

Weekly Global FX Market Monitor

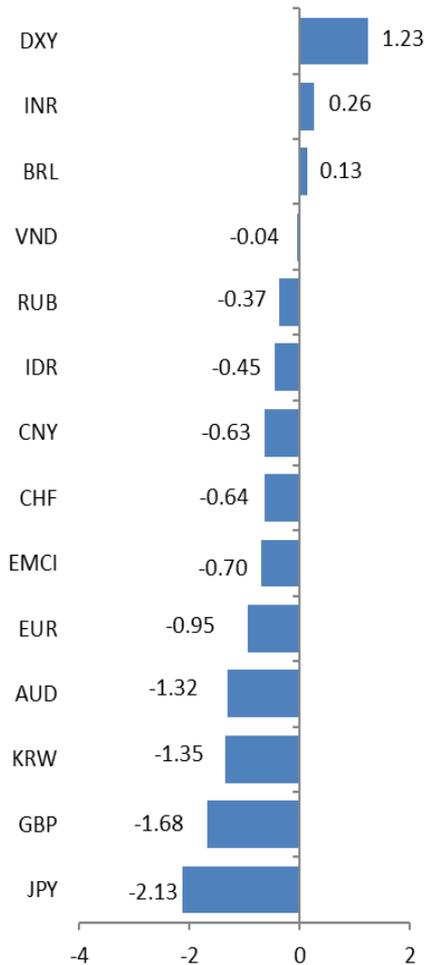
2023.7.24



Global

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Translation: Jae Yeon Hyun

■ Weekly Change (%)



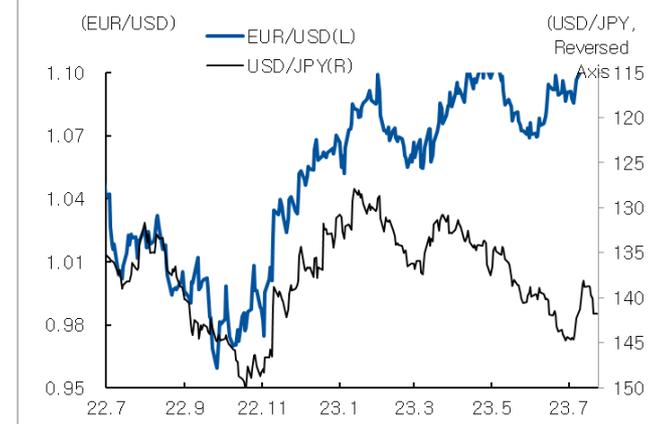
- Global FX market(last week): Strong USD(+1.23%), Weak EUR(-0.95%), Weak JPY(-2.13%)
 - As possibility of the Fed's aggressive rate hike was lowered, DXY moved below 100pt level. But as weakening of USD was mitigated due to cautions on FOMC and expectations on US soft landing later in the week, DXY closed at 101pt.
 - EUR rose above 1.12 but dropped to 1.11 due to the collapse of Black Sea grain deal and attack on Ukrainian ports carrying grain.
 - BOJ is expected to maintain dovish stance at this week's meeting and USDJPY rose to 141 accordingly.
- Investor sentiment has weakened due to China's unsatisfying 2Q GDP (6.3%, below market consensus 7.1%) and rising concerns over default of Chinese real estate companies. EM currencies weakened.
 - The Bank of Russia raised rate by 100bp at July 21 meeting. (First rate hike since the invasion of Ukraine) RUB(-0.37%) weakened.
 - INR(+0.26%) strengthened while VND(-0.04%) and IDR(-0.45%) weakened.

Dollar Index & US Treasury 10yr



Source : Bloomberg , SHB Solution & Trading Center

EUR & JPY Trend



Source : Bloomberg , SHB Solution & Trading Center

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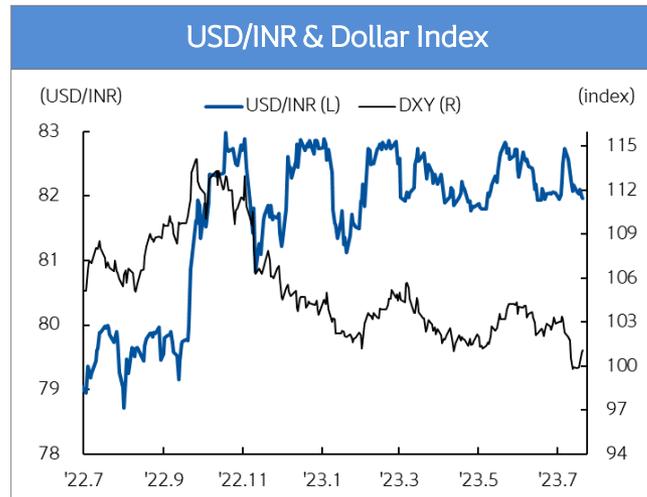


