product (GDP).
- From a technical point of view, despite the recent rebound, we believe the EUR/USD bullish potential seems limited in the long run. A break below the 1.0400 threshold could result in a decline towards the 1.0320 region, with the next support level at 1.0276, a relevant weekly low.

<b>Lower Bound</b>	<b>1.0400</b>	<b>Upper Bound</b>	<b>1.0600</b>
<b>Forecast</b>	<b>Neutral</b>		

**Euro News**

- The EUR/USD pair fell throughout the first half of the week, recovering in the second half to close it little changed at around 1.0480.
- The euro was firstly supported after there is hope that Donald Trump tried to end the war between Russia and Ukraine as he spoke with his Russian counterpart, Vladimir Putin. However, tensions loomed between the US and the European Union (EU) after the US excluded Ukraine and the EU from its peace talks to end the Ukraine conflict with Russian top delegates. Nothing has been reached and it seemed to be difficult to have solution at this moment. The euro, as a result, reversed its gain.
- The euro was also pressured as investors concerned about Trump's actions and recently expressed concerns related to tariffs weighing on European growth. "Greater friction in global trade could weigh on euro area growth by dampening exports and weakening the global economy," the ECB noted.
- Data-wise, the macroeconomic calendar had little relevant to offer. On Friday, the Hamburg Commercial Bank (HBOC) released the preliminary estimates of the EU February Purchasing Managers' Indexes, which showed economies struggled to expand.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0491 USD/EUR</b>	<b>Monthly High</b>	<b>1.0528 USD/EUR</b>
<b>Week Open</b>	<b>1.0487 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0150 USD/EUR</b>
<b>Week Close</b>	<b>1.0458 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0406 USD/EUR</b>
<b>Weekly High</b>	<b>1.0506 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0496 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0400 USD/EUR</b>	<b>YTD Change</b>	<b>+1.14%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
German Ifo Business Climate New	Feb	24-Feb	85.8	85.1
German Ifo Curr Conditions New	Feb	24-Feb	86.3	86.1
German Ifo Expectations New	Feb	24-Feb	85.0	84.2
German GDP Detailed QQ SA	Q4	25-Feb	-0.2%	-0.2%
German GDP Detailed YY NSA	Q4	25-Feb		-0.4%
German Unemployment Chg SA	Feb	27-Feb	15k	11k
German Unemployment Rate SA	Feb	27-Feb	6.2%	6.2%
Consumer Confid. Final	Feb	27-Feb	-13.6	-13.6

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Feb 2025 - 28 Feb 2025**

**Pound Sterling**
**Pound Sterling Graph**


Source: Refinitiv

**Pound Sterling Outlook**

- It's a relatively quiet week for Pound Sterling traders in terms of economic data releases from the United Kingdom (UK), and hence, the focus will remain on the speeches from BoE and Fed policymakers, top-tier US events and Trump's tariff announcements.
- On Monday, BoE Deputy Governor Clare Lombardelli and the Monetary Policy Committee (MPC) member Swati Dhingra are scheduled to make their respective public appearances.
- We believe that the pound is in a good shape, at least in a short term, as the safe-haven status about Trump's tariff has been remained. Moreover, the GBP/USD buyers remained unstoppable on acceptance above the 1.2600 level.
- Technically, it is also better than the euro as the 14-day Relative Strength Index (RSI) remains comfortable above the midline, currently near 65, suggesting that the bullish bias remains intact in the near term. If the upside gathers traction, the next powerful resistance is at the 200-day SMA of 1.2788. A sustained break above it will initiate a fresh uptrend toward the 1.2850 psychological level.

