STAT EDGE

Forex Weekly Research Report

5 July 2025

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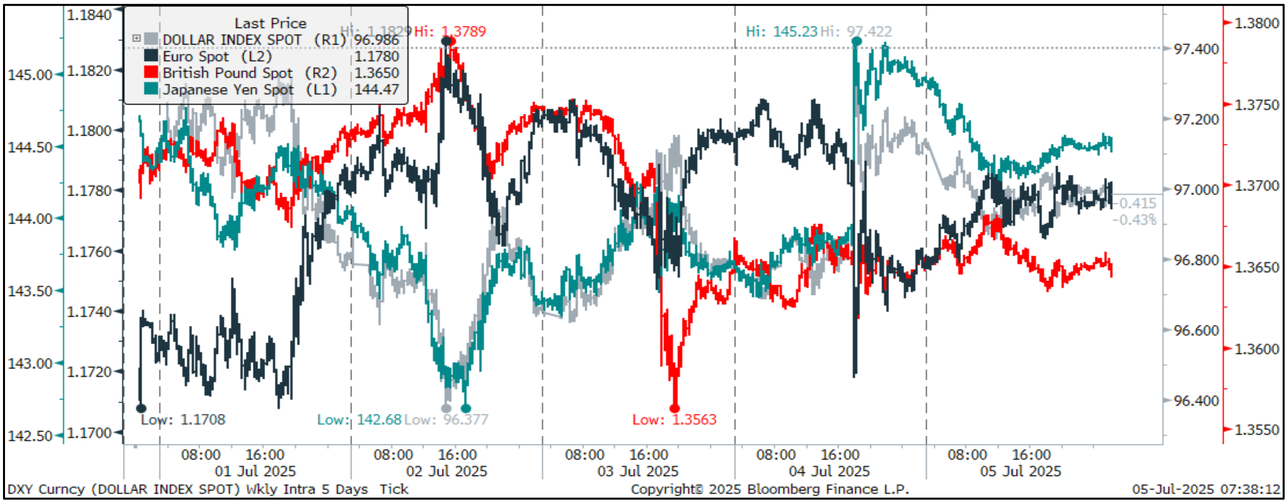
Market Summary & Outlook:

Currency Performance			
Currency	04-Jul-25	27-Jun-25	% Change
Dollar Index Spot	97.18	97.40	-0.23%
Euro Spot	1.1778	1.1718	0.51%
British Pound Spot	1.3650	1.3716	-0.48%
Japanese Yen Spot	144.47	144.65	-0.12%
Chinese Yuan Spot	7.163	7.173	-0.13%
USDINR	85.39	85.49	-0.11%
EURINR	100.59	100.11	0.48%
GBPINR	116.63	117.46	-0.70%

- The dollar continues to face downward pressure on an exchange-rate basis, creating persistent challenges for Asian markets dealing with capital inflows. In Taiwan, for instance, authorities have introduced new measures to deter speculative flows into the local currency. The pressure is also being felt in places like Hong Kong, where the currency remains near the weaker end of its trading band, adding to financial system strains. Meanwhile, large institutional investors—such as Japan's Government Pension Investment Fund (GPIF)—are likely to see adverse impacts from these currency dynamics.
- For dollar bears, there was a notable signal in recent remarks from U.S. Treasury Secretary Scott Bessent.
- He clarified that "the price of the dollar has nothing to do with a strong dollar policy," adding that "the strong dollar policy is about whether we are taking the long-term steps necessary to ensure the U.S. dollar remains the world's reserve currency." The distinction may offer some encouragement to those expecting further dollar weakness ahead.
- The euro was poised for its strongest weekly performance against the U.S. dollar in 16 years on Friday, buoyed by Germany's sweeping fiscal reforms that have reinvigorated investor confidence. As the greenback hovered near a four-month low, capital flowed into the eurozone, reflecting optimism around Europe's economic resilience and growing skepticism over the U.S. fiscal and monetary outlook. While some consolidation occurred, the euro remains elevated, with momentum still favouring further upside as markets assess central bank signals and upcoming data.
- The upcoming week is likely to be dominated by a steady stream of tariff news, as trade issues return to the spotlight. We strongly believe that Donald Trump's erratic and aggressive approach to trade policy will inflict serious harm on numerous businesses, particularly within the United States. The lack of consistency and clarity in these strategies threatens to unsettle markets, strain corporate planning, and complicate international supply networks.

