

WEEKLY FOREIGN EXCHANGE OUTLOOK
09 Jun 2025 - 13 Jun 2025

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- Slowing growth in 2025 and 2026 with restrictive trade and immigration policies dominated the landscape.
- Inflation remains firm until year-end and could keep the Fed on hold in 2025.
- A de-escalation in trade tensions should help the US avoid a recession, but for the time being, a lack of progress on trade negotiation with China continues to dampen sentiment further.
- US CPI data in May to be released on Wed (11/6).

Dollar News

- A new layer of trade uncertainty (US potentially raising steel tariffs to 50%, mutual US-China accusations of not meeting the Geneva agreements) caused investors to start with a guarded risk-off bias, weighing on the dollar.
- The US manufacturing ISM confirmed the stagflationary risk related to US trade policy. The index eased further in contraction territory (48.5), showing little relief from the truce in reciprocal tariffs.
- ADP Employment Change numbers dropped sharply in May, adding just 37K jobs, far below the expected 115K increase.
- May US Nonfarm Payrolls print surpassed forecasts of 130K, rose by 139K but missed April's downwardly revised 147K. Although the labor market is cooling, it remains in great condition as the US economy decelerates. The unemployment rate stood at 4.2%.

Dollar Index Performance

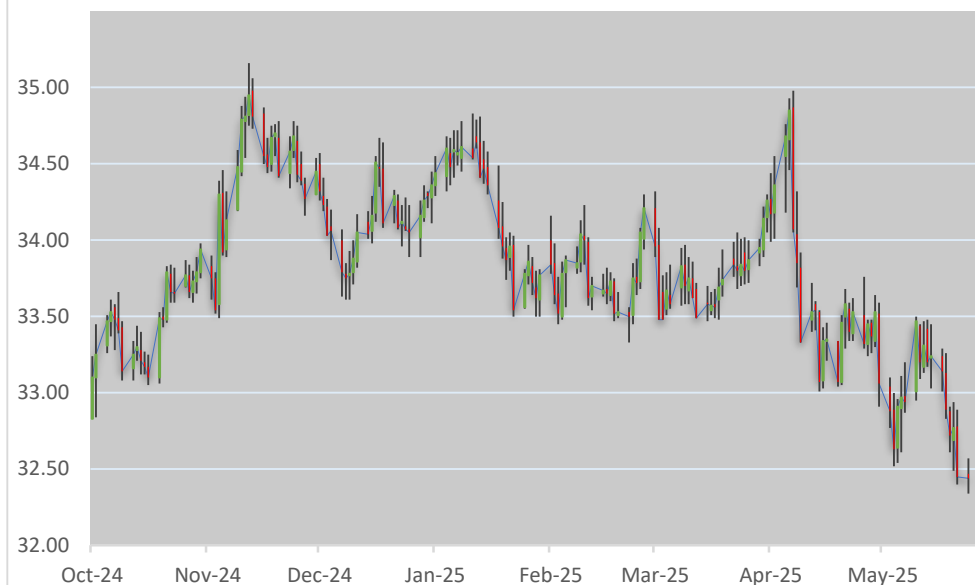
Last Week Close	#N/A	Monthly High	101.98
Week Open	#N/A	Monthly Low	97.92
Week Close	#N/A	30 Days Average	99.86
Weekly High	0.00	90 Days Average	103.72
Weekly Low	0.00	YTD Change	#VALUE!

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
Core CPI YY, NSA	May	11-Jun	2.9%	2.8%
CPI MM, SA	May	11-Jun	0.2%	0.2%
CPI YY, NSA	May	11-Jun	2.5%	2.3%
CPI Wage Earner	May	11-Jun		314.243
Initial Jobless Clm	7 Jun, w/e	12-Jun	240k	247k
PPI Machine Manuf'ing	May	12-Jun		189.0
U Mich Sentiment Prelim	Jun	13-Jun	53.8	52.2

Lower Bound	98.00	Upper Bound	100.00
Forecast	Neutral		

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Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- The Federation of Thai Industries has lowered its target for the Thai economy in 2025 to 1.5-2% due to shrinking exports in 2H2025, slowing investment, and reduced Chinese tourism.
- Ongoing conflict within Thailand's coalition government sparked fear that the economy could be damaged if a prolonged election and cabinet formation slows disbursement and tourism flows.
- Current rise in gold price could limit THB weakness in the short-term. However, spillover over effects from slower global growth may continue to pressure THB in 2H25.

