



STAT EDGE

Forex Monthly Research Report

March 26

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Market Summary & Outlook:

- In currency markets were defined by a resurgence of the US Dollar, which secured its first monthly gain since October. The Dollar Index stabilised near 97.6 by month-end, buoyed by resilient domestic data, including a strong Chicago PMI reading of 57.7 and high-volume trading following the nomination of a new Fed Chair. This rebound reversed a downward trend seen earlier in the year, as investors moved away from "New World Order" narratives that had previously weighed on the greenback.
- Geopolitical uncertainty has reached a "complexity unseen in decades," primarily driven by a dramatic shift in US trade policy and escalating regional conflicts. The month was punctuated by a landmark US Supreme Court ruling on February 20 that limited the White House's authority to use emergency powers for tariffs, prompting the administration to immediately bypass the ruling with a temporary 15% global import duty. This "policy cliffhanger" has coincided with intensified military tensions, including a US strike in Venezuela and renewed threats of military action against Iran, which pushed Brent crude prices to a mid-month peak of \$71 per barrel.
- The Japanese Yen experienced notable weakness, dropping to 156.05 per dollar. The decline was exacerbated mid-month by lower-than-expected Q4 GDP data and comments from Prime Minister Sanae Takaichi, which dampened hopes for imminent BoJ rate hikes. Additionally, rising oil prices—driven by intensified geopolitical risks involving Iran—placed further pressure on the energy-import-dependent Yen.
- In the emerging market space, the Indian Rupee showed relative stability despite broader global shifts. Early in the month, the Rupee saw a modest appreciation of approximately 1.5% against the USD. However, this momentum slowed toward the end of February as the dollar strengthened and a scheduled trade meeting between India and the US was postponed due to reassessments of Washington's tariff strategies. Meanwhile, the Chinese Yuan (CNY) fell slightly by 0.12% to 6.8581 per dollar by month-end, despite overall year-to-date gains, as traders reacted to rising trade uncertainty following US Supreme Court rulings on tariff authority.
- March is poised for significant volatility driven by a rare "Super Central Bank" week and a high-stakes economic calendar. Market participants are primarily focused on the U.S. Federal Reserve (Fed) and the Bank of Japan (BoJ) meetings scheduled for March 18–19, where the Fed will determine if resilient labour data justifies maintaining rates at 3.75%, while the BoJ considers a further hike to 1.00% to bolster the yen. This period also features interest rate decisions from the Bank of England (BoE) and ECB. Beyond monetary policy, the U.S. Non-Farm Payrolls (NFP) on March 6 and the UK Annual Budget release mid-month are expected to serve as critical catalysts, while ongoing geopolitical negotiations and China's "Two Sessions" political meetings provide a backdrop of uncertainty that could trigger sudden shifts in risk sentiment.

Monthly Currency Performance			
Currency	Feb-26	Jan-26	% Change
Dollar Index	97.608	96.991	0.64%
Spot EURUSD	1.1812	1.1851	-0.33%
Spot GBPUSD	1.3482	1.3686	-1.49%
Spot USDJPY	156.05	154.78	0.82%
Spot USDCNH	6.8625	6.9584	-1.38%
Indian Rupee			
Spot USDINR	90.98	91.99	-1.10%
Spot EURINR	107.31	109.54	-2.03%
Spot GBPINR	122.67	126.34	-2.90%

Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	98.08	96.49	97.61	0.64%	-0.73%	-0.62%	-0.71%
EURUSD	1.1929	1.1742	1.1812	-0.33%	0.56%	0.02%	0.01%
EURINR	108.98	106.29	107.31	-2.03%	-1.70%	5.22%	1.82%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	97.39	94.23	95.81	96.71	98.29	98.98	100.56
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.	-0.34	0.66	-0.34	-0.17	0.11	-0.01	-0.37	0.04	0.87	1.02	-0.43	-0.87
2026	-1.35	0.64										
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 Mar	03 Mar	04 Mar	05 Mar	06 Mar
Japan, China, India, EU, UK, US: PMI Mfg. India: IIP US: ISM Mfg.	EU: CPI, Core CPI India: Holiday	Japan, China, India, EU, UK, US: Service PMI US: MBA Mortgage, ADP Employment, ISM Service	UK: Construction PMI EU: Retail Sales US: Initial & Continuing Claims	EU: GDP US: Change in NFP, Unemployment Rate
09 Mar	10 Mar	11 Mar	12 Mar	13 Mar
Japan: BoP, Trade Balance China: CPI	Japan: GDP China: Trade Balance US: NFIB Small Business, Existing Home Sales	US: MBA Mortgage, CPI, Core CPI, Federal Budget	India: CPI, Trade Balance US: Initial & Conti. Claims	UK: IIP, Trade Balance EU: IIP US: Personal Income & Spending, Core PCE, GDP, JOLTS Job Opening
16 Mar	17 Mar	18 Mar	19 Mar	20 Mar
China: Home & Retail Sales, IIP India: WPI US: Empire Mfg., IIP, Mfg. Prdn. Capacity Utilisation	US: Leading Index, Pending Home Sales	Japan: Trade Balance EU: CPI, Core CPI US: MBA Mortgage Application FOMCE Monetary Policy	Japan: Capacity Utilisation, IIP UK: Claimant Count BoJ; BOE, ECB: Monetary Policy US: Initial & Conti. Claims, Phil. Fed Business	Japan: Holiday China: 1 & 5 Yr. LPR EU: Trade Balance India: Eight Infra. Ind.
23 Mar	24 Mar	25 Mar	26 Mar	27 Mar
US: Chicago Fed. Act EU: Consumer Confidence	Japan: Natl CPI India, Japan, EU, UK, US: PMI (P)	UK: CPI, Core CPI, House Price US: MBA Mortgage, Current Account	India: Holiday US: Initial & Conti. Claims, Kansas City Fed Mfg.	China: Industrial Profit, BoP India: IIP US: Uni. of Mich. Sent.
30 Mar	31 Mar	01 Apr	02 Apr	03 Apr
UK: Mortgage Approvals EU: Cons. Confi. India: Fiscal Deficit US: Dallas Fed Mfg.	India: Holiday Japan: Tokyo CPI, IIP China: Official Mfg. & Service PMI UK: GDP, CA EU: CPI, Core CPI US: JOLTS Job Opening, Dallas Fed Service Activity	Japan, China, EU, UK, US: PMI Mfg. US: ISM Mfg., MBA Mortgage, ADP Employment, Construction Spending	India: PMI Mfg. US: Challenger Job Cuts, Trade Balance, Initial & Conti. Claims, Durable Goods Orders	Japan, China, US: Service PMI US: Change in NFP, Unemployment Rate

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