

**Forex Weekly Research Report** 

25 January 2025

## **Forex Weekly Research Report**

### **Market Summary & Outlook:**

- The U.S. dollar experienced a broad-based decline after indications that President Donald Trump may be moderating his stance on tariffs against China. This shift in policy rhetoric led to decreased demand for the dollar, contributing to its decline across various asset classes. The ICE Dollar Spot Index fell by 1.7% over the week, marking its most significant weekly loss since November 2023.
- According to data from the Commodity Futures Trading Commission (CFTC), hedge funds and asset managers reduced their bullish bets on the dollar during the week ending January 21. This adjustment followed a period in which these investors were the most optimistic about the U.S. currency since 2019, indicating a change in market sentiment toward a less favourable outlook on the dollar.

Currency Performance							
Currency	24-Jan-25	17-Jan-25	% Change				
Dollar Index Spot	107.44	109.35	-1.74%				
Euro Spot	1.0497	1.0273	2.18%				
British Pound Spot	1.2484	1.2169	2.59%				
Japanese Yen Spot	156.00	156.30	-0.19%				
Chinese Yuan Spot	7.244	7.342	-1.32%				
USDINR	86.21	86.61	-0.47%				
EURINR	90.47	89.18	1.45%				
GBPINR	107.13	105.64	1.41%				

- The Japanese yen experienced only a modest strengthening, even after the Bank of Japan (BoJ) raised its key policy interest rate on Friday to the highest level since 2008. The BoJ also revised its economic outlook, adopting a more optimistic view on inflation. This prompted speculation about potential future rate hikes. While these developments provided temporary support for the yen, its gains were relatively subdued compared to other major currencies.
- In contrast, the euro rose by 0.8%, reaching 1.0497, which reflects a 2.2% increase for the week—the most significant gain since 2023. Similarly, the British pound outperformed its G10 counterparts, climbing by 2.6%. These movements were influenced by a general weakness of the dollar and positive sentiment toward assets in Europe and the UK, benefiting from shifting expectations regarding global monetary policy and economic growth.
- The Federal Open Market Committee recently opted to keep the U.S. federal funds rate unchanged, maintaining its current stance on monetary policy. Despite persistent inflationary pressures and ongoing economic uncertainties, the FOMC signalled a more cautious approach and may opt not to go for an interest rate cut. Meanwhile, the European Central Bank (ECB) is expected to implement a 25bps cut, a shift that marks a more dovish turn in the ECB's monetary policy stance. As the FOMC and ECB make these critical policy decisions, all eyes will also be on India's Union Budget, scheduled for release on February 1.

#### 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	109.47	107.22	107.44	-1.74%	-0.96%	-0.96%	-1.04%
EURUSD Spot	1.0521	1.0266	1.0497	2.18%	1.38%	1.38%	0.01%
EURINR Spot	90.65	89.00	90.47	1.88%	-1.41%	-1.41%	1.27%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	108.04	103.54	105.79	106.62	108.87	110.29	112.54
EURUSD	1.0428	0.9918	1.0173	1.0335	1.059	1.0683	1.0938
EURINR	90.04	86.75	88.40	89.43	91.08	91.69	93.33

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### **Technical Outlooks:**

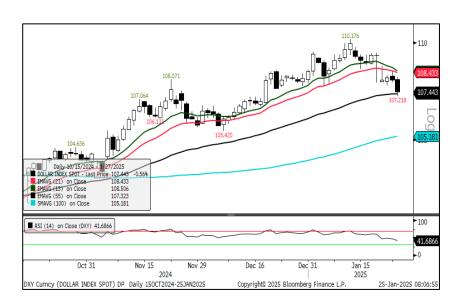
### **Dollar Index View:**

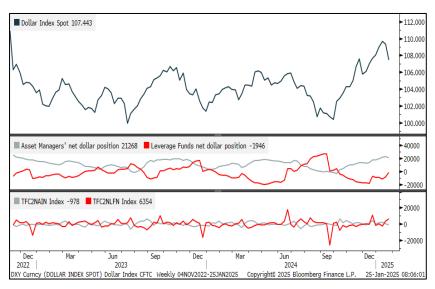
- The dollar index started forming a bearish pattern of lower highs and lows.
- On the daily chart, the relative strength index (RSI) is heading south.
- It has support at 107.22 and 105.42 while continuing to face resistance at 110.17

