



Forex Market **Insights** Newsletter

Volume 125 → July 20 to July 26, 2024



Key Takeaway Summaries

₹ INR

US\$INR pair remained stable, trading within a narrow 13 paise range, starting at 83.53, reaching a high of 83.6650, and closing at 83.65.

€ EUR

EURUS\$ paused its climb, closing unchanged just below 1.0900. It hit a four-month high at 1.0947, then retreated post-ECB announcement.

£ GBP

GBPUS\$ peaked at 1.3044, ending the week at 1.2911 due to strong UK inflation easing rate cut concerns. Mixed US data favored the dollar, while geopolitical uncertainties added volatility.

¥ JPY

US\$JPY closed at 157.38, recovering from a 6-week low of 155.36 amid volatile yen movements driven by economic & geopolitical factors.

Welcome

Dear Stakeholders,

I'm pleased to report on this week's financial market developments. Despite a rocky start, the US dollar bounced back, closing above 104.00. We're keeping an eye on upcoming US economic indicators, including home sales, PMIs, and GDP growth figures. The euro weakened against the dollar, even after briefly surpassing 1.0900. We're watching for European consumer confidence data and PMIs in the coming days.

The British pound also saw some action, touching 1.3000 before retreating. UK inflation remains a concern, possibly delaying rate cuts. The yen continued to strengthen against the dollar for the third consecutive week, influenced by Japan's market intervention. Meanwhile, the Australian dollar took a hit, falling below 0.6700. Looking ahead, we anticipate volatility in currency markets as key economic data is released. The US PCE inflation report on July 26 will be crucial.

We're also monitoring global manufacturing and services PMIs for insights into economic health across major markets. We expect these market dynamics to persist in the short term, with potential shifts based on upcoming economic indicators and central bank actions.

Thank You
Vijay Gauba
Additional Director General
Trade Promotion Council of India

CONTENTS

INR 2

US\$ 3

EUR 4

GBP 5

JPY 6

BLOG 7

Events to WATCH

July 23, 11:30

Indian Union Budget

July 24, 10:30

Nikkei Services PMI

July 24, 10:30

Nikkei S&P Global Manufacturing PMI

July 24, 17:00

M3 Money Supply

July 26, 17:00

Deposit Growth

July 26, 17:00

Bank Loan Growth

July 26, 17:00

FX Reserves, US\$

The US\$INR pair exhibited stable movements throughout the week, marking a weekly range of 13 paise. The Pair started the week at 83.53, made a weekly high of 83.6650 but ultimately concluded the week at 83.65. Throughout the week, rupee remain under pressure due to increased dollar demand from local importers and domestic oil companies, alongside weakness observed in other Asian currencies amid heightened expectations of Donald Trump securing a second presidential term. Meanwhile, the dollar index climbed to 104.51 level after testing its four-month low of 103.65 and concluded the week with its first gain in three weeks, buoyed by recent U.S. economic data and concerns surrounding a technology outage. Federal Reserve officials indicated on Wednesday that the central bank is leaning towards cutting interest rates, citing improved inflation trends and a more balanced labor market, signaling a potential reduction in borrowing costs starting in September.



The International Monetary Fund has revised India's gross domestic product growth forecast for 2024-25 upward by 0.2 percentage points to 7%, citing increased private consumption, particularly in rural areas. Concurrently, India's foreign exchange reserves surged for the second consecutive week, hitting a record high of \$666.85 billion as of July 12, according to data from the central bank released on Friday. During the reporting week, reserves rose sharply by \$9.7 billion, marking the largest increase in four months, following a \$5.16 billion rise the previous week. This growth in reserves equips the Reserve Bank of India with substantial resources to manage domestic currency volatility amid uncertainty and geopolitical tensions. The upcoming fiscal budget announcement scheduled for July 23 is anticipated to be a crucial event for the Indian Rupee. It is expected that the Narendra Modi-led NDA government will aim to reduce the fiscal deficit target, which could further bolster the Indian Rupee.

\$ USD

REPO RATE

5.5%

GDP

1.4%

INFLATION

3%

UNEMPLOYMENT

4.1%

TRADE BALANCE

\$-75.07B

Events to WATCH

July 23, 19:30

Existing Home Sales (Jun)

July 24, 18:00

Building Permits

July 24, 19:15

Manufacturing PMI (Jul)

July 24, 19:15

Services PMI (Jul)

July 24, 19:30

New Home Sales (Jun)

July 25, 18:00

GDP (QoQ) (Q2)

July 25, 18:00

Durable Goods Orders (MoM) (Jun)

July 26, 18:00

Core PCE Price Index (MoM) (Jun)



The Indian Rupee continues to remain under pressure this week as it again went to test the all-time highs at 83.665 amid heightened dollar demand from local importers and local oil companies. The pair remained in a short range of 14 paise.

