

Weekly Global FX Market Monitor

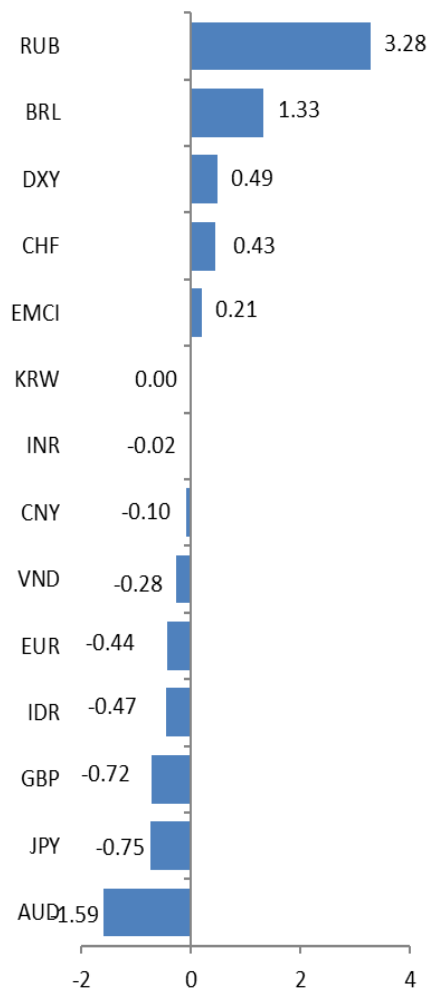
2023.10.16



Global

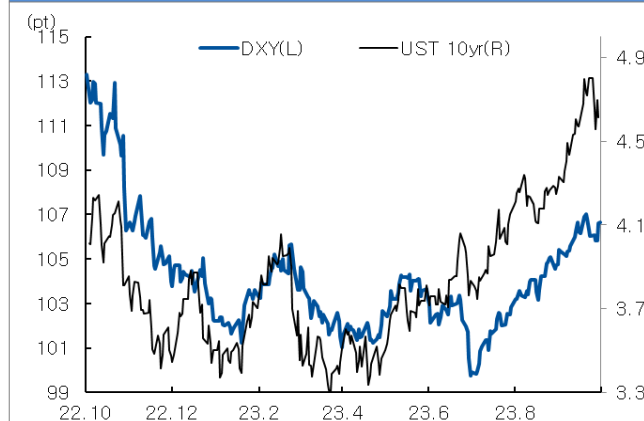
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



