



STAT EDGE

Forex Monthly Research Report

April 26

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Market Summary & Outlook:

- The global foreign exchange market in March 2026 was defined by a violent return to the "Dollar King" narrative, as geopolitical volatility and an energy-driven inflation shock forced a massive rotation into the US Greenback.
- The US Dollar Index (DXY) reclaimed and sustained the psychologically critical 100.00 handle in March, marking its strongest performance since late 2024. This rally was fueled by intense safe-haven demand as the US-Iran conflict escalated, leading to the closure of the Strait of Hormuz.
- In times of such extreme geopolitical uncertainty, the global financial system traditionally seeks the deep liquidity of US Treasury markets. This "flight to quality" was further supported by a hawkish shift in market expectations, as the US economy continued to show relative resilience compared to its energy-dependent peers in Europe and Asia.
- In contrast, G10 and emerging market currencies faced a gruelling month of depreciation. The Euro fell roughly 5% from its February highs, testing levels near 1.15, as the Eurozone's proximity to the Middle Eastern conflict and its sensitivity to energy costs weighed heavily on sentiment. The British Pound similarly broke below key support at 1.34, while the Japanese Yen weakened to 159. The Yen's traditional safe-haven status was effectively neutralised by Japan's status as a massive net importer of crude oil, which triggered fears of a ballooning trade deficit.
- A secondary but equally powerful driver for the dollar was the historic spike in Crude Oil prices, which surged past \$100 per barrel. This energy shock reignited global inflation fears, complicating the path for central banks that had previously hoped to begin an easing cycle in 2026. Because oil is priced in dollars, the surge in energy costs created a self-reinforcing loop: as oil prices rose, the demand for dollars increased, further pressuring the currencies of oil-importing nations. This "stagflationary" cocktail of rising costs and slowing growth made high-yielding US assets even more attractive on a relative basis.
- The inflationary threat from surging energy costs forced a dramatic "recalibration" of global monetary policy. The Federal Reserve pivoted to a "hawkish hold," keeping the Fed Funds Rate steady in the 3.50%–3.75% range while suggesting that rate cuts were now off the table for the foreseeable future. Similarly, the ECB and Bank of England were forced to maintain a restrictive stance despite slowing growth, as the risk of "second-round effects" from high energy prices threatened to unanchored inflation expectations. This "Higher-for-Longer" mantra provided a structural yield advantage to the dollar, drawing capital away from currencies where growth was deteriorating more rapidly.

Monthly Currency Performance			
Currency	Mar-26	Feb-26	% Change
Dollar Index	99.961	97.608	2.41%
Spot EURUSD	1.1553	1.1812	-2.19%
Spot GBPUSD	1.3227	1.3482	-1.89%
Spot USDJPY	158.72	156.05	1.71%
Spot USDCNH	6.8892	6.8625	0.39%
Indian Rupee			
Spot USDINR	94.81	90.98	4.21%
Spot EURINR	109.00	107.31	1.57%
Spot GBPINR	125.16	122.67	2.02%

Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	100.64	97.77	100.47	2.93%	-0.63%	1.63%	1.01%
EURUSD	1.1796	1.1411	1.1469	-2.90%	0.62%	-0.01%	-0.01%
EURINR	109.47	105.46	109.00	1.57%	3.50%	4.68%	3.50%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	99.63	93.88	96.75	98.61	101.49	102.50	105.38
EURUSD	1.1045	1.0529	1.0787	1.0880	1.1138	1.1303	1.1561
EURINR	93.02	90.20	91.61	92.10	93.50	94.43	95.83

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DXY Index: Sideways
Support: 95.50
Resistance: 99.60



