

WEEKLY FOREIGN EXCHANGE OUTLOOK
31 Mar 2025 - 04 Apr 2025

Dollar Index
Dollar Index Graph


Source: Refinitiv

Dollar Outlook

- Events in the U.S. will dominate markets, as Trump is expected to announce broad-based tariffs on April 2nd, while auto tariffs commence April 3rd.
- The volatile U.S. non-farm payrolls headlines the week's data; the forecast is for a 128,000 increase and a 4.2% unemployment rate. S&P PMIs, ISM manufacturing PMI and prices, JOLTS Job Openings, construction spending, ADP non-farm employment gauge, factory orders, trade balance, weekly jobs, and ISM Services PMI round up the data.
- Fed Chair Jerome Powell speaks on the economic outlook on Friday. Other Fed speakers include Thomas Barkin, Adriana Kugler, Philip Jefferson, Lisa Cook, Michael Barr and Christopher Waller.

Lower Bound	103.00	Upper Bound	104.50
Forecast	Neutral		

Dollar News

- The US Dollar Index weakened on growth concerns ahead of a planned announcement this week by U.S. President Donald Trump on reciprocal tariffs. U.S. President Donald Trump's administration is likely to exclude a set of sector-specific tariffs while applying reciprocal levies on April 2
- S&P Global Composite PMI increased to 53.5 this month from 51.6 in February, showing improved economic momentum in March, led by robust service sector growth.
- Atlanta Fed President Raphael Bostic emphasized ongoing uncertainty, stating that inflation progress may be slower than previously projected.
- The Conference Board said its consumer confidence index plunged 7.2 points to 92.9 this month, the lowest level since January 2021. Economists polled had forecast the index sliding to 94.0.
- St. Louis Fed President Alberto Musalem said risks have increased that U.S. inflation will stall above the Fed's 2% target or even rise further in the near term, with rising import taxes potentially triggering more persistent price pressures.
- Data showed that core inflation rose 0.4% in February, more than expected, adding to fears of stagflation. On an annual basis, the core PCE climbed 2.8% in February versus 2.7% prior.

Dollar Index Performance

Last Week Close	104.09	Monthly High	107.66
Week Open	104.15	Monthly Low	103.20
Week Close	104.04	30 Days Average	104.98
Weekly High	104.68	90 Days Average	106.83
Weekly Low	103.84	YTD Change	-4.25%

Next Week's Dollar Index Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Mar	1-Apr		49.8
ISM Manufacturing PMI	Mar	1-Apr	50.3	50.3
Factory Orders MM	Feb	2-Apr		1.7%
S&P Global Comp PMI Final	Mar	3-Apr		53.5
S&P Global Svcs PMI Final	Mar	3-Apr		54.3
ISM N-Mfg PMI	Mar	3-Apr	53.0	53.5
Non-Farm Payrolls	Mar	4-Apr	128k	151k
Unemployment Rate	Mar	4-Apr	4.2%	4.1%
Average Earnings YY	Mar	4-Apr		4.0%
Initial Jobless Clm		24 Mar, w/ 3-Apr		

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Thai Baht
Thai Baht Graph


Source: Refinitiv

Thai Baht Outlook

- Following the earthquake in Thailand in the afternoon of March 28, 2025 which has caused public concern regarding potential impacts on Thailand's economy and financial system, key economic and financial organizations from both public and private sectors convened a joint press conference at the Stock Exchange of Thailand (SET) today (March 31, 2025) to provide investors and the general public with comprehensive information covering various aspects including engineering safety, manufacturing, exports, tourism, as well as financial and capital markets.
- On the data front, Thailand will release trade data on Monday and inflation data on Friday.

