STAT EDGE

Forex Weekly Research Report

3 January 2026

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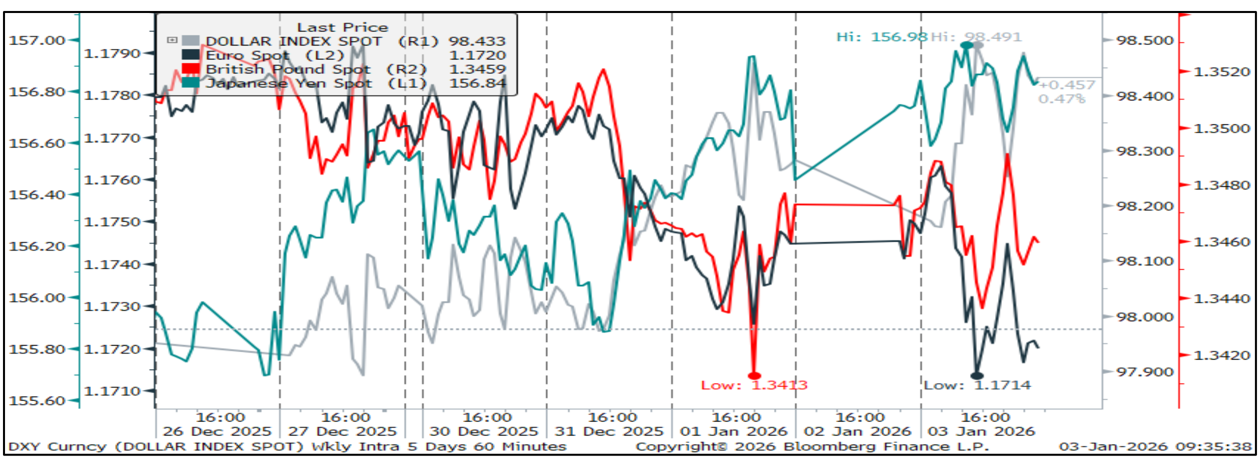
Market Summary & Outlook:

- The US dollar edged modestly higher over the course of the week, though it remained anchored near the lows seen in December. Trading conditions were subdued, with month-end flows accounting for much of the available liquidity in what was otherwise a quiet, holiday-thinned market. Despite the mild uptick, broader dollar momentum remained limited.
- In currency markets, USD/CNY slipped below the 7.00 level for the first time since 2023. The move aligned with the People's Bank of China's preference for a controlled, gradual appreciation of the yuan, while also reflecting increased demand from domestic corporates converting foreign-currency holdings ahead of year-end settlement requirements.

Currency Performance			
Currency	02-Jan-26	26-Dec-25	% Change
Dollar Index Spot	98.42	98.02	0.41%
Euro Spot	1.1719	1.1772	-0.45%
British Pound Spot	1.3456	1.3497	-0.30%
Japanese Yen Spot	156.84	156.57	0.17%
Chinese Yuan Spot	6.970	7.005	-0.49%
USDINR	90.20	89.85	0.39%
EURINR	105.72	105.75	-0.03%
GBPINR	121.36	121.17	0.16%

- US Treasury yields drifted higher during the week, with the benchmark 10-year yield rising by roughly 5 basis points. Trading volumes were characteristically light due to the holiday period, contributing to muted and orderly price action. A stronger-than-expected US labour data point offered brief support to yields midweek, as Initial Jobless Claims printed at 199,000 versus expectations of 218,000, injecting a short-lived burst of momentum into the market. Outside of this release, there were few catalysts to meaningfully influence broader rate markets.
- Minutes from the December Federal Open Market Committee meeting were largely in line with expectations and offered no major surprises. Most policymakers indicated that additional rate cuts could be appropriate over time, provided inflation continues to ease as projected. However, several officials expressed the view that interest rates may need to remain unchanged for an extended period. The minutes also highlighted concerns among some members that elevated inflation could become more persistent. Taken together, the discussion underscored an ongoing division within the Fed as officials seek to balance the dual mandate of price stability and maximum employment amid an uncertain economic outlook.

Intraday Currency Performance:



Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	MTD % Chg.	QTD % Chg.	YTD % Chg.
Dollar Index	98.50	97.92	98.42	0.41%	-0.70%	0.10%	0.10%
EURUSD Spot	1.1789	1.1713	1.1719	-0.45%	0.13%	-0.23%	4.64%
EURINR Spot	106.07	105.35	105.72	-0.03%	1.14%	-0.21%	0.23%

