



Forex Market **Insights**

Newsletter

Volume 85 → Sep 30th to Oct 6th 2023

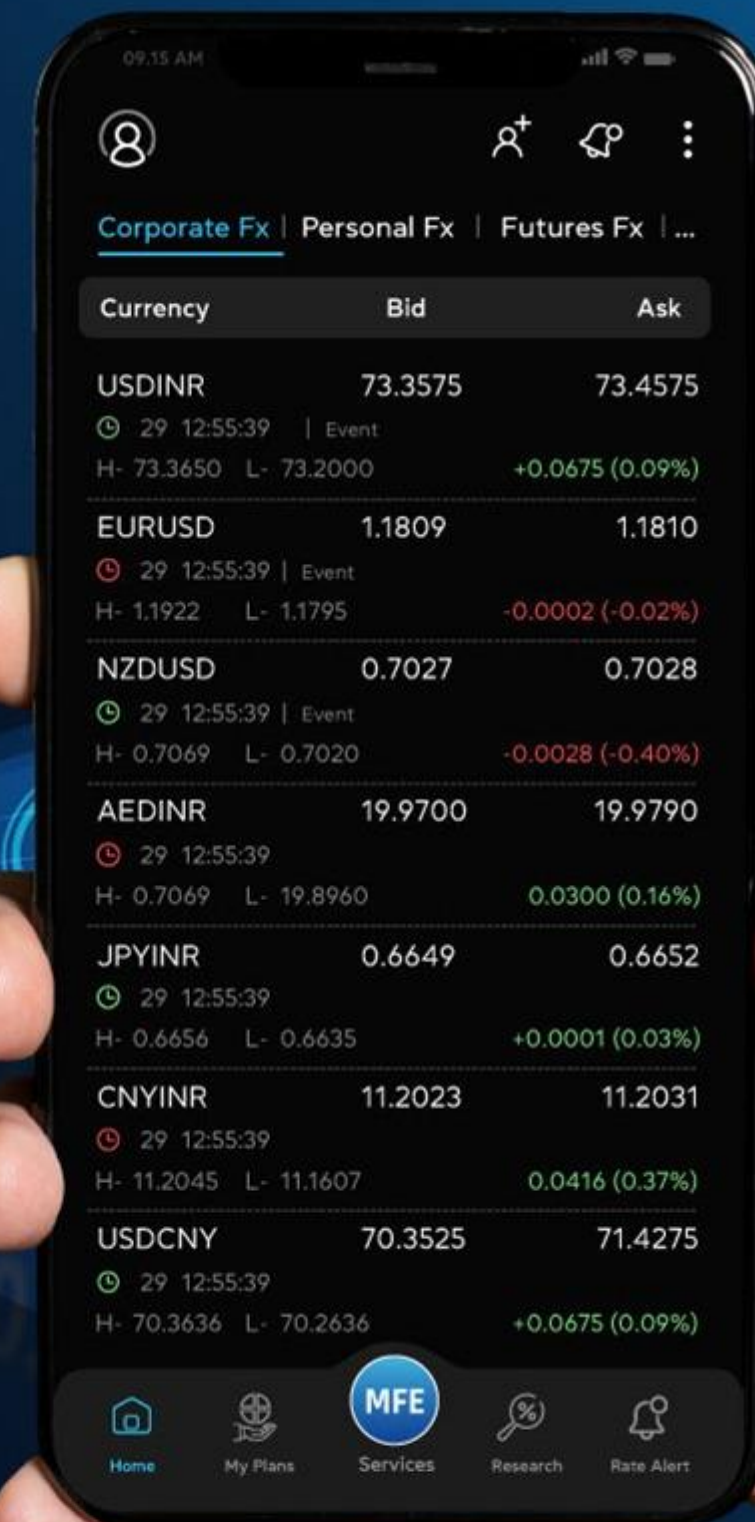
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***TILL MARCH 2024**