Intraday Currency Performance:



Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	MTD % Chg.	QTD % Chg.	YTD % Chg.
Dollar Index	97.42	96.38	97.18	-0.23%	-0.70%	0.31%	-11.31%
EURUSD Spot	1.1829	1.1708	1.1778	0.51%	0.13%	-0.08%	4.64%
EURINR Spot	101.18	100.10	100.59	0.48%	1.14%	-0.06%	11.38%

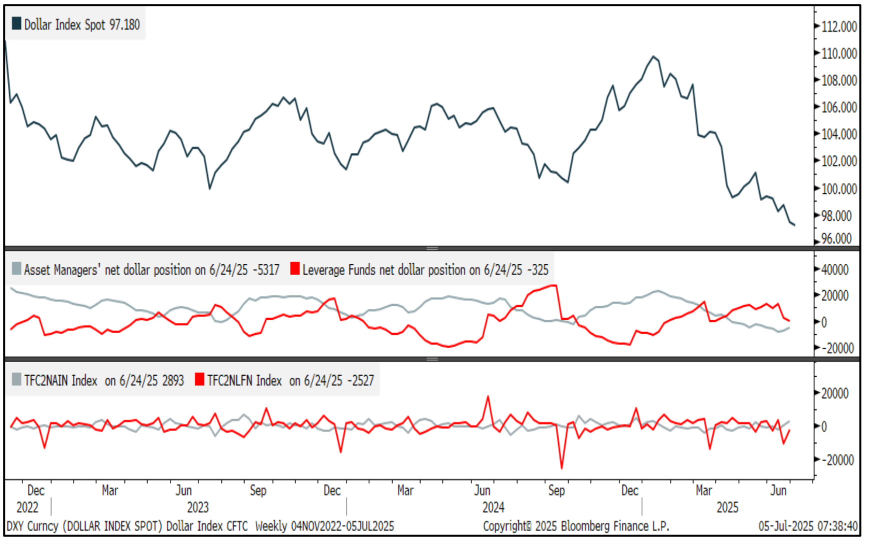
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	96.99	94.9	95.95	96.56	97.61	98.04	99.08
EURUSD	1.1772	1.153	1.1651	1.1714	1.1835	1.1893	1.2014
EURINR	100.62	98.47	99.54	100.06	101.14	101.70	102.78

Technical Analysis:

Dollar Index View:

- The Dollar Index formed a bullish candle after a Doji candle, exhibiting a short-term reversal.
- However, it has been trading in a bearish channel, characterised by the lower highs and lows.
- The relative strength index is placed near an oversold zone, indicating negative momentum.

Spot EURINR: ***Profit Booking***
Support 99.60, Resistance 101.70



Economic Calendar					
Date	Country	Event	Period	Survey	Prior
07-Jul	EC	Sentix Investor Confidence	Jul	1	0.2
	EC	Retail Sales YoY	May	1.40%	2.30%
08-Jul	Japan	BoP Current Account Balance	May	¥2962.8b	¥2258.0b
	US	NFIB Small Business Optimism	Jun	98.7	98.8
09-Jul	China	CPI YoY	Jun	-0.10%	-0.10%
	US	MBA Mortgage Applications	04-Jul	--	2.70%
	US	FOMC Meeting Minutes	18-Jun	--	--
10-Jul	US	Initial Jobless Claims	05-Jul	--	233k
	US	Continuing Claims	28-Jun	--	1964k
11-Jul	UK	Industrial Production YoY	May	0.20%	-0.30%
	UK	Manufacturing Production YoY	May	0.40%	0.40%
	UK	Construction Output YoY	May	1.70%	3.30%
	US	Federal Budget Balance	Jun	-$40.0b	-$316.0b
	India	Foreign Exchange Reserves	04-Jul	--	$702.8b