



STAT EDGE

Forex Weekly Research Report

1 September 2024

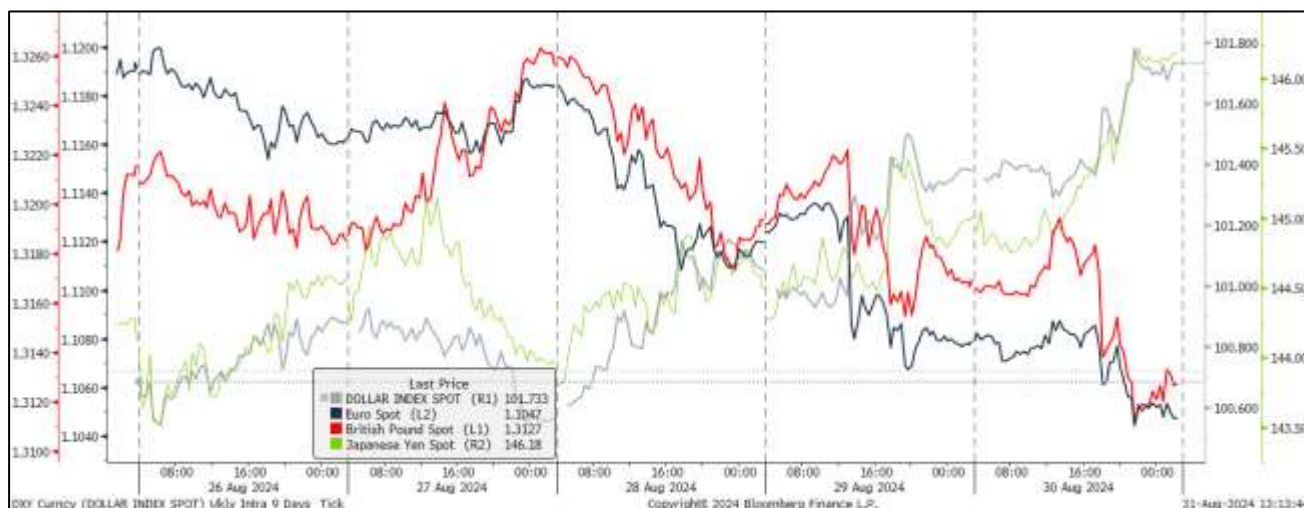
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Market Summary & Outlook:

- The Fed's message radiates to currency markets, with the Dollar Spot Index experiencing its worst month of the year. Developed market central banks all look the same, more or less, although the pace of rate cuts from here is vague. The Dollar Index fell by a little more than 2.4% in August, which is the largest monthly decline in last November's 3% swoon. It approached 100.00, which it has not traded below since July 2023. Still, looks over-extended and there is scope for a technical correction that appears to have begun in recent days to continue. There may be scope back toward the 102.50 area.
- Crowded Trade Dollar Short:** In addition to speculative traders turning short on the dollar, institutional investors have cut their long positions for eight straight weeks to barely anything. That's particularly worrying, given this group's activity in particular has tracked the currency's direction very closely.
- Euro bets have risen in six out of the past eight weeks for a total eight-week increase of +102,357 contracts. The current speculator positioning is the most bullish position since January 16th and only nine weeks after the last bearish position (July 2nd). EURUSD closed at 1.1049 on Friday and is currently trading right at its 200-week moving average. The Euro is on pace to increase by just under 2% in the month of August.
- The Federal Reserve** will likely be one of as many as seven G10 central banks that will cut interest rates in September. **The Bank of England** is unlikely to join them but is widely expected to cut rates at least another time before the end of the year. The swaps market is discounting almost a 90% chance of a 10 bp hike by the **Bank of Japan** at the end of the year.

