Forex Market Insights

Newsletter

Volume 142 → Nov 23 to Nov 29, 2024

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Welcome

Dear Stakeholders,

This week, we witnessed the US Dollar maintaining exceptional momentum, reaching heights not seen in over two years. As the CEO of our financial institution, I've been closely monitoring this remarkable surge, particularly driven by market speculation around potential policy shifts. The Dollar Index's breakthrough above 108.00 marks a significant milestone, something we haven't observed since November 2022. While this strength reflects market confidence, I believe it's crucial to note the broader implications for global trade dynamics.

Meanwhile, the Euro has been under pressure, slipping to two-year lows around 1.0330. Weak data from Germany, such as poor IFO Business Climate results, added to the Eurozone’s challenges. Similarly, the British Pound fell below 1.2500 due to disappointing domestic data and dollar strength. The Japanese Yen's movement also deserves attention, especially considering recent comments from BoJ officials.

Looking ahead, I anticipate the US Dollar may maintain its strength, especially if US data continues to outperform. However, risks remain. A potential easing in inflation or geopolitical surprises could limit further gains. For the Euro and Pound, upcoming inflation and employment reports will likely set the tone for near-term moves.

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

Key Takeaway Summaries

₹ INR

The US$INR pair hit a fresh all-time high of 83.5025 on Friday, driven by a strong dollar rally, a sell-off in domestic equities.

€ EUR

The EURUS$ dropped sharply to 1.035, it’s lowest since Nov 2022, after PMI data highlighted ongoing weakness.

£ GBP

The GBPUS$ dropped below 1.26, hitting its lowest level since mid-May, as weak economic data weighed on the currency.

¥ JPY

The US$JPY hovered near 154.3 on Friday, maintaining its position after gains in the previous session, as investors analysed recent economic data.

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₹ INR

REPO RATE	GDP	INFLATION	UNEMPLOYMENT	TRADE BALANCE
6.50%	1.3%	6.21%	10.1%	$-27.1B

Events to WATCH

Nov 26, 20:30
CB Consumer Confidence (Nov)

Nov 26, 20:30
New Home Sales (Oct)

Nov 27, 00:30
FOMC, Meeting Minutes

The holiday-shortened trading week saw markets closed on Wednesday due to state assembly elections. The US$INR pair hit a fresh all-time high of 83.5025 on Friday, driven by a strong dollar rally, a sell-off in domestic equities, and rising crude oil prices amid escalating geopolitical tensions between Russia and Ukraine. The Dollar Index initially declined but resumed its multi-week rally, gaining nearly 1% to end the week at 107.49, after reaching a 13-month high of 108.07. Federal Reserve Chair Jerome Powell's recent remarks in Dallas emphasized that the Fed does not intend to cut rates at every six-week interval. These comments, viewed as signaling fewer rate cuts in 2025, dampened market sentiment, particularly after the initial optimism following Trump's election.

RBI Governor Shaktikanta Das highlighted that India's robust economic growth provides flexibility to focus on bringing inflation sustainably toward the 4% target. However, concerns about high valuations, weak Q2FY25 earnings, and a potential slowdown in India's GDP growth for the same period have negatively impacted investor confidence. Consequently, foreign portfolio investors (FPIs) have withdrawn nearly ₹40,000 crore from Indian equities in November to date. However, the Reserve Bank of India (RBI) has intervened regularly, with state-run banks supplying US$ to mitigate INR depreciation. India's foreign exchange reserves experienced their sharpest weekly decline on record, falling by $17.7 billion to $657.89 billion as of November 15, marking a four-month low.

$ USD

REPO RATE	GDP	INFLATION	UNEMPLOYMENT	TRADE BALANCE
4.75%	2.8%	2.6%	4.1%	$-84.36B

Events to WATCH

Nov 27, 19:00
Continuing Jobless Cliams

Nov 27, 19:00
Core PCE Prices (Q3)

Nov 27, 19:00
GDP (Q3)

Nov 27, 19:00
Initial Jobless Claims

Nov 27, 20:30
Core PCE Price Index (MoM) (Oct)

Nov 27, 20:30
PCE Price Index (YoY) (Oct)

The Indian Rupee reached a new all-time low of 84.50 against the US Dollar this week, pressured by the dollar index climbing to 13-month high, weak domestic equities due to persistent foreign outflows, and elevated crude oil prices driven by intensifying geopolitical tensions between Russia and Ukraine.

On the daily chart, the US$INR pair continues to trade within an ascending trend channel, forming higher highs and higher lows. The bullish trend remains intact as the price holds above the crucial 100-day Exponential Moving Average (EMA). However, a potential correction or further consolidation could occur, as indicated by a bearish RSI divergence, where the 14-day Relative Strength Index (RSI) failed to make a new high despite the pair reaching a fresh peak. The immediate resistance aligns with the all-time high levels, while support levels are at the 21-day Simple Moving Average (SMA) at 84.25 and the 50-day SMA at 83.97.

