



Forex Market **Insights**

Newsletter

Volume 11 → Mar 26th to Apr 01st 2022

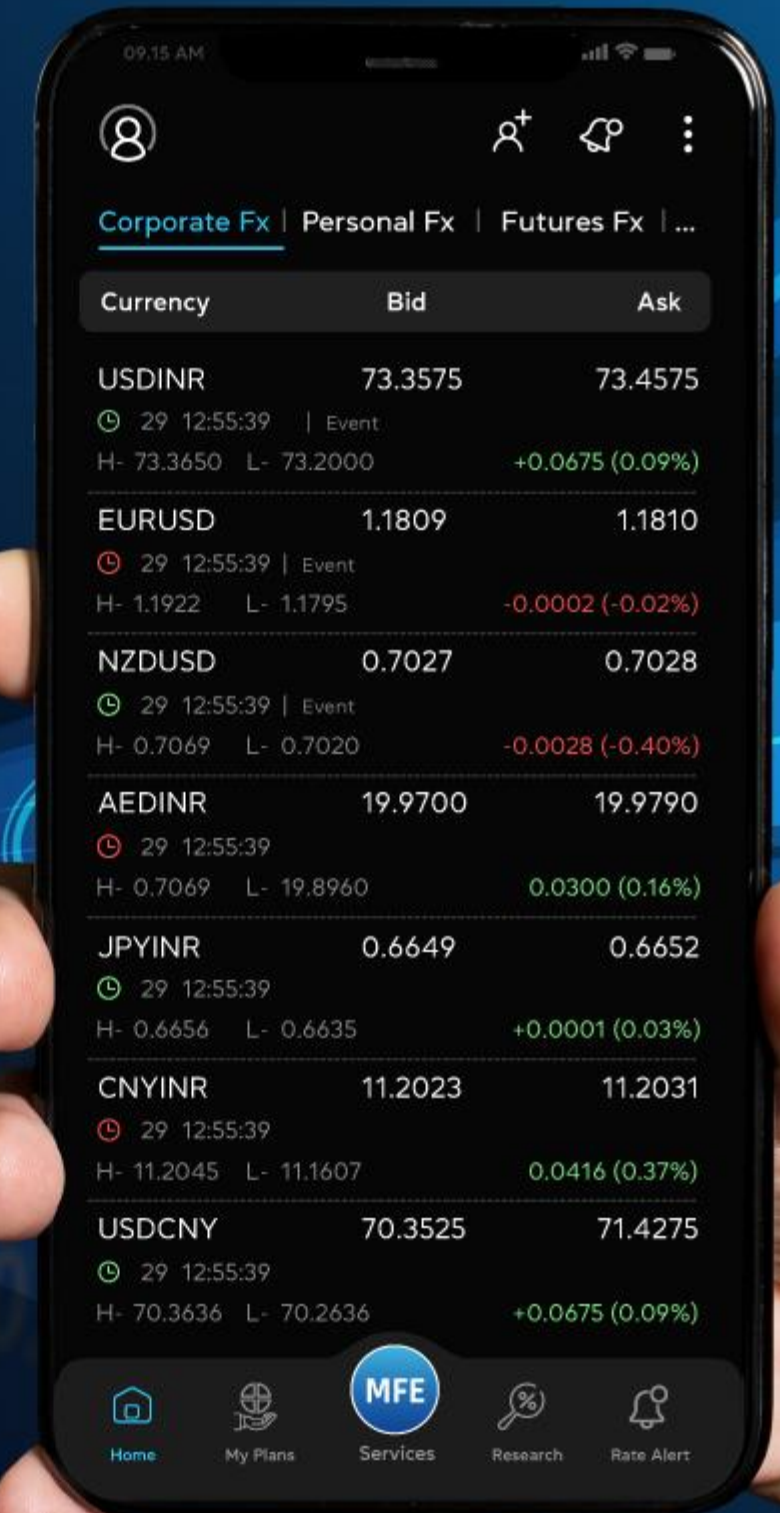
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Welcome



Dear SEPC Members,

Crude ruled this week, taking the metal commodities along. Apart from G7 tackling the Ukraine-Russia war situation, few FOMC members reiterated Federal Reserve Governor, Jerome Powell's talk of higher interest rates in 2022, especially during the next May meeting. The better than expected initial jobless claims from US ensured the dollar retained its shine and it sharply rose against its counterpart – Japanese Yen, taken as a safe-haven till now.

