Bangkok Bank
ธนาคารกรุงเทพ

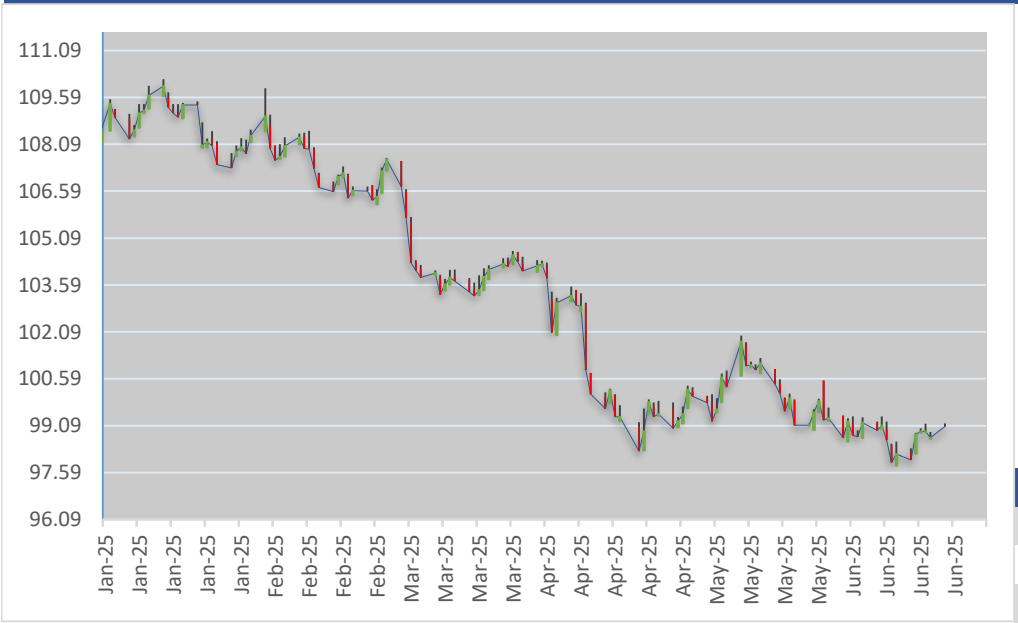
TREASURY MARKETING UNIT
TMU01 0-2021-1111
TMU02 0-2021-1222
TMU03 0-2021-1333

WEEKLY FOREIGN EXCHANGE OUTLOOK

23 Jun 2025 - 27 Jun 2025

Dollar Index

Dollar Index Graph



Source: Refinitiv

Dollar Outlook

• The US Dollar edges higher amid the rising tensions in the Middle East after the United States (US) carried out airstrikes on three nuclear sites in Iran over the weekend.
• Focus this week is also on a key economic datas, with preliminary PMI data for June due on Monday.
• Several Fed officials are also set to speak in the coming days, most notably Chair Powell in a two-day testimony before Congress, starting from Tuesday.

Lower Bound	**98.00**	**Upper Bound**	**100.00**
Forecast	**Appreciation**		

Dollar News

• The US Dollar Index advanced against major currencies as markets grabbed safe-haven assets as geopolitical tensions in the Middle East following an Israel attack on Iran.
• President Trump indicated the possibility of renewed talks with Iran in the 'near future' and stated he would decide within two weeks whether to support Israel's military actions.
• The Fed kept rates at the 4.25%–4.50% range, reaffirming that the economy is expanding solidly, with strong labor market conditions. Fed members continue see the benchmark rate falling to 3.9% this year, maintaining forecast for two rate cuts. For 2026, the Fed now expects fewer rate cuts, forecast rates to fall to 3.6% in 2026, up from a prior forecast of 3.4% in March. For 2027, the committee revised its policy rate outlook higher, seeing rates falling to 3.4%, up from 3.1% previously.
• The less dovish path for rate cuts comes as Fed members are signaling worries about slowing growth and faster inflation, or stagflation, at a time when many expect the impact of President Donald Trump's policy including tariffs as well as the clampdown in immigration in the second half of the year.
• The US published May Retail Sales, which fell by 0.9%, worse than the previous 0.1% decline.

