



**STAT EDGE**

## **Forex Weekly Research Report**

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**26 October 2024**

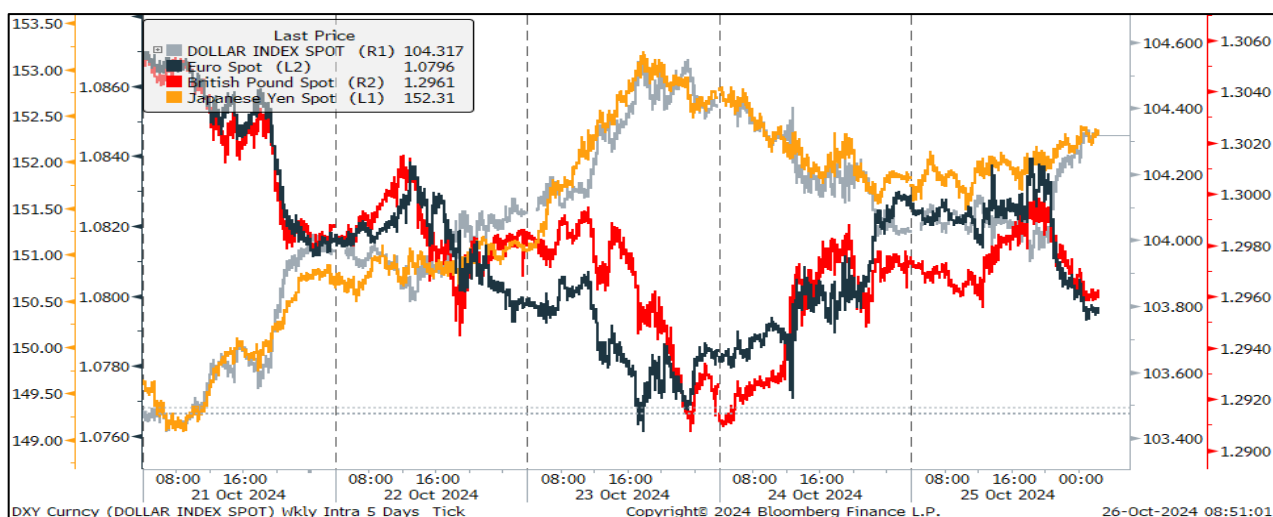
# Forex Weekly Research Report

## Market Summary & Outlook:

- The dollar strengthened, on track for its best month since 2022, while yields increased as traders adjusted their expectations for the Federal Reserve and geared up for the upcoming U.S. presidential election.
- The euro remains susceptible to the implications of a Trump presidency, as persistent political uncertainty, concerns over fiscal tightening, and recent disappointments from China are unlikely to fully account for the potential impact of trade tariffs.
- The Indian rupee demonstrated resilience against external shocks, supported by the central bank's intervention and a subdued response from traders amid low volatility.
- Bank of England Governor Andrew Bailey noted that disinflation in the UK is occurring more rapidly than officials had anticipated, indicating that the central bank is likely to continue cutting interest rates next month.
- Most economists surveyed by Bloomberg expect the Bank of Japan to maintain its benchmark interest rate next week, with potential increases anticipated in December or January. Bank of Japan Governor Kazuo Ueda has suggested that further interest rate hikes are forthcoming, emphasizing the importance of determining the appropriate size and timing for normalizing Japan's accommodative monetary policy.
- Vice President Kamala Harris intensified her appeal to undecided voters by characterizing Donald Trump as unfit for a second term, labelling him a fascist during a CNN town hall in key swing-state Pennsylvania.

Currency Performance			
Currency	25-Oct-24	18-Oct-24	% Change
Dollar Index Spot	104.26	103.49	0.74%
Euro Spot	1.0796	1.0867	-0.65%
British Pound Spot	1.2962	1.3052	-0.69%
Japanese Yen Spot	152.31	149.53	1.86%
Chinese Yuan Spot	7.134	7.118	0.22%
USDINR	84.08	84.07	0.01%
EURINR	91.01	91.17	-0.18%
GBPINR	109.14	109.58	-0.41%

## 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	104.57	103.42	104.26	0.74%	3.45%	3.45%	2.92%
EURUSD	1.0872	1.0761	1.0796	-0.65%	-3.04%	-3.04%	-0.02%
EURINR	91.37	90.56	91.01	-0.18%	3.04%	3.04%	-0.94%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	104.08	101.78	102.93	103.6	104.74	105.23	106.38
EURUSD	1.081	1.0588	1.0699	1.0747	1.0858	1.0921	1.1032
EURINR	90.98	89.35	90.16	90.58	91.4	91.79	92.6

