



STAT EDGE

Forex Weekly Research Report

7 June 2025

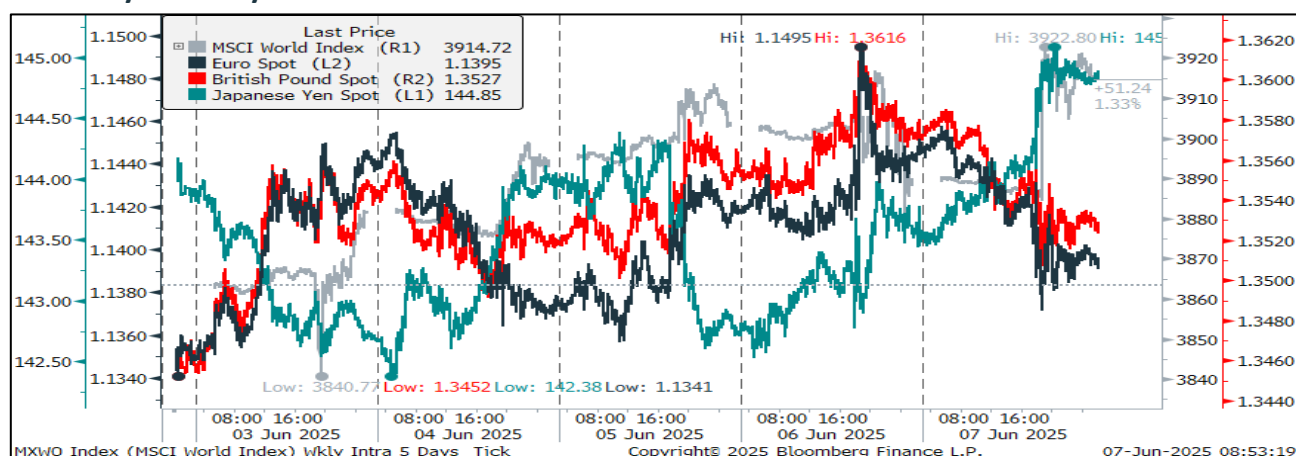
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Market Summary & Outlook:

- The ICE U.S. Dollar Index trimmed the bulk of its weekly decline, closing at 99.14 with a modest loss of 0.14%, buoyed by a sharp rebound on Friday. The dollar regained strength after May's employment report showed a larger-than-anticipated rise in job creation, reigniting concerns about the persistence of labour market resilience. This unexpected surge in hiring prompted a widespread shift in market sentiment, as investors reconsidered the likelihood of imminent rate reductions by the Federal Reserve. Although employment figures from prior months were revised downward, the latest data proved compelling enough to outweigh those downward adjustments. As a result, U.S. Treasury yields surged across the curve, reflecting a broad bond market sell-off, while the greenback advanced as traders recalibrated their expectations for monetary easing.
- Market participants in the interest-rate swap space now place roughly a 70% probability on a 25-basis-point rate cut by September, a noticeable retreat from the nearly 90% odds priced in just a day earlier. Projections for overall monetary easing through year-end have also moderated, with markets now factoring in approximately 43 basis points of cuts, suggesting fewer than two typical quarter-point reductions.
- Meanwhile, the U.S. dollar is facing a more profound transformation. The underpinnings that have historically reinforced its global supremacy—such as enduring geopolitical alliances, commitment to sound fiscal governance, and its reputation as a safe-haven currency—are increasingly being called into question. This erosion of foundational trust is casting doubt over the dollar's future as the world's primary reserve asset.
- Adding to the pressure, the dollar has depreciated nearly 8% since the beginning of the year, a decline that transcends mere shifts in economic data or fluctuations in Federal Reserve policy expectations. What's unfolding is a broader, structural shift shaped by intensifying global polarisation, ramped-up defence spending among major economies, and a reevaluation of the greenback's central role in a geopolitical landscape where Washington's influence is no longer taken for granted.