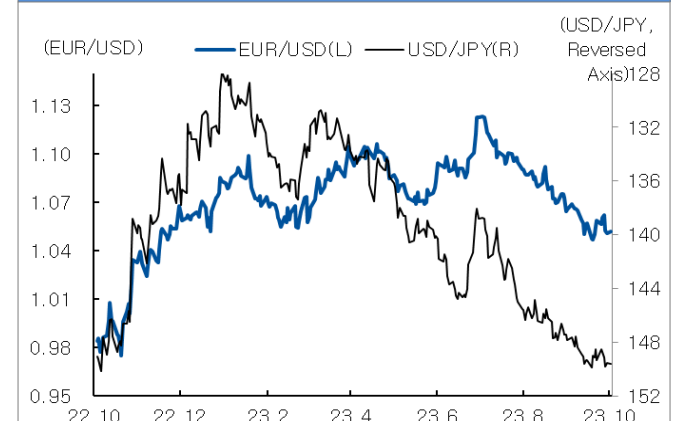
- Last week: Strong USD(+0.49%), Weak EUR(-0.44%), Weak JPY(-0.75%)
- After September CPI, which exceeded market expectation, was announced inflation pressure was reconfirmed. DXY rose up to 106.6pt as geopolitical risk was triggered by Israel-Palestine war.
- Eurozone August industrial production decreased by -5.1% yoy, below market consensus. (-3.6% yoy) Euro weakened on concerns over economic slowdown and the weakening trend continued after US CPI was announced and closed at 1.051 dollar.
- JPY continues to weaken due to BOJ's dovish stance. USDJPY rose above 149.9 yen but fell to 149.57 yen later in the week.
- Geopolitical uncertainty continues due to Israel-Palestine war and inflation pressure was confirmed after September US CPI was announced. As uncertainty increased, market sentiment failed to be recovered and EM currencies weakened.
- President Putin announced strong capital control prior to the election. RUB(+3.28%) strengthened as exporters are forced to do currency exchange of oversea sales in Russia.
- INR(-0.02%), VND(-0.28%), IDR(-0.47%) all 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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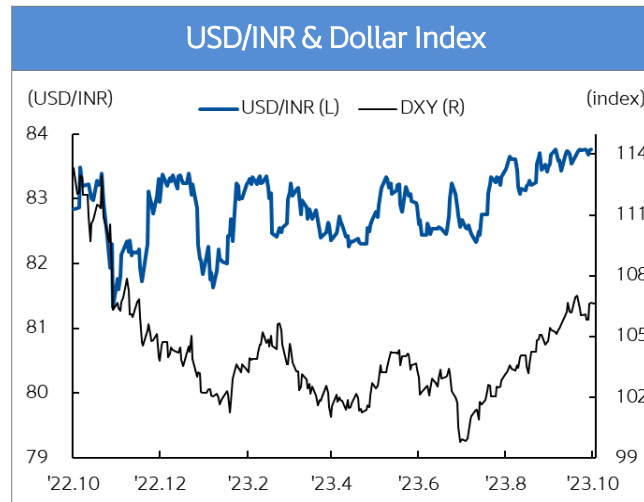


India

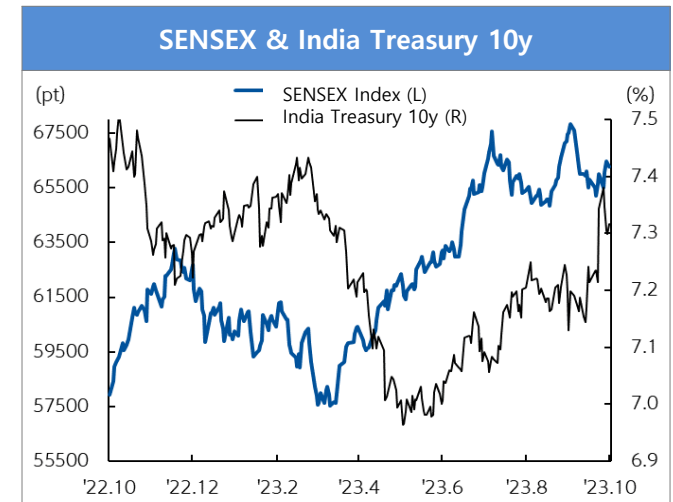
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USD/INR	83.26
52wk high	83.29
52wk low	80.52
Sensex	66,283
52wk high	67,927
52wk low	57,085
Government Bond (10yr,%)	7.32
52wk high	7.54
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.82
Consumer Prices (% YoY)	5.02
Producer Prices (% YoY)	-0.52
RBI rate(%)	6.50
Manufacturing PMI (index)	57.5
Industrial Production (% YoY)	10.30
Core Sector Growth(% YoY)	12.07
Exports (% YoY)	-2.62
Imports (% YoY)	-15.04
Current Account (\$bn)	-9.20
Financial Earnings and Expenses (INR10mn)	-37233
FX Reserve (\$mn)	584,742

