

Dollar Index
Currency Pulse

Outlook

- The DXY is expected to trade with a bearish-to-neutral bias as markets await Tuesday's Retail Sales and Friday's Consumer Price Index (CPI) to confirm if U.S. inflation is cooling. A lower-than-expected CPI print could send the index toward the 96.50–97.00 support zone, while a hawkish surprise from Fed speakers like Waller or Bowman would likely trigger a rebound toward 98.80.
- The Dollar Index softened as cooling labor data reinforced expectations of a dovish Fed, with markets pricing in two rate cuts beginning in June. CME FedWatch shows a 77.3% probability that the Fed will hold rates steady in March, with easing expected to start mid-year.
- Kevin Warsh's nomination as Fed Chair added focus on balance-sheet reduction and a more cautious approach to rate cuts, easing concerns about Fed independence.

Lower Bound	96.50	Upper Bound	99.00
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Forecast	Neutral
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Quick Take

- The US Dollar strengthened as markets reacted to President Trump's nomination of Kevin Warsh as Fed Chair, a move seen as reinforcing central-bank independence and signaling a more cautious approach to future rate cuts and balance-sheet reduction.
- Risk sentiment improved after the US Senate advanced a funding package, and President Trump later signed a \$1.2 trillion budget deal, ending the partial government shutdown—though DHS funding remains unresolved.
- The Greenback also gained support from firmer US Treasury yields, with the 10-year holding near 4.27%, underpinned by strong economic data and hawkish shifts in Fed expectations.
- Later in the session, the dollar edged higher as risk sentiment deteriorated. A weaker-than-expected ADP private-payrolls print (22k vs. 45k expected) drove a rally in the front end of the Treasury curve and prompted a modest dovish repricing of Fed cuts later this year, despite a firmer ISM Services reading at 53.8. Risk assets retreated as investors adopted a more defensive posture ahead of upcoming central bank speeches and key U.S. data releases.

Performance

Last Week Close	96.99	Monthly High	99.49
Week Open	97.19	Monthly Low	95.55
Week Close	97.63	30 Days Average	98.11
Weekly High	97.99	90 Days Average	98.75
Weekly Low	97.01	YTD Change	-0.72%

Impact Events

Events	Period	Date	Forecast	Previous
Retail Sales MM	Dec	10-Feb	0.5%	0.6%
Non-Farm Payrolls	Jan	11-Feb	70k	50k
Unemployment Rate	Jan	11-Feb	4.4%	4.4%
Average Earnings YY	Jan	11-Feb	3.6%	3.8%
EIA Wkly Crude Stk	6 Feb, w/e	11-Feb		-3.455M
Existing Home Sales	Jan	12-Feb	4.25M	4.35M
Initial Jobless Clm	2 Feb, w/e	12-Feb		231k
Core CPI MM, SA	Jan	13-Feb	0.3%	0.2%
CPI MM, SA	Jan	13-Feb	0.3%	0.3%

Thai Baht
Currency Pulse

Outlook

- The Bank of Thailand expects Thailand's 2026 economy to continue benefiting from the rebound in tourist arrivals and improving exports—structural forces that help underpin baht stability through real-money inflows. Market sentiment, however, remained cautious the result of weekend's internal election, which could inject short-term volatility into USD/THB.
- BoT continues to signal policy stability, closely monitoring the pace of baht appreciation. This reduces upward pressure on USD/THB in the near term
- Local market sentiment remains focused on the Bank of Thailand's stable policy outlook, though the pair is sensitive to any sharp spikes in U.S. Treasury yields following the inflation data.
- Gold-price volatility also continued to drive periodic swings in the baht, while investors tracked key U.S. macro developments alongside domestic political signals for near-term direction.

Lower Bound	31.25	Upper Bound	31.75
Forecast	Appreciation		

Quick Take

- The Thai baht saw two-way movement as volatility in gold prices continued to exert significant influence on the currency. The baht initially recovered after gold rebounded sharply from around USD 4,400/oz to roughly USD 4,840/oz, though gains were limited by investor caution ahead of Thailand's general election this weekend. Despite the earlier appreciation, gold-price swings remain a key driver of intraday baht fluctuations.
- However, the currency later depreciated against the U.S. dollar as broader USD strength re-emerged amid a global tech-sector selloff and a pullback in gold. Market sentiment was further weighed by concerns that Thailand's 2026 economic growth could fall below 2%, pressured by risks from potential U.S. tariffs on transshipments, soft exports following last year's high base, elevated household debt, and the possibility of delayed approval for the FY-2027 budget during the political transition.
- Thailand's headline inflation fell for a tenth month in January due to lower energy prices and government support measures, though authorities expect CPI to turn positive by April.

