STAT EDGE

Forex Weekly Research Report

7 February 2026

Market Summary & Outlook:

Currency Performance			
Currency	06-Feb-26	30-Jan-26	% Change
Dollar Index Spot	97.63	96.99	0.66%
Euro Spot	1.1815	1.1851	-0.30%
British Pound Spot	1.3611	1.3686	-0.55%
Japanese Yen Spot	157.22	154.78	1.58%
Chinese Yuan Spot	6.930	6.958	-0.41%
USDINR	90.67	91.99	-1.44%
EURINR	106.91	109.54	-2.40%
GBPINR	123.10	126.34	-2.57%

- Throughout the preceding week, the U.S. Dollar Index (DXY) witnessed a steady retrenchment, primarily driven by a surge in risk-aversion and a significant valuation reset in precious metals. In a departure from traditional market mechanics, an inverse correlation emerged: the greenback recovered, and bullion surrendered ground as investors scrambled to recalibrate their portfolios. While the dollar found temporary sanctuary via opportunistic bargain hunting—specifically against a fragile Japanese Yen—the broader narrative was one of greenback erosion.
- In the trading week ending February 6, 2026, the U.S. Dollar Index (DXY) underwent a notable secular retrenchment, slipping toward the 97.63 handle. This descent was characterised by a surge in risk-aversion that, paradoxically, did not trigger the usual flight to the "reserve king." Instead, we witnessed a rare inter-asset de-rating as both the US dollar and precious metals declined in tandem. This disruption of the traditional inverse tethering suggests that markets are no longer pricing the dollar solely as a safe-haven, but rather as a yield-sensitive asset facing valuation fatigue.
- While the broader index strengthened, the dollar found localised support through opportunistic accumulation against the Japanese Yen. The JPY remained the G10 laggard, languishing near 157.22 as traders called the bluff on Tokyo's rhetorical deterrence. Despite a barrage of verbal salvos from the Ministry of Finance, the lack of a tangible liquidity injection (actual intervention) emboldened dollar bulls to defend the pair at key Fibonacci support levels, viewing the Yen's weakness as a low-cost entry for "long-dollar" carry trades.
- Speculators Sour on Dollar: Large speculators are doubling down on a dollar decline. CFTC data through Feb. 3 shows that asset managers and other non-commercial traders have ramped up their short positions to $17.4 billion. This marks the most aggressive collective bet against the greenback since July.
- **Outlook:** The "Dollar Smile" theory suggests the greenback is currently at its "weakest centre spot"—where U.S. growth is merely "sluggish" and global growth is resilient enough to discourage safe-haven bidding. Rallies are currently being capped by the 50-day SMA (near 98.60) and the 200-day SMA (near 98.90). Until the DXY recaptures these moving averages, the "sell-on-strength" mentality will dominate.

Intra-Week 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	97.99	97.01	97.63	0.66%	-0.70%	-0.70%	-0.69%
EURUSD Spot	1.1875	1.1766	1.1815	-0.30%	0.13%	0.59%	4.64%
EURINR Spot	108.98	106.29	106.91	-2.40%	1.14%	-1.33%	1.42%

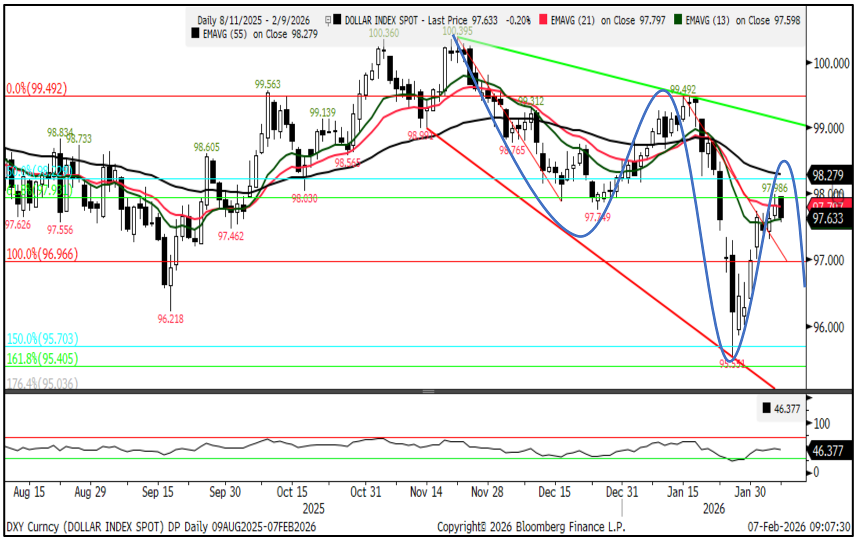
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.53	99.03	100.01	99.49	100.46
EURUSD	1.1789	1.1615	1.168	1.1703	1.1812	1.1898	1.2007
EURINR	101.81	100.21	99.11	94.64	97.34	104.51	107.20

