



STAT EDGE

Forex Weekly Research Report

12 October 2024

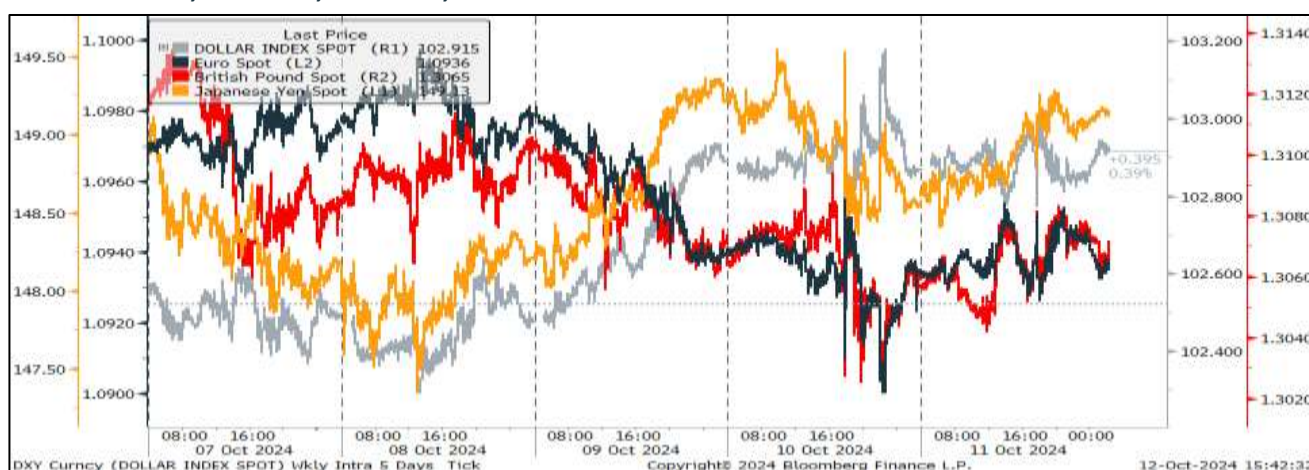
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Market Summary & Outlook:

- The dollar index recorded its second consecutive weekly gain, bolstered by a prevailing risk-averse sentiment. Recent U.S. economic data indicated a lower probability of a 50 basis points rate cut, prompting investors to reassess their strategies. This shift in sentiment reflects growing concerns about financial stability, leading many to favour the safety of the dollar. As a result, the index's upward trajectory underscores the ongoing market volatility and the impact of economic indicators on currency movements.
- China is poised to deploy as much as 2 trillion yuan (approximately \$283 billion) in fresh fiscal stimulus to bolster its economy amid mounting challenges. This significant injection of funds aims to revitalise growth and support key sectors, including infrastructure and technology.
- The European Central Bank is almost certain to cut its main policy rates by 25 basis points at its upcoming meeting on October 17. The rationale for this move has grown considerably stronger since the Governing Council's last gathering in September, with even the more hawkish members acknowledging the need for action. Bloomberg Economics' ECB Speak Index is hitting new lows for the year, indicating a growing dovish sentiment among monetary authorities.
- China's third-quarter GDP and September activity data, set to be released on October 18, are expected to reveal a deepening economic slowdown. This underscores the urgency for policymakers to swiftly implement the substantial stimulus package announced at the end of last month. We anticipate that GDP growth will have slowed to 4.5% year-on-year, down from 4.7% in the second quarter of 2024, primarily due to weak consumption and investment.

Currency Performance			
Currency	11-Oct-24	04-Oct-24	% Change
Dollar Index Spot	102.89	102.52	0.36%
Euro Spot	1.0937	1.0974	-0.34%
British Pound Spot	1.3067	1.3122	-0.42%
Japanese Yen Spot	149.13	148.70	0.29%
Chinese Yuan Spot	7.071	7.098	-0.38%
USDINR	84.07	83.97	0.12%
EURINR	91.98	92.58	-0.65%
GBPINR	109.89	110.56	-0.61%

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	Dollar Index	103.18	102.29	102.89	2.50%	2.09%	2.09%
EURUSD	EURUSD	1.0997	1.0900	1.0937	-2.02%	-1.78%	-1.78%
EURINR	EURINR	92.33	91.75	91.98	-1.54%	1.95%	1.95%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	102.79	101.01	101.9	102.4	103.28	103.67	104.56
EURUSD	1.0945	1.0751	1.0848	1.0892	1.0989	1.1042	1.1139
EURINR	92.02	90.85	91.43	91.7	92.29	92.61	93.19

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Technical Outlooks:

Dollar Index View:

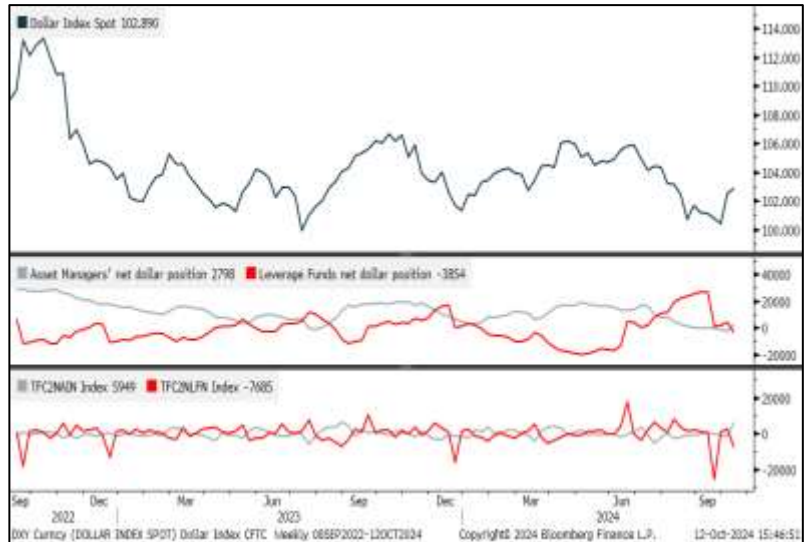
- The dollar index formed a *Doji candlestick* pattern on the daily chart indicating indecisiveness after a recent rally.
- There is a chance of a downswing or profit booking in the coming days.
- Momentum oscillators and indicators have given positive crossover and divergence.
- The dollar index has support at 101.8 and resistance at 103.99.

Spot EURINR: *Bearish*

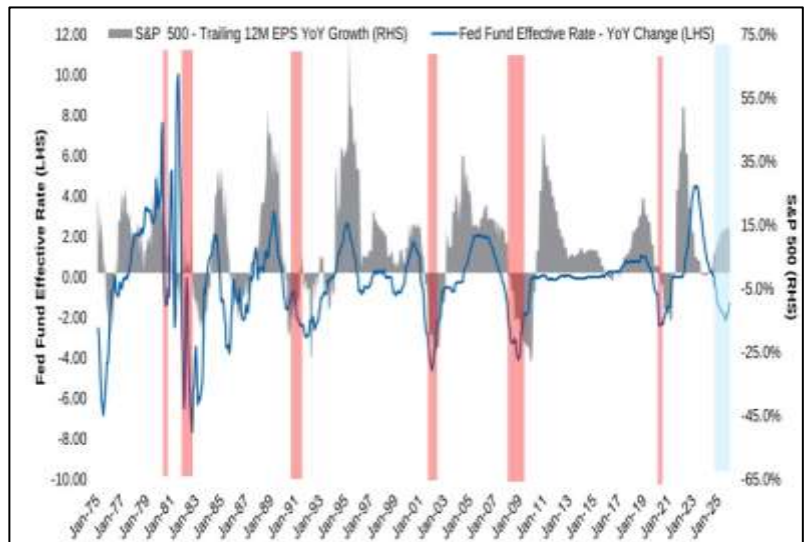
Support: 91.70 Resistance: 92.50



CFTC Positions: Asset Managers increased bullish bet



Equities Do Well After Fed Cuts Rates



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
14-Oct	India	Wholesale Prices YoY	Sep	1.98%	1.31%
	China	Trade Balance	Sep	\$90.75b	\$91.02b
	India	CPI YoY	Sep	5.11%	3.65%
15-Oct	Japan	Industrial Production YoY	Aug F	--	-4.90%
	UK	ILO Unemployment Rate 3Mths	Aug	4.10%	4.10%
	UK	Claimant Count Rate	Sep	--	4.70%
	UK	Jobless Claims Change	Sep	--	23.7k
	EC	ZEW Survey Expectations	Oct	--	9.3
	EC	Industrial Production WDA YoY	Aug	-1.00%	-2.20%
	US	Empire Manufacturing	Oct	3.6	11.5
	India	Trade Balance	Sep	-\$24619m	-\$29643m
	China	1-Yr Medium-Term Lending Facility Rate	25-Oct	2.00%	2.00%
China	1-Yr Medium-Term Lending Facilities Volume	25-Oct	600.0b	300.0b	
16-Oct	UK	CPI YoY	Sep	1.90%	2.20%
	UK	RPI YoY	Sep	3.10%	3.50%
	UK	House Price Index YoY	Aug	--	2.20%
	US	MBA Mortgage Applications	11-Oct	--	-5.10%
17-Oct	Japan	Trade Balance	Sep	-¥263.0b	-¥703.2b
	EC	CPI YoY	Sep F	1.80%	1.80%
	EC	CPI Core YoY	Sep F	2.70%	2.70%
	EC	Trade Balance SA	Aug	17.7b	15.5b
	EC	ECB Deposit Facility Rate	17-Oct	3.25%	3.50%
	EC	ECB Main Refinancing Rate	17-Oct	3.40%	3.65%
	EC	ECB Marginal Lending Facility	17-Oct	3.65%	3.90%
	US	Initial Jobless Claims	12-Oct	253k	258k
	US	Continuing Claims	05-Oct	1888k	1861k
	US	Industrial Production MoM	Sep	-0.10%	0.80%
	US	Capacity Utilization	Sep	77.80%	78.00%
	US	Manufacturing (SIC) Production	Sep	-0.20%	0.90%
US	Business Inventories	Aug	0.30%	0.40%	
US	NAHB Housing Market Index	Oct	42	41	
18-Oct	Japan	Natl CPI YoY	Sep	2.50%	3.00%
	China	New Home Prices MoM	Sep	--	-0.73%
	China	GDP YoY	3Q	4.50%	4.70%
	China	Industrial Production YoY	Sep	4.60%	4.50%
	China	Retail Sales YoY	Sep	2.50%	2.10%
	EC	ECB Current Account SA	Aug	--	39.6b
	EC	Construction Output YoY	Aug	--	-2.20%
	India	Foreign Exchange Reserves	11-Oct	--	\$701.2b
	US	Housing Starts	Sep	1350k	1356k
US	Building Permits	Sep	1455k	1470k	

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