Performance

Last Week Close	31.18	THB/USD	Monthly High	31.92	THB/USD
Week Open	31.59	THB/USD	Monthly Low	31.30	THB/USD
Week Close	31.64	THB/USD	30 Days Average	31.34	THB/USD
Weekly High	31.93	THB/USD	90 Days Average	31.92	THB/USD
Weekly Low	31.31	THB/USD	YTD Change	-0.41%	

Impact Events

Events	Period	Date	Forecast	Previous
Forex Reserves	2 Feb, w/e	13-Feb		51.9
Currency Swaps	2 Feb, w/e	13-Feb		



Euro
Currency Pulse

Outlook

- The ECB's governing council stressed in its monetary policy statement that the economy "remains resilient in a challenging global environment", pointing to low unemployment, increases in public investment and defence spending, and "solid" private sector balance sheets.
- It also repeated its previous assessment that inflation "should stabilise" at its 2 per cent target in the medium term. Inflation fell to 1.7 per cent in January from 2 per cent the previous month.
- ECB often resumes rate cuts after long pauses if conditions shift. If the euro strengthens significantly or inflation dips below target, policymakers could opt for another small "insurance cut" later this year to prevent an undershoot in inflation.
- For now, though, the ECB seems content to wait — and the market has responded with calm trading conditions.

Lower Bound	1.1700	Upper Bound	1.1900
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Forecast	Depreciation
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Quick Take

- The euro softened as the USD regained support following President Trump's nomination of Kevin Warsh for Fed chair, viewed as a more hawkish option likely to moderate the pace of rate cuts.
- Market sentiment remained mixed as EUR/USD pulled back from multi-month highs, reflecting fading bullish momentum and a retreat toward previously broken structural levels.
- Eurozone data offered only limited support, with January's Manufacturing PMI edging up to 49.5, suggesting a mild easing in contraction but not enough to shift expectations for steady ECB policy.
- Meanwhile, the euro slipped toward 1.1810 USD/EUR as the dollar strengthened on better-than-expected U.S. manufacturing figures, while German Retail Sales rose just 0.1% m/m, undershooting forecasts and adding little fundamental lift for the currency.
- The European Central Bank left its benchmark interest rate at 2.00% for the fifth meeting in a row after recent growth in the Eurozone economy proved stronger than expected.

Performance

Last Week Close	1.1848	USD/EUR	Monthly High	1.1874	USD/EUR
Week Open	1.1852	USD/EUR	Monthly Low	1.1766	USD/EUR
Week Close	1.1816	USD/EUR	30 Days Average	1.1762	USD/EUR
Weekly High	1.1874	USD/EUR	90 Days Average	1.1672	USD/EUR
Weekly Low	1.1764	USD/EUR	YTD Change	+0.63%	

Impact Events

Events	Period	Date	Forecast	Previous
Sentix Index	Feb	09-Feb		-1.8
Employment Flash YY	Q4	13-Feb		0.6%
Employment Flash QQ	Q4	13-Feb		0.2%
Total Trade Balance SA	Dec	13-Feb		10.70B
GDP Flash Estimate QQ	Q4	13-Feb	0.3%	0.3%
GDP Flash Estimate YY	Q4	13-Feb		1.3%



Pound Sterling

Currency Pulse



Outlook

- The pound sterling is forecast to be highly volatile ahead of Thursday's UK GDP and labor market reports, with traders looking for signs of economic resilience to counter the BoE's recent dovish signals.
- The BoE now estimates that wage growth consistent with 2% inflation is around 3.25%, not far from current private-sector pay growth of 3.6%. With inflation likely to drop to around 1.8% by April, the central bank appears increasingly comfortable easing policy again soon.
- Governor Andrew Bailey remains the key swing voter, and if the next set of data confirms a softer labour market and slower pay growth, he's expected to support a rate cut next month. Markets are already pricing in further easing through the summer.