Lower Bound	32.00	Upper Bound	33.00
Forecast	Depreciation		

Thai Baht News

- S&P affirmed Thailand's credit rating at BBB+ and retained its stable outlook for the country. The agency projected Thailand's GDP growth at 2.3% in 2025 and 2.6% in 2026 despite external risks, particularly the US trade tariffs. Over the 2025–28 period, average annual GDP growth was forecast at 2.8%. Per capita income was expected to increase from US\$7,500 to US\$8,100 this year, partly due to a stronger baht.
- Industrial output has turned positive for the first time in nine months, with the automotive sector rebounding after a 21-month slump. The Manufacturing Production Index (MPI) rose by 2.2% year-on-year in April
- The consumer price index dropped 0.57% in May from a year earlier, following a 0.22% fall in April. It was the third month in a row that the inflation rate has been below the central bank's target range of 1.0% to 3.0%.

Thai Baht Performance

Last Week Close	#N/A	THB/USD	Monthly High	Retrieving THB/USD
Week Open	#N/A	THB/USD	Monthly Low	Retrieving THB/USD
Week Close	#N/A	THB/USD	30 Days Average	33.16 THB/USD
Weekly High	0.00	THB/USD	90 Days Average	33.61 THB/USD
Weekly Low	0.00	THB/USD	YTD Change	#VALUE!

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Consumer Confidence Idx	May	12-Jun		55.4
Forex Reserves	2 Jun, w/e	13-Jun		
Currency Swaps	2 Jun, w/e	13-Jun		

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Euro Graph

Euro News



Source: Refinitiv

Euro Outlook

- Euro area GDP growth expect to be 1.0%Y in 2025 and 0.9%Y in 2026. Private consumption remains robust, monetary policy is easing, but trade tensions are likely to be a persistent drag on exports and investment. Wage momentum should soften, while core inflation moving persistently below 2%.
- Should the US trade policies turn out more supportive of growth, ECB terminal rate can be seen at 2% in 2025.
- German CPI to be released on Fri (13/6)

Lower Bound	1.1300	Upper Bound	1.1500
Forecast	Appreciation		

- The Eurozone HICP in May fell by 1.9%, below the ECB's 2% target for the first time in eight months. Excluding volatile items, the core HICP fell by 2.3% YoY, down from 2.7% in the previous month
- The HCOB Eurozone Composite Purchasing Managers' Index, compiled by S&P Global, fell to 50.2 in May from 50.4 in April, higher than a preliminary estimate of 49.5 but its weakest since February.
- ECB lowered rates to 2% as expected, but its statement suggested a cautious, data-dependent path ahead.
- German Industrial Production dropped 1.8% year-over-year (YoY) in April versus March's -0.7% revision.

Euro Index Performance				
Last Week Close	#N/A	USD/EUR	Monthly High	Retrieving USD/EUR
Week Open	#N/A	USD/EUR	Monthly Low	Retrieving USD/EUR
Week Close	#N/A	USD/EUR	30 Days Average	1.1325 USD/EUR
Weekly High	0.0000	USD/EUR	90 Days Average	1.0875 USD/EUR
Weekly Low	0.0000	USD/EUR	YTD Change	#VALUE!

Next Week's Euro Economic Events				
Events	Period	Date	Forecast	Previous
Sentix Index	Jun	10-Jun	-6.0	-8.1
CPI Final MM	May	13-Jun	0.1%	0.1%
CPI Final YY	May	13-Jun	2.1%	2.1%
HICP Final MM	May	13-Jun	0.2%	0.2%
HICP Final YY	May	13-Jun	2.1%	2.1%
Total Trade Balance SA	Apr	13-Jun		27.90B
Industrial Production MM	Apr	13-Jun	-1.3%	2.6%
Industrial Production YY	Apr	13-Jun	1.4%	3.6%
Reserve Assets Total	May	13-Jun		1,496.92B

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Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- Despite a temporary relief on US steel tariff, UK still faces a five-week deadline to formally conclude the deal or risk being hit by the full 50%.
- Going forward, the recent US-UK trade deal could cement GBP outlook, given the UK's high value-added services sector which benefited from both US demand and US corporate hiring.
- With the combination of labour market weakness and low inflation, the BoE could expedite its cutting cycle in 2H25.
- UK job data to be released on Tue (10/6)

Lower Bound	1.3400	Upper Bound	1.3700
Forecast	Appreciation		

Pound Sterling News

- GBP/USD remained above 1.350 after Britain's services sector resumed growth. The S&P Global Purchasing Managers' Index for Britain's services sector rose to 50.9 in May from 49.0 in April, and above an earlier flash estimate of 50.2.
- Adding to the mildly positive tone, the UK has been granted temporary relief from the steep 50% US steel and aluminium tariffs that came into effect on Wednesday. Under an executive order signed by US President Donald Trump, the UK will be treated differently following a preliminary trade agreement reached last month.

Pound Sterling Performance

Last Week Close	#N/A	USD/GBP	Monthly High	Retrieving USD/GBP
Week Open	#N/A	USD/GBP	Monthly Low	Retrieving USD/GBP
Week Close	#N/A	USD/GBP	30 Days Average	1.3323 USD/GBP
Weekly High	0.0000	USD/GBP	90 Days Average	1.2917 USD/GBP
Weekly Low	0.0000	USD/GBP	YTD Change	#VALUE!

