



STAT EDGE

Forex Weekly Research Report

28 September 2024

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Market Summary & Outlook:

- The dollar weakened in the week gone as fresh US data highlighted a cooling economy, while the yen surged 1.1% after **Japan's ruling party selected its new leader**. The Dollar Spot Index declined by 0.3%, marking its fourth consecutive weekly drop.
- **US economic data** showed that the Federal Reserve's preferred inflation gauge and household spending rose modestly in August, reinforcing expectations of a slowdown. This fueled speculation that the Fed may hold off on aggressive rate hikes soon, further pressuring the dollar. Meanwhile, the yen's rally signals investor confidence in Japan's political stability and potential economic reforms under its new leadership.
- **Geopolitical:** Israel's military said it killed Hezbollah's leader, Hassan Nasrallah, in an air strike on Beirut on Friday evening.
- The euro ended flat despite **inflation in France and Spain dropping below 2%**, which has fueled speculation that the European Central Bank may accelerate its interest-rate cuts. The subdued reaction in the euro suggests that while lower inflation figures are increasing expectations for policy easing, markets remain cautious, waiting for clearer signals from the ECB on its future monetary policy direction. This flat close highlights the market's balanced view between softening inflation and the broader economic outlook in the eurozone.
- **Week Ahead:** In the US, upcoming jobs and JOLTS data are expected to reflect continued resilience in the labour market. Meanwhile, China's September PMI surveys likely came too soon to capture any initial impact from recent stimulus measures. In the eurozone, headline inflation is anticipated to have dipped below the European Central Bank's 2% target for the first time since 2021. Additionally, attention will be on the US ISM manufacturing index and India's PMI, offering further insight into the global economic landscape.

Currency Performance			
Currency	27-Sep-24	20-Sep-24	% Change
Dollar Index Spot	100.38	100.72	-0.34%
Euro Spot	1.1162	1.1162	0.00%
British Pound Spot	1.3374	1.3321	0.40%
Japanese Yen Spot	142.21	143.85	-1.14%
Chinese Yuan Spot	6.982	7.042	-0.86%
USDINR	83.70	83.57	0.15%
EURINR	93.41	93.28	0.14%
GBPINR	112.02	111.10	0.83%

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	101.47	100.22	100.38	-0.34%	-1.30%	-5.18%	-0.95%
EURUSD	1.1189	1.1069	1.1162	0.00%	1.03%	4.19%	0.01%
EURINR	93.57	92.98	93.41	0.14%	-0.50%	-4.40%	1.47%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	100.69	98.17	99.43	99.91	101.17	101.95	103.21
EURUSD	1.114	1.09	1.102	1.1091	1.1211	1.126	1.138
EURINR	93.32	92.15	92.73	93.07	93.66	93.91	94.49

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Technical Outlooks:

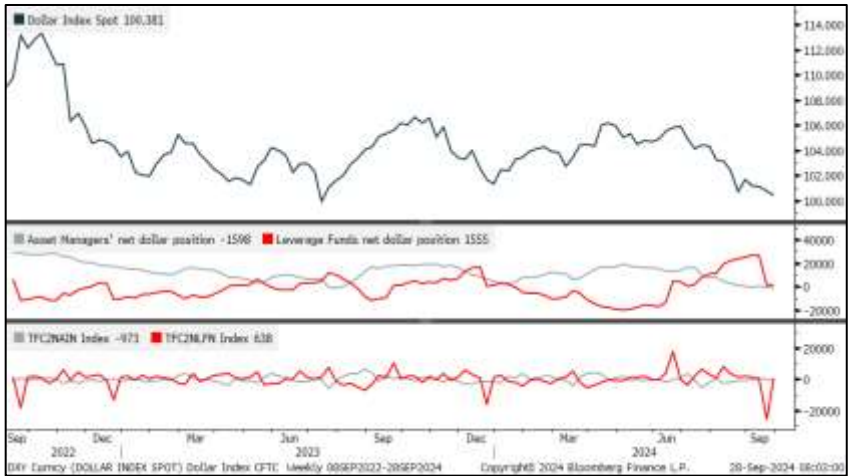
Dollar Index View:

- The dollar index dipped for the fourth week in a row.
- It has been placed well below the short-term and triangle pattern support line. The conservative target of a triangle pattern comes at 97.
- Momentum oscillators and indicators are near the oversold zone exhibiting weak momentum.
- The dollar index has support at 99.58, the bottom of 2023, and resistance at 103.50