Technical Analysis:

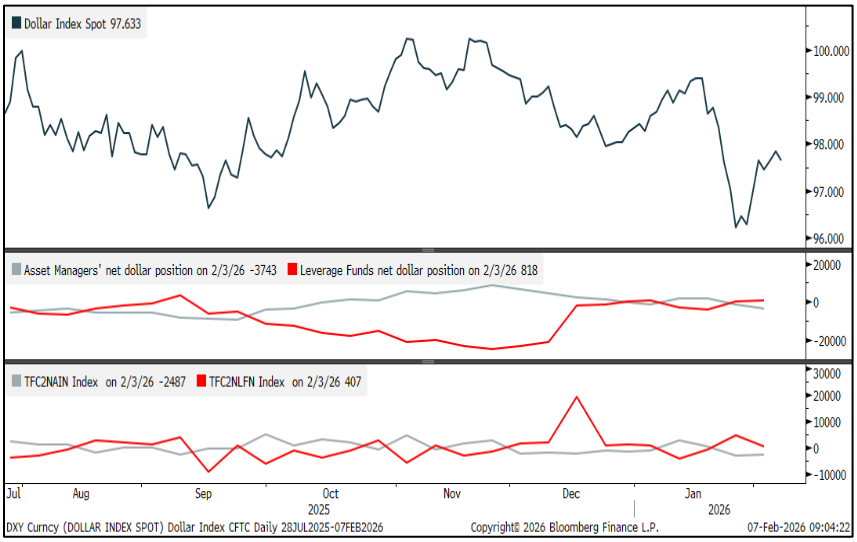
Dollar Index View:

- The DXY Index retraced 61.8% of the extension, adjoining the prior swing high and low.
- It has formed a bearish lower highs and lower lows on the weekly chart.
- RSI has been placed below 50 and is weakening, indicating negative momentum.

Spot Dollar Index: ***Support 96.95, Resistance 98.30***



Speculative $17.4 billion worth of short positions tied to a weaker US dollar, the largest amount since July, from $8.1 billion in the week prior



Economic Calendar					
Date	Country	Event	Period	Survey	Prior
09-Feb	Japan	BoP Current Account Balance	Dec	¥1081.2b	¥3674.1b
	EC	Sentix Investor Confidence	Feb	0.0	-1.8
10-Feb	US	NFIB Small Business Optimism	Jan	99.8	99.5
	US	ADP Weekly Employment Change	10-Jan	--	7.750k
	US	Retail Sales Advance MoM	Dec	0.40%	0.60%
11-Feb	China	PPI YoY	Jan	-1.50%	-1.90%
	China	CPI YoY	Jan	0.40%	0.80%
	US	MBA Mortgage Applications	06-Feb	--	-8.90%
	US	Change in Nonfarm Payrolls	Jan	69k	50k
	US	Unemployment Rate	Jan	4.40%	4.40%
12-Feb	UK	GDP YoY	4Q P	1.20%	1.30%
	UK	Monthly GDP (MoM)	Dec	0.10%	0.30%
	UK	Industrial Production YoY	Dec	1.50%	2.30%
	UK	Manufacturing Production YoY	Dec	1.80%	2.10%
	UK	Construction Output YoY	Dec	-0.10%	-1.10%
	UK	Trade Balance GBP/Mn	Dec	--	-£6116m
	India	CPI YoY	Jan	2.60%	--
	US	Initial Jobless Claims	07-Feb	224k	231k
	US	Continuing Claims	31-Jan	1850k	1844k
	US	Existing Home Sales	Jan	4.20m	4.35m
13-Feb	China	New Home Prices MoM	Jan	--	-0.37%
	China	Used Home Prices MoM	Jan	--	-0.70%
	EC	GDP SA YoY	4Q S	1.30%	1.30%
	EC	Trade Balance SA	Dec	--	10.7b
	US	CPI YoY	Jan	2.50%	2.70%
	US	Core CPI YoY	Jan	2.50%	2.60%
	China	BoP Current Account Balance	4Q P	--	$198.7b
	India	Trade Balance	Jan	-$25750m	-$25046m