



STAT EDGE

Forex Weekly Research Report

8 February 2025

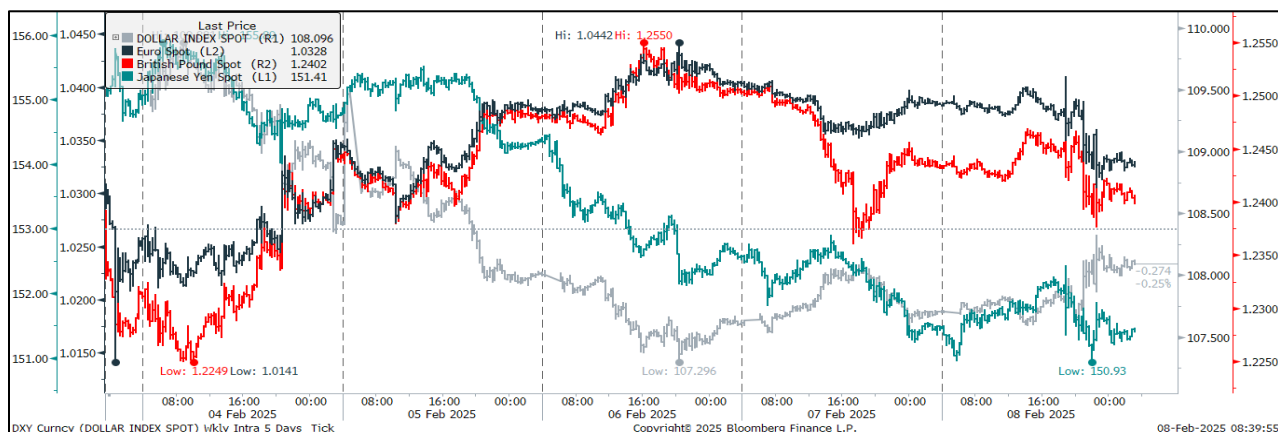
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Market Summary & Outlook:

- The Dollar Index experienced a slight decline, reflecting some softness in the greenback's recent momentum. The U.S. dollar experienced sharp swings following the release of mixed January jobs data, which created uncertainty in the market. While strong job growth highlighted the resilience of the labour market, other figures, such as wage growth and unemployment rates, pointed to signs of moderation. This blend of data led to a shift in market expectations, with many speculating that the Federal Reserve may choose to hold interest rates steady in the coming months rather than pursue additional hikes. As a result, the greenback fluctuated as investors recalibrated their outlook on the central bank's next moves.
- The EUR/USD currency pair experienced significant volatility before settling lower, dropping by 0.3% to reach 1.0328. This movement was triggered by a combination of U.S. economic data and trade-related news, which altered market sentiment as traders reacted to these developments. In light of the European Central Bank's (ECB) policy outlook, Chief Economist Philip Lane stated that the ECB would closely monitor economic data when considering future rate cuts. He emphasised that the central bank would not overly focus on the so-called neutral rate, a benchmark often referenced for guiding policy decisions. This suggests that the ECB's approach will be more adaptable and driven by data rather than strictly relying on the neutral rate framework.
- Markets have been largely fixated on the potential inflationary effects of President Donald Trump's tariff policies, but the coming week could shift focus. Investors may witness significant market movements in response to something as seemingly mundane as updated seasonal factors for the Consumer Price Index. Despite the widespread attention on global trade tensions, even technical adjustments to inflation data could trigger outsized reactions, highlighting the sensitivity of markets to economic indicators and the intricate ways that seemingly small data revisions can influence market sentiment and expectations.

Currency Performance			
Currency	07-Feb-25	01-Feb-25	% Change
Dollar Index Spot	108.04	108.37	-0.30%
Euro Spot	1.0328	1.0362	-0.33%
British Pound Spot	1.2402	1.2395	0.06%
Japanese Yen Spot	151.41	155.19	-2.44%
Chinese Yuan Spot	7.303	7.322	-0.26%
USDINR	87.43	86.62	0.94%
EURINR	90.85	89.96	1.00%
GBPINR	108.93	107.59	1.25%

