

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 May 2025 - 30 May 2025**

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


Source: Refinitiv

**Dollar Outlook**

- Markets are gearing up for another potentially volatile week as President Trump reignites trade tensions with fresh tariff threats targeting the European Union and Apple. While market participants will closely monitor comments from Federal Reserve officials and the release of the FOMC Meeting Minutes, both of which could offer fresh insights into the Fed's policy stance amid ongoing inflation concerns. Together, the data released this week will help shape expectations for the Fed's next moves, especially as markets weigh the timing and pace of potential rate cuts later this year.

- Additionally, U.S. financial markets will be closed on Monday (24/5) in observance of Memorial Day.

<b>Lower Bound</b>	<b>97.00</b>	<b>Upper Bound</b>	<b>100.50</b>
<b>Forecast</b>	<b>Depreciation</b>		

**Dollar News**

- The US Dollar Index (DXY) hovered near 100.30 at the start of the week, weighed down by lingering bearish sentiment following Moody's downgrade of the US credit rating to 'AA1'. The agency cited fiscal concerns and weakening macroeconomic indicators, partly attributed to Trump-era tariffs.

- Adding to the pressure, cautious remarks from Federal Reserve officials further dampened sentiment. San Francisco Fed President Mary C. Daly and Cleveland Fed President Beth Hammack expressed growing concerns about the economic outlook, highlighting declining business and consumer confidence, with trade policy playing a role in the shift.

- However, Thursday's (22/5) economic data provided a modest boost. The S&P Global Flash Composite PMI rose to 52.1 in May from 50.6 in April, signaling accelerating business activity. Both the Manufacturing and Services PMIs also improved, each climbing to 52.3 from 50.2 and 50.8, respectively.

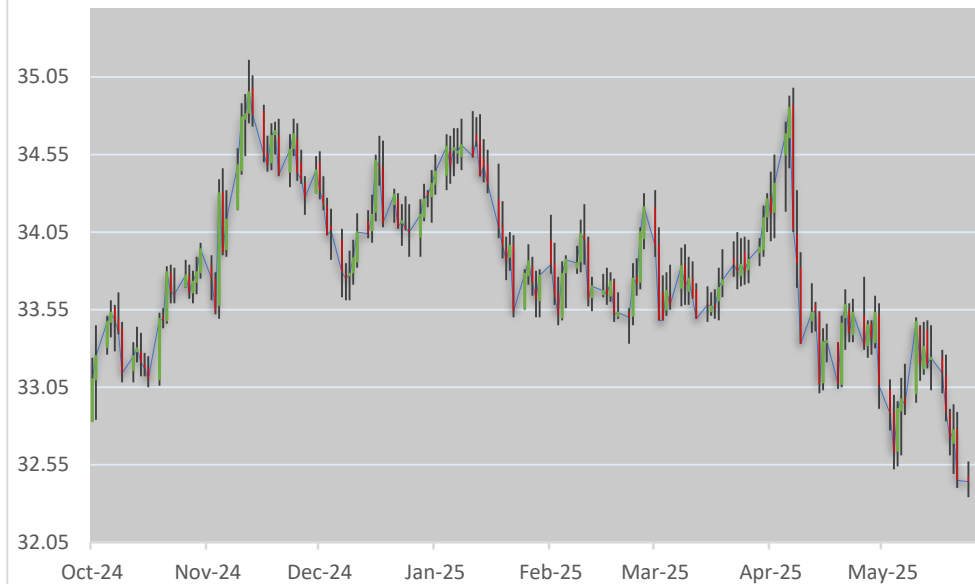
**Dollar Index Performance**

<b>Last Week Close</b>	<b>101.09</b>	<b>Monthly High</b>	<b>101.98</b>
<b>Week Open</b>	<b>100.91</b>	<b>Monthly Low</b>	<b>97.92</b>
<b>Week Close</b>	<b>99.11</b>	<b>30 Days Average</b>	<b>99.86</b>
<b>Weekly High</b>	<b>101.26</b>	<b>90 Days Average</b>	<b>103.72</b>
<b>Weekly Low</b>	<b>99.05</b>	<b>YTD Change</b>	<b>-8.92%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Durable Goods	Apr	27-May	-7.9%	9.2%
Consumer Confidence	May	27-May	87.2	86.0
GDP 2nd Estimate	Q1	29-May	-0.3%	-0.3%
Initial Jobless Clm	24 May, w,	29-May	230k	227k
Core PCE Price Index MM	Apr	30-May	0.1%	0.0%
Core PCE Price Index YY	Apr	30-May	2.6%	2.6%
PCE Price Index MM	Apr	30-May	0.1%	0.0%
PCE Price Index YY	Apr	30-May	2.2%	2.3%
U Mich Sentiment Final	May	30-May	51.0	50.8

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 May 2025 - 30 May 2025**

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


Source: Refinitiv

**Thai Baht Outlook**

- This week, investor attention will be centered on a series of key Thai economic releases. On Monday (26/5), customs-based trade data will provide an early snapshot of Thailand's external sector performance. Later this week, additional data—including export and import figures, the current account balance, and the overall trade balance—will be released. These indicators will be crucial in evaluating the country's economic resilience in the face of persistent global trade tensions.

