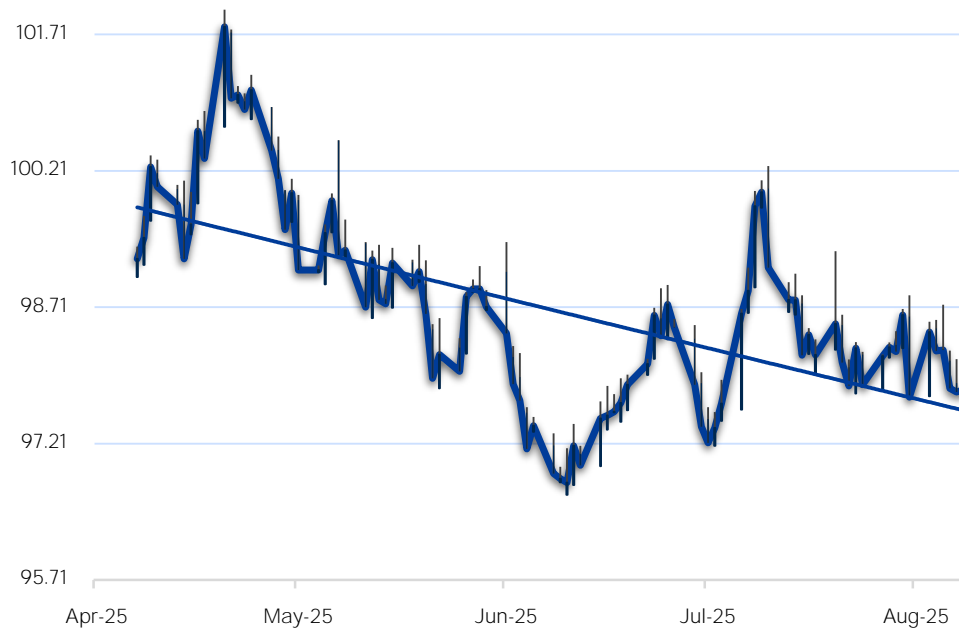


Dollar Index

Currency Pulse



Outlook

- The dollar index is expected to stay under pressure next week as concerns over Fed independence grow. President Trump's move to replace Governor Lisa Cook with a dovish nominee—following Kugler's resignation—raises fears of political influence on monetary policy.
- Combined with Fed Chair Powell's dovish tone, these developments are likely to boost expectations for a September rate cut, weakening the dollar. While this may support risk assets short-term, analysts warn that political interference could shake market confidence and trigger broader selling in U.S. assets.
- Additional factors that could influence DXY next week include U.S.–China trade tensions, especially tariff threats, which could dampen global sentiment and weigh on the dollar. And market reaction to labor market data and consumer sentiment, which will help shape expectations for future Fed moves.

Lower Bound	96.37	Upper Bound	98.31
Forecast	Appreciation		

Quick Take

- The dollar index traded in a volatile range this week, moving between 97.71 and 98.73, and settling around 97.83 by Friday. Early in the week, the dollar faced pressure following President Trump's announcement to dismiss Fed Governor Lisa Cook amid mortgage fraud allegations. Cook refused to resign and is preparing legal action, intensifying concerns over political interference in the Federal Reserve.
- These developments, combined with Trump's push to confirm Stephen Miran, a dovish nominee known for advocating dollar devaluation and looser monetary policy, have raised alarms about the Fed's independence.
- Adding to the bearish tone, the U.S. Commerce Department reported that the Personal Consumption Expenditures (PCE) Price Index rose 0.2% in July, down from 0.3% in June, aligning with economists' forecasts. On a year-over-year basis, headline PCE inflation stood at 2.6%, while core PCE (excluding food and energy) came in at 2.9%, indicating steady but persistent inflationary pressures.