Lower Bound	1.3500	Upper Bound	1.3800
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Forecast	Depreciation
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Quick Take

- Sterling traded within a narrow range as markets focused on the upcoming Bank of England meeting, with cautious positioning limiting volatility despite mild U.S. dollar softness.
- U.S. political uncertainty—including a partial government shutdown and delayed labor data—added to broader USD hesitation and indirectly supported GBP stability.
- The UK Manufacturing PMI rose to 51.8 in January, reinforcing expectations that the BoE may maintain a firm tone even as overall growth momentum remains modest. Toward the end of the period, however, the pound eased slightly as the U.S. dollar firmed and investors adjusted positions ahead of the central-bank decision.
- The pound sterling later declined after the Bank of England left its policy rate unchanged at 3.75% but signaled a bias toward further easing. The 5–4 vote split was interpreted as more dovish than expected, with policymakers emphasizing that inflation is likely to continue moving toward target. The BoE noted that the timing of additional cuts will depend on incoming data, prompting markets to lean further into expectations for a softer policy trajectory.

Performance

Last Week Close	1.3688	USD/GBP	Monthly High	1.3733	USD/GBP
Week Open	1.3685	USD/GBP	Monthly Low	1.3509	USD/GBP
Week Close	1.3609	USD/GBP	30 Days Average	1.3539	USD/GBP
Weekly High	1.3733	USD/GBP	90 Days Average	1.3368	USD/GBP
Weekly Low	1.3506	USD/GBP	YTD Change	+0.95%	

Impact Events

Events	Period	Date	Forecast	Previous
GDP Est 3M/3M	Dec	12-Feb		0.1%
GDP Estimate MM	Dec	12-Feb		0.3%
GDP Estimate YY	Dec	12-Feb		1.4%
Services MM	Dec	12-Feb		0.3%
Services YY	Dec	12-Feb		1.4%
Manufacturing Output MM	Dec	12-Feb		2.1%
GDP Prelim QQ	Q4	12-Feb		0.1%
GDP Prelim YY	Q4	12-Feb		1.3%
House Price Rightmove MM	Feb	13-Feb		2.8%

Australian Dollar

Currency Pulse



Outlook

- AUDUSD is likely to trade with a modestly defensive tone this week as markets digest the RBA's hawkish shift while U.S. dollar dynamics dominate broader FX flows.
- Analysis emphasizes Australia's inflation persistence and a smaller rate-gap dynamic—shifting AUD sensitivity toward commodities and global growth.
- The Reserve Bank of Australia (RBA) Governor Michele Bullock's comments, saying that the board lifted the Official Cash Rate (OCR) because the economy is more capacity-constrained than previously judged, meaning policy needed to be tighter. Bullock added that the RBA needs to dampen demand growth unless supply capacity can expand faster.
- As the tightening cycle begins, markets have lifted the probability of a May hike to 80% and now price in roughly 40 bps of further tightening over the rest of the year.

Lower Bound	0.6800	Upper Bound	0.7100
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Forecast	Neutral
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Quick Take

- The Australian dollar traded mixed but ultimately weakened slightly against the U.S. dollar, retreating from early-week gains as global risk appetite softened and the greenback regained broad momentum.
- AUDUSD initially firmed, supported by stronger commodity sentiment and a rebound in risk assets, lifting the pair toward the 0.6960–0.7000 range. Domestic data added to the early strength: January Manufacturing PMI rose to 52.3, and job advertisements increased 4.4% m/m, reinforcing signs of resilience in Australia's private-sector demand.
- During the week, AUD briefly extended gains after the Reserve Bank of Australia raised the cash rate to 3.85%—its first hike since 2023—citing stronger-than-expected private demand and a renewed pickup in inflation.
- By the end of the week, AUDUSD drifted lower as global risk sentiment deteriorated, weighed down by a tech-sector pullback and firmer U.S. economic data.

Performance

Last Week Close	0.6959	USD/AUD	Monthly High	0.7050	USD/AUD
Week Open	0.6945	USD/AUD	Monthly Low	0.6898	USD/AUD
Week Close	0.7015	USD/AUD	30 Days Average	0.6550	USD/AUD
Weekly High	0.7050	USD/AUD	90 Days Average	0.6540	USD/AUD
Weekly Low	0.6895	USD/AUD	YTD Change	0.0532	

