



Forex Market **Insights** Newsletter

Volume 113 → Apr 27th to May 03rd 2024

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Complimentary

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*TILL MARCH 2025



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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%)

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Welcome



Dear Members,

I have been monitoring the markets and how the global economic situation is impacting the market. This week will be an action packed week, with the Federal Reserve's policy decision, the April jobs report, and other important US data releases.

The Fed meeting on Wednesday will take the center stage, as recent robust inflation and employment data have pushed rate cut timing further out, likely not until September. While officials seem comfortable pausing for now, they still hint at easing later this year. Chairman Powell will likely reiterate patience but keep rate cuts on the table. Across the Europe, a June rate cut by the ECB seems likely, barring surprisingly strong wage data. However, the future rate path remains uncertain, with market pricing below 75 basis points for year-end. Preliminary Q1 GDP and April CPI on Tuesday will shape 2024 expectations.

USDJPY broke above 156.50 after a dovish Bank of Japan hold and weak April inflation. Japanese intervention was brief, and we expect another BoJ hike, likely in July. Looking ahead, we anticipate measured US dollar strength driven by potential Eurozone recession risks and cautious Fed rate cuts. However, risks remain, including Middle East escalation and financial stability concerns. Our team closely monitors developments in this evolving landscape.

Thank You

Yours' Sincerely,
Mr. Karan Rathore
Chairman

Key Takeaway Summaries

₹ INR

The Indian Rupee generally maintained stability around the 83.30 mark, fluctuating within a range of approximately 10 paise for the majority of the week

€ EUR

The Eurozone's services sector continues to improve, although the manufacturing output remains in contraction.

£ GBP

The pair also benefitted from the improved business activity in the UK during April, as indicated by the UK Composite PMI reaching an 11-month high.

¥ JPY

The USDJPY pair has risen beyond the 158 level this week making a new 34-year high of 158.34 as the BoJ kept its policy stance unchanged on Friday

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Events to WATCH

Apr 30, 17:30
Infrastructure Output (YoY) (Mar)

May 1, 17:00
M3 Money Supply

May 2, 10:30
Nikkei S&P Global Manufacturing PMI (Apr)

May 3, 17:00
Bank Loan Growth

May 3, 17:00
Deposit Growth

May 3, 17:00
FX Reserves, USD

The Indian Rupee witnessed a recovery during the initial trading days of the week in which the rupee recovered from its all-time low of 83.575 against the US dollar touched on 19th April and reached a weekly high of 83.26 against the US dollar, and has generally maintained stability around the 83.30 mark, fluctuating within a range of approximately 10 paise for the majority of the week. The strengthening in the rupee was supported by the correction in the dollar index from its 5-month high followed by the release of lower-than-expected US PMI numbers, and the De-escalation of conflict between Israel and Iran led to the fall in crude oil prices provided further support to the rupee. However, the rupee's upward momentum faced resistance as importers seized the opportunity presented by the currency's recovery. According to data from the CME Group's Fed Watch tool, the probability of a rate cut in June is now less than 10%, bets on a cut in September dropped to below 50% which was 70% earlier this week.



On the Indian side, India's foreign exchange reserves experienced a decline for the second consecutive week, dropping to a six-week low of \$640.33 billion as of April 19. In this reporting week, reserves decline by \$2.83 billion from \$643.16 billion to \$640.33 billion, indicating potential interventions by RBI to curb the volatility and protect the currency. According to the HSBC Flash Purchasing Managers' Index (PMI) for April, the combined output from India's manufacturing and services sectors likely experienced the most rapid growth in nearly 14 years this month. Strong economic fundamentals with a comfortable trade deficit and inflation in control will contribute towards the appreciation of local currency

Events to WATCH

May 1, 17:45

ADP Nonfarm
Employment Change (Apr)

May 1, 19:30

JOLTs Job Openings
(Mar)

May 1, 19:30

ISM Manufacturing PMI
(Apr)

May 1, 23:30

Fed Interest Rate
Decision

May 3, 18:00

Nonfarm Payrolls
(Apr)

May 3, 18:00

Unemployment Rate
(Apr)

May 3, 18:00

Average Hourly
Earnings (MoM)



The Indian Rupee showed signs of little recovery this week against the dollar as the pair plunged to 83.26 marking a weekly low level. The USDINR pair managed to show some volatility making a significant weekly range of 19 paise.