Performance

Last Week Close	97.72	Monthly High	100.26
Week Open	97.73	Monthly Low	97.11
Week Close	97.77	30 Days Average	98.28
Weekly High	98.83	90 Days Average	98.67
Weekly Low	97.69	YTD Change	-9.82%

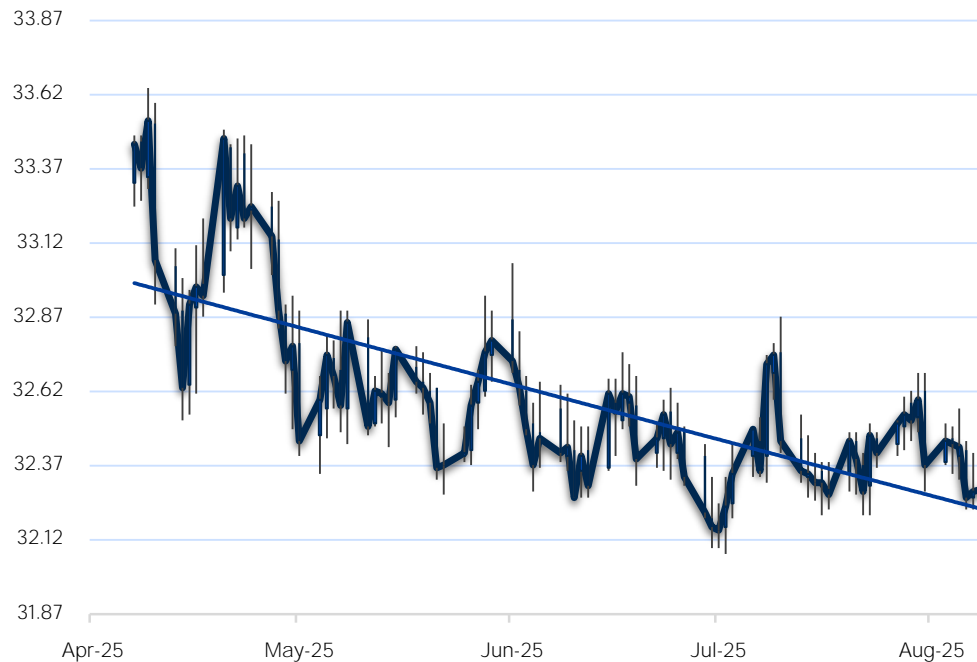
Impact Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Aug	02-Sep		53.3
ISM Manufacturing PMI	Aug	02-Sep	48.6	48.0
Factory Orders MM	Jul	03-Sep		-4.8%
International Trade \$	Jul	04-Sep		-60.2B
Initial Jobless Clm	25 Aug, w/ 04-Sep			
ISM N-Mfg PMI	Aug	04-Sep	50.5	50.1
Non-Farm Payrolls	Aug	05-Sep	78k	73k
Unemployment Rate	Aug	05-Sep	4.3%	4.2%
Average Earnings YY	Aug	05-Sep		3.9%



Thai Baht

Currency Pulse



Outlook

- The Thai baht is expected to trade within a 32.20–32.50 range next week, influenced by both global and domestic factors.
- Political uncertainty, including leadership changes at the Bank of Thailand and ongoing governance issues, may weigh on sentiment and limit baht appreciation.
- Upcoming economic data releases—including S&P Global Manufacturing PMI, Business Confidence, and Inflation Rate—could pressure the baht if they point to weak inflation or soft business sentiment, reinforcing expectations for continued monetary easing.
- Additionally, any escalation in trade disputes, particularly around transshipment tariffs, could hurt Thailand's export outlook and further weaken the currency.

Lower Bound	32.20	Upper Bound	32.50
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Forecast	Neutral
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Quick Take

- The baht started the week stronger, supported by expectations of a U.S. rate cut and dovish Fed signals, appreciating to around 32.40 THB/USD, just below its three-month average.
- During midweek, gains were capped by domestic political uncertainty and concerns over slowing global demand. The Bank of Thailand's recent 25 bps rate cut to 1.50% signaled a more accommodative stance amid structural challenges.
- Thailand's July exports rose 11% YoY to \$28.58 billion, with a \$322 million trade surplus, offering some support despite looming U.S. tariffs.
- Toward the end of the week, the baht remained stable despite heightened political tension. The Constitutional Court removed PM Paetongtarn Shinawatra for breaching ethical standards, triggering cabinet dissolution and protests, adding to uncertainty over Thailand's leadership transition.

