



**STAT EDGE**

**Forex Weekly Research Report**

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**21 February 2026**

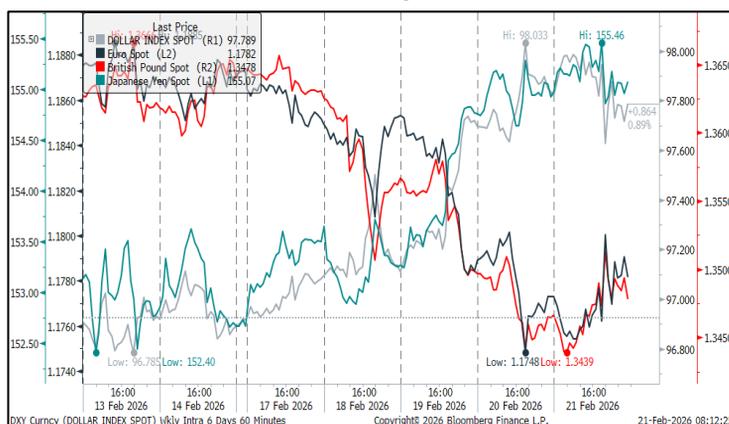
# Forex Weekly Research Report

## Market Summary & Outlook:

- The U.S. dollar delivered its strongest weekly performance since October, staging an impressive advance that gathered traction even before full market participation resumed. Although trading desks in the United States were officially closed for a holiday at the start of the week, currency markets were anything but dormant. Early positioning and thin liquidity amplified price action, laying the groundwork for what became a broad-based dollar resurgence.
- A key catalyst behind the move was the intensifying geopolitical climate surrounding Iran. Heightened tensions injected a defensive tone across global markets, prompting investors to rotate into traditional safe-haven assets. The greenback, benefitting from its reserve currency status and deep liquidity profile, attracted consistent inflows.
- This risk-off dynamic reverberated across asset classes—equities wobbled, commodities reacted unevenly, and foreign exchange markets repriced sharply in favour of the USD. On Friday, The dollar fell after the Supreme Court ruled President Donald Trump exceeded his authority when he imposed sweeping global tariffs against most US trading partners.
- The euro bore a significant portion of the adjustment. At one juncture, EUR/USD declined by a full “big figure,” marking its largest single-day drop since August of last year. The magnitude of the fall underscored how crowded short-dollar positioning had become leading into the week. Once momentum shifted, the unwinding of positioning intensified the move. What began as a geopolitically driven rally evolved into a technically reinforced squeeze, with both systematic and discretionary accounts forced to recalibrate their exposure.
- Macro fundamentals added further propulsion. The release of the latest minutes from the Federal Open Market Committee revealed a tone that markets interpreted as more cautious on inflation than previously assumed. When paired with firm inflation data, expectations for aggressive rate cuts were pared back. Traders who had entered the week anticipating a rapid easing cycle were compelled to reassess, and that reassessment translated directly into higher short-end yields and a stronger dollar.
- Speculative investors sharply expanded their bearish exposure to the U.S. dollar in the week ending February 17, underscoring the degree of conviction that had built up against the currency before its recent rebound. In aggregate, these traders now control approximately \$22.2 billion in contracts linked to a weaker U.S. currency. That marks the largest net bearish stance since early 2021, a period when ultra-accommodative monetary policy and synchronised global recovery trades weighed heavily on the greenback.

Currency Performance			
Currency	20-Feb-26	13-Feb-26	% Change
Dollar Index Spot	97.80	96.92	0.91%
Euro Spot	1.1784	1.1868	-0.71%
British Pound Spot	1.3480	1.3651	-1.25%
Japanese Yen Spot	155.05	152.70	1.54%
Chinese Yuan Spot	6.898	6.901	-0.05%
USDINR	90.99	90.64	0.38%
EURINR	107.07	107.51	-0.41%
GBPINR	122.55	123.47	-0.75%

## Intra-Week 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	98.08	96.88	97.80	0.91%	-0.70%	-0.53%	-0.53%
EURUSD Spot	1.1878	1.1742	1.1784	-0.71%	0.13%	0.32%	4.64%
EURINR Spot	107.68	106.84	107.07	-0.41%	1.14%	-1.47%	1.58%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.3	98.94	100.14	99.71	100.91
EURUSD	1.1789	1.1615	1.1653	1.17	1.1836	1.1925	1.2061
EURINR	101.81	100.21	100.98	95.95	96.78	102.64	103.48

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## Technical Analysis:

### Dollar Index View:

- The DXY Index resisted at 55 DEMA.
- It has been trading in a bearish lower highs and lower lows on the weekly chart.
- RSI has been placed above 50 and is flattening, indicating consolidation momentum.

**Spot Dollar Index: Support 96.50, Resistance 98.70**



**Leveraged funds now hold \$22.2 billion worth of short positions, the largest amount since early 2021, from \$19.9 billion in the prior week**



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
23-Feb	US	Factory Orders	Dec	-0.70%	2.70%
	US	Durable Goods Orders	Dec F	-1.40%	-1.40%
	US	Dallas Fed Manf. Activity	Feb	-0.8	-1.2
24-Feb	China	5-Year Loan Prime Rate	24-Feb	3.50%	3.50%
	China	1-Year Loan Prime Rate	24-Feb	3.00%	3.00%
	US	ADP Weekly Employment Change	07-Feb	--	10.250k
	US	FHFA House Price Index MoM	Dec	0.30%	0.60%
	US	Conf. Board Consumer Confidence	Feb	87	84.5
	US	Wholesale Inventories MoM	Dec F	0.20%	0.20%
25-Feb	EC	CPI YoY	Jan F	1.70%	1.70%
	EC	CPI Core YoY	Jan F	2.20%	2.20%
	US	MBA Mortgage Applications	20-Feb	--	2.80%
26-Feb	Japan	Leading Index CI	Dec F	--	110.2
	EC	Consumer Confidence	Feb F	--	-12.2
	US	Initial Jobless Claims	21-Feb	215k	206k
	US	Continuing Claims	14-Feb	1863k	1869k
	US	Kansas City Fed Manf. Activity	Feb	--	0
27-Feb	Japan	Tokyo CPI YoY	Feb	1.40%	1.50%
	Japan	Retail Sales YoY	Jan	0.10%	-0.90%
	Japan	Industrial Production YoY	Jan P	5.00%	2.60%
	Japan	Housing Starts YoY	Jan	-2.10%	-1.30%
	India	GDP YoY	4Q	7.40%	8.20%
	India	GVA YoY	4Q	7.30%	8.10%
	India	Fiscal Deficit YTD INR	Jan	--	8558b
	US	MNI Chicago PMI	Feb	52.4	54
	US	Construction Spending MoM	Dec	0.20%	--

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