- Global markets are closely watching US trade talks with developing nations, as any progress or setbacks could sway investor sentiment and impact emerging market currencies like the Thai baht.

<b>Lower Bound</b>	<b>32.20</b>	<b>Upper Bound</b>	<b>32.80</b>
<b>Forecast</b>	<b>Appreciation</b>		

**Thai Baht News**

- The Thai baht appreciated this week, supported by a weaker US dollar and heightened concerns over escalating global trade tensions.
- However, domestic sentiment remains fragile. The University of the Thai Chamber of Commerce reported a decline in its Consumer Confidence Index, which fell to 55.4 in April, down from 56.7 in March. This marks a continued downward trend, reflecting stagnant purchasing power and growing economic uncertainty.
- Thailand's economy expanded by 3.1% YoY in Q1 2025, following a 3.3% increase in Q4 2024. While the growth trajectory remains positive, momentum appears to be softening, and forecasts for the remainder of the year remain cautious.
- In response to global economic headwinds, the Thai Cabinet approved a 157 billion baht stimulus package at the end of the week. The plan targets key sectors including infrastructure, tourism, exports, and human capital development, aiming to cushion the impact of trade disruptions and shifting market dynamics.

**Thai Baht Performance**

<b>Last Week Close</b>	<b>33.20 THB/USD</b>	<b>Monthly High</b>	<b>33.64 THB/USD</b>
<b>Week Open</b>	<b>33.24 THB/USD</b>	<b>Monthly Low</b>	<b>32.38 THB/USD</b>
<b>Week Close</b>	<b>32.45 THB/USD</b>	<b>30 Days Average</b>	<b>33.16 THB/USD</b>
<b>Weekly High</b>	<b>33.29 THB/USD</b>	<b>90 Days Average</b>	<b>33.61 THB/USD</b>
<b>Weekly Low</b>	<b>32.40 THB/USD</b>	<b>YTD Change</b>	<b>-5.04%</b>

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

<b>Events</b>	<b>Period</b>	<b>Date</b>	<b>Forecast</b>	<b>Previous</b>
Custom-Based Export Data	Apr	26-May	9.10%	17.80%
Custom-Based Import Data	Apr	26-May	8.50%	10.20%
Customs-Based Trade Data	Apr	26-May	-0.80B	0.97B
Manufacturing Prod YY	Apr	30-May	-3.15%	-0.66%
Exports YY	Apr	30-May		17.70%
Imports YY	Apr	30-May		9.40%
Trade Account	Apr	30-May		3.40B
Current Account	Apr	30-May		2.30B

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 May 2025 - 30 May 2025**

**Euro Graph**


Source: Refinitiv

**Euro Outlook**

- Economic data releases in Europe will be light this week, with focus mainly on ECB speakers. However, markets will watch for Consumer Confidence figures from Germany (previous: -20.6) and the Eurozone (forecast: -15.2), both due on Tuesday (27/5).
- On the trade front, the euro found support after President Trump extended the 50% tariff deadline on EU goods to July 9. EU Commission President Ursula von der Leyen welcomed the move, stating the EU is ready to advance trade talks but needs more time to finalize a deal.

**Euro News**

- The EUR/USD pair strengthened on Monday (19/5), supported by broad USD weakness following Moody's downgrade of the U.S. credit rating.
- On the political front, German Chancellor Friedrich Merz stated on Wednesday (21/5) that there are signs the U.S. may be open to a trade deal with the EU, according to Reuters. Merz added that he plans to persuade President Trump to pursue a tariff-free agreement during his upcoming visit.
- Eurozone Economic Data Mixed in May ; Manufacturing PMI rose to 49.4 (from 49.0), slightly above expectations. Services PMI dropped to 48.9, a 16-month low, missing the forecast of 50.3. Composite PMI fell to 49.5 (from 50.4), below the expected 50.7. and Germany's IFO Business Climate Index edged up to 87.5, slightly beating the forecast of 87.4.

