

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**03 Mar 2025 - 07 Mar 2025**

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


Source: Refinitiv

**Dollar Outlook**

- The cautious mood amid the tariff uncertainty from US President Donald Trump could lift the dollar outlook.
- This week, The market will focus on manufacturing and service PMI data, initial jobless claims, nonfarm payroll, unemployment rate and average on February.

<b>Lower Bound</b>	<b>106.00</b>	<b>Upper Bound</b>	<b>108.00</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Dollar News**

- At the beginning of the week, the Dollar Index declined against other currencies as economic data showed a sharp drop in consumer confidence, the latest in a string of data points that have prompted concerns about the strength of the U.S. economy and persistent inflation.
- However, the U.S. dollar rose on Wednesday to move further from recent 11-week lows, as investors assess the strength of the economy and tariffs outlook after the most recent comments from U.S. President Donald Trump.
- The dollar index remains firm above 107.00 on Friday (28/2) after January's Personal Consumption Expenditures (PCE) inflation data came in line with forecasts, easing concerns over unexpected inflation spikes.
- Moreover, President Donald Trump reaffirms that tariffs on Canada, Mexico, and China will be implemented on March 4. Meanwhile, risk sentiment improves with US equity markets erasing earlier losses and moving higher.

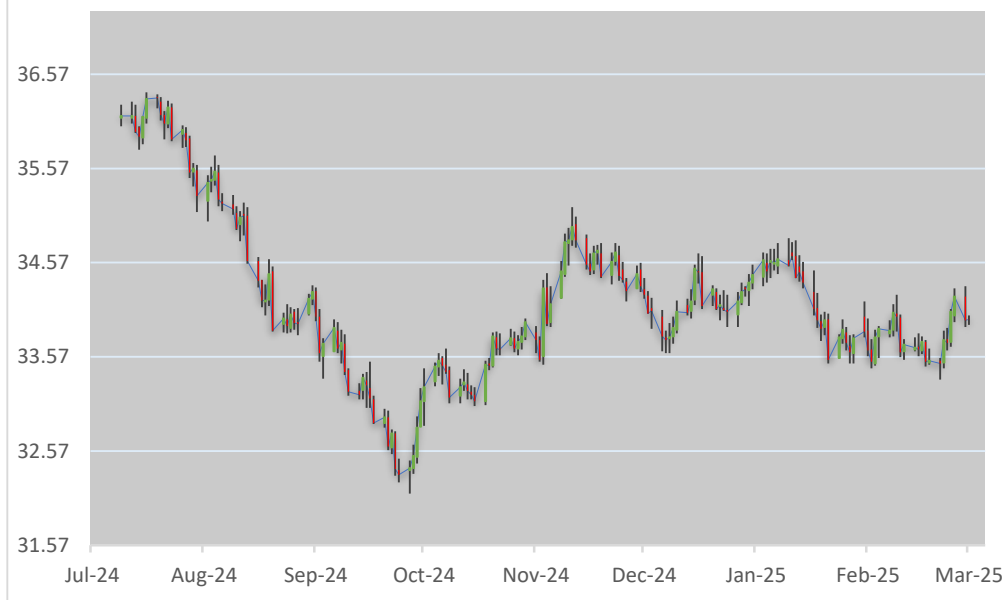
**Dollar Index Performance**

<b>Last Week Close</b>	<b>106.61</b>	<b>Monthly High</b>	<b>109.88</b>
<b>Week Open</b>	<b>106.64</b>	<b>Monthly Low</b>	<b>106.13</b>
<b>Week Close</b>	<b>107.61</b>	<b>30 Days Average</b>	<b>107.54</b>
<b>Weekly High</b>	<b>107.66</b>	<b>90 Days Average</b>	<b>107.08</b>
<b>Weekly Low</b>	<b>106.13</b>	<b>YTD Change</b>	<b>-1.89%</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 Mfg PMI Final	Feb	3-Mar		51.6
ISM Manufacturing PMI	Feb	3-Mar	50.8	50.9
S&P Global Comp PMI Final	Feb	5-Mar		50.4
S&P Global Svcs PMI Final	Feb	5-Mar		49.7
Factory Orders MM	Jan	5-Mar		-0.9%
ISM N-Mfg PMI	Feb	5-Mar	53.0	52.8
Initial Jobless Clm	24 Feb, w/€	6-Mar		242k
Non-Farm Payrolls	Feb	7-Mar	133k	143k
Unemployment Rate	Feb	7-Mar	4.0%	4.0%
Average Earnings YY	Feb	7-Mar		4.1%

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


Source: Refinitiv

**Thai Baht Outlook**

- Investors are closely monitoring several key factors this week, including Thailand's February CPI and consumer confidence, the movement of foreign capital, and the fluctuations of the US dollar and gold prices.
- Since the USD/THB had already broken the high of 34.25 THB/USD on Friday. We strongly believe that the baht would depreciate further to next resistance level at 34.30 and 34.50 THB/USD.