Dollar Index Performance

Last Week Close	**98.18**	**Monthly High**	**101.76**
Week Open	**98.26**	**Monthly Low**	**97.60**
Week Close	**98.71**	**30 Days Average**	**99.34**
Weekly High	**99.22**	**90 Days Average**	**101.70**
Weekly Low	**97.69**	**YTD Change**	**-8.68%**

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Flash	Jun	23-Jun		52.0
S&P Global Svcs PMI Flash	Jun	23-Jun		53.7
S&P Global Comp PMI Flash	Jun	23-Jun		53.0
Existing Home Sales	May	23-Jun	3.95M	4.00M
Consumer Confidence	Jun	24-Jun	99.0	98.0
Durable Goods	May	26-Jun	4.5%	-6.3%
GDP Final	Q1	26-Jun	-0.2%	-0.2%
Core PCE Price Index YY	May	27-Jun		2.5%
PCE Price Index YY	May	27-Jun		2.1%
U Mich Sentiment Final	Jun	27-Jun		60.5

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WEEKLY FOREIGN EXCHANGE OUTLOOK

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Thai Baht

Thai Baht Graph

Source: Refinitiv

Thai Baht News

• The Thai baht weakened against the U.S. dollar, pressured by Middle East tensions, rising oil prices, and continued outflows from Thai bonds and equities.
• Meanwhile, Thailand's commerce minister said tariff talks with the U.S. are progressing, with potential for rates as low as 10%, though no date has been set for ministerial-level discussions.
• Domestic political uncertainty continues to be a notable factor. Recent news indicates that the Thai government coalition now holds a slimmer majority, following a party's exit. This political landscape can create volatility and impact investor confidence, potentially putting downward pressure on the Baht.

Thai Baht Performance

Last Week Close	32.36	THB/USD	Monthly High	33.05	THB/USD
Week Open	32.40	THB/USD	Monthly Low	32.32	THB/USD
Week Close	32.79	THB/USD	30 Days Average	32.75	THB/USD
Weekly High	32.94	THB/USD	90 Days Average	33.35	THB/USD
Weekly Low	32.37	THB/USD	YTD Change	-3.34%	

Thai Baht Outlook

• For this week, market participants will be closely watching the BOT's MPC meeting (25/6) and any developments in the domestic political landscape, as these are expected to be the primary drivers of the Baht's direction.
• Reuters poll predicted the BOT would leave its benchmark one-day repurchase rate unchanged at 1.75% on June 25.
• While trade talks with the U.S. are underway, a 36% tariff on Thai goods announced in April, but put on hold for 90 days, is looming if no deal is reached before July 9.

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
1-Day Repo Rate	25 Jun	25-Jun		1.75%

Lower Bound	32.50	Upper Bound	33.50
Forecast	Depreciation		

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WEEKLY FOREIGN EXCHANGE OUTLOOK

23 Jun 2025 - 27 Jun 2025

Euro

Euro Graph

Source: Refinitiv

Euro News

- The euro traded lower against the dollar amid the rising tensions in the Middle East.
- European Central Bank (ECB) Governing Council Member Joachim Nagel emphasized the importance of maintaining flexibility, stating that it is "not sensible" to signal either a pause or further rate cuts at this stage, as the ECB must remain responsive to risks affecting price stability.
- Germany published the ZEW Survey on Economic Sentiment, which improved in the country to 47.5 in June from the 25.2 posted in May.
- The final annual inflation rate for the Euro Area in May 2025 was 1.9%, a decrease from 2.2% in April. This confirmed inflation falling below the ECB's 2% target.
- Some ECB speakers stated that the weakness of the EU economy is a cause for greater concern within the ECB, and over time it does not appear compatible with the 2% inflation target.

Euro Outlook

- The Euro's outlook for this week is likely to be characterized by sensitivity to economic data, particularly the PMIs on Monday and the tone of ECB officials' speeches. Global geopolitical developments and the performance of the US Dollar will also play a significant role in determining the Euro's direction.
- Any comments on monetary policy, inflation, or the economic outlook from ECB President Lagarde Speech on Monday will be closely watched.