**Euro Index Performance**

<b>Last Week Close</b>	<b>1.1163</b> USD/EUR	<b>Monthly High</b>	<b>1.1418</b> USD/EUR
<b>Week Open</b>	<b>1.1169</b> USD/EUR	<b>Monthly Low</b>	<b>1.1066</b> USD/EUR
<b>Week Close</b>	<b>1.1364</b> USD/EUR	<b>30 Days Average</b>	<b>1.1325</b> USD/EUR
<b>Weekly High</b>	<b>1.1374</b> USD/EUR	<b>90 Days Average</b>	<b>1.0875</b> USD/EUR
<b>Weekly Low</b>	<b>1.1167</b> USD/EUR	<b>YTD Change</b>	<b>+10.17%</b>

**Next Week's Euro Economic Events**

Events	Period	Date	Forecast	Previous
Unemployment Chg SA	May	28-May	11k	4k
Unemployment Rate SA	May	28-May	6.3%	6.3%
CPI Prelim YY	May	30-May	2.1%	2.1%
HICP Prelim YY	May	30-May	2.0%	2.2%

<b>Lower Bound</b>	<b>1.1300</b>	<b>Upper Bound</b>	<b>1.1500</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 May 2025 - 30 May 2025**

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


Source: Refinitiv

**Pound Sterling Outlook**

- The UK faces a quiet week with markets closed on Monday (26/5) for the Spring Bank Holiday. Key events include speeches from BoE officials Huw Pill and Clare Lombardelli, which may offer policy clues.
- The British pound remains firm, supported by stronger-than-expected retail sales and April inflation, suggesting resilient consumer spending. These factors have fueled speculation that the BoE may pause rate cuts at its next meeting on June 18, opting for a more cautious approach.

**Pound Sterling News**

- The British Pound (GBP) gained ground as the US Dollar (USD) weakened following Moody's downgrade of the U.S. credit rating from Aaa to Aa1.
- Supporting the pound, UK inflation surged, with headline CPI rising 3.5% year-on-year in April, up from 2.6% in March and exceeding the 3.3% market forecast. The figure moves further above the Bank of England's 2% target, reinforcing expectations of a hawkish policy stance.
- Additionally, the GBP/USD pair hit a three-year high on Friday (23/5) after UK retail sales jumped 1.2% month-on-month in April, sharply beating the 0.2% forecast and rebounding from a revised 0.1% gain in March, according to the Office for National Statistics (ONS).

**Pound Sterling Performance**

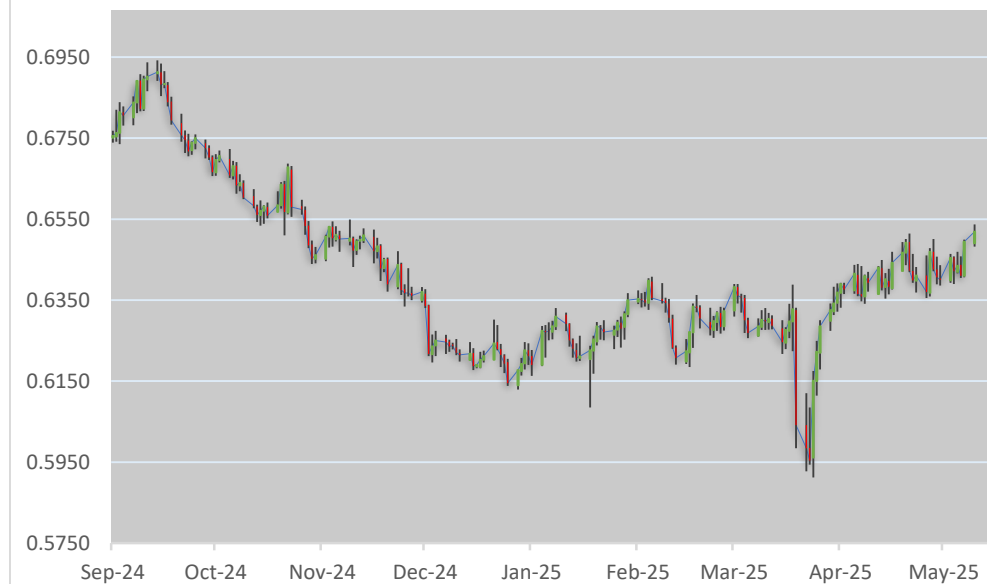
<b>Last Week Close</b>	<b>1.3272</b> USD/GBP	<b>Monthly High</b>	<b>1.3593</b> USD/GBP
<b>Week Open</b>	<b>1.3250</b> USD/GBP	<b>Monthly Low</b>	<b>1.3140</b> USD/GBP
<b>Week Close</b>	<b>1.3536</b> USD/GBP	<b>30 Days Average</b>	<b>1.3323</b> USD/GBP
<b>Weekly High</b>	<b>1.3540</b> USD/GBP	<b>90 Days Average</b>	<b>1.2917</b> USD/GBP
<b>Weekly Low</b>	<b>1.3250</b> USD/GBP	<b>YTD Change</b>	<b>+8.50%</b>

