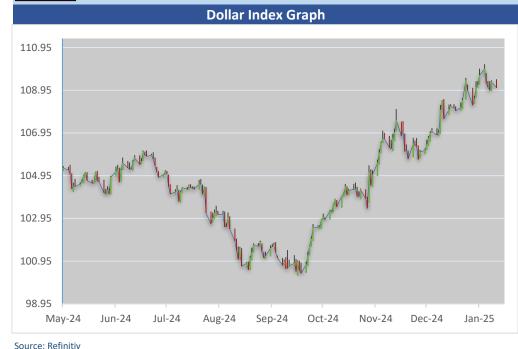
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WEEKLY FOREIGN EXCHANGE OUTLOOK

20 Jan 2025 - 24 Jan 2025

Dollar Index



Dollar News

- The dollar index reached a new high of 110.20 after a strong U.S. jobs report on Friday (10/1), highlighting economic strength and raising doubts about the Federal Reserve cutting interest rates this year. Simultaneously, the 10-year Treasury yield also hit a fresh high of 4.8%.
- On Wednesday, the dollar weakened against major peers following cooler-than-expected data, which eased fears of accelerating inflation and increased the likelihood that the Federal Reserve could cut interest rates twice this year.

Dollar Index Performance				
Last Week Close	109.65	Monthly High	110.18	
Week Open	109.64	Monthly Low	105.42	
Week Close	109.35	30 Days Average	108.08	
Weekly High	110.18	90 Days Average	105.26	
Weekly Low	108.60	YTD Change	+0.54%	

• Markets are cautiously watching Donald Trump's inauguration day on Monday, anticipating a series of executive orders, particularly on tariffs, which could significantly impact asset prices and the dollar.

Dollar Outlook

L8 Jan, w/e	Date 23-Jan	Forecast	Previous
	23-Jan	2401	
7 100 11/4		218k	217k
L/ Jan, w/t	23-Jan		-258B
an	24-Jan		49.4
an	24-Jan		56.8
an	24-Jan		55.4
Dec	24-Jan	4.20M	4.15M
an	24-Jan	73.2	73.2
	an an Jec	an 24-Jan an 24-Jan dec 24-Jan	an 24-Jan an 24-Jan dec 24-Jan 4.20M

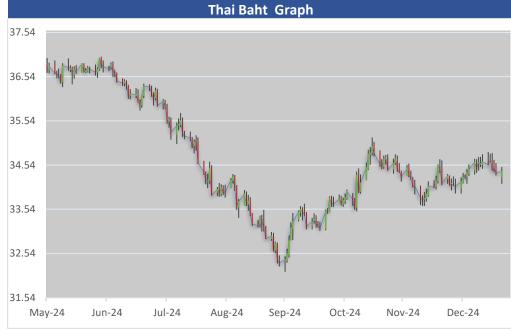
Lower Bound	108.50	Upper Bound	110.00					
Forecast	Appreciation			Industrial Production MM	Dec	17-Jan	0.2%	-0.1%



20 Jan 2025 - 24 Jan 2025



Source: Refinitiv



• Given the lack of significant domestic events, we anticipate the baht to fluctuate between 34.10 and 34.80 THB/USD this week. However, potential volatility may arise from the release of Trump's speech and U.S. economic data.

Thai Baht Outlook

Thai Baht News

- The baht traded within a narrow range due to a lack of domestic data, but it declined at the end of the week as the dollar was sold off.
- The Stock Exchange of Thailand (SET) Index dropped by 2%, closing at 1,334.79, potentially marking its lowest level since August 22 of last year. This ongoing downtrend highlights broader market pressures impacting both currency and equities in Thailand.

Thai Baht Performance					
Last Week Close	34.57 THB/USD	Monthly High	34.83 THB/USD		
Week Open	34.60 THB/USD	Monthly Low	34.15 THB/USD		
Week Close	34.36 THB/USD	30 Days Average	34.29 THB/USD		
Weekly High	34.83 THB/USD	90 Days Average	33.92 THB/USD		
Weekly Low	34.30 THB/USD	YTD Change	+0.67%		

Next Week's Thai Baht Economic Events					
Events	Period	Date	Forecast	Previous	
Custom-Based Export Data	Dec	22-Jan		8.20%	
Custom-Based Import Data	Dec	22-Jan		0.90%	
Customs-Based Trade Data	Dec	22-Jan		-0.22B	
Manufacturing Prod YY	Dec	23-Jan		-3.58%	

Lower Bound	34.10	Upper Bound	34.80
Forecast	Depreciation		

20 Jan 2025 - 24 Jan 2025





• The ECB is scheduled to meet on January 30, with investors fully anticipating a 25 basis points (bps) cut. According to Reuters polls conducted between January 10-15, all 77 economists expect the ECB to reduce the Deposit Facility rate by 25 bps to 2.75% at the January meeting. Additionally, 60% of these economists foresee three more 25-bps rate cuts by mid-year. The increasing likelihood of further ECB rate cuts could put pressure on the euro in the near term.