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Currency	Bid	Ask
USDINR	73.3575	73.4575
🕒 29 12:55:39 Event		
H- 73.3650	L- 73.2000	+0.0675 (0.09%)
EURUSD	1.1809	1.1810
🕒 29 12:55:39 Event		
H- 1.1922	L- 1.1795	-0.0002 (-0.02%)
NZDUSD	0.7027	0.7028
🕒 29 12:55:39 Event		
H- 0.7069	L- 0.7020	-0.0028 (-0.40%)
AEDINR	19.9700	19.9790
🕒 29 12:55:39		
H- 0.7069	L- 19.8960	0.0300 (0.16%)
JPYINR	0.6649	0.6652
🕒 29 12:55:39		
H- 0.6656	L- 0.6635	+0.0001 (0.03%)
CNYINR	11.2023	11.2031
🕒 29 12:55:39		
H- 11.2045	L- 11.1607	0.0416 (0.37%)
USDCNY	70.3525	71.4275
🕒 29 12:55:39		
H- 70.3636	L- 70.2636	+0.0675 (0.09%)

Navigation bar: Home, My Plans, **MFE** (Services), Research, Rate Alert

Welcome



Dear Members,

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Surging oil prices raised inflation concerns, briefly pushing the 10-year Treasury yield above 4.6%. Positive inflation data later eased the pressure, but the S&P 500 saw its fourth consecutive weekly decline due to lingering bond yield worries. Utilities struggled, while energy stocks thrived. Modest gains were noted in the S&P Midcap 400 and Russell 2000. In August, core PCE inflation, closely monitored by the Fed, dipped to a two-year low of 3.9%, but it still surpassed the 2% target.

The STOXX 600 in Europe ended 0.67% down due to worries over high rates and a slow Chinese economy. France's CAC 40 slipped 0.69%, Germany's DAX fell 1.10%, Italy's FTSE MIB dropped 1.16%, and the UK's FTSE 100 decreased by 0.99%. European bond yields rose on expectations of prolonged high rates. Germany's 10-year yield briefly hit 3% before retracting.

Japan's stock markets faced challenges as the Nikkei dropped 1.7% and the TOPIX Index fell 2.2% due to concerns about high U.S. interest rates and rising oil prices. However, investors welcomed Japan's new economic stimulus plan. Tokyo's slowing core inflation reaffirmed the Bank of Japan's commitment to its accommodating monetary policy for reaching its inflation goal. Nonetheless, the 10-year Japanese government bond yield hit a ten-year peak, following a policy change in July allowing more flexible rate movements, capped at 1%.

Thank You

Yours' Sincerely,
CA. Sunil H. Talati
Chairman

Key Takeaway Summaries

₹ INR

No major change was seen in the movement of USDINR as it continues to trade above 83-level in a range of 0.225 paisa.

€ EUR

The EURUSD pair swiftly rose from a monthly low, approaching 1.0617, but quickly retreated, ending the week at 1.0573.

£ GBP

The pair reached a 6-month low level of 1.2110 after the DXY rose to a 10-month high of 106.83.

¥ JPY

Despite hopes of a covert intervention by the BoJ in the FX market to support the Yen against excessive volatility, the asset finds support.

SEPC
SERVICES EXPORT PROMOTION COUNCIL
Under the Ministry of Commerce and Industry, Government of India

Events to WATCH

Oct 06, 10:00
Interest Rate
Decision

Oct 06, 17:00
FX Reserves, USD

It was originally scheduled to be a 4-day trading week, because of a holiday on the occasion of “Id-e-Milad” on 28Sep’23. But the RBI made an unexpected announcement late in the evening on 27Sep’23 that 28Sep’23 would be a working day for the FX markets. Even the markets remained open on 29Sep’23, as well, to ensure that the utilization and settlement processes ran without a hitch. No major change was seen in the movement of USDINR as it continues to trade above 83-level in a range of 0.225 paisa. On Thursday, Fed Chair Jerome Powell also spoke at a Town Hall event in Washington. He indicated that majority of the Fed officials are in support for another rate hike in 2023. The main factors driving the decision is the recent gains in the labor market. Powell steered clear of making any personal predictions about the future outlook, but he highlighted how crucial public understanding is for the implementation of sound monetary policy.