**Thai Baht News**

- The Thai baht weakened against the dollar after The Bank of Thailand (BOT) cuts key rate amid slow growth and trade policy risks.
- The Bank of Thailand's monetary policy committee voted 6-1 to reduce the one-day repurchase rate by 25 basis points to 2.00% at its first meeting, opens new tab of 2025. That followed a rate hold in December and a surprise quarter-point cut in October.
- The move follows repeated government calls for further easing to support the economy and weaken the baht to boost exports, a key growth engine.
- The central bank said the rate cut was based on the economic outlook and took into account slower gross domestic product growth and trade policy uncertainty among major economies.
- At the end of the week, the baht depreciated to the level above 34.20 as the greenback was also supported from uncertainty of Trump's tariff.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>33.52</b> THB/USD	<b>Monthly High</b>	<b>34.32</b> THB/USD
<b>Week Open</b>	<b>33.53</b> THB/USD	<b>Monthly Low</b>	<b>33.92</b> THB/USD
<b>Week Close</b>	<b>34.21</b> THB/USD	<b>30 Days Average</b>	<b>33.78</b> THB/USD
<b>Weekly High</b>	<b>34.30</b> THB/USD	<b>90 Days Average</b>	<b>34.13</b> THB/USD
<b>Weekly Low</b>	<b>33.33</b> THB/USD	<b>YTD Change</b>	<b>-0.73%</b>

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

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Feb	3-Mar		49.6
CPI Headline Inflation	Feb	5-Mar	1.13%	1.32%
CPI Core Inflation YY	Feb	5-Mar	0.89%	0.83%
CPI Index	Feb	5-Mar		100.57
Consumer Confidence Idx	Feb	7-Mar		59.0

<b>Lower Bound</b>	<b>33.80</b>	<b>Upper Bound</b>	<b>34.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

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**Euro Graph**


Source: Refinitiv

**Euro Outlook**

- We believed that the euro will depreciate this week as the European Central Bank (ECB) is expected to continue easing the monetary policy further in its upcoming meeting on Thursday (6/3). According to a Reuters poll, the ECB is certain to cut its Deposit Facility rate by 25 basis points (bps) to 2.5%. This would be the fifth interest rate cut by the central bank in a row. Dovish votes on the poll were based on fears that President Donald Trump's tariff agenda will damage the Eurozone economic growth.
- However, the euro may get support as European leaders, including Zelenskyy, agreed to prepare a Ukraine peace plan at a high-stakes summit in London over the weekend
- Meanwhile, the market will eyes on HICP inflation, PMI data and GDP Q4.

<b>Lower Bound</b>	<b>1.0350</b>	<b>Upper Bound</b>	<b>1.0600</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Euro News**

- The euro appreciated on Monday (24/3) due to the German election results, where the conservatives Christian Democratic Union (CDU) and its allied Christian Social Union (CSU) secured the largest share of votes, followed by the Alternative for Germany party (AfD) and Scholz's Social Democratic Party.
- However, the euro slid back to the zone of 1.0400 as the economic data were all downbeat. The German GDP was released at -0.2% in Q4 2024 and -0.2% for the whole year. Moreover, the German consumer confidence dipped to -24.7 in March, down from -22.6 in February.
- The euro was pressured after the peace talk between USA, Ukraine and Russia seemed to be worsen. Moreover, Potential U.S. tariffs on European Union goods loom large.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.0458 USD/EUR</b>	<b>Monthly High</b>	<b>1.0503 USD/EUR</b>
<b>Week Open</b>	<b>1.0491 USD/EUR</b>	<b>Monthly Low</b>	<b>1.0383 USD/EUR</b>
<b>Week Close</b>	<b>1.0375 USD/EUR</b>	<b>30 Days Average</b>	<b>1.0432 USD/EUR</b>
<b>Weekly High</b>	<b>1.0528 USD/EUR</b>	<b>90 Days Average</b>	<b>1.0473 USD/EUR</b>
<b>Weekly Low</b>	<b>1.0359 USD/EUR</b>	<b>YTD Change</b>	<b>+1.34%</b>