Thai Baht News

- The Thai baht has weakened following the strengthening of the US dollar and the signal that Trump's aims to relieve investor's tariff worried.
- Thai Prime Minister Paetongtarn Shinawatra survives no-confidence vote in parliament on Wednesday, in an early test of the unity of her ruling coalition following two days of intense grilling by the opposition.
- Thailand is aiming to reduce its trade surplus with the United States to \$20 billion by importing more U.S. products, an industry official said on Friday. Passakorn Chairat, head of industry ministry's industrial economics office, gave no timeframe for the reduction but told a briefing the government will increase imports of agricultural products such as corn, soybeans, and ethylene, which may affect domestic products. The commerce ministry has said Thailand had a trade surplus with the United States of \$35.4 billion last year, while Washington has put its deficit with Thailand at \$45.6 billion.

Thai Baht Performance

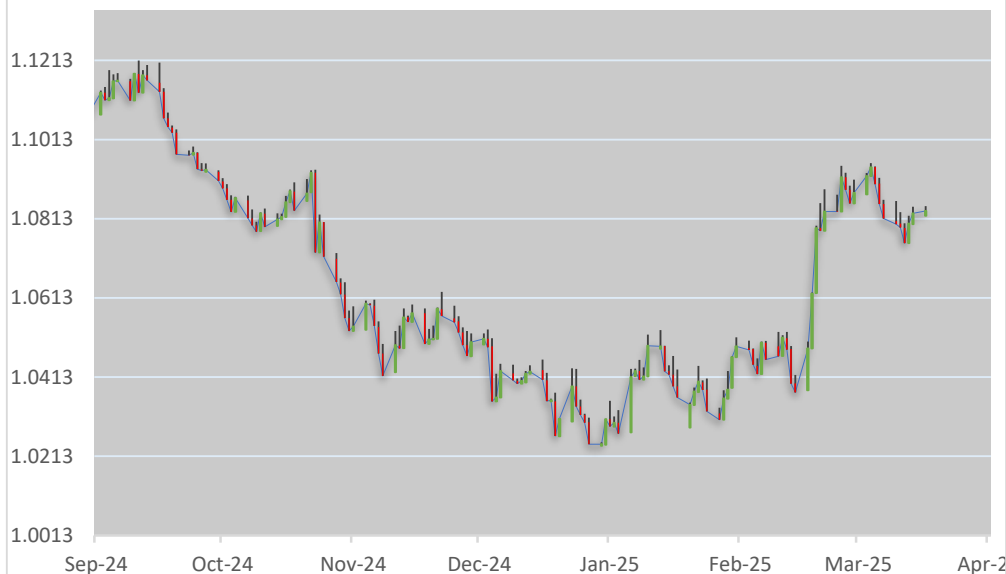
Last Week Close	33.69 THB/USD	Monthly High	34.32 THB/USD
Week Open	33.88 THB/USD	Monthly Low	33.55 THB/USD
Week Close	33.87 THB/USD	30 Days Average	33.74 THB/USD
Weekly High	34.05 THB/USD	90 Days Average	34.00 THB/USD
Weekly Low	33.68 THB/USD	YTD Change	-0.82%

Next Week's Thai Baht Economic Events

Events	Period	Date	Forecast	Previous
Exports YY	Feb	31-Mar		12.90%
Imports YY	Feb	31-Mar		7.50%
Trade Account	Feb	31-Mar		0.40B
Current Account	Feb	31-Mar		2.70B
Manufacturing PMI SA	Mar	1-Apr		50.6
CPI Headline Inflation	Mar	4-Apr		1.08%
CPI Core Inflation YY	Mar	4-Apr		0.99%
CPI Index	Mar	4-Apr		100.55

Lower Bound **33.50** **Upper Bound** **34.20**
Forecast **Depreciation**

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Euro Graph


Source: Refinitiv

Euro Outlook

- On the data front, Eurozone data comprises the CPI flash estimate for March, unemployment rate, European Central Bank consumer inflation expectations, and final PMIs. Germany publishes its retail sales, inflation rate, final PMIs, and factory orders. ECB President Christine Lagarde will speak on Tuesday and Wednesday.