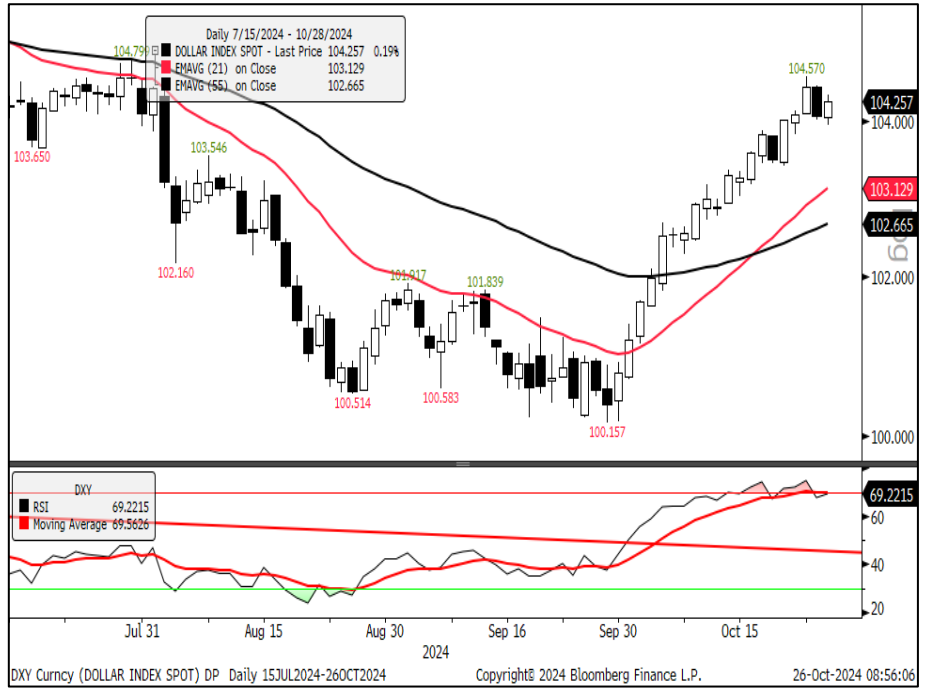
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## Technical Outlooks:

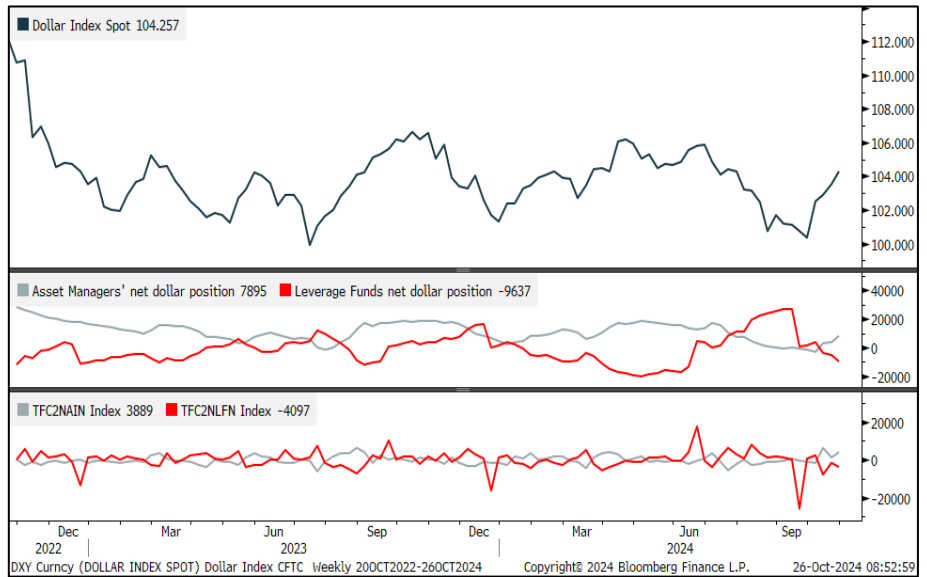
### Dollar Index View:

- The dollar index further moved higher in the week gone amid a strong technical set-up.
- The short-term moving average given positive crossover to the medium-term moving average.
- Momentum oscillator, relative strength index is hovering near the overbought zone.
- The dollar index has support at 102.50 and resistance at 104.8.

