



Dollar Index

Dollar Index Graph



Source: LSEG

Dollar Index Outlook

- Investors are becoming less bearish toward the US dollar, supported by strong economic data, record-high US equities, steady Treasury yields, and a broader risk-on environment. While Fed officials remain split, markets are currently pricing in only modest easing, with around 50 bps of cuts expected by year-end. In the near term, the dollar is likely to remain firm if upcoming data continues to reflect economic resilience and persistent inflation pressures.
- President Trump is preparing industry-specific tariffs, including a potential 50% duty on copper and new levies on pharmaceuticals and semiconductors, with details expected by early August. These sectoral tariffs could impact 30% to 70% of a country exports to the US, which may prove to be more important than the reciprocal tariffs.

Lower Bound	96.77	Upper Bound	99.00
Forecast	Neutral		

Dollar Index News

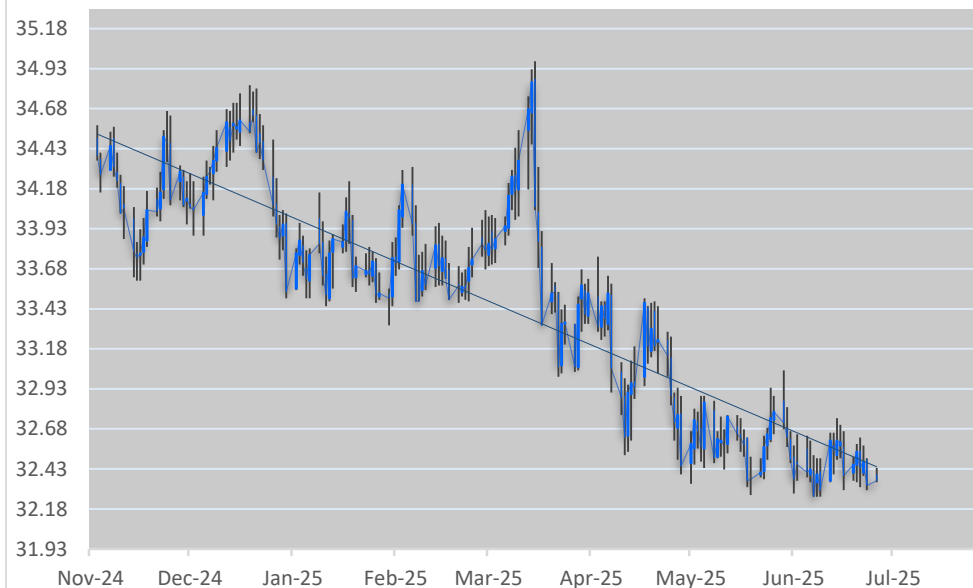
- The US dollar traded in a sideways but upward trend last week, with the Dollar Index holding above 98.00 due to fading expectations of near-term Federal Reserve rate cuts, strong earnings and economic data.
- Stronger-than-expected US consumer price index (CPI) data also lifted the dollar. Headline CPI rose slightly more than anticipated in June, driven by price increases in household furnishings, medical care, recreation, apparel, and personal care—suggesting tariffs are beginning to feed into consumer prices.
- The dollar briefly weakened mid-week following rumors that President Trump might dismiss FOMC Chair Powell, which he denied, coupled with softer-than-expected producer price index data.
- By week's end, the dollar regained strength after US retail sales rebounded, rising 0.6% following a 0.9% decline in May. The increase was likely driven by tariff-related price hikes,

Dollar Index Performance

Last Week Close	97.85	Monthly High	99.42
Week Open	97.96	Monthly Low	96.38
Week Close	98.48	30 Days Average	97.96
Weekly High	98.95	90 Days Average	99.92
Weekly Low	97.71	YTD Change	-9.40%

Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Existing Home Sales	Jun	23-Jul	4.00M	4.03M
Initial Jobless Clm	14 Jul, w/e	24-Jul		
Cont Jobless Clm	7 Jul, w/e	24-Jul		
S&P Global Mfg PMI Flash	Jul	24-Jul		52.9
S&P Global Svcs PMI Flash	Jul	24-Jul		52.9
S&P Global Comp PMI Flash	Jul	24-Jul		52.9
New Home Sales-Units	Jun	24-Jul	0.650M	0.623M
Durable Goods	Jun	25-Jul	-11.0%	16.4%
Durables Ex-Transport	Jun	25-Jul	-0.2%	0.5%


Thai Baht
Thai Baht Graph


Source: LSEG

Thai Baht Outlook

- The Thai baht has shown notable resilience despite USD strength, rising tariff risks, and renewed political uncertainty. Markets appear reluctant to price in a political risk premium for now, including the suspension of Prime Minister Paetongtarn.
- On trade, Thailand has proposed removing tariffs on 90% of US goods to avoid a 36% reciprocal tariff and potentially lowering the tariff rate to a range of 18%-20%. If implemented, this proposed move could reduce Thailand's trade surplus with the US by 70% over the next three years.