It seems that the USDINR pair will settle to trade around the same levels above 83 amid ongoing strength in the dollar index, pressure from surging crude oil prices, Chinese Yuan not recovering from 7.30 levels and US 2-year & 10-year bond yields are currently at 16-year high level at 5.05% & 4.57%, respectively. It is very clear now that RBI has been continuously intervening into the markets in order to prevent the local currency from weakening above all-time low of 83.29 and thus, making the movement of the currency pair range bound. According to the latest FX Reserves data, the reserves came down to \$590 billion which indicates that RBI has sold \$3 billion last week.

Events to WATCH

Oct 02, 19:30

ISM Manufacturing PMI (Sep)

Oct 04, 17:45

ADP Nonfarm Employment Change (Sep)

Oct 04, 19:15

Services PMI (Sep)

Oct 04, 19:15

ISM Non-Manufacturing PMI (Sep)

Oct 06, 18:00

Nonfarm Payrolls (Sep)

Oct 06, 18:00

Unemployment Rate (Sep)

Oct 06, 18:00

Average Hourly Earnings (MoM) (Sep)

USD/INR, Real-time Currencies: USD/INR, D
MA (144, close, 0)



The Indian Rupee closed stronger on Friday aided by the pullback in the dollar index, despite strong performance of the local unit on last trading day of the week, Rupee decline 11 paise during the week.

Well, nothing much has changed for USDINR this week – range trading continued with a high-low range of a meagre 22.5 paise. Daily USDINR candlestick chart shows that the resistance around 83.20 – 83.30 has held quite well, multiple attempts to break this region but Rupee successfully defended. We know the importance of price gaps in the Rupee, there are two price gaps on the downside. One new price gap formed on 22nd Sep to 25th Sep ranging from 82.97 – 83.03 and one created in July end from 82.03 – 82.19 and gaps in the USDINR usually fills. On the daily time frame momentum indicators RSI and Stochastic have come down to neutral zone due to less volatility in the pair.

At USDINR spot levels above 83, exporters should continue to hedge, surely business budgets would be lower than the current forward rates while importers can hold for spot to come around 82.50-60 for the near term hedging, if mandatory to hedge they can explore vanilla as this is the best time to do options, options volatility has collapsed which would make options more attractive and cheaper. Strong recommendation to use vanilla puts for exporters and vanilla calls for importers to hedge your forex risk. Vanilla options should have at least 20%-25% allocation on the overall hedged portfolio.

Events to WATCH

Oct 02, 14:25

German Manufacturing PMI (Sep)

Oct 02, 14:30

Unemployment Rate (Aug)

Oct 04, 13:25

German Services PMI (Sep)

Oct 04, 13:30

S&P Global Composite PMI (Sep)

Oct 04, 13:30

Services PMI (Sep)

Oct 04, 14:30

Retail Sales (MoM) (Aug)

As the week neared its end, the EURUSD pair swiftly rose from a monthly low, approaching 1.0617, but quickly retreated, ending the week at 1.0573, despite U.S. PCE data suggesting a lower chance of a November rate hike. The Fed and ECB aim to maintain higher interest rates, possibly with a year-end Fed rate hike. But recent inflation data, lower German CPI, and reduced spending have lowered rate hike expectations. On Wednesday, the currency pair hit a weekly low at 1.048 due to Durable Goods Orders pressure. Despite this, fewer jobless claims signal a strong U.S. job market, and improved consumer sentiment supports the dollar index, capping Euro gains. Upcoming economic indicators like PMI, Unemployment, JOLTs Job Openings, ADP Nonfarm Employment, and Average Hourly Earnings will offer more insights into inflation and economic growth. However, the looming worry is a potential U.S. government shutdown, which could lead to a lack of data and Moody's credit rating downgrade, potentially weakening the U.S. dollar and strengthening the Euro.



