



STAT EDGE

Forex Weekly Research Report

26 July 2025

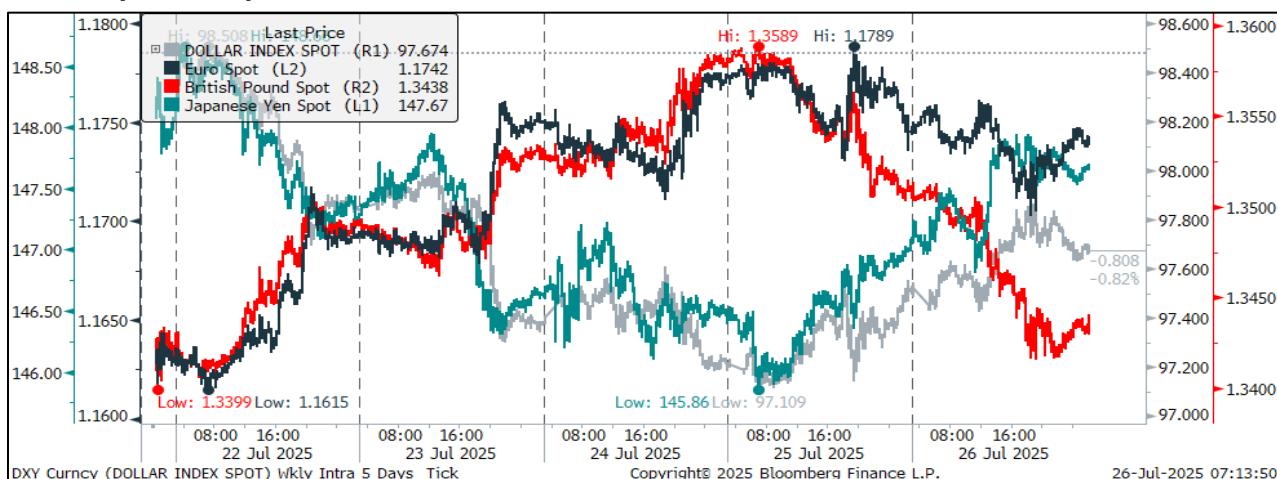
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Market Summary & Outlook:

- The ICE U.S. Dollar Index posted a modest rebound on Friday, offering a temporary lift to the greenback. However, the gain was insufficient to offset the broader weakness earlier in the week. The gauge closed the week with a 0.85% decline, marking its first weekly loss in three weeks.
- The dollar's weakness was driven in part by shifting expectations around U.S. monetary policy and a stabilisation in global risk sentiment. While the Federal Reserve is widely expected to hold interest rates steady at its upcoming policy meeting on Wednesday, traders are increasingly focused on forward guidance, especially after a series of mixed economic data and dovish signals from other central banks.
- Investor sentiment was also influenced by political developments in the U.S., particularly comments from President Donald Trump, who said that firing Federal Reserve Chair Jerome Powell was "not necessary." The remarks eased fears about potential political interference in Fed policymaking. The reassurance helped reduce uncertainty surrounding the central bank's autonomy, leading to a muted reaction in interest rate markets.
- Meanwhile, euro sentiment remained bullish, underpinned by a reassessment of European Central Bank (ECB) policy expectations. Traders in the options market are scaling back bets on a final rate cut by the ECB this year. The shift reflects growing confidence in the eurozone's economic resilience and a more cautious stance from policymakers amid sticky core inflation and improving data in services and labour markets.
- The Federal Reserve is not expected to make any policy changes at Wednesday's meeting, but investors will be parsing the statement and press conference for clues about the likelihood of a rate cut in September. As of now, futures markets are pricing in around a 60% probability of a 25bps rate cut at the September meeting.
- The focus will then shift to Friday's U.S. jobs report, which could play a key role in shaping those expectations. The same day also marks a critical deadline for trade negotiations, adding another layer of uncertainty to the macroeconomic outlook.

Currency Performance			
Currency	25-Jul-25	18-Jul-25	% Change
Dollar Index Spot	97.65	98.48	-0.85%
Euro Spot	1.1742	1.1626	1.00%
British Pound Spot	1.3438	1.3416	0.16%
Japanese Yen Spot	147.69	148.81	-0.75%
Chinese Yuan Spot	7.168	7.181	-0.19%
USDINR	86.52	86.16	0.42%
EURINR	101.53	100.24	1.29%
GBPINR	116.47	115.80	0.58%

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	98.95	97.71	97.65	-0.85%	-0.70%	0.79%	-10.84%
EURUSD Spot	1.1721	1.1557	1.1742	1.00%	0.13%	-0.38%	4.64%
EURINR Spot	100.55	99.49	101.53	1.29%	1.14%	-0.99%	12.33%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.51	97.11	97.27	98.07	99.3	99.74	100.98
EURUSD	1.1789	1.1615	1.1625	1.1857	1.2021	1.1953	1.2117
EURINR	101.81	100.21	100.74	103.07	104.13	102.88	103.94

