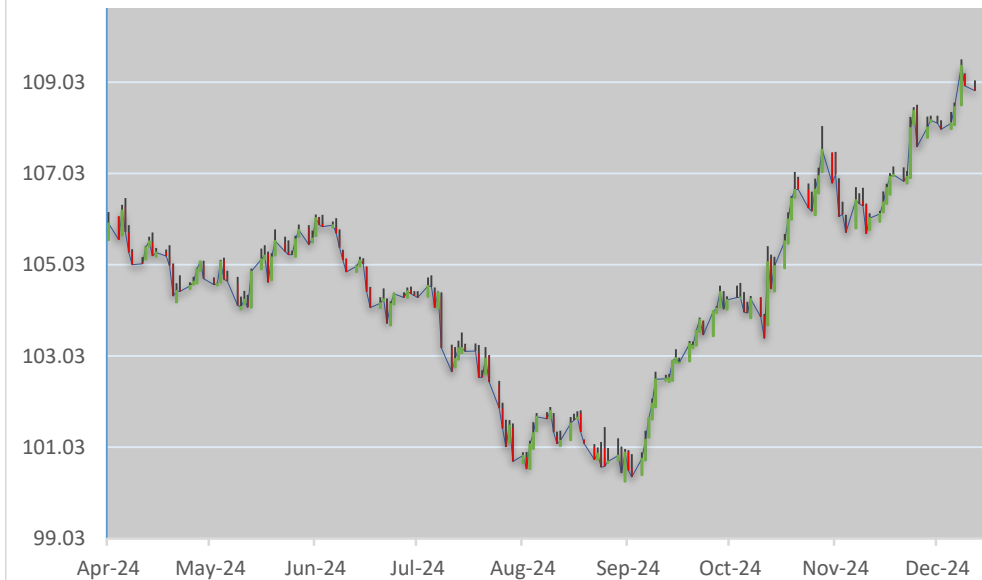


**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Jan 2025 - 10 Jan 2025**

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


Source: Refinitiv

**Dollar Outlook**

- Last month, the Fed Chair mentioned that Fed officials will be cautious about further rate cuts following an anticipated quarter-point reduction. This hawkish stance is expected to bolster the USD in the near term.
- However, economists widely expect that President-elect Donald Trump's administration will introduce tax cuts, tariffs, and deregulation. These measures are likely to drive inflation, potentially leading the US central bank to revise its outlook for the coming year.
- Trump's policy approach is likely to lead to a stronger US Dollar, putting pressure on other Asian currencies and the Euro (EUR) due to protectionist measures and monetary easing.

<b>Lower Bound</b>	<b>107.50</b>	<b>Upper Bound</b>	<b>109.50</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- Yields on 10-year Treasuries are near eight-moth highs at 4.631% and ending year around 75 basis points above where they started it, despite the Fed making 100 basis points of cuts to cash rates.
- The Fed's hawkish tilt at its December policy meeting has weighed on Asian currencies, which were already under pressure from fears of US tariffs in 2025.
- The DXY surged at the start of the 2025 trading season, climbing approximately 0.8% and reaching the 109.50 level for the first time since November 2022.