India

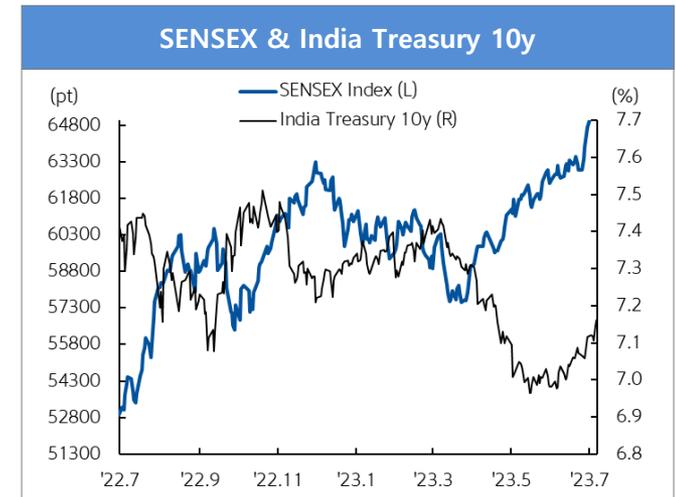
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USD/INR	81.96
52wk high	83.29
52wk low	78.50
Sensex	66,684
52wk high	67,619
52wk low	55,158
Government Bond (10yr,%)	7.08
52wk high	7.54
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	6.06
Consumer Prices (% YoY)	4.81
Producer Prices (% YoY)	-4.12
RBI rate(%)	6.50
Manufacturing PMI (index)	57.8
Industrial Production (% YoY)	5.20
Core Sector Growth(% YoY)	4.34
Exports (% YoY)	-22.03
Imports (% YoY)	-17.49
Current Account (\$bn)	-1.34
Financail Earnings and Expenses (INR10mn)	-766
FX Reserve (\$mn)	609,022

- Last week, USD/INR moved in the range of 81.95~82.05, finished bullish.(+0.26%)
- Investor sentiment weakened, while INR strengthened as inflow of foreign capital into Indian stock market continued. Trade deficit in June narrowed month-on-month with \$20.1 billion deficit.
- FPI net purchased in equity and bond market.
 - Equity: net purchased (7/17~7/20 accumulated: \$1,202.13 mil), SENSEX rose(+0.94%)
 - Bond: net purchased (7/17 ~7/20 accumulated: \$184.66 mil), bond yield fell (10y, 7.08%, -1.30bp)
- FOMC is scheduled to meet on July 26th, and it is almost certain that the USD fed will raise interest rates by 25 basis points. The direction of USD and INR will likely be determined by the message from the USD fed on the possibility of further rate hikes. However, considering recent easing inflation in the US, USD is expected to weaken as the US Fed ends rate hikes after July and Rupee may strengthen as risk sentiment recovers. (Expected Range: 81.8~82.8)



Source: Bloomberg, SHB Solution & Trading Center



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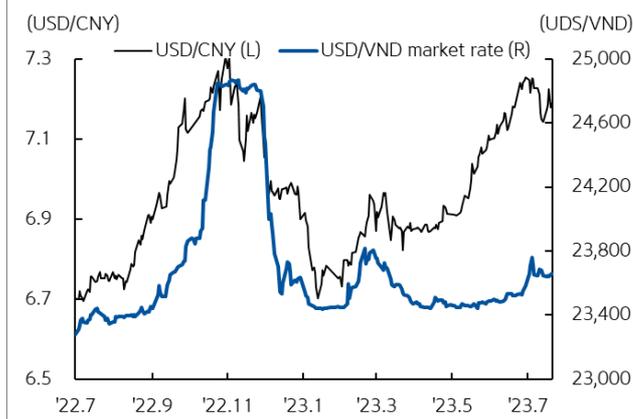
Vietnam