DXY Seasonality

ICE Dollar Index												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
10 Yr Avg.	-0.48	0.87	0.27	-0.17	0.11	-0.01	-0.37	0.04	0.87	1.02	-0.43	-0.87
2026	-1.35	0.64	2.41									
2025	-0.11	-0.70	-3.16	-4.55	-0.14	-2.47	3.19	-2.20	0.00	2.08	-0.35	-1.14
2024	1.92	0.85	0.32	1.66	-1.46	1.14	-1.67	-2.30	-0.90	3.17	1.69	2.60
2023	-1.38	2.72	-2.25	-0.83	2.62	-1.36	-1.03	1.73	2.47	0.46	-2.97	-2.09
2022	0.91	0.17	1.66	4.73	-1.17	2.88	1.16	2.64	3.14	-0.53	-5.00	-2.29
2021	0.72	0.33	2.59	-2.09	-1.59	2.90	-0.28	0.49	1.73	0.11	1.99	-0.34
2020	1.04	0.76	0.93	-0.03	-0.68	-0.97	-4.15	-1.29	1.89	0.16	-2.31	-2.10
2019	-0.62	0.61	1.17	0.20	0.28	-1.66	2.48	0.41	0.47	-2.04	0.95	-1.92
2018	-3.25	1.66	-0.17	2.08	2.33	0.52	0.09	0.62	-0.01	2.10	0.15	-1.13
2017	-2.64	1.62	-0.76	-1.30	-2.15	-1.34	-2.89	-0.21	0.44	1.59	-1.59	-0.99
2016	0.99	-1.40	-3.69	-1.59	3.02	0.26	-0.64	0.52	-0.58	3.12	3.10	0.70

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Monday	Tuesday	Wednesday	Thursday	Friday
			2 April	3 April
			India: Mfg. PMI US: Challengers Job, Initial & Conti. Claims, Trade Balance	Japan, China, US: Service PMI US: Change in NFP, Unemployment Rate
6 April	7 April	8 April	9 April	10 April
India: Service PMI US: ISM Service Index	EU, UK: Service PMI US: ADP Employment, Durable Goods Services	India: RBI Monetary Policy UK: Construction PMI, Retail Sales, MBA Mortgage, FOMC Meeting Minutes	US: Personal Income & Spending, Core PCE, Initial & Conti. Jobless Claims	China, US: CPI US: Core CPI, Factory Orders, Uni. of Mich Sentiments, Durable Goods Orders
13 April	14 April	15 April	16 April	17 April
India: CPI US: Existing Home Sales, Federal Budget Balance	Japan: IIP China: Trade Balance India: WPI	Japan: Core Machines EU: IIP India: Trade Balance US: MBA Mortgage, Empire Mfg., NAHB Housing Market Index, Fed Releases Beige Index	China: New & Used Home Prices, GDP, Retail Sales, IIP UK: IIP, Mfg. Prod., Trade Balance EU: CPI US: Initial & Conti. Claims, IIP, Capacity Utilisation	EU: ECB Current Account, Trade Balance
20 April	21 April	22 April	23 April	24 April
China: 1 & 5 Yr. LPR India: Eight Core Infra Ind.	UK: ILO Claimant EU: ZEW Survey Exp. US: Business Inventories, Pending Homes Sales	Japan: Trade Balance UK: CPI, HPI US: MBA Mortgage Application EU: Consumer Confidence	Japan, India, UK, EU, US: Flash PMI US: Initial & Conti. Claims	Japan: Natl CPI US: Uni. of Mich. Sentiments
27 April	28 April	29 April	30 April	1 May
China: Industrial Profit	India: IIP Japan: BoJ Policy Rate US: Richmond Fed & Dallas Fed Mfg. Index	EU: Consumer Confidence US: MBA Mortgage, Advanced & Consumer Goods, Housing Starts, Building Permits FOMC Monetary Policy	Japan: Retail sales, IIP, Housing starts China: Mfg. & Service PMI EU: GDP, CPI, Unemployment Rate UK: BoE Monetary Policy ECB: Monetary Policy US: Initial & Conti. Jobless Claims, Core PCE	Japan: Tokyo CPI, Mfg. PMI UK, US: Mfg. PMI, ISM Mfg. PMI

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