On the daily candlestick chart of the USDINR pair, nothing much has changed from the previous week. The pair continues to hold above the 100-day EMA which hints some upside potential. However, the initial support level stands around the previous low level of 83.26 whereas the next key support remains unchanged at 83.00. Both the support levels are in line with the 50-day EMA (blue line) and 150-day EMA (white line). On the contrary, the resistance lies at the all-time high of 83.575 touched last Friday.

As much of an upside in the pair seems unlikely, the unhedged exporters can target 83.40 whereas the importers can start hedging near-term exposures below 83.20 levels. A mix of options and forwards is advisable.

Events to WATCH

Apr 29, 17:30
German CPI (MoM)
(Apr)

Apr 30, 13:25
German
Unemployment
Change (Apr)

Apr 30, 13:30
German GDP (QoQ)
(Q1)

Apr 30, 13:30
GDP (QoQ) (Q1)

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

May 2, 13:25
German
Manufacturing PMI
(Apr)

The EURUSD pair gained for the second consecutive week and made a 2-week high of 1.0752. The pair got support from the positive Euro economic fundamentals and bearish release of US Manufacturing and Services PMI, with US manufacturing sector back into the contraction phase. The Eurozone's services sector continues to improve, although the manufacturing output remains in contraction. The German economy also showed signs of recovery as the German IFO Survey revealed a stronger-than-expected improvement in Business Climate for April. While, ECB official, François Villeroy de Galhau continued to signal a potential rate cut in June. The pair fell towards the end of the week due to the dovish ECB remarks and the US Core PCE Price index release, suggesting that the US inflation remains stubbornly high, confirming expectations that the Federal Reserve will postpone cutting interest rates to later in the year. The chances for pair's recovery still remains limited, with divergence in both the central bank outlook. However, positive economic data from Eurozone could provide support to the Euro.



Throughout the week, the EURUSD pair demonstrated some upward momentum, rebounding from a 5-month low of 1.0623 to reach a weekly high of 1.0752. Notably, significant support was observed around the 1.0600 level, aligning with the analysis from the previous week. The euro has maintained its position amidst signs of improving growth in the Eurozone, while the dollar continues to benefit from elevated US yields, indicating ongoing expectations of heightened interest rates in the US. The relatively modest movement of approximately 100 pips suggests a period of consolidation. A breach below the 1.0600 support level may potentially trigger a downward movement towards the significant support level at 1.0500. Conversely, a reversal and upward rally above the 1.0750 mark could lead to a retest of the 50-week Exponential Moving Average (EMA) positioned at 1.08, as illustrated in the chart.

Events to WATCH

May 1, 11:30
Nationwide HPI (MoM) (Apr)

May 1, 11:30
Nationwide HPI (YoY) (Apr)

May 1, 14:00
Manufacturing PMI (Apr)

May 1, 11:30
Nationwide HPI (MoM)

May 1, 11:30
Nationwide HPI (YoY)

May 3, 14:00
Composite PMI (Apr)

May 3, 14:00
Services PMI (Apr)

Sterling began the week on a negative note, despite an increase in risk appetite due to diminishing concerns regarding a broader conflict in the Middle East. As the dovish BoE commentary hinting that inflationary pressure in the UK was receding, continued to put pressure on the pair. But the pair recovered afterward and made a 2-week high of 1.2540. This reversal was primarily driven by the weakening of the US Dollar, prompted by disappointing economic data release, including subdued Manufacturing and Services PMI data, which raised doubts about the resilience of the US economy. Moreover, the US economy experienced a slowdown in the first quarter, expanding at an annualized rate of 1.6%, falling short of the expected 2.5% growth. The pair also benefitted from the improved business activity in the UK during April, as indicated by the UK Composite PMI reaching an 11-month high. However, this rebound was short-lived as US inflation, in line with forecasts, indicated no signs of cooling, reinforcing expectations of a delayed Federal Reserve interest rate cut. Despite limited prospects for a GBP/USD recovery amidst ongoing support for the US Dollar, positive economic indicators from the UK may offer some support to the Pound.



It was a roller coaster ride for sterling this week as the pair registered gains against the US dollar this week, snapping out from the continuous downtrend from past two consecutive weeks. The pair had a negative start as it fell below the significant 1.2300 levels, to 1.2299 levels, which is a 5-month low. But the pair got some support and started gaining, as it went as above the 1.2500 barrier, and made a 2-week high of 1.2540. The formation of a huge green candle showed signs of recovery and regaining buyer's interest in the pair. However, the MACD indicator still predicts downtrend in the near future. The near term support can be seen at 1.2400 levels. If the pair breaches this level, the next support can be seen at 1.2300 psychological level, preventing further downside.