TradingView

The EURUSD pair has been on a bearish trend for the week, starting at 1.0643 and falling significantly by 150 pips to reach a low of 1.0488. As per the daily chart frame of the pair, the pair broke below the 1.0650 level, which was identified as a short-term support level. Currently the pair is able to come in a range of 1.0550-1.0600. It might be challenging for the euro to break above the 1.0650 level, primarily due to the strength of the U.S. dollar above 106. If the pair manages to advance beyond this level, the next potential resistance (R1) is placed at 1.0670. The Relative Strength Index (RSI) is showing a neutral signal at 48 as the signal line (yellow) and the RSI (purple) line are very close and parallel to each other and RSI line shows no clear direction. The MACD indicator above 0 supporting the RSI, as the MACD line (blue) and the red line are moving parallel, indicating moreover buy signal by which we expect the pair to come close to 1.0650 from its weekly close of 1.0573.

Events to WATCH

Oct 02, 11:30

Nationwide HPI (MoM)

Oct 02, 11:30

Nationwide HPI (YoY)

Oct 02, 14:00

Manufacturing PMI (Sep)

Oct 04, 14:00

Services PMI (Sep)

Oct 04, 14:00

Composite PMI (Sep)

Oct 05, 14:00

Construction PMI (Sep)

Oct 06, 11:30

Halifax House Price Index (MoM) (Sep)

Sterling showed some signs of the recovery towards the end of the month, with a positive GDP (U.K.) release and lower Core PCE Price Index (U.S.), but overall the trajectory remains downward. In this week, the pair reached a 6-month low level of 1.2110 after the DXY rose to a 10-month high of 106.83, as Fed member suggested that more work is required to tame the inflation to Fed's 2% target. Though the U.K. economy grew by 0.2% in the second quarter, it still doesn't rule out the current expectation of a possible recession in both Q3 and Q4. As DXY retreated from its peaks, the rally showed indications of weariness. If the recent improvement in market sentiment and stability in US yields persists, the probability of a bearish correction for the US Dollar rises, positive for the cable pair. However, the dollar may restart its upward trend if equity prices fall and Treasury yields stay at their current levels. This week focus will be on the PMI data from U.K. and JOLTs Job openings and ADP Non-farm Employment from U.S. economy will be eyed. Due to a possible US Government shutdown, the economic data may not release.

GBP/USD, Real-time Currencies: GBP/USD, D

MA (50, close, 0)



This was the fourth consecutive week where Sterling lost its value against the US dollar, though pair found buyers at the end of week but momentum didn't favor the bulls and pair closed near to 1.2200. The 1.2350 level should play a critical role of resistance, as it was the previous support. This should be the area where market participants would pay close attention, breaking of these levels comfortably would open the doors for the pair towards the 1.2500 psychological levels, but looking at the momentum it seems difficult for the pair to rebound and downside movement is quite much possible, first target of bears would be 1.2000 afterwards 1.1850 last seen in March this year. On the daily time frame momentum indicators trading in an oversold zone.

¥ JPY

REPO RATE

-0.10%

GDP

1.2%

INFLATION

3.2%

UNEMPLOYMENT

2.7%

TRADE BALANCE

-¥ 930B

Events to WATCH

Oct 02, 5:20
Tankan Large
Non-
Manufacturers
Index (Q3)

Oct 02, 5:20
Tankan Large
Manufacturers
Index (Q3)

Oct 04, 6:00
Services PMI
(Sep)

Oct 06, 5:00
Household
Spending (YoY)
(Aug)