Currency Performance			
Currency	06-Jun-25	30-May-25	% Change
Dollar Index Spot	99.19	99.33	-0.14%
Euro Spot	1.1397	1.1347	0.44%
British Pound Spot	1.3528	1.3459	0.51%
Japanese Yen Spot	144.85	144.02	0.58%
Chinese Yuan Spot	7.189	7.205	-0.23%
USDINR	85.64	85.58	0.06%
EURINR	97.80	96.94	0.89%
GBPINR	115.90	115.28	0.54%

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	99.42	98.35	99.19	-0.14%	-0.70%	-4.82%	-9.30%
EURUSD Spot	1.1495	1.1341	1.1397	0.44%	0.13%	5.37%	4.64%
EURINR Spot	98.31	97.01	97.80	0.89%	1.14%	-5.84%	8.60%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.99	96.85	97.92	98.55	99.62	100.06	101.13
EURUSD	1.1411	1.1103	1.1257	1.1327	1.1481	1.1565	1.1719
EURINR	97.71	95.11	96.41	97.10	98.40	99.00	100.30

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Technical Analysis:

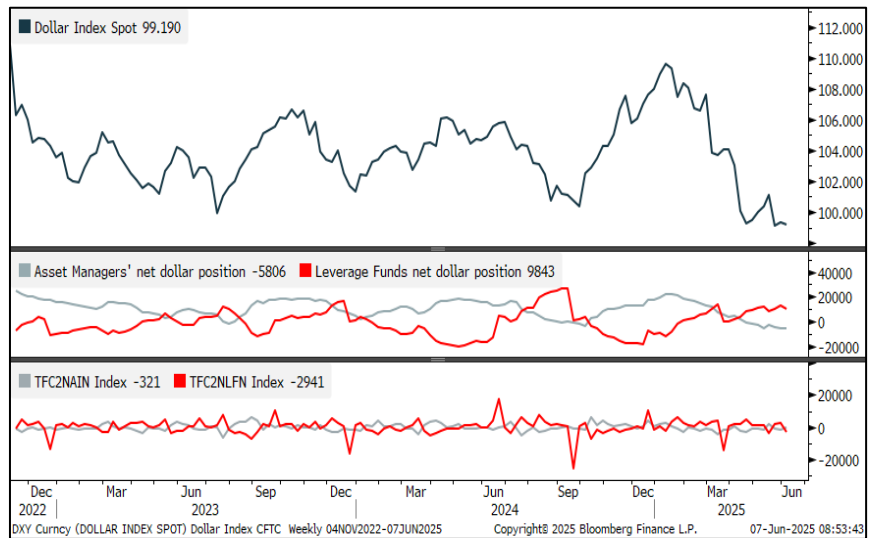
Dollar Index View:

- The Dollar index closed above the Doji candle high, indicating a short-term reversal.
- However, it has been trading in a bearish chart pattern, characterised by the lower highs and lows.
- The relative strength index is below 50 but heading north, indicating positive momentum.

Spot EURINR: *Bullish*

Support 96.40, Resistance 98.60

Asset Managers cut bearish wagers from \$13.3 bn to \$12.2 bn



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
09-Jun	Japan	GDP Annualized SA QoQ	1Q F	-0.70%	-0.70%
	Japan	GDP Nominal SA QoQ	1Q F	0.80%	0.80%
	China	PPI YoY	May	-3.10%	-2.70%
	China	CPI YoY	May	-0.20%	-0.10%
	China	Trade Balance	May	\$101.05b	\$96.18b
10-Jun	UK	Claimant Count Rate	May	--	4.50%
	UK	Jobless Claims Change	May	--	5.2k
	EC	Sentix Investor Confidence	Jun	-5.5	-8.1
	US	NFIB Small Business Optimism	May	95.8	95.8
11-Jun	Japan	PPI YoY	May	3.50%	4.00%
	US	MBA Mortgage Applications	06-Jun	--	-3.90%
	US	CPI YoY	May	2.50%	2.30%
	US	Federal Budget Balance	May	-\$314.1b	\$258.4b
12-Jun	UK	Industrial Production YoY	Apr	-0.20%	-0.70%
	UK	Manufacturing Production YoY	Apr	0.50%	-0.80%
	UK	Trade Balance GBP/Mn	Apr	-£4500m	-£3696m
	India	CPI YoY	May	3.00%	3.16%
	US	Initial Jobless Claims	07-Jun	241k	247k
	US	Continuing Claims	31-May	1910k	1904k
13-Jun	Japan	Industrial Production YoY	Apr F	--	0.70%
	EC	Trade Balance SA	Apr	20.0b	27.9b
	EC	Industrial Production WDA YoY	Apr	1.40%	3.60%
	EC	Trade Balance NSA	Apr	--	36.8b
	US	U. of Mich. Sentiment	Jun P	53.5	52.2
	India	Foreign Exchange Reserves	06-Jun	--	\$691.5b
	India	Trade Balance	May	-\$25400m	-\$26420m

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