Euro Outlook

Euro News

- On Monday (13/1), the euro hovered near a more than two-year low at 1.0200, a level not seen since late 2022, before making a modest recovery later. However, expectations of further rate cuts by the European Central Bank (ECB) continued to weigh on the euro (EUR) against the greenback.
- The ECB Monetary Policy Meeting Accounts released on Thursday (16/1) revealed that policymakers agreed last month that interest rate cuts should be approached cautiously and gradually, but they also noted that further rate cuts remain possible.

Euro Index Performance				
Last Week Close	1.0244 USD/EUR	Monthly High	1.0436 USD/EUR	
Week Open	1.0240 USD/EUR	Monthly Low	1.0179 USD/EUR	
Week Close	1.0271 USD/EUR	30 Days Average	1.0385 USD/EUR	
Weekly High	1.0354 USD/EUR	90 Days Average	1.0665 USD/EUR	
Weekly Low	1.0176 USD/EUR	YTD Change	-0.46%	

Next Week's Euro Economic Events					
Events	Period	Date	Forecast	Previous	
Consumer Confid. Flash	Jan	23-Jan	-14.2	-14.5	
HCOB Mfg Flash PMI	Jan	24-Jan	45.3	45.1	
HCOB Services Flash PMI	Jan	24-Jan	51.5	51.6	
HCOB Composite Flash PMI	Jan	24-Jan	49.7	49.6	

Lower Bound	1.0200	Upper Bound	1.0400
Forecast	Depreciation		

20 Jan 2025 - 24 Jan 2025



Source: Refinitiv



Pound Sterling Outlook

• The British currency has experienced a notable decline in recent trading days, driven by soaring UK gilt yields amid economic uncertainty. With no significant data releases expected this week, we anticipate the sterling to trade sideways.

Pound Sterling News

- The pound experienced fluctuations as markets adjusted their interest rate expectations for the year. This sent Cable to a fresh 15-month low, touching the 1.2100 level before reversing the day's losses and ending near its starting point above 1.2200.
- A cooling in British inflation, reported on Wednesday (15/1), provided some relief to the pound. Data showed that inflation unexpectedly slowed last month, and core measures of price growth, monitored by the Bank of England, fell more sharply. This was welcome news for finance minister Rachel Reeves following a market selloff.
- The pound dropped again as UK GDP growth came in slower than expected, and factory activity contracted in November. Traders have increased their dovish bets on the Bank of England's policy meeting in February.

Pound Sterling Performance					
Last Week Close	1.2204 USD/GBP	Monthly High	1.2575 USD/GBP		
Week Open	1.2191 USD/GBP	Monthly Low	1.2100 USD/GBP		
Week Close	1.2163 USD/GBP	30 Days Average	1.2476 USD/GBP		
Weekly High	1.2305 USD/GBP	90 Days Average	1.2795 USD/GBP		
Weekly Low	1.2097 USD/GBP	YTD Change	-2.48%		

Next Week's Pound Sterling Economic Events					
Events	Period	Date	Forecast	Previous	
Claimant Count Unem Chng	Dec	21-Jan		0.3k	
ILO Unemployment Rate	Nov	21-Jan	4.3%	4.3%	
HMRC Payrolls Change	Dec	21-Jan		-35k	
Nationwide house price mm	Jan	23-Jan		0.7%	
Nationwide house price yy	Jan	23-Jan		4.7%	
Flash Composite PMI	Jan	24-Jan	50.0	50.4	
Flash Manufacturing PMI	Jan	24-Jan	47.0	47.0	
Flash Services PMI	Jan	24-Jan	50.7	51.1	

Lower Bound	1.2100	Upper Bound	1.2250
Forecast	Depreciation		

20 Jan 2025 - 24 Jan 2025



Source: Refinitiv



Australian Dollar Outlook

• The Australian dollar faced immediate resistance at the upper boundary of the descending channel, around 0.6250. If the currency can surpass this level, it may signal potential recovery momentum.