Lower Bound	32.30	Upper Bound	32.61
Forecast	Neutral		

Thai Baht News

- The Thai baht began the week strengthening against the US dollar, supported by rising gold prices. During the week, the baht weakened slightly as markets reacted to stronger-than-expected US inflation data, but overall traded within a narrow range.
- The baht ended the week appreciating as a positive equity market helped maintain the currency's strength. Additionally, Thailand's proposal to eliminate tariffs on 90% of US goods—up from 60% in a previous offer—boosted sentiment. The government's third proposal aims to remove barriers on around 10,000 US products, potentially reducing Thailand's \$45.6 billion trade surplus with the US by 70% within three years and achieving balanced trade within five.

Thai Baht Performance

Last Week Close	32.60 THB/USD	Monthly High	32.75 THB/USD
Week Open	32.41 THB/USD	Monthly Low	32.31 THB/USD
Week Close	32.33 THB/USD	30 Days Average	32.53 THB/USD
Weekly High	32.63 THB/USD	90 Days Average	33.07 THB/USD
Weekly Low	32.30 THB/USD	YTD Change	-5.27%

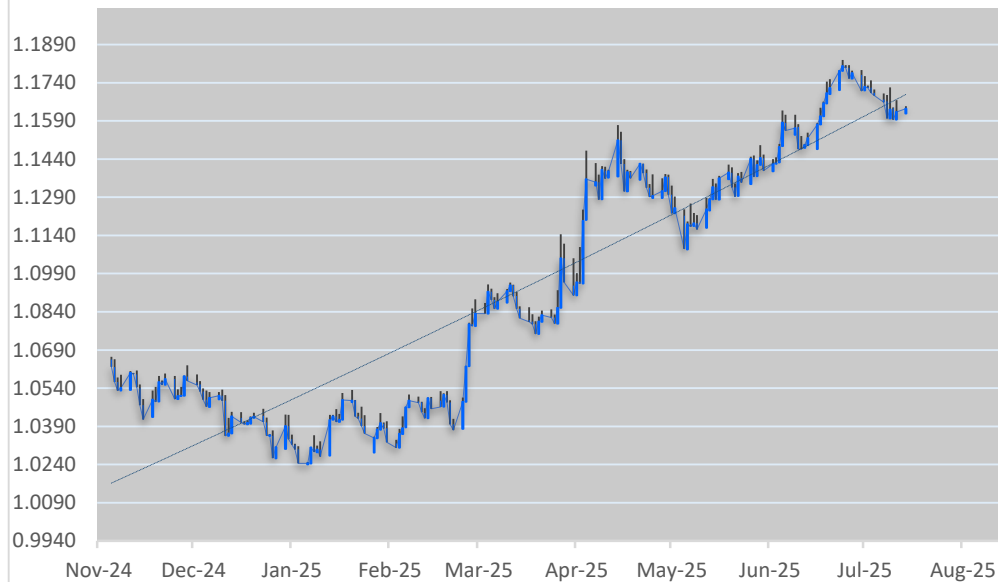
Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Custom-Based Export Data	Jun	21-Jul	19.55%	18.40%
Custom-Based Import Data	Jun	21-Jul	18.15%	18.00%
Customs-Based Trade Data	Jun	21-Jul	1.20B	1.12B



Euro

Euro Graph



Source: LSEG

Euro Outlook

- Investors are focusing on the upcoming ECB meeting this Thursday. Despite cutting interest rates for the eighth time in a year, the ECB signaled a likely pause at its upcoming meeting, citing ongoing uncertainty related to global trade tensions.
- While the ECB projects solid growth for 2026–2027 and inflation returning to target by 2027, recent data shows core inflation slightly below expectations in Q2 2025. The euro's appreciation poses a downside risk to headline inflation.
- EUR/USD is undergoing a tactical correction toward 1.1500, but a rebound is anticipated, driven by investor disappointment over the lack of resistance to euro strength—possibly extending into the September meeting.