Rupee lost its value against the dollar all along waiting for some development on the LIC IPO, but as the financial year end comes closer, the chances of it getting delayed to April get higher. With no further significant data due from India, the markets would watch for US non-farm payrolls data on Friday for further direction.

Thankyou

Yours' Sincerely,

CA. Sunil. H. Talati
Chairman

Key Takeaway Summaries

₹ INR

With no significant data or events lined up this week for both Rupee and Dollar, the Rupee took cues from the liquid gold's price movements.

€ EUR

The Russian attacks on neighbor Ukraine put some pressure on the EURUSD.

£ GBP

US Fed's preferred PCE inflation and Bank of England-speak will hold relevance, as the Ukraine-Russia conflict rages on.

¥ JPY

We expect yen to weaken more in upcoming days as BOJ favors yen weakness..

Events to WATCH

Mar 31, 15:30
Federal Fiscal
Deficit (Feb)

Mar 31, 17:30
Infrastructure
Output (YoY)
(Feb)

Apr 01, 18:00
Trade Balance

With no significant data or events lined up this week for both Rupee and Dollar, the Rupee took cues from the liquid gold's price movements. It see-sawed along with crude price in direct proportion. The geo-political uncertainty drove the crude oil prices this week, taking the USDINR currency pair to its lowest of 75.98, but Rupee couldn't stay strong enough to last the week. It weakened 0.5% compared to a 1% gain the previous week. Starting the week low and continuing the momentum for first four days, the local currency also took direction from several Fed officials comments on a possible 50bps rate hike during the next FOMC meeting in May.



After Fed Reserve raised interest rates last week for the first time since 2008, US fundamental economic data was more positive than expected, though the dollar index wasn't given its due. Coming week, the US GDP and payrolls data would be watched out for. The forex reserves continue to fall this week by \$2.6 billion during the week ending Mar 18 owing to sustained selling by FPIs and probable intervention by RBI to range bound the Rupee. The foreign investors have been pulling their monies out of Indian financial markets this month, but with the financial year end (Mar 31) closing the coming week, Rupee may attempt to appreciate above 76, a psychological support.

Events to WATCH

Mar 29, 19:30
JOLTs Job
Openings (Feb)

Mar 30, 17:45
ADP Nonfarm
Employment
Change (Mar)

Mar 30, 18:00
GDP (QoQ)
(Q4)

Mar 30, 20:00
Crude Oil
Inventories

Mar 31, 18:00
Initial Jobless
Claims

Apr 01, 18:00
Nonfarm
Payrolls (Mar)

USD/INR, D, Real-time FX - O 76.324 H 76.675 L 76.126 C 76.209
MA (89, close, 0) - 75.2017



Technically the USDINR pair attempted 76 several times during the week but it has to close below 76 to close a few price gaps created earlier. The pair has primarily moved within the upward sloping channel marked in green connecting the peaks of Jul 21, Oct 21, Dec 21 and Mar 22 and lows of Sep 21 and Feb 22. The Fibonacci retracement levels taking the low of Jan 2021 and peak of Mar 2022, the immediate support is seen at 38.2% or 75.88 while resistance is seen at 76.32 which Rupee has been hovering around this past week. These are territories which have been seen only post the pandemic hit the globe. The RSI momentum indicator has also played along with the price. The 89-day simple moving average is closer to the 61.8% Fib level of 75.07 but for that level to be seen the financial equities need to see the funds related to LIC IPO or even a rate hike talk in tandem to global (read Western) markets from RBI needs to be heard. Dollar importers may get a chance to hedge their near-term payables the coming week, while exporters should seek to hedge above 76.20 for near term receivables.

Events to WATCH

Mar 29, 11:30
German Retail Sales (MoM) (Feb)

Mar 30, 17:30
German CPI (MoM) (Mar)

Mar 31, 14:30
Unemployment Rate (Feb)

Apr 01, 13:30
Manufacturing PMI (Mar)

Apr 01, 14:30
Core CPI (YoY)

Apr 01, 14:30
CPI (YoY) (Mar)

The EURUSD hovers around the 1.1000 level, unable to attract interest throughout the week. Volatility can be seen partially due to increasing uncertainty over the war. The Russian attacks on Ukraine put some pressure on the pair, while a diplomatic solution is slipping further away. Occidental leaders keep increasing sanctions on Moscow. The ECB slowly dropping its patient stance. President Christine Lagarde was surprised with their hawkish stance in the last meeting, several ECB members have indicated a possible rate hike in the EU before 2022-end. The ECB has already announced it will stop its purchases of bonds earlier than previously planned, now meant for the 3rd quarter of the year. The US Fed's goal is to reach price stability and maximum employment while the ECB commitment is focused on price stability. The inflation level in the EU and the US stands at multi-decade highs, as economies slowly recover from the massive lockdowns. The upcoming week's events include German Retail Sales, Manufacturing PMI, Core CPI (YoY) and CPI (YoY).