- Last week, USD/INR moved in the range of 83.18~83.27, finished bearish. (-0.02%)
- Despite the sharp rise in oil prices due to the Israel-Palestinian conflict and stronger-than-expected September U.S. inflation, the U.S. bond interest rate rose again, INR weakened slightly due to the central bank's active intervention.
- Industrial production increased 10.3% yoy, while CPI recorded 5.02% yoy. Exports and imports decreased by 2.6% and 15.0% yoy, resulting in a trade balance of \$19.377 billion in deficit.
- FPI net sold in equity and net purchased in bond market.
 - Equity: net sold (10/9~10/12 accumulated: \$247.20 mil), SENSEX yield fell (-0.19%)
 - Bond: net purchased (10/9~10/12 accumulated: \$109.84 mil), bond yield rose. (10y, 7.32%, +1.80bp)
- The possibility of the Fed's policy interest rate hike cycle ending is increasing, but INR exchange rate is likely to fluctuate in the 83 range due to concerns about crude oil supply disruption with the newly emerged conflict between Israel and Palestine. (Expected Range: 82.7~83.9)



Source: Bloomberg, SHB Solution & Trading Center



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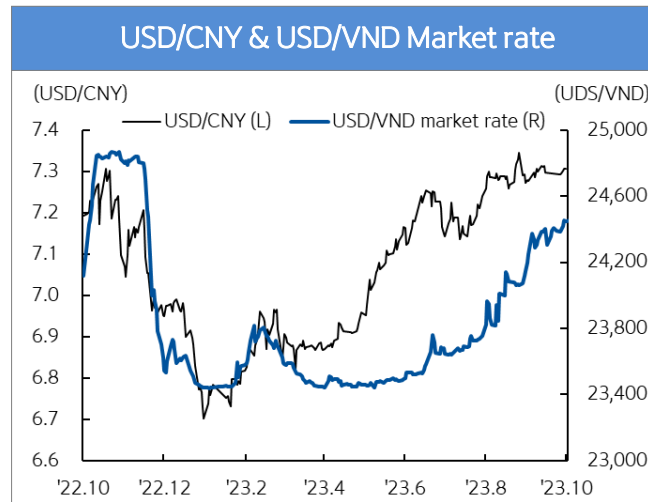


Vietnam

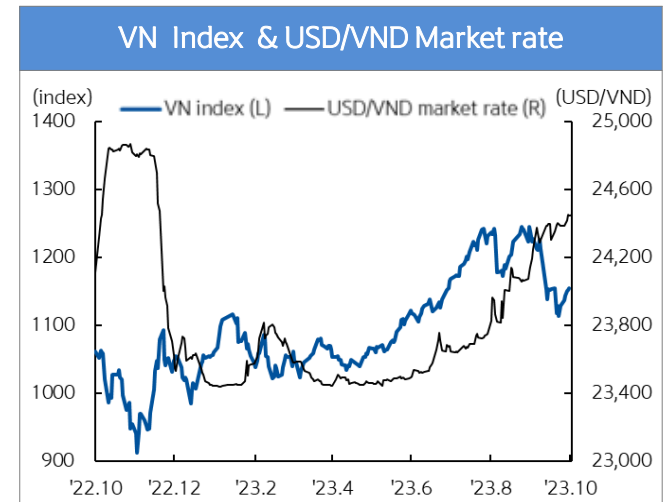
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USD/VND	24,453
52wk high	24,874
52wk low	23,415
VN index	1,155
52wk high	1,255
52wk low	874
Government Bond(10yr,%)	3.10
52wk high	5.20
52wk low	2.42
Major Indices Snap shot	
Real GDP Growth	5.33
Rate(% YoY)	
Consumer Prices (% YoY)	3.66
Total Mining Industries	9.18
Producer Price(% YoY)	
Refinance rate(%)	4.50
Manufacturing PMI (index)	49.7
Industrial Production (% YoY)	5.10
Retail Sales(% YoY)	10.00
Exports (% YoY)	4.6
Imports (% YoY)	2.6
Current Account (\$mn)	7860.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	89,241