Lower Bound	1.0750	Upper Bound	1.0950
Forecast	Neutral		

Euro News

- The euro rose on optimism over Germany's move to loosen fiscal constraints in order to boost military and infrastructure spending.
- Eurozone business activity grew at its fastest pace in seven months in March, supported by an easing in the long-running manufacturing downturn despite slower growth in services.
- German business morale rose in March as companies expect a recovery after two years of contraction in Europe's largest economy.
- French central bank chief Francois Villeroy de Galhau told a German newspaper that there is still room to lower ECB interest rates further, and the 2.5% deposit rate could fall to 2% by the end of the summer.
- The European Union's trade commissioner Maros Sefcovic met with Trump's top trade officials on Tuesday to try to avoid steep U.S. tariffs on EU goods next week, but the outcome was unclear.
- The euro weakened to a three-week low after U.S. President Donald Trump slapped a 25% tariff on imported cars and light trucks starting next week as the looming all-out trade war dims risk sentiment.

Euro Index Performance

Last Week Close	1.0814 USD/EUR	Monthly High	1.0954 USD/EUR
Week Open	1.0807 USD/EUR	Monthly Low	1.0383 USD/EUR
Week Close	1.0827 USD/EUR	30 Days Average	1.0713 USD/EUR
Weekly High	1.0858 USD/EUR	90 Days Average	1.0508 USD/EUR
Weekly Low	1.0731 USD/EUR	YTD Change	+4.66%

Next Week's Euro Economic Events

Events	Period	Date	Forecast	Previous
CPI Prelim YY	Mar	31-Mar		2.3%
HCOB Mfg PMI	Mar	1-Apr		48.3
HCOB Mfg Final PMI	Mar	1-Apr		48.7
HICP Flash YY	Mar	1-Apr		2.3%
Unemployment Rate	Feb	1-Apr		6.2%
HCOB Services PMI	Mar	3-Apr		50.2
HCOB Composite Final PMI	Mar	3-Apr		50.9
HCOB Services Final PMI	Mar	3-Apr		50.4
HCOB - Composite Final PMI	Mar	3-Apr		50.4
Industrial Orders MM	Feb	4-Apr		-7.0%

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Pound Sterling
Pound Sterling Graph


Source: Refinitiv

Pound Sterling Outlook

- A light data week is ahead for the UK, with Monetary Policy Committee member Megan Greene speaking on April 1st and construction PMI scheduled.

Lower Bound	1.2850	Upper Bound	1.3050
Forecast	Neutral		

Pound Sterling News

- The Pound Sterling remains firm against the dollar.
- UK finance minister Rachel Reeves said she would stick to fiscal rules despite global turmoil, raising the prospect of thousands of public sector job cuts in this week's budget update which is likely to include further savings.
- UK PMI data came in mixed early Monday, with the Manufacturing PMI component falling to a fresh 18-month low of 44.6 in March. The Services component rose more than expected, hitting a seven-month high of 53.2, but overall business activity expectations remain tepid at best amid a wobbling UK economic outlook.
- Data showed British inflation slowed to an annual rate of 2.8% in February from 3.0% in January.
- Reeves trimmed her spending plans in a budget update on Wednesday that gave some reassurance to investors.
- Britain's economy grew by 0.1% in the fourth quarter of 2024, in line with economists' expectations from a Reuters poll, the Office for National Statistics (ONS) confirmed on Friday.