Spot EURINR: Bullish

Buy at 90.00 SL 89.70 Target 91.50

Aggregate Dollar Long reduced by the Asset Managers





# **Equity Weekly Research Report**

China   Industrial Profits VoY   Dec			Economic Calendar			
China	Date	Country	Event	Period	Survey	Prior
China   Manufacturing PMI		-	Industrial Profits YoY	Dec		-7.30%
China   Non-manufacturing PMI   Jan   52.2   52   52   US   Our Whome Sales   Dec   677k   677k   677k   13n   -3   3   3   3   3   3   3   3   3			Manufacturing PMI		50.1	50.1
US   New Home Sales   Dec   672k   666     US   Dallas Fed Manf, Activity   Jan   -3   3     US   Building Permits   Dec F   -188.     US   Durable Goods Orders   Dec P   0.50%   -1.20     US   FIFFA House Price Index MoM   Nov   0.40%   0.40     US   S&P CoreLogic CS 20 City MoM SA   Nov   0.30%   0.32     US   Dallas Fed Services Activity   Jan   -9     US   Conf. Board Expectations   Jan   -1   81     US   Richmond Fed Manufact. Index   Jan   -12   -1     US   Advance Goods Trade Balance   Dec   -5105.00   -5102.5     US   Wholesale Inventories MoM   Dec P   0.20%   -0.20     US   Retail Inventories MoM   Dec P   0.20%   -0.20     US   Retail Inventories MoM   Dec P   0.20%   -0.20     US   Retail Repertation   Dec   -1.00   0.50     UK   Net Consumer Credit   Dec   1.00   0.50     UK   Net Consumer Credit   Dec   1.00   0.50     UK   Not Cape Approvals   Dec   6.30%   6.30     EC   GDP SA YOY   4Q.A   1.00%   0.90     EC   Unemployment Rate   30-Jan   2.75%   3.00     US   GDP Price Index   4Q.A   2.70%   3.10     US   Core PCE Price Index QOQ   4Q.A   2.50%   1.90     US   Core PCE Price Index QOQ   4Q.A   2.50%   1.90     US   Deptice Index   4Q.A   2.50%   2.20     US   Pending Home Sales MoM   Dec   -3.30%   3.70     US   Pending Home Sales MoM   Dec   -3.30%		China	-	Jan	52.2	52.2
US   Building Permits   Dec F   - 148:	27-Jan	US		Dec	672k	664k
US Durable Goods Orders  US FIFFA House Price Index MoM  Nov 0.40% 0.40  US S&P CoreLogic CS 20-City MoM SA  US Dallas Fed Services Activity Jan - 9  US Conf. Board Expectations Jan - 81  US Nichmond Fed Manufact. Index Jan - 12  US MBA Mortgage Applications 24-Jan - 0.10  US Advance Goods Trade Balance Dec \$105.0b \$102.5  US Advance Goods Trade Balance Dec \$105.0b \$102.5  US Retail Inventories MoM Dec P 0.20% 4.500  US Retail Inventories MoM Dec P 0.20% 4.500  UK Net Consumer Credit Dec 1.0b 0.5  EC GDP SA YOY 4Q.A 1.00% 9.90  EC Unemployment Rate Dec 65.1k 65.  EC GDP SA YOY 4Q.A 1.00% 0.90  EC EC Deposit Facility Rate 30-Jan 2.75% 3.00  30-Jan US GDP Annalized QoQ 4Q.A 2.50% 1.90  US GDP Price Index QoQ 4Q.A 2.50% 1.90  US Personal Consumption 4Q.A 3.20% 3.70  US Core PCE Price Index QoQ 4Q.A 2.50% 2.20  US Initial Jobless Claims 18-Jan 1910k 1.99  Japan Retail Sales YoY Dec -3.50% 2.28  Japan Housing Starts YoY Dec -3.50% 2.28  Japan Housing Starts YoY Dec -3.50% 2.80  UN Nationwide House Ps NSA YOY Dec -3.50% 2.80  UK Nationwide House Ps NSA YOY Dec -4.300% 4.70  UK Nationwide House Ps NSA YOY Dec -3.50% 2.80  US Personal Income Dec 0.50% 0.40  US Personal Spending Dec 0.50% 0.40  US Real Personal Spending Dec 0.50% 0.40  US Personal Spending Dec 0.50% 0.40  US Personal Spending Dec 0.50% 0.40  US PERSON 0.50 0.50 0.50  US Real Personal Spending Dec 0.50% 0.40  US PERSON 0.50 0.50 0.50  US Core PCE Price Index YOY Dec 0.50% 0.40  US PERSON 0.50 0.50  US Resel Personal Spending Dec 0.50% 0.40  US PERSON 0.50 0.50 0.50  US PERSON 0.50 0.50  US Core PCE Price Index YOY Dec 0.50% 0.40  US PERSON 0.50 0.50  US Core PCE Price Index YOY Dec 0.50% 0.40  US PCE Price Index YOY Dec 0.50% 0.40  US PERSON 0.50 0.50  US PERSON 0.5		US	Dallas Fed Manf. Activity	Jan	-3	3.4
