



STAT EDGE

Forex Weekly Research Report

21 December 2024

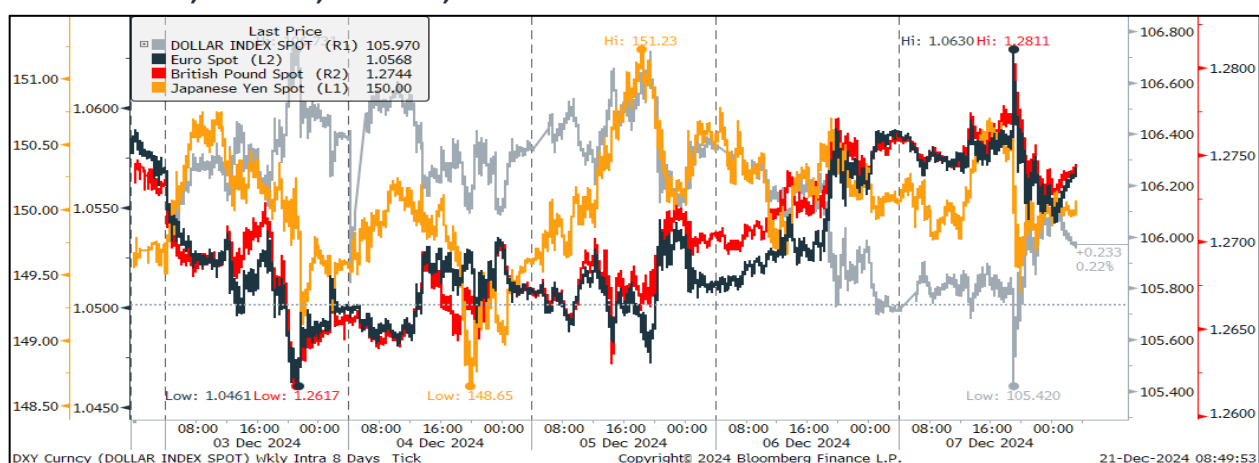
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Market Summary & Outlook:

- The ICE U.S. Dollar Index (DXY), which tracks the value of the U.S. dollar against a basket of six major currencies, experienced a slight dip on Friday but ended the week with a notable 0.6% gain. This weekly increase pushed the index to its highest level in more than two years, reflecting a strengthening of the dollar relative to its global peers.
- The dollar's recent climb is primarily attributed to several key factors. First, the U.S. economy has shown relative resilience, with strong economic data in areas such as GDP growth and employment figures which have boosted investor confidence in the U.S. economy. This has led to increased demand for the U.S. dollar, as investors view the U.S. as a haven amidst global uncertainties.
- Additionally, the Federal Reserve's stance on interest rates has played a critical role in the dollar's strength. Despite some expectations of rate cuts in 2025, the Fed's commitment to maintaining a higher interest rate environment for an extended period has supported the dollar.
- On the other hand, other major economies, particularly in the Eurozone and Japan, have faced slower growth and lower interest rates, which have weighed on their respective currencies. This has further reinforced the dollar's upward trajectory. As a result, the DXY has gained momentum, touching levels not seen since 2022.
- Overall, the dollar's rise this week, despite the small pullback on Friday, is a reflection of a broader trend of strength in the U.S. currency, driven by a combination of economic resilience and monetary policy divergence between the U.S. and other major economies. The continued strength of the dollar could have implications for global markets, especially for commodities priced in U.S. dollars, such as oil and gold, making them more expensive for holders of other currencies.

Currency Performance			
Currency	21-Dec-24	13-Dec-24	% Change
Dollar Index Spot	107.62	107.00	0.58%
Euro Spot	1.0430	1.0501	-0.68%
British Pound Spot	1.2570	1.2619	-0.39%
Japanese Yen Spot	156.31	153.65	1.73%
Chinese Yuan Spot	7.292	7.281	0.16%
USDINR	85.02	84.80	0.26%
EURINR	88.27	88.93	-0.75%
GBPINR	106.30	107.18	-0.82%

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	108.54	106.7	107.62	0.58%	1.78%	6.79%	6.29%
EURUSD Spot	1.0534	1.0343	1.043	-0.68%	-1.39%	-6.33%	-0.06%
EURINR Spot	89.34	88.02	88.27	-0.60%	1.08%	6.23%	-3.67%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	107.62	103.93	105.78	106.7	108.54	109.46	111.31
EURUSD	1.0436	1.0054	1.0245	1.0337	1.0528	1.0627	1.0818
EURINR	88.54	85.91	87.23	87.75	89.06	89.86	91.18