The USDJPY pair receives bids near 148.50 and surges in the European session. Despite hopes of a covert intervention by the Bank of Japan (BoJ) in the FX market to support the Japanese Yen against excessive volatility, the asset finds support. Nonetheless, it has recovered from its lows and is now trading at around 149.40s, up 0.12%. On Thursday, the USDJPY pair experienced a modest sell-off while attempting to reclaim the psychological resistance level of 150.00. The Bank of Japan takes action to limit the rise in 10-year JGB yields. The Yen originally sank somewhat but has since strengthened as the Dollar continues to fall in value. The magnitude of the global bond sell-off forced the Bank of Japan to announce an unplanned bond-buying operation on Friday. This week, Bank of Japan Governor Kazuo Ueda stated that talking about exiting ultra-loose monetary policy would be premature because inflation above 2% cannot be controlled by wage growth. Some key events to follow in upcoming month include, JPY Tankan All Big Industry CAPEX (Q3), JPY 10 – year JGB Auction, JPY Service PMI, JPY Household Spending.

The USDJPY pair has been seen marching towards 150 (important figure), why we are saying important is because 149 (current levels) will face a strong resistance as the levels are very close to the intervention levels of BOJ. With the continuation rise in the US 2 year and 10-year bond yields we have seen yen facing pressure. The pair started the week at 148.25 and made a high of 149.70. R1 being very easy to identify at 149-150 and seeing the daily chart frame S1 looks to be 147 and a major support will be seen at 145. As the signal line (yellow) and the RSI (purple) lines are nearly parallel to one another and the RSI line lacks any clear direction, the Relative Strength Index (RSI) is displaying a neutral signal at 48. The RSI is supported by the MACD indicator above 0 since the MACD line (blue) and the red line are moving in parallel, which also indicates a buy signal. S2 looks around 144.50, indicating a potential level where traders can think about buying if the pair experiences a correction.





BLOG

Forex Services In India

The foreign exchange market primarily refers to a market where various currencies are traded and investments and dis-investments are made all day long. The market presently is very well developed and well equipped. It is also regarded as the most dynamic and actively traded market in today's world. Over the decades with the rapidly growing foreign exchange market has come up with a variety of services to enable smooth foreign exchange transactions.

Some of the various Forex Services available in the market today are:

Transaction Process Outsourcing

TPO or transaction process outsourcing basically refers to outsourcing the foreign exchange related transactions to financial firms to make rate bookings. It is helpful to both small and large business firms who can be free from the job of dealing with banks to book their transactions and can get the best rates at zero pilferage with the help of experts. The negotiation is done by professionals on the basis of the company. The clients can ensure complete transparency by availing the voice recordings of phone calls with the banks, they can know the exact time of the transaction to know that the rates are right.

Rate Audit

Rate Audit is a service provided by limited financial firms where in the customer firm deals with the banks on their own and get rates fixed. However, once they have booked transactions they can check if the rates were right or the bank charged higher rates from the customers. This service is basically for past transactions. Users can check cash rates, spot rates, cancellations or forwards with the help of rate audit.

Rate Check

Rate check might seem to be similar to rate audit but the two are not the same. Rate check is a service for the current transactions that the businesses enter into. It refers to the real time dealing of the firm with the bank wherein the firms can check the current existing rates for various type of foreign exchange transactions and can negotiate on that basis with the banks to get the best available deal.

Money Changing

Another big and widely available service is that of money exchanging. This service today has a wide base due to the existence of tours and travels. People today travel

around the world for a number of reasons and hence they require foreign currencies for the same. Thus, they have to exchange their domestic currencies for the foreign currencies. There are full-fledged money exchangers that are licensed by the reserve bank of India to exchange currencies. Multi-currency forex cards are also widely used for foreign travel these days.

Trade Finance

Trade finance basically is a phenomenon widely used in international trade markets today. The exporters and importers use various financing techniques to finance their shipments. The services available are letter of credit, drafts, bill discounting etc.



