



STAT EDGE

Forex Weekly Research Report

7 December 2024

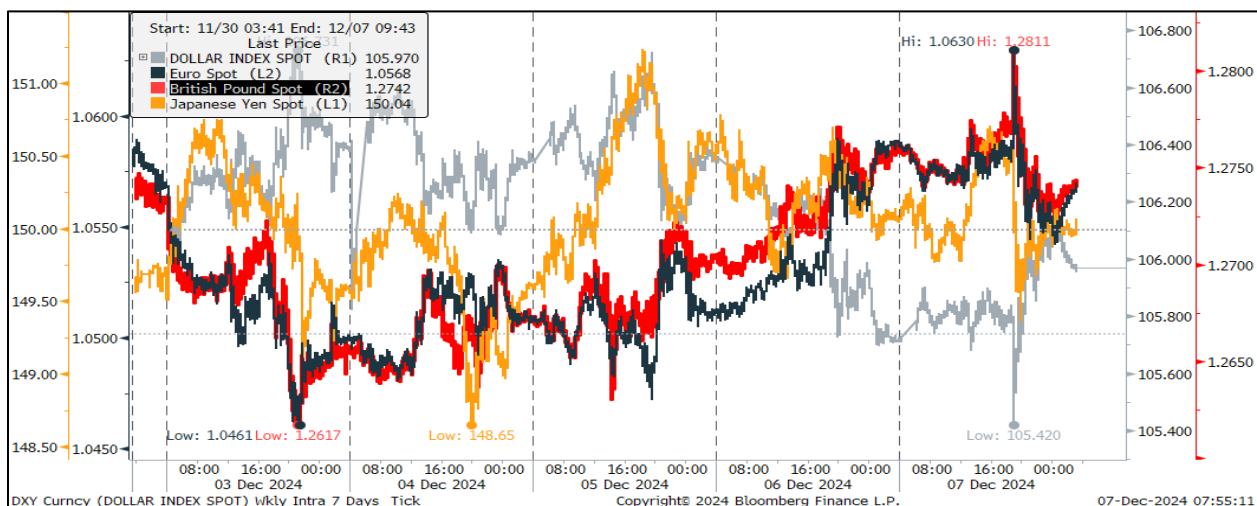
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Market Summary & Outlook:

- The dollar gained strength following an increase in the consumer sentiment indicator, which reached its highest level since April. This positive economic data, coupled with the Federal Reserve's cautious stance on the pace of interest-rate cuts, boosted investor confidence. The Fed's careful approach has signalled that it will not rush into further rate reductions. Meanwhile, the central bank is entering its blackout period, which begins Saturday, in preparation for its upcoming policy meeting on December 17-18. During this time, Fed officials are restricted from making public statements about monetary policy. The dollar index gained 0.30% to 106.06 supported by the weakness in the Japanese yen and Euro which declined 0.1% and 0.15% respectively.
- Market participants may opt to stay cautious and hold off on making major moves ahead of the release of the November Consumer Price Index (CPI) next Wednesday. This upcoming data is expected to be more influential for the outcome of the upcoming Federal Open Market Committee (FOMC) meeting than the current, still volatile labour market figures. Any surprises in the CPI could lead to significant market shifts, making it a critical event for shaping the Fed's policy direction in December.
- A Bloomberg survey revealed that the European Central Bank (ECB) is now expected to reduce interest rates more aggressively than initially planned to support an economy grappling with sluggish growth and subdued inflation.

