



STAT EDGE

Forex Monthly Research Report

October 2025

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Market Summary & Outlook:

- In September 2025, the U.S. Dollar Index (DXY) faced notable weakness, declining steadily through the month but ended flat and failing to hold above key resistance near the 98 level. This downward trajectory was largely driven by soft U.S. economic data, particularly weaker-than-expected labour market figures, which led markets to sharply reduce expectations of further tightening by the Federal Reserve. In fact, growing speculation about potential rate cuts in the coming months significantly eroded the dollar's yield advantage, a key pillar of support in previous quarters.
- Additionally, a broader shift in sentiment—marked by rising de-dollarisation trends and renewed interest in non-dollar assets—further contributed to the decline. The U.S. dollar weakened, and uncertainty in global markets persisted; safe-haven demand notably shifted toward gold. Although the dollar did experience a modest technical rebound later in the month, likely driven by short-covering and temporary risk aversion, it remained well below the psychological threshold of 100. Overall, September reflected a sentiment shift against the dollar, influenced by both domestic monetary expectations and global portfolio rebalancing toward alternative currencies.
- The euro demonstrated resilience in September, appreciating against the U.S. dollar. This upward movement was primarily driven by a 2.2% rise in Eurozone inflation, surpassing the European Central Bank's (ECB) 2% target for the first time since April. This uptick in inflation signalled to markets that the ECB might pause its rate-cutting cycle, thereby supporting the euro's strength.
- The British pound faced challenges in September, experiencing a modest decline against the U.S. dollar. Factors contributing to this underperformance included a widening public sector net borrowing and soft domestic economic data, which raised concerns about the UK's fiscal health and economic stability. Despite these headwinds, the pound maintained its strength on a year-to-date basis, reflecting broader market dynamics and investor sentiment.
- The U.S. dollar has encountered challenges, notably due to the partial government shutdown, which has disrupted the release of critical economic data, including the nonfarm payrolls report. This uncertainty has led to a decline in the dollar index, with investors anticipating a potential Federal Reserve interest rate cut later in the month.
- At the end of October, the forex market will closely watch three major central bank policy decisions that are poised to significantly influence currency dynamics. Among these, the Federal Reserve's stance is expected to lean dovish, amid ongoing political uncertainties such as the U.S. government shutdown risks. This combination is likely to weigh on the U.S. dollar, contributing to further weakness. Market participants will be particularly attentive to the tone and guidance provided by these central banks, as their decisions will set the direction for global monetary policy and risk sentiment heading into the final quarter of the year.

Monthly Currency Performance			
Currency	Sep-25	Aug-25	% Change
Dollar Index	97.775	97.771	0.00%
Spot EURUSD	1.1734	1.1686	0.41%
Spot GBPUSD	1.3446	1.3504	-0.43%
Spot USDJPY	147.9	147.05	0.58%
Spot USDCNH	7.1284	7.1223	0.09%
Indian Rupee			
Spot USDINR	88.79	88.21	0.66%
Spot EURINR	104.32	102.96	1.31%
Spot GBPINR	119.38	118.74	0.54%

Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	98.64	96.218	97.78	0.00%	-0.07%	-6.10%	-10.78%
EURUSD	1.1919	1.1608	1.1734	0.41%	0.00%	0.09%	0.14%
EURINR	104.78	102.3293	104.32	1.31%	0.22%	12.01%	14.89%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	97.54	92.71	95.13	96.45	98.87	99.96	102.38
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: Consolidation
Support: 96.20
Resistance: 100.30



DXY Seasonality

Calendar Year	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	-.05		
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
06 Oct.	07 Oct.	08 Oct.	09 Oct.	10 Oct.
India: Service PMI EU: Sentix Conf. UK: Construction PMI EU: Retail Sales	US: Trade Balance	Japan: BoP US: MBA Mortgage, FOMC Meeting Minutes	US: Initial & Conti. Jobless Claims, Wholesale Inventories	Japan: PPI US: Uni. of Mich. Sentiment, Federal Budget
13 Oct.	14 Oct.	15 Oct.	16 Oct.	17 Oct.
India: CPI China: Trade Balance	UK: Claimant Count, Jobless Claims India: WPI EU: ZEW Expectation	China: CPI Japan, EU: IIP US: MBA Mortgage, Empire Mfg., CPI India: Trade Balance	UK: IIP, Construction Output UK, EU: Trade Balance US: Initial & Conti. Jobless Claims, NAHB HMI, Philadelphia Fed Busi. Outlook	EU: CPI US: Housing Starts, Building permits, IIP, Mfg. Production, Capacity Utilisation
20 Oct.	21 Oct.	22 Oct.	23 Oct.	24 Oct.
China: 1Y. & 5 Yr. LPR, GDP, New Home Sales EU: ECB Current Account	India: Eight Infra Ind.	Japan: Trade Balance UK: CPI, HPI US: MBA Mortgage	US: Chicago Fed Activity Index, Initial & Conti. Jobless Claims, Existing Home Sales EU: Cons. Confidence	Japan: Natl CPI Japan, India, EU, UK, US: PMI (P) US: New Home Sales, Building Permits
27 Oct.	28 Oct.	29 Oct.	30 Oct.	31 Oct.
China: Industrial Profit US: Durable Goods Orders	India: IIP US: Rich. Fed. Mfg. Index, Dallas Fed Service Activity	US: MBA Mortgage, Advance Goods Trade Balance, Pending Home Sales FOMC Meeting	EU: GDP, Unemployment ECB Meeting BoJ Meeting US: GDP, Personal Consumption, Core PCE, Initial & Conti. Jobless Claims	Japan: IIP, Retail Sales China: Mfg. PMI EU: CPI India: Fiscal Deficit US: PCE Core, MNI Chicago PMI

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