Lower Bound	**1.1400**	**Upper Bound**	**1.1550**
Forecast	**Depreciation**		

Euro Index Performance

Last Week Close	**1.1552** USD/EUR	**Monthly High**	**1.1631** USD/EUR
Week Open	**1.1535** USD/EUR	**Monthly Low**	**1.1345** USD/EUR
Week Close	**1.1522** USD/EUR	**30 Days Average**	**1.1391** USD/EUR
Weekly High	**1.1614** USD/EUR	**90 Days Average**	**1.1106** USD/EUR
Weekly Low	**1.1445** USD/EUR	**YTD Change**	**+10.96%**

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
HCOB Composite Flash PMI	Jun	23-Jun		49.3
HCOB Composite Flash PMI	Jun	23-Jun		48.5
HCOB Mfg Flash PMI	Jun	23-Jun	49.7	49.4
HCOB Services Flash PMI	Jun	23-Jun	50.0	49.7
HCOB Composite Flash PMI	Jun	23-Jun	50.5	50.2
Ifo Business Climate New	Jun	24-Jun	88.0	87.5
CPI (EU Norm) Prelim YY	Jun	27-Jun		0.6%
CPI Prelim YY NSA	Jun	27-Jun		0.7%
Producer Prices YY	May	27-Jun		-0.8%
Consumer Confid. Final	Jun	27-Jun		

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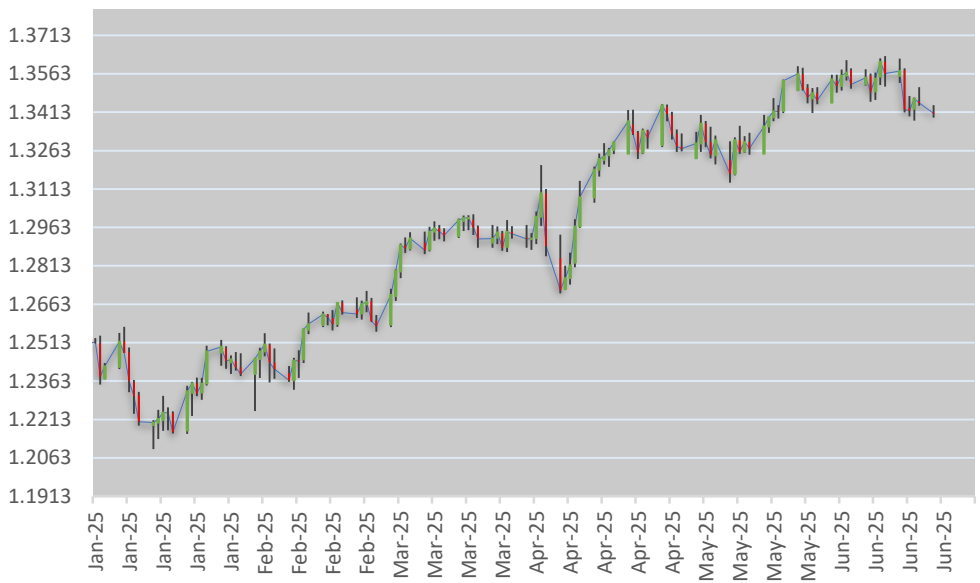
Pound Sterling

Pound Sterling Graph



Source: Refinitiv

Pound Sterling News

• Sterling traded lower against the dollar as geopolitical tension continue to support the dollar.
• CPI data released earlier in the week showed UK inflation slowed to 3.4% in May, slightly below the prior reading of 3.5% but still higher than the 3.3% expected.
• The Bank of England (BoE) kept interest rates unchanged at 4.25%, with a 6-3 vote split among policymakers. The BoE reiterated its stance that a 'gradual and cautious approach to further monetary policy tightening remains appropriate,' and highlighted continued signs of labor market softening. Market reaction to the BoE's decision has been muted, reflecting a consistent message and a balanced economic outlook. Consequently, investors continue to anticipate two additional rate cuts this year, in line with the BoE's unchanged forward guidance. The terminal rate is still projected to bottom out around 3.5%.
• The UK's Office for National Statistics reported on Friday that Retail Sales declined by 2.7% on a monthly basis in May, compared to the market expectation of -0.5%.