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USD/VND	23,656
52wk high	24,874
52wk low	23,339
VN index	1,186
52wk high	1,295
52wk low	874
Government Bond(10yr,%)	2.58
52wk high	5.21
52wk low	2.58
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	4.14
Consumer Prices (% YoY)	2
Total Mining Industries Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	46.2
Industrial Production (% YoY)	2.80
Retail Sales(% YoY)	10.90
Exports (% YoY)	-11.4
Imports (% YoY)	-16.9
Current Account (\$mn)	5966.00
Financail Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	88,133

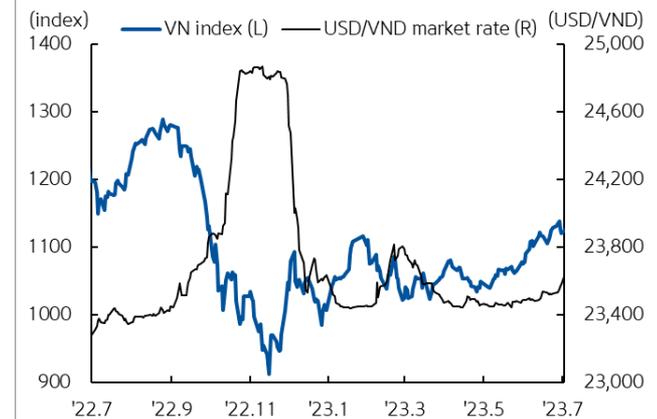
- Last week, USD/VND(market rate) moved around 23,641~23,656, slightly dropped in a week.(-0.04%)
- ADB adjusted Vietnam's growth in 2023 downward from 6.5% to 5.8%. Sluggish global demand and export, depression of real estate and corporate bond market, etc. will have negative impact on the economy.
- The market slightly dropped as banking shares and mid-cap stocks dropped. But the market closed at 1,185.90pt (highest in ten months) as liquidity recovered later in the week.
- SBV announced central rate at 23,734 (7/21), dropped compared to 7/14. (23,720, -0.06%)
- FPI(equity, bond, mutual fund, ETF, etc.) bought a net of \$48.79 million.
- VN Index rose(+1.50%), and VNIBOR dropped by 28.3bps. (3.76%, 7/21)
- Major credit rating institutions warned Vietnamese real estate companies' default risk due to sluggish demand and tightness of capital. Despite recovery in service industry, the Vietnamese economy will struggle to recover due to sluggish export and liquidity crunch in real estate market. (Expected Range: 23,600~23,760)

USD/CNY & USD/VND Market rate



Source : Bloomberg , SHB Solution & Trading Center

VN Index & USD/VND Market rate



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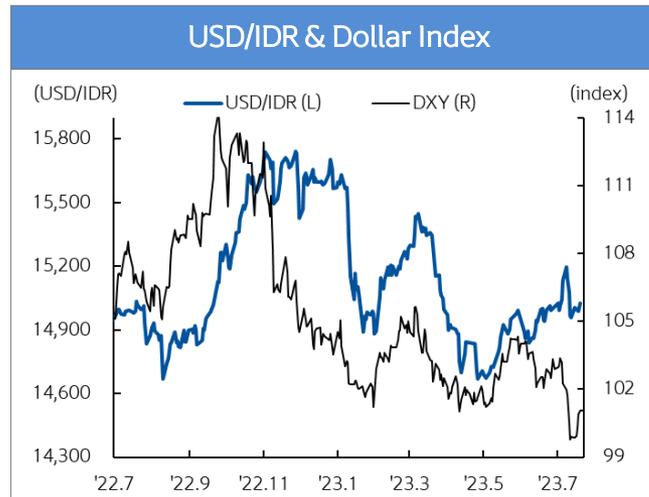


Indonesia

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USD/IDR	15,025
52wk high	15,763
52wk low	14,575
Jakarta index	6,881
52wk high	7,377
52wk low	6,543
Government Bond(10yr,%)	6.25
52wk high	7.69
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	5.03
Consumer Prices (% YoY)	3.52
Total Mining Industries Producer Price(% YoY)	3.87
Refinance rate(%)	5.75
Manufacturing PMI (index)	52.5
Industrial Production (% YoY)	1.17
Retail Sales(% YoY)	8.04
Exports (% YoY)	-21.18
Imports (% YoY)	-18.35
Current Account (\$mn)	3,000
Financail Earnings and Expenses (VND10bn)	-775,064
FX Reserve (\$mn)	138

