



STAT EDGE

Forex Weekly Research Report

7 September 2024

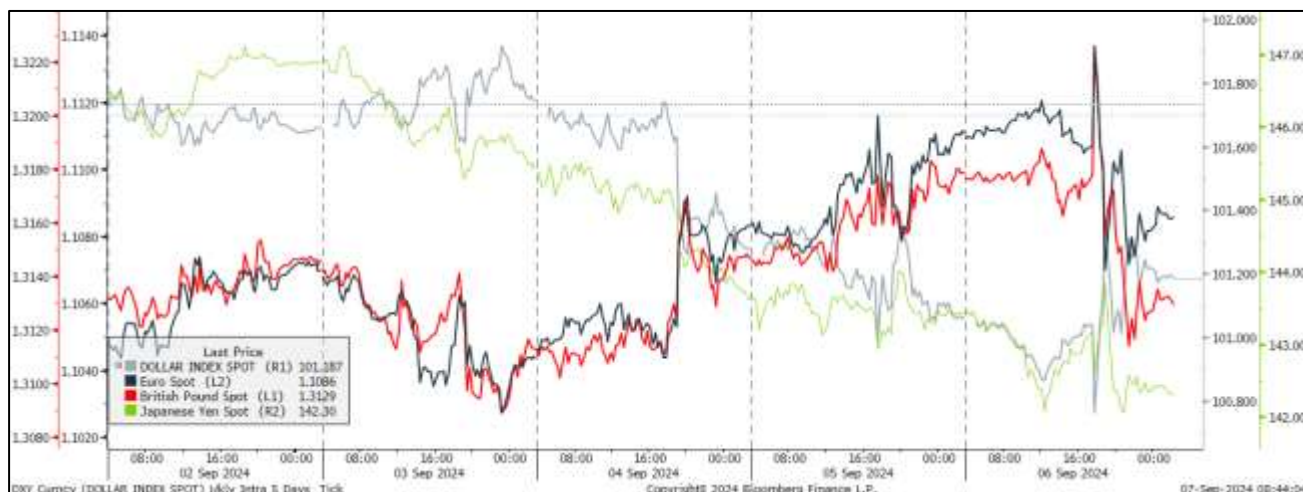
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Market Summary & Outlook:

- The dollar index swung between gains and losses after August hiring numbers fell short of expectations, fueling uncertainty over the extent of the Federal Reserve's rate cuts later this month. While the disappointing jobs data pointed to a cooling economy, it left traders divided on the likely scale of the Fed's easing measures, contributing to market indecision.
- In the week gone, haven demand has been shifted to JPY and CHF. The Japanese yen gained 2.65% to 142.30 while the dollar index tumbled 0.51% to 101.18.
- A group of **speculative market players** that includes hedge funds, asset managers and other traders ramped up **dollar shorts to some \$18.2 billion** in the week ended Sept. 3, as per the CFTC data.
- In the week ahead, US inflation data** is expected to align with the Fed's 2% target for the fourth consecutive time, while consumer sentiment may see a slight decline. The August CPI won't deter the Fed from initiating rate cuts at the September FOMC meeting, as policymakers shift their focus to risks associated with the employment side of their mandate. In Europe, the *ECB is likely to cut interest rates* again, and *wage growth in the UK is expected to moderate*. In China, *economic activity is anticipated to show signs of a slowing recovery*, with key focus areas being CPI, social financing, and trade data.
- The trend of the ICE dollar index, the basket of six currencies, remains bearish as long as it trades above 103.50 while on the downside psychological level of 100 will act as bargain buying. The seasonality factor will limit the downside in the greenback but the direction may be difficult to alter.

Currency Performance			
Currency	06-Sep-24	30-Aug-24	% Change
Dollar Index Spot	101.18	101.70	-0.51%
Euro Spot	1.1084	1.1048	0.33%
British Pound Spot	1.3129	1.3127	0.02%
Japanese Yen Spot	142.30	146.17	-2.65%
Chinese Yuan Spot	7.095	7.090	0.07%
USDINR	83.95	83.87	0.09%
EURINR	93.31	92.95	0.38%
GBPINR	110.61	110.58	0.03%

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	101.92	100.58	101.18	-0.51%	-0.51%	-4.43%	-0.16%
EURUSD	1.1155	1.1026	1.1084	0.33%	0.33%	3.46%	0.00%
EURINR	93.35	92.63	93.31	0.38%	-0.38%	-4.29%	1.36%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	101.23	98.56	99.89	100.53	101.87	102.56	103.89
EURUSD	1.1088	1.083	1.0959	1.1022	1.1151	1.1217	1.1346
EURINR	93.10	91.66	92.38	92.84	93.56	93.82	94.54

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Technical Outlooks:

Dollar Index View:

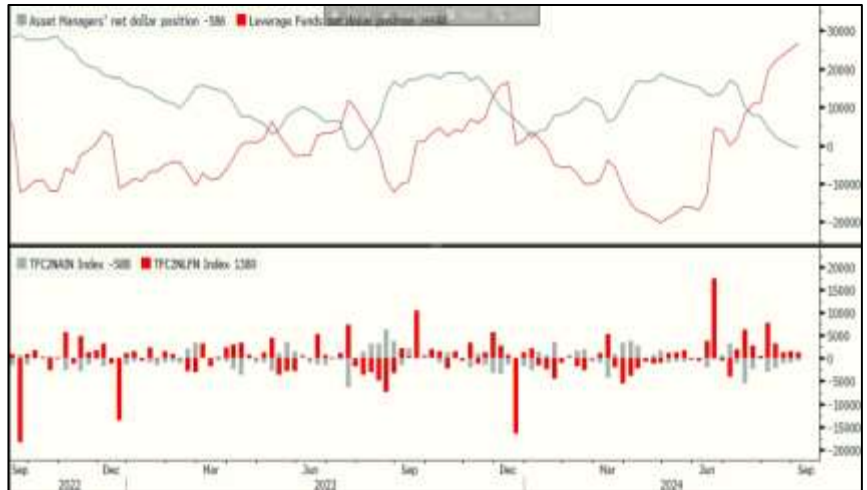
- The dollar index broke the triangle pattern support on the weekly chart but managed to hold the support of 100.51.
- It has been placed well below short-term and medium-term moving averages.
- Momentum oscillators and indicators are weakening and heading south.
- The dollar index has support at 99.58, the bottom of 2023, and resistance at 103.50

Spot EURINR: Unwinding

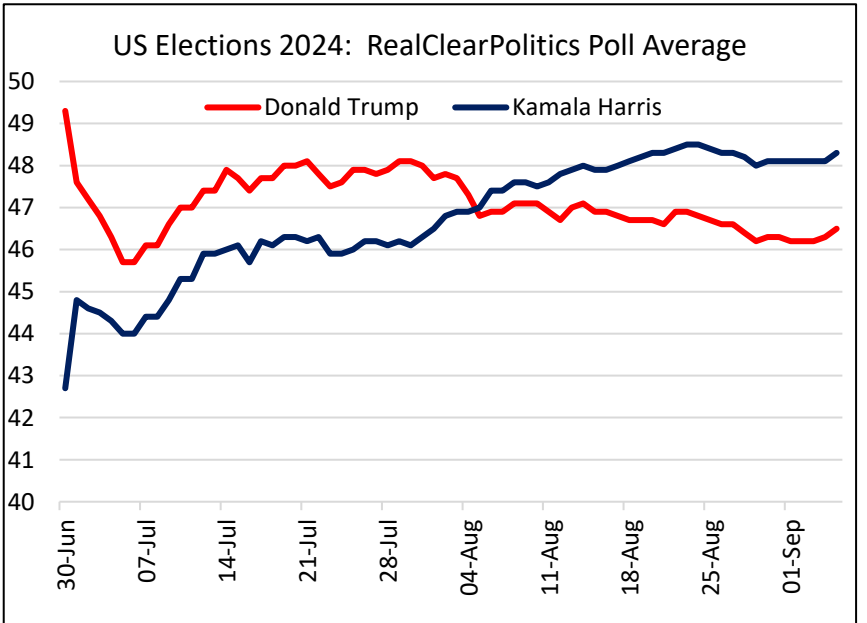
Support: 92.70 Resistance: 93.80



CFTC Positions: Speculators ramped up dollar shorts to some \$18.2 billion in the week ended Sept. 3



US Election 2024:
Donald Trump: 46.5
Kamala Harris: 48.3



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
09-Sep-24	Japan	GDP Annualized SA QoQ	2Q F	3.2%	3.1%
	Japan	BoP Current Account Balance	Jul	¥2496.0b	¥1533.5b
	China	CPI YoY	Aug	0.70%	0.50%
	EC	Sentix Investor Confidence	Sep	-12.2	-13.9
	US	Wholesale Inventories MoM	Jul F	0.30%	0.30%
	US	NY Fed 1-Yr Inflation Expectations	Aug	--	2.97%
10-Sep-24	UK	Employment Change 3M/3M	Jul	120k	97k
	UK	Claimant Count Rate	Aug	--	4.70%
	UK	Jobless Claims Change	Aug	--	135.0k
	US	NFIB Small Business Optimism	Aug	93.7	93.7
	China	Trade Balance	Aug	\$82.00b	\$84.65b
11-Sep-24	UK	Monthly GDP (MoM)	Jul	0.20%	0.00%
	UK	Industrial Production YoY	Jul	-0.10%	-1.40%
	UK	Trade Balance GBP/Mn	Jul	£4700m	£5324m
	US	MBA Mortgage Applications	06-Sep	--	1.60%
	US	CPI YoY	Aug	2.60%	2.90%
	China	FDI YTD YoY CNY	Aug	--	-29.60%
12-Sep-24	India	CPI YoY	Aug	3.45%	3.54%
	India	Industrial Production YoY	Jul	4.60%	4.20%
	EC	ECB Deposit Facility Rate	12-Sep	3.50%	3.75%
	US	Initial Jobless Claims	07-Sep	230k	227k
	US	Continuing Claims	31-Aug	1850k	1838k
	US	Monthly Budget Statement	Aug	-\$349.6b	-\$243.7b
13-Sep-24	Japan	Industrial Production YoY	Jul F	--	2.70%
	Japan	Capacity Utilization MoM	Jul	--	-3.10%
	EC	Industrial Production WDA YoY	Jul	-2.70%	-3.90%
	India	Foreign Exchange Reserves	06-Sep	--	\$684.0b
	US	Import Price Index YoY	Aug	0.90%	1.60%
	US	Export Price Index YoY	Aug	--	1.40%
	US	U. of Mich. Sentiment	Sep P	68.3	67.9
	India	Trade Balance	Aug	-\$23000m	-\$23500m

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