

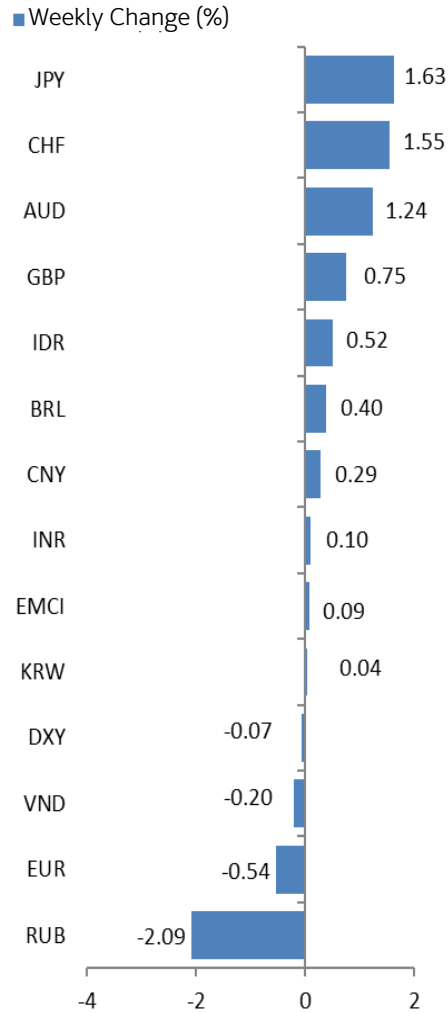
Weekly Global FX Market Monitor

2023.12.04

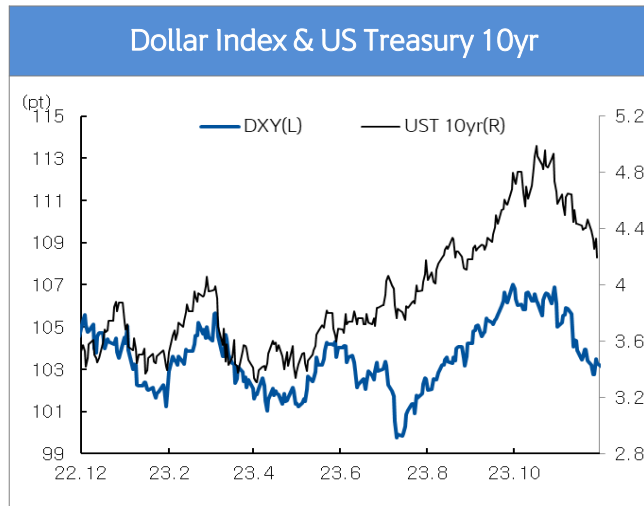


Global

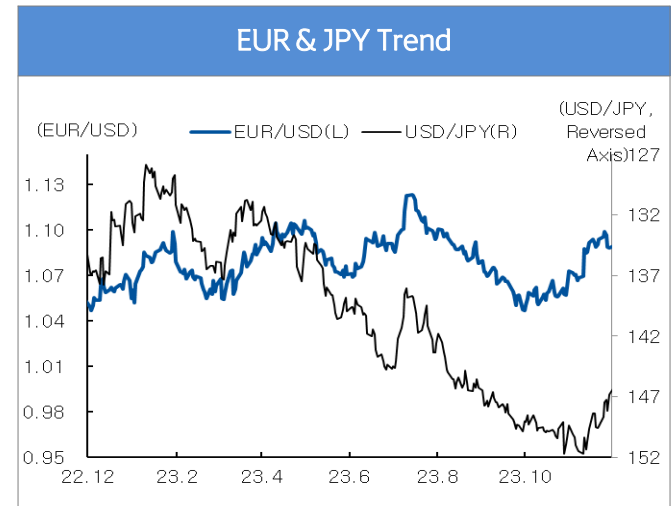
Solution & Trading Center, Seo Jae Kim
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Translation: Jae Yeon Hyun



- Last week, weak USD(-0.07%) and EUR (-0.54%) while strong JPY (+1.63%)
 - The dovish remarks of Director Waller, a representative hawk of the Fed, strengthened the market outlook for the end of the Fed's interest rate hike cycle. Despite Powell's cautious tone last Friday, the market interpreted his message as an end to interest rate hikes. DXY declined.
 - CPI in EU in November rose 2.4% yoy, falling short of market expectations. EUR closed lower at 1.088 as the market expected a rate cut next April, sooner than the Fed.
 - JPY, which rose during the week due to low USD buying, closed down 146 as US bond yields continued to fall.
- As remarks by key figures at the Fed hinting at the possibility of an interest rate cut strengthened market expectations for the Fed to stop raising interest rates, USD continued to weaken, and EM currencies strengthened last week.
 - RUB(-2.09%), which had been strong since President Putin's capital controls, showed weakness the previous week due to falling oil prices and a reduction in crude oil production.
 - Strong INR (+0.10%) and IDR (0.52%), while weak VND (-0.20%)