Lower Bound	1.1540	Upper Bound	1.1730
Forecast	Depreciation		

Euro News

- The euro started the week under pressure, trading around 1.1670, following President Trump's announcement of a 30% tariff on imports from the European Union and Mexico, effective August 1.
- The euro later fell below the 1.1600 level after stronger-than-expected US inflation data. While Eurozone industrial production showed resilience in May, investor sentiment—measured by the ZEW index—came in weaker than expected in July, reflecting concerns over the impact of US tariffs.
- Midweek, the euro rebounded from a three-week low of 1.1560 after June's consumer price index (CPI) data confirmed a slight uptick in inflation, and ended the week above 1.1600. Annual CPI rose to 2.0%, aligning with the European Central Bank's (ECB) target and up from 1.9% in May. On a monthly basis, CPI increased by 0.3% after remaining flat previously.

Euro Performance

Last Week Close	1.1689 USD/EUR	Monthly High	1.1829 USD/EUR
Week Open	1.1673 USD/EUR	Monthly Low	1.1558 USD/EUR
Week Close	1.1625 USD/EUR	30 Days Average	1.1643 USD/EUR
Weekly High	1.1721 USD/EUR	90 Days Average	1.1342 USD/EUR
Weekly Low	1.1555 USD/EUR	YTD Change	+12.41%

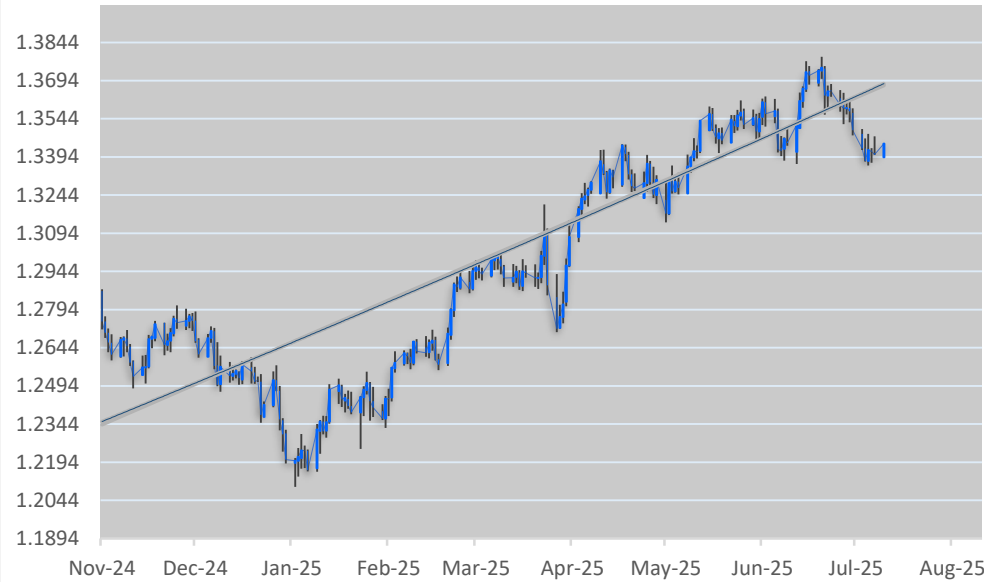
Euro Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confid. Flash	Jul	23-Jul		-15.3
GfK Consumer Sentiment	Aug	24-Jul		-20.3
HCOB Composite Flash PMI	Jul	24-Jul		50.4
HCOB Mfg Flash PMI	Jul	24-Jul		49.5
HCOB Services Flash PMI	Jul	24-Jul		50.5
HCOB Composite Flash PMI	Jul	24-Jul		50.6
ECB Refinancing Rate	Jul	24-Jul		2.15%
Ifo Business Climate New	Jul	25-Jul		88.4



Pound Sterling

British Pound Graph



Source: LSEG

Pound Sterling Outlook

- Bank of England (BoE) Governor Andrew Bailey noted that a rapid increase in labor market slack could accelerate rate cuts, but current conditions favor a more gradual approach.
- With inflation forecasts likely to rise—driven by higher food prices—and labor market surveys showing resilience, the BoE is expected to maintain a cautious stance in its August meeting. Expectations for a September rate cut have been scaled back to below 50%. The BoE is likely to wait for more definitive signs of disinflation, including the impact of regulatory measures such as the minimum wage hike. Markets are currently pricing in two rate cuts by the end of the year, with the terminal rate projected to settle around 2.75%.

Lower Bound	1.3348	Upper Bound	1.3520
Forecast	Depreciation		

Pound Sterling News

- The British pound traded below 1.3500 following weaker-than-expected GDP data. The UK economy contracted by 0.1% in May, marking the second consecutive monthly decline after a 0.3% drop in April. This reinforced market expectations of a potential rate cut by the Bank of England (BoE) in August, adding downward pressure on the currency.
- However, the pound saw temporary strength during the week as inflation data surprised to the upside. Headline inflation rose to 3.6% year-on-year in June—its highest level since January 2024—beating forecasts of 3.4%. Core CPI also accelerated to 3.7%, while services inflation, closely monitored by the BoE, climbed to 4.7%.
- Later in the week, the pound weakened again as labor market data showed signs of cooling. Wage growth excluding bonuses slowed to 5.0% in the three months to May, the lowest since Q2 2022, although slightly above economist forecasts. Additionally, employment figures declined, raising concerns about the sustainability of wage-driven inflation.