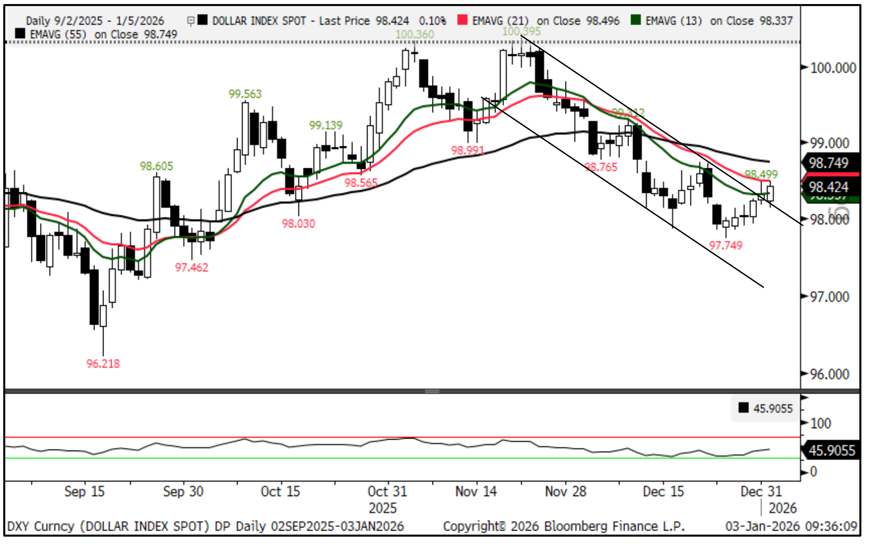
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.92	98.52	99.10	99.09	99.68
EURUSD	1.1789	1.1615	1.1713	1.1789	1.1865	1.1865	1.1941
EURINR	101.81	100.21	101.09	97.55	98.27	102.53	103.26

Technical Analysis:

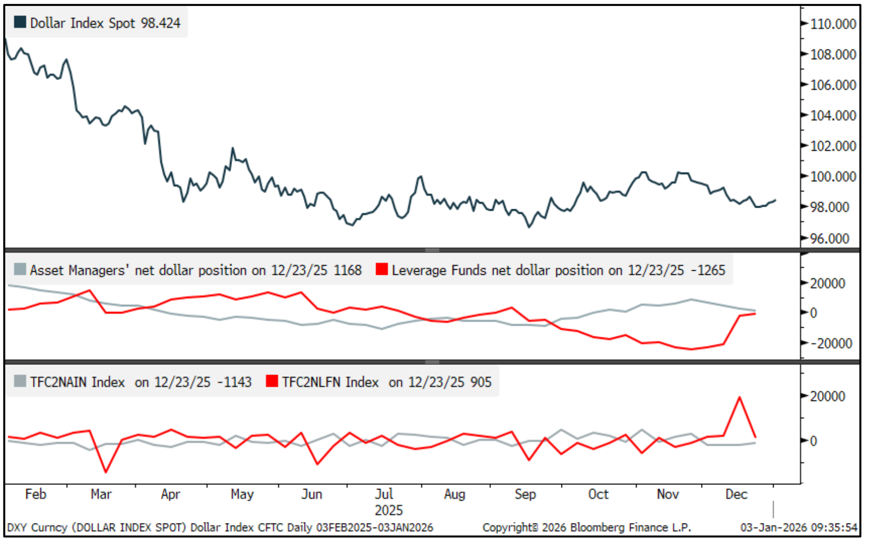
Dollar Index View:

- The DXY Index has given a breakout from the descending channel, but remained below the recent swing high.
- RSI exited from the oversold zone but remained below 50, exhibiting sluggish momentum.

Spot Dollar Index: ***Support 97, Resistance 99.31***



Net non-commercial Short position of $7.9 billion



Economic Calendar					
Date	Country	Event	Period	Survey	Prior
05-Jan	Japan	S&P Global Japan PMI Mfg	Dec F	--	49.7
	China	RatingDog China PMI Services	Dec	52	52.1
	UK	Mortgage Approvals	Nov	64.0k	65.0k
	US	ISM Manufacturing	Dec	48.4	48.2
06-Jan	India	HSBC India PMI Services	Dec F	--	59.1
	EC	HCOB Eurozone Services PMI	Dec F	52.6	52.6
	UK	S&P Global UK Services PMI	Dec F	52.1	52.1
	US	S&P Global US Services PMI	Dec F	52.9	52.9
07-Jan	Japan	S&P Global Japan PMI Services	Dec F	--	52.5
	UK	S&P Global UK Construction PMI	Dec	42.5	39.4
	EC	CPI MoM	Dec P	0.20%	-0.30%
	EC	CPI Core YoY	Dec P	2.40%	2.40%
	US	MBA Mortgage Applications	02-Jan	--	--
	US	ADP Employment Change	Dec	48k	-32k
	US	ISM Services Index	Dec	52.3	52.6
	US	JOLTS Job Openings	Nov	7679k	7670k
	US	Factory Orders	Oct	-1.10%	0.20%
	US	Durable Goods Orders	Oct F	-2.20%	-2.20%
08-Jan	EC	Consumer Confidence	Dec F	--	-14.6
	EC	PPI YoY	Nov	-1.70%	-0.50%
	EC	Unemployment Rate	Nov	6.40%	6.40%
	US	Challenger Job Cuts YoY	Dec	--	23.50%
	US	Initial Jobless Claims	03-Jan	211k	199k
	US	Continuing Claims	27-Dec	1890k	1866k
	US	Trade Balance	Oct	-$58.8b	-$52.8b
	US	Wholesale Inventories MoM	Oct F	0.20%	0.50%
09-Jan	China	PPI YoY	Dec	--	-2.20%
	China	CPI YoY	Dec	--	0.70%
	EC	Retail Sales YoY	Nov	1.60%	1.50%
	US	Change in Nonfarm Payrolls	Dec	59k	-105k
	US	Unemployment Rate	Dec	4.50%	4.60%
	US	Housing Starts	Oct	1325k	--
	US	Building Permits	Oct P	1350k	1330k
	US	U. of Mich. Sentiment	Jan P	53.5	52.9