Events to WATCH

Apr 30, 05:00
Jobs/applications ratio (Mar)

Apr 30, 05:20
Retail Sales (YoY) (Mar)

Apr 30, 05:20
Industrial Production (MoM) (Mar)



The USDJPY pair has risen beyond the 158 level this week making a new 34-year high of 158.34 as the BoJ kept its policy stance unchanged on Friday and provided some hint of concern over the continuing yen decline. This has caused a few market participants to believe that there might be a greater possibility for yen depreciation more than what they were expecting. Thus, the pair can be seen soon marching toward the 160 level, which is probably the next target for intervention. The JPY continued its downtrend despite the dollar weakening significantly in the week due to mixed US economic data releases. On the US side, inflation still looks to be stubborn showed by this week's data releases which dampened the expectation of a rate cut in the September meeting to 50% which was 70% at the start of this week. Reducing the chances of a rate cut will put some pressure on the yen. The BoJ Governor has been giving continuous statements against the currency movements, market participants continue to believe that intervention is expected and could happen at any time, even over the golden weeks holiday next week, given the BoJ's constant challenge to this sort of move.

USDJPY has encountered persistent upward pressure throughout the week, indicating that the Bank of Japan (BoJ) is in no rush to intervene. The yen has been under significant strain due to the BoJ's non-intervention stance and widening interest rate differentials. Technically, the pair has relinquished control, experiencing a 3% depreciation for the yen this week. A breach below the support level at 155 (S1) could trigger further downward movement towards 152 (S2), previously a robust resistance level. Conversely, if the BoJ refrains from intervention at 158 (R1), the pair may ascend towards 160 (R2) in the short term. However, the presence of bullish candles suggests a potential extension of losses beyond 158-160, signaling a challenging period for the Japanese currency.





Difference Between Trading and Investing for Financial Success

Understanding Trading and Investing

Trading: Seizing Opportunities in the Short Term

Trading involves the dynamic art of buying and selling financial securities within shorter time frames, often as brief as a day or a week. Traders are driven by the goal of capitalizing on price fluctuations to generate rapid returns. This approach demands a keen understanding of technical analysis, where traders analyze stock price movements and utilize tools such as Stochastic Oscillators, Moving Averages, RSI, and MACD to identify favorable trade setups.

Types of Trading:

- **Intraday Trading/Day Trading:** Traders buy and sell stocks on the same day, capitalizing on intraday price movements.
- **Futures & Options Trading:** Traders speculate on the prices of derivative contracts, leveraging underlying asset prices for potential gains.
- **Swing Trading:** Traders hold positions for several weeks, aiming to profit from short to medium-term market trends.
- **Scalp Trading:** High-leverage trading that seeks to make small profits from minuscule price changes.

Investing: Cultivating Long-Term Wealth

Investing, on the other hand, entails acquiring financial assets such as stocks, ETFs, and bonds with the intention of holding them for the long term. Investors adopt a patient approach, focusing on the gradual growth of their capital over extended periods. The key to successful investing lies in fundamental analysis, where

investors assess a company's financials, balance sheets, and growth potential to make informed decisions.

Types of Investing:

- **Active Investing:** Investors rely on fund managers to manage their investments, paying a fee for their expertise.
- **Passive Investing:** Self-managed investors build their portfolios without relying on fund managers, thus minimizing management fees.
- **Value Investing:** Investors opt for established firms with strong fundamentals, prioritizing stability and growth potential.
- **Growth Investing:** Risk-tolerant investors seek higher returns by investing in companies with substantial growth prospects.

Key Differences Between Trading and Investing

Risk Involved

- **Investing:** Involves lower risk due to longer holding periods that allow investments to ride out market fluctuations.
- **Trading:** Carries higher risk due to leveraged positions and the focus on capitalizing on short-term price movements.

Period of Investment

- **Investing:** Extends over the long term, resembling a marathon that demands patience to achieve financial goals.
- **Trading:** Operates in the short term, capitalizing on periodic price changes to generate quick returns.

Effort Involved

- **Investing:** Requires minimal regular effort, as investors hold positions over extended periods.
- **Trading:** Demands substantial effort, encompassing

thorough market analysis, chart reading, and strategy formulation.

Style of Analysis

- **Investing:** Relies on fundamental analysis, assessing company financials and growth potential.
- **Trading:** Leverages technical analysis, interpreting price charts, patterns, and indicators for timely decisions.