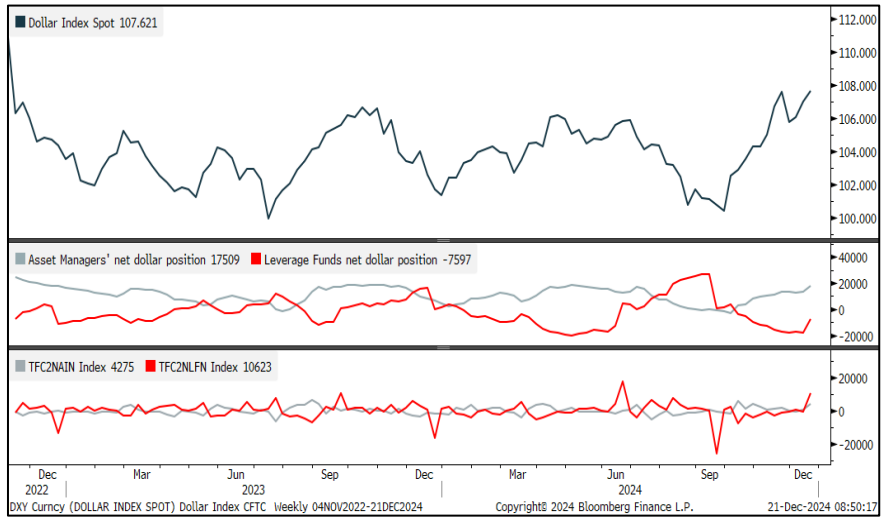
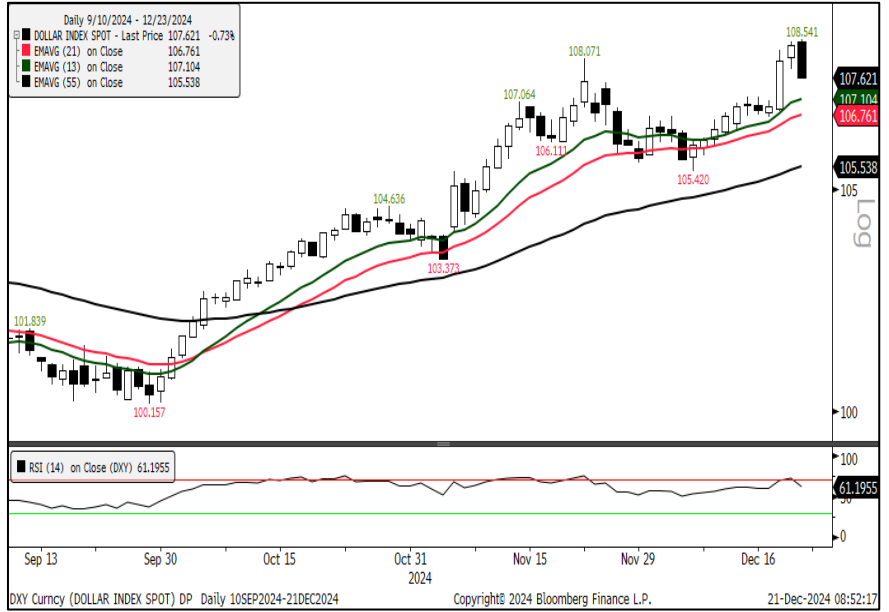
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Technical Outlooks:

Dollar Index View:

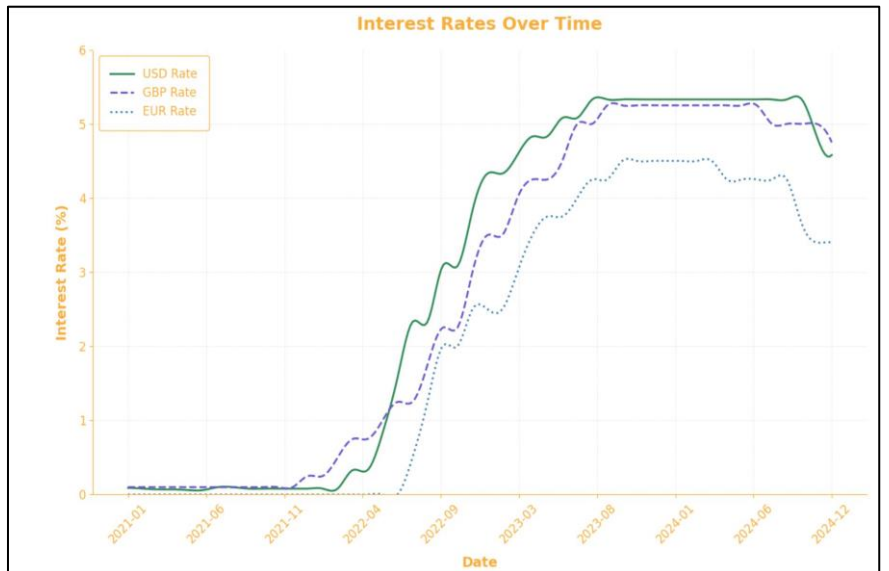
- The dollar formed a bearish engulfing candle near resistance indicating a short-term reversal in the trend.
- However, it has been placed well above the moving averages.
- On the daily chart, the relative strength index (RSI) exited from the overbought zone with a negative divergence.
- The index has support at 105.40 and resistance at 109.20

Spot EURINR: Volatile within the range of 87.20 to 83.30



Bullish Dollar bets continue

Divergence between FOMC, BoE, ECB



Equity Weekly Research Report

Economic Calendar					
Date	Country	Event	Period	Survey	Prior
23-Dec	UK	Current Account Balance	3Q	-23.0b	-28.4b
	UK	GDP YoY	3Q F	1.00%	1.00%
	US	Building Permits	Nov F	--	1505k
	US	Durable Goods Orders	Nov P	-0.20%	0.30%
	US	New Home Sales	Nov	670k	610k
	India	BoP Current Account Balance	3Q	-\$15.7b	-\$9.7b
24-Dec	US	Richmond Fed Manufact. Index	Dec	-11	-14
26-Dec	US	Initial Jobless Claims	21-Dec	221k	220k
	US	Continuing Claims	14-Dec	1887k	1874k
27-Dec	Japan	Tokyo CPI YoY	Dec	2.90%	2.50%
	Japan	Retail Sales YoY	Nov	1.50%	1.30%
	Japan	Industrial Production YoY	Nov P	-3.10%	1.40%
	China	Industrial Profits YoY	Nov	--	-10.00%
	India	Foreign Exchange Reserves	20-Dec	--	\$652.9b
	US	Advance Goods Trade Balance	Nov	-\$101.1b	-\$98.3b
	US	Wholesale Inventories MoM	Nov P	0.10%	0.20%
	China	BoP Current Account Balance	3Q F	--	\$146.9b

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