

Dollar Index
Currency Pulse

Outlook

- The US–Iran conflict continued to shape USD sentiment, with the dollar firming during bouts of military escalation and softening when signs of de-escalation emerged.
- Rising inflation risks prompted markets to delay expectations for the next Federal Reserve rate cut from July to September, while higher real yields continued to support carry flows into the USD.
- Overall, the US Dollar Index (DXY) is expected to retain a bullish bias this week, trading in the 100–101 range, supported by safe-haven demand amid heightened geopolitical tensions in the Middle East and reinforced by the United States’ position as a net energy exporter.
- This week’s Fed meeting (March 17–18) will be closely watched, but the interest rate-setting committee is widely expected to leave policy unchanged.

Lower Bound	99.00	Upper Bound	102.00
Forecast	Appreciation		

Quick Take

- The USD strengthened early in the week on safe-haven demand as oil price spikes on escalating Middle East risks, reviving inflation concerns and pushing back rate-cut timelines.
- Midweek, the DXY slipped to 98.827, down 0.10 from the prior session, as Donald Trump said the conflict with Iran would end 'very soon,'. As a result, investors reduced their demand for safe-haven assets.
- U.S. CPI showed steady but still-sticky inflation, with both headline and core readings aligning with expectations and indicating that underlying price pressures remain persistent despite stabilizing monthly trends.
- On Friday, the DXY touched 100.00, securing a second straight weekly gain and reaching its highest level since November 2025, fueled by intensifying geopolitical tensions in the Middle East.
- U.S. GDP showed a clear loss of momentum while PCE inflation remained stubbornly sticky, highlighting a combination of slowing growth and persistent price pressures that complicates the Fed’s policy outlook.
- Overall USD direction remains highly volatile, with war tensions and uncertainty surrounding conflict-related news continuing to be the dominant factors driving currency movements.

Performance

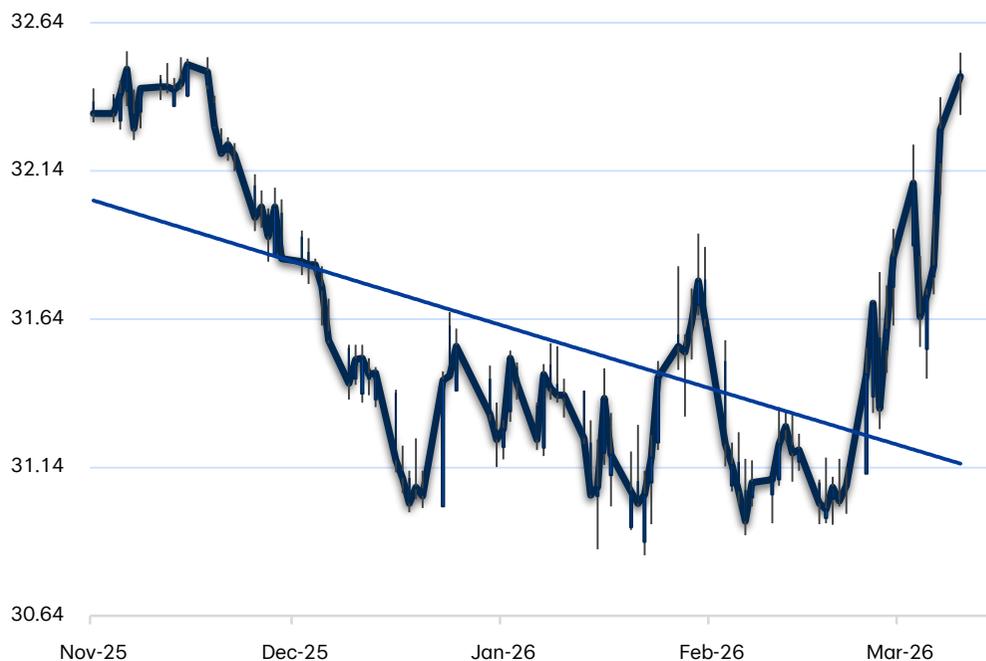
Last Week Close	98.99	Monthly High	100.54
Week Open	98.86	Monthly Low	96.49
Week Close	100.36	30 Days Average	98.10
Weekly High	100.54	90 Days Average	98.52
Weekly Low	98.49	YTD Change	+2.06%