<b>Lower Bound</b>	<b>1.2500</b>	<b>Upper Bound</b>	<b>1.2750</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Pound Sterling News**

- The Pound Sterling hit over two-month highs above 1.2650 against the US Dollar after the third straight weekly decline in the USD.
- The hotter-than-expected UK Consumer Price Index (CPI) data supported the cable but had little to no impact on the market expectations of roughly 50 basis points (bps) of rate cuts by the year-end.
- The UK annual inflation rate rose sharply to 3% in January, coming in above expectations of a 2.8% reading, according to the Office for National Statistics (ONS). This is due to the bigger-than-expected jump in British inflation attributed to one-off or seasonal catalysts such as a steep rebound in airfare prices and the introduction of value-added tax (VAT) on private school fees.
- Meanwhile, the ONS said on Tuesday that the UK Unemployment Rate in the three months to December was 4.4%, where it stood in the three months to November, bettering the market forecast of 4.5%.
- Tight labor market conditions and the cautious remarks from BoE Governor Andrew Bailey helped the Pound Sterling held its ground against the US Dollar during the week.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2585 USD/GBP</b>	<b>Monthly High</b>	<b>1.2690 USD/GBP</b>
<b>Week Open</b>	<b>1.2582 USD/GBP</b>	<b>Monthly Low</b>	<b>1.2250 USD/GBP</b>
<b>Week Close</b>	<b>1.2630 USD/GBP</b>	<b>30 Days Average</b>	<b>1.2430 USD/GBP</b>
<b>Weekly High</b>	<b>1.2678 USD/GBP</b>	<b>90 Days Average</b>	<b>1.2598 USD/GBP</b>
<b>Weekly Low</b>	<b>1.2560 USD/GBP</b>	<b>YTD Change</b>	<b>+0.98%</b>

**Next Week's Pound Sterling Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
CBI Distributive Trades	Feb	25-Feb		-24
Nationwide house price mm	Feb	28-Feb	0.2%	0.1%
Nationwide house price yy	Feb	28-Feb	3.5%	4.1%

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**24 Feb 2025 - 28 Feb 2025**

**Australian Dollar**
**Australian Dollar Graph**


Source: Refinitiv

**Australian Dollar Outlook**

- The RBA's earlier 25 basis points reduction to 4.10% was framed as a cautious move amid signs of cooling inflation. Analysts anticipate only one more 25 basis points cut in 2025 unless Consumer Price Index (CPI) trends shift notably.
- This hawkish view together with softer than expected of Trump's tariff will support the AUD in the near term.
- Technically, the Relative Strength Index (RSI) remains in a higher positive zone but is now declining, suggesting a softening bullish pressure. The failure to break the 100-day Simple Moving Average underscores a possible consolidation phase leaving traders poised for further tariff or Fed policy developments to set the next directional cue.
- Tariff jitters persist despite signs that Trump's proposed measures may be less severe, as allies continue negotiations. The market remains wary of potential escalations against key trading partners, including China.

<b>Lower Bound</b>	<b>0.6300</b>	<b>Upper Bound</b>	<b>0.6450</b>
<b>Forecast</b>	<b>Neutral</b>		

**Australian Dollar News**

- At the beginning of the week, the AUD faced downward pressure after the Reserve Bank of Australia (RBA) lowered its Official Cash Rate (OCR) by 25 basis points to 4.10% on Tuesday—the first rate cut in four years.
- However, the losses is limited and the pair can recovered to the gain as traders deem President Donald Trump's tariff agenda less disruptive than initially feared while Trump indicated that a new trade deal with China is possible and expects Chinese President Xi Jinping to visit.
- Moreover, Reserve Bank of Australia (RBA) Governor Michele Bullock reiterated his stance of maintaining caution on further monetary expansion. Bullock warned that the disinflation trend could stall if the RBA cuts interest rates too quickly.
- On the economic data front, the Australian Bureau of Statistics (ABS) reported on Thursday that Australia's seasonally adjusted Unemployment Rate rose to 4.1% in January from 4.0% in December, aligning with market expectations.
- On Friday, the AUD/USD pair retreated after testing the 0.6400 mark, surrendering a portion of earlier gains in light of the US PMI results.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6350 USD/AUD</b>	<b>Monthly High</b>	<b>0.64080 USD/AUD</b>
<b>Week Open</b>	<b>0.6346 USD/AUD</b>	<b>Monthly Low</b>	<b>0.60880 USD/AUD</b>
<b>Week Close</b>	<b>0.6355 USD/AUD</b>	<b>30 Days Average</b>	<b>0.63640 USD/AUD</b>
<b>Weekly High</b>	<b>0.6408 USD/AUD</b>	<b>90 Days Average</b>	<b>0.65835 USD/AUD</b>
<b>Weekly Low</b>	<b>0.6326 USD/AUD</b>	<b>YTD Change</b>	<b>+2.86%</b>