According to the daily-frame chart, the pair remains bullish as it continues to trade above the 100-day EMA. Analyzing recent candlesticks, since July 3, the pair has been consistently making higher highs and higher lows (yellow parallel line), further indicating bullish momentum. The 14-day Relative Strength Index (RSI) is also in bullish territory, pointing higher at around 64.51, suggesting potential for further upside. The initial short-term support is around 83.40 (marked by a blue line), with stronger support at the round figure of 83.00. The previously identified resistance zone at 83.60-83.65 remains intact, and breaking this level could push the pair to a new all-time high.

The same range suggests consistent advice: exporters should continue hedging above the 83.60 level and maintain a 50-60% hedge position. Importers need to stay vigilant; any dip of 10-15 paise can be hedged for short-term payments.

Events to WATCH

July 22, 11:30

German Retail Sales (MoM) (May)

July 24, 13:00

German Manufacturing PMI (Jul)

July 24, 13:00

German Services PMI (Jul)

July 24, 13:30

Manufacturing PMI (Jul)

July 24, 13:30

S&P Global Composite PMI (Jul)

July 25, 13:30

German Ifo Business Climate Index (Jul)

The EURUS\$ pair paused its recent advance and ended the week unchanged, slightly below the 1.0900 level. Earlier in the week, it peaked at 1.0947, marking a new four month high, before reversing course following the European Central Bank's monetary policy announcement. The ECB kept interest rates unchanged as expected and refrained from committing to a specific monetary policy direction. Policymakers reiterated their stance that rate decisions will depend on incoming data, determined on a meeting-by-meeting basis. Recent economic data reveals a softening in the Eurozone's recovery momentum. Persistent weakness in the industrial sector is weighing on overall growth, while economic sentiment indicators indicate a diminishing of the robust improvements observed earlier this year. The Euro is expected to appreciate in the near future, supported by the policy divergence between the Fed and the ECB. The market is currently pricing in a 100% chance that the Fed will begin rate cuts, while the ECB remains uncertain about its future interest rate trajectory. The upcoming focus will be on European and global PMI figures on Wednesday, followed by scrutiny of U.S. data later in the week to gauge its influence on the dollar.



The EURUS\$ pair remain unchanged this week after gaining for past three consecutive weeks. The pair gained initially and reached a 4-month high of 1.0948 this week. But the pair could not hold its gains and fell after touching the resistance line of the symmetrical triangle (yellow line). The pair declined to close at 1.0881, just near the opening, forming a Dragonfly doji on the weekly chart frame of the pair, suggesting a possible bearish reversal in the pair in the upcoming weeks. However, the formation of the next weekly candle will provide confirmation on the future trend of the pair. The MACD Indicator suggests chances of a possible bearish cross-over, suggesting a possible downtrend in the near term. The pair may find some support at the 100-days EMA at 1.0840. If the pair breaches this level, the next possible support can be seen at 1.0700 levels (support line of symmetrical triangle), preventing further downside in the pair.

Events to WATCH

July 24, 14:00
Composite PMI

July 24, 14:00
Manufacturing PMI

July 24, 14:00
Services PMI

July 25, 15:30
CBI Industrial
Trends Orders (Jul)

The GBPUS\$ pair reached its highest point of the year at 1.3044, before closing the week at 1.2911 level, due to strong inflation numbers in the UK, easing concerns about the Bank of England cutting interest rates in August. Mixed US economic reports led market participants to favor the US dollar again, especially as the Philadelphia Fed's manufacturing index indicated strong regional activity. Although, the increase in initial jobless marking the largest rise since early June, heightened expectations for Federal Reserve rate cuts. Meanwhile, the pound faced additional pressure from disappointing UK retail sales data of June dropped by 1.6% against an expected decrease of 0.6%, with YoY sales also weak at -0.2% compared to an anticipated rise of 1.2%. Simultaneously, the US Dollar Index saw a significant rise over the past two days, impacting the pair, as it fell by more than 130 pips. Geopolitical developments, including speculation about Joe Biden possibly dropping out of the US presidential race, and President Trump's comments on Federal Reserve policy and trade tensions with China, increased uncertainty. Investors are proceeding cautiously with the GBPUS\$ pair amidst volatility, awaiting clear signals from BoE.



The GBPUS\$ pair snapped its uptrend of past three weeks as it fell by 0.4% this week. The pair initially gained and made a 1-year high of 1.3044. The pair still trades within the ascending channel and reversed its path after touching the resistance (upward yellow line) and declined in the last two trading sessions and ended the week by closing at 1.2910. The MACD Indicator shows a possibility of a bearish cross-over, suggesting a possibility of a future downtrend in the pair. If the pair continues to decline, it might find support at the previous resistance at 1.2825 levels (white line). If the pair breaches this level on the downside, the next possible support can be seen at 100 days EMA at 1.2699, protecting the downside.