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

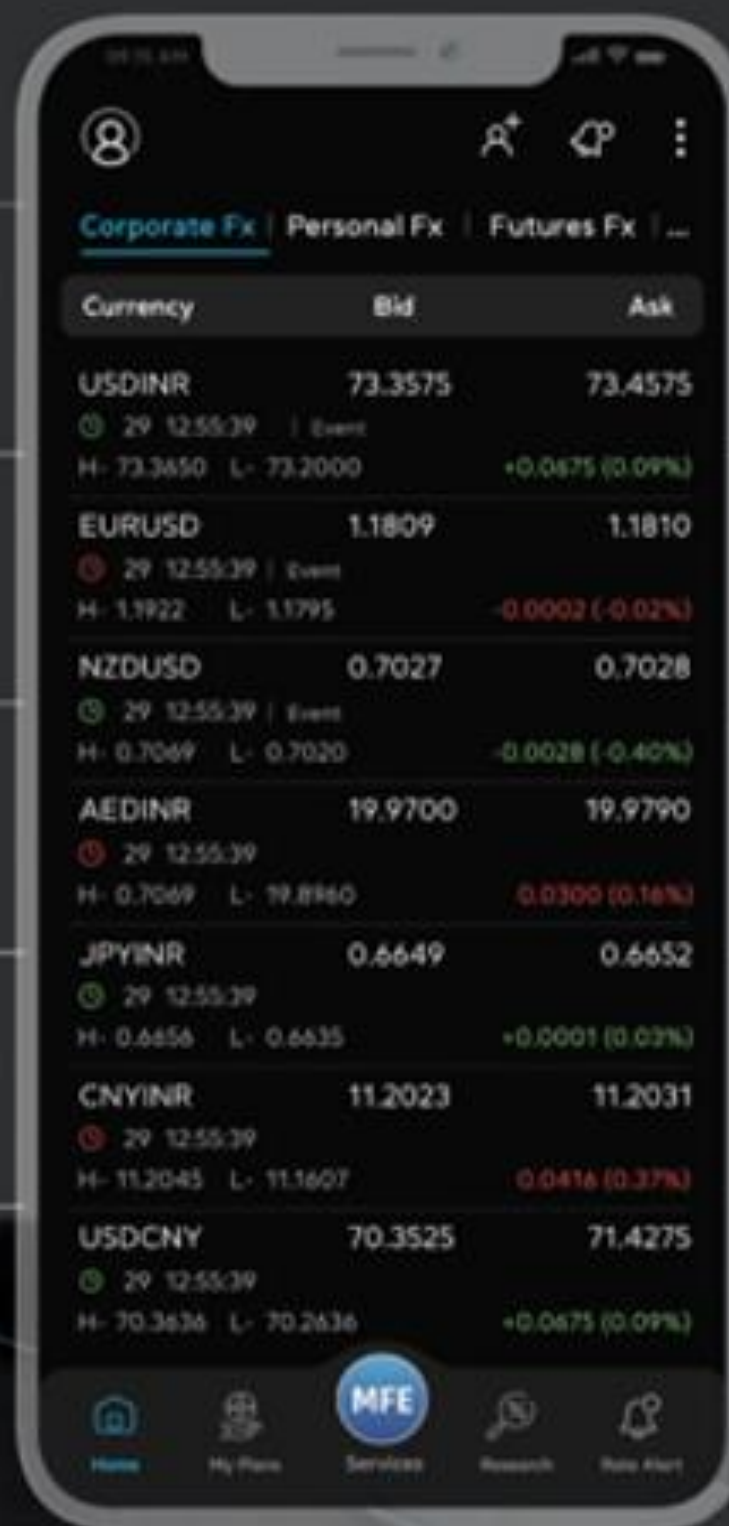
Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

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 shows the Myforexeye mobile application interface. At the top, there are tabs for 'Corporate Fx', 'Personal Fx', and 'Futures Fx'. Below these is a table of live forex rates. The table has three columns: 'Currency', 'Bid', and 'Ask'. The rows list various currency pairs: USDINR, EURUSD, NZDUSD, AEDINR, JPYINR, CNYINR, and USDCNY. Each row also includes a timestamp '29 12:55:39' and a change indicator (H- for high, L- for low) with a percentage change. At the bottom of the screen, there is a navigation bar with icons for 'Home', 'My Fx', '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.