



STAT EDGE

Forex Weekly Research Report

11 January 2026

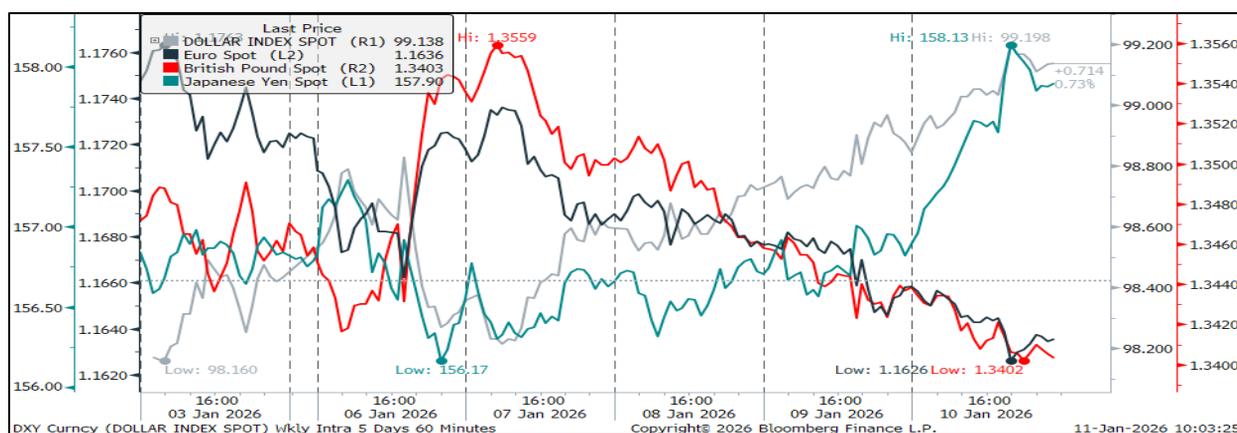
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Market Summary & Outlook:

- The US dollar strengthened notably over the week as rising Treasury yields reinforced expectations that the Federal Reserve will remain cautious on near-term rate cuts. The catalyst was the December US jobs report, which surprised markets with a decline in the unemployment rate, signalling continued resilience in the labour market. In response, traders sharply pared back expectations for an imminent easing move by the Fed, particularly for January, prompting a repricing across currency and rates markets.
- Reflecting this shift, the ICE Dollar Index advanced around 0.7% on the week, climbing to its highest level in a month. The move was supported by higher front-end yields, with the two-year Treasury yield rising roughly 4 basis points to 3.53%. While markets continue to price in approximately two Federal Reserve rate cuts for the year, confidence in any near-term action has faded considerably, with traders now assigning minimal probability to a January cut.
- In foreign exchange markets, the Japanese yen came under renewed pressure, sliding to a fresh one-year low against the US dollar. USD/JPY gained about 0.7% to reach 158.18, driven by both dollar strength and domestic political uncertainty in Japan. Adding to the yen's weakness, media reports from Yomiuri, citing unidentified government officials, indicated that Japanese Prime Minister Sanae Takaichi is considering dissolving the lower house at the start of the regular Diet session on January 23. The prospect of political disruption further undermined confidence in the currency.
- The euro also struggled, extending its decline for a fourth consecutive session, marking its longest losing streak in a month. EURUSD fell roughly 0.7% over the week, sliding to a one-month low near 1.1637. Positioning dynamics amplified the move, with traders reporting that several hedge funds in Europe and the United States purchased short-dated EURUSD put options ahead of the US payrolls release. More broadly, leveraged demand for bearish euro optionality has been a dominant theme throughout the week, a trend clearly reflected in the repricing of volatility skews, according to market participants.

Currency Performance			
Currency	09-Jan-26	02-Jan-26	% Change
Dollar Index Spot	99.13	98.42	0.72%
Euro Spot	1.1637	1.1719	-0.70%
British Pound Spot	1.3404	1.3456	-0.39%
Japanese Yen Spot	157.89	156.84	0.67%
Chinese Yuan Spot	6.976	6.970	0.08%
USDINR	90.16	90.20	-0.03%
EURINR	104.97	105.72	-0.70%
GBPINR	120.91	121.36	-0.38%

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	99.26	98.16	99.13	0.72%	-0.70%	0.82%	0.81%
EURUSD Spot	1.1743	1.1618	1.1637	-0.70%	0.13%	-0.93%	4.64%
EURINR Spot	105.92	104.77	104.97	-0.70%	1.14%	0.49%	-0.52%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.41	97.75	98.86	99.61	100.71
EURUSD	1.1789	1.1615	1.1664	1.1835	1.196	1.1914	1.2039
EURINR	101.81	100.21	100.67	97.71	98.85	102.95	104.10

