



STAT EDGE

**Forex Monthly Research Report**

**October 2025**

# Forex Monthly Research Report

## Market Summary & Outlook:

- In the month gone by, the U.S. Dollar Index (DXY) rose by 2.08%, indicating continued resilience of the dollar against a basket of major peers. This strength reflects robust U.S. economic data, particularly better-than-expected GDP growth and persistent inflation that supported expectations of a delayed interest rate cut by the Federal Reserve. Investor confidence in U.S. assets remained high, maintaining steady demand for the dollar.
- Despite initial concerns, the impact of the U.S. government shutdown remained minimal, with limited disruption to overall economic activity.
- Consumer spending and business confidence held steady, supported by strong labour market conditions. Meanwhile, the implementation of trade tariffs helped the U.S. narrow its trade deficit, as imports declined and certain domestic industries benefited from reduced foreign competition. Overall, the combination of resilient domestic demand and targeted trade measures contributed to a more balanced external position.
- The recovery was primarily driven by the Federal Reserve's decision on October 29, 2025, to cut interest rates by 25 basis points, bringing the federal funds rate to a range of 3.75%-4.00%. While rate cuts typically weaken a currency, the Fed's action was perceived as data-dependent rather than a sign of monetary easing in response to inflation, providing temporary support to dollar valuations.
- Global inflation divergence continued to favour the US currency. While US inflation remained sticky near 3.0% year-over-year in September, the Eurozone CPI was lower at approximately 2.2%, aligning more closely with the European Central Bank's target. This differential, combined with concerns about global growth deceleration, supported the dollar as investors positioned for continued monetary policy divergence between the Fed and other major central banks.
- For the euro, weakness was partly driven by broad-based U.S. dollar strength and persistent economic growth concerns within the Eurozone. Investor sentiment remained cautious as recent data pointed towards a sluggish industrial output and subdued consumer demand across key European economies. Additionally, the European Central Bank's (ECB) measured approach toward further monetary easing—especially when contrasted with the Federal Reserve's more accommodative rate cuts—helped sustain dollar strength relative to the euro. Furthermore, political uncertainty in France added another layer of pressure on the single currency, dampening investor confidence and contributing to the euro's softer performance during the period.
- The emerging market currency dynamics, exemplified by the rupee's stability compared to volatile peers, suggest that selective central bank interventions and domestic economic strength can provide insulation from global volatility. However, this relative strength should not be mistaken for absolute strength—emerging market currencies remain subject to capital flow reversals if global risk sentiment shifts suddenly.
- Going ahead, market currencies will remain sensitive to capital flows driven by US interest rate expectations and global risk sentiment.

Monthly Currency Performance			
Currency	Oct-25	Sep-25	% Change
Dollar Index	99.804	97.775	2.08%
Spot EURUSD	1.1537	1.1734	-1.68%
Spot GBPUSD	1.3152	1.3446	-2.19%
Spot USDJPY	153.99	147.9	4.12%
Spot USDCNH	7.1225	7.1284	-0.08%
Indian Rupee			
Spot USDINR	88.77	88.79	-0.02%
Spot EURINR	102.76	104.32	-1.50%
Spot GBPINR	116.68	119.38	-2.26%

## Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	99.84	97.46	99.8	2.08%	2.41%	0.10%	-8.36%
EURUSD	1.1779	1.1522	1.1537	-1.68%	-2.10%	0.02%	0.11%
EURINR	104.48	101.72	102.76	-1.50%	2.31%	6.40%	12.76%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	99.04	94.27	96.65	98.23	100.61	101.42	103.80
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: Recovery**  
**Support: 96.40**  
**Resistance: 102**