Performance

Last Week Close	32.59	THB/USD	Monthly High	32.36	THB/USD
Week Open	32.38	THB/USD	Monthly Low	32.31	THB/USD
Week Close	32.28	THB/USD	30 Days Average	32.40	THB/USD
Weekly High	32.56	THB/USD	90 Days Average	32.61	THB/USD
Weekly Low	32.22	THB/USD	YTD Change	-5.44%	

Impact Events

Events	Period	Date	Forecast	Previous
Manufacturing PMI SA	Aug	01-Sep		51.9
CPI Headline Inflation	Aug	04-Sep		-0.70%
CPI Core Inflation YY	Aug	04-Sep		0.84%
CPI Index	Aug	04-Sep		100.15



Euro

Currency Pulse



Outlook

- Political uncertainty in France has widened the 10-year yield spread between French and German bonds to 77 basis points, up from 70 last week. Analysts expect it to stay in the 75–80 bp range until the September 8 confidence vote.
- If President Macron appoints a new PM and tightens the 2026 budget without calling elections, investor confidence may improve, narrowing the spread. However, new elections could trigger volatility, especially with far-right parties leading polls, raising concerns over fiscal discipline and potential credit rating risks.
- This uncertainty may spill over to other eurozone bond markets, though the impact could remain contained if elections are avoided.

Lower Bound	1.1550	Upper Bound	1.1750
Forecast	Depreciation		

Quick Take

- The euro started the week strong, climbing to a high of 1.1736 over the weekend, supported by dovish signals from the Federal Reserve. However, the rally lost momentum on Monday as mixed German IFO data—despite improvements in business climate and expectations—failed to sustain bullish sentiment.
- By Tuesday, the euro slipped to around 1.1630, pressured by U.S. tariff threats and political uncertainty. It continued to weaken mid-week, falling below 1.1600 as French political risks resurfaced. Prime Minister François Bayrou’s call for a September 8 confidence vote raised concerns over government stability, while German consumer confidence dropped further, with the GfK index forecast at -23.6.
- Toward the end of the week, the euro recovered slightly to 1.166, supported by dovish comments from Fed Governor Waller, who backed rate cuts to protect the labor market.

Performance

Last Week Close	1.1715	USD/EUR	Monthly High	1.1698	USD/EUR
Week Open	1.1715	USD/EUR	Monthly Low	1.1688	USD/EUR
Week Close	1.1684	USD/EUR	30 Days Average	1.1651	USD/EUR
Weekly High	1.1727	USD/EUR	90 Days Average	1.1528	USD/EUR
Weekly Low	1.1573	USD/EUR	YTD Change	+12.98%	

Impact Events

Events	Period	Date	Forecast	Previous
HCOB Mfg Final PMI	Aug	01-Sep		50.5
Unemployment Rate	Jul	01-Sep		6.2%
HICP Flash YY	Aug	02-Sep		2.0%
HICP-X F,E,A&T Flash YY	Aug	02-Sep		2.3%
HICP-X F, E, A, T Flash MM	Aug	02-Sep		-0.20%
HCOB Services Final PMI	Aug	03-Sep		50.7
HCOB - Composite Final PMI	Aug	03-Sep		51.1
GDP Revised QQ	Q2	05-Sep		0.1%
GDP Revised YY	Q2	05-Sep		1.4%



Pound Sterling

Currency Pulse



Outlook

- The Pound is likely to remain stable as dovish comments from BoE MPC member Catherine Mann suggest that interest rates will be held steady due to persistent inflation. The Bank of England is expected to maintain its cautious stance after having reduced rates by 25 basis points to 4% earlier this month, with a narrow majority. The central bank will likely continue with a “gradual and careful” approach to future policy adjustments.
- GBP/USD is expected to trade around \$1.3500 level with potential upside toward \$1.358 over the next few weeks. Technical indicators suggest a neutral to slightly bullish bias, with key support at \$1.34 and resistance near \$1.3600.