¥ JPY

REPO RATE

0.1%

GDP

-0.5%

INFLATION

2.8%

UNEMPLOYMENT

2.6%

TRADE BALANCE

¥ 224B

Events to WATCH

July 24, 06:00
Services PMI (Jul)

July 26, 05:00
Tokyo Core CPI
(YoY) (Jul)

July 26, 05:00
CPI Tokyo Ex Food
and Energy (MoM)
(Jul)

The US\$JPY pair ended the week at 157.38, rebounding from its 6-week low of 155.36 recorded on Thursday. This week witnessed considerable volatility in the Japanese yen's value against the US dollar, influenced by a blend of economic data, geopolitical developments, and actions taken by central banks. In the middle of the week, the yen rose by approximately 3% to reach 156.06 against the dollar, fueled by softer-than-expected US inflation figures coupled with speculation of potential intervention by Japanese authorities to stabilize the currency. Meanwhile, Japan continues to grapple with economic challenges, as reflected in revised growth forecasts for the fiscal year and efforts to stimulate consumer spending through wage hikes and tax cuts. Inflation data released at the end of the week showed Japan's core CPI exceeding the BoJ's 2% target for the 27th consecutive month, supporting expectations for a near-term interest rate hike. However, market participants awaited the Bank of Japan's upcoming policy meeting at the end of July, where decisions on bond purchase tapering and interest rate adjustments are eagerly awaited.



The Yen continues to strengthen amid dollar weakness due to data showing signs of cooling inflation. On Wednesday, the dollar index tested its 4-month low level at 103.65 but ultimately closed the week high at 104.36. On contrary, the yen surged to its 1-month high at 155.36 amid rate cut expectation from the US and increasing chances of BOJ rate hike on its coming July meeting, ultimately leading to reducing interest rate differential from both sides. The pair shows signs of bearishness as it trade below the 100-day EMA(blue line) and moreover the 14-day RSI also slips below the 50-midline showing signs of potential correction. The initial support for the pair stands at key psychological level of 155.00 whereas significant upside for the pair seems unlikely as this point of time



BLOG

Stop Negotiating For FOREX Get Real-Time FOREX Rates With Zero Hidden Fees

Let's face it – dealing with foreign exchange rates can be a real headache. Whether you're a business owner managing international transactions or an individual planning a trip abroad, getting accurate and fair forex rates is crucial. But all too often, we're hit with hidden fees and outdated rates that leave us feeling frustrated and out of pocket.

The Problem with Today Forex Services

First, let's talk about why the current system is letting us down. Many banks and currency exchange services advertise "competitive" rates, but what they don't tell you is that they're providing those rates with hefty margins. And also those sneaky transaction fees that seem to pop up out of nowhere.

To make matters worse, a lot of these live forex prices services rely on outdated rates. In the fast-paced world of forex, rates can change in the blink of an eye. Using old rates means you could be losing out on a better deal without even realizing it.

Zero Hidden Fees For Live Forex Rates: We Mean It

Now, let's address the elephant in the room – fees. We've all been there, thinking we've scored big and got live exchange rate only to be blindsided by a laundry list of charges. Processing fees, service fees, convenience fees – the list goes on and on.

At Myforexeye, we've said goodbye to all that nonsense. When we say zero hidden fees on live forex prices, we mean it. The real time exchange rate you see is the rate you get. Period. No sneaky additions, no fine print to decipher. Just honest, straightforward pricing that puts more money back in your pocket where it belongs.

Why This Matters for You

So, why should you care about all this? Well, whether you're a small business owner dealing with international suppliers or amid traveler planning your next adventure, live forex rates and transparent pricing can make a world of difference.

For businesses, even small discrepancies in live exchange rate can add up to significant losses over time. By using Myforexeye live forex rates service, you're ensuring that every transaction is as cost-effective as possible, helping to boost your bottom line.

And for individual travelers, there's nothing worse than feeling ripped off when exchanging currency. With our service, you can rest easy knowing you're getting the best possible live exchange rate without any nasty surprises.

Benefits of Using Myforexeye for Forex Transactions

Choosing Myforexeye for your forex transactions comes with several benefits:

i Cost Savings: With real-time rates and zero hidden fees, you can save significantly on your forex transactions.

ii Convenience: Our user-friendly platform makes it easy to monitor live forex prices, initiate transactions, and track your transfers.

iii Security: We use advanced security measures to protect your financial information, ensuring that your transactions are safe and secure.

iv Expert Support: Our team of forex experts is always available to provide guidance and support, helping you make the best decisions for your needs.

The Future of Real Time Exchange Rate

At Myforexeye, we're not just changing the game – we're rewriting the rules. We believe that access to fair and transparent live forex prices should be a right, not a privilege. And we're just getting started.

Our team is constantly working on new features and improvements to make your live forex price experience even better. From advanced analytics tools for businesses to personalized alerts for individual users, we're committed to staying ahead of the curve.



Exclusively for TPCI members:

Complimentary Myforexeye application access

*TILL MARCH 2025



Scan this QR
To Get the
Myforexeye APP

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

THANK YOU



Mr. Ritik Bali
8860447723
advisory@myforexeye.com



Ms Aashima Sharma
8826337027
aaashima.sharma@tpci.in