

Dollar Index

Currency Pulse



Outlook

- A key highlight for the U.S. economy will be the Fed's policy meeting on 16-17 September and is widely expected to restart cutting interest rates after holding rates steady this year.
- According to Fed fund futures, the market expects the Fed to cut its key interest rate by 25 basis points on September 17. Traders are pricing in a 96.8% chance for a 25 basis point cut during the Fed's September 16-17 meeting, and a 3.2% chance for a 50 bps cut, CME Fedwatch showed.
- The Fed's policy meeting, including its statement on monetary policy and new economic projections ("dot plot"), is particularly important as it will set the tone for the U.S. Dollar's.

Lower Bound	96.00	Upper Bound	98.00
Forecast	Depreciation		

Quick Take

- The U.S. Dollar Index (DXY) traded lower against other currencies since substantially weaker than expected nonfarm payrolls data from last week, which showed the U.S. economy barely created any new jobs in August.
- Adding to signs of weakening U.S. job growth was the Bureau of Labor Statistics acknowledging that it overestimated employment in the U.S. by a massive 911,000 in the 12 months to March 2025, indicating that job growth had already begun to slow prior to the implementation of former President Donald Trump's aggressive import tariffs.
- US Producer Prices rose less than expected in August, easing to 2.6% YoY from 3.3%. Core PPI also moderated, coming in at 2.8% YoY versus a downwardly revised 3.5% in July, reinforcing the view that the US central bank will deliver rate cuts at its upcoming policy meeting.
- The greenback weakened on Thursday, even as data showed headline U.S. consumer price index inflation grew a shade above expectations in August. Core CPI grew in line with expectations, however, spurring hopes that the inflationary bump expected from Trump's tariffs will be not as bad as markets are fearing. The in-line core reading, coupled with more signs of weakness in the labor market, saw markets largely maintain bets that the Federal Reserve will cut interest rates by 25 basis

Performance

Last Week Close	97.77	Monthly High	99.32
Week Open	97.79	Monthly Low	97.25
Week Close	97.55	30 Days Average	98.09
Weekly High	98.64	90 Days Average	98.44
Weekly Low	97.25	YTD Change	-10.00%

Impact Events

Events	Period	Date	Forecast	Previous
Import Prices YY	Aug	16-Sep		-0.2%
Retail Sales MM	Aug	16-Sep	0.3%	0.5%
Industrial Production MM	Aug	16-Sep	0.0%	-0.1%
Housing Starts Number	Aug	17-Sep	1.375M	1.428M
Fed Funds Tgt Rate	45917	18-Sep	4-4.25	4.25-4.5
Fed Int On Excess Reserves	45917	18-Sep		4.40%
Philly Fed Business Indx	Sep	18-Sep	3.0	-0.3
Initial Jobless Clm	8 Sep, w/e 18-Sep			263k



Thai Baht

Currency Pulse



Outlook

- Markets are watching the formation of a new Cabinet under PM Anutin Charnvirakul from the Bhumjaitai Party.
- The baht is unlikely to weaken significantly, as expectations for Fed rate cuts have pressured the dollar and supported gold prices. Thai political uncertainty has also eased.

Quick Take

- The Thai baht continued to strengthen throughout the week, supported by a weaker U.S. dollar and rising gold prices, strengthen by over 7% year-to-date, has brought the currency to its strongest level in four years.
- In response, the Bank of Thailand has announced that it is closely monitoring currency movements and stands ready to intervene should excessive volatility arise.
- The baht's strength was also supported by domestic developments in Thailand. The quick appointment of a new prime minister and government without a significant political vacuum provided a sense of stability
- According to the Ministry of Tourism and Sports, Thailand welcomed 22.39 million international visitors between January 1 and September 7, marking a 7.11% decrease compared to the same period last year. China remained the largest source market, contributing 3.16 million arrivals. In August, the National Economic and Social Development Council revised its forecast for total foreign arrivals in 2025 down to 33 million, from the previous estimate of 37 million. This is notably below the pre-pandemic record of nearly 40 million visitors in 2019.