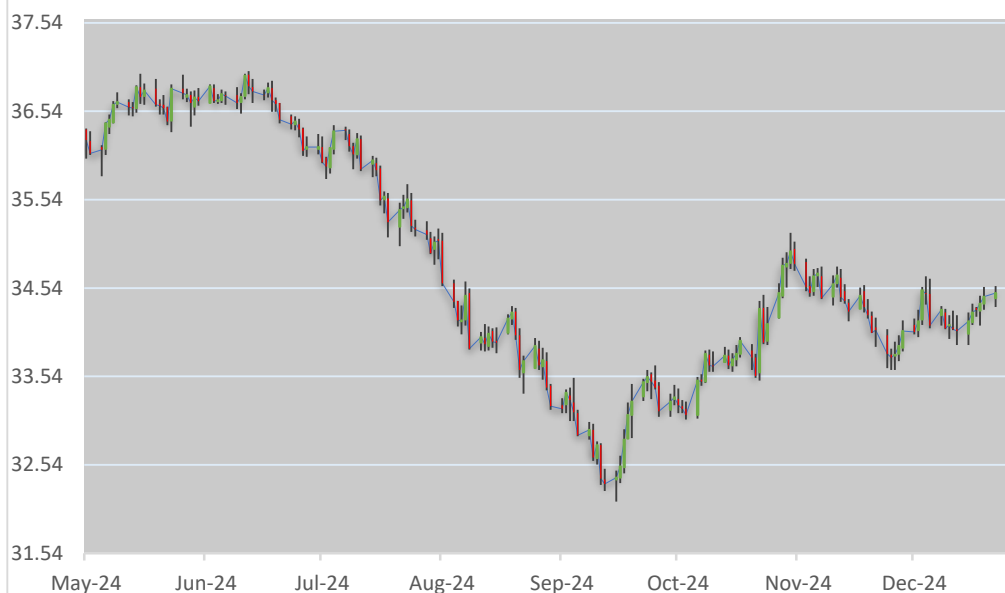
**Dollar Index Performance**

<b>Last Week Close</b>	<b>108.00</b>	<b>Monthly High</b>	<b>109.53</b>
<b>Week Open</b>	<b>108.01</b>	<b>Monthly Low</b>	<b>105.42</b>
<b>Week Close</b>	<b>108.95</b>	<b>30 Days Average</b>	<b>107.22</b>
<b>Weekly High</b>	<b>109.53</b>	<b>90 Days Average</b>	<b>104.41</b>
<b>Weekly Low</b>	<b>107.74</b>	<b>YTD Change</b>	<b>+0.33%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
S&P Global Comp Final PMI	Dec	6-Jan		56.6
S&P Global Svcs PMI Final	Dec	6-Jan		58.5
Factory Orders MM	Nov	6-Jan	-0.3%	0.2%
International Trade \$	Nov	7-Jan	-78.0B	-73.8B
ISM N-Mfg PMI	Dec	7-Jan	53.0	52.1
Initial Jobless Clm	4 Jan, w/e	9-Jan	217k	211k
Non-Farm Payrolls	Dec	10-Jan	160k	227k
Unemployment Rate	Dec	10-Jan	4.2%	4.2%
Average Earnings YY	Dec	10-Jan	4.0%	4.0%
U Mich Sentiment Prelim	Jan	10-Jan	73.9	74.0

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Jan 2025 - 10 Jan 2025**

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


Source: Refinitiv

**Thai Baht Outlook**

- Due to the increased uncertainty surrounding the Thai economy and the unclear impact of potential US economic policies, the baht could experience volatility.
- The possibility of US interest rates remaining higher for longer increases the risk of significant rate differentials between the US and emerging economies, potentially spurring capital outflows and posing challenges for Asian currencies, including the baht.

**Thai Baht News**

- Most Asian currencies were subdued on Monday heading towards year-end.
- The Thai baht fell to 33.93 on Monday (30/12), rebounded above 34.00 on Wednesday, and continued to weaken as investors anticipated US President-elect Donald Trump's return to the White House and the likelihood of prolonged higher US interest rates.