**Next Week's Euro Economic Events**

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
HCOB Mfg Final PMI	Feb	3-Mar	47.3	47.3
HICP Flash YY	Feb	3-Mar	2.3%	2.5%
Unemployment Rate	Jan	4-Mar	6.3%	6.3%
HCOB Services Final PMI	Feb	5-Mar	50.7	50.7
HCOB - Composite Final PMI	Feb	5-Mar	50.2	50.2
ECB Refinancing Rate	Mar	6-Mar	2.65%	2.90%
ECB Deposit Rate	Mar	6-Mar	2.50%	2.75%
GDP Revised QQ	Q4	7-Mar	0.1%	0.1%
GDP Revised YY	Q4	7-Mar	0.9%	0.9%

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


Source: Refinitiv

**Pound Sterling Outlook**

- The pound was seen to be one of the strongest currencies compared to other majors as the affect of Trump's tariff has been minimal.
- Meanwhile, the pound's rally could be limited due to the looming UK's Spring Budget. Chancellor Rachel Reeves may cut government spending to reduce taxes. This move could signal a weaker economy and weigh on the pound. Given the inflationary pressure, the Bank of England is expected to cut twice in 2025. However, the pace could be gradual.
- Moreover, some key speeches from BoE members are due this week, including Huw Pill, Chief Economist, to speak on Tuesday, followed by Swati Dhingra and Dave Ramsden on Wednesday and Friday, respectively. market are cautious as these policymakers could signal a dovish move by the bank.

**Pound Sterling News**

- The Pound Sterling remained stable at the first half of the week as the data released by S&P Global showed that the UK Services PMI unexpectedly rose to 51.1 in February from 50.9 in the previous month, largely overshadowing a decline in the UK Manufacturing PMI, which fell to a 14-month low of 46.4 in February.
- Moreover, the cable was supported after upbeat UK Retail Sales, hotter-than-expected January's CPI, and strong wage growth momentum in three months ending December have forced traders to trim BoE dovish bets.
- The pair's early advance was sponsored by the expectations of divergent interest rate cut outlooks between the US Federal Reserve (Fed) and the Bank of England (BoE). Despite hot UK inflation data and gloomy economic prospects, the BoE is predicted to implement fewer rate cuts this year.
- Despite the resilience shown in the first half of the week, the Pound Sterling succumbed to the unabated haven demand for the Greenback in the latter part.

**Pound Sterling Performance**

<b>Last Week Close</b>	<b>1.2630</b> USD/GBP	<b>Monthly High</b>	<b>1.2723</b> USD/GBP
<b>Week Open</b>	<b>1.2645</b> USD/GBP	<b>Monthly Low</b>	<b>1.2581</b> USD/GBP
<b>Week Close</b>	<b>1.2577</b> USD/GBP	<b>30 Days Average</b>	<b>1.2513</b> USD/GBP
<b>Weekly High</b>	<b>1.2715</b> USD/GBP	<b>90 Days Average</b>	<b>1.2577</b> USD/GBP
<b>Weekly Low</b>	<b>1.2556</b> USD/GBP	<b>YTD Change</b>	<b>+1.52%</b>

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

Events	Period	Date	Forecast	Previous
S&P GLOBAL MANUFACTURING PMI	Feb	3-Mar		46.4
S&P GLOBAL SERVICE PMI	Feb	5-Mar	51.1	51.1
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Feb	5-Mar		50.5
Reserve Assets Total	Feb	5-Mar		186,434.55M
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Feb	6-Mar		50.3
Halifax House Prices MM	Feb	7-Mar		0.7%
Halifax House Prices YY	Feb	7-Mar		3.00%

<b>Lower Bound</b>	<b>1.2600</b>	<b>Upper Bound</b>	<b>1.2800</b>
<b>Forecast</b>	<b>Neutral</b>		

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


Source: Refinitiv

**Australian Dollar Outlook**

- We expect that the Australian dollar remains under pressure after a downbeat inflation report from Australia. Meanwhile, the dollar remained range-bound after Trump's mixed tariff policy messages.
- Moreover, the market will eyes on PMI data, retail sail and GDP Q4.

