



STAT EDGE

Forex Weekly Research Report

20 September 2025

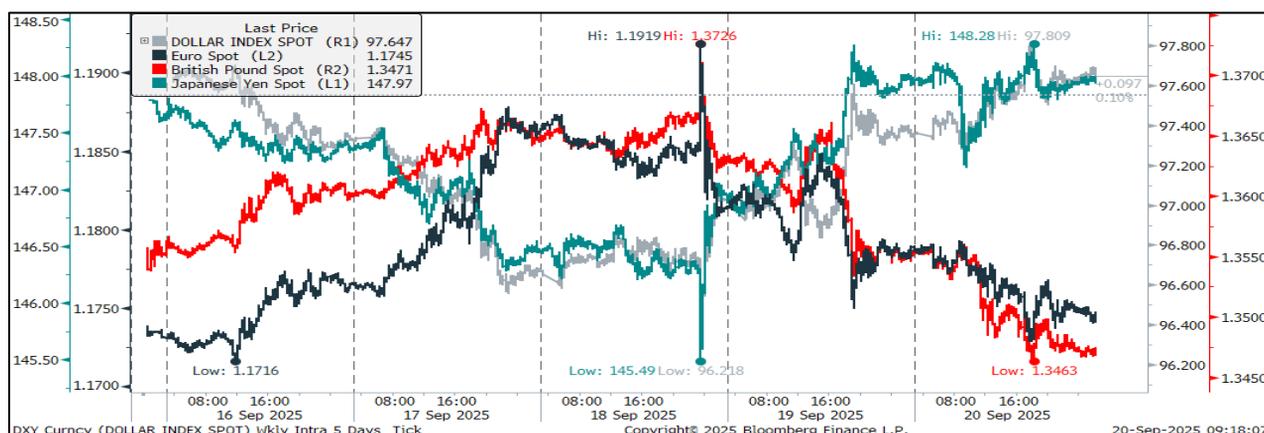
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Market Summary & Outlook:

- The dollar's strength edged higher as global markets continued to recalibrate following the Federal Reserve's September policy decision. Despite persistent bearish sentiment evident in the options market, short-term speculative flows — particularly from so-called "fast money" accounts — lent support to the greenback in Friday's session.
- The Dollar Spot Index posted a modest 0.1% gain on the week, marking its third consecutive daily advance. The move reflects resilient buying interest, even in the face of broader expectations for longer-term dollar softness.
- This divergence highlights an increasingly tactical market environment where short-term momentum trades are prevailing, despite lingering structural concerns about the dollar's trajectory.
- Across Europe, traders report that real money accounts — typically longer-term, fundamental investors — continue to lean toward selling into dollar strength, particularly against the euro and the pound. However, short-term participants are more opportunistic, fading downside breakouts in both currencies, which suggests a lack of conviction regarding a sustained directional move.
- Options markets further reinforce this cautious tone. Volatility skews in DXY options remain tilted toward dollar downside, with a persistent premium for puts across multiple tenors. This positioning reflects latent concern that the dollar's recent bounce — over 1% since the Fed meeting — may be short-lived, particularly if upcoming macro data underwhelms or if geopolitical risks intensify.
- **CFTC Update:** Bearish positioning against the US dollar by non-commercial traders, including hedge funds, asset managers, and other speculative participants, rose to an estimated \$7.8 billion in the week preceding Wednesday's Federal Reserve decision, according to CFTC data. The increase suggests growing market scepticism over the dollar's near-term outlook, reflecting expectations of a dovish policy signal or shifting macroeconomic fundamentals.

Currency Performance			
Currency	19-Sep-25	12-Sep-25	% Change
Dollar Index Spot	97.64	97.55	0.10%
Euro Spot	1.1746	1.1734	0.10%
British Pound Spot	1.3472	1.3556	-0.62%
Japanese Yen Spot	147.95	147.68	0.18%
Chinese Yuan Spot	7.119	7.125	-0.07%
USDINR	88.10	88.28	-0.20%
EURINR	103.61	103.48	0.12%
GBPINR	118.97	119.59	-0.52%