**Thai Baht Performance**

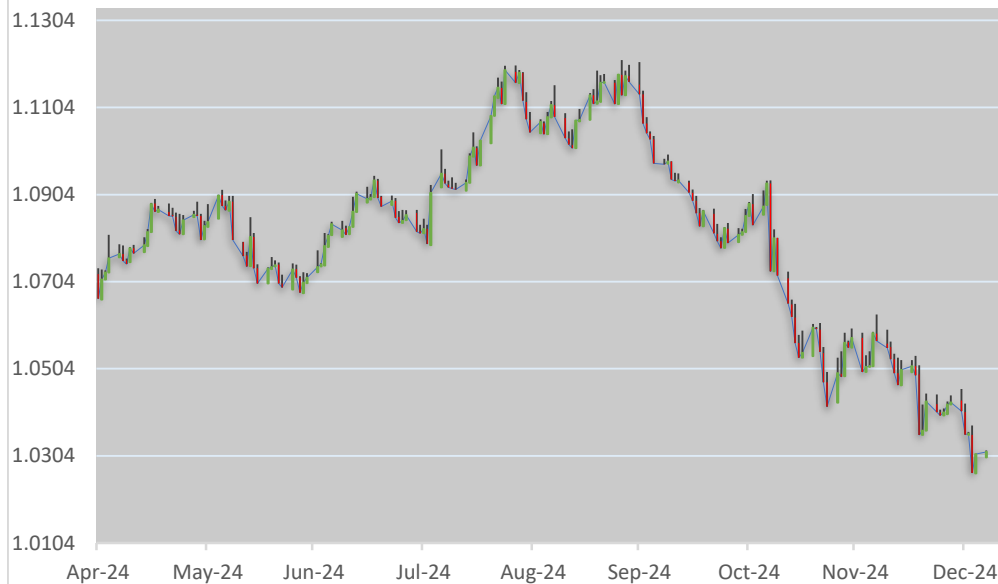
<b>Last Week Close</b>	<b>34.07 THB/USD</b>	<b>Monthly High</b>	<b>34.56 THB/USD</b>
<b>Week Open</b>	<b>34.02 THB/USD</b>	<b>Monthly Low</b>	<b>34.15 THB/USD</b>
<b>Week Close</b>	<b>34.44 THB/USD</b>	<b>30 Days Average</b>	<b>34.21 THB/USD</b>
<b>Weekly High</b>	<b>34.55 THB/USD</b>	<b>90 Days Average</b>	<b>33.82 THB/USD</b>
<b>Weekly Low</b>	<b>33.89 THB/USD</b>	<b>YTD Change</b>	<b>+0.94%</b>

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

Events	Period	Date	Forecast	Previous
CPI Headline Inflation	Dec	6-Jan	1.47%	0.95%
CPI Core Inflation YY	Dec	6-Jan	0.81%	0.80%
CPI Index	Dec	6-Jan		108.47
Consumer Confidence Idx	Dec	8-Jan		56.9

<b>Lower Bound</b>	<b>34.30</b>	<b>Upper Bound</b>	<b>34.80</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Jan 2025 - 10 Jan 2025**

**Euro Graph**


Source: Refinitiv

**Euro Outlook**

- The potential upside for the EUR/USD pair may be limited as markets continue to digest the US Federal Reserve's hawkish stance.
- Additionally, investor sentiment towards the Euro remains cautious, with expectations that the interest rate differential between the Euro and the US Dollar will widen through the first half of 2025, potentially weakening the Euro against the USD.

<b>Lower Bound</b>	<b>1.0200</b>	<b>Upper Bound</b>	<b>1.0400</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- Last Saturday, ECB's Holzmann indicated that the next interest rate cut might be delayed due to rising inflation. He mentioned that he doesn't foresee rate increases at the moment and suggested that Trump's tariffs could slow growth while creating inflationary pressure.
- Euro failed to make a decisive move in either direction in the previous week. The pair holds steady above 1.0400 in the early Monday (30/12).
- The EUR/USD pair had been declining for the fourth consecutive day, currently trading near 1.0350 during Thursday's Asian session. The Euro is under pressure as the ECB continues to signal a dovish stance on interest rate policy for the year.