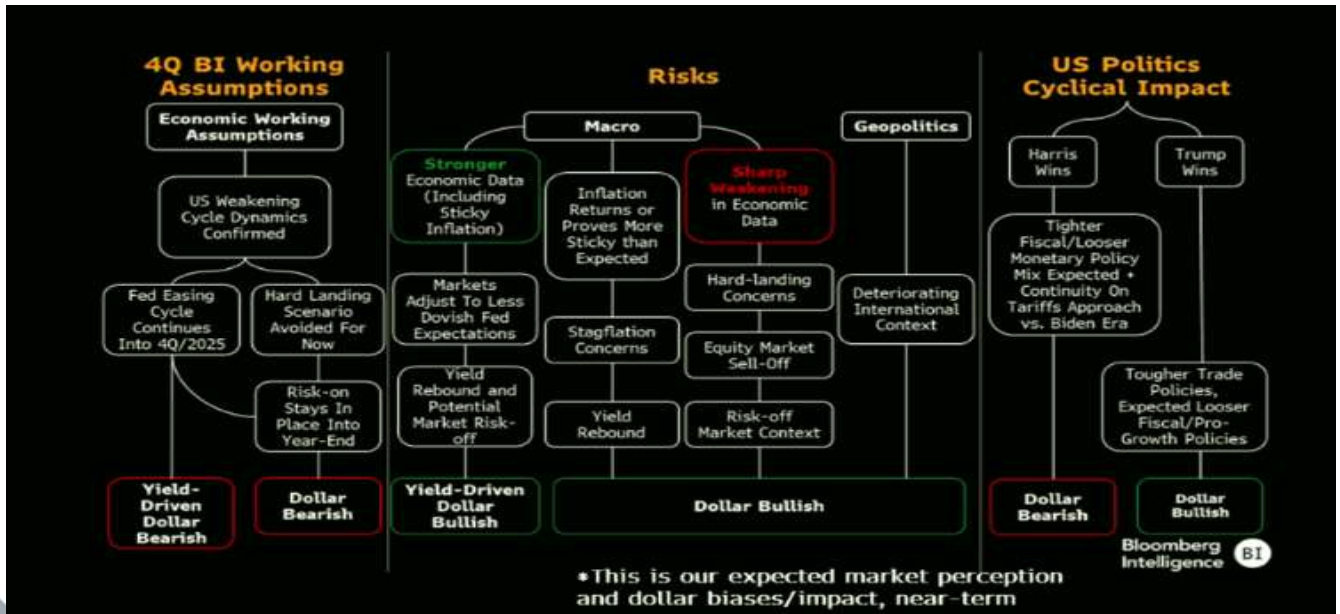
Spot EURINR: "Buy the Dip"

Support: 92.40 Resistance: 94.70



CFTC Positions: Leverage fund Cut the position

Softening US Economy, Disinflation Dollar Bearish



*This is our expected market perception and dollar biases/impact, near-term

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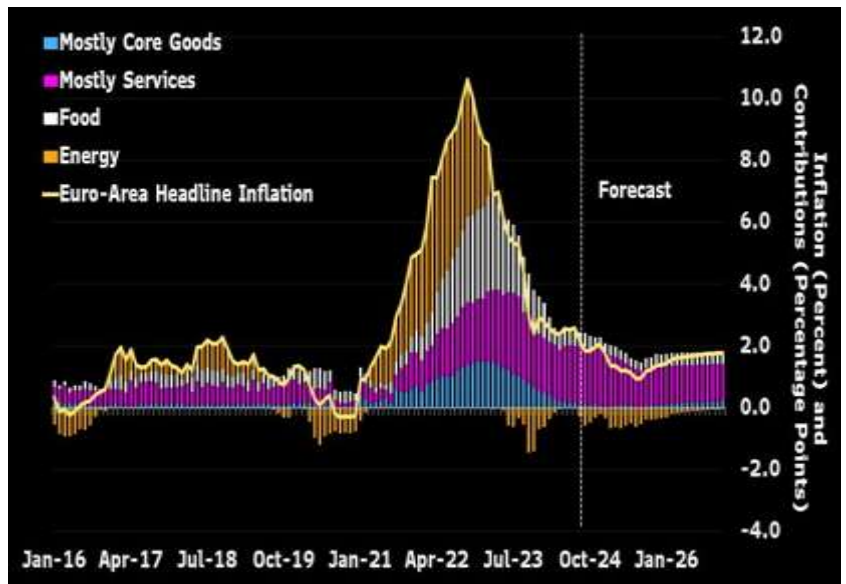
China High Frequency Activities still sluggish