US		US	Building Permits	Dec F		1483k
US						
US		US	Durable Goods Orders	Dec P	0.50%	-1.20%
US   Dallas Fed Services Activity   Jan     9       US   Conf. Board Expectations   Jan     81       US   Richmond Fed Manufact. Index   Jan   -12   -1       1		US	FHFA House Price Index MoM	Nov	0.40%	0.40%
US   Dallas Fed Services Activity   Jan     9     US   Conf. Board Expectations   Jan     81     US   Richmond Fed Manufact. Index   Jan   -12   -1     US   MBA Mortgage Applications   24-Jan     0.10     US   Advance Goods Trade Balance   Dec   -5105.00   -5102.5     US   Advance Goods Trade Balance   Dec   -5105.00   -5102.5     US   Advance Goods Trade Balance   Dec     0.30     US   Retail inventories MoM   Dec   P   0.20%   -0.20     US   Retail inventories MoM   Dec     0.30     UK   Net Consumer Credit   Dec   1.00   0.5     UK   Mortgage Approvals   Dec   65.1k   65.1k     EC   GDP SA YOY   4Q.A   1.00%   0.90     EC   Unemployment Rate   Dec   6.30%   6.30     EC   ECB Deposit Facility Rate   30-Jan   2.75%   3.00     US   GDP Annualized QoQ   4Q.A   2.70%   3.10     US   Core PCE Price Index   Q.O.A   4Q.A   2.50%   3.70     US   Core PCE Price Index QoQ   4Q.A   2.50%   3.90     US   Core PCE Price Index QoQ   4Q.A   2.50%   2.20     US   Initial Jobiess Claims   25-Jan   225k   225     US   Continuing Claims   18-Jan   1910k   1899     US   Pending Home Sales MoM   Dec   -0.50%   2.20     Japan   Tokyo CPI YOY   Jan   3.00%   3.10     Japan   Retail Sales YOY   Dec   3.90%   -1.80     Japan   Housing Starts YOY   Dec   3.90%   -1.80     Japan   India   Eight Infrastructure Industries   Dec     4.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.50%	20.1	US	S&P CoreLogic CS 20-City MoM SA	Nov	0.30%	0.32%
US   Richmond Fed Manufact. Index   Jan   -12   -1	28-Jan	US	Dallas Fed Services Activity	Jan		9.6
US		US	Conf. Board Expectations	Jan		81.1
US   Advance Goods Trade Balance   Dec   -\$105.0b   -\$102.5b		US	Richmond Fed Manufact. Index	Jan	-12	-10
US   Advance Goods Trade Balance   Dec   -\$105.0b   -\$102.5b					·	
US   Wholesale Inventories MoM   Dec P   0.20%   -0.20%   -0.20%   US   Retail Inventories MoM   Dec     0.30		US	MBA Mortgage Applications	24-Jan		0.10%
US   Retail Inventories MoM   Dec   P   0.20%   -0.20%	20 Ion	US	Advance Goods Trade Balance	Dec	-\$105.0b	-\$102.9b
US   FOMC Rate Decision (Upper Bound)   29-Jan   4.50%   4.50     UK   Net Consumer Credit   Dec   1.0b   0.5     UK   Mortgage Approvals   Dec   65.1k   65.1     EC   GDP 5A YOY   4Q.A   1.00%   0.90     EC   Unemployment Rate   Dec   6.30%   6.30     EC   ECB Deposit Facility Rate   30-Jan   2.75%   3.00     US   GDP Annualized QoQ   4Q.A   2.70%   3.10     US   GDP Annualized QoQ   4Q.A   2.70%   3.10     US   GDP Price Index   4Q.A   3.20%   3.70     US   GDP Price Index   4Q.A   2.50%   1.90     US   Core PCE Price Index QoQ   4Q.A   2.50%   2.20     US   Initial Jobless Claims   25-Jan   225k   225     US   Continuing Claims   18-Jan   1910k   1899     US   Pending Home Sales MoM   Dec   -0.50%   2.20     Japan   Tokyo CPI YOY   Jan   3.00%   3.10     Japan   Industrial Production YOY   