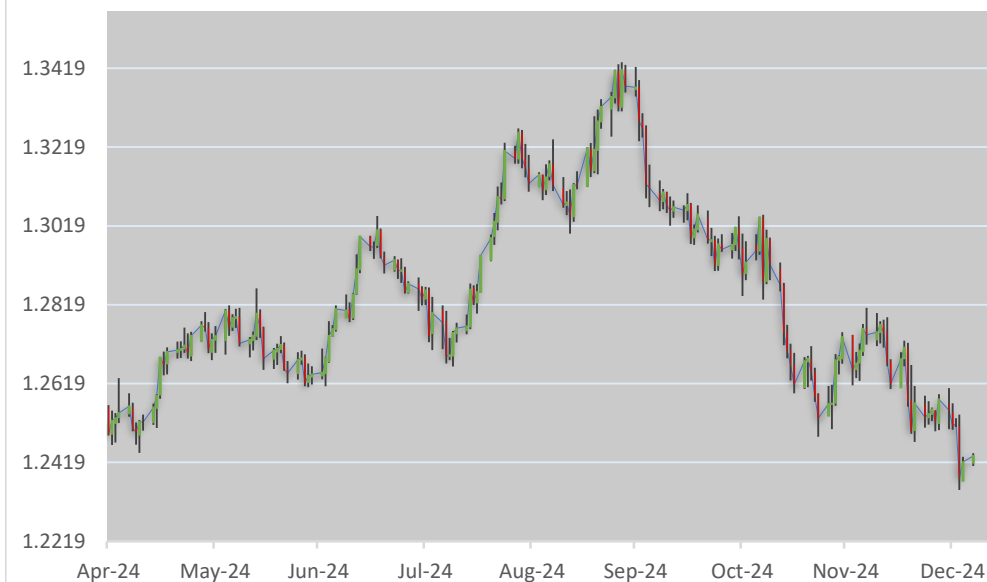
**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0427 USD/EUR</b>	<b>Monthly High</b>	<b>1.0374 USD/EUR</b>
<b>Week Open</b>	<b>1.0431 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0226 USD/EUR</b>
<b>Week Close</b>	<b>1.0308 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0464 USD/EUR</b>
<b>Weekly High</b>	<b>1.0458 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0751 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0223 USD/EUR</b>	<b>YTD Change</b>	<b>-0.40%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
HCOB Services Final PMI	Dec	6-Jan	51.4	51.4
HCOB - Composite Final PMI	Dec	6-Jan	49.5	49.5
HICP Flash YY	Dec	7-Jan	2.4%	2.2%
HICP-X F,E,A&T Flash YY	Dec	7-Jan	2.7%	2.7%
HICP-X F, E, A, T Flash MM	Dec	7-Jan		-0.60%
Unemployment Rate	Nov	7-Jan	6.3%	6.3%
Consumer Confid. Final	Dec	8-Jan	-14.5	-14.5
Consumer Confid. Flash	Jan	8-Jan		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Jan 2025 - 10 Jan 2025**

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


Source: Refinitiv

**Pound Sterling Outlook**

• A slight increase in dovish expectations from the BoE is putting downward pressure on the GBP/USD pair. BoE Governor emphasized a gradual approach to interest rate cuts, countering market expectations for fewer cuts next year. He also highlighted that geopolitical risks and trade policy uncertainties, especially with Donald Trump's return to the White House, could further slow the UK economy, posing additional challenges for the GBP.

**Pound Sterling News**

- Sterling fluctuated in a narrow channel slightly below 1.2600 after posting modest gains on Friday (27/12).
- The GBP/USD pair was holding defensively around 1.2510 during Thursday's Asian session, under pressure from a broadly stronger US Dollar. The expectation that the Federal Reserve will slow its easing cycle this year is bolstering the Greenback against the Pound Sterling (GBP).