Pound Sterling Performance

Last Week Close	1.3499 USD/GBP	Monthly High	1.3788 USD/GBP
Week Open	1.3485 USD/GBP	Monthly Low	1.3366 USD/GBP
Week Close	1.3404 USD/GBP	30 Days Average	1.3550 USD/GBP
Weekly High	1.3504 USD/GBP	90 Days Average	1.3336 USD/GBP
Weekly Low	1.3361 USD/GBP	YTD Change	+7.47%

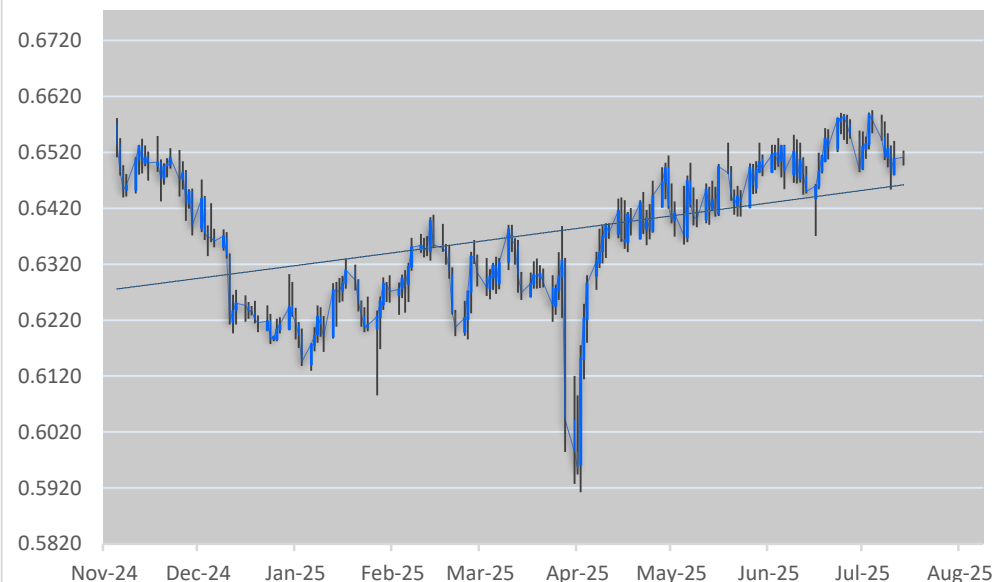
Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Jul	21-Jul		-0.3%
Flash Composite PMI	Jul	24-Jul		52.0
Flash Manufacturing PMI	Jul	24-Jul		47.7
Flash Services PMI	Jul	24-Jul		52.8
CBI Business Optimism	Q3	24-Jul		-33
GfK Consumer Confidence	Jul	25-Jul		-18
Retail Sales MM	Jun	25-Jul		-2.7%
Retail Sales Ex-Fuel MM	Jun	25-Jul		-2.8%
Nationwide house price mm	Jul	24-Jul		-0.8%



Australian Dollar

Australian Dollar Graph



Source: LSEG

Australian Dollar Outlook

- With weak economic data, markets are pricing in two rate cuts this year—one in August and another in November—bringing the terminal rate to 3.1%.

Australian Dollar News

- Despite the RBA's surprise decision to hold rates, the Australian Dollar depreciated this week. Australia's June employment data came in weaker than expected, with only a modest increase of 2,000 jobs (vs. consensus of 20,000), and a 0.9% decline in hours worked. The unemployment rate rose sharply from 4.1% to 4.3%—its highest level since November 2021—driven by higher participation and a rise in underemployment. This marks the first broadly soft labour market print in several months, suggesting a potential shift toward loosening conditions.
- The data aligns with the Reserve Bank of Australia's Q2 forecasts but the sharp monthly deterioration strengthens the case for monetary easing.