Source : Bloomberg , SHB Solution & Trading Center



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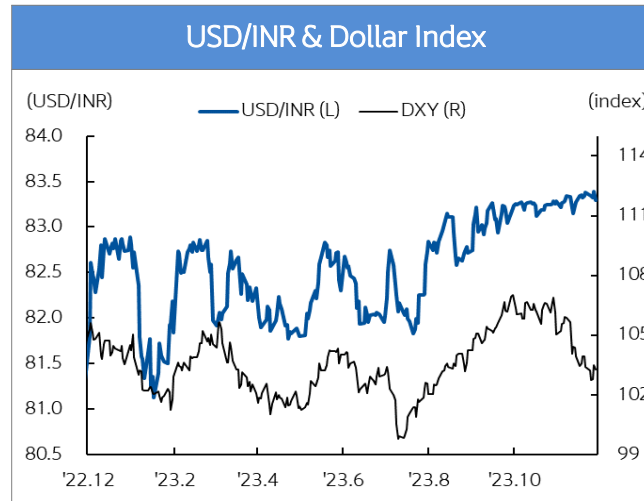


India

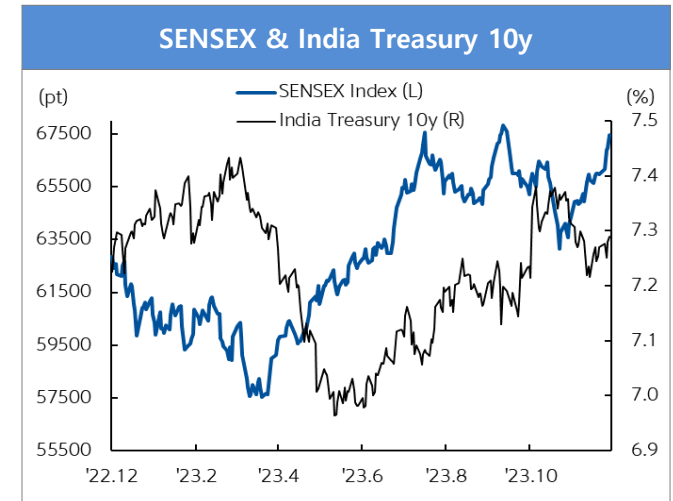
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USD/INR	83.30
52wk high	83.50
52wk low	80.89
Sensex	67,481
52wk high	67,927
52wk low	57,085
Government Bond (10yr,%)	7.29
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth	7.64
Rate(% YoY)	4.87
Consumer Prices (% YoY)	-0.52
Producer Prices (% YoY)	6.50
RBI rate(%)	56
Manufacturing PMI (index)	5.80
Industrial Production (% YoY)	12.07
Core Sector Growth(% YoY)	6.21
Exports (% YoY)	12.29
Imports (% YoY)	-9.20
Current Account (\$bn)	-101839
Financial Earnings and Expenses (INR10mn)	597,935
FX Reserve (\$mn)	

- Last week, USD/INR moved in the range of 83.29~83.35, finished bullish. (+0.10%)
- INR strengthened due to decline in U.S. Treasury yields, crude oil prices, and good economic growth in 3Q.
- In 3Q, the Indian economy grew by 7.6% QoQ, and continued good growth centered on the manufacturing sector due to increased government subsidies and public capital expenditures and diversification of multinational companies' supply chains. November manufacturing PMI maintained expansion at 56.0.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (11/27~11/30 accumulated : \$1.97 billion), SENSEX rose (+2.22%)
 - Bond: net purchased (11/27~11/30 accumulated: \$78.38 mil), bond yield rose (10y, 7.29,+2.0bp)
- INR exchange rate is expected to trend downward this week due to expectations of easing concerns about the Fed's tightening and the robust domestic economy in India. At the RBI monetary policy meeting on the 8th, the policy interest rate is expected to be frozen due to caution over inflation. (Expected Range: 82.6~83.5)



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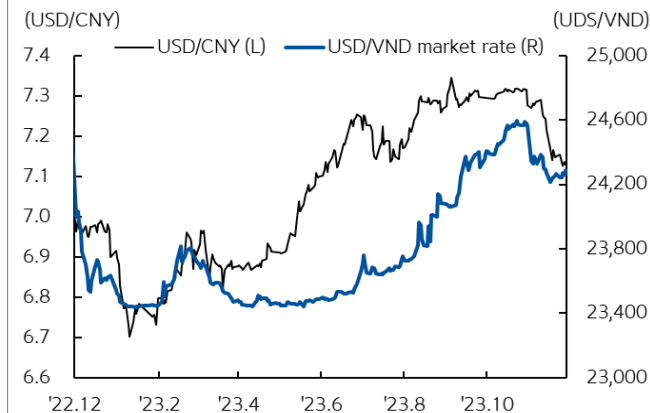
Vietnam