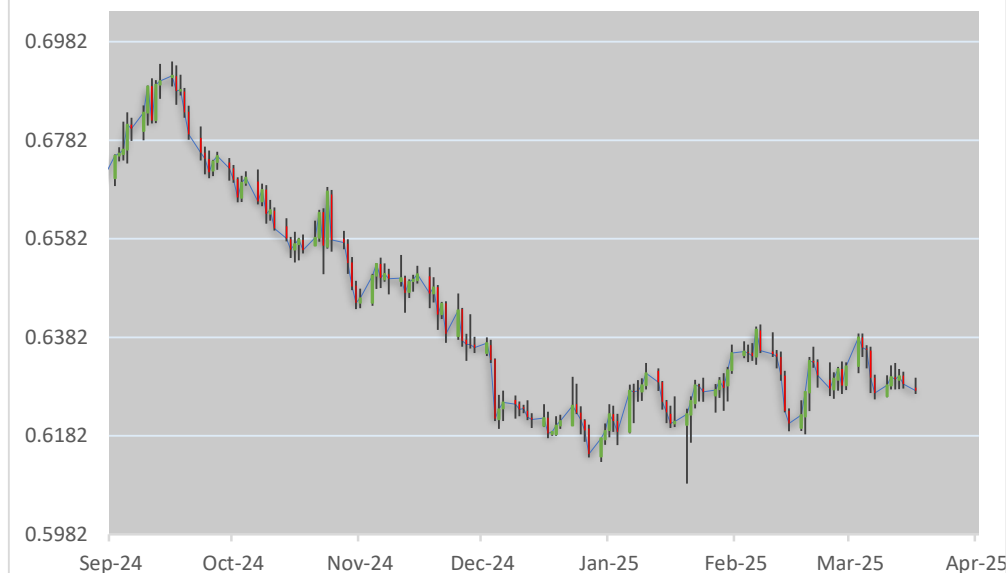
Pound Sterling Performance

Last Week Close	1.2918 USD/GBP	Monthly High	1.3014 USD/GBP
Week Open	1.2904 USD/GBP	Monthly Low	1.2581 USD/GBP
Week Close	1.2938 USD/GBP	30 Days Average	1.2825 USD/GBP
Weekly High	1.2992 USD/GBP	90 Days Average	1.2607 USD/GBP
Weekly Low	1.2867 USD/GBP	YTD Change	+3.56%

Next Week's Pound Sterling Economic Events

Events	Period	Date	Forecast	Previous
BOE Consumer Credit	Feb	31-Mar		1.740B
Nationwide house price mm	Mar	1-Apr		0.4%
Nationwide house price yy	Mar	1-Apr		3.9%
S&P GLOBAL MANUFACTURING PMI	Mar	1-Apr		44.6
S&P GLOBAL SERVICE PMI	Mar	3-Apr		53.2
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Mar	3-Apr		52.0
Reserve Assets Total	Mar	3-Apr		188,055.82M
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Mar	4-Apr		50.0
S&P Global CONSTRUCTION PMI	Mar	4-Apr		44.6

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Australian Dollar
Australian Dollar Graph


Source: Refinitiv

Australian Dollar Outlook

- The Reserve Bank of Australia is expected to maintain its 4.10% cash rate on Tuesday as it waits for concrete signs of easing inflation, according to a Reuters poll of economists.
- Nearly 75% of the economists expected a 25 basis point cut to 3.85% in May after the next detailed quarterly inflation data is released. Median forecasts showed one more rate cut by end-September to 3.60% and then rates to remain there through June 2026. Interest rate futures pricing is broadly in line with the poll.
- The RBA releases its Financial Stability Report on Thursday while Governor Michele Bullock and Assistant Governor Christopher Kent testify in parliament. Kent will also deliver a keynote speech on Wednesday. Retail sales and trade data are due.

Lower Bound	0.6200	Upper Bound	0.6350
Forecast	Neutral		

Australian Dollar News

- The Australian dollar climbed after the government launched fresh tax cuts on Tuesday and announced other cost-of-living relief in a major push to win back disgruntled voters
- The trade-sensitive Australian dollar hovered just above 63 cents on Wednesday, wavering only slightly when February consumer inflation data came in a bit softer than expected. It barely responded to Tuesday's federal budget, which promised tax cuts and extra borrowing to fund relief measures for voters ahead of a May election.
- Data from the Australian Bureau of Statistics on Wednesday showed the monthly consumer price index was flat in February from January. The annual pace, however, slowed to 2.4% from 2.5%, versus forecasts for no change.
- Fresh stimulus measures from China could boost China-proxy Aussie, as China is a major trading partner with Australia. China's finance ministry stated that it will inject 500 billion yuan (\$69 billion) into four of the nation's largest state banks, following through on Beijing's earlier effort to strengthen the financial sector, per Bloomberg.