Currency Performance			
Currency	06-Dec-24	29-Nov-24	% Change
Dollar Index Spot	106.06	105.74	0.30%
Euro Spot	1.0568	1.0577	-0.09%
British Pound Spot	1.2744	1.2735	0.07%
Japanese Yen Spot	150.00	149.77	0.15%
Chinese Yuan Spot	7.284	7.249	0.49%
USDINR	84.70	84.49	0.24%
EURINR	89.59	89.22	0.41%
GBPINR	108.07	107.25	0.76%

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	106.73	105.42	106.06	0.30%	0.30%	5.24%	4.72%
EURUSD Spot	1.0630	1.0461	1.0568	-0.09%	-0.09%	-5.09%	-0.05%
EURINR Spot	89.73	88.80	89.59	0.88%	-0.41%	4.67%	-2.36%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	106.07	103.45	104.76	105.41	106.72	107.38	108.69
EURUSD	1.0553	1.0215	1.0384	1.0476	1.0645	1.0722	1.0891
EURINR	89.37	87.53	88.45	89.02	89.94	90.30	91.22

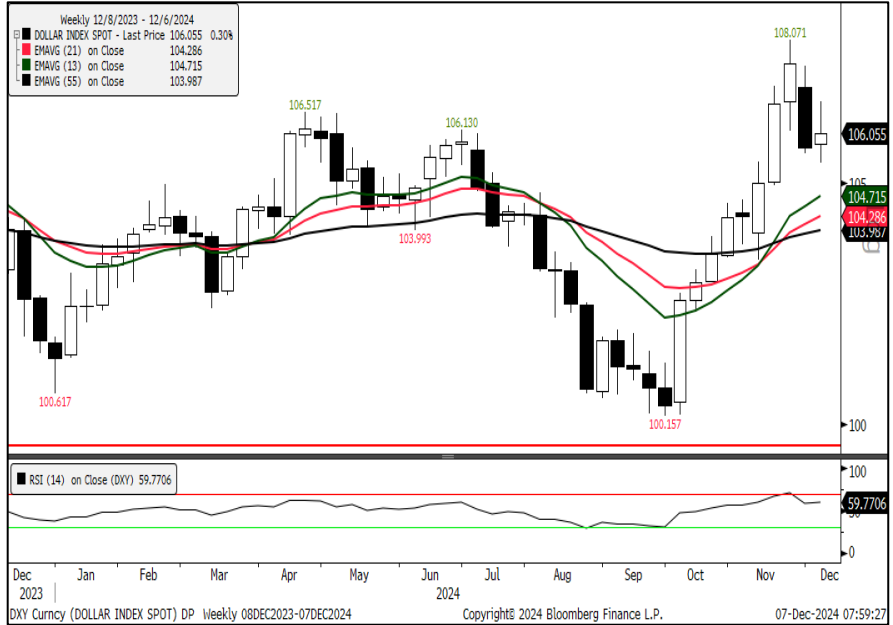
Forex Weekly Research Report

Technical Outlooks:

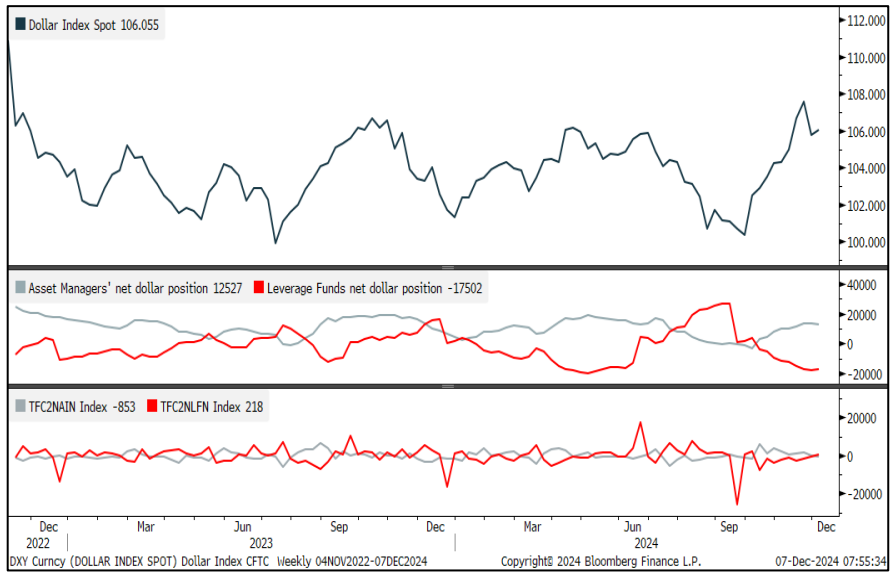
Dollar Index View:

- The dollar stabilised after the previous week's sell-off.
- It hovers around 13 and 21 WEMA.
- On the weekly chart, the relative strength index (RSI) exited from the overbought zone but remained above 50.
- The index has support at 104.70 and resistance at 108.10

Spot EURINR: Buy at 89.30 SL 88.30 Target 91.70



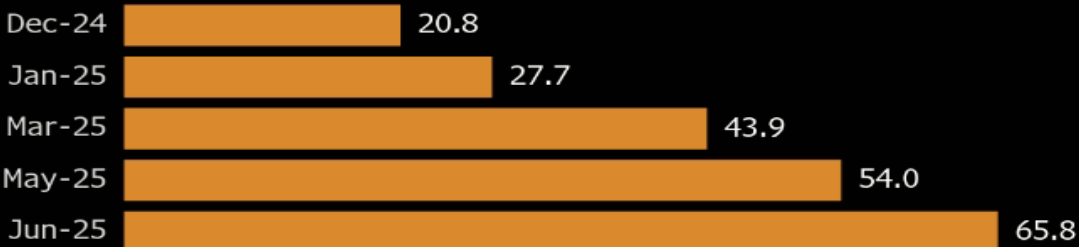
Money Managers Trimmed Long Bets



Traders Lean Toward December Fed Rate Cut After Jobs Data

Markets price higher chance of a reduction this month, boost bets on cuts later in 2025

■ Rate cuts priced for next Fed decisions (cumulative basis points)



Source: Bloomberg
 Note: Data as of 8:36 a.m. ET, Dec. 6

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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
09-Dec	Japan	GDP SA QoQ	3Q F	0.30%	0.20%
	Japan	BoP Current Account Balance	Oct	¥2347.1b	¥1717.1b
	China	PPI YoY	Nov	-2.80%	-2.90%
	China	CPI YoY	Nov	0.40%	0.30%
	US	Wholesale Inventories MoM	Oct F	0.20%	0.20%
10-Dec	US	NFIB Small Business Optimism	Nov	94.5	93.7
	China	Trade Balance	Nov	\$93.90b	\$95.72b
11-Dec	Japan	PPI YoY	Nov	3.40%	3.40%
	US	MBA Mortgage Applications	06-Dec	--	2.80%
	US	CPI YoY	Nov	2.70%	2.60%
12-Dec	India	CPI YoY	Nov	5.54%	6.21%
	India	Industrial Production YoY	Oct	3.60%	3.10%
	EC	ECB Deposit Facility Rate	12-Dec	3.00%	3.25%
	EC	ECB Main Refinancing Rate	12-Dec	3.15%	3.40%
	EC	ECB Marginal Lending Facility	12-Dec	3.40%	3.65%
	US	Initial Jobless Claims	07-Dec	220k	224k
	US	Continuing Claims	30-Nov	1878k	1871k
13-Dec	UK	GfK Consumer Confidence	Dec	-18	-18
	Japan	Industrial Production YoY	Oct F	--	1.60%
	Japan	Capacity Utilization MoM	Oct	--	4.40%
	UK	Industrial Production YoY	Oct	0.20%	-1.80%
	UK	Manufacturing Production YoY	Oct	0.90%	-0.70%
	UK	Trade Balance GBP/Mn	Oct	-£3250m	-£3462m
	EC	Industrial Production WDA YoY	Oct	-2.30%	-2.80%
	India	Foreign Exchange Reserves	06-Dec	--	\$658.1b
	India	Trade Balance	Nov	-\$23800m	-\$27142m

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