Australian Dollar News

- The Australian dollar struggled to move away from its weakest level in over four years at \$0.6139. It saw only a brief uptick on Thursday after data revealed a surprisingly strong increase in jobs for December, though a rise in unemployment kept alive the possibility of a near-term interest rate cut.
- Thursday's data showed Australian employment surged by 56,300 in December, far exceeding the forecasted increase of 15,000. However, the unemployment rate still edged up to 4.0% as more people entered the job market.
- With strong labor demand being met by an equally strong supply, partly due to migration, wage growth is slowing, which is limiting its impact on inflation. Consequently, markets are still pricing in around a 70% chance that the Reserve Bank of Australia will cut its 4.35% cash rate by 25 basis points at its next meeting on February 18.

Australian Dollar Performance				
Last Week Close	0.6145 USD/AUD	Monthly High	0.63020 USD/AUD	
Week Open	0.6140 USD/AUD	Monthly Low	0.61320 USD/AUD	
Week Close	0.6190 USD/AUD	30 Days Average	0.65695 USD/AUD	
Weekly High	0.6246 USD/AUD	90 Days Average	0.66607 USD/AUD	
Weekly Low	0.6129 USD/AUD	YTD Change	+0.47%	

Next Week's Australian Dollar Economic Events				
Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Dec	22-Jan		0.05%
S&P Global Mfg PMI Flash	Jan	24-Jan		47.8
S&P Global Svs PMI Flash	Jan	24-Jan		50.8
S&P Global Comp PMI Flash	Jan	24-Jan		50.2

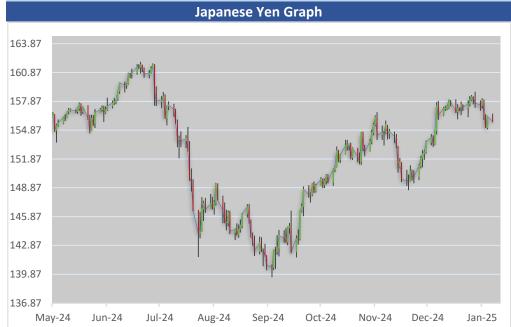
Lower Bound	0.6100	Upper Bound	0.6300
Forecast	Depreciation		

WEEKLY FOREIGN EXCHANGE OUTLOOK 20 Jan 2025 - 24 Jan 2025



Source: Refinitiv

Japanesese Yen



Japanese Yen Outlook

• The Bank of Japan will discuss whether to raise interest rates at their meeting on January 23-24. Markets have priced in approximately a 74% chance of a 25 basis point increase in short-term rates to 0.5%. Growing expectations of further interest rate hikes from the Bank of Japan (BoJ) could strengthen the Japanese currency.

Japanese Yen News

- The yen traded sideways within the range of 107.00 108.00 JPY/USD at the beginning of the week before hitting a one-month high on Thursday (16/1) due to rising bets on a rate hike at the upcoming meeting.
- Governor Kazuo Ueda stated that the BOJ is currently thoroughly analyzing data and will compile the findings in their quarterly outlook report. Based on this, they will discuss whether to raise interest rates at next week's policy meeting and aim to reach a decision.
- According to a poll conducted between January 8-15 and released on Thursday (16/1), all but two of the 61 economists surveyed expect the BOJ to raise borrowing costs again, to 0.50% by the end of March.

Japanese Yen Performance					
Last Week Close	157.69 JPY/USD	Monthly High	158.87 JPY/USD		
Week Open	157.75 JPY/USD	Monthly Low	154.99 JPY/USD		
Week Close	156.30 JPY/USD	30 Days Average	143.77 JPY/USD		
Weekly High	158.20 JPY/USD	90 Days Average	151.03 JPY/USD		
Weekly Low	154.96 JPY/USD	YTD Change	-0.66%		

Next Week's Japanese Yen Economic Events				
Events	Period	Date	Forecast	Previous
Machinery Orders MM	Nov	20-Jan	-0.4%	2.1%
Machinery Orders YY	Nov	20-Jan	5.6%	5.6%
Tertiary Ind Act NSA	Nov	20-Jan		0.3%
Leading Indicator Revised	Nov	22-Jan		
Exports YY	Dec	23-Jan	2.3%	3.8%
Imports YY	Dec	23-Jan	2.6%	-3.8%
Trade Balance Total Yen	Dec	23-Jan	-53.0B	-110.3B
Chain Store Sales YY	Dec	23-Jan		3.5%
CPI, Core Nationwide YY	Dec	24-Jan	3.0%	2.7%
CPI, Overall Nationwide	Dec	24-Jan		2.9%

Lower Bound	154.00	Upper Bound	157.00
Forecast	Neutral		



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