Impact Events

Events	Period	Date	Forecast	Previous
Industrial Production MM	Feb	16-Mar	0.1%	0.7%
PPI Machine Manuf'ing	Feb	18-Mar		195.4
Factory Orders MM	Jan	18-Mar	0.2%	-0.7%
EIA Wkly Crude Stk	13 Mar, w/€	18-Mar		3.824M
Fed Funds Tgt Rate	46099	19-Mar	3.5-3.75	3.5-3.75
Initial Jobless Clm	14 Mar, w/€	19-Mar	215k	213k
Philly Fed Business Indx	Mar	19-Mar	9.0	16.3
New Home Sales-Units	Jan	19-Mar	0.720M	0.745M

Thai Baht

Currency Pulse



Outlook

- Tensions in the Middle East, along with ongoing uncertainty, remain major factors influencing the Thai baht both directly and indirectly.
- The strengthening of the US dollar and rising crude oil prices continue to pressure the baht.
- Investor risk-aversion mode may affect overall market sentiment and further downside pressure on the currency.
- However, ongoing uncertainty surrounding war-related developments is expected to keep the baht volatile within a wide trading range.

Quick Take

- The baht weakened as surging global oil prices increased Thailand's import costs and raised the risk of higher retail fuel prices.
- Geopolitical tensions also triggered broad risk aversion, reducing appetite for emerging-market assets. During March 9–16, foreign investors registered net sales of Thai equities worth 20,036 million baht and also recorded net outflows from the Thai bond market amounting to 14,359 million baht.
- Iran's military acknowledged launching an attack on the Thai-flagged cargo ship Mayuree Naree as it transited the Strait of Hormuz, stating that the vessel disregarded warnings and attempted to pass unlawfully through the strategic waterway.
- The Thai baht remains highly volatile as other currencies, with movements closely tied to shifts in the USD, gold, and energy prices, while ongoing war tensions and uncertainty surrounding conflict-related news continue to dominate currency dynamics.

Performance

Last Week Close	31.61	THB/USD	Monthly High	32.54	THB/USD
Week Open	31.89	THB/USD	Monthly Low	31.14	THB/USD
Week Close	32.28	THB/USD	30 Days Average	31.44	THB/USD
Weekly High	32.39	THB/USD	90 Days Average	31.60	THB/USD
Weekly Low	31.44	THB/USD	YTD Change	+3.08%	

Impact Events

Events	Period	Date	Forecast	Previous
Forex Reserves	9 Mar, w/e	20-Mar		288.3B
Currency Swaps	9 Mar, w/e	20-Mar		22.7B

Lower Bound	32.00	Upper Bound	33.00
Forecast	Depreciation		

Euro
Currency Pulse

Outlook

- Geopolitical tensions in the Middle East continue to drive safe-haven flows into the USD, keeping EUR/USD pinned near recent lows.
- Persistently high energy prices are creating a stagflationary drag on the Eurozone, weighing on growth while pushing inflation higher.
- The Fed's updated Dot Plot on March 18 will determine whether stronger U.S. inflation delays the expected 2026 rate-cut cycle.
- The ECB meeting on March 19 will be closely watched for any hint of a defensive tightening stance as energy-driven inflation accelerates.
- Final February HICP data will set the baseline for how much further Eurozone inflation could rise in March amid ongoing energy shocks.

Lower Bound	1.1350	Upper Bound	1.1700
Forecast	Depreciation		

Quick Take

- EUR stayed under pressure as the oil shock worsened Europe's terms of trade, while Eurogroup warnings on macro turbulence and geopolitical spillovers reinforced a risk-off tone.
- Oil traded above \$100 reigniting euro-area stagflation worries; bonds sold off, equities lagged, and ECB expectations tilted slightly hawkish.
- EUR/USD moved toward 1.1620 level as safe-haven USD demand eased on hopes of Middle East conflict de-escalation and potential G7 reserve releases.
- US CPI was in line with expectations supported the dollar, while rising US–Iran tensions and oil-driven inflation risks weighed on the EUR.
- Sticky services inflation offered a modest cushion, but oil traded near triple digits kept EUR rallies shallow amid persistent stagflation and growth concerns.