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

Events	Period	Date	Forecast	Previous
CBI Distributive Trades	May	27-May	-8	

<b>Lower Bound</b>	<b>1.3400</b>	<b>Upper Bound</b>	<b>1.3700</b>
<b>Forecast</b>	<b>Appreciation</b>		

**WEEKLY FOREIGN EXCHANGE OUTLOOK**
**26 May 2025 - 30 May 2025**

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


Source: Refinitiv

**Australian Dollar Outlook**

- On the data front, Australia's Consumer Price Index for April will be released on Wednesday (28/5) with markets expecting a reading of 2.3%, a key indicator for the Reserve Bank of Australia's (RBA) future rate decisions. Additionally, retail sales data is due on Friday (30/5), offering further insight into domestic demand.
- Markets are watching China's Manufacturing and Non-Manufacturing PMI due on May 31, as any signs of slowing growth could pressure the Australian dollar. China is Australia's top trading partner, especially in iron ore, coal, and agriculture, making its economic health crucial for Australian exports.

**Australian Dollar News**

- The AUD edged lower against the US Dollar on Tuesday, May 20, after the Reserve Bank of Australia (RBA) cut its benchmark interest rate by 25 basis points, from 4.10% to 3.85%—its lowest level since 2023. The move was widely expected, with major banks like Westpac and CBA having priced in the cut.
- Further pressuring the AUD, weak May PMI data reinforced expectations of a dovish RBA. The Composite PMI fell to a three-month low of 50.6, the Services PMI dropped to a six-month low of 50.5, while Manufacturing PMI held steady at 51.7.

**Australian Dollar Performance**

<b>Last Week Close</b>	<b>0.6400</b> USD/AUD	<b>Monthly High</b>	<b>0.65370</b> USD/AUD
<b>Week Open</b>	<b>0.6399</b> USD/AUD	<b>Monthly Low</b>	<b>0.63570</b> USD/AUD
<b>Week Close</b>	<b>0.6494</b> USD/AUD	<b>30 Days Average</b>	<b>0.63025</b> USD/AUD
<b>Weekly High</b>	<b>0.6499</b> USD/AUD	<b>90 Days Average</b>	<b>0.62916</b> USD/AUD
<b>Weekly Low</b>	<b>0.6390</b> USD/AUD	<b>YTD Change</b>	<b>+5.37%</b>

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

Events	Period	Date	Forecast	Previous
Weighted CPI YY	Apr	28-May		0.0
CPI SA MM	Apr	28-May		0.0B
CPI SA YY	Apr	28-May		0.0%
Capital Expenditure	Q1	29-May	0.0%	0.0%
Retail Sales MM Final	Apr	30-May		0.0

<b>Lower Bound</b>	<b>0.6450</b>	<b>Upper Bound</b>	<b>0.6600</b>
<b>Forecast</b>	<b>Appreciation</b>		


**Japanese Yen Graph**


Source: Refinitiv

**Japanese Yen Outlook**

- US-Japan trade negotiations appear to be making steady progress, with regular meetings continuing. Japan's top tariff negotiator, Ryosei Akazawa, is scheduled to visit the U.S. around May 30 for another round of talks with the Trump administration, signaling ongoing efforts to ease trade tensions.
- Japan will release key data on Thursday (29/5), including CPI, unemployment, and retail sales. A stronger-than-expected core CPI—which rose 3.5% YoY last month—could boost expectations of further BoJ rate hikes, potentially impacting global carry trades. These figures will be closely watched amid ongoing pressure from recent U.S. trade policies.

**Japanese Yen News**

- On Monday (19/5), the USD/JPY pair fell below 145.00, pressured by Moody's downgrade of the U.S. credit rating and a stronger Japanese yen, which gained support from BoJ Deputy Governor Shinichi Uchida's hawkish remarks. Uchida told parliament the Bank of Japan may continue raising rates if the economy withstands the impact of U.S. tariffs.
- Adding to the yen's momentum, Kyodo News reported Tuesday that Japan may accept lower U.S. tariffs without seeking full exemptions, signaling a potential easing in trade tensions.
- The yen extended gains after April's core CPI rose 3.5% year-on-year, up from 3.2% in March and slightly above expectations. While headline inflation held steady at 3.6%, it marked the lowest level since December, reinforcing expectations of a gradual policy shift by the BoJ.

