



Forex Market **Insights** Newsletter

Volume 116 → May 25th to May 31st 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 am pleased to share an update on the recent developments in the global financial markets and our outlook for the near future. Despite Friday's pullback, the US Dollar reversed recent weakness and closed the week with solid gains. Next week, we'll watch the FHFA House Price Index, Consumer Confidence, MBA Mortgage Applications, the Fed's Beige Book, Q1 GDP revision, Jobless Claims, Trade Balance, Pending Home Sales, and inflation tracked by the PCE along with Personal Income and Spending.

In the UK, PM Sunak has called a July 4th snap election, though market impact has been minimal so far given recent political volatility. Investors seem accustomed to political drama, though we must remain cautious. EURUSD declined to the 1.0800 region. Germany's IFO Business Climate, GfK Consumer Confidence, and inflation data will be key next week, along with EMU confidence, sentiment, unemployment, and inflation figures.

USDJPY regained ground beyond 157.00, with important Japanese indicators like Consumer Confidence on May 29 and Industrial Production, Retail Sales, and Housing Starts at the week's end. Looking ahead, the US Dollar may continue to show strength, supported by key economic data. However, risks such as political developments in the UK and economic performance in the Eurozone and Japan need close monitoring.

Thank You

Key Takeaway Summaries

₹ INR

The USDINR pair continued to decline this week, hitting a nine-week low of 83.03. Even so, the USDINR pair only traded for three days this week.

€ EUR

This week, the EURUSD pair exhibits steady movements after the five weeks continuous surge.

£ GBP

Sterling continued its uptrend for the second consecutive week in a row. The pair benefitted from the release of the UK CPI as the data came higher than expected.

¥ JPY

The pair reached a weekly high of 157.19 after supportive US PMI data was released.

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Events to WATCH

May 31, 17:00
FX Reserves, USD

May 31, 17:30
GDP Quarterly
(YoY) (Q4)

May 31, 17:30
Infrastructure
Output (YoY) (Apr)

The USDINR pair continued to decline this week, hitting a nine-week low of 83.03. Even so, the USDINR pair only traded for three days this week. The Indian rupee gained almost 20 paise throughout the week, as it started at 83.3025 and concluded at 83.0975. However, following the stronger-than-expected US data helped the Dollar Index to climb beyond 105 levels. In addition, the US treasury yields also rose, reducing the possibility of a Fed rate cut in September to 50% from 70%. The outperformance of the domestic benchmarks, which made a new all-time high level as the Indian markets saw over \$1,193 million of net inflows this week, which is the reason behind the rupee does not seem to be under pressure.



The government's \$25 billion dividend from the Reserve Bank of India, more than double the amount that was planned earlier, is boosting spirits since the money might be used to finance more spending. Foreign investors cut their bearish bets on stocks, on the expectation that policy to remain unchanged after the current elections, helped to reduce the outflows from the domestic markets. However, the Indian market witnessed an increase in foreign currency assets, gold reserves, and SDRs, totaling around \$569 billion, \$57.19 billion, and \$18.16 billion respectively. The rupee's overall outlook is quite favorable, suggesting that it can continue to appreciate due to the high market inflows, as currently there are no signals reverse.

Events to WATCH

May 28, 18:30

S&P/CS HPI Composite
- 20 n.s.a. (YoY) (Mar)

May 28, 19:30

CB Consumer
Confidence (May)

May 30, 18:00

GDP (QoQ) (Q1)

May 30, 18:00

Initial Jobless Claims

May 30, 18:00

Continuing Jobless
Claims

May 31, 18:00

Personal Spending
(MoM) (Apr)

May 31, 18:00

Core PCE Price Index
(MoM) (Apr)



Finally, some strength is witnessed in our beloved Rupee. In a holiday-shortened week with only 3 trading sessions, the Indian rupee started the week stronger at 83.30 continuing its previous week's gains, tested its 9-week high at 83.03 and closed the week slightly high at 83.0975. The USDINR pair dropped by 0.29% in this week.

Analyzing the one-day chart, the USDINR pair has formed the Head and Shoulders pattern since March 21. The pair now trades below the key 100-day EMA (blue line) as well as below the head & shoulder pattern neckline which flags further the bearishness in the pair for the near term. The initial support around 83.20 seems to be broken but the next support at 83.00 mark in line with the 200-day EMA (white line) still persists. Additionally, the 14-day Relative Strength Index (RSI) is in bearish territory at approximately 48.73, suggesting that further consolidation or downside movement is likely.

As the Indian Rupee has started to recover now is the time for the importers to be proactive and hedge their exposures. Current levels are good enough to get started and can further increase their hedge ratio beyond the 83-level mark. Exporters had a good amount of time to hedge and for the remaining exposure, 83.20 can be targeted. We recommend using a mix of options and forwards to hedge.