Exporters are advised to maintain a balanced hedge ratio of 50–60% to secure their positions. Importers should aim to hedge during minor dips and consider employing stop-loss strategies to manage risk. With recent volatility in the pair, incorporating a mix of forwards and options is advised to diversify exposure effectively.

€ EUR

REPO RATE	GDP	INFLATION	UNEMPLOYMENT	TRADE BALANCE
3.40%	0.4%	2%	6.3%	€9.6B

Events to WATCH

Nov 27, 13:30
ECB Policy Meeting

Nov 28, 18:30
German CPI (YoY) (Nov)

Nov 28, 18:30
German CPI (MoM) (Nov)

Nov 29, 15:30
CPI (YoY) (Nov)

The EURUS$ dropped sharply to 1.035, it's lowest since November 2022, after PMI data highlighted ongoing weakness in Eurozone business activity. The HCOB Flash Eurozone Composite PMI fell to 48.1 in November from 50 in October, well below expectations, as the services sector contracted for the first time in ten months, mirroring the continued manufacturing slump. Earlier in the week, the ECB's Financial Stability Review warned that geopolitical tensions and policy uncertainties are heightening sovereign risks, while rising global trade tensions could trigger economic shocks. Further concerns stem from escalating conflict between Russia and Ukraine, with reports of Russia using a new type of ballistic missile in recent attacks. The EURUS$ is likely to remain under pressure as weak Eurozone PMI data and a slowing services sector highlight economic vulnerabilities. Geopolitical risks, including the Russia-Ukraine conflict, and warnings from the ECB about rising sovereign and trade-related risks add further downside potential. Market focus will stay on upcoming economic indicators and ECB policy signals for direction.

The EURUS$ pair recorded a weekly low of 1.0331 and a high of 1.0609, with a bearish trend expected to continue, potentially testing levels around 1.0222 or lower. Resistance levels to watch are 1.0451 (weekly pivot), 1.0609 (recent high), and 1.0936 (psychological resistance), while support lies at 1.0331 and the critical 1.0222–1.0238 zone. Indicators reinforce the bearish sentiment, with RSI (14) nearing oversold levels and prices trading below the 50-day and 200-day moving averages. Fibonacci retracement highlights key support at 1.0238 and 1.0222. Traders could consider long entries near 1.0238 targeting 1.0609, with a stop-loss below 1.0222. Alternatively, shorts near 1.0414–1.0350 could target 1.0238. A break below 1.0290 might deepen losses to 1.0222, while a move above 1.0554 could test 1.0609.

£ GBP

REPO RATE	GDP	INFLATION	UNEMPLOYMENT	TRADE BALANCE
4.75%	0.1%	2.3%	4.3%	£ -3462B

Events to WATCH

Nov 26, 19:30
CBI Distributive Trade Survey (Nov)

Nov 27, 12:30
GFK consumer confidence (Nov)

The GBPUS$ dropped below 1.26, hitting its lowest level since mid-May, as weak economic data weighed on the currency. Retail sales in October fell by 0.7%, more than expected, and flash PMIs showed a slight decline in business activity for November, with sharp slowdowns in services and manufacturing. Annual inflation rose to 2.3% in October, the highest in six months, surpassing the Bank of England's target and market expectations of 2.2%. Services inflation, a key domestic price measure for the BoE, ticked up to 5% from 4.9%. A stronger US dollar and ongoing tensions from the Russia-Ukraine conflict added further pressure on the pound. Analysts largely expect the Bank of England to keep interest rates unchanged in December, with only a 14% chance of a rate cut. The GBPUS$ may face continued downward pressure due to weak UK economic data and rising inflation. A cautious Bank of England stance and global uncertainties, including the strong US dollar and geopolitical tensions, could weigh on the pound. Market focus will remain on December's BoE decision and upcoming economic indicators.

GBPUS$ pair recorded a weekly low of 1.2486 and a high of 1.2714, signaling a bearish sentiment as the price remains below the 50- and 200-day moving averages. Key resistance levels are at 1.2574 (weekly pivot), 1.2714 (recent high), and 1.3047 (psychological resistance). Support lies at 1.2486 (weekly low) and the 1.2299–1.2340 zone. The RSI (14) nears oversold levels, suggesting a possible bounce if it drops to 25. Fibonacci support levels at 1.2467 and 1.2445 are crucial for next week's movement. A break below 1.2467 may drive the pair to 1.2299, while a sustained move above 1.2600 could target 1.2714. Trade setups include bullish positions near 1.2300–1.2350 targeting 1.2714, and bearish entries near 1.2510–1.2445 with targets at 1.2300.

