



STAT EDGE

Forex Weekly Research Report

23 August 2025

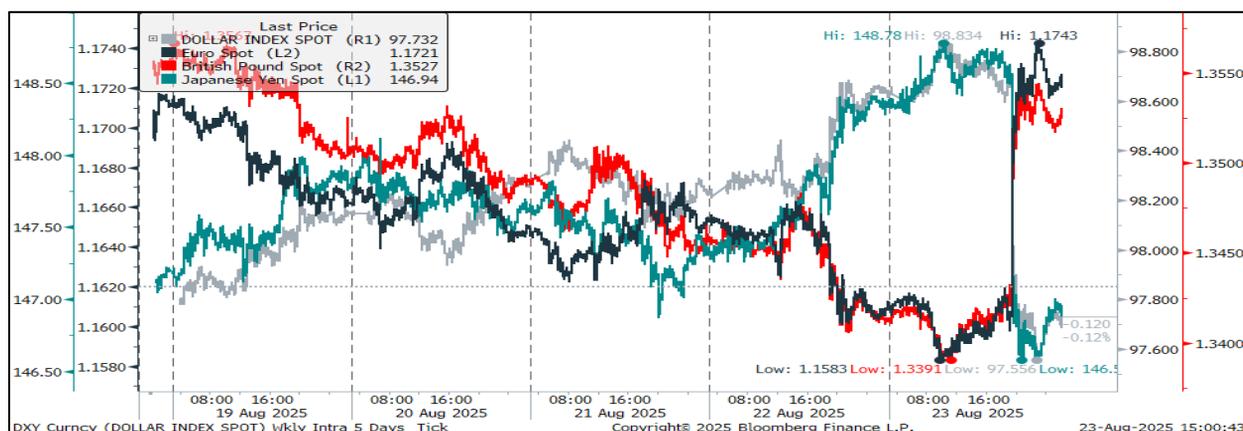
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Market Summary & Outlook:

- The U.S. dollar weakened notably on Friday, as markets reacted to Federal Reserve Chair Jerome Powell's comments at the annual Jackson Hole Economic Symposium, which signalled a potential interest rate cut as early as September. The Bloomberg Dollar Spot Index fell 0.8% on the day, marking its steepest single-day decline since early August and positioning it for a third consecutive weekly loss.
- In his prepared remarks, Chair Powell stated, "The stability of the unemployment rate and other labour market measures allows us to proceed carefully as we consider changes to our policy stance."
- He further noted that, "With policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance." These comments were interpreted by markets as a dovish pivot, increasing the likelihood that the central bank may ease monetary policy in the near term.
- In response, major currencies rallied sharply against the dollar. The Japanese yen and the euro both appreciated by at least 1%, posting their strongest daily performance since August 1. The British pound ended the week in negative territory, underperforming as other major currencies closed with gains. UK inflation climbed to an 18-month high on the back of surging food, fuel and transport prices, putting the Bank of England under pressure to reconsider the pace of rate cuts.
- Investor sentiment toward the dollar was further dampened by political developments, following remarks from former President Donald Trump, who stated he would dismiss Federal Reserve Governor Lisa Cook if she did not resign — a statement that introduced additional uncertainty around the central bank's independence.
- Separately, ratings agency Fitch affirmed the United States' sovereign credit rating at AA+ and maintained a stable outlook. The affirmation reflects confidence in the country's macroeconomic fundamentals, though the recent downgrade from AAA still looms large in the broader financial landscape.
- Overall, the dollar faced downward pressure from both dovish monetary policy expectations and increased political noise, while traditional safe-haven currencies benefited from the evolving market dynamics.

Currency Performance			
Currency	22-Aug-25	15-Aug-25	% Change
Dollar Index Spot	97.72	97.85	-0.14%
Euro Spot	1.1718	1.1703	0.13%
British Pound Spot	1.3525	1.3554	-0.21%
Japanese Yen Spot	146.94	147.19	-0.17%
Chinese Yuan Spot	7.172	7.189	-0.23%
USDINR	87.53	87.56	-0.03%
EURINR	101.50	102.30	-0.78%
GBPINR	117.41	118.71	-1.10%

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	98.83	97.56	97.72	-0.14%	-0.70%	0.87%	-10.77%
EURUSD Spot	1.1743	1.1583	1.1718	0.13%	0.13%	-0.59%	4.64%
EURINR Spot	102.39	101.13	101.50	-0.78%	1.14%	-0.96%	12.30%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.23	98.18	99.46	99.79	101.06
EURUSD	1.1789	1.1615	1.1629	1.1835	1.1995	1.1949	1.2109
EURINR	101.81	100.21	100.55	101.23	102.49	103.07	104.33