Events to WATCH

May 27, 13:30

German Business Expectations (May)

May 27, 13:30

German Ifo Business Climate Index (May)

May 29, 17:30

German CPI (MoM) (May)

May 30, 14:30

Unemployment Rate (Apr)

May 31, 11:30

German Retail Sales (MoM) (Apr)

May 31, 14:30

CPI (YoY) (May)

This week, the EURUSD pair exhibits steady movements after the five weeks continuous surge. During initial trading days of week the pair witnessed a decline, following the rebound in dollar index from its five week low level of 104.08. The dollar index's upward trend was fueled by Hawkish comments from Federal Reserve members, particularly highlighting the likelihood of maintaining higher interest rates for an extended period in the economy. Later, the pair recovered due the release of robust Manufacturing and services PMI data from both the Germany and Eurozone, which showcases the business activity has accelerated notably this month, marking its quickest pace of expansion in a year. In the upcoming week, Investors focus will be on key data releases, with particular emphasis on the German Ifo Business Climate Index, German CPI, and Core PCE Price Index from the US. These releases are expected to have a significant impact on the pair's movement.



The EUR/USD pair experienced a consolidation phase, trading within a narrow range of 1.0805-1.0884. The pair has been gradually losing ground against the dollar, as evidenced by four consecutive bearish candles following its opening above 1.0865 and closing at 1.0845 on the last trading day of the week. The consolidation zone between the 1.0800 and 1.0900 levels is notable, reflecting a similar pattern observed during the pair's previous correction phase. Despite the market pricing in the first ECB rate cut for June, the EUR/USD pair found some support from the improving fundamentals of the Eurozone economy. Technically, the pair found support at the 200-week EMA, positioned at 1.0800. A drop below this level could trigger a downward trend, potentially reaching the short-term support at 1.0750, as indicated on the chart. Conversely, if the pair breaks above the 1.0850 level, it is likely to continue rising towards the psychological level of 1.0900.

Events to WATCH

May 28, 04:31

BRC Shop Price Index (YoY)

May 28, 15:30

CBI Distributive Trades Survey (May)

May 31, 11:30

Nationwide HPI (MoM)

May 31, 14:00

BoE Consumer Credit (Apr)

Sterling continued its uptrend for the second consecutive week in a row. The pair benefitted from the release of the UK CPI as the data came higher than expected. The CPI decreased from 3.2% in March to 2.3% in April. In contrast, the market had anticipated a more significant slowdown to 2.1%. The pair reached new two-month highs of 1.2762 after the slower-than-expected decrease in inflation crushed hopes of a June rate cut by the BoE. However, the hawkish Fed comments and the strong Services and Manufacturing US PMI confirmed the economic stability of the US economy and reduced the chances of a Fed rate-cut in September month to 53%. As a result the dollar index gained to 105.11 levels, which in turn led to slight decline in sterling. The UK retail sales data on Friday came bearish further put some pressure on the pound. But the pair recovered slightly as the dollar index slipped after traders booked profits after recent gains in USD. The pair ended the week by closing at 1.2734. The overall outlook for the pair remains bearish as the chances of a Fed rate-cut reduce amid the resilience of the US economy, while data from the UK economy will be eyed for further cues.



The GBPUSD pair continued its upward momentum for the second consecutive week as it gained by 0.42%. The pair gained and reached a 2-month peak of 1.2762. However, the pair could not sustain its gains for longer and came back below the short-term resistance of 1.2765. The formation of a huge green candle and close above the previous week's high suggests the buyer's interest in the pair. The MACD indicator further confirms the bullishness in the pair. As per the weekly chart frame of the pair, the pair faces short-term resistance at 1.2765 levels (yellow line). If the pair manages to break above this level, the next resistance can be seen at the psychological level of 1.2800, preventing further upside.



REPO RATE

0%

GDP

-0.5%

INFLATION

2.5%

UNEMPLOYMENT

2.6%

TRADE BALANCE

¥ -462B

Events to WATCH

May 28, 10:30
BoJ Core CPI (YoY)

May 29, 10:30
Household Confidence (May)

May 31, 5:00
CPI (YoY) (May)

May 31, 5:00
Unemployment Rate (Apr)

May 31, 5:20
Retail Sales (YoY) (Apr)

May 31, 5:20
Industrial Production (MoM) (Apr)

The pair started the week around 155.58, buoyed by steady US Treasury yields. It initially found support from unfavourable data in Japan, which indicated a slowdown in business activities and deterred the BOJ from implementing a rate hike. However, the pair lost some of this support following the release of Japan's better-than-expected service PMI. The pair reached a weekly high of 157.19 after supportive US PMI data was released. Additionally, stable Japan CPI data further supported the pair. By the end of the week, the pair slightly recovered, closing around 156.99. This stabilization was due to improved investor risk appetite after better-than-expected US data reduced the likelihood of Fed rate cuts. The outlook for the pair is influenced by a combination of strong U.S. economic performance and expectations of continued monetary policy divergence between the Fed and the BOJ. As long as the U.S. economy exhibits robust growth and the Fed maintains or signals higher interest rates, the USD is likely to remain strong against the JPY. However, any shift in global risk sentiment or unexpected economic data could quickly alter this dynamic.