Euro lost its footing against the dollar in the previous week to trade below the 1.10 handle. This is an important region for the pair as it has been stuck here previously too. If history repeats itself then it's more than likely that 1.0850 region will also be tested, if the test fails it might go lower. If the pair rallies it will face resistance around the 1.12 region and the region above that. This market has faced a lot of selling pressure and it's very likely that it continues to be the case going ahead. The backdrop fueling Euro's fall has many too many issues attached to it which isn't going to change anytime soon there by curtailing the demand of the currency in the foreseeable future. The refugee crisis, as well as a potential food crisis on the continent. The economic data hasn't been impressive, to begin with, so it is hard to imagine how Europe suddenly outpaces, especially in relation to the United States which is somewhat shielded from most of these problems.



Events to WATCH

Mar 31, 11:30
GDP (YoY)
(Q4)

Mar 31, 11:30
GDP (QoQ)
(Q4)

Apr 01, 14:00
Manufacturing
PMI (Mar)

GBPUSD booked the 2nd straight weekly gain although remained well off the 3-week peak of 1.3300. In the first three days of the week, the USD staged a solid recovery, chasing the power rally in the Treasury yields to 3-year highs, largely backed by the hawkish stance from US Federal Reserve Chairman Jerome Powell and his colleague's remarks at the National Association for Business Economics conference stated that the central bank must move to combat inflation, leaving doors open for 50bps increases, if needed. Officials at the world's most powerful central bank also called out for tightening as the economy of the US and its labour market remain healthy. It shows a 68.3% probability of a 50 bps rate surge at the May FOMC meeting. US Fed's preferred PCE inflation and Bank of England-speak will hold relevance, as the Ukraine- Russia conflict rages on. The upcoming week's events comprise of GDP, GDP (YoY) and Manufacturing PMI (Mar) positive releases can lift up the GBP strength against the US dollar.



The British pound has initially rallied during the week but lost a lot of its gain as indecision clouded the pair. Major support levels are underneath, it looks as if the market is going to attempt that area yet again. This is the 1.30 level, a region that not only is psychologically important, but it is a region that has a history of being historically significant. This makes buying this pair very risky from a longer-term standpoint at the moment. However, if the 1.30 level ends up offering a significant amount of support and the pair rallies on a lower timeframe, it might be worth a long position. Similarly, if we broke above the top of the shooting star candlestick for this week it would show strength. In that case, I believe that the market would go towards the 1.3350 region. If we break down below the 1.30 handle, that trigger selling pressure. Towards the upside, multiple areas resistance regions exist, so this is going to be a significant fight ahead for those who are bullish of GBP.

¥ JPY

REPO RATE

-0.10%

GDP

1.1%

INFLATION

0.9%

UNEMPLOYMENT

2.8%

TRADE BALANCE

¥-668B

Events to WATCH

Mar 30, 05:20

Retail Sales
(YoY) (Feb)

Mar 31, 05:20

Industrial
Production
(MoM) (Feb)



USDJPY ended the week 2.5% higher at 122.08. Pair made a high of 119.06 and went as low as 112.43 this week amid statement by fed members of aggressively rate hike led to continuous rise in US Treasury yields supported dollar to gain versus yen. We expect yen to weaken more in upcoming days as BOJ favors yen weakness. BOJ governor said weak yen pushes up the value of Japan's firm profits overseas, he also mentioned weak currency is positive for the Japanese economy as a whole. It's a quiet week on the event side for the pair as only unemployment rate is scheduled in the start of the week - A higher than forecasted reading should be taken as negative for the JPY, while a lower than expected reading should be taken as positive for the JPY. Market participants will be eying on the US Nonfarm Payrolls which is set to release at the end of week which is expected to come lesser by 203k than the previous release of 678k.