Dec   3.50%   2.80     Japan   Housing Starts YOY   Dec   3.50%   2.70     UK   Nationwide House Px NSA YOY   Jan   4.30%   4.70     India   Fiscal Deficit YTD INR   Dec   - 8466     India   Eight Infrastructure Industries   Dec   - 4.30     India   Eight Infrastructure Industries   Dec   - 4.30     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.40     US   Core PCE Price Index YOY   Dec   2.50%   2.80     US   Core PCE Price Index YOY   Dec   2.50%   2.80     US   Core PCE Price Index YOY   Dec   2.50%   2.80     US   Core PCE Price Index YOY   Dec   2.50%   2.80     US   Core PCE Price Index	29-Jan	US	Wholesale Inventories MoM	Dec P	0.20%	-0.20%
UK   Net Consumer Credit   Dec   1.0b   0.5		US	Retail Inventories MoM	Dec		0.30%
UK   Net Consumer Credit   Dec   1.0b   0.5						
UK   Mortgage Approvals   Dec   65.1k   65.1k   EC   GDP SA YoY   4Q A   1.00%   0.90		US	FOMC Rate Decision (Upper Bound)	29-Jan	4.50%	4.50%
EC GDP SA YOY 4Q A 1.00% 0.90 EC Unemployment Rate Dec 6.30% 6.30 EC ECB Deposit Facility Rate 30-Jan 2.75% 3.00  US GDP Annualized QoQ 4Q A 2.70% 3.10 US Personal Consumption 4Q A 3.20% 3.70 US GDP Price Index 4Q A 2.50% 1.90 US Core PCE Price Index QoQ 4Q A 2.50% 2.20 US Initial Jobless Claims 25-Jan 225k 22: US Continuing Claims 18-Jan 1910k 1899 US Pending Home Sales MoM Dec -0.50% 2.20  Japan Tokyo CPI YOY Jan 3.00% 3.10 Japan Retail Sales YOY Dec 3.50% 2.80 Japan Industrial Production YOY Dec P -3.00% -2.70 Japan Housing Starts YOY Dec -3.90% -1.80 UK Nationwide House Px NSA YOY Jan 4.30% 4.70 India Fiscal Deficit YTD INR Dec -8466 Jindia Fiscal Deficit YTD INR Dec -4.30 India Foreign Exchange Reserves 24-Jan -5624.0 US Personal Income Dec 0.40% 0.30 US Personal Spending Dec 0.50% 0.40 US Real Personal Spending Dec 0.50% 0.40 US Real Personal Spending Dec 0.50% 0.40 US Real Personal Spending Dec 2.50% 2.40 US PCE Price Index YOY Dec 2.50% 2.40 US Core PCE Price Index YOY Dec 2.50% 2.40 US PCE Price Index YOY Dec 2.50% 2.40 US Core PCE Price Index YOY Dec 2.50% 2.40 US Core PCE Price Index YOY Dec 2.50% 2.40		UK	Net Consumer Credit	Dec	1.0b	0.9b
EC   Unemployment Rate   Dec   6.30%   6.30%   6.30%   EC   ECB Deposit Facility Rate   30-Jan   2.75%   3.00		UK	Mortgage Approvals	Dec	65.1k	65.7k
BC   ECB Deposit Facility Rate   30-Jan   2.75%   3.00		EC	GDP SA YoY	4Q A	1.00%	0.90%
US   GDP Annualized QoQ   4Q A   2.70%   3.10		EC	Unemployment Rate	Dec	6.30%	6.30%
US		EC	ECB Deposit Facility Rate	30-Jan	2.75%	3.00%
US   GDP Price Index   4Q A   2.50%   1.90	30-Jan	US	GDP Annualized QoQ	4Q A	2.70%	3.10%
US		US	Personal Consumption	4Q A	3.20%	3.70%
US		US	GDP Price Index	4Q A	2.50%	1.90%
US   Continuing Claims   18-Jan   1910k   1899		US	Core PCE Price Index QoQ	4Q A	2.50%	2.20%
US   Pending Home Sales MoM   Dec   -0.50%   2.20		US	Initial Jobless Claims	25-Jan	225k	223k
Japan   Tokyo CPI YoY   Jan   3.00%   3.10     Japan   Retail Sales YoY   Dec   3.50%   2.80     Japan   Industrial Production YoY   Dec P   -3.00%   -2.70     Japan   Housing Starts YoY   Dec   -3.90%   -1.80     UK   Nationwide House Px NSA YoY   Jan   4.30%   4.70     India   Fiscal Deficit YTD INR   Dec     8466     India   Eight Infrastructure Industries   Dec     4.30     India   Foreign Exchange Reserves   24-Jan     \$624-C     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.80%   2.80		US	Continuing Claims	18-Jan	1910k	1899k