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USD/VND	24,293
52wk high	24,620
52wk low	23,415
VN index	1,102
52wk high	1,255
52wk low	984
Government Bond(10yr,%)	2.45
52wk high	5.20
52wk low	2.30
Major Indices Snap shot	
Real GDP Growth	5.33
Rate(% ,YoY)	3.45
Consumer Prices (% ,YoY)	3.45
Total Mining Industries	9.18
Producer Price(% ,YoY)	4.50
Refinance rate(%)	4.50
Manufacturing PMI (index)	47.3
Industrial Production (% ,YoY)	5.80
Retail Sales(% ,YoY)	9.60
Exports (% ,YoY)	6.4
Imports (% ,YoY)	-1.5
Current Account (\$mn)	7860.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,686

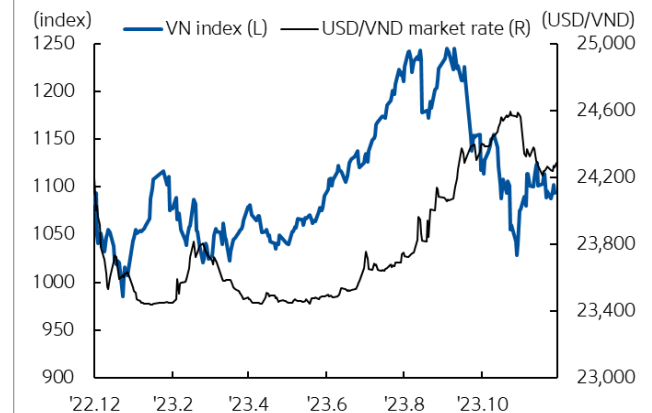
- Last week, USD/VND(market rate) moved in the range of 24,240~24,287, finished bearish. (-0.08%)
- SBV announced central rate at 23,923 (12/1), strengthened compared to 23,927 (11/24, +0.02%)
- While CNY has fallen to the 7.12 level due to the weakening of global USD, CNY exchange rate has risen due to the continued slump in the manufacturing sector due to slowing external demand.
- CPI in November rose 3.45% yoy, while mining and industrial production and retail sales increased 5.8% and 10.1% yoy. Exports and imports increased by 6.7% and 5.1%, resulting in a trade surplus of \$1.28 billion. The manufacturing PMI in November recorded 47.3 due to a decrease in new orders, the lowest level in 5 months.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$29.02 million.
 - VN index rose (+0.60%), and VNIBOR3M dropped by 10bps (2.90%, 12/1)
 - Despite the decline in USD and CNY exchange rates, USDVND is expected to show a sluggish trend until the recovery in Chinese demand is reflected in earnest. (Expected range : 24,110~24,600)

USD/CNY & USD/VND Market rate



Source : Bloomberg , SHB Solution & Trading Center

VN Index & USD/VND Market rate



Source : Bloomberg , SHB Solution & Trading Center

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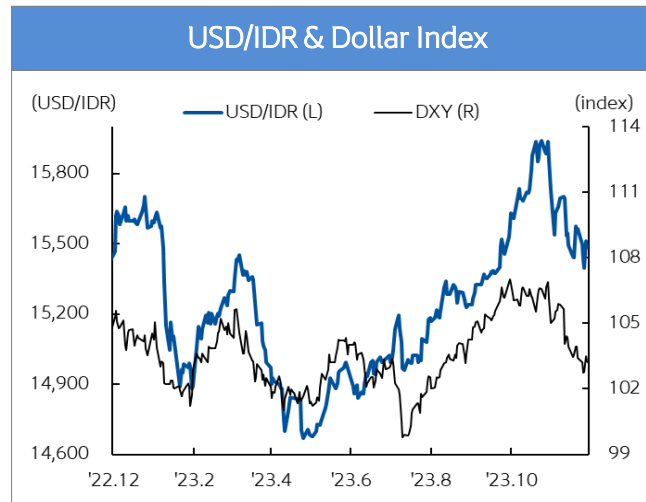