Performance

Last Week Close	32.27	THB/USD	Monthly High	32.45	THB/USD
Week Open	32.06	THB/USD	Monthly Low	31.58	THB/USD
Week Close	31.64	THB/USD	30 Days Average	32.25	THB/USD
Weekly High	32.12	THB/USD	90 Days Average	32.48	THB/USD
Weekly Low	31.53	THB/USD	YTD Change	-7.00%	

Impact Events

Events	Period	Date	Forecast	Previous
Forex Reserves	8 Sep, w/e	19-Sep		269.8B
Currency Swaps	8 Sep, w/e	19-Sep		23.1B

Lower Bound	31.50	Upper Bound	32.20
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Forecast	Neutral
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Euro

Currency Pulse



Outlook

• Other than the Fed's decision, the macroeconomic calendar will include a few relevant data figures throughout the week. Germany will report the ZEW Economic Sentiment index for September. Later in the week, the Eurozone (EU) will release the final estimate of the August HICP, expected to be confirmed at 2.1%.

Lower Bound	1.1650	Upper Bound	1.1850
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Forecast	Appreciation
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Quick Take

- The euro fell after Prime Minister François Bayrou's minority government fell on Monday as he lost the vote of confidence he unexpectedly called in his government.
- French President Emmanuel Macron named loyalist Sebastien Lecornu as Prime Minister on Tuesday. However, in an unusual move in French politics, Macron's office said the president had asked Lecornu to hold talks with all political forces in parliament to find compromises on the budget and other policies before naming his cabinet.
- The European Central Bank (ECB) announced its monetary policy decision, and as widely anticipated, the central bank left interest rates unchanged. At the same time, the ECB delivered fresh economic projections, which temporarily weighed on the Euro (EUR). Policymakers now see headline inflation averaging 2.1% in 2025, 1.7% in 2026, and 1.9% in 2027. The economy is projected to grow by 1.2% in 2025, revised up from the 0.9% expected in June.
- ECB's President Christine Lagarde said that the disinflationary process is over, added that policy is in a good place and that the decision of holding rates was unanimous. Furthermore, she commented that trade uncertainty has diminished and that risks to economic growth are tilted to the downside.

Performance

Last Week Close	1.1717	USD/EUR	Monthly High	1.1779	USD/EUR
Week Open	1.1717	USD/EUR	Monthly Low	1.1609	USD/EUR
Week Close	1.1733	USD/EUR	30 Days Average	1.1678	USD/EUR
Weekly High	1.1779	USD/EUR	90 Days Average	1.1572	USD/EUR
Weekly Low	1.1661	USD/EUR	YTD Change	+13.25%	

Impact Events

Events	Period	Date	Forecast	Previous
Total Trade Balance SA	Jul	15-Sep		2.80B
CPI (EU Norm) Final MM	Aug	16-Sep		-0.2%
CPI (EU Norm) Final YY	Aug	16-Sep		1.7%
Industrial Production MM	Jul	16-Sep	0.5%	-1.3%
Industrial Production YY	Jul	16-Sep		0.2%
ZEW Economic Sentiment	Sep	16-Sep	27.0	34.7
HICP Final MM	Aug	17-Sep	0.2%	0.0%
HICP Final YY	Aug	17-Sep	2.1%	2.1%
Business Climate Mfg	Sep	19-Sep	96	96



Pound Sterling

Currency Pulse

Outlook

- On the monetary policy front, the Bank of England (BoE) is widely expected to keep interest rates unchanged at its upcoming September 18 meeting. However, markets are increasingly pricing in a potential rate cut by March 2026, reflecting expectations of slowing inflation and economic momentum. In contrast, the U.S. Federal Reserve is facing growing pressure to cut rates sooner, which could provide some relative support for the pound against the dollar.
- On the data front, The UK CPI data for August will garner some attention on Wednesday and On Friday, the UK Retail Sales will be the only relevant data release wrapping up a busy week.