- Last week, USD/IDR(market rate) moved in the range of 14,988~15,025, finished bearish. (-0.45%)
- Rupiah weakened along with weak risk sentiment toward emerging market due to weak Chinese economy and financial difficulties of property developers.
- June export and import recorded -21.85% yoy and -18.35% yoy each, and trade surplus widened to \$3.46 billion from previous month's \$440 million, as import sharply decreased.
- FPI net purchased in equity market and bond market.
 - Equity: net purchased(7/17~7/21 accumulated: \$140.61 mil), Jakarta index rose. (+1.04%)
 - Bond: net purchased(7/17: \$46.85 mil), bond yield fell(10y, 6.25%, +6.60bp)
- Bank Indonesia's monetary meeting is scheduled on June 25, and the market expects BI to hold interest rates unchanged in the meeting to decrease volatility of Rupiah. May inflation remained within the BI's target range, but concerns on risk sentiment still exist due to rising global economy uncertainties. (Expected Range: 14,960~15,250)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD 0.6770

52wk High 0.7137

52wk Low 0.6199

S&P/ASX200 7,297

52wk High 7,558

52wk Low 6,457

Government Bond(10yr,%) 4.01

52wk High 4.29

52wk Low 2.98

Major Indices Snapshot

Real GDP Groth Rate (% YoY) 2.3

Consumer Prices (% YoY) 7

Producer Prices (% YoY) 5.2

Policy Rate (%) 4.10

AU-US 2yr Spread (%) -0.81

China Imports from Australia (% USD YoY) 6.2

Exports(% MoM) 4.4

Imports(% MoM) 2.5

Current Account(% GDP) 1.4

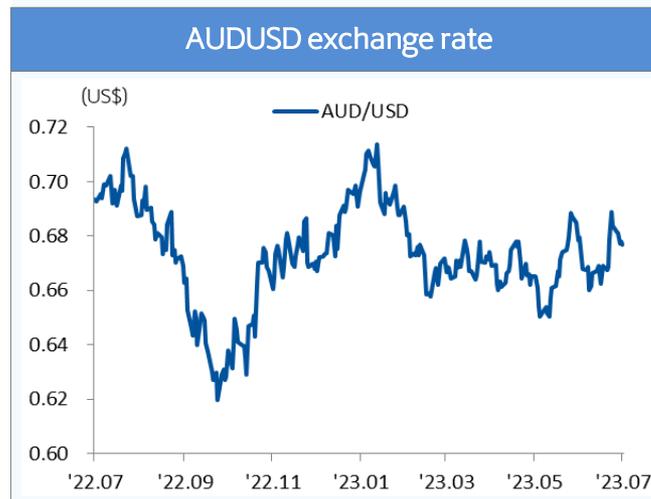
Last Week :

- AUD, which rose close to 0.69 level on July 14, turned weak as US treasury yield and dollar fell sharply and remained slightly below 0.68 level later in the week.

- AUD rose on strong Australia's June employment on July 20, but fell back as USD surged.

Outlook :

- After its sharp rise in July as market expectations for US monetary policy were adjusted and sentiment turned positive, recent pullback in the AUD is expected to continue. However, short-term volatility is expected to widen due to upcoming US, Europe, and Japan's central banks meetings on July 27~28.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 7/24)

	'23.9	'23.12	'24.3
A N Z	0.68	0.70	0.72
Wells Fargo	0.67	0.68	0.69
MUFG	0.66	0.68	0.67
JPMorgan	0.68	0.70	0.70