Performance

Last Week Close	1.1618	USD/EUR	Monthly High	1.1795	USD/EUR
Week Open	1.1567	USD/EUR	Monthly Low	1.1412	USD/EUR
Week Close	1.1416	USD/EUR	30 Days Average	1.1743	USD/EUR
Weekly High	1.1667	USD/EUR	90 Days Average	1.1706	USD/EUR
Weekly Low	1.1410	USD/EUR	YTD Change	-2.68%	

Impact Events

Events	Period	Date	Forecast	Previous
CPI (EU Norm) Final MM	Feb	17-Mar		0.6%
CPI (EU Norm) Final YY	Feb	17-Mar	1.6%	1.6%
ZEW Economic Sentiment	Mar	17-Mar	38.7	58.3
HICP Final MM	Feb	18-Mar	0.7%	-0.6%
HICP Final YY	Feb	18-Mar	1.9%	1.9%
ECB Refinancing Rate	Mar	19-Mar	2.15%	2.15%
ECB Deposit Rate	Mar	19-Mar	2.00%	2.00%
Discount Rate	46100	20-Mar		1.60%
Total Trade Balance SA	Jan	20-Mar		11.60B

Pound Sterling
Currency Pulse

Quick Take

- GBP traded defensively as the energy-led inflation shock clouded the BoE's March decision, keeping the pound highly sensitive to Gilts and risk tone.
- Higher implied inflation supported front-end rates, but weak risk sentiment and oil volatility limited GBP momentum.
- GBP/USD hit two-week high as markets priced out a March BoE cut and risk sentiment improved on hopes of Middle East de-escalation.
- Sterling held near 1.3400 level despite firmer US CPI and rising oil-driven inflation fears, with no UK data to shift direction.
- GBP eased as oil's spike tightened the UK's external mix and early BoE easing was priced out; focus turned to Bailey's messaging and MPC's balance between sticky services inflation and energy risks.

Performance

Last Week Close	1.3411	USD/GBP	Monthly High	1.3483	USD/GBP
Week Open	1.3353	USD/GBP	Monthly Low	1.3219	USD/GBP
Week Close	1.3222	USD/GBP	30 Days Average	1.3496	USD/GBP
Weekly High	1.3483	USD/GBP	90 Days Average	1.3422	USD/GBP
Weekly Low	1.3215	USD/GBP	YTD Change	-1.69%	

Outlook

- Intense Middle East hostilities and the Strait of Hormuz closure are driving a massive shift into the USD, keeping GBP/USD pinned below 1.3500.
- With oil potentially hitting \$150/bbl, the UK's stagnant GDP (0% in Jan) and falling industrial output have heightened fears of a war-induced recession.
- On Thursday, the Bank of England is expected to hold rates at 3.75%. This cautious stance is viewed as bearish compared to the Fed's more aggressive inflation-fighting posture.
- Despite strategic oil reserve releases, Mojtaba Khamenei's vow to keep maritime blockades in place ensures that energy-driven inflation will continue to devalue Sterling.

Impact Events

Events	Period	Date	Forecast	Previous
House Price Rightmove MM	Mar	16-Mar		0.0%
House Price Rightmove YY	Mar	16-Mar		0.0%
Claimant Count Unem Chng	Feb	19-Mar		28.6k
ILO Unemployment Rate	Jan	19-Mar	5.2%	5.2%
Prvsec 3 Mth Avg Grth YY	Jan	19-Mar		3.4%
HMRC Payrolls Change	Feb	19-Mar		-11k
BOE Bank Rate	Mar	19-Mar	3.75%	3.75%

Lower Bound	1.3050	Upper Bound	1.3500
Forecast	Depreciation		

Australian Dollar
Currency Pulse

Outlook

- The AUD is supported primarily by the RBA's hawkish shift, with markets expecting another rate hike this week.
- Safe-haven demand for the USD amid escalating U.S.–Iran tensions continues to cap AUD upside.
- The closure of the Strait of Hormuz boosts Australia's energy-export outlook but weighs on global growth sentiment, limiting AUD strength.
- Geopolitical volatility and fears of broader conflict keep markets in risk-off mode, causing the AUD to lose traction during high-tension periods.
- This week's employment report will determine whether the RBA's more aggressive tightening path is justified and guide near-term AUD direction.