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Technical Analysis:

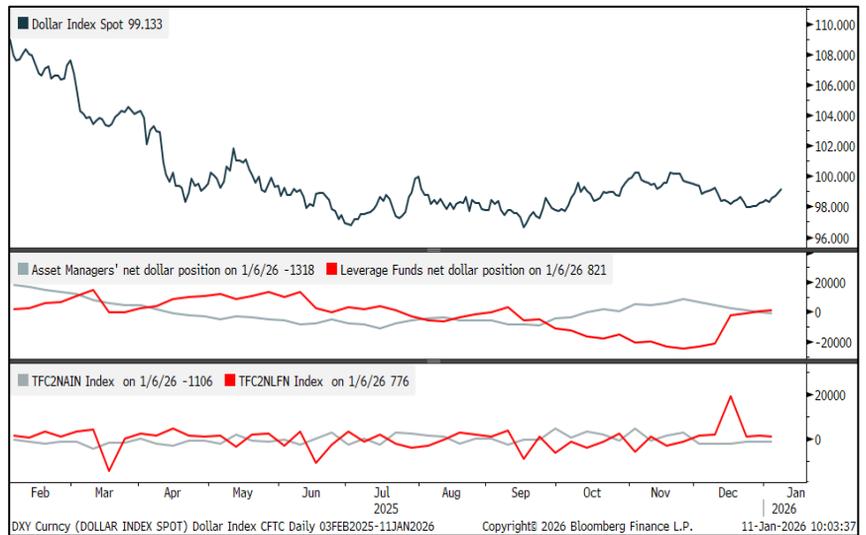
Dollar Index View:

- The DXY Index closed above the descending channel and crossed the recent swing high.
- It closed above 55 DEMA.
- RSI is about to enter the overbought zone, indicating positive momentum.

Spot Dollar Index: *Support 98.3, Resistance 100.35*



Net non-commercial holds \$11.9 billion bearish dollar bets



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
12-Jan	EC	Sentix Investor Confidence	Jan	-4.9	-6.2
	India	CPI YoY	Dec	1.56%	0.71%
13-Jan	Japan	Trade Balance BoP Basis	Nov	¥518.8b	¥98.3b
	US	ADP Weekly Employment Change	27-Dec	--	--
	US	CPI YoY	Dec	2.70%	2.70%
	US	Core CPI YoY	Dec	2.70%	2.60%
	US	New Home Sales	Oct	715k	--
14-Jan	US	Federal Budget Balance	Dec	-\$152.5b	-\$173.3b
	India	Wholesale Prices YoY	Dec	0.32%	-0.32%
	US	MBA Mortgage Applications	09-Jan	--	0.30%
	US	Retail Sales Advance MoM	Nov	0.40%	0.00%
	US	Current Account Balance	3Q	-\$241.0b	-\$251.3b
	US	Existing Home Sales	Dec	4.22m	4.13m
	US	Business Inventories	Oct	0.10%	0.20%
	China	Trade Balance	Dec	\$114.10b	\$111.68b
15-Jan	Japan	PPI YoY	Dec	2.40%	2.70%
	UK	Industrial Production YoY	Nov	-0.40%	-0.80%
	UK	Manufacturing Production YoY	Nov	-0.10%	-0.80%
	UK	Index of Services MoM	Nov	0.20%	-0.30%
	UK	Trade Balance GBP/Mn	Nov	£2500m	£4824m
	EC	Trade Balance SA	Nov	--	14.0b
	EC	Industrial Production WDA YoY	Nov	2.00%	2.00%
	US	Philadelphia Fed Business Outlook	Jan	-1.9	-8.8
	US	Initial Jobless Claims	10-Jan	215k	208k
	US	Continuing Claims	03-Jan	1900k	1914k
	US	Empire Manufacturing	Jan	1	-3.9
	India	Trade Balance	Dec	-\$25000m	-\$24532m
16-Jan	US	New York Fed Services Business Activity	Jan	--	-20
	US	Industrial Production MoM	Dec	0.10%	0.20%
	US	Manufacturing (SIC) Production	Dec	-0.10%	0.00%
	US	Capacity Utilization	Dec	76.00%	76.00%
	US	NAHB Housing Market Index	Jan	40	39

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