



**STAT EDGE**

## **Forex Weekly Research Report**

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**25 August 2024**

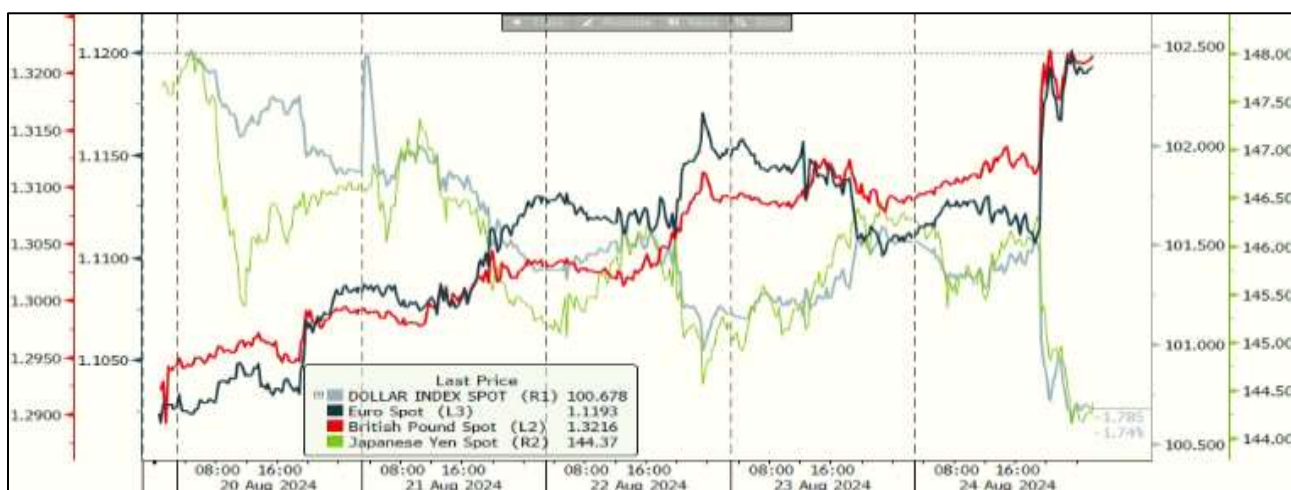
# Forex Weekly Research Report

## Market Summary & Outlook:

- The dollar dropped to the lowest since January after **Federal Reserve** Chief Jerome Powell said it's time to start interest-rate reductions. The greenback marked it's fourth weekly drop, the longest weekly losing run since April 2023. On Friday, a slew of major currencies, including the Japanese yen, rose more than 1% against the greenback.
- The Euro gained 1.5% in the week gone, the largest one-week percentage gain since Nov. 17, 2023 and up for four straight weeks. Governing Council member Boris Vujcic said **the ECB** probably has room to slowly lower interest rates as inflation converges toward 2%, but risks remain and officials must proceed carefully. Leveraged funds cut their bets against the euro. They improved their outlook on the currency by the biggest number of contracts since March 2020, CFTC reported as of Aug. 20.
- Bank of England** Governor Andrew Bailey said it is "too early to declare victory" over inflation. Still, the risks of persistent inflation appear to be receding, a sign he's growing more confident about further interest rate cuts.
- Bank of Japan** Governor Kazuo Ueda kept rate hikes in play this year by turning a potentially messy parliamentary hearing into a relatively straightforward reiteration of policy in his first public remarks following a global market rout.

Currency Performance			
Currency	23-Aug-24	16-Aug-24	% Change
Dollar Index	100.72	102.46	-1.70%
EURUSD	1.1192	1.1027	1.50%
GBPUSD	1.3214	1.2944	2.09%
USDJPY	144.37	147.63	-2.21%
USDCNH	7.116	7.163	-0.65%
USDINR	83.90	83.95	-0.06%
EURINR	93.28	92.27	1.10%
GBPINR	110.15	108.34	1.66%

## Dollar Index, EURUSD, GBPUSD, USDJPY



## Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Close	% Chg.	WTD Chg.	MTD Chg.	YTD Chg.
Dollar Index	102.48	100.60	100.72	-1.70%	-1.70%	-3.25%	-0.61%
EURUSD	1.1201	1.1014	1.1192	1.50%	1.50%	3.38%	0.02%
EURINR	93.73	92.54	93.28	1.10%	-1.10%	-2.82%	1.34%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	101.27	97.50	99.39	100.05	101.93	103.15	105.03
EURUSD	1.1136	1.0762	1.0949	1.107	1.1257	1.1323	1.151
EURINR	93.18	90.81	92.00	92.64	93.83	94.37	95.56

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## Technical Outlooks:

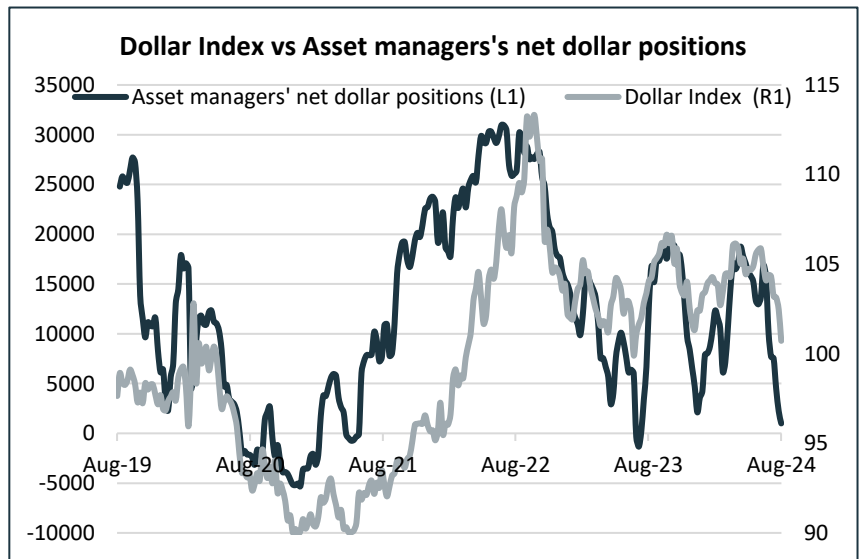
### Dollar Index View:

- The dollar index has broken a triangle pattern support line on the weekly chart.
- The 21-week moving average could break the 55-week moving average downward.
- Momentum oscillator, RSI entered in the oversold zone.
- The dollar index has support at 99.58 the bottom of 2023 and resistance at 102.20

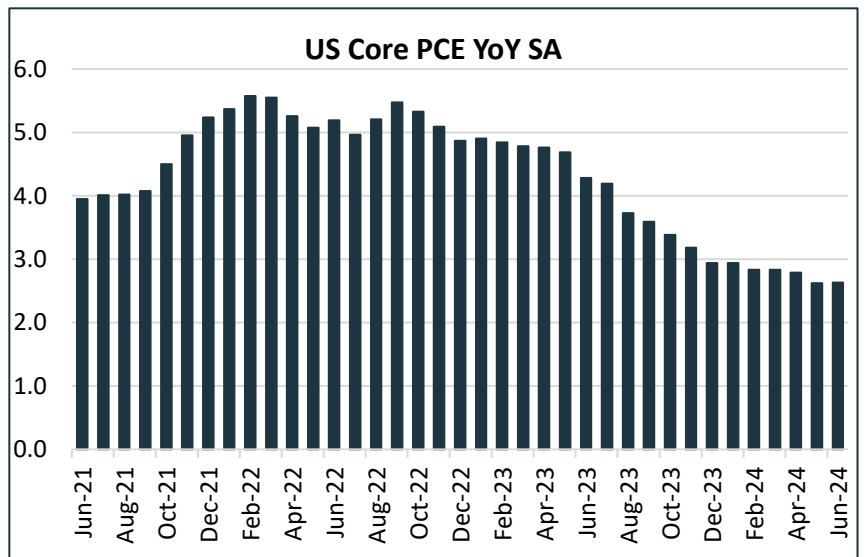
Spot EURINR: Buy at 93.40 SL 92.70  
Target 94.30



Institutional investors have shed long dollar positions for six weeks



US inflation figures in the coming week will reinforce that long-awaited interest-rate cuts are coming soon.



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
26-Aug-24	CH	1-Yr Medium-Term Lending Facility Rate	26-Aug	2.30%	2.30%
	JN	Leading Index CI	Jun F	--	108.6
	US	Durable Goods Orders	Jul P	4.90%	-6.70%
	US	Dallas Fed Mfg. Activity	Aug	-16	-17.5
27-Aug-24	CH	Industrial Profits YoY	Jul	--	3.60%
	US	House Price Purchase Index QoQ	2Q	--	1.10%
	US	Conf. Board Consumer Confidence	Aug	100.6	100.3
	US	Richmond Fed Business Conditions	Aug	--	-9
	US	Dallas Fed Services Activity	Aug	--	-0.1
28-Aug-24	US	MBA Mortgage Applications	23-Aug	--	-10.10%
29-Aug-24	JN	Consumer Confidence Index	Aug	37	36.7
	EC	Consumer Confidence	Aug F	--	-13.4
	US	GDP Annualized QoQ	2Q S	2.80%	2.80%
	US	Personal Consumption	2Q S	2.20%	2.30%
	US	Core PCE Price Index QoQ	2Q S	2.90%	2.90%
	US	Advance Goods Trade Balance	Jul	-\$97.9b	-\$96.8b
	US	Wholesale Inventories MoM	Jul P	--	0.20%
	US	Retail Inventories MoM	Jul	0.50%	0.70%
	US	Initial Jobless Claims	24-Aug	230k	232k
	US	Continuing Claims	17-Aug	1870k	1863k
30-Aug-24	US	Pending Home Sales MoM	Jul	0.70%	4.80%
	JN	Tokyo CPI YoY	Aug	2.30%	2.20%
	JN	Industrial Production YoY	Jul P	2.70%	-7.90%
	JN	Housing Starts YoY	Jul	-1.00%	-6.70%
	UK	Nationwide House Px NSA YoY	Aug	2.90%	2.10%
	UK	Net Consumer Credit	Jul	1.3b	1.2b
	UK	Mortgage Approvals	Jul	60.5k	60.0k
	EC	Unemployment Rate	Jul	6.50%	6.50%
	EC	CPI MoM	Aug P	0.20%	0.00%
	EC	CPI Core YoY	Aug P	2.80%	2.90%
	IN	Fiscal Deficit YTD INR Crore	Jul	--	135712
	IN	Eight Infrastructure Industries	Jul	--	4.00%
	IN	GVA YoY	2Q	6.30%	6.30%
	IN	GDP YoY	2Q	6.90%	7.80%
	US	Personal Income	Jul	0.20%	0.20%
	US	Personal Spending	Jul	0.50%	0.30%
	US	PCE Price Index YoY	Jul	2.60%	2.50%
	US	Core PCE Price Index YoY	Jul	2.70%	2.60%
	US	MNI Chicago PMI	Aug	45.1	45.3
	US	U. of Mich. Sentiment	Aug F	68	67.8
IN	Foreign Exchange Reserves	23-Aug	--	\$674.7b	

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