PBOC Policy Rate Framework



Euro Zone CPI Drop to Open Door to October ECB Cut



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
30-Sep	Japan	Industrial Production YoY	Aug P	-1.50%	2.90%
	Japan	Retail Sales YoY	Aug	2.60%	2.70%
	China	Composite PMI	Sep	--	50.1
	China	Manufacturing PMI	Sep	49.4	49.1
	China	Non-manufacturing PMI	Sep	50.4	50.3
	China	Caixin China PMI Composite	Sep	--	51.2
	China	Caixin China PMI Mfg	Sep	50.5	50.4
	China	Caixin China PMI Services	Sep	51.6	51.6
	UK	Current Account Balance	2Q	-33.0b	-21.0b
	UK	GDP YoY	2Q F	0.90%	0.90%
	UK	Exports QoQ	2Q F	0.80%	0.80%
	UK	Imports QoQ	2Q F	7.70%	7.70%
	UK	Mortgage Approvals	Aug	63.9k	62.0k
	India	Fiscal Deficit YTD INR Crore	Aug	--	276945
	India	Eight Infrastructure Industries	Aug	--	6.10%
	US	MNI Chicago PMI	Sep	46	46.1
	US	Dallas Fed Manf. Activity	Sep	-10.3	-9.7
	China	BoP Current Account Balance	2Q F	--	\$54.9b
01-Oct	Japan	Jibun Bank Japan PMI Mfg	Sep F	--	49.6
	India	HSBC India PMI Mfg	Sep F	--	56.7
	EC	HCOB Eurozone Manufacturing PMI	Sep F	44.8	44.8
	UK	S&P Global UK Manufacturing PMI	Sep F	51.5	51.5
	EC	CPI MoM	Sep P	0.00%	0.10%
	EC	CPI Core YoY	Sep P	2.70%	2.80%
	US	S&P Global US Manufacturing PMI	Sep F	47	47
	US	Construction Spending MoM	Aug	0.20%	-0.30%
	US	JOLTS Job Openings	Aug	7660k	7673k
	US	ISM Manufacturing	Sep	47.6	47.2
	US	ISM Employment	Sep	--	46
	US	Dallas Fed Services Activity	Sep	--	-7.7
02-Oct	Japan	Monetary Base YoY	Sep	--	0.60%
	Japan	Consumer Confidence Index	Sep	37	36.7
	EC	Unemployment Rate	Aug	6.40%	6.40%
	US	MBA Mortgage Applications	27-Sep	--	11.00%
	US	ADP Employment Change	Sep	125k	99k
03-Oct	Japan	Jibun Bank Japan PMI Composite	Sep F	--	52.5
	Japan	Jibun Bank Japan PMI Services	Sep F	--	53.9
	EC	HCOB Eurozone Services PMI	Sep F	50.5	50.5
	EC	HCOB Eurozone Composite PMI	Sep F	48.9	48.9
	UK	S&P Global UK Services PMI	Sep F	52.8	52.8
	UK	S&P Global UK Composite PMI	Sep F	52.9	52.9
	EC	PPI YoY	Aug	-2.30%	-2.10%
	US	Challenger Job Cuts YoY	Sep	--	1.00%
	US	Initial Jobless Claims	28-Sep	221k	218k
	US	Continuing Claims	21-Sep	1830k	1834k
	US	S&P Global US Services PMI	Sep F	55.4	55.4
	US	S&P Global US Composite PMI	Sep F	--	54.4
	US	Factory Orders	Aug	0.10%	5.00%
US	Durable Goods Orders	Aug F	0.00%	0.00%	
US	ISM Services Index	Sep	51.6	51.5	
04-Oct	India	HSBC India PMI Composite	Sep F	--	59.3
	India	HSBC India PMI Services	Sep F	--	58.9
	UK	S&P Global UK Construction PMI	Sep	53.1	53.6
	India	Foreign Exchange Reserves	27-Sep	--	\$692.3b
	US	Change in Nonfarm Payrolls	Sep	146k	142k
	US	Unemployment Rate	Sep	4.20%	4.20%

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