**Pound Sterling Performance**

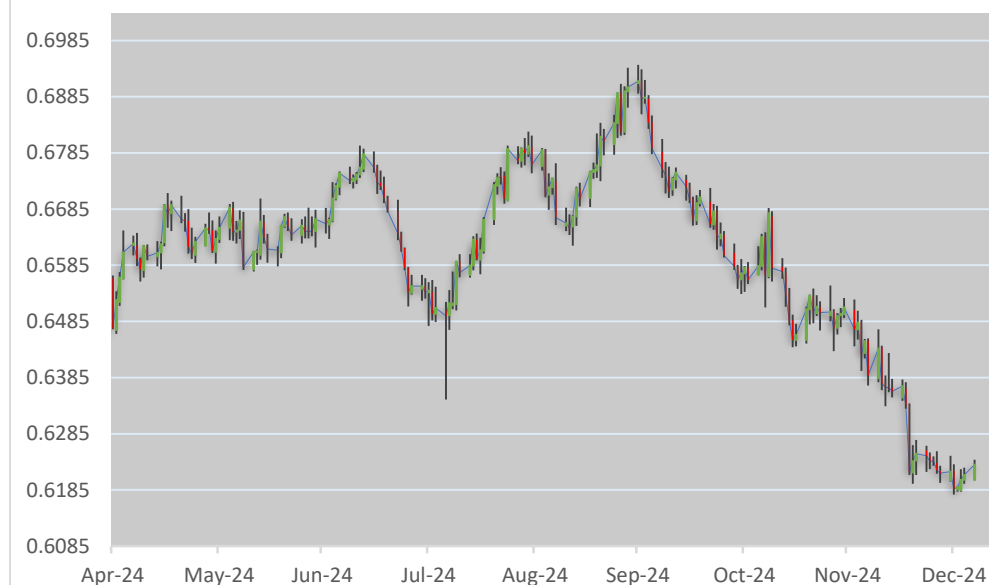
<b>Last Week Close</b>	<b>1.2579</b> USD/GBP	<b>Monthly High</b>	<b>1.2540</b> USD/GBP
<b>Week Open</b>	<b>1.2567</b> USD/GBP	<b>Monthly Low</b>	<b>1.2354</b> USD/GBP
<b>Week Close</b>	<b>1.2420</b> USD/GBP	<b>30 Days Average</b>	<b>1.2613</b> USD/GBP
<b>Weekly High</b>	<b>1.2607</b> USD/GBP	<b>90 Days Average</b>	<b>1.2889</b> USD/GBP
<b>Weekly Low</b>	<b>1.2349</b> USD/GBP	<b>YTD Change</b>	<b>-0.62%</b>

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

Events	Period	Date	Forecast	Previous
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Dec	6-Jan	50.5	50.5
Reserve Assets Total	Dec	6-Jan		188,257.88M
Halifax House Prices MM	Dec	7-Jan		1.3%
Halifax House Prices YY	Dec	7-Jan		4.80%
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Dec	7-Jan		50.9

<b>Lower Bound</b>	<b>1.2350</b>	<b>Upper Bound</b>	<b>1.2600</b>
<b>Forecast</b>	<b>Depreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**06 Jan 2025 - 10 Jan 2025**

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


Source: Refinitiv

**Australian Dollar Outlook**

- Dovish expectations from the RBA could weigh on the Australian Dollar. The RBA's December meeting minutes indicated that policymakers are confident inflationary pressures are easing as expected. Markets have priced in a nearly 65% chance of a 25-basis points rate cut at the February 18 meeting, with full expectations for a cut by April.

<b>Lower Bound</b>	<b>0.6150</b>	<b>Upper Bound</b>	<b>0.6300</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Australian Dollar News**

