



**STAT EDGE**

**Forex Weekly Research Report**

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**18 October 2025**

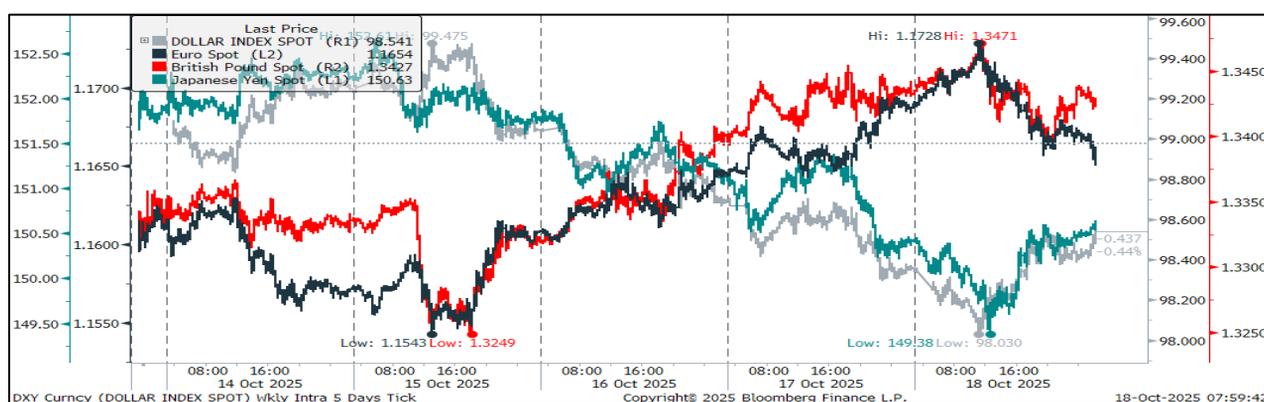
# Forex Weekly Research Report

## Market Summary & Outlook:

- The U.S. dollar posted its steepest weekly decline in over two months, pressured by a confluence of trade uncertainties, mounting credit concerns, and growing expectations of imminent Federal Reserve rate cuts. The Dollar Index registered a 0.55% drop since Monday's open, marking its poorest performance since early August.
- Despite early-session weakness across Asian and London markets, the greenback pared losses during U.S. trading hours, buoyed by a late-session rebound in bank stocks. This modest recovery followed a wave of selling triggered on Thursday by unsettling disclosures of loan irregularities at Zions Bancorp and Western Alliance Bancorp, which had momentarily stoked fears of deeper fragility within the regional banking sector.
- Meanwhile, geopolitical developments added another layer of volatility. President Donald Trump softened his tone on trade policy, describing elevated tariffs on Chinese imports as "not sustainable." Further signalling a possible thaw in tensions.
- In the currency markets, European traders noted a continued unwinding of long-dollar positions, particularly against the yen and the euro. A succession of stop-loss orders was triggered, suggesting that speculative bullish bets on the dollar are being systematically flushed out amid shifting sentiment and deteriorating fundamentals.
- U.S. equities rebounded sharply, propelling the S&P 500 to its strongest weekly performance since August, driven by renewed optimism over trade negotiations and a recovery in the banking sector. The risk on sentiments further weighed on the haven dollar.
- Despite the ongoing impasse in Washington over the government shutdown, which shows few signs of imminent resolution, market participants have shifted their focus to increasingly accommodative signals from the Federal Reserve. Recent commentary from a range of Fed officials has leaned dovish, emphasising flexibility in monetary policy and a heightened sensitivity to evolving economic risks. This rhetoric has prompted investors to recalibrate their rate expectations, with many positioning for a more cautious policy trajectory—if not outright easing—by the end of the year. The dovish tone has buoyed risk assets and pressured yields lower, as traders interpret the Fed's posture as a sign that it is prepared to act preemptively should growth momentum falter.

Currency Performance			
Currency	17-Oct-25	10-Oct-25	% Change
Dollar Index Spot	98.43	98.98	-0.55%
Euro Spot	1.1655	1.1619	0.31%
British Pound Spot	1.3427	1.3360	0.50%
Japanese Yen Spot	150.61	151.19	-0.38%
Chinese Yuan Spot	7.127	7.145	-0.26%
USDINR	87.97	88.69	-0.81%
EURINR	102.96	102.65	0.30%
GBPINR	118.20	117.87	0.28%

## 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	99.48	98.03	98.43	-0.55%	-0.70%	0.67%	-10.05%
EURUSD Spot	1.1728	1.1543	1.1655	0.31%	0.13%	-0.67%	4.64%
EURINR Spot	103.25	102.23	102.96	0.30%	1.14%	1.32%	13.75%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.06	97.54	98.99	99.95	101.4
EURUSD	1.1789	1.1615	1.1604	1.185	1.2035	1.1974	1.2159
EURINR	101.81	100.21	100.80	100.37	101.39	102.82	103.84