Pound Sterling Performance

Last Week Close	**1.3564**	USD/GBP	**Monthly High**	**1.3632**	USD/GBP
Week Open	**1.3554**	USD/GBP	**Monthly Low**	**1.3384**	USD/GBP
Week Close	**1.3449**	USD/GBP	**30 Days Average**	**1.3462**	USD/GBP
Weekly High	**1.3622**	USD/GBP	**90 Days Average**	**1.3156**	USD/GBP
Weekly Low	**1.3380**	USD/GBP	**YTD Change**	**+7.17%**	

Pound Sterling Outlook

• For this week, market participants will be closely watching The PMI data on Monday and the series of BoE speeches throughout the week will be the main drivers for the GBP, providing further clues on the likelihood and timing of the first interest rate cut.

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
Flash Composite PMI	Jun	23-Jun		50.3
Flash Manufacturing PMI	Jun	23-Jun		46.4
Flash Services PMI	Jun	23-Jun		50.9
Nationwide house price mm	Jun	23-Jun		0.5%
Nationwide house price yy	Jun	23-Jun		3.5%

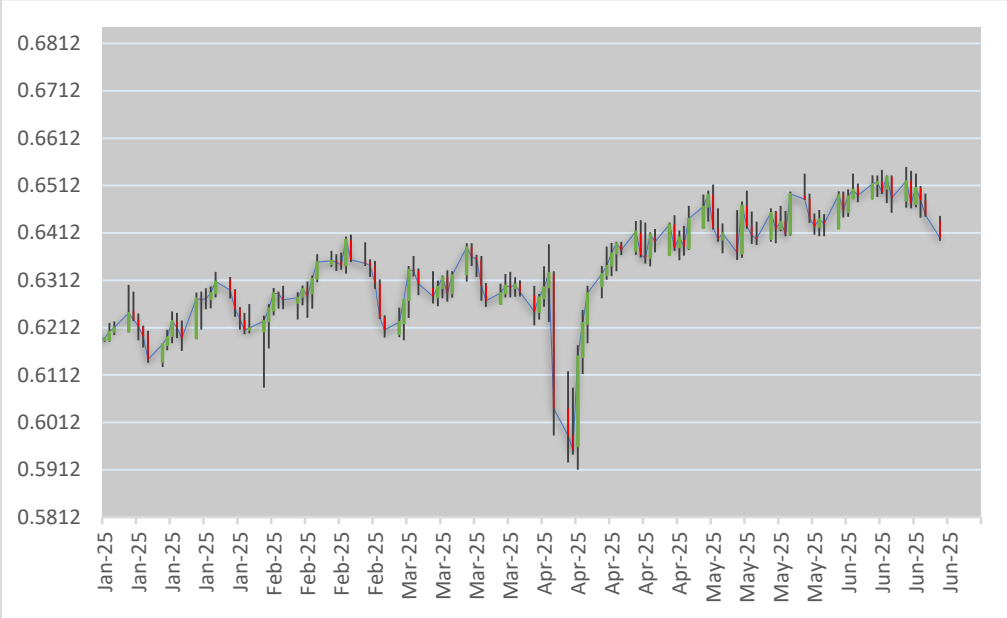
Lower Bound	**1.3300**	**Upper Bound**	**1.3500**
Forecast	**Depreciation**		

WEEKLY FOREIGN EXCHANGE OUTLOOK

23 Jun 2025 - 27 Jun 2025

Australian Dollar

Australian Dollar Graph



Source: Refinitiv

Australian Dollar News

• The Australian dollar remains under pressure against the US Dollar as global risk sentiment continues to deteriorate, supporting safe-haven demand for the US Dollar.

• Australian Treasurer Jim Chalmers, speaking on Tuesday, flagged persistent structural challenges in productivity, resilience and fiscal sustainability. He called for long-term reforms, including tax policy, to strengthen the country's economic foundation. His remarks come as markets increasingly price in a potential RBA rate cut in July, particularly amid recent soft data.