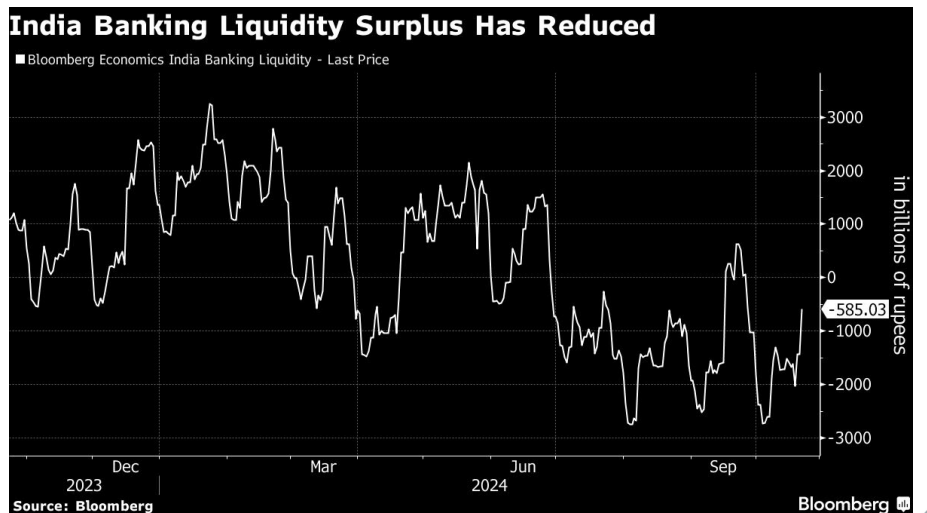
**Spot EURINR: Sell at 91.30 SL 91.70 Target 90.80**



**CFTC Positions:** Leveraged fund turned net dollar seller while Asset managers increased long dollar



**Indian Liquidity:** Lower liquidity to curb inflation



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
28-Oct	UK	CBI Retailing Reported Sales	Oct	-10	4
	US	Dallas Fed Manf. Activity	Oct	-9.2	-9
29-Oct	UK	Mortgage Approvals	Sep	65.2k	64.9k
	US	Wholesale Inventories MoM	Sep P	0.00%	0.10%
	US	Advance Goods Trade Balance	Sep	-\$95.9b	-\$94.3b
	US	Retail Inventories MoM	Sep	0.50%	0.50%
	US	JOLTS Job Openings	Sep	7935k	8040k
	US	Conf. Board Consumer Confidence	Oct	99.3	98.7
	US	Dallas Fed Services Activity	Oct	--	-2.6
30-Oct	EC	Consumer Confidence	Oct F	--	-12.5
	EC	GDP SA QoQ	3Q A	0.20%	0.20%
	EC	GDP SA YoY	3Q A	0.80%	0.60%
	India	Fiscal Deficit YTD INR	Sep	--	4352b
	US	MBA Mortgage Applications	25-Oct	--	-6.70%
	India	Eight Infrastructure Industries	Sep	--	-1.80%
	US	ADP Employment Change	Oct	110k	143k
	US	GDP Annualized QoQ	3Q A	3.00%	3.00%
	US	Personal Consumption	3Q A	3.20%	2.80%
	US	Core PCE Price Index QoQ	3Q A	2.10%	2.80%
	US	Pending Home Sales NSA YoY	Sep	--	-4.30%
31-Oct	Japan	Industrial Production YoY	Sep P	-3.20%	-4.90%
	China	Composite PMI	Oct	--	50.4
	EC	CPI MoM	Oct P	0.20%	-0.10%
	EC	CPI Core YoY	Oct P	2.60%	2.70%
	EC	Unemployment Rate	Sep	6.40%	6.40%
	US	Challenger Job Cuts YoY	Oct	--	53.40%
	US	Personal Income	Sep	0.30%	0.20%
	US	Personal Spending	Sep	0.40%	0.20%
	US	PCE Price Index YoY	Sep	2.10%	2.20%
	US	Core PCE Price Index YoY	Sep	2.60%	2.70%
	US	Initial Jobless Claims	26-Oct	232k	227k
	US	Continuing Claims	19-Oct	1878k	1897k
	Japan	BOJ Target Rate	31-Oct	0.25%	0.25%
01-Nov	Japan	Jibun Bank Japan PMI Mfg	Oct F	--	49
	China	Caixin China PMI Mfg	Oct	49.7	49.3
	UK	S&P Global UK Manufacturing PMI	Oct F	50.3	50.3
	India	Foreign Exchange Reserves	25-Oct	--	\$688.3b
	US	Change in Nonfarm Payrolls	Oct	110k	254k
	US	Unemployment Rate	Oct	4.10%	4.10%
	US	S&P Global US Manufacturing PMI	Oct F	47.8	47.8
	US	Construction Spending MoM	Sep	0.00%	-0.10%
	US	ISM Manufacturing	Oct	47.6	47.2

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