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	109.88	107.30	108.04	-0.30%	-0.30%	-0.41%	-0.45%
EURUSD Spot	1.0442	1.0141	1.0328	-0.33%	-0.33%	-0.25%	0.00%
EURINR Spot	91.10	88.92	90.85	2.31%	-0.99%	-1.82%	1.65%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	108.41	103.24	105.82	106.93	109.52	110.99	113.58
EURUSD	1.0304	0.9702	1.0003	1.0165	1.0466	1.0605	1.0906
EURINR	90.29	85.94	88.12	89.49	91.66	92.47	94.64

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Technical Outlooks:

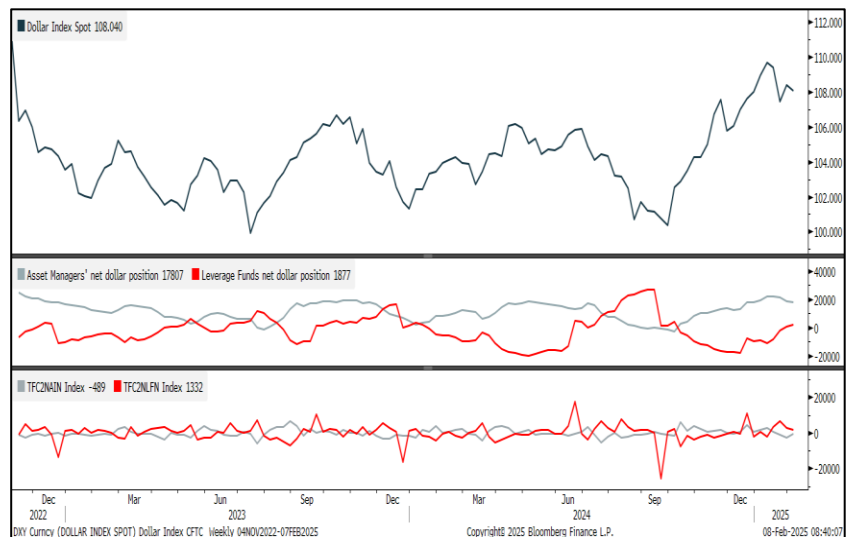
Dollar Index View:

- The dollar index took the support at 55 DEMA in the week gone.
- On a daily chart, it forms a triangle pattern indicating consolidation
- Oscillators on the daily chart remained positive for the bulls.
- It has support at 106.80 and continuing to face resistance at 110.17

**Spot EURINR: Range in Up-move
Support 89.70, Resistance 92.20**



**Speculators paring their long
bets; \$31.2bn net long**



**DXY Taking a Breadth While
Fed Pause**



Equity Weekly Research Report

Economic Calendar					
Date	Country	Event	Period	Survey	Prior
10-Feb	China	CPI YoY	Jan	0.40%	0.10%
11-Feb	Japan	BoP Current Account Balance	Dec	¥1374.2b	¥3352.5b
	EC	Sentix Investor Confidence	Feb	-16.5	-17.7
12-Feb	India	Industrial Production YoY	Dec	3.90%	5.20%
	India	CPI YoY	Jan	4.50%	5.22%
	US	MBA Mortgage Applications	07-Feb	--	2.20%
	US	CPI YoY	Jan	2.90%	2.90%
	US	CPI Core Index SA	Jan	324.237	323.383
	India	Imports YoY	Jan	--	4.90%
	India	Trade Balance	Jan	-\$20750m	-\$21940m
	India	Exports YoY	Jan	--	-1.00%
13-Feb	US	Federal Budget Balance	Jan	-\$48.7b	-\$86.7b
	UK	Industrial Production YoY	Dec	-2.10%	-1.80%
	UK	Manufacturing Production YoY	Dec	-1.90%	-1.20%
	UK	Trade Balance GBP/Mn	Dec	-£4000m	-£4757m
	UK	GDP YoY	4Q P	1.10%	0.90%
	EC	Industrial Production WDA YoY	Dec	-3.10%	-1.90%
	US	PPI Final Demand YoY	Jan	3.20%	3.30%
	US	Initial Jobless Claims	08-Feb	217k	219k
	US	Continuing Claims	01-Feb	1888k	1886k
14-Feb	India	Wholesale Prices YoY	Jan	2.50%	2.37%
	EC	GDP SA YoY	4Q P	0.90%	0.90%
	US	Retail Sales Advance MoM	Jan	-0.10%	0.40%
	US	Industrial Production MoM	Jan	0.30%	0.90%
	US	Capacity Utilization	Jan	77.70%	77.60%
	US	Manufacturing (SIC) Production	Jan	0.10%	0.60%

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