



STAT EDGE

Forex Weekly Research Report

28 December 2024

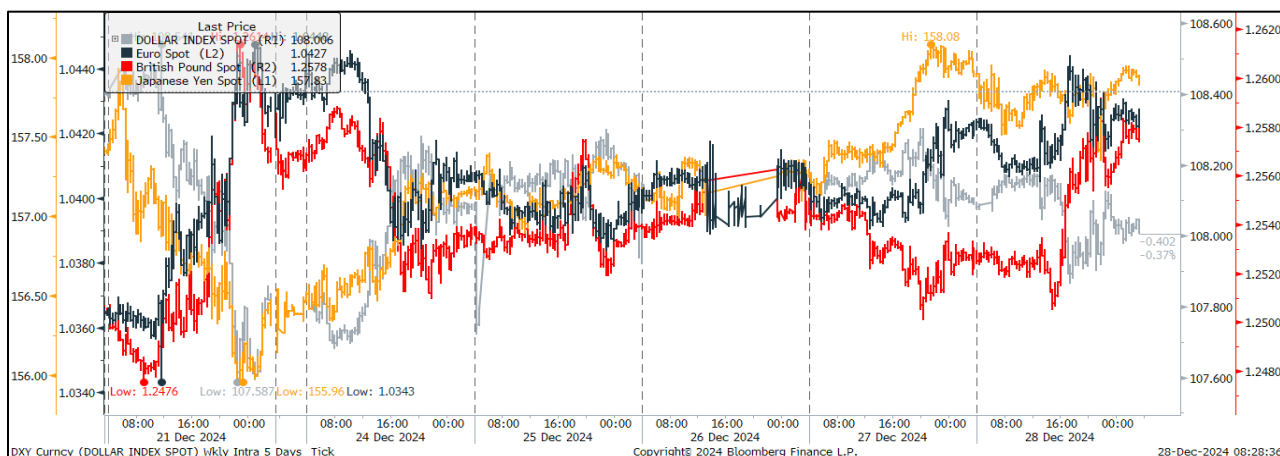
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Market Summary & Outlook:

- The US dollar is on track to close out 2024 with its best performance in nearly a decade, with the Bloomberg Dollar Spot Index up more than 7% year-to-date. This would mark the best annual gain since 2015, the time when the Federal Reserve's benchmark interest rate was near zero and global events like Brexit were still in the distant future. This impressive performance has been fueled by speculative bets from non-commercial traders, who have been accumulating bullish positions on the dollar, particularly after the US election. These traders are holding around \$28.2 billion in contracts tied to the expectation of a stronger greenback. This is the largest amount of bullish positioning since May and one of the highest levels in data tracked by the Commodity Futures Trading Commission (CFTC), dating back to 2003.
- Additionally, the Federal Reserve's stance on interest rates has played a critical role in the dollar's strength. Despite some expectations of rate cuts in 2025, the Fed's commitment to maintaining a higher interest rate environment for an extended period has supported the dollar.
- However, the post-election period typically sees a pattern where the dollar strengthens initially but then consolidates or enters a choppy range as the new presidential administration settles in. This historical trend indicates that, following the initial gains seen in the lead-up to and after the US election, the dollar may experience a near-term retracement or stabilisation as market positioning becomes increasingly stretched.
- The ongoing US dollar strength is expected to continue weighing on Asian currencies as we approach the end of the year. With the US dollar experiencing its best annual performance in nearly a decade, this trend is likely to persist into the final weeks of 2024.