USDJPY pair is in long uptrend since Jan 21, it's getting difficult for the pair to retrace as it has broken many resistance but other indicators on 4 hourly chart signaling a downside movement of the pair as RSI is trading at 71 which is considered to be an overbought zone. Pair could test levels of 119.95 as 100 days SMA lies there. Breaking of these levels can push the pair towards its support levels of 115.00. While MACD is trading in neutral zone.





BLOG

What Is Social Trading

Almost everyone today is actively involved in forex trading or has an indirect interest in the same as it gives a hope of quick additional income/profits due to currency market's high volatility and volume. No matter whether you are a beginner in forex trading or someone with ample years of experience and a strong portfolio, there is always a lot to learn about forex trading and one such phenomenon is social trading.

About Social Trading

So what exactly is social trading? Let us discuss in detail below to understand the meaning of social trading and how it positions itself in the forex trading market.

The concept of social trading is fairly easy to understand as it directly involves observing the behaviour of different forex traders and trading experts to analyse and understand their potential strategies for trading.

There are multiple benefits attached to the concept of social trading as you do not require extremely high knowledge about forex markets to begin with.

The main principle behind social trading is to have the ability to observe and mimic the investment patterns of different traders in the community.

It is almost like a social media platform or network wherein different traders of different experience levels come together to discuss and interact about market updates, current trends, etc. Some online social trading networks also have a dedicated leader board for all traders in order to reward the ones that interact and share the most.

The key thing to remember here is to ensure you do not just blindly trust different traders and their tactics but instead focus on understanding their previous performances first and then analysing their strategies to align with your goals to earn big. This is essential to get the correct guidance when needed from the experts around. This concept is popularly known as “hold hands” in the investment market wherein you take the guidance from the experts to follow their path and then lead your way to success.

Benefits

Now that you know a bit about the functionality of social trading, let us discuss the important benefits of beginning your forex trading journey with social trading below.

Relevant And Accurate Information Accessibility

One of the most important benefits of social trading is that you learn about a range of different qualities and strategies from other professional investors. This helps you not only gain the right knowledge but also stay well up to date at all times, which is highly beneficial to stay stable in the forex market.

Pool Of Strategies

Another very important benefit of social trading is the number of possibilities or outcomes you can predict and plan along for. As opposed to individual trading, in social trading, you come across a variety of strategies and predictions from other investors that can greatly align your strategy and help you make better decisions.



Mobile Application: Features

Live rates

Exact time Live Rates are provided for USD, INR, EUR, JPY, GBP and CNY.

Forward Calendar

Shows the forward rate you'll receive if you book a contract today for the respective rate to hedge, for both import and export separately.

Rate Alert

Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

Economic Calendar

Stay updated about the economic events taking place round the globe. Also their impact on the currency- high, medium or low.

Forex Research

Publications- Daily Reports, Premium Research, Daily Trading Calls, News, Case Studies, Weekly Report, Monthly Report, Blogs.



The screenshot displays the 'Corporate Fx' section of the app. It features a table of live exchange rates for various currency pairs. The table includes columns for the currency pair, bid price, ask price, and a change indicator. The currency pairs listed are USDINR, EURUSD, NZDUSD, AEDINR, JPYINR, CNYINR, and USDCNY. Each entry shows the current bid and ask rates, along with a small circular icon indicating the direction of the rate change (green for up, red for down) and the percentage change. The bottom navigation bar includes icons for Home, My Plans, Services (MFE), Research, and Rate Alert.

Currency	Bid	Ask
USDINR	73.3575	73.4575
EURUSD	1.1809	1.1810
NZDUSD	0.7027	0.7028
AEDINR	19.9700	19.9790
JPYINR	0.6649	0.6652
CNYINR	11.2023	11.2031
USDCNY	70.3525	71.4275

FX on Call

Get the best rates as the dealers of Myforexeye do live negotiation with the Bank on a conference call, which includes the client too.

Order For Forex

This feature enables you to Buy/ Sell Forex and Transfer Money for any purpose.

Process Forex Transactions

This feature gives you access to Transaction Process Outsourcing service for transactions including Cash, Tom, Spot, Forward, etc for both export and import.

International Trade Finance

Get access to trade services like Buyer's Credit, Supplier's Credit, Export LC Discounting and Export Factoring.

Forex Trading

This feature enables you to Buy/ Sell Forex and make money transfer for any purpose.



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