**DXY Seasonality**

DXY Currency													
Spread Builder View Edit Seasonality Chart													
Last Price	Local CCY	Spread		Type security		Last Price							
10 Years	Ending 2025	Percent Change		Net Change		High/Low/Avg							
Calendar Year	Trailing 12M	01-Jan	31-Dec	Monthly	Line	Heat Map	Securities/Lines Map Options						
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
10 Yr Avg		.27	.78	.25	-.10	.36	.09	-.50	-.10	.92	.85	-.07	-.91
2025		-.11	-.70	-3.16	-4.55	-.14	-2.47	3.19	-2.20	.00	2.08	.27	
2024		1.92	.85	.32	1.66	-1.46	1.14	-1.67	-2.30	-.90	3.17	1.69	2.60
2023		-1.38	2.72	-2.25	-.83	2.62	-1.36	-1.03	1.73	2.47	.46	-2.97	-2.09
2022		.91	.17	1.66	4.73	-1.17	2.88	1.16	2.64	3.14	-.53	-5.00	-2.29
2021		.72	.33	2.59	-2.09	-1.59	2.90	-.28	.49	1.73	-.11	1.99	-.34
2020		1.04	.76	.93	-.03	-.68	-.97	-4.15	-1.29	1.89	.16	-2.31	-2.10
2019		-.62	.61	1.17	-.20	-.28	-1.66	2.48	.41	.47	-2.04	.95	-1.92
2018		-3.25	1.66	-.71	2.08	2.33	.52	.09	.62	-.01	2.10	.15	-1.13
2017		-2.64	1.62	-.76	-1.30	-2.15	-1.34	-2.89	-.21	.44	1.59	-1.59	-.99
2016		.99	-1.40	-3.69	-1.59	3.02	.26	-.64	.52	-.58	3.12	3.10	.70
2015		5.02	.52	3.22	-3.82	2.44	-1.47	1.94	-1.55	.55	.62	3.33	-1.54

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Monday	Tuesday	Wednesday	Thursday	Friday
03 Nov	04 Nov	05 Nov	06 Nov	07 Nov
China, India, EU, UK, US: Mfg. PMI US: ISM Mfg., construction spending	Japan; Mfg. PMI US: Trade Balance, JOLTS Job Opening, Factory Orders, Durable Goods Orders	China, EU, UK, US: Service PMI US: MBA Mortgage, ADP Employment, ISM Services	Japan, India: Service PMI EU: Retail Sales BoE Monetary Policy US: Challengers Job Cuts, Initial & Continuing Claims, Wholesale Inventories	US: Change in NFP, Unemployment Rate, Uni. of Mich. Sentiments, China: Trade Balance, BoP CA
10 Nov	11 Nov	12 Nov	13 Nov	14 Nov
Japan: Leading Index EU: Sentix Confidence	Japan: BoP, Trade Balance UK: claimant count EU: ZEW Survey	Japan: Machine Tools India: CPI US: MBA Mortgage	UK: GDP, Ind. Prod., Trade Balance US: Initial & Conti. Claims, CPI, Core CPI	China: New Home Sales, Retail Sales, Ind. Production India: WPI EU: Trade Balance US: Retail Sales
17 Nov	18 Nov	19 Nov	20 Nov	21 Nov
Japan: GDP, Ind. Production UK: Rightmove HPI US: Empire Mfg.	US: Ind. Prod., Mfg. Prod., Capacity Utilisation, MAHB Housing Market	Japan: Trade Balance UK: CPI, Core CPI, HPI EU: CPI, Core CPI, CA US: MBA Mortgage, Housing Starts, Building Permits, FOMC Meeting Minutes	China: 1 & 5 Yr. LPR EU: Constr. Output, Consumer Conf. India: Eight Core US: Initial & Conti. Claims, Phila. Fed Bus., Existing Home Sales	Japan, India, EU, UK, US: Flash PMI Japan: Natl CPI US: Kansas City Fed Service Activity
24 Nov	25 Nov	26 Nov	27 Nov	28 Nov
US: Dallas & Chicago Fed Mfg. Activity	US: FHFA HPI, Richmond Fed, Pending Home Sales	Japan: Machine Tool US: MBA Mortgage, Initial & Conti. Jobless, Advance Goods Trade, Retail Inventory, GDP, Core PCE, Durable Goods Order, Personal Income & Spending, New Home Sales, Building Permits	US: Fed Beige Book China: Industrial Profit EU: Consumer Confidence	Japan: Tokyo CPI, Retail Sales, Ind. Prod., Housing Starts India: IIP, GDP, GVA, Fiscal Deficit

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