**Japanese Yen Performance**

<b>Last Week Close</b>	<b>145.62 JPY/USD</b>	<b>Monthly High</b>	<b>148.64 JPY/USD</b>
<b>Week Open</b>	<b>145.26 JPY/USD</b>	<b>Monthly Low</b>	<b>142.24 JPY/USD</b>
<b>Week Close</b>	<b>142.54 JPY/USD</b>	<b>30 Days Average</b>	<b>155.97 JPY/USD</b>
<b>Weekly High</b>	<b>145.51 JPY/USD</b>	<b>90 Days Average</b>	<b>153.71 JPY/USD</b>
<b>Weekly Low</b>	<b>142.41 JPY/USD</b>	<b>YTD Change</b>	<b>-9.12%</b>

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

Events	Period	Date	Forecast	Previous
Leading Indicator Revised	Mar	26-May		-0.5
Service PPI	Apr	27-May		3.10%
CPI Tokyo Ex fresh food YY	May	30-May	3.5%	3.4%
CPI, Overall Tokyo	May	30-May		3.5%
Jobs/Applicants Ratio	Apr	30-May	1.26	1.26
Unemployment Rate	Apr	30-May	2.5%	2.5%

<b>Lower Bound</b>	<b>141.00</b>	<b>Upper Bound</b>	<b>144.00</b>
<b>Forecast</b>	<b>Appreciation</b>		



**IMPORTANT DISCLAIMER**

This material was prepared solely by the Treasury Marketing Unit of Bangkok Bank PCL. Any opinions expressed herein may differ from those of other departments within Bangkok Bank. This material is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell any financial instrument. The information contained herein has been obtained from public sources and is subject to change based on market conditions. The use of any information provided is at the recipient's discretion.

Opinions and assumptions in this document reflect the current judgment of the author as of the date of writing and do not necessarily represent the views of Bangkok Bank. These opinions are subject to change without notice. Neither Bangkok Bank nor any of its directors, officers, employees, or advisors make any representations or warranties, express or implied, as to the completeness, accuracy, reliability, or suitability of the information contained in this document. Bangkok Bank and its affiliates shall not be liable for any loss or damage arising from the use of this information. Bangkok Bank does not assume any fiduciary duty or responsibility for any consequences arising from any decision made based on the information provided. The inclusion of any third-party information does not imply endorsement or approval by Bangkok Bank, and Bangkok Bank is not responsible for the accuracy or completeness of such information. Bangkok Bank is under no obligation to update or keep current the information contained in this document. Bangkok Bank shall not be liable for any technical errors, omissions, or inaccuracies in the information provided, nor for any delays or interruptions in the delivery of the information. Bangkok Bank makes no warranty, express or implied, regarding the results that may be obtained from the use of the information provided.

Each recipient should carefully consider the risks associated with any financial transaction and make a determination based on their own particular circumstances. It is recommended that recipients seek independent financial, legal, and other professional advice before making any investment decisions. This document is intended for the exclusive use by the recipients and is provided with the express understanding that the information contained herein will be regarded and treated as strictly confidential. Any unauthorized use, disclosure, or distribution is prohibited. Bangkok Bank and its affiliates shall not be liable for any actions taken based on the information provided in this document. This document may contain forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements. Past performance is not indicative of future performance. No expressed or implied warranty can be made regarding the projections and forecasts of future performance stated herein. The contents of this document have not been reviewed by any regulatory authority. Recipients are advised to exercise caution in relation to the contents. This document is not intended to constitute any investment, legal, financial, business, accounting, taxation, or other advice. If in doubt, recipients should seek professional advice from relevant advisers about their particular circumstances. Bangkok Bank, its connected companies, employees, or clients may at any time, to the extent permitted by applicable law and/or regulation, take the other side of any order by you, enter into transactions contrary to any recommendations contained herein, or have positions or make markets or act as principal or agent in transactions in any securities mentioned herein or derivative transactions relating thereto. Accordingly, Bangkok Bank, its connected companies, or employees may have a conflict of interest that could affect the objectivity of this document. This document is not directed to, or intended for distribution to or use by, any person who is a citizen or resident of, or entity located in, any locality, territory, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to or restricted by law or regulation. Persons or entities into whose possession this document comes should inform themselves about and observe such restrictions.