



**STAT EDGE**

**Forex Monthly Research Report**

**Jun 26**

# Forex Monthly Research Report

## Market Summary & Outlook:

- The global foreign exchange markets in May 2026 exhibited notable volatility, characterised by a strengthening US Dollar against major Western and developed counterparts, a persistent decline in the Japanese Yen, and relative resilience across major Asian cross-rates. The US Dollar Index (DXY) climbed by 0.90% over the month, advancing from an April close of 98.056 to settle at 98.942. This upward trajectory in the greenback effectively dictated the broader themes of the month, establishing a firm tone across global currency desks.
- The primary catalyst behind the broad-based dollar strength was a structural shift in monetary policy expectations regarding the US Federal Reserve. Mid-month macroeconomic data releases revealed stickier-than-expected inflation metrics alongside resilient US labour and retail numbers, prompting market participants to price out imminent interest rate cuts and adjust to a "higher-for-longer" policy stance. This economic backdrop sharply contrasted with a softer economic landscape in Europe. As a result, the EURUSD pair fell by 0.61% to end the month at 1.1659, while the GBPUSD pair witnessed a more pronounced drop of 1.09%, sliding from 1.3604 to 1.3456 as both the ECB and the Bank of England faced growing domestic pressure to consider easing cycles. In East Asia, the Japanese Yen faced continued structural headwinds, remaining a central focal point for global macro traders. The Spot USDJPY cross increased by 1.71%, climbing from 156.59 to close the month at 159.27. This move reflected the wider interest rate differential between the Federal Reserve's restrictive stance and the Bank of Japan's highly accommodative monetary policy framework.
- On a historical basis, entering the month of June typically brings about a notable seasonal reversal for global foreign exchange trends. Over the last several decades, June has historically stood out as one of the weakest calendar months of the year for the US Dollar Index. This recurring seasonal soft patch is frequently attributed to corporate mid-year accounting adjustments, global asset management firms rebalancing their international portfolios, and institutional capital flowing out of defensive US assets back into higher-yielding European and emerging market economies.
- Consequently, major currency pairs like EURUSD and GBPUSD often experience a statistically reliable seasonal tailwind in June, frequently recovering the losses sustained during the typical dollar-dominant month of May. For the Indian Rupee, June historically brings a mixed-to-range-bound performance. While global dollar weakness provides a supportive macro backdrop for emerging market currencies, local market participants will be keenly focusing on internal domestic triggers—specifically the early spatial distribution and progression of the South West monsoon and seasonal corporate dividend remittance flows, both of which historically dictate USDINR order flows through the mid-year close.

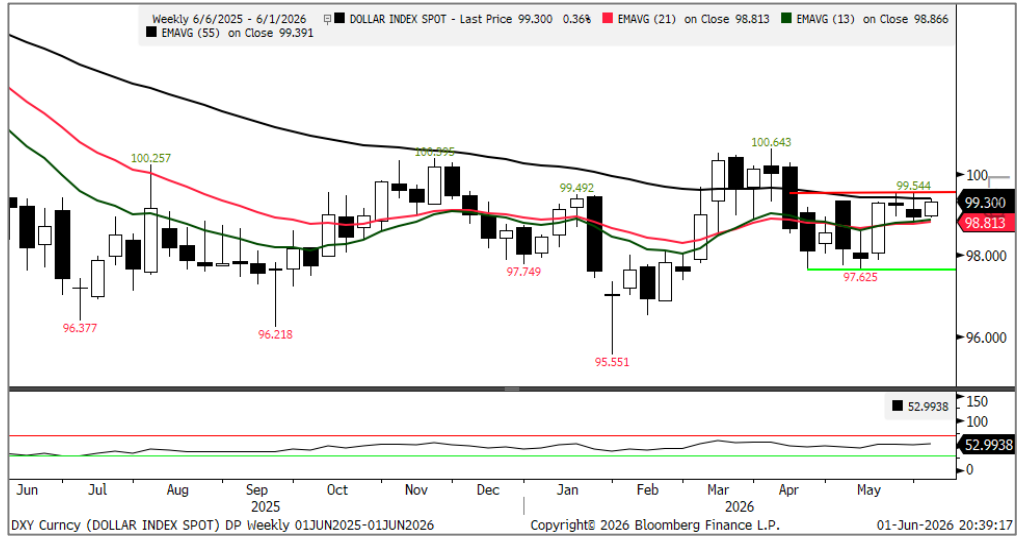
Monthly Currency Performance			
Currency	May-26	Apr-26	% Change
Dollar Index	98.942	98.056	0.90%
Spot EURUSD	1.1659	1.1731	-0.61%
Spot GBPUSD	1.3456	1.3604	-1.09%
Spot USDJPY	159.27	156.59	1.71%
Spot USDCNH	6.7635	6.8320	-1.00%
Indian Rupee			
Spot USDINR	95.00	94.92	0.09%
Spot EURINR	110.60	110.98	-0.34%
Spot GBPINR	127.47	128.15	-0.53%

## Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	99.54	97.63	98.94	0.90%	-0.61%	-0.06%	1.03%
EURUSD	1.1797	1.1576	1.1659	-0.61%	0.56%	0.00%	-0.01%
EURINR	112.50	110.53	110.6	-0.34%	-1.53%	6.60%	5.20%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.70	94.87	96.78	97.86	99.78	100.62	102.54
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: 97.50**  
**Resistance: 100.70**



**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	-0.20	-0.11	-0.01	-0.37	0.04	0.87	1.02	-0.43	-0.87
2026	-1.35	0.64	2.41	-1.91	0.90							
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
	02 Jun	03 Jun	04 Jun	05 Jun
	UK: Mortgage Approval EU: CPI US: JOLTs Job Opening	Japan, China, India, UK, EU, US: Service PMI US: MBA Mortgage, ADP Employment Chg. Factory Orders, Durable Goods Orders, ISM Service, Fed Beige Book	UK: Construction PMI EU: Retail Sales US: Challengers Job Cut, Initial & Conti. Claims	India: RBI Monetary Policy, GDP EU: GDP US: Chg in NFP, Unemployment Rate
08 Jun	09 Jun	10 Jun	11 Jun	12 Jun
Japan: GDP, BoP CA balance	US: NFIB Busi. Optimism, Trade Balance, Existing Home Sales, AD Emp., Wholesale inventory China: Trade Balance	China: CPI US: MBA Mortgage, CPI, Core CPI, Fed Budget Balance	EU: ECB Monetary Policy US: Initial & Conti. Claims	Japan: IIP UK: GDP, Mfg. Prod., Trade Balance India: CPI US: Uni. of Mich. Sentiment
15 Jun	16 Jun	17 Jun	18 Jun	19 Jun
India: WPI EU: Trade Balance, IIP US: Empire Mfg., IIP, Mfg. Prod., Capacity Utilisation, NAHB Housing Mkt. Index India: Trade Balance	Japan: BoJ Monetary Policy China: New Home Price, Retail Sales, IIP US: ADP Emp., Housing Starts, Building permits,	Japan: Trade Balance UK, EU: CPI US: MBA Mortgage, Retail sales, Business Inventory, Pending Home Sales US: FOMC Policy Decision	UK: ILO Employment, Claimant Count EU: ECB CA, Construction Output UK: BoE Monetary Policy US: Initial & Conti. Claims, Philadelphia Fed Outlook	Japan: Natl CPI
22 Jun	23 Jun	24 Jun	25 Jun	26 Jun
China: 1 & 5 Yr. LPR India: Eight Core Infra EU: Consumer Confidence	Japan, India, EU, UK, US: Flash PMI US: ADP Emp., Philadelphia Non-Mfg. Activity, Richmond Fed Mfg. Index	US: MBA Mortgage, Current Account, New Home sales, Building Permit	US: Chicago Fed Activity, Initial & Count. Claims, Durable Goods, Personal Consumption, GDP, Core PCE	Japan: Tokyo CPI China: BoP CA US: Advance Goods Sales, Wholesale Inventory, Uni. of Mich. sentiment,
29 Jun	30 Jun	01 Jul	02 Jul	03 Jul
UK: Mortgage EU: Consumer Confidence India: IIP US: Dallas fed Mfg.	China: Official Mfg. & Service PMI UK: GDP, CA India: Fiscal Deficit US: MNI Chicago PMI, JOLTs Job Opening, Dallas Fed Service, CBI Cons. Confidence	Japan, China, India, UK, EU, US: Mfg. PMI EU: CPI US: Challengers Job cuts, MBA Mortgage, ADP Emp. Chg., ISM Mfg., Construction Spending	EU: Unemployment US: Chg. In NFP, Initial & Conti. Claims, Factory Orders, Durable Goods Orders	Japan, China, India, EU, UK: Service & Composite PMI

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