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Technical Analysis:

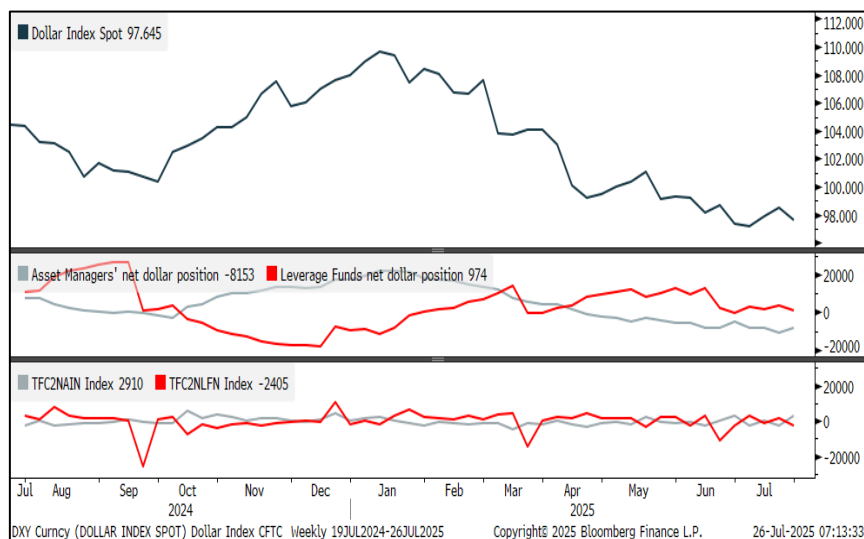
Dollar Index View:

- The Dollar index closed slightly below 13 DEMA.
- It has been trading in a bearish chart pattern, characterised by the lower highs and lows.
- The relative strength index is below 50 but heading north with positive divergence, indicating positive momentum.

**Spot Dollar Index: *Short Covering*
Support 96.40, Resistance 99.40**



Asset Managers reduced their short dollar bets to \$14.3 billion from \$17.5 billion



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Economic Calendar					
Date	Country	Event	Period	Survey	Prior
28-Jul	India	Industrial Production YoY	Jun	2.20%	1.20%
	US	Dallas Fed Manf. Activity	Jul	-9.5	-12.7
29-Jul	US	Advance Goods Trade Balance	Jun	-\$98.0b	-\$96.4b
	US	Wholesale Inventories MoM	Jun P	-0.10%	-0.30%
	US	FHFA House Price Index MoM	May	-0.20%	-0.40%
	US	JOLTS Job Openings	Jun	7525k	7769k
	US	Conf. Board Expectations	Jul	--	69
	US	Dallas Fed Services Activity	Jul	--	-4.4
30-Jul	EC	Consumer Confidence	Jul F	--	-14.7
	EC	GDP SA YoY	2Q A	1.20%	1.50%
	US	MBA Mortgage Applications	25-Jul	--	0.80%
	US	ADP Employment Change	Jul	80k	-33k
	US	GDP Annualized QoQ	2Q A	2.40%	-0.50%
	US	Core PCE Price Index QoQ	2Q A	2.30%	3.50%
	US	Pending Home Sales MoM	Jun	0.30%	1.80%
	US	FOMC Rate Decision (Upper Bound)	30-Jul	4.50%	4.50%
	US	Fed Reverse Repo Rate	30-Jul	--	4.25%
31-Jul	Japan	Industrial Production YoY	Jun P	1.30%	-2.40%
	China	Manufacturing PMI	Jul	49.7	49.7
	EC	Unemployment Rate	Jun	6.30%	6.30%
	India	Fiscal Deficit YTD INR	Jun	--	132b
	US	Challenger Job Cuts YoY	Jul	--	-1.60%
	US	Core PCE Price Index YoY	Jun	2.70%	2.70%
	US	Initial Jobless Claims	26-Jul	224k	217k
	US	Continuing Claims	19-Jul	1955k	1955k
	US	MNI Chicago PMI	Jul	42	40.4
	Japan	BOJ Target Rate	31-Jul	0.50%	0.50%
01-Aug	China	S&P Global China PMI Mfg	Jul	50.2	50.4
	India	HSBC India PMI Mfg	Jul F	--	59.2
	EC	HCOB Eurozone Manufacturing PMI	Jul F	49.8	49.8
	UK	S&P Global UK Manufacturing PMI	Jul F	48.2	48.2
	EC	CPI Core YoY	Jul P	2.30%	2.30%
	US	Change in Nonfarm Payrolls	Jul	109k	147k
	US	Unemployment Rate	Jul	4.20%	4.10%
	US	S&P Global US Manufacturing PMI	Jul F	49.5	49.5
	US	ISM Manufacturing	Jul	49.5	49
	US	Construction Spending MoM	Jun	0.00%	-0.30%
	US	U. of Mich. Sentiment	Jul F	61.8	61.8

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