Quick Take

- The British Pound appreciated against the U.S. dollar, primarily driven by the greenback's broad-based depreciation. However, political developments remain in focus, following Prime Minister Keir Starmer's cabinet reshuffle last week, which has introduced a degree of uncertainty into the U.K. political landscape.
- Data showed U.K. July Gross Domestic Product came in flat, with growth stagnating following a relatively robust first half of 2025, during which the British economy expanded by 0.7% in the first quarter and 0.3% in the second. According to data released Friday by the Office for National Statistics, the economy registered no growth in July, easing from the 0.4% expansion recorded in June.
- Meanwhile, monthly Industrial and Manufacturing Production dropped by 0.9% and 1.3%, respectively, in July. Both readings undermined market expectations.

Performance

Last Week Close	1.3506	USD/GBP	Monthly High	1.3590	USD/GBP
Week Open	1.3499	USD/GBP	Monthly Low	1.3334	USD/GBP
Week Close	1.3556	USD/GBP	30 Days Average	1.3477	USD/GBP
Weekly High	1.3590	USD/GBP	90 Days Average	1.3484	USD/GBP
Weekly Low	1.3478	USD/GBP	YTD Change	+8.35%	

Impact Events

Events	Period	Date	Forecast	Previous
Claimant Count Unem Chng	Aug	16-Sep		-6.2k
ILO Unemployment Rate	Jul	16-Sep	4.7%	4.7%
Core CPI YY	Aug	17-Sep	3.7%	3.8%
CPI YY	Aug	17-Sep	3.9%	3.8%
CPI Services MM	Aug	17-Sep		0.7%
CPI Services YY	Aug	17-Sep	5.0%	5.0%
BOE Bank Rate	Sep	18-Sep	4.00%	4.00%
Retail Sales MM	Aug	19-Sep	0.3%	0.6%
Retail Sales YY	Aug	19-Sep	0.6%	1.1%

Lower Bound	1.3450	Upper Bound	1.3600
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Forecast	Neutral
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Australian Dollar

Currency Pulse



Quick Take

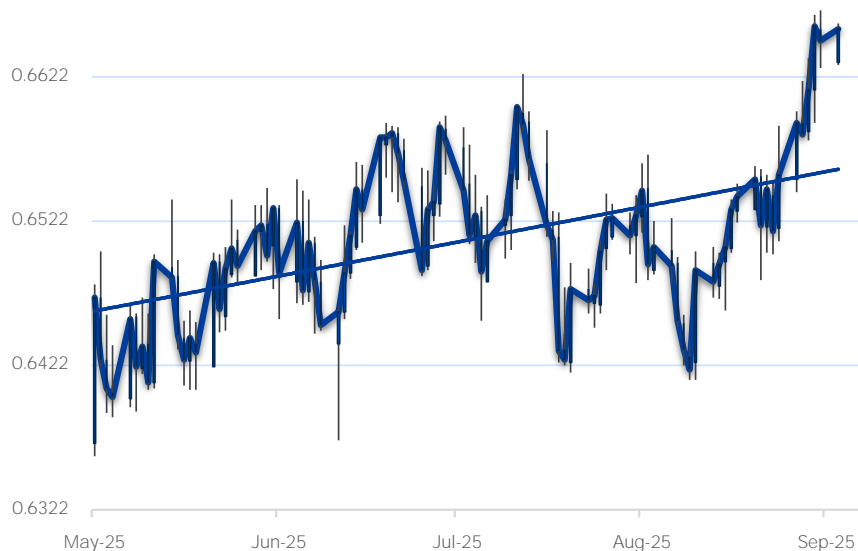
- The Australian Dollar was among the best performers this week, as it benefited from stronger commodity prices.
- Oil prices rose amid heightened geopolitical tensions in the Middle East, while copper prices rose on the closure of a key mine in Indonesia, which could weigh on global supplies.
- A private survey showed Australian consumer sentiment deteriorated in September and remained weak amid persistent uncertainty over interest rates and slowing economic growth.

