



STAT EDGE

Forex Weekly Research Report

6 October 2024

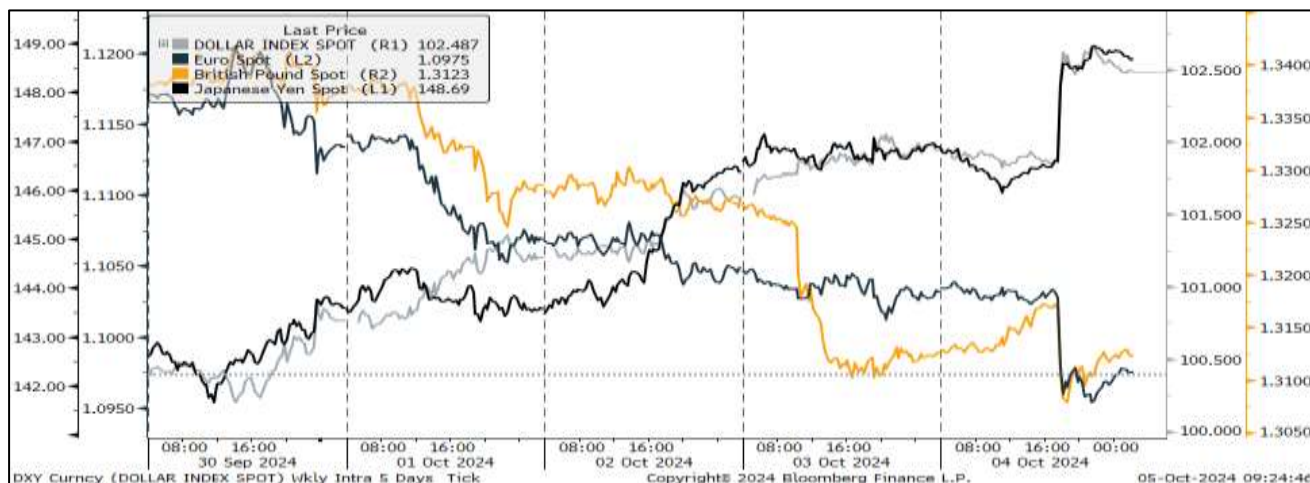
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Market Summary & Outlook:

- The dollar index registered its strongest week since September 2022, buoyed by robust US hiring figures that exceeded all expectations for September. This positive data has prompted traders to scale back their bets significantly on a substantial interest rate cut from the Federal Reserve next month.
- Meanwhile, the yen experienced a drop of more than 1% against the dollar on Friday, marking its worst week since December 2009.
- The surprisingly strong employment numbers have led traders to revise their forecasts, now anticipating a smaller rate reduction than the previously expected 25 basis points at the next Federal Reserve meeting.
- As market sentiment shifts, all eyes will now turn to the upcoming US inflation report next week, which could further influence monetary policy expectations.
- Additionally, dollar one-month option contracts linked to the dollar index surged on Friday, reaching their highest levels since March 2023. This spike in options activity is particularly notable as it coincides with the first inclusion of the November 5 vote in these contracts, reflecting heightened market interest in future economic direction amidst ongoing uncertainties. As traders adjust their strategies, the implications of these developments could resonate through various asset classes in the coming weeks.
- The European Union has voted to implement tariffs as high as 45% on electric vehicles imported from China, raising the spectre of a wider trade conflict with Beijing. In response, China has pledged to defend its companies against these measures, setting the stage for potentially escalating tensions between the two economic powers.

Currency Performance			
Currency	04-Oct-24	27-Sep-24	% Change
Dollar Index Spot	102.52	100.38	2.13%
Euro Spot	1.0974	1.1162	-1.68%
British Pound Spot	1.3122	1.3374	-1.88%
Japanese Yen Spot	148.70	142.21	4.56%
Chinese Yuan Spot	7.098	6.982	1.67%
USDINR	83.97	83.70	0.33%
EURINR	92.58	93.41	-0.89%
GBPINR	110.56	112.02	-1.30%

Dollar Index, EURUSD, GBPUSD, USDJPY



Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	MTD % Chg.	QTD % Chg.	YTD % Chg.
Dollar Index	102.69	100.18	102.52	2.13%	1.73%	1.73%	1.19%
EURUSD	1.1209	1.0951	1.0974	-1.68%	-1.45%	-1.45%	-0.01%
EURINR	93.94	92.53	92.58	-0.89%	1.28%	1.28%	0.64%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	101.8	96.78	99.29	100.9	103.41	104.3	106.81
EURUSD	1.1045	1.0529	1.0787	1.088	1.1138	1.1303	1.1561
EURINR	93.02	90.2	91.61	92.1	93.5	94.43	95.83