**Next Week's Australian Dollar Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Weighted CPI YY	Jan	26-Feb	2.6%	2.5%
CPI SA MM	Jan	26-Feb		0.20%
CPI SA YY	Jan	26-Feb		2.50%
Capital Expenditure	Q4	27-Feb	0.8%	1.1%


**Japanese Yen Graph**


Source: Refinitiv

**Japanese Yen Outlook**

- The yen is expected to further strengthen amid rising bets for additional BoJ rate hikes.
- Most economists believe that the next hike could come before the September meeting, and we also see room for an additional hike this year, which would bring the policy rate to 1.00% - a view that markets have increasingly aligned with.
- As a result we believe that the USD/JPY pair could slide further towards testing the December 2024 swing low, around the 148.65 region and there is a high chance that this support will be broken.
- However, the gain may be limited as Japan's Finance Minister, Katsunobu Kato, warned that higher Japanese government bond yields will increase debt-servicing costs, which, in turn, may impact Japan's finances. Moreover, BoJ Governor fueled speculations about a possible intervention in the bond market to bring down JGB yields.

<b>Lower Bound</b>	<b>147.00</b>	<b>Upper Bound</b>	<b>151.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Japanese Yen News**

- The Japanese Yen (JPY) bulls retained control last week amid the growing acceptance that the Bank of Japan (BoJ) would hike interest rates further. The USD/JPY closed the week at around 149.30 after touched 2-month low at around 148.95 on Friday(21/2).
- The latest data showed that the headline National CPI climbed to a two-year high of 4.0% YoY in January from 3.6% in the previous month. Meanwhile, the Core CPI, which excludes volatile fresh food items, grew 3.2% YoY, compared to 3.0% recorded in December and touching a 19-month high. The data underscores rising inflationary pressure in Japan that has drawn hawkish remarks from several BoJ policymakers.
- This also keeps the benchmark 10-year JGB yield elevated near its highest level since November 2009 and should continue to act as a tailwind for the lower-yielding JPY in the near term.
- Apart from this, a fresh wave of the global risk aversion trade, triggered by US President Donald Trump's tariff threats, further benefits the safe-haven JPY.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>152.33 JPY/USD</b>	<b>Monthly High</b>	<b>155.88 JPY/USD</b>
<b>Week Open</b>	<b>152.23 JPY/USD</b>	<b>Monthly Low</b>	<b>148.85 JPY/USD</b>
<b>Week Close</b>	<b>149.29 JPY/USD</b>	<b>30 Days Average</b>	<b>150.05 JPY/USD</b>
<b>Weekly High</b>	<b>152.40 JPY/USD</b>	<b>90 Days Average</b>	<b>148.95 JPY/USD</b>
<b>Weekly Low</b>	<b>148.90 JPY/USD</b>	<b>YTD Change</b>	<b>-4.59%</b>

**Next Week's Japanese Yen Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Service PPI	Jan	25-Feb		2.90%
Chain Store Sales YY	Jan	25-Feb		3.0%
Leading Indicator Revised	Dec	26-Feb		1.1
CPI Tokyo Ex fresh food YY	Feb	28-Feb	2.3%	2.5%
CPI, Overall Tokyo	Feb	28-Feb		3.4%
Industrial O/P Prelim MM SA	Jan	28-Feb	-1.2%	-0.2%
Large Scale Retail Sales YY	Jan	28-Feb		3%



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