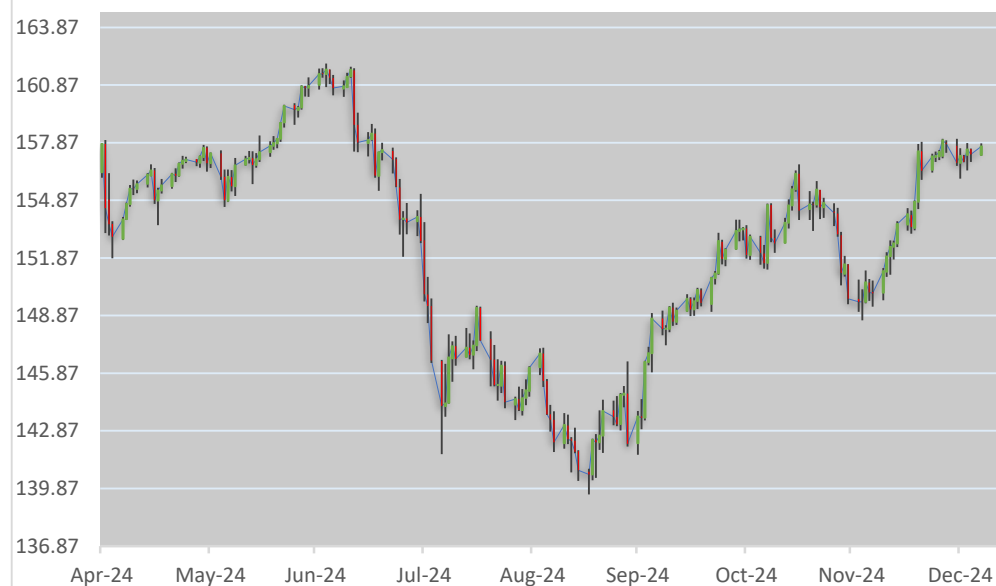
- Major currency pairs remain stuck in tight ranges to begin the week as trading volumes remain thin heading into the end of 2024.
- The Australian Dollar is supported by a 10-year government bond yield of around 4.50%, its highest in over a month.
- The AUD/USD pair remained steady around 0.6185 during Thursday's early Asian session. A slower pace of Federal Reserve rate cuts could strengthen the USD against the Australian Dollar. Additionally, the decline of the Chinese Yuan has pushed the Aussie to multi-year lows.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6215</b> USD/AUD	<b>Monthly High</b>	<b>0.62390</b> USD/AUD
<b>Week Open</b>	<b>0.6202</b> USD/AUD	<b>Monthly Low</b>	<b>0.61830</b> USD/AUD
<b>Week Close</b>	<b>0.6212</b> USD/AUD	<b>30 Days Average</b>	<b>0.66564</b> USD/AUD
<b>Weekly High</b>	<b>0.6246</b> USD/AUD	<b>90 Days Average</b>	<b>0.66850</b> USD/AUD
<b>Weekly Low</b>	<b>0.6177</b> USD/AUD	<b>YTD Change</b>	<b>+0.66%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Judo Bank Svs PMI Final	Dec	6-Jan		50.4
Judo Bank Comp PMI Final	Dec	6-Jan		49.9
Building Approvals	Nov	7-Jan	-1.0%	4.2%
Building Approval Total YY	Nov	7-Jan		12.7%
Weighted CPI YY	Nov	8-Jan	2.3%	2.1%
CPI SA MM	Nov	8-Jan		0.10%
CPI SA YY	Nov	8-Jan		2.30%
Retail Sales MM Final	Nov	9-Jan	0.9%	0.6%


**Japanese Yen Graph**


Source: Refinitiv

**Japanese Yen Outlook**

- The Japanese Yen is likely to strengthen as traders anticipate the Bank of Japan will implement an interest rate hike in January.
- The USD/JPY pair may retest its monthly high of 158.08, with a break above this level potentially leading to further gains towards 160.60. Immediate support is at the nine-day EMA around 156.79, near the ascending channel's lower boundary at 156.50.