Lower Bound	1.3400	Upper Bound	1.3600
Forecast	Neutral		

Quick Take

- Sterling started the week near 1.3499, supported by dovish remarks from Fed Chair Powell. However, trading was quiet due to the UK bank holiday, and BoE Governor Bailey added a cautious tone, citing challenges in economic growth and labor market participation.
- On Tuesday, GBP/USD dipped slightly to 1.3450, but held firm as concerns over Fed independence—sparked by President Trump’s dismissal of Governor Lisa Cook—kept pressure on the dollar. The pair hovered near this level mid-week, with sentiment driven by headlines rather than data, as markets reacted to U.S. tariff threats and Fed commentary.
- Toward the end of the week, Sterling rebounded, climbing back above 1.3500. The recovery was fueled by dovish comments from Fed Governor Waller, who expressed support for rate cuts to protect the labor market, helping the pair erase most of its early-week losses.

Performance

Last Week Close	1.3522	USD/GBP	Monthly High	1.3519	USD/GBP
Week Open	1.3517	USD/GBP	Monthly Low	1.3506	USD/GBP
Week Close	1.3503	USD/GBP	30 Days Average	1.3438	USD/GBP
Weekly High	1.3530	USD/GBP	90 Days Average	1.3462	USD/GBP
Weekly Low	1.3414	USD/GBP	YTD Change	+7.99%	

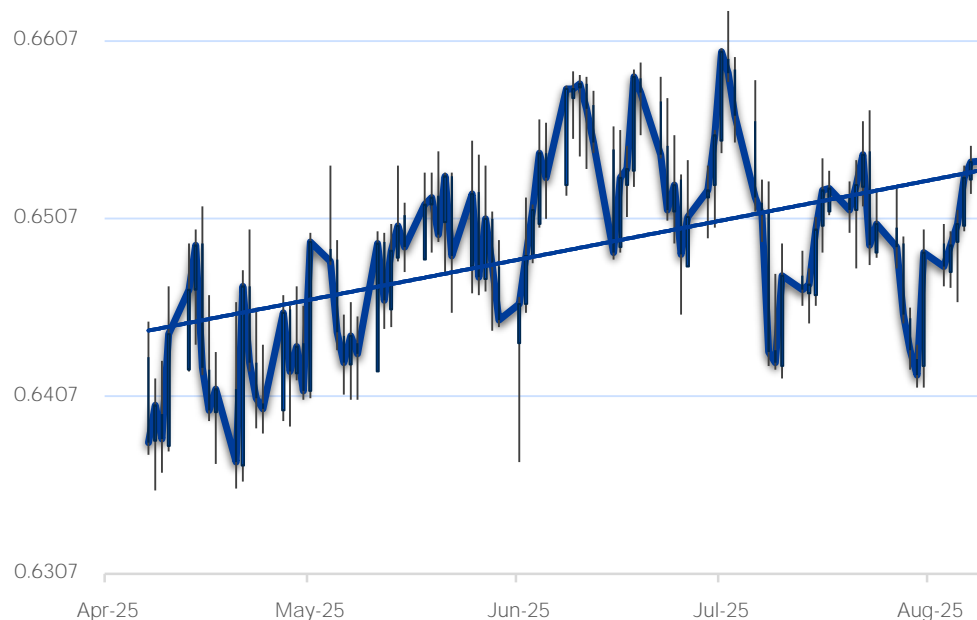
Impact Events

Events	Period	Date	Forecast	Previous
Nationwide house price mm	Aug	01-Sep	0.2%	0.6%
Nationwide house price yy	Aug	01-Sep		2.4%
S&P GLOBAL MANUFACTURING PMI	Aug	01-Sep		47.3
S&P GLOBAL PMI: COMPOSITE - OUTPUT	Aug	03-Sep		53.0
S&P GLOBAL PMI: MSC COMPOSITE - OUTPUT	Aug	04-Sep		50.8
Halifax House Prices MM	Aug	05-Sep		0.4%
Halifax House Prices YY	Aug	05-Sep		2.40%
Retail Sales MM	Jul	05-Sep	0.2%	0.9%
Retail Sales YY	Jul	05-Sep	1.3%	1.7%