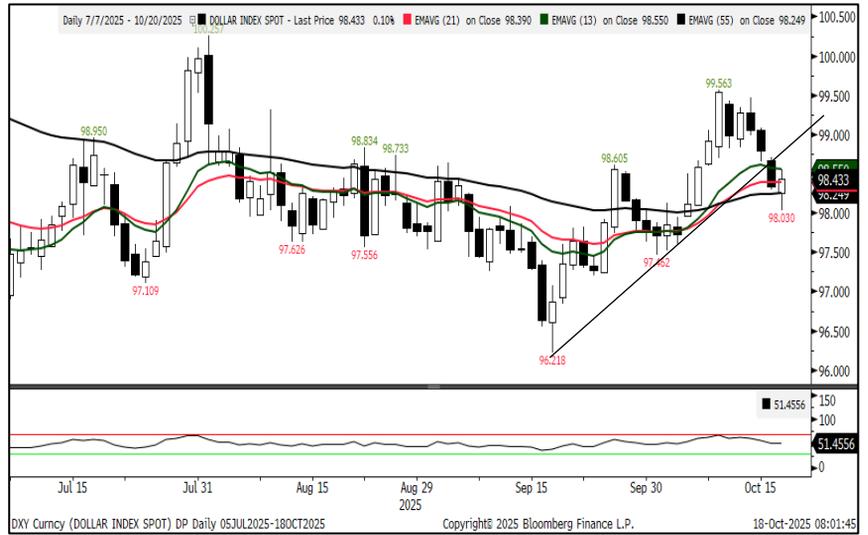
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## Technical Analysis:

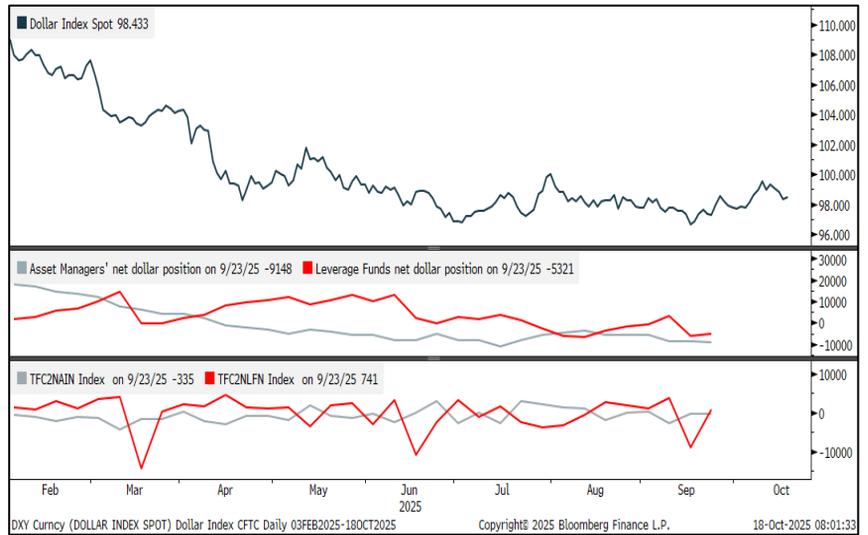
### Dollar Index View:

- The Dollar index closed at 21 DEMA.
- It has been trading below the upward-sloping trend line but held the bullish pattern of higher highs and lows.
- The relative strength index is flattening near 50, indicating consolidation in the index.

**Spot Dollar Index: Support 97.50, Resistance 99.60**



## No Update from CFTC on US Shutdown



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
20-Oct	China	1 & 5-Year Loan Prime Rate	20-Oct	3.00%	3.00%
	China	New Home Prices MoM	Sep	--	-0.30%
	China	Used Home Prices MoM	Sep	--	-0.58%
	China	GDP YoY	3Q	4.70%	5.20%
	China	Retail Sales YoY	Sep	3.00%	3.40%
	China	Industrial Production YoY	Sep	5.00%	5.20%
	EC	ECB Current Account SA	Aug	--	27.7b
21-Oct	Japan	Machine Tool Orders YoY	Sep F	--	9.90%
	India	Eight Infrastructure Industries	Sep	--	6.30%
	US	Philadelphia Fed Non-Manufacturing Activity	Oct	--	-12.3
22-Oct	Japan	Trade Balance	Sep	¥30.5b	-¥242.8b
	UK	CPI YoY	Sep	4.00%	3.80%
	UK	CPI Core YoY	Sep	3.70%	3.60%
	UK	House Price Index YoY	Aug	--	2.80%
	US	MBA Mortgage Applications	17-Oct	--	-1.80%
23-Oct	US	Initial Jobless Claims	18-Oct	226k	--
	US	Continuing Claims	11-Oct	--	--
	EC	Consumer Confidence	Oct P	-15	-14.9
	US	Existing Home Sales	Sep	4.06m	4.00m
	US	Kansas City Fed Manf. Activity	Oct	--	4
24-Oct	Japan	S&P Global Japan PMI Composite	Oct P	--	51.3
	India	HSBC India PMI Composite	Oct P	--	61.00
	EC	HCOB Eurozone Composite PMI	Oct P	51	51.20
	UK	S&P Global UK Composite PMI	Oct P	50.7	50.1
	US	CPI YoY	Sep	3.10%	2.90%
	US	Core CPI YoY	Sep	3.10%	3.10%
	US	S&P Global US Composite PMI	Oct P	53.5	53.9
	US	New Home Sales	Sep	707k	800k
	US	U. of Mich. Sentiment	Oct F	55	55
	US	Kansas City Fed Services Activity	Oct	--	-9

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