The USDJPY pair opened the week at its low of 155.55, following a continuous rise throughout the previous week. Buyers are actively purchasing, anticipating a selling target that remains uncertain. The upside potential is limited by the Bank of Japan's (BoJ) policies, as the market lacks a clear view on future actions. The yen has struggled recently due to widening interest rate gaps and data showing cooling inflation, which might prevent the BoJ from hiking interest rates in the coming month. Technically, in the short term, pullbacks are likely to attract many buyers, especially near the ¥155 level. If the price falls below this level, the ¥152 level could provide potential support. On the upside, bullish candles suggest the pair might reach 158 (R1) and possibly extend to 160 (R2), which could serve as a strong resistance level.



Most Common Mistakes Of Forex Traders In India

Forex trading in India has grown exponentially in recent years, but it is still in its infancy compared to other countries. As more and more individuals seek to diversify their investment portfolios, many traders are still making common mistakes that lead to significant losses..

Here are some of the mistakes that forex traders in India often make:

Not having a trading plan: A well-defined trading plan is essential for success in Forex trading. Without a plan, traders make impulsive decisions based on emotions, which lead to losses. A trading plan should include a clear strategy, risk management techniques, and a plan for managing emotions.

Not trading with discipline: Traders do not have clear stop-loss or defined take-profit orders in Forex trading. Technically speaking, good discipline entails following a trading plan with defined entry prices along with specified take profit and stop loss levels. Establish a schedule for your trading and be aware of the indications that will help you determine when and at what levels to enter a transaction. Exit of the trade depends on your specified targets. By adhering to your take profit and stop loss orders, you are adequately following risk management practices.

Over-leveraging: Leverage allows traders to control large positions with a small amount of capital, but it also increases the risk of losses. Over-leveraging leads to large losses in a short period of time and has the potential to wipe out the trader's entire capital. It is important to use leverage wisely and to not exceed the recommended levels.

Not diversifying: Diversifying your portfolio is important in any investment, including Forex trading. Traders who focus on a single currency pair are more exposed to market risks and suffer significant losses if the market moves against them. Diversifying your portfolio to multiple currencies help reduce risk and improve overall trading performance.

Ignoring risk management: Risk management is a critical component of Forex trading, and traders who ignore it suffer losses. Proper risk management techniques, such as defining stop-loss levels, using options along with futures, applying trailing stops, etc. helps in limiting losses and protects the trader's capital.

Chasing after big profits: Many traders are attracted to Forex trading because of the potential for big profits, but chasing after big profits lead to impulsive decisions and large losses. It is important to focus on slow and steady gains and to not get caught up in the excitement of big profits.

Not keeping up with market news: The Forex market is ever evolving and constantly changing, and traders who do not keep up with market news and events miss important information that impact their trades. Keeping up with market news and events help traders make informed decisions.

Our Recommendations for Becoming a Successful Forex Trader in India

Are you looking to master the art of forex trading in India? With Myforexeye's assistance, you can certainly take informed decisions and gain the insights needed to make profitable trades. Here are Myforexeye's top recommendations to help you get started.

Start with a demo account: Before you start trading with real money, it's important to get some practice with a demo account. This will help you get a better understanding of the intricacies of the Forex market, and it will also give you some valuable experience that you use when you start trading with real money.

Develop and define a trading plan: As a Forex trader, you need to have a well-defined trading strategy and plan in place. Having a disciplined way of trading will support you to manage risk and stay on course while trading on the Forex market.

Have patience: Patience is a divine virtue when it comes to trading. Do not expect overnight success, but work hard and be patient. This will make you become a successful Forex trader in India.

Learn from the pros: There are many successful Forex traders in India, and you can learn a lot from them. You follow their strategies and get some valuable insights from them.

Stay up to date: The Forex market is constantly changing, and you need to stay informed in order to be successful. Follow the latest news and developments in the Forex market, so that you can make informed decisions when trading.



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 app. It displays a table of currency rates with columns for Currency, Bid, and Ask. The table lists rates for USDINR, EURUSD, NZDUSD, AEDINR, JPYINR, CNYINR, and USDCNY. Each entry includes a timestamp (29 12:55:39), an event indicator, and high/low values. The bottom navigation bar includes 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

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

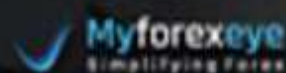
This feature gives you access to Transaction Process Outsourcing service for transactions including Cash, Tom, Spot, Forward, etc for both export and import.

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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