**Japanese Yen News**

- The pair stayed relatively quiet at around 158.00 in the European morning on Monday (30/12).
- Japan's Jibun Bank Manufacturing PMI rose to 49.6 in December, surpassing both the expected 49.5 and the previous 49.0 readings.
- USD/JPY extends recovery as US Initial Jobless Claims for the week ending Dec 27 came in lower-than-expected.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>157.82 JPY/USD</b>	<b>Monthly High</b>	<b>157.85 JPY/USD</b>
<b>Week Open</b>	<b>157.71 JPY/USD</b>	<b>Monthly Low</b>	<b>156.45 JPY/USD</b>
<b>Week Close</b>	<b>157.27 JPY/USD</b>	<b>30 Days Average</b>	<b>144.48 JPY/USD</b>
<b>Weekly High</b>	<b>158.07 JPY/USD</b>	<b>90 Days Average</b>	<b>152.37 JPY/USD</b>
<b>Weekly Low</b>	<b>156.00 JPY/USD</b>	<b>YTD Change</b>	<b>+0.52%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
JibunBK Comp Op Final SA	Dec	6-Jan		50.8
JibunBK SVC PMI Final SA	Dec	6-Jan		51.4
Monetary Base YY	Dec	7-Jan		-0.13%

<b>Lower Bound</b>	<b>156.00</b>	<b>Upper Bound</b>	<b>158.00</b>
<b>Forecast</b>	<b>Neutral</b>		

**IMPORTANT DISCLAIMER**

This material was prepared solely by the Treasury Marketing Unit of Bangkok Bank PCL. Any opinions expressed herein may differ from those of other departments within Bangkok Bank. This material is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell any financial instrument. The information contained herein has been obtained from public sources and is subject to change based on market conditions. The use of any information provided is at the recipient's discretion.

Opinions and assumptions in this document reflect the current judgment of the author as of the date of writing and do not necessarily represent the views of Bangkok Bank. These opinions are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees, or advisors make any representations or warranties, express or implied, as to the completeness, accuracy, reliability, or suitability of the information contained in this document. Bangkok Bank and its affiliates shall not be liable for any loss or damage arising from the use of this information. Bangkok Bank does not assume any fiduciary duty or responsibility for any consequences arising from any decision made based on the information provided. The inclusion of any third-party information does not imply endorsement or approval by Bangkok Bank, and Bangkok Bank is not responsible for the accuracy or completeness of such information. Bangkok Bank is under no obligation to update or keep current the information contained in this document. Bangkok Bank shall not be liable for any technical errors, omissions, or inaccuracies in the information provided, nor for any delays or interruptions in the delivery of the information. Bangkok Bank makes no warranty, express or implied, regarding the results that may be obtained from the use of the information provided.

Each recipient should carefully consider the risks associated with any financial transaction and make a determination based on their own particular circumstances. It is recommended that recipients seek independent financial, legal, and other professional advice before making any investment decisions. This document is intended for the exclusive use by the recipients and is provided with the express understanding that the information contained herein will be regarded and treated as strictly confidential. Any unauthorized use, disclosure, or distribution is prohibited. Bangkok Bank and its affiliates shall not be liable for any actions taken based on the information provided in this document. This document may contain forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements. Past performance is not indicative of future performance. No expressed or implied warranty can be made regarding the projections and forecasts of future performance stated herein. The contents of this document have not been reviewed by any regulatory authority. Recipients are advised to exercise caution in relation to the contents. This document is not intended to constitute any investment, legal, financial, business, accounting, taxation, or other advice. If in doubt, recipients should seek professional advice from relevant advisers about their particular circumstances. Bangkok Bank, its connected companies, employees, or clients may at any time, to the extent permitted by applicable law and/or regulation, take the other side of any order by you, enter into transactions contrary to any recommendations contained herein, or have positions or make markets or act as principal or agent in transactions in any securities mentioned herein or derivative transactions relating thereto. Accordingly, Bangkok Bank, its connected companies, or employees may have a conflict of interest that could affect the objectivity of this document. This document is not directed to, or intended for distribution to or use by, any person who is a citizen or resident of, or entity located in, any locality, territory, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to or restricted by law or regulation. Persons or entities into whose possession this document comes should inform themselves about and observe such restrictions.