- Last week, USD/VND(market rate) moved in the range of 24,385~24,450, finished bearish. (-0.02%)
- SBV announced market rate at 24,077 (10/13), declined compared to 10/6. (24,074, -0.01%)
- CNY showed a steady trend, but VND was weakening due to risk-off sentiment based on the outbreak of the Israel-Palestine war.
- Automobile sales in September were 23,993 units, down 16.6% yoy.
- FPI (equity, bond, mutual, fund, ETF, etc.) net sold \$78.28 mil
- VN index rose(+0.27%), and VNIBOR rose by 10bps. (3.20%, 10/13)
- As uncertainty in the financial market is increasing due to risks originating from the Middle East, VND exchange rate is expected to rise. With the announcement of China's major economic indicators and the People's Bank of China's interest rate decision scheduled for September this week, attention will be paid to whether or not interest will be paid as the interest payment grace period for Biguiyuan has arrived on the 17th. (Expected Range: 24,200~24,570)



Source : Bloomberg , SHB Solution & Trading Center



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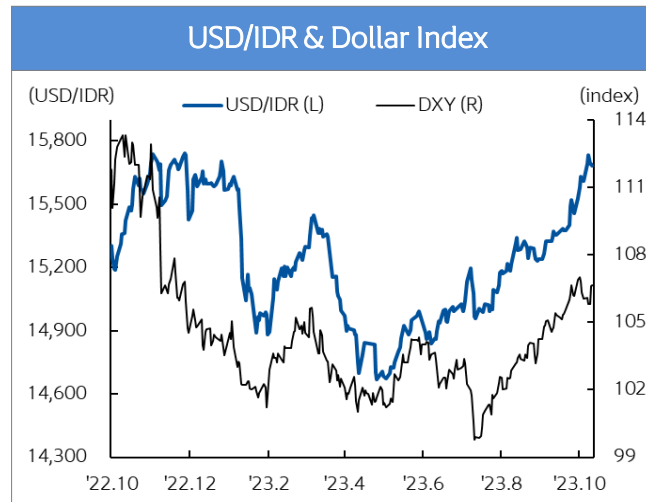


Indonesia

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USD/IDR	15,683
52wk high	15,763
52wk low	14,575
Jakarta index	6,927
52wk high	7,128
52wk low	6,543
Government Bond(10yr,%)	6.79
52wk high	7.69
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	5.17
Rate(% YoY)	
Consumer Prices (% YoY)	2.28
Total Mining Industries	
Producer Price(% YoY)	3.28
Refinance rate(%)	5.75
Manufacturing PMI (index)	52.3
Industrial Production (% YoY)	-1.26
Retail Sales(% YoY)	1.30
Exports (% YoY)	-21.21
Imports (% YoY)	-14.77
Current Account (\$mn)	-1,900
Financail Earnings and Expenses (IDR10bn)	-775,064
FX Reserve (\$mn)	135

- Last week, USD/IDR(market rate) moved in the range of 15,683~15,735, finished bearish (-0.47%)
- IDR showed weakness at the beginning of the week due to the Israel-Palestine war, but the exchange rate fell slightly due to the prospect of China strengthening its economic stimulus measures during the week. IDR weakens after US CPI announced.
- FPI net purchased in equity and net sold in bond market.
 - Equity: net purchased (10/9~10/13 accumulated: \$17.32 mil), Jakarta index rose (+0.56%)
 - Bond: net sold (10/9~10/13 accumulated: \$84.38 mil), bond yield fell (10y, 6.79%, -25.50bp)
- As geopolitical uncertainty continues, China's GDP, which will be announced this week, is expected to fall below the 5% level, making it unlikely that market sentiment will recover. Accordingly, IDR is expected to weaken this week as well. Indonesia's export and import results are scheduled to be announced this week. The trade surplus in September is expected to be 2.24 billion, a significant decrease from the previous month (3.12 billion). The base interest rate is expected to be frozen to stabilize IDR in October meeting. (Expected Range: 15,490~15,900)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6325
52wk High	0.7137
52wk Low	0.6270
S&P/ASX200	7,026
52wk High	7,558
52wk Low	6,643
Government Bond(10yr,%)	4.46
52wk High	4.66
52wk Low	3.19
Major Indices Snapshot	
Real GDP Groth Rate (%YoY)	2.1
Consumer Prices (%YoY)	6
Producer Prices (%YoY)	3.9
Policy Rate (%)	4.10
AU-US 2yr Spread (%)	-1.03
China Imports from Australia (% USD YoY)	4.9
Exports(%MoM)	4.0
Imports(%MoM)	-0.4
Current Account(% GDP)	1.2