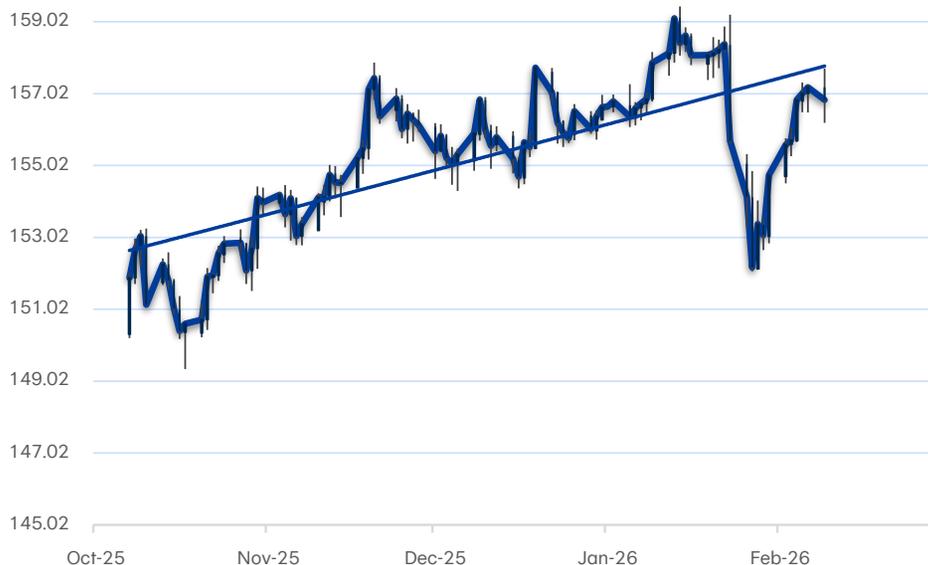
Impact Events

Events	Period	Date	Forecast	Previous
Consumer Sentiment	Feb	10-Feb		-1.7%
NAB Business Conditions	Jan	10-Feb		9
NAB Business Confidence	Jan	10-Feb		3



Japanese Yen

Currency Pulse



Outlook

- The Japanese Yen weakens against the US Dollar after Japan's ruling Liberal Democratic Party (LDP) won an outright majority in Sunday's lower house election, opening the door to more fiscal stimulus by Prime Minister Sanae Takaichi. The coalition led by Takaichi's LDP has won 352 of 465 seats in Japan's House of Representatives, figures collated by public broadcaster NHK suggest, with the LDP alone securing a majority of 316.
- On the other hand, intervention by Japanese authorities might help limit the Japanese Yen's losses. Finance Minister Satsuki Katayama said on Sunday that she will communicate with markets on Monday if needed, following a historic election win for Takaichi. Katayama reiterated that she was keeping in close contact with US Treasury Secretary Scott Bessent to maintain stability in the pair movement.

Quick Take

- The Japanese yen initially weakened against the U.S. dollar as political uncertainty increased following Prime Minister Sanae Takaichi's decision to call a snap general election for February 8, raising concerns about fiscal stability and adding near-term pressure on the currency. However, the downside may be limited after the Bank of Japan's (BoJ) January 22–23 Summary of Opinions signaled a more hawkish stance, with policymakers warning against falling "behind the curve" on inflation and indicating that timely rate hikes could be warranted if economic and price conditions remain supportive.
- At the same time, the yen strengthened as the BoJ's hawkish tone fueled expectations of additional near-term rate hikes amid rising inflation pressures. Political commentary in Japan, combined with persistent market sensitivity to potential currency intervention, also helped support demand for the yen and kept USD/JPY on the defensive.
- Additionally, January's manufacturing PMI rose to 51.5, reinforcing signs of improving domestic economic conditions and strengthening the case for further policy tightening by the BoJ.
- By the end of week, USD/JPY drops back below 157.00 amid some profit-taking ahead of Japan's snap general election on Sunday.

Performance

Last Week Close	154.76	JPY/USD	Monthly High	157.72	JPY/USD
Week Open	154.72	JPY/USD	Monthly Low	154.56	JPY/USD
Week Close	157.20	JPY/USD	30 Days Average	151.68	JPY/USD
Weekly High	157.33	JPY/USD	90 Days Average	151.68	JPY/USD
Weekly Low	154.53	JPY/USD	YTD Change	+0.29%	

Impact Events

Events	Period	Date	Forecast	Previous
Current Account NSA JPY	Dec	09-Feb		3,674.1B
Current Account Bal SA	Dec	09-Feb		3,137,800M
Trade Bal Cust Basis SA	Dec	09-Feb		450,650.00M
Broad Money	Jan	10-Feb		2,244.5T
Corp Goods Price MM	Jan	12-Feb		0.1%
Corp Goods Price YY	Jan	12-Feb		2.4%

Lower Bound	154.00	Upper Bound	158.00
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Forecast	Depreciation
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