Australian Dollar

Currency Pulse



Outlook

- The Australian Dollar may face limited upside next week, trading within a range of 0.6400 to 0.6600, as mixed signals from domestic and global factors keep momentum in check.
- The Reserve Bank of Australia (RBA) recently cut rates to 3.60%, citing slowing growth and rising unemployment (now at 4.3%). While inflation remains elevated at 2.8%, the RBA is expected to proceed cautiously, with another 25-bps cut likely by November. Governor Michele Bullock emphasized a data-driven approach, and further easing could come if labor market conditions deteriorate.
- On the data front, upcoming GDP figures and China's PMI data will be key drivers. Strong results could push AUD/USD toward the 0.660 resistance, especially if China's demand outlook improves, given Australia's close trade ties.

Lower Bound	0.6400	Upper Bound	0.6600
Forecast	Appreciation		

Quick Take

- The Aussie started the week strong, rising above 0.6500 on Monday, supported by dovish Fed signals and growing expectations of a U.S. rate cut in September. Fed Chair Powell's comments at Jackson Hole boosted risk sentiment, favoring the AUD.
- However, the pair reversed on Tuesday, dipping near 0.6480 after President Trump threatened a 200% tariff on Chinese goods, raising concerns due to Australia's close trade ties with China. RBA minutes added pressure, hinting at possible rate cuts depending on data and global risks.
- On Wednesday, Australia's annual CPI jumped to 2.8%, beating expectations and easing fears of aggressive RBA easing. Despite the strong inflation print, AUD/USD remained under pressure near 0.6480.
- By Friday, the Aussie recovered to around 0.653. Support came from dovish Fed sentiment and strong domestic data—private sector credit rose 0.7% MoM, the fastest pace since April, while annual growth hit 7.2%, signaling robust lending activity.

Performance

Last Week Close	0.6488	USD/AUD	Monthly High	0.6548	USD/AUD
Week Open	0.6493	USD/AUD	Monthly Low	0.6536	USD/AUD
Week Close	0.6539	USD/AUD	30 Days Average	0.6504	USD/AUD
Weekly High	0.6548	USD/AUD	90 Days Average	0.6474	USD/AUD
Weekly Low	0.6460	USD/AUD	YTD Change	0.0571	

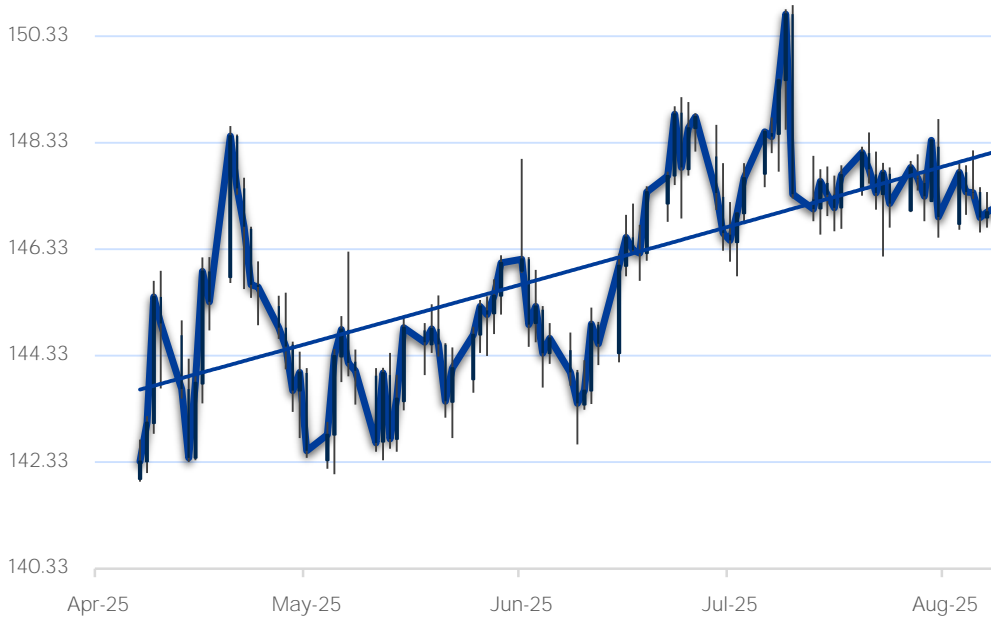
Impact Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final	Aug	01-Sep		52.9
Building Approvals	Jul	01-Sep		11.9%
Current Account Balance SA	Q2	02-Sep		-14.7B
Net Exports Contribution	Q2	02-Sep		-0.1%
S&P Global Svs PMI Final	Aug	03-Sep		55.1
S&P Global Comp PMI Final	Aug	03-Sep		54.9
Real GDP QQ SA	Q2	03-Sep		0.2%
Real GDP YY SA	Q2	03-Sep		1.3%
Balance on Goods	Jul	04-Sep		5,365M



