



STAT EDGE

## **Forex Weekly Research Report**

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**10 May 2025**

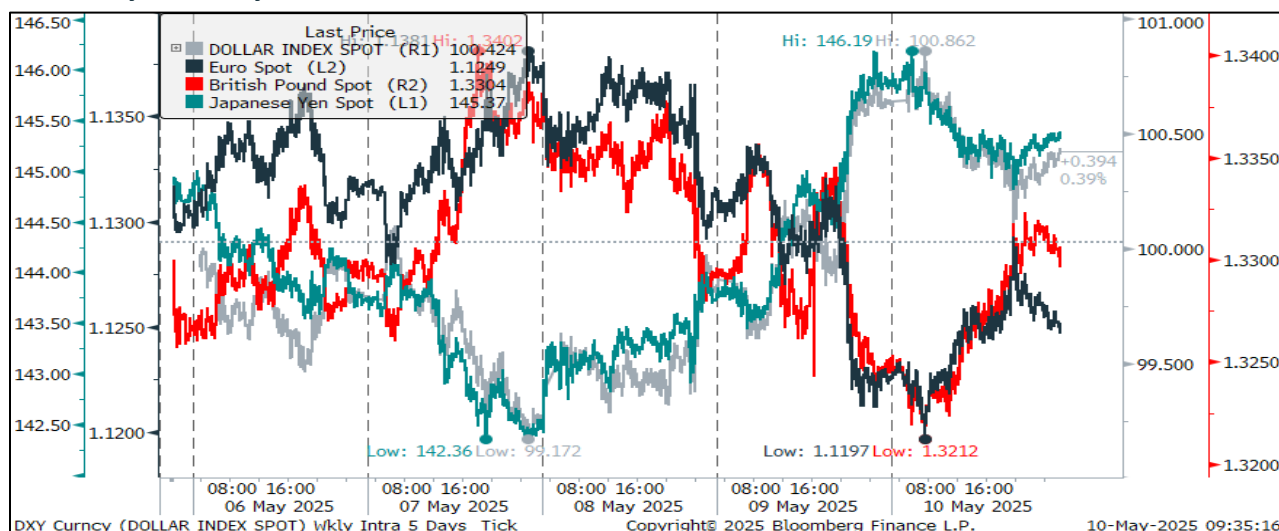
# Forex Weekly Research Report

## Market Summary & Outlook:

- The Dollar Spot Index marked its third consecutive weekly ascent, buoyed by a cooling of global trade anxieties that had previously rattled investor confidence. This sustained rally signals renewed optimism among market participants, who are responding to signs of de-escalation in the protracted trade tensions between the United States and China.
- The week's momentum was partially driven by rhetorical posturing from U.S. President Donald Trump, who floated the possibility of imposing an 80% tariff on Chinese imports. While the proposal is widely viewed as a negotiation tactic rather than an imminent policy shift, it underscored Trump's ongoing push for reciprocal market access and his administration's insistence that Beijing dismantle barriers to U.S. exports.
- The interplay between dovish central bank commentary and strategic trade signalling from the White House has created a complex yet bullish environment for the U.S. dollar, as traders anticipate relative policy stability and stronger economic fundamentals. The Dollar Spot Index's performance reflects a flight toward perceived safe-haven assets, an underlying belief in the U.S. economy's ability to weather external pressures.
- The FOMC held rates steady at the May meeting, while the policy statement highlighted rising stagflationary risks. Officials downplayed the negative 1Q reading on GDP growth, with Fed Chair Jerome Powell calling activity "solid." That suggests policymakers see no urgency to cut rates.
- The monthly US trade deficit widened in March to \$140.5 billion as imports of consumer goods, cars, and capital goods jumped, and travel exports plunged. High-frequency indicators suggest tariff front-running persisted through mid-April before falling sharply in recent weeks.

| Currency Performance |           |           |          |
|----------------------|-----------|-----------|----------|
| Currency             | 09-May-25 | 02-May-25 | % Change |
| Dollar Index Spot    | 100.34    | 100.03    | 0.31%    |
| Euro Spot            | 1.1250    | 1.1297    | -0.42%   |
| British Pound Spot   | 1.3306    | 1.3272    | 0.26%    |
| Japanese Yen Spot    | 145.37    | 144.96    | 0.28%    |
| Chinese Yuan Spot    | 7.240     | 7.213     | 0.38%    |
| USDINR               | 85.38     | 84.55     | 0.99%    |
| EURINR               | 96.02     | 95.96     | 0.06%    |
| GBPINR               | 113.29    | 112.53    | 0.68%    |