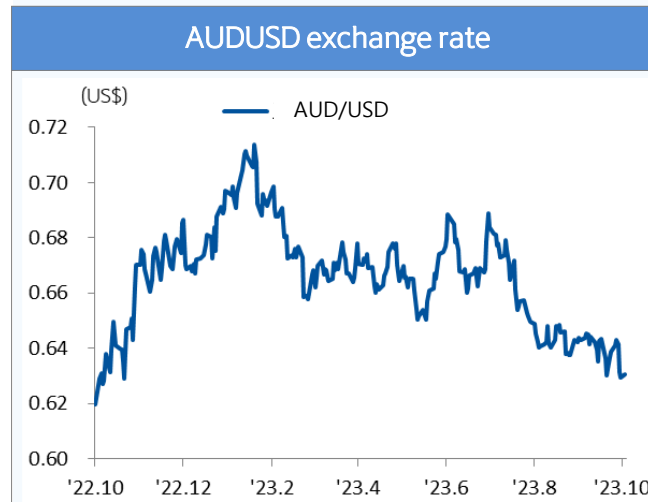
Last Week :

- Iran was accused of being behind Hamas attack on Israel but without solid evidence, geopolitical risk has mitigated and AUDUSD rose above 0.64 dollar level.
- But as US September CPI, along with PPI, exceeded market expectation US dollar rose and AUD dropped.

Outlook :

- The Israel-Hamas war itself has limited global impact. But Iran-backed Hezbollah joining the conflict would be a game changer.
- The US will actively intervene to deter the spread of the conflict but uncertainty still remains. Oil price would be an indicator for the course of the war. Amid real estate market crisis in China, US bond yield rally, and energy crisis, AUD remains weak.

*No changes



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 10/6)

	'23.12	'24.03	'24.06
A N Z	0.65	0.68	0.68
Wells Fargo	0.62	0.61	0.62
MUFG	0.64	0.65	0.66
JPMorgan	0.68	0.70	0.69