Currency Performance			
Currency	30-Aug-24	23-Aug-24	% Change
Dollar Index Spot	101.70	100.72	0.97%
Euro Spot	1.1048	1.1192	-1.29%
British Pound Spot	1.3127	1.3214	-0.66%
Japanese Yen Spot	146.17	144.37	1.25%
Chinese Yuan Spot	7.090	7.116	-0.37%
USDINR	83.87	83.90	-0.03%
EURINR	92.95	93.28	-0.36%
GBPINR	110.58	110.15	0.39%

Dollar Index, EURUSD, GBPUSD, USDJPY



Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	WTD Chg.	MTD Chg.	YTD Chg.
Dollar Index	101.78	100.51	101.7	0.97%	0.97	-2.30%	0.36%
EURUSD	1.1202	1.1044	1.1048	-1.29%	-1.29	2.05%	0.00%
EURINR	93.85	92.83	92.95	-0.36%	0.36	-2.47%	1.01%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	101.33	98.79	100.06	100.88	102.15	102.6	103.87
EURUSD	1.1098	1.0782	1.094	1.0994	1.1152	1.1256	1.1414
EURINR	93.21	91.17	92.19	92.57	93.59	94.23	95.25

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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
02-Sep-24	US	Holiday			
	JN	Jibun Bank Japan PMI Mfg	Aug F	--	49.5
	CH	Caixin China PMI Mfg	Aug	50	49.8
	IN	HSBC India PMI Mfg	Aug F	--	57.9
	EC	HCOB Eurozone Manufacturing PMI	Aug F	45.6	45.6
	UK	S&P Global UK Manufacturing PMI	Aug F	52.5	52.5
03-Sep-24	US	S&P Global US Manufacturing PMI	Aug F	48	48
	US	Construction Spending MoM	Jul	0.10%	-0.30%
	US	ISM Manufacturing	Aug	47.5	46.8
	US	ISM New Orders	Aug	--	47.4
04-Sep-24	JN	Jibun Bank Japan PMI Composite	Aug F	--	53
	JN	Jibun Bank Japan PMI Services	Aug F	--	54
	CH	Caixin China PMI Composite	Aug	--	51.2
	CH	Caixin China PMI Services	Aug	52.1	52.1
	IN	HSBC India PMI Composite	Aug F	--	60.5
	IN	HSBC India PMI Services	Aug F	--	60.4
	EC	HCOB Eurozone Services PMI	Aug F	53.3	53.3
	EC	HCOB Eurozone Composite PMI	Aug F	51.2	51.2
	UK	S&P Global UK Services PMI	Aug F	53.3	53.3
	UK	S&P Global UK Composite PMI	Aug F	53.4	53.4
	US	MBA Mortgage Applications	30-Aug	--	0.50%
	US	Trade Balance	Jul	-\$78.9b	-\$73.1b
	US	JOLTS Job Openings	Jul	8100k	8184k
	US	Factory Orders	Jul	4.70%	-3.30%
US	Durable Goods Orders	Jul F	9.90%	9.90%	
US	Federal Reserve Releases Beige Book				
05-Sep-24	UK	S&P Global UK Construction PMI	Aug	54.5	55.3
	EC	Retail Sales YoY	Jul	0.20%	-0.30%
	US	Challenger Job Cuts YoY	Aug	--	9.20%
	US	ADP Employment Change	Aug	140k	122k
	US	Initial Jobless Claims	31-Aug	230k	231k
	US	Continuing Claims	24-Aug	1865k	1868k
	US	S&P Global US Services PMI	Aug F	--	55.2
	US	S&P Global US Composite PMI	Aug F	--	54.1
06-Sep-24	US	ISM Services Index	Aug	51.1	51.4
	EC	GDP SA YoY	2Q F	0.60%	0.60%
	EC	Employment YoY	2Q F	--	0.80%
	US	Change in Nonfarm Payrolls	Aug	165k	114k
	US	Unemployment Rate	Aug	4.20%	4.30%
IN	Foreign Exchange Reserves	30-Aug	--	\$681.7b	

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