Australian Dollar Performance

Last Week Close	0.6578 USD/AUD	Monthly High	0.6595 USD/AUD
Week Open	0.6573 USD/AUD	Monthly Low	0.6455 USD/AUD
Week Close	0.6508 USD/AUD	30 Days Average	0.6421 USD/AUD
Weekly High	0.6587 USD/AUD	90 Days Average	0.6324 USD/AUD
Weekly Low	0.6453 USD/AUD	YTD Change	+5.24%

Australian Dollar Economic Events

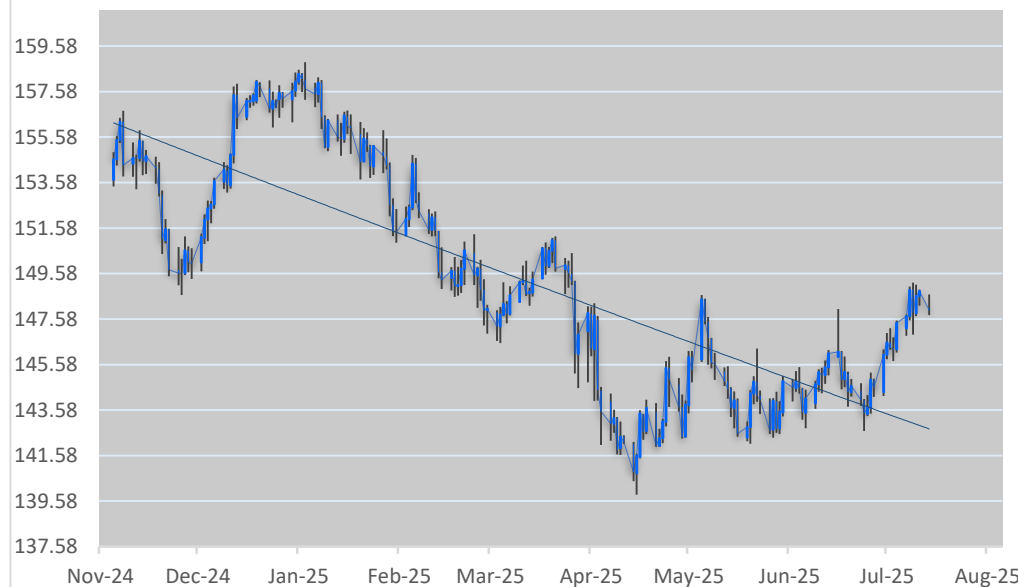
Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Jun	23-Jul		-0.06%
S&P Global Mfg PMI Flash	Jul	24-Jul		50.6
S&P Global Svs PMI Flash	Jul	24-Jul		
S&P Global Comp PMI Flash	Jul	24-Jul		

Lower Bound	0.64875	Upper Bound	0.6586
Forecast	Depreciation		



Japanese Yen

Japanese Yen Graph



Source: LSEG

Japanese Yen Outlook

• On Sunday's Upper House elections, the ruling Liberal Democratic Party and its coalition partner Komeito lost their majority, securing only 47 seats combined. This marks the first time since 1955 that the LDP-led government lacks control in both chambers, raising concerns about political instability. Prime Minister Shigeru Ishiba has vowed to remain in office, but markets are watching closely for signs of the potential impact.

Lower Bound	146.25	Upper Bound	148.72
Forecast	Depreciation		

Japanese Yen News

- The Japanese yen has continued to depreciate against the US dollar, driven by both global and domestic pressures. Escalating trade tensions have dampened expectations for a Bank of Japan rate hike, contributing to the yen's weakness.
- Additionally, political uncertainty ahead of Japan's July 20 upper house election weighed on investor sentiment. Japan's minority government faces a potential setback—if Prime Minister Shigeru Ishiba's ruling coalition loses its majority, it could shake market confidence and complicate ongoing trade negotiations with the United States.
- On the data front, Japan's trade balance came in below expectations, while nationwide CPI matched forecasts at 3.3%.

Japanese Yen Performance

Last Week Close	147.40 JPY/USD	Monthly High	149.18 JPY/USD
Week Open	147.18 JPY/USD	Monthly Low	142.69 JPY/USD
Week Close	148.81 JPY/USD	30 Days Average	149.00 JPY/USD
Weekly High	149.18 JPY/USD	90 Days Average	152.66 JPY/USD
Weekly Low	146.84 JPY/USD	YTD Change	-5.65%

Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Jul	24-Jul		50.1
JibunBK Comp Op Flash SA	Jul	24-Jul		
JibunBK SVC PMI Flash SA	Jul	24-Jul		
Chain Store Sales YY	Jun	24-Jul		4.6%
CPI Tokyo Ex fresh food YY	Jul	25-Jul		3.1%
CPI, Overall Tokyo	Jul	25-Jul		3.1%
CPI Tokyo Excl Food & Energy Y/Y	Jul	25-Jul		1.8%
Service PPI	Jun	25-Jul		3.30%
Leading Indicator Revised	May	25-Jul		1.1

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