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	97.81	96.22	97.64	0.10%	-0.70%	0.79%	-10.84%
EURUSD Spot	1.1919	1.1716	1.1746	0.10%	0.13%	-0.35%	4.64%
EURINR Spot	104.40	103.42	103.61	0.12%	1.14%	-2.98%	14.41%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	96.92	99.21	100.8	100.1	101.69
EURUSD	1.1789	1.1615	1.1586	1.1659	1.1862	1.1992	1.2195
EURINR	101.81	100.21	100.83	99.22	100.20	102.79	103.77

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Technical Analysis:

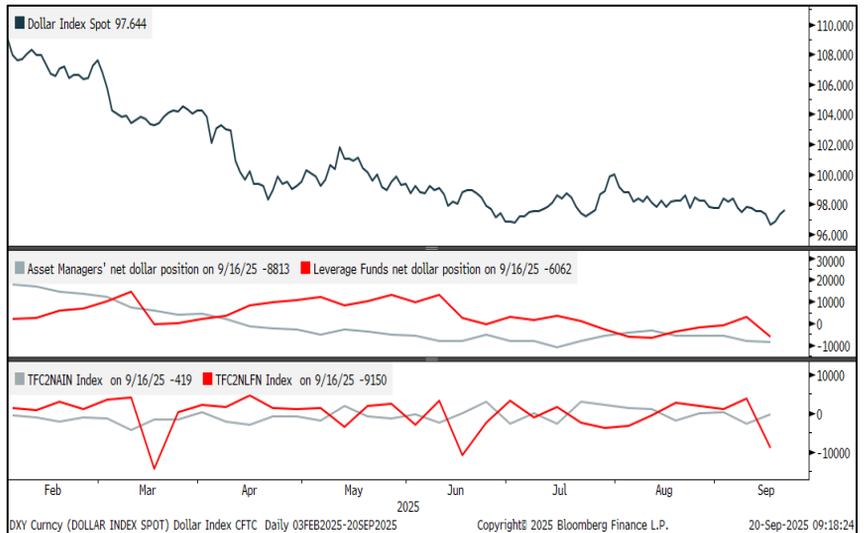
Dollar Index View:

- The Dollar index closed above 21 DEMA.
- It has descending trendline resistance at 97.80.
- It has been trading in a falling channel.
- The relative strength index is heading north, exhibiting recovery.

Spot Dollar Index: Support 96.40, Resistance 98.85



Asset Managers increased their short dollar bets to \$7.8 billion.



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
22-Sep	China	1 Year Loan Prime Rate	22-Sep	3.00%	3.00%
	China	5 Year Loan Prime Rate	22-Sep	3.50%	3.50%
	India	Eight Infrastructure Industries	Aug	--	2.00%
	US	Chicago Fed Nat Activity Index	Aug	-0.16	-0.19
23-Sep	India	HSBC India PMI Composite	Sep P	--	63.2
	EC	HCOB Eurozone Composite PMI	Sep P	51.1	51
	UK	S&P Global UK Composite PMI	Sep P	53	53.5
	US	Philadelphia Fed Non-Manufacturing Activity	Sep	--	-17.5
	US	Current Account Balance	2Q	-\$268.0b	-\$450.2b
	US	S&P Global US Composite PMI	Sep P	--	54.6
	US	Richmond Fed Manufact. Index	Sep	-9	-7
24-Sep	US	MBA Mortgage Applications	19-Sep	--	29.70%
	US	New Home Sales	Aug	650k	652k
	US	Building Permits	Aug F	--	1312k
25-Sep	US	Advance Goods Trade Balance	Aug	-\$96.0b	-\$102.8b
	US	GDP Annualized QoQ	2Q T	3.30%	3.30%
	US	Personal Consumption	2Q T	1.60%	1.60%
	US	Core PCE Price Index QoQ	2Q T	2.50%	2.50%
	US	Durable Goods Orders	Aug P	-0.30%	-2.80%
	US	Initial Jobless Claims	20-Sep	235k	231k
	US	Continuing Claims	13-Sep	1938k	1920k
	US	Existing Home Sales	Aug	3.96m	4.01m
26-Sep	US	Personal Income	Aug	0.30%	0.40%
	US	Personal Spending	Aug	0.50%	0.50%
	US	PCE Price Index YoY	Aug	2.70%	2.60%
	US	Core PCE Price Index YoY	Aug	2.90%	2.90%
	US	U. of Mich. Sentiment	Sep F	55.4	55.4

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