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	May	10-Jun		5.2k
ILO Unemployment Rate	Apr	10-Jun	4.6%	4.5%
HMRC Payrolls Change	May	10-Jun		-33k
GDP Est 3M/3M	Apr	12-Jun	0.7%	0.7%
GDP Estimate MM	Apr	12-Jun	-0.1%	0.2%
GDP Estimate YY	Apr	12-Jun		1.1%
Services MM	Apr	12-Jun	0.0%	0.4%
Services YY	Apr	12-Jun		1.3%
Manufacturing Output MM	Apr	12-Jun	-0.8%	-0.8%

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Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- The Australian Bureau of Statistics (ABS) showed that Gross Domestic Product (GDP) grew by 0.2% quarter-over-quarter in Q1, declining from the previous 0.6% growth. Meanwhile, the annual GDP growth rate remained consistent at 1.3%, below the expected 1.5%.
- RBA minutes of its May monetary policy meeting suggested that the board viewed the case for a 25 basis point cut as stronger, preferring a policy to be cautious and predictable.

Australian Dollar News

- AUD/USD recovered as bulls eagerly approach psychological resistance at 0.6500.
- Australia's Trade Balance posted a 5,413M surplus month-over-month in April, below the 6,100M expected and 6,892M (revised from 6,900M) in the previous reading. Exports declined by 2.4% MoM in April, against a 7.2% rise prior (revised from 7.6%). Meanwhile, Imports rose by 1.1%, compared to a decline of 2.4% (revised from -2.2%) seen in March.
- China's Services Purchasing Managers' Index (PMI) inched higher to 51.1 in May from 50.7 in April.
- The Australian Bureau of Statistics (ABS) showed that Gross Domestic Product (GDP) grew by 0.2% quarter-over-quarter in Q1.

Australian Dollar Performance

Last Week Close	#N/A	USD/AUD	Monthly High	Retrieving USD/AUD
Week Open	#N/A	USD/AUD	Monthly Low	Retrieving USD/AUD
Week Close	#N/A	USD/AUD	30 Days Average	0.63025 USD/AUD
Weekly High	0.0000	USD/AUD	90 Days Average	0.62916 USD/AUD
Weekly Low	0.0000	USD/AUD	YTD Change	#VALUE!

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
Consumer Sentiment	Jun	10-Jun		2.2%
NAB Business Conditions	May	10-Jun		2
NAB Business Confidence	May	10-Jun		-1
LSEG IPSOS PCSI	Jun	13-Jun		48.13

Lower Bound	0.6400	Upper Bound	0.6600
Forecast	Appreciation		


Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- The nominal GDP recovery remains intact, but uncertainty stemming from both US tariffs and domestic political events will likely have a large impact on Japan's near-term outlook.
- Weaker-than-expected overall wage income data could undermine Japanese economic growth and inflation, giving the BOJ less headroom to raise interest rates further.
- On the trade front, Japanese talks with the U.S. remained ongoing, although media reports said discord between U.S. officials was presenting difficulties.

Japanese Yen News

- The Japanese Yen consolidated around 143.0 amid the growing acceptance that the BoJ will continue raising interest rates.
- Government data showed that nominal wages increased 2.3% from a year earlier in April, or the fastest pace in four months and up for the 40th consecutive month. However, real wages slumped 1.8% as rising prices continued to outpace pay hikes.
- Consumer inflation rate eased slightly to the 4.1% YoY from 4.2% in March, though it stayed above 4% for the fifth month in a row.

Japanese Yen Performance

Last Week Close	#N/A	JPY/USD	Monthly High	Retrieving JPY/USD
Week Open	#N/A	JPY/USD	Monthly Low	Retrieving JPY/USD
Week Close	#N/A	JPY/USD	30 Days Average	155.97 JPY/USD
Weekly High	0.00	JPY/USD	90 Days Average	153.71 JPY/USD
Weekly Low	0.00	JPY/USD	YTD Change	#VALUE!

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Apr	9-Jun	2,563.9B	3,678.1B
Current Account Bal SA	Apr	9-Jun		2,723,100M
Trade Bal Cust Basis SA	Apr	9-Jun		-220,223.00M
GDP Rev QQ Annualised	Q1	9-Jun	-0.7%	-0.7%
GDP Revised QQ	Q1	9-Jun	-0.2%	-0.2%
GDP Cap Ex Rev QQ	Q1	9-Jun	1.3%	1.4%
M2 Money Supply	May	10-Jun		1,256,302,300M

Lower Bound	143.00	Upper Bound	146.00
Forecast	Depreciation		

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