## 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 | 100.86      | 99.17      | 100.34       | 0.31%         | -0.70%     | -3.71%     | -8.15%     |
| EURUSD Spot  | 1.1381      | 1.1197     | 1.125        | -0.42%        | 0.13%      | 4.01%      | 4.64%      |
| EURINR Spot  | 96.85       | 95.33      | 96.02        | 0.06%         | 1.14%      | -4.10%     | 6.82%      |

| Currency     | Pivot  | Supt.3 | Supt.2 | Supt.1 | Resi.1 | Resi.2 | Resi.3 |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Dollar Index | 100.12 | 96.74  | 98.43  | 99.39  | 101.08 | 101.81 | 103.5  |
| EURUSD       | 1.1276 | 1.0908 | 1.1092 | 1.1171 | 1.1355 | 1.146  | 1.1644 |
| EURINR       | 96.07  | 93.03  | 94.55  | 95.28  | 96.80  | 97.59  | 99.11  |

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## Technical Analysis:

### Dollar Index View:

- The dollar index is placed above 21 DEMA.
- It is forming a bullish higher highs and higher lows.
- The relative strength index exited from the oversold zone, indicating a short-covering bounce.
- It has support at 97.90 and resistance at 102.10.

**Spot EURINR: Short-Covering**  
**Support 95, Resistance 98.90**



**Asset Managers Increase**  
**Bearish Bets on Dollar to**  
**\$17.2bn**



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| Economic Calendar |         |                                |        |           |           |
|-------------------|---------|--------------------------------|--------|-----------|-----------|
| Date              | Country | Event                          | Period | Survey    | Prior     |
| 12-May            | Japan   | BoP Current Account Balance    | Mar    | ¥3790.8b  | ¥4060.7b  |
|                   | US      | Federal Budget Balance         | Apr    | \$256.0b  | -\$160.5b |
| 13-May            | UK      | Claimant Count Rate            | Apr    | --        | 4.60%     |
|                   | UK      | Jobless Claims Change          | Apr    | --        | 18.7k     |
|                   | US      | NFIB Small Business Optimism   | Apr    | 95        | 97.4      |
|                   | India   | CPI YoY                        | Apr    | 3.20%     | 3.34%     |
|                   | US      | CPI YoY                        | Apr    | 2.40%     | 2.40%     |
|                   | US      | CPI Core Index SA              | Apr    | 326.568   | 325.659   |
| 14-May            | Japan   | PPI YoY                        | Apr    | 4.00%     | 4.20%     |
|                   | India   | Wholesale Prices YoY           | Apr    | 1.50%     | 2.05%     |
|                   | US      | MBA Mortgage Applications      | 09-May | --        | 11.00%    |
| 15-May            | UK      | GDP YoY                        | 1Q P   | 1.20%     | 1.50%     |
|                   | UK      | Industrial Production YoY      | Mar    | -0.90%    | 0.10%     |
|                   | UK      | Manufacturing Production YoY   | Mar    | -0.70%    | 0.30%     |
|                   | UK      | Trade Balance GBP/Mn           | Mar    | -£2200m   | -£1956m   |
|                   | EC      | GDP SA YoY                     | 1Q S   | 1.20%     | 1.20%     |
|                   | EC      | Industrial Production WDA YoY  | Mar    | 2.20%     | 1.20%     |
|                   | US      | Empire Manufacturing           | May    | -8        | -8.1      |
|                   | US      | Initial Jobless Claims         | 10-May | 230k      | 228k      |
|                   | US      | Continuing Claims              | 03-May | 1890k     | 1879k     |
|                   | US      | Industrial Production MoM      | Apr    | 0.10%     | -0.30%    |
|                   | US      | Capacity Utilization           | Apr    | 77.80%    | 77.80%    |
|                   | US      | Manufacturing (SIC) Production | Apr    | -0.40%    | 0.30%     |
|                   | US      | NAHB Housing Market Index      | May    | 40        | 40        |
|                   | India   | Trade Balance                  | Apr    | -\$20000m | -\$21539m |
| 16-May            | Japan   | GDP SA QoQ                     | 1Q P   | -0.10%    | 0.60%     |
|                   | Japan   | Industrial Production YoY      | Mar F  | --        | -0.30%    |
|                   | EC      | Trade Balance SA               | Mar    | --        | 21.0b     |
|                   | US      | Housing Starts                 | Apr    | 1365k     | 1324k     |
|                   | US      | Building Permits               | Apr P  | 1450k     | 1467k     |
|                   | US      | Import Price Index YoY         | Apr    | -0.20%    | 0.90%     |
|                   | US      | Export Price Index YoY         | Apr    | --        | 2.40%     |
|                   | US      | U. of Mich. Sentiment          | May P  | 53.3      | 52.2      |
|                   | India   | Foreign Exchange Reserves      | 09-May | --        | \$686.1b  |

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