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations In Global Markets

2023.7.24

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-07-24	101.07	1.23	-1.78	-0.27	-0.83	-5.30	-2.37
	Euro (EUR/USD)	2023-07-24	1.11	-0.95	2.04	0.75	2.22	8.89	3.96
	Yen (USD/JPY)	2023-07-24	141.73	-2.13	1.26	-5.28	-8.16	-3.56	-7.49
	Pound (GBP/USD)	2023-07-24	1.29	-1.68	1.11	2.95	4.22	6.73	6.38
	Switzerland (USD/CHF)	2023-07-24	0.87	-0.64	3.43	2.51	6.54	11.35	6.76
	Australia (AUD/USD)	2023-07-24	0.67	-1.32	0.76	0.45	-4.54	-3.29	-1.28
FX - EM	South Korea (USD/KRW)	2023-07-21	1,283.40	-1.35	0.66	3.46	-3.73	1.90	-1.39
	China (USD/CNY)	2023-07-22	7.19	-0.63	-0.11	-4.12	-5.61	-5.85	-4.02
	India (USD/INR)	2023-07-21	81.96	0.26	0.09	0.17	-0.69	-2.45	0.95
	Indonesia (USD/IDR)	2023-07-21	15,025.00	-0.45	-0.53	-1.20	0.33	0.05	3.61
	Vietnam (USD/VND)	2023-07-22	23,656.00	-0.04	-0.56	-0.68	-0.88	-1.01	-0.10
	Brazil (USD/BRL)	2023-07-22	4.78	0.13	-0.39	5.58	8.65	14.97	10.41
	Russia (USD/RUB)	2023-07-21	90.67	-0.37	-7.14	-10.04	-23.99	-37.13	-18.18
Stock - DM	United States Dow Jones	2023-07-22	35,227.69	2.08	4.45	3.99	4.43	10.43	6.28
	United States NASDAQ	2023-07-22	14,032.81	-0.57	4.00	16.58	23.81	18.58	34.07
	United States S&P 500	2023-07-22	4,536.34	0.69	4.32	9.65	12.93	14.51	18.15
	Japan NIKKEI225	2023-07-21	32,304.25	-0.35	-1.46	12.98	18.33	15.73	23.80
	United Kingdom FTSE	2023-07-22	7,663.73	3.08	2.71	-3.14	-1.21	5.32	2.84
	France CAC40	2023-07-22	7,432.77	0.79	3.76	-1.86	5.42	19.56	14.81
	Germany DAX	2023-07-22	16,177.22	0.45	2.19	1.97	7.18	22.06	16.19
Stock - EM	South Korea KOSPI	2023-07-21	2,609.76	-0.71	1.54	3.42	8.96	9.05	16.69
	China Shanghai Stock Exchange	2023-07-21	3,167.75	-2.16	-0.94	-3.29	-2.97	-3.13	2.54
	India Sensex	2023-07-21	66,684.26	0.94	5.88	11.04	9.36	18.93	9.60
	Indonesia Jakarta	2023-07-21	6,880.80	1.04	3.63	0.86	0.29	-0.09	0.44
	Vietnam VN index	2023-07-21	1,185.90	1.50	5.00	13.88	7.02	-0.74	17.76
	Russia RTS	2023-07-22	1,012.37	-0.22	-2.66	-0.83	2.22	-12.84	4.30
	Brazil Bovespa	2023-07-22	120,216.77	2.13	1.04	15.65	6.36	21.52	9.55
Rates - DM	United States	2023-07-21	3.83	0.27	11.60	26.31	35.62	96.02	-3.99
	Germany	2023-07-21	2.47	-4.30	3.40	-1.20	29.20	124.60	-10.20
	United Kingdom	2023-07-21	4.28	-16.40	-12.50	52.20	90.20	223.30	60.80
	Japan	2023-07-21	0.45	-3.10	6.80	-2.30	6.40	21.40	2.80
Rates - EM	South Korea	2023-07-21	3.64	-5.50	1.30	31.70	36.30	26.50	-10.00
	India	2023-07-21	7.08	-1.30	1.00	-7.80	-27.00	-36.50	-25.00
	Indonesia	2023-07-21	6.25	6.60	-6.60	-42.90	-38.40	-124.80	-69.50
	Vietnam	2023-07-21	2.58	-20.00	-27.00	-86.00	-222.00	-83.00	-250.00
	Russia	2023-07-21	11.21	0.76	19.67	23.12	82.79	217.98	90.65
	Brazil	2023-07-21	10.91	9.70	-10.90	-169.80	-220.90	-280.20	-178.00
Commodity	WTI (\$/bbl)	2023-07-24	76.62	3.33	10.79	-2.72	-4.38	-19.09	-4.54
	Brent (\$/bbl)	2023-07-24	80.57	2.64	9.10	-2.61	-6.46	-21.93	-6.22
	Gold (\$/oz)	2023-07-24	1,961.78	0.34	2.00	-1.38	1.26	14.07	7.55

Source : Bloomberg, Datastream, Soluton & Trading Center

1) Periodical fluctuation rates in 'FX' categories mean appreciation(+) or depreciation(-) compared to dollar

2) 'Rates' categories mean Treasury 10 year yield, fluctuation rate is in bp(=0.01%) measure.

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