



STAT EDGE

Forex Monthly Research Report

May 26

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Market Summary & Outlook:

- The global forex markets in April 2026 were driven largely by a sharp energy shock linked to the Iran conflict, which pushed Brent crude prices close to \$126 per barrel. The surge in oil prices fueled geopolitical uncertainty and initially triggered a classic flight to safety, strengthening the US Dollar. However, this momentum proved short-lived. By month-end, the US Dollar Index had declined by 1.91% to close at 98.056, as investors reassessed mixed US macroeconomic data alongside increasingly hawkish signals from other major central banks.
- In the United States, the macroeconomic environment reflected emerging stagflationary tendencies. First-quarter GDP growth came in at 2%, falling short of the 2.3% consensus estimate, while inflation remained sticky, with the March PCE Price Index rising to 3.5%. The Federal Reserve kept policy rates unchanged but signalled a shift toward a more neutral stance, stepping back from its earlier easing bias. Notably, divisions within the FOMC became more visible, with four dissenting votes, the highest since 1992, highlighting a split between policymakers advocating for rate cuts and those preferring to maintain a tighter policy stance.
- Across global currency markets, the softer dollar supported gains in major currencies. The euro strengthened in April 2026, supported by broad-based US dollar weakness and a relatively firmer stance from the European Central Bank. The EURUSD pair moved higher during the month as markets increasingly expected the ECB to keep interest rates elevated for longer compared to the US Federal Reserve. Persistent inflation in the eurozone and relatively stable economic data reinforced this outlook, attracting investor flows into the currency. Additionally, a narrowing yield differential between US and European bonds provided further support to the euro. While risks from higher energy prices and geopolitical tensions remained, the euro held firm, reflecting improving confidence in the region's policy direction and economic resilience.
- The British Pound advanced 2.85% to 1.3604, aided by a narrowing interest rate differential between the US and Europe. The Japanese Yen appreciated by 1.34%, with USDJPY falling to 156.59, while the offshore Chinese Yuan strengthened by 0.83%. In contrast, the Indian Rupee lagged its peers, edging weaker by 0.11% to close at 94.92 against the US Dollar, as elevated crude oil prices weighed on India's external balance and heightened import cost pressures.
- Overall, April underscored a shift in forex dynamics, where geopolitical risks and commodity price shocks intersected with evolving central bank policies. While the US Dollar lost ground over the month, its trajectory remained closely tied to incoming inflation data and the Federal Reserve's policy direction, even as other global currencies found support from relatively firmer domestic fundamentals and shifting rate expectations.

Monthly Currency Performance			
Currency	Apr-26	Mar-26	% Change
Dollar Index	98.056	99.961	-1.91%
Spot EURUSD	1.1731	1.1553	1.54%
Spot GBPUSD	1.3604	1.3227	2.85%
Spot USDJPY	156.59	158.72	-1.34%
Spot USDCNH	6.832	6.8892	-0.83%
Indian Rupee			
Spot USDINR	94.92	94.81	0.11%
Spot EURINR	110.98	109.00	1.82%
Spot GBPINR	128.15	125.16	2.39%

Currency Performance and Level to Watch:

Monthly Price Actions							
Currency	High	Low	Close	% Chg.	Qtly % Chg.	Hly % Chg.	Yrly % Chg.
Dollar Index	100.29	97.63	98.06	-1.91%	-1.81%	-1.65%	-0.17%
EURUSD	1.1849	1.1505	1.1731	1.54%	1.45%	0.02%	0.00%
EURINR	111.27	106.95	110.98	1.82%	-1.79%	8.23%	5.49%
Currency	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3
Dollar Index	98.66	93.35	96.00	97.03	99.68	101.31	103.97
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: Sideways
Support: 95.50
Resistance: 100.70