Quick Take

- The Australian dollar surged to a nearly four-year high of 0.7185 on March 11, marking its strongest level since May 2022.
- Market's expectations for a 0.25% interest rate hike on March 17 jumped to 80% following hawkish remarks from the RBA Deputy Governor regarding persistent inflation.
- As a commodity-linked currency, the AUD benefited significantly from Brent Crude oil prices breaking above \$100 per barrel due to escalating Middle East tensions.
- The AUD's initial gains were partially reversed toward the end of the week, closing near 0.7075, as investors flocked back to the USD as a safe-haven asset.
- Positive domestic data supported the currency's strength earlier in the week, with the Westpac–Melbourne Institute Consumer Sentiment index rising 1.2% to 91.6 in March.

Performance

Last Week Close	0.7030	USD/AUD	Monthly High	0.7189	USD/AUD
Week Open	0.6998	USD/AUD	Monthly Low	0.6945	USD/AUD
Week Close	0.6980	USD/AUD	30 Days Average	0.6682	USD/AUD
Weekly High	0.7189	USD/AUD	90 Days Average	0.6621	USD/AUD
Weekly Low	0.6954	USD/AUD	YTD Change	0.0516	

Impact Events

Events	Period	Date	Forecast	Previous
RBA Cash Rate	Mar	17-Mar	4.10%	3.85%
Composite Leading Idx MM	Feb	18-Mar		-0.04%
Employment	Feb	19-Mar		17.8k
Participation Rate	Feb	19-Mar	66.7%	66.7%
Unemployment Rate	Feb	19-Mar	4.2%	4.1%

Lower Bound	0.6900	Upper Bound	0.7150
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Forecast	Depreciation
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Japanese Yen

Currency Pulse



Outlook

- The BoJ meeting on March 18–19 is expected to deliver no policy change, but strong Shunto wage results could trigger a sharp Yen rally if the Bank signals earlier normalization.
- The Fed's March 18 decision is widely expected to keep rates unchanged, yet a more hawkish Dot Plot could push USD/JPY higher toward the 161 area.
- Japan's Ministry of Finance remains on intervention watch, with any move beyond the 160 level likely to raise the risk of direct Yen-support operations.
- Geopolitical tensions and surging oil prices continue to weaken the Yen structurally while supporting the USD as a safe-haven asset.

Lower Bound	157.00	Upper Bound	161.00
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Forecast	Depreciation
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Quick Take

- JPY stayed soft as the energy shock and global risk aversion lifted USD; Tokyo warned on FX volatility while BoJ focused on inflation risks from a weak yen and high oil.
- Strong January wage data boosted normalization prospects, but oil-led terms-of-trade deterioration and higher global yields limited haven demand.
- USD/JPY stabilized near 157.70 as hopes of improved oil-flow conditions briefly softened USD; upgraded GDP and rising real wages offered mild support but sub-2% inflation kept BoJ hike expectations pushed out.
- USD/JPY broke above 159 as expectations grew that the energy shock would delay BoJ tightening; rising US yields and war-driven inflation fears kept JPY under pressure.
- Yen weakness persisted as oil stayed elevated and US yields climbed; markets expect BoJ to hold next week with gradual normalization ahead, leaving JPY driven mainly by risk tone, wage headlines, and MoF jawboning.

Performance

Last Week Close	157.79	JPY/USD	Monthly High	159.74	JPY/USD
Week Open	157.78	JPY/USD	Monthly Low	156.17	JPY/USD
Week Close	159.71	JPY/USD	30 Days Average	155.68	JPY/USD
Weekly High	159.74	JPY/USD	90 Days Average	155.68	JPY/USD
Weekly Low	157.25	JPY/USD	YTD Change	+1.69%	

Impact Events

Events	Period	Date	Forecast	Previous
Tertiary Ind Act NSA	Jan	17-Mar		8.4%
Reuters Tankan N-Man Idx	Mar	18-Mar		25
Exports YY	Feb	18-Mar	1.6%	16.8%
Imports YY	Feb	18-Mar	11.5%	-2.5%
Trade Balance Total Yen	Feb	18-Mar	-483.2B	-1,152.7B
JP BOJ Rate Decision	46100	19-Mar	0.75%	0.75%
Machinery Orders MM	Jan	19-Mar	-9.6%	19.1%
Machinery Orders YY	Jan	19-Mar	10.5%	16.8%

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