



STAT EDGE

Forex Weekly Research Report

26 April 2025

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Market Summary & Outlook:

- The ICE Dollar Spot Index climbed as much as 0.2%, positioning itself for its first weekly advance in nearly a month. The greenback strengthened on optimism that the United States and China might reach an agreement to scale back heightened tariff measures, easing tensions between the two largest economies.
- Meanwhile, U.S. Treasury yields edged lower as investors returned to longer-dated bonds, which continued to recover from a sharp selloff earlier in April. The move reflects a cautious recalibration of risk, especially in light of global trade uncertainties.

Currency Performance			
Currency	25-Apr-25	18-Apr-25	% Change
Dollar Index Spot	99.47	99.23	0.24%
Euro Spot	1.1365	1.1393	-0.25%
British Pound Spot	1.3315	1.3296	0.14%
Japanese Yen Spot	143.67	142.18	1.05%
Chinese Yuan Spot	7.289	7.306	-0.24%
USDINR	85.45	85.38	0.08%
EURINR	96.95	97.11	-0.16%
GBPINR	113.64	113.33	0.27%

- **100 Days of Trump 2.0:** The US dollar index is experiencing an unprecedented decline in the initial 100 days of the current US presidency, marking its weakest performance since the Nixon era's pivotal shift to a free-floating exchange rate. Data indicates the dollar's trajectory from January 20th to April 25th is on pace for the most substantial loss within that timeframe since at least 1973, contrasting sharply with the historical trend of dollar strengthening during a new president's early tenure, which averaged a 0.9% gain between 1973 and 2021.
- **CFTC Positioning:** In a notable market shift, speculative traders, including hedge funds and asset managers, have significantly increased their short positions against the US dollar. This surge in bearish bets, totaling approximately \$13.9 billion, represents the largest short dollar position observed since September 2024.
- **Dollar Analysis:** Easing tariff concerns are likely to fuel short-covering of the US dollar in the short term, given its observed positive correlation with risk assets. The ICE dollar index technical levels indicate resistance at 103.20 and support at 97.90.
- **Next Moves from the Major Central Banks:**
 - Market consensus suggests the Federal Reserve will hold interest rates steady at their next gathering. Reinforcing this stance, Chairman Powell has stressed the necessity of keeping long-term inflation expectations well-anchored, a crucial measure to ensure a temporary price increase does not spiral into sustained inflation.
 - In Europe, European Central Bank Governing Council member Robert Holzmann weighed in on the potential repercussions of U.S. trade policies. He noted that, rather than triggering a fresh wave of inflation, the impact of the U.S. tariff announcements is more likely to dampen consumer prices within the euro area—suggesting muted pass-through effects on inflationary pressures.
 - Over in Asia, the Bank of Japan is widely expected to maintain its policy rate at 0.5% during its upcoming May 1 meeting. However, this decision comes against a backdrop of increasing inflationary momentum. Despite short-term uncertainty stemming from U.S. tariff risks clouding Japan's growth outlook, stronger consumer price index (CPI) readings continue to reinforce expectations that the BOJ may resume tightening in the near term. The recent acceleration in inflation adds urgency to the central bank's gradual path toward policy normalization.

Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	MTD % Chg.	QTD % Chg.	YTD % Chg.
Dollar Index	99.94	97.92	99.47	0.10%	-0.70%	-4.55%	-9.02%
EURUSD Spot	1.1573	1.1308	1.1365	0.00%	0.13%	5.08%	4.64%
EURINR Spot	98.48	96.33	96.95	-0.16%	1.14%	-5.02%	7.75%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	99.11	95.07	97.09	98.28	100.3	101.13	103.15
EURUSD	1.1415	1.0885	1.115	1.1258	1.1523	1.168	1.1945
EURINR	97.26	92.96	95.11	96.03	98.18	99.40	101.55

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Technical Analysis:

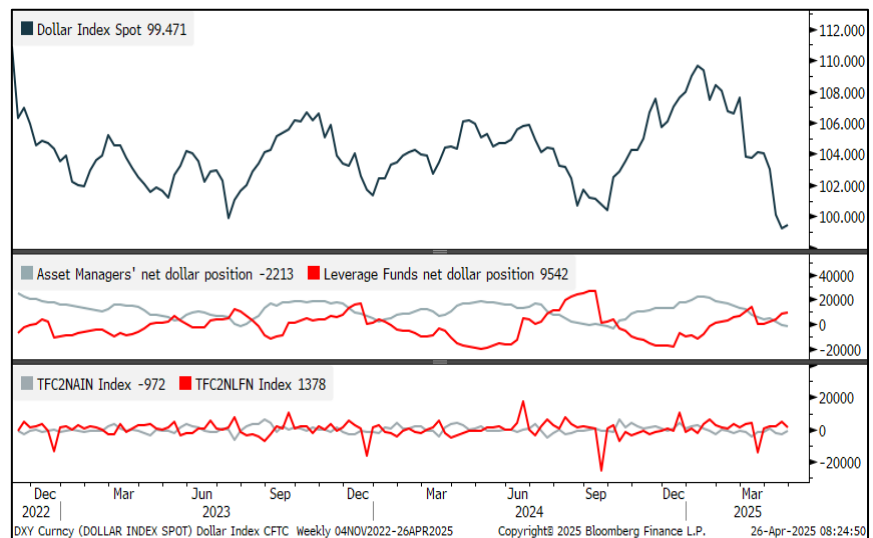
Dollar Index View:

- The dollar index is hovering near 100 levels.
- It has been trading in a bearish sequence of lower highs and lows on the major time frames.
- The relative strength index exited from the oversold zone indicating short-covering bounce.
- It has support at 97.90 and resistance at 103.20.

Spot EURINR: Long Unwinding
Support 95, Resistance 99.40.



Asset Managers Increases Bearish Bets on dollar to \$13.9bn



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
28-Apr	India	Industrial Production YoY	Mar	3.30%	2.90%
	US	Dallas Fed Manf. Activity	Apr	-14.1	-16.3
29-Apr	EC	Consumer Confidence	Apr F	--	-16.7
	US	Advance Goods Trade Balance	Mar	-\$143.0b	-\$147.8b
	US	Wholesale Inventories MoM	Mar P	0.70%	0.30%
	US	FHFA House Price Index MoM	Feb	0.30%	0.20%
	US	JOLTS Job Openings	Mar	7500k	7568k
	US	Conf. Board Consumer Confidence	Apr	87.6	92.9
	US	Dallas Fed Services Activity	Apr	--	-11.3
30-Apr	Japan	Retail Sales YoY	Mar	3.60%	1.30%
	Japan	Industrial Production YoY	Mar P	0.70%	0.10%
	China	Manufacturing PMI	Apr	49.8	50.5
	China	Non-manufacturing PMI	Apr	50.7	50.8
	EC	GDP SA YoY	1Q A	1.10%	1.20%
	US	MBA Mortgage Applications	25-Apr	--	-12.70%
	US	ADP Employment Change	Apr	124k	155k
	US	GDP Annualized QoQ	1Q A	0.40%	2.40%
	US	MNI Chicago PMI	Apr	46	47.6
	US	PCE Price Index YoY	Mar	2.20%	2.50%
	US	Core PCE Price Index YoY	Mar	2.60%	2.80%
	US	Pending Home Sales MoM	Mar	1.00%	2.00%
01-May	Japan	Jibun Bank Japan PMI Mfg	Apr F	--	48.5
	UK	S&P Global UK Manufacturing PMI	Apr F	44	44
	US	Challenger Job Cuts YoY	Apr	--	204.80%
	US	Initial Jobless Claims	26-Apr	225k	222k
	US	Continuing Claims	19-Apr	1860k	1841k
	US	S&P Global US Manufacturing PMI	Apr F	50.7	50.7
	US	ISM Manufacturing	Apr	48	49
	US	Construction Spending MoM	Mar	0.20%	0.70%
	Japan	BOJ Target Rate	01-May	0.50%	0.50%
02-May	India	HSBC India PMI Mfg	Apr F	--	58.4
	EC	HCOB Eurozone Manufacturing PMI	Apr F	48.7	48.7
	EC	CPI MoM	Apr P	0.50%	0.60%
	EC	CPI Core YoY	Apr P	2.50%	2.40%
	EC	Unemployment Rate	Mar	6.10%	6.10%
	US	Change in Nonfarm Payrolls	Apr	130k	228k
	US	Unemployment Rate	Apr	4.20%	4.20%
	US	Factory Orders	Mar	4.50%	0.60%
	US	Durable Goods Orders	Mar F	9.20%	9.20%
	India	Foreign Exchange Reserves	25-Apr	--	\$686.1b

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