• Australia May's unemployment figures failed to provide any substantial support to the Aussie. The jobless rate remained unchanged at 4.1%, but net employment fell by 2,500, suggesting that the labor market is losing steam, reinforcing the dovish shift in RBA expectations.

Australian Dollar Performance

Last Week Close	**0.6486**	USD/AUD	**Monthly High**	**0.65510**	USD/AUD
Week Open	**0.6480**	USD/AUD	**Monthly Low**	**0.63990**	USD/AUD
Week Close	**0.6450**	USD/AUD	**30 Days Average**	**0.62923**	USD/AUD
Weekly High	**0.6551**	USD/AUD	**90 Days Average**	**0.62749**	USD/AUD
Weekly Low	**0.6444**	USD/AUD	**YTD Change**	**+3.46%**	

Australian Dollar Outlook

• The AUD is likely to remain vulnerable to downside pressure this week. The market is still largely pricing in a July RBA rate cut, and any Australian economic data that reinforces this dovish bias will likely weigh on the currency. Global risk aversion, if it persists or intensifies, will further support safe-haven flows into the USD, keeping the AUD under pressure.

• Traders will be closely monitoring the preliminary PMI data and the monthly CPI indicator for significant shifts in sentiment regarding the RBA's next move.

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Flash	Jun	23-Jun		51.0
S&P Global Svs PMI Flash	Jun	23-Jun		50.6
S&P Global Comp PMI Flash	Jun	23-Jun		50.5
CPI SA MM	May	25-Jun		0.20%
CPI SA YY	May	25-Jun		2.30%

Lower Bound	**0.6300**	**Upper Bound**	**0.6450**
Forecast	**Depreciation**		

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WEEKLY FOREIGN EXCHANGE OUTLOOK 23 Jun 2025 - 27 Jun 2025

Japanesese Yen

Japanese Yen Graph

Source: Refinitiv

Japanese Yen News

- The Japanese yen weakened against the dollar as geopolitical tension continue to support the dollar.
- The Bank of Japan kept interest rates unchanged at 0.5% and decided to slow the pace of reduction in its bond purchases from next fiscal year, signaling its preference to move cautiously in normalizing monetary policy. Under the plan for fiscal 2026, the BOJ will reduce monthly bond buying by 200 billion yen each quarter so that the size of purchases will fall to around 2 trillion yen by March 2027.
- The data from Japan showed that the National Consumer Price Index rose by 3.5% on a yearly basis in May, following the 3.6% increase recorded in April.
- Japan's top trade negotiator Ryosei Akazawa said that Japan will not fixate on the looming date for so-called reciprocal tariffs to go back to higher levels. "We're looking for the possibility of a deal in ministerial-level negotiations but the outlook remains in a fog,"

Last Week Close	**144.09** JPY/USD	**Monthly High**	**147.01** JPY/USD
Week Open	**143.88** JPY/USD	**Monthly Low**	**142.39** JPY/USD
Week Close	**146.07** JPY/USD	**30 Days Average**	**151.76** JPY/USD
Weekly High	**146.21** JPY/USD	**90 Days Average**	**153.70** JPY/USD
Weekly Low	**143.63** JPY/USD	**YTD Change**	**-6.31%**

Japanese Yen Outlook

- For this week, market participants will be closely watching The PMIs data on Monday (23/6), inflation rate and unemployment rate on Friday (27/6).
- Global risk aversion will further support safe-haven flows into the JPY.

Lower Bound	**145.00**	**Upper Bound**	**148.00**
Forecast	**Neutral**		

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Flash SA	Jun	23-Jun		49.4
JibunBK Comp Op Flash SA	Jun	23-Jun		50.2
JibunBK SVC PMI Flash SA	Jun	23-Jun		51.0
Service PPI	May	25-Jun		3.10%
CPI Tokyo Ex fresh food YY	Jun	27-Jun	3.3%	3.6%
CPI, Overall Tokyo	Jun	27-Jun		3.4%
Jobs/Applicants Ratio	May	27-Jun	1.26	1.26
Unemployment Rate	May	27-Jun	2.5%	2.5%
Large Scale Retail Sales YY	May	27-Jun		3%

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