Australian Dollar Performance

Last Week Close	0.6269 USD/AUD	Monthly High	0.63900 USD/AUD
Week Open	0.6262 USD/AUD	Monthly Low	0.61880 USD/AUD
Week Close	0.6287 USD/AUD	30 Days Average	0.62249 USD/AUD
Weekly High	0.6330 USD/AUD	90 Days Average	0.64303 USD/AUD
Weekly Low	0.6260 USD/AUD	YTD Change	+1.44%

Next Week's Australian Dollar Economic Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Mar	1-Apr	52.6	
Retail Sales MM Final	Feb	1-Apr	0.3%	
RBA Cash Rate	Apr	1-Apr	4.10%	
S&P Global Svs PMI Final	Mar	3-Apr	51.2	
S&P Global Comp PMI Final	Mar	3-Apr	51.3	
Balance on Goods	Feb	3-Apr	5,620M	
Goods/Services Imports	Feb	3-Apr	-0.3%	
Goods/Services Exports	Feb	3-Apr	1.3%	


Japanese Yen Graph


Source: Refinitiv

Japanese Yen Outlook

- Japan will release industrial production, retail sales and housing starts, followed by unemployment, Tankan manufacturing, and non-manufacturing reports. March PMIs are also due, followed by household spending data on Friday.

Lower Bound	147.50	Upper Bound	150.00
Forecast	Neutral		

Japanese Yen News

- The Japanese yen strengthen against the dollar on risk aversion.
- Japanese finance minister Katsunobu Kato's warning about persistent deflation, in an interview, has created some concern about the pace of interest rate hikes from the Bank of Japan.
- BOJ policymakers discussed the pace of raising interest rates further after deciding to hike short-term interest rates to the highest in 17 years, minutes of their January meeting showed on Tuesday. Last week, the BOJ kept interest rates steady and warned of heightening global economic uncertainty, suggesting the timing of further rate hikes will depend largely on the fallout from U.S. tariffs. But many analysts still expect the BOJ's next move to come in the third quarter, most likely in July.
- Bank of Japan Governor Kazuo Ueda said on Wednesday that the central bank must raise interest rates if persistent increases in food costs lead to broad-based inflation but cautioned that underlying inflation remains below its 2% annual target.
- Data on Friday showed that core consumer inflation in Japan's capital stayed above the central bank's target and accelerated in March.

Japanese Yen Performance

Last Week Close	149.31 JPY/USD	Monthly High	151.31 JPY/USD
Week Open	149.36 JPY/USD	Monthly Low	146.55 JPY/USD
Week Close	149.81 JPY/USD	30 Days Average	152.70 JPY/USD
Weekly High	151.21 JPY/USD	90 Days Average	148.60 JPY/USD
Weekly Low	149.35 JPY/USD	YTD Change	-5.08%

Next Week's Japanese Yen Economic Events

Events	Period	Date	Forecast	Previous
Industrial O/P Prelim MM SA	Feb	31-Mar	-1.1%	
Retail Sales YY	Feb	31-Mar	3.9%	
Housing Starts YY	Feb	31-Mar	-4.6%	
Jobs/Applicants Ratio	Feb	1-Apr	1.26	
Unemployment Rate	Feb	1-Apr	2.5%	
JibunBK Mfg PMI Final SA	Mar	1-Apr	48.3	
Monetary Base YY	Mar	2-Apr	-1.86%	
JibunBK Comp Op Final SA	Mar	3-Apr	48.5	
JibunBK SVC PMI Final SA	Mar	3-Apr	49.5	

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