Japanese Yen

Currency Pulse



Outlook

- The Yen is expected to remain volatile with a bullish bias next week, trading within a range of 146.00 to 147.50.

Support for the Yen comes from recent comments by BoJ Governor Kazuo Ueda, who highlighted tightening labor conditions and rising wages across both large and small firms—trends driven by demographic shifts and labor shortages. These factors, along with persistent food inflation, have strengthened expectations for a 25-bps rate hike in Q4, with nearly two-thirds of economists anticipating action.

- Upcoming data—including retail sales, consumer confidence, and labor market figures—will be key in shaping BoJ policy expectations. Strong results could reinforce rate hike bets and push the Yen stronger, while weaker data may delay tightening and weigh on the currency. Additionally, U.S. political uncertainty and Fed rate cut speculation continue to support the Yen against the dollar.

Lower Bound	146.00	Upper Bound	148.00
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Forecast	Appreciation
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Quick Take

- The Japanese Yen started the week strong, supported by BoJ Governor Ueda's comments at Jackson Hole, signaling potential rate hikes due to rising wages and a tightening labor market. USD/JPY traded near 148, but sentiment shifted as Trump's tariff threats on China raised concerns for Japan's export-reliant economy, limiting further yen gains.
- However, political stability in Japan added support to the yen, with Prime Minister Ishiba's approval rating rising and a \$550 billion US–Japan trade deal boosting confidence in Japan's export outlook. Despite this, USD/JPY hovered around 147, as markets awaited key U.S. data and remained cautious amid Fed independence concerns.
- The yen edged higher, with USD/JPY dipping to 146.85 during the end of the week. This move followed the release of Tokyo CPI data, which showed headline inflation easing to 2.6% YoY and core CPI to 2.5%, matching forecasts. The data kept alive expectations for a BoJ rate hike later this year, while traders shifted focus to the upcoming U.S. PCE inflation report.

Performance

Last Week Close	146.93	JPY/USD	Monthly High	147.38	JPY/USD
Week Open	146.80	JPY/USD	Monthly Low	147.16	JPY/USD
Week Close	147.02	JPY/USD	30 Days Average	144.89	JPY/USD
Weekly High	148.18	JPY/USD	90 Days Average	144.89	JPY/USD
Weekly Low	146.64	JPY/USD	YTD Change	-6.12%	

Impact Events

Events	Period	Date	Forecast	Previous
S&P Global Mfg PMI Final SA	Aug	01-Sep		49.9
Monetary Base YY	Aug	02-Sep		-3.72%
S&P Global Comp Op Final SA	Aug	03-Sep		51.9
S&P Global SVC PMI Final SA	Aug	03-Sep		52.7

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