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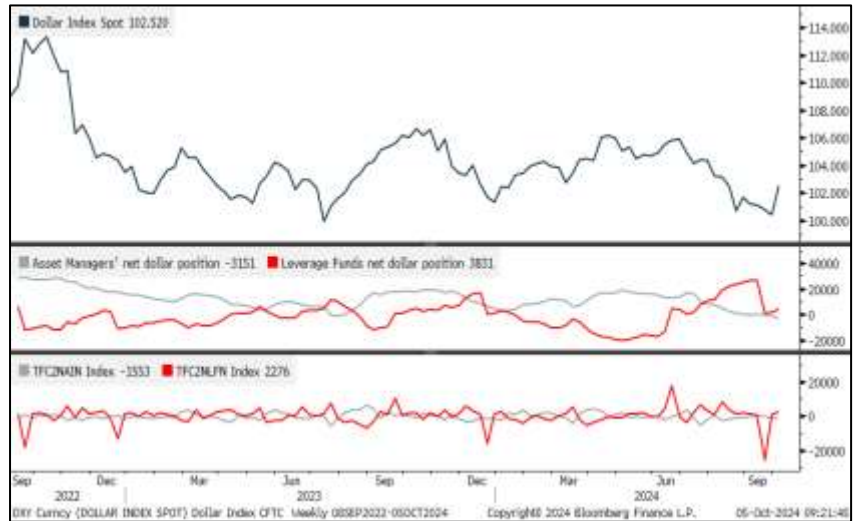
Technical Outlooks:

Dollar Index View:

- The dollar index formed a ladder-bottom candlestick pattern on Friday. The pattern breakout confirms above 102.75 which coincides with the 21 DEMA.
- There is a high chance of reversal as bargain buying and unwinding of the crowded positions.
- Momentum oscillators and indicators have given positive crossover and divergence.
- The dollar index has support at 100.15 and resistance at 103.99.

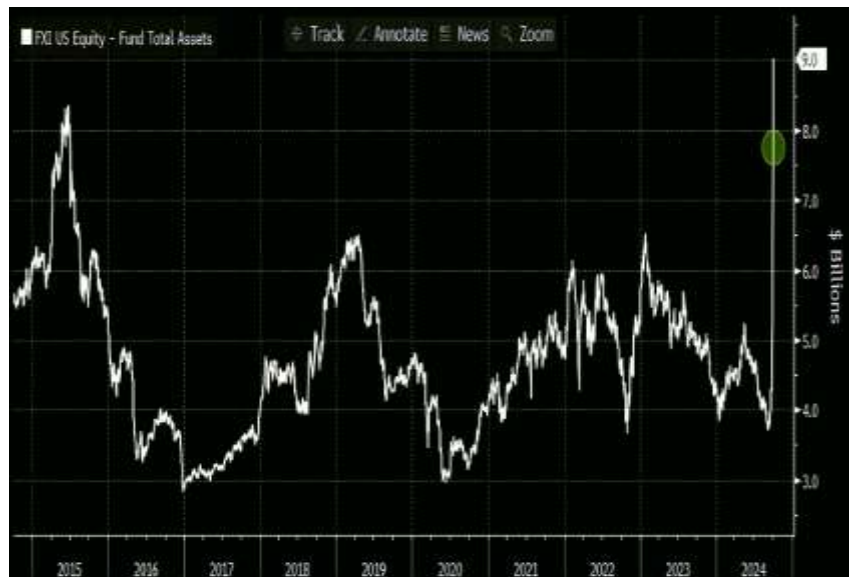
Spot EURINR: *Bearish*

Support: 92.05 Resistance: 92.90



CFTC Positions: Downsizing in dollar short positions

Large Cap China ETF \$4.1bn cash infusion in the week gone



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Historically Recession Has High Unemployment Rate



Source: Bloomberg

Economic Calendar					
Date	Country	Event	Period	Survey	Prior
07-Oct	Japan	Leading Index CI	Aug P	106.9	109.3
	EC	Retail Sales YoY	Aug	1.00%	-0.10%
08-Oct	US	Consumer Credit	Aug	\$12.000b	\$25.452b
	UK	BRC Sales Like-For-Like YoY	Sep	0.80%	0.80%
	Japan	BoP Current Account Balance	Aug	¥2975.0b	¥3193.0b
	Japan	Trade Balance BoP Basis	Aug	-¥532.4b	-¥482.7b
	US	NFIB Small Business Optimism	Sep	92	91.2
	US	Trade Balance	Aug	-\$70.5b	-\$78.8b
09-Oct	India	RBI Repurchase Rate	09-Oct	6.50%	6.50%
	India	RBI Cash Reserve Ratio	09-Oct	4.50%	4.50%
	US	MBA Mortgage Applications	04-Oct	--	-1.30%
10-Oct	UK	RICS House Price Balance	Sep	10%	1%
	US	CPI YoY	Sep	2.30%	2.50%
	US	CPI Core Index SA	Sep	--	319.768
	US	Initial Jobless Claims	05-Oct	230k	225k
	US	Continuing Claims	28-Sep	1832k	1826k
11-Oct	UK	Industrial Production YoY	Aug	-0.50%	-1.20%
	UK	Manufacturing Production YoY	Aug	-0.40%	-1.30%
	UK	Construction Output YoY	Aug	-0.20%	-1.60%
	UK	Trade Balance GBP/Mn	Aug	-\$6000m	-\$7514m
	India	Foreign Exchange Reserves	04-Oct	--	\$704.9b
	India	Industrial Production YoY	Aug	1.10%	4.80%
	US	U. of Mich. Sentiment	Oct P	70.5	70.1

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