Capital Growth

- **Investing:** Gradual capital growth by holding assets and benefiting from potential dividends.
- **Trading:** Aims for swift profits through strategic execution of trades and seizing optimal opportunities.

Choosing the Right Path: Trading or Investing?

Both trading and investing can be pursued by anyone, with each approach requiring different skill sets and time commitments. Investing is accessible to beginners, as it involves selecting stocks and holding them for long periods. On the other hand, trading necessitates a deeper understanding of market analysis and technical indicators, demanding dedicated time for skill acquisition.



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

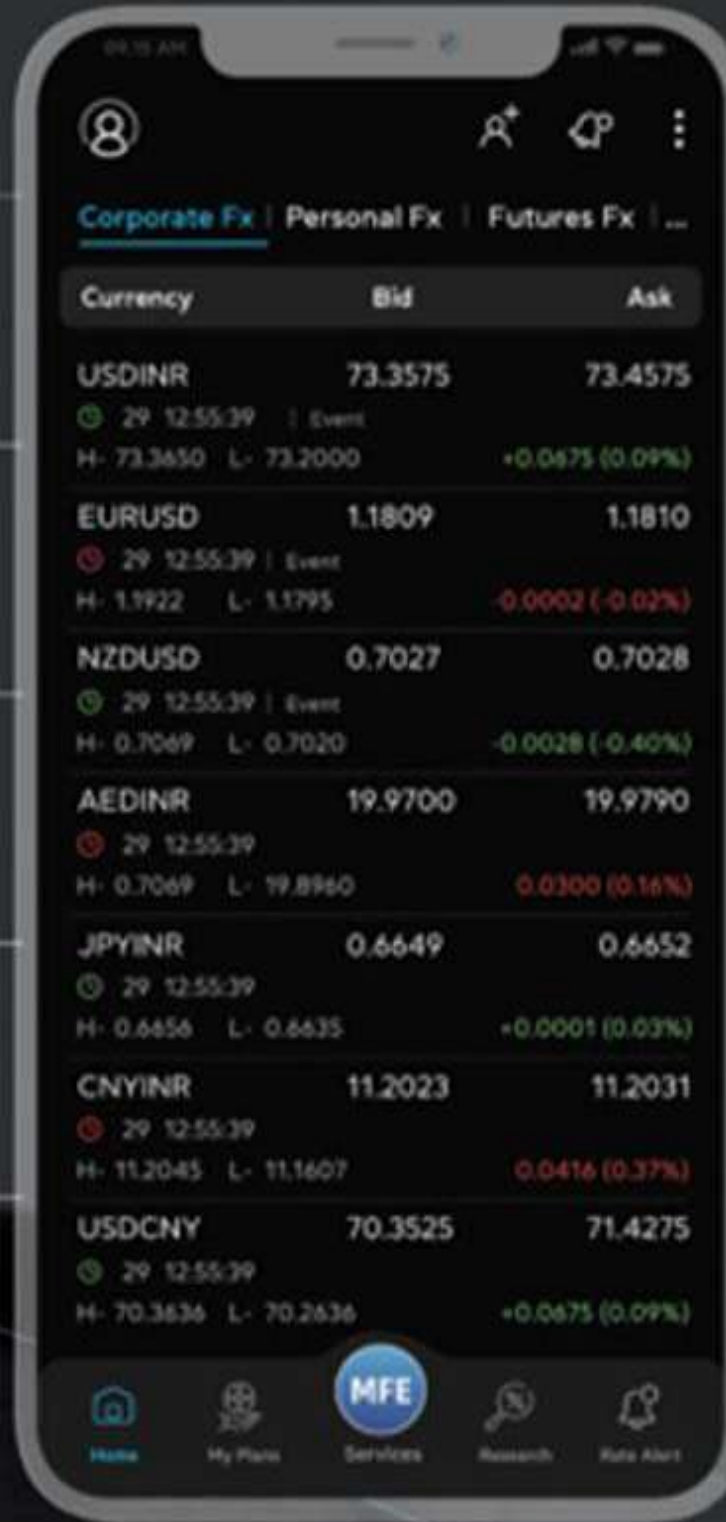
Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

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 'Corporate Fx' section of the mobile application. It displays a table of currency rates with columns for Currency, Bid, and Ask. Each row includes a currency pair (e.g., USDINR, EURUSD), a bid price, an ask price, and a percentage change. The table is scrollable and includes a bottom navigation bar with icons for Home, My Plans, MFE (Services), 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

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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.