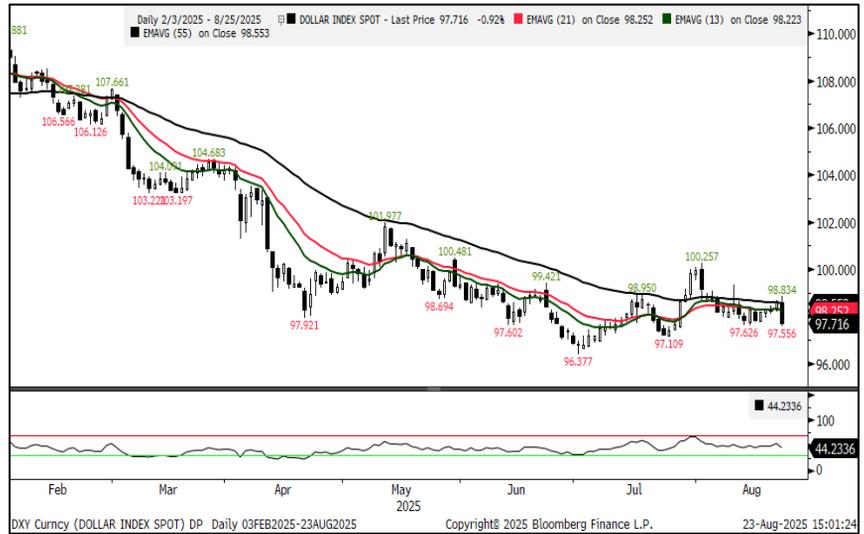
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Technical Analysis:

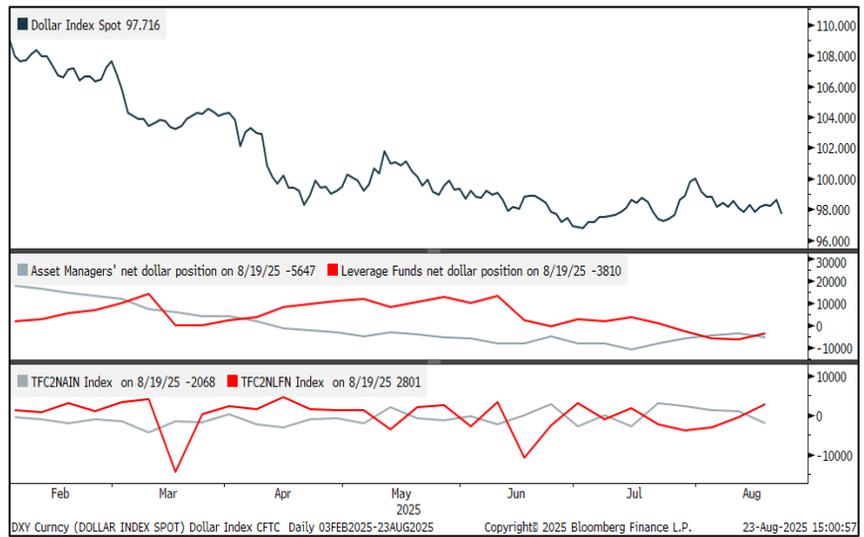
Dollar Index View:

- The Dollar index closed below the 13 DEMA and an upward-sloping trendline.
- It started forming a bearish lower highs and lows.
- The relative strength index is heading south, exhibiting weakness.

Spot Dollar Index: Support 96.50, Resistance 100.25



Asset Managers increased their short dollar bets to \$6.15 billion.



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
25-Aug	US	Chicago Fed Nat Activity Index	Jul	-0.11	-0.1
	US	New Home Sales	Jul	630k	627k
	US	Dallas Fed Manf. Activity	Aug	-1.7	0.9
	US	Building Permits	Jul F	--	1354k
26-Aug	US	Durable Goods Orders	Jul P	-3.90%	-9.40%
	US	FHFA House Price Index MoM	Jun	-0.10%	-0.20%
	US	Richmond Fed Manufact. Index	Aug	--	-20
	US	Conf. Board Consumer Confidence	Aug	96.5	97.2
27-Aug	UK	CBI Retailing Reported Sales	Aug	--	-34
	US	MBA Mortgage Applications	22-Aug	--	-1.40%
28-Aug	EC	Consumer Confidence	Aug F	--	-15.5
	India	Industrial Production YoY	Jul	2.20%	1.50%
	US	GDP Annualized QoQ	2Q S	3.10%	3.00%
	US	Personal Consumption	2Q S	1.60%	1.40%
	US	Initial Jobless Claims	23-Aug	230k	235k
	US	Continuing Claims	16-Aug	1965k	1972k
	US	Pending Home Sales MoM	Jul	-0.20%	-0.80%
29-Aug	Japan	Industrial Production YoY	Jul P	-0.60%	4.40%
	Japan	Retail Sales YoY	Jul	1.60%	1.90%
	India	GDP YoY	2Q	6.60%	7.40%
	India	GVA YoY	2Q	6.40%	6.80%
	India	Fiscal Deficit YTD INR	Jul	--	2807b
	US	Personal Income	Jul	0.40%	0.30%
	US	Personal Spending	Jul	0.50%	0.30%
	US	PCE Price Index YoY	Jul	2.60%	2.60%
	US	Core PCE Price Index YoY	Jul	2.90%	2.80%
	US	Advance Goods Trade Balance	Jul	-\$89.5b	-\$84.9b
	US	Wholesale Inventories MoM	Jul P	0.10%	0.10%
	US	Retail Inventories MoM	Jul	--	0.30%
	US	U. of Mich. Sentiment	Aug F	58.6	58.6

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