Japan   Retail Sales YoY   Dec   3.50%   2.80     Japan   Industrial Production YoY   Dec P   -3.00%   -2.70     Japan   Housing Starts YoY   Dec   -3.90%   -1.80     UK   Nationwide House Px NSA YoY   Jan   4.30%   4.70     India   Fiscal Deficit YTD INR   Dec   - 8466     India   Eight Infrastructure Industries   Dec   - 4.30     India   Foreign Exchange Reserves   24-Jan   - \$624.0     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.80%   2.80     US   Core PCE Price Index		US	Pending Home Sales MoM	Dec	-0.50%	2.20%
Japan   Retail Sales YoY   Dec   3.50%   2.80     Japan   Industrial Production YoY   Dec P   -3.00%   -2.70     Japan   Housing Starts YoY   Dec   -3.90%   -1.80     UK   Nationwide House Px NSA YoY   Jan   4.30%   4.70     India   Fiscal Deficit YTD INR   Dec   - 8466     India   Eight Infrastructure Industries   Dec   - 4.30     India   Foreign Exchange Reserves   24-Jan   - \$624.0     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.80%   2.80     US   Core PCE Price Index						
Japan   Industrial Production YoY   Dec P   -3.00%   -2.70		Japan	Tokyo CPI YoY	Jan	3.00%	3.10%
Japan   Housing Starts YoY   Dec   -3.90%   -1.80		Japan	Retail Sales YoY	Dec	3.50%	2.80%
UK Nationwide House Px NSA YoY   Jan   4.30%   4.70		Japan	Industrial Production YoY	Dec P	-3.00%	-2.70%
India   Fiscal Deficit YTD INR   Dec     8466		Japan	Housing Starts YoY	Dec	-3.90%	-1.80%
India   Eight Infrastructure Industries   Dec     4.30     India   Foreign Exchange Reserves   24-Jan     \$624.0     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.80%   2.80		UK	Nationwide House Px NSA YoY	Jan	4.30%	4.70%
India   Foreign Exchange Reserves   24-Jan   \$624.0     US   Personal Income   Dec   0.40%   0.30     US   Personal Spending   Dec   0.50%   0.40     US   Real Personal Spending   Dec   0.30%   0.30     US   PCE Price Index YoY   Dec   2.50%   2.40     US   Core PCE Price Index YoY   Dec   2.80%   2.80		India	Fiscal Deficit YTD INR	Dec		8466b
US         Personal Income         Dec         0.40%         0.30           US         Personal Spending         Dec         0.50%         0.40           US         Real Personal Spending         Dec         0.30%         0.30           US         PCE Price Index YoY         Dec         2.50%         2.40           US         Core PCE Price Index YoY         Dec         2.80%         2.80	31-Jan	India		Dec		4.30%
US         Personal Spending         Dec         0.50%         0.40           US         Real Personal Spending         Dec         0.30%         0.30           US         PCE Price Index YoY         Dec         2.50%         2.40           US         Core PCE Price Index YoY         Dec         2.80%         2.80	_	India	Foreign Exchange Reserves	24-Jan		\$624.0b
US         Real Personal Spending         Dec         0.30%         0.30           US         PCE Price Index YoY         Dec         2.50%         2.40           US         Core PCE Price Index YoY         Dec         2.80%         2.80				Dec		0.30%
US PCE Price Index YoY Dec 2.50% 2.40 US Core PCE Price Index YoY Dec 2.80% 2.80		US	1 - 1	Dec	0.50%	0.40%
US Core PCE Price Index YoY Dec 2.80% 2.80			· · · · · · · · · · · · · · · · · · ·	Dec		0.30%
				Dec		2.40%
01-Feb India India Budget		US	Core PCE Price Index YoY	Dec	2.80%	2.80%
01-Feb India India Budget						
	01-Feb	India	India Budget			

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