Currency Performance			
Currency	27-Dec-24	20-Dec-24	% Change
Dollar Index Spot	108.00	107.62	0.35%
Euro Spot	1.0426	1.0430	-0.04%
British Pound Spot	1.2578	1.2570	0.06%
Japanese Yen Spot	157.87	156.31	1.00%
Chinese Yuan Spot	7.300	7.292	0.11%
USDINR	85.54	85.02	0.61%
EURINR	89.11	88.27	0.95%
GBPINR	107.01	106.30	0.67%

Dollar Index, EURUSD, GBPUSD, USDJPY



Currency Performance and Level to Watch:

Currency	Weekly High	Weekly Low	Weekly Close	Weekly % Chg.	MTD % Chg.	QTD % Chg.	YTD % Chg.
Dollar Index	108.30	107.68	108.00	0.35%	2.14%	7.16%	6.67%
EURUSD Spot	1.0446	1.0384	1.0426	-0.04%	-1.43%	-6.37%	-0.06%
EURINR Spot	89.38	88.46	89.11	0.35%	0.12%	5.23%	-2.83%

Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	107.99	106.76	107.38	107.69	108.31	108.61	109.23
EURUSD	1.0419	1.0295	1.0357	1.0391	1.0453	1.0481	1.0543
EURINR	88.98	87.16	88.07	88.59	89.50	89.90	90.81

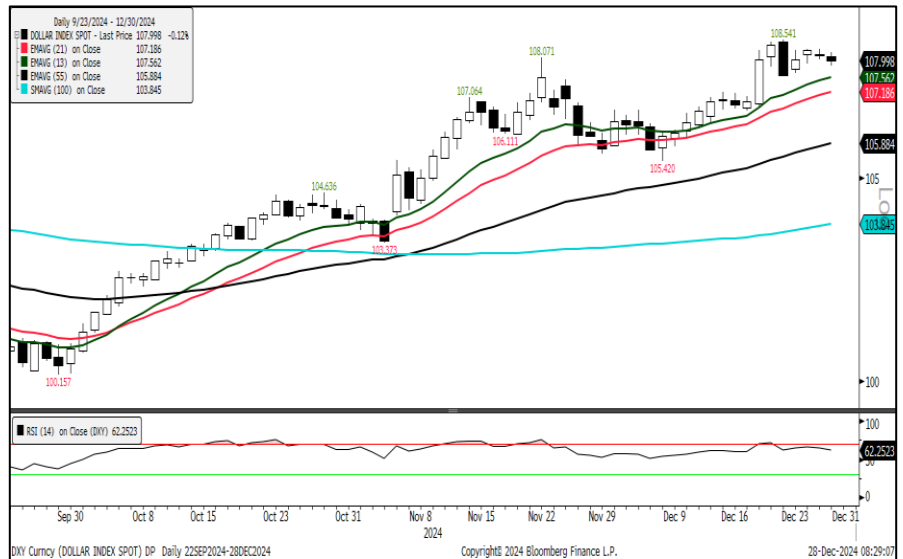
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Technical Outlooks:

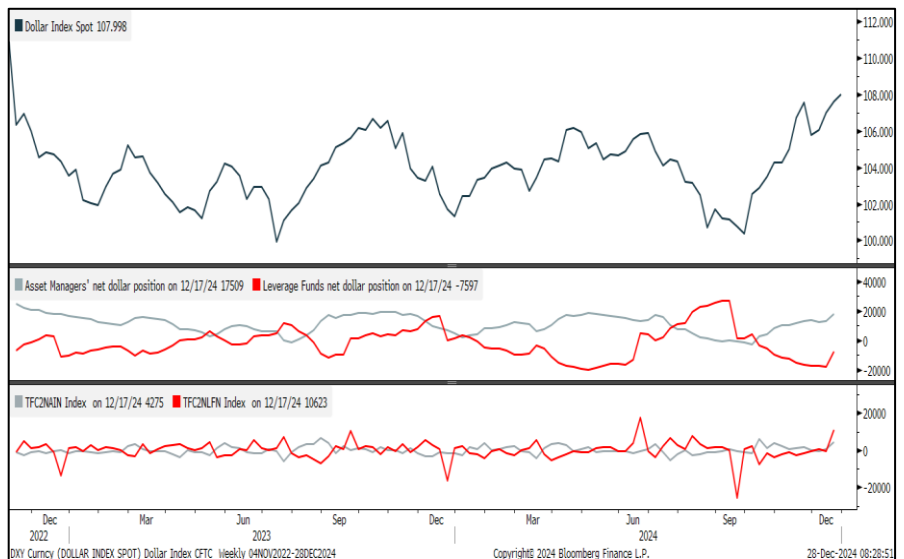
Dollar Index View:

- The dollar closed below a Doji candle low on Friday indicating weaker bias.
- However, it has been placed well above the major moving averages.
- On the daily chart, the relative strength index (RSI) exited from the overbought zone with a negative divergence.
- The index has support at 105.40 and resistance at 109.20

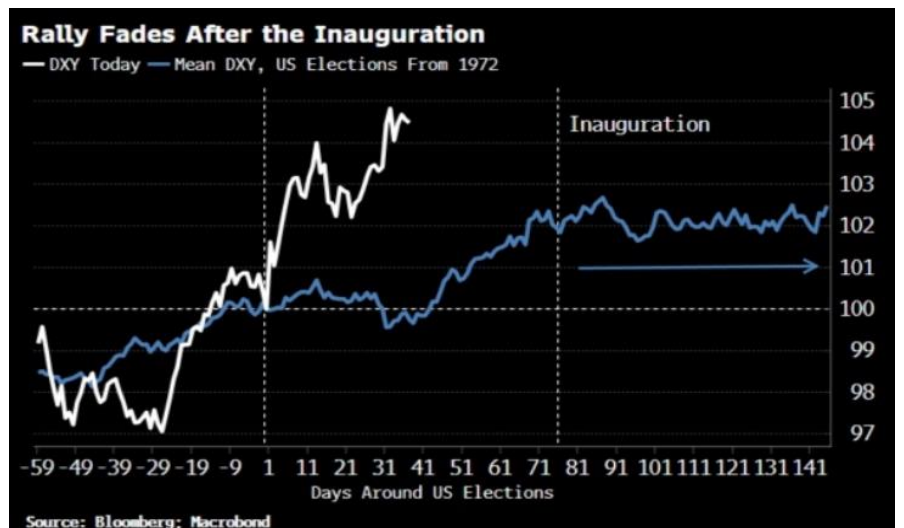
Spot EURINR: Volatile within the range of 88.20 to 89.90



Bullish Dollar bets continue with \$28.2 bn positions



Dollar Rally Fades After the Inauguration



Equity Weekly Research Report

Economic Calendar					
Date	Country	Event	Period	Survey	Prior
30-Dec	Japan	Jibun Bank Japan PMI Mfg	Dec F	--	49.5
	US	MNI Chicago PMI	Dec	43	40.2
	US	Pending Home Sales NSA YoY	Nov	7.90%	6.60%
	US	Dallas Fed Manf. Activity	Dec	-3	-2.7
31-Dec	China	Composite PMI	Dec	--	50.8
	China	Manufacturing PMI	Dec	50.3	50.3
	China	Non-manufacturing PMI	Dec	50.2	50
	India	Fiscal Deficit YTD INR	Nov	--	7508b
	India	Eight Infrastructure Industries	Nov	--	3.10%
	US	FHFA House Price Index MoM	Oct	0.40%	0.70%
	US	Dallas Fed Services Activity	Dec	--	9.8
02-Jan	China	Caixin China PMI Mfg	Dec	51.6	51.5
	India	HSBC India PMI Mfg	Dec F	--	57.4
	UK	Nationwide House Px NSA YoY	Dec	3.80%	3.70%
	EC	HCOB Eurozone Manufacturing PMI	Dec F	45.2	45.2
	UK	S&P Global UK Manufacturing PMI	Dec F	47.3	47.3
	US	MBA Mortgage Applications	27-Dec	--	--
	US	Initial Jobless Claims	28-Dec	222k	219k
	US	Continuing Claims	21-Dec	1883k	1910k
	US	S&P Global US Manufacturing PMI	Dec F	48.3	48.3
	US	Construction Spending MoM	Nov	0.30%	0.40%
03-Jan	UK	Mortgage Approvals	Nov	68.8k	68.3k
	India	Foreign Exchange Reserves	27-Dec	--	\$644.4b
	US	ISM Manufacturing	Dec	48.2	48.4
	US	ISM Employment	Dec	--	48.1

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