¥ JPY

REPO RATE	GDP	INFLATION	UNEMPLOYMENT	TRADE BALANCE
0.25%	0.2%	2.3%	2.4%	¥ -461B

Events to WATCH

Nov 29, 05:30
CPI (YoY) (Nov)

Nov 29, 05:00
Tokyo Core CPI (YoY) (Nov)

Nov 29, 05:00
Tokyo CPI (YoY) (Nov)

Nov 29, 05:00
Unemployment Rate (Oct)

The US$JPY hovered near 154.3 on Friday, maintaining its position after gains in the previous session, as investors analysed recent economic data. Japan's headline inflation slowed to 2.3% in October, it's lowest in nine months, while core inflation also dipped to 2.3%, a six-month low but slightly above the 2.2% forecast. On the manufacturing front, activity in Japan contracted more than expected in November, though the services sector showed growth. Bank of Japan Governor Kazuo Ueda hinted at a possible rate hike in December, citing the yen's recent weakness. Additionally, Prime Minister Shigeru Ishiba's government is considering a $90 billion stimulus plan to help households cope with rising prices. However, the yen struggled to gain ground due to the strong US dollar and high US Treasury yields. The US$JPY may face pressure due to a strong dollar and high US Treasury yields. However, potential monetary tightening by the Bank of Japan and Japan's stimulus measures could support the yen. Investors will closely watch upcoming economic data and BOJ decisions to gauge the currency's direction in December.

US$JPY is showing strong bullish momentum, with the current weekly range between 153.32 and 155.88. If this momentum persists, the pair could test 160.00, approaching the previous high of 161.85. Key resistance levels include 156.00 (weekly pivot), 157.50 (50% Fibonacci retracement), and 160.00 (psychological level), while support lies at 153.30 and the major zone of 151.50–150.00. Indicators highlight overbought conditions on the RSI (14), suggesting a potential pullback if it surpasses 70, while prices trading above the 50 and 200 MAs confirm the bullish trend. Bullish setups favor long positions near 154.00–154.50, targeting 157.50 and 160.00, with stops below 153.00. Conversely, bearish setups involve shorts around 157.50–158.00, aiming for 153.50 and 151.50, with stops above 159.00.

BLOG

The Future of Forex Trading Education AI Powered Learning Platforms

Traditional forex trading class online programs have evolved significantly from conventional classroom settings. Today's best forex trading classes leverage artificial intelligence to create dynamic learning environments that adapt to each student's pace and learning style. These innovative platforms are reshaping how aspiring traders approach their education in the foreign exchange market.

Personalized Learning Through AI

One of the most significant advantages of AI-powered forex trading class online platforms is their ability to create personalized learning paths. These systems can identify knowledge gaps and strengthen areas where traders need additional support. The best forex trading course providers now incorporate machine learning algorithms that track student progress and automatically adjust the curriculum to address individual needs.

Traditional forex online course structures often followed a one-size-fits-all approach. However, modern platforms understand that each trader has unique learning requirements. Through sophisticated data analysis, these AI-driven systems can, adapt content difficulty based on student performance, provide real-time feedback on trading decisions, offer personalized practice scenarios and generate custom homework assignments trading.

Real-Time Market Analysis Integration

Modern online forex trading course platforms combine educational content with real-time market analysis tools. This integration allows students to apply theoretical knowledge to practical situations immediately. The best forex trading classes now include AI-powered market scanning tools that help students identify trading opportunities while learning fundamental concepts.

Interactive Learning Experience

Today's forex trading class online programs go beyond simple video lectures and PDF materials. AI-powered platforms offers, virtual trading simulators, interactive quizzes and assessments, live market analysis sessions, and AI-powered trading mentors

Data-Driven Progress Tracking

Modern online forex trading course platforms utilize advanced analytics to track student progress and performance. This data-driven approach allows both educators and students to, monitor learning progress in real-time, identify areas requiring additional focus, measure trading performance improvements and track risk management capabilities

Role of Machine Learning in Trading Education

The best forex trading course providers now incorporate machine learning algorithms that can, predict student learning patterns, recommend optimal study schedules, identify potential trading strengths and suggest specialized learning paths.

Cost-Effectiveness and Accessibility

Online forex trading course platforms powered by AI typically offer more affordable options compared to traditional education methods. This accessibility has democratized forex education, making it available to a global audience of aspiring traders.

Future Trends and Innovations

The future of forex trading class online education looks promising with emerging technologies such as, virtual reality trading rooms, AI-powered market prediction tools, natural language processing for market analysis and advanced pattern recognition systems.

Conclusion

The integration of AI into forex trading education represents a significant leap forward in how traders learn and develop their skills. The best forex trading course providers now offer comprehensive, personalized learning experiences that were impossible just a few years ago.

THANK YOU

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Simplifying Forex

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