DXY Seasonality

ICE Dollar Index												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
10 Yr Avg.	-0.48	0.87	0.27	-0.20	0.11	-0.01	-0.37	0.04	0.87	1.02	-0.43	-0.87
2026	-1.35	0.64	2.41	-1.91								
2025	-0.11	-0.70	-3.16	-4.55	-0.14	-2.47	3.19	-2.20	0.00	2.08	-0.35	-1.14
2024	1.92	0.85	0.32	1.66	-1.46	1.14	-1.67	-2.30	-0.90	3.17	1.69	2.60
2023	-1.38	2.72	-2.25	-0.83	2.62	-1.36	-1.03	1.73	2.47	0.46	-2.97	-2.09
2022	0.91	0.17	1.66	4.73	-1.17	2.88	1.16	2.64	3.14	-0.53	-5.00	-2.29
2021	0.72	0.33	2.59	-2.09	-1.59	2.90	-0.28	0.49	1.73	0.11	1.99	-0.34
2020	1.04	0.76	0.93	-0.03	-0.68	-0.97	-4.15	-1.29	1.89	0.16	-2.31	-2.10
2019	-0.62	0.61	1.17	0.20	0.28	-1.66	2.48	0.41	0.47	-2.04	0.95	-1.92
2018	-3.25	1.66	-0.17	2.08	2.33	0.52	0.09	0.62	-0.01	2.10	0.15	-1.13
2017	-2.64	1.62	-0.76	-1.30	-2.15	-1.34	-2.89	-0.21	0.44	1.59	-1.59	-0.99
2016	0.99	-1.40	-3.69	-1.59	3.02	0.26	-0.64	0.52	-0.58	3.12	3.10	0.70

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Monday	Tuesday	Wednesday	Thursday	Friday
04 May	05 May	06 May	07 May	08 May
India, EU: Mfg. PMI US: Factory Orders, Durable Goods Orders	US: Trade Balance, Service PMI, ISM Service, New Home Sales, JOLTS Job Opening, Building Permits	China, India, EU, UK: Service PMI US: MBA Mortgage, ADP Employment Change	UK: Construction PMI EU: Retail Sales, Challenger Job Cuts, Initial & Conti. Claims, Construction Spending	Japan: Service PMI US: Change in NFP, Unemployment Rate, Uni. Of Mich. Sentiment
11 May	12 May	13 May	14 May	15 May
China: CPI US: Existing Home Sales	EU: ZEW Survey India: CPI US: ADP Employment, CPI	EU: GDP, IIP US: MBA Mortgage	UK: GDP, IIP, Mfg. Prod., Trade Balance India: WPI US: Initial & Conti. Claims	US: Empire Mfg, IIP, Mfg. Production, Capacity Utilisation India: Trade Balance
18 May	19 May	20 May	21 May	22 May
China: New & Used Home Prices, Retail Sales, IIP US: NAHB Housing Market Index	Japan: GDP, IIP UK: Claimant Count & Jobless Claims EU: Trade Balance US: ADP Employment Change, Pending Home Sales	China: 1 & 5 Yr LPR UK, EU: CPI US: MBA Mortgage India: Eight Infra Ind. US: FOMC Meeting Minutes	Japan: Trade Balance, PMI(F) India, UK : PMI(F) EU: Const. Output, Consumer Confi. US: Initial & Conti. Claims, Housing Starts, Building Permits, PMI	Japan: Natl CPI
25 May	26 May	27 May	28 May	29 May
US: Uni. of Mich. Sentiment, Chicago Fed Nat Activity	US: ADP Employment Chg., Philadelphia Fed Non Mfg., CBI Consumer Confidence, Dallas Fed Mfg. Activity	China: Industrial Profit US: MBA Mortgage, Richmond Fed & Dallas Fed Index	EU: Consumer Confi. US: Core PCE, Initial & Confi. Index, Initial & Conti. Claims, GDP, Personal Consumption, Core PCE, New Home Sales, Building Permits	Japan: Tokyo CPI, Retail Sales, IIP India: GDP, GVA US: Retail Inventories, Advance Goods Trade, Wholesale Inventories, MNI Chicago PMI
01 Jun	02 Jun	03 Jun	04 Jun	05 Jun
Japan, China, India, EU, UK, US: Mfg. PMI EU: Unemployment Rate India: IIP US: ISM Mfg.	UK: Mortgage Approvals EU: CPI and Core CPI US: JOLTS Job Openings	Japan, China, India, EU, UK, US: Service PMI US: MBA Mortgage Applications, ADP Employment Chg., ISM Service, Factory Orders, Durable Goods Orders, Fed Beige Book	UK: Construction PMI, EU: Retail Sales US: Challenger Job Cuts, Initial & Conti. Claims	India: RBI Monetary Policy EU: GD US: Change in NFP

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