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2023.10.16

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-10-16	106.61	0.49	1.22	6.70	4.98	-5.92	2.98
	Euro (EUR/USD)	2023-10-16	1.05	-0.44	-1.61	-6.37	-3.72	6.90	-1.73
	Yen (USD/JPY)	2023-10-16	149.63	-0.75	-1.35	-7.30	-10.13	-0.39	-12.37
	Pound (GBP/USD)	2023-10-16	1.22	-0.72	-1.88	-7.06	-1.83	6.97	0.55
	Switzerland (USD/CHF)	2023-10-16	0.90	0.43	-0.62	-4.67	-0.44	10.37	2.42
	Australia (AUD/USD)	2023-10-16	0.63	-1.59	-1.99	-7.44	-5.85	0.29	-7.40
FX - EM	South Korea (USD/KRW)	2023-10-13	1,350.05	-0.00	-1.49	-5.58	-2.93	6.00	-6.26
	China (USD/CNY)	2023-10-14	7.31	-0.10	-0.46	-2.13	-5.99	-1.85	-5.56
	India (USD/INR)	2023-10-13	83.26	-0.02	-0.33	-1.43	-1.69	-1.10	-0.64
	Indonesia (USD/IDR)	2023-10-13	15,683.00	-0.47	-2.00	-4.56	-5.94	-2.05	-0.73
	Vietnam (USD/VND)	2023-10-16	24,453.00	-0.28	-0.31	-3.32	-3.98	-0.54	-3.35
	Brazil (USD/BRL)	2023-10-14	5.08	1.33	-3.20	-5.45	-2.98	3.63	3.97
Russia (USD/RUB)	2023-10-14	97.69	3.28	-1.53	-7.69	-16.29	-34.87	-24.06	
Stock - DM	United States Dow Jones	2023-10-14	33,670.29	0.79	-2.74	-2.43	-0.64	13.62	1.58
	United States NASDAQ	2023-10-14	13,407.23	-0.18	-2.20	-5.01	10.59	29.90	28.10
	United States S&P 500	2023-10-14	4,327.78	0.45	-2.75	-3.94	4.60	20.78	12.72
	Japan NIKKEI225	2023-10-13	32,315.99	3.99	-3.63	-0.23	13.42	19.29	23.84
	United Kingdom FTSE	2023-10-14	7,599.60	1.40	-1.45	2.22	-3.46	10.80	1.98
	France CAC40	2023-10-14	7,003.53	-0.80	-5.09	-5.03	-6.86	18.07	8.18
	Germany DAX	2023-10-14	15,186.66	-0.28	-4.45	-5.70	-3.93	22.10	9.07
Stock - EM	South Korea KOSPI	2023-10-13	2,456.15	2.19	-5.58	-6.55	-4.49	11.01	9.83
	China Shanghai Stock Exchange	2023-10-13	3,088.10	-0.72	-0.95	-4.62	-7.49	0.52	-0.04
	India Sensex	2023-10-13	66,282.74	0.44	-2.29	0.34	9.68	14.44	8.94
	Indonesia Jakarta	2023-10-13	6,926.78	0.56	-0.80	0.83	1.59	1.65	1.11
	Vietnam VN index	2023-10-13	1,154.73	2.32	-5.92	-1.17	9.67	8.75	14.66
	Russia RTS	2023-10-14	1,034.11	4.76	0.48	1.92	5.21	4.39	6.54
Brazil Bovespa	2023-10-14	115,754.08	2.18	-2.53	-1.66	8.91	3.29	5.49	
Rates - DM	United States	2023-10-13	4.61	-18.85	36.39	84.90	116.75	66.89	73.76
	Germany	2023-10-13	2.74	-14.70	8.60	25.20	36.50	45.00	16.60
	United Kingdom	2023-10-13	4.39	-18.70	3.90	-3.60	81.10	18.80	71.40
	Japan	2023-10-13	0.76	-4.40	4.80	28.60	29.00	51.10	33.90
Rates - EM	South Korea	2023-10-13	4.17	-7.90	21.80	50.50	88.50	-6.50	43.00
	India	2023-10-13	7.32	-2.70	12.10	24.20	10.20	-10.50	-1.10
	Indonesia	2023-10-12	6.79	-25.50	14.00	59.10	13.70	-57.80	-15.50
	Vietnam	2023-10-13	3.10	0.00	35.00	25.00	-55.00	-205.00	-195.00
	Russia	2023-10-13	12.04	-0.88	38.63	83.50	105.18	320.03	173.31
	Brazil	2023-10-13	11.83	-12.50	63.00	114.70	-44.60	-18.60	-86.00
Commodity	WTI (\$/bbl)	2023-10-16	87.75	1.59	-3.33	16.35	6.34	2.50	9.33
	Brent (\$/bbl)	2023-10-16	91.02	3.26	-3.10	13.96	5.46	-0.67	5.95
	Gold (\$/oz)	2023-10-16	1,922.74	3.29	-0.57	-1.65	-3.63	16.52	5.41

Source : Bloomberg, Datastream, Solution & 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.

This report is provided only for a reference. Investors should judge market conditions for themselves before making any investment decisions