<b>Lower Bound</b>	<b>0.6100</b>	<b>Upper Bound</b>	<b>0.6300</b>
<b>Forecast</b>	<b>Neutral</b>		

**Australian Dollar News**

- The Australian dollar posts a fresh three-week low near 0.6200 in Friday's (28/2) after extending its losing streak for the sixth straight day.
- The Aussie was already under downward pressure throughout the week but faced an extra blow following United States (US) President Donald Trump's proposal of additional 10% tariffs on China on Thursday (25/2).
- President Trump's new 10% tariff threat on Chinese goods compounds existing duties, fueling fears of further retaliation. Tariffs for Mexico and Canadian goods are set to take place as soon as next week.
- Data from the previous session revealed that inflation in Australia fell by 0.2% in January compared to an increase of 0.8% in the previous month. Meanwhile, the annual figure came in at 2.5%, missing estimates of 2.6%. The downbeat data supported expectations for more Reserve Bank of Australia rate cuts this year.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6355 USD/AUD</b>	<b>Monthly High</b>	<b>0.62540 USD/AUD</b>
<b>Week Open</b>	<b>0.6353 USD/AUD</b>	<b>Monthly Low</b>	<b>0.62040 USD/AUD</b>
<b>Week Close</b>	<b>0.6207 USD/AUD</b>	<b>30 Days Average</b>	<b>0.63093 USD/AUD</b>
<b>Weekly High</b>	<b>0.6392 USD/AUD</b>	<b>90 Days Average</b>	<b>0.65477 USD/AUD</b>
<b>Weekly Low</b>	<b>0.6191 USD/AUD</b>	<b>YTD Change</b>	<b>+0.39%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
S&P Global Mfg PMI Final	Feb	3-Mar		50.6
Current Account Balance SA	Q4	4-Mar	-11.0B	-14.1B
Net Exports Contribution	Q4	4-Mar	-0.1%	0.1%
Retail Sales MM Final	Jan	4-Mar	0.3%	-0.1%
S&P Global Svs PMI Final	Feb	5-Mar		51.4
S&P Global Comp PMI Final	Feb	5-Mar		51.2
Real GDP QQ SA	Q4	5-Mar	0.4%	0.3%
Real GDP YY SA	Q4	5-Mar	1.2%	0.8%
Building Approvals	Jan	6-Mar	0.5%	0.7%


**Japanese Yen Graph**


Source: Refinitiv

**Japanese Yen Outlook**

- We expect that the yen outlook shows a retreating after data revealed softer-than-expected inflation in Japan. Meanwhile, the dollar was on the front foot after Trump confirmed the implementation of tariffs on Canada and Mexico.
- Technically, we still believed that the road of yen appreciation still exists. The drop below the strong support of 148.6 is likely to be happened soon.
- Meanwhile, market will eyes on PMI data and unemployment rate.

**Japanese Yen News**

- The yen appreciated against the dollar as weak U.S. data fuels rate cut bets. Moreover, BoJ Governor Kazuo Ueda signaled his willingness to continue rising rates if wage growth accelerates and supports consumer spending.
- However, at the middle of last week, the yen retreated after bottoming near 148.60 on Tuesday (25/2).
- Data on Friday (28/2) showed cooler inflation in Japan in January. Core consumer prices in Tokyo increased by 2.2%, missing forecasts of 2.3%. At the same time, this dropped from the previous month when it increased by 2.5%. As a result, the yen paused its recent Trump-driven rally. Nevertheless, inflation remains above the Bank of Japan's target. Therefore, it will motivate policymakers to implement more rate hikes.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>149.29 JPY/USD</b>	<b>Monthly High</b>	<b>151.31 JPY/USD</b>
<b>Week Open</b>	<b>149.38 JPY/USD</b>	<b>Monthly Low</b>	<b>148.61 JPY/USD</b>
<b>Week Close</b>	<b>150.60 JPY/USD</b>	<b>30 Days Average</b>	<b>151.85 JPY/USD</b>
<b>Weekly High</b>	<b>150.98 JPY/USD</b>	<b>90 Days Average</b>	<b>148.61 JPY/USD</b>
<b>Weekly Low</b>	<b>148.56 JPY/USD</b>	<b>YTD Change</b>	<b>-5.18%</b>

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

Events	Period	Date	Forecast	Previous
JibunBK Mfg PMI Final SA	Feb	3-Mar		48.9
Jobs/Applicants Ratio	Jan	4-Mar	1.25	1.25
Unemployment Rate	Jan	4-Mar	2.4%	2.4%
JibunBK Comp Op Final SA	Feb	5-Mar		51.6
JibunBK SVC PMI Final SA	Feb	5-Mar		53.1

<b>Lower Bound</b>	<b>147.50</b>	<b>Upper Bound</b>	<b>149.50</b>
<b>Forecast</b>	<b>Appreciation</b>		



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