Performance

Last Week Close	0.6554	USD/AUD	Monthly High	0.6668	USD/AUD
Week Open	0.6551	USD/AUD	Monthly Low	0.6484	USD/AUD
Week Close	0.6647	USD/AUD	30 Days Average	0.6523	USD/AUD
Weekly High	0.6668	USD/AUD	90 Days Average	0.6496	USD/AUD
Weekly Low	0.6542	USD/AUD	YTD Change	0.0756	

Impact Events

Events	Period	Date	Forecast	Previous
Composite Leading Idx MM	Aug	17-Sep		0.14%
Fgn Currency Liquidity	Aug	18-Sep		104,262M
Employment	Aug	18-Sep		24.5k
Full Time Employment	Aug	18-Sep		60.5k
Participation Rate	Aug	18-Sep		67.0%
Unemployment Rate	Aug	18-Sep		4.2%



Outlook

- A speech by an official from the Reserve Bank of Australia is scheduled on Monday . Such speeches can sometimes provide insights into the RBA's future monetary policy.
- The most significant economic data will be the release of the August Employment Change and Unemployment Rate on Thursday.

Lower Bound	0.6500	Upper Bound	0.6750
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Forecast	Appreciation
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Japanese Yen

Currency Pulse



Outlook

• **Bank of Japan (BoJ) Monetary Policy Meeting:** This is the most significant event for the JPY next week. While the BoJ is expected to hold its policy rate steady at 0.5%, the focus will be on the post-meeting statement and Governor Ueda's press conference. Any hints of a future rate hike, a change in inflation outlook, or a shift in their view on the economic recovery could provide a boost to the yen.

Lower Bound	147.00	Upper Bound	149.00
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Forecast	Neutral
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Quick Take

- The Japanese Yen depreciated against the dollar on Monday after Japanese Prime Minister Shigeru Ishiba resigned, deepening political uncertainty and unsettling financial markets already under strain. Ishiba stepped down on Sunday following heavy election losses and growing internal party dissent, raising questions about Japan's fiscal and monetary policy outlook.
- Ishiba's ouster heralds heightened political uncertainty in Japan, which in turn is expected to delay any more interest rate hikes by the Bank of Japan.
- The Japanese yen steadied after data showed PPI inflation fell 0.2% month-on-month in August, slightly more than expectations for a drop of 0.1%. But year-on-year PPI grew slightly to 2.7%. Sticky inflation gives the Bank of Japan more impetus to hike interest rates. But bets on such a scenario were battered this week following Prime Minister Shigeru Ishiba's unexpected resignation, which portends more political upheaval in Japan

Performance

Last Week Close	147.38	JPY/USD	Monthly High	149.13	JPY/USD
Week Open	148.04	JPY/USD	Monthly Low	146.32	JPY/USD
Week Close	147.66	JPY/USD	30 Days Average	144.72	JPY/USD
Weekly High	148.57	JPY/USD	90 Days Average	144.72	JPY/USD
Weekly Low	146.29	JPY/USD	YTD Change	-5.92%	

Impact Events

Events	Period	Date	Forecast	Previous
Exports YY	Aug	17-Sep	-1.9%	-2.6%
Imports YY	Aug	17-Sep	-4.2%	-7.5%
Trade Balance Total Yen	Aug	17-Sep	-513.6B	-117.5B
Machinery Orders MM	Jul	18-Sep	-1.7%	3.0%
Machinery Orders YY	Jul	18-Sep	5.4%	7.6%
JP BOJ Rate Decision	45919	19-Sep	0.50%	0.50%
CPI, Core Nationwide YY	Aug	19-Sep	2.7%	3.1%
CPI, Overall Nationwide	Aug	19-Sep		3.1%

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