Indonesia

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USD/IDR	15,485
52wk high	15,962
52wk low	14,575
Jakarta index	7,060
52wk high	7,110
52wk low	6,543
Government Bond(10yr,%)	6.62
52wk high	7.26
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	4.94
Consumer Prices (% YoY)	2.86
Total Mining Industries	3.56
Producer Price(% YoY)	6.00
Refinance rate(%)	6.00
Manufacturing PMI (index)	51.7
Industrial Production (% YoY)	-1.89
Retail Sales(% YoY)	1.78
Exports (% YoY)	-10.43
Imports (% YoY)	-2.42
Current Account (\$mn)	-900
Financail Earnings and Expenses (IDR10bn)	-460,420
FX Reserve (\$mn)	133

- Last week, USD/IDR (market rate) moved in the range of 15,395~15,510, finished bullish (+0.52%)
- IDR exchange rate, which had continued to decline, rose significantly at one point during the week due to USD buying trend. However, IDR closed strong last week amid continued expectations that the Fed would stop raising interest rates.
- The CPI in November rose 2.86% yoy. Due to the increase in food prices, it exceeded the previous month (2.56%) and the previous value (2.70%). The rise in food prices due to El Niño exerts upward pressure on prices.
- FPI net purchased in both equity and bond markets.
 - Equity: net purchased (11/27~12/1 accumulated: \$38.47 mil), Jakarta index rose (+0.72%)
 - Bond: net purchased (11/27~11/30 accumulated: \$419.88 mil), bond yield dropped (10y, 6.62%, -4.1 bp)
- The US employment indicator to be released this week is also expected to show a trend of easing US labor demand. As a result, optimistic market expectations for the FOMC interest rate freeze and the Fed's early interest rate cut continue, leading to a weakening USD and strong EM currencies expected this week. IDR may also show strength like other EM currencies. (Expected Range: 15,100~15,570)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6672
52wk High	0.7137
52wk Low	0.6296
S&P/ASX200	7,139
52wk High	7,558
52wk Low	6,773
Government Bond(10yr,%)	4.46
52wk High	4.95
52wk Low	3.19
Major Indices Snapshot	
Real GDP Groth Rate (%YoY)	2.1
Consumer Prices (%YoY)	5.4
Producer Prices (%YoY)	3.8
Policy Rate (%)	4.35
AU-US 2yr Spread (%)	-0.48
China Imports from Australia (% USD YoY)	12.0
Exports(%MoM)	4.0
Imports(%MoM)	-0.4
Current Account(% GDP)	1.2

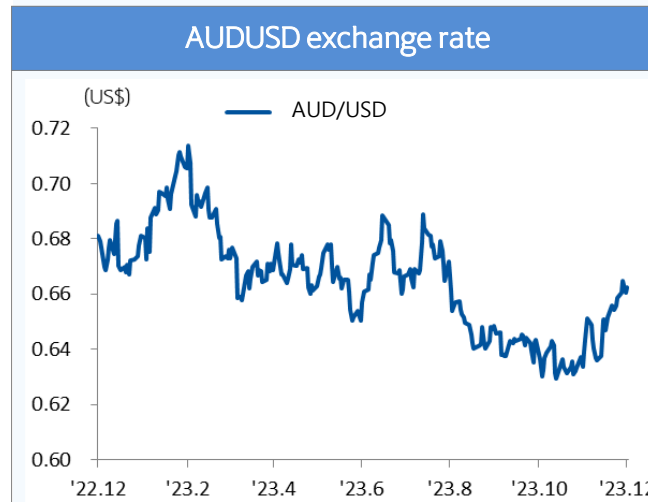
Last Week :

- AUD rose above 0.66 dollar earlier in the week but the upward momentum was not enough to reach 0.67 dollar level.
- Sound US treasury bond bidding and the change in the thoughts of Fed governor Waller, who is known for his hawkish stance, triggered weak USD and rise of AUD. Later in the week, 0.66 dollar level was threatened due to the market's end of the month position adjustment.

Outlook :

- Re-evaluation of the Fed's monetary policy is considered to be concluded, which had led the drop in US bond yields and USD.
- The market rage on China's real estate market stimulus has been eased and as USD purchase at low price increased ahead of December FOMC, AUD will show heavy flow.

*Wells Fargo adjusted its forecast upward.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 12/1)

	'23.12	'24.03	'24.06
A N Z	0.65	0.68	0.68
Wells Fargo	0.66	0.65	0.66
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 2023.12.04

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-11-27	103.42	-0.48	-2.94	-0.63	-0.75	-2.40	-0.10
	Euro (EUR/USD)	2023-11-27	1.09	0.05	3.61	1.17	2.22	5.86	2.25
	Yen (USD/JPY)	2023-11-27	149.56	-0.78	0.07	-2.02	-6.09	-7.09	-12.33
	Pound (GBP/USD)	2023-11-27	1.26	0.78	3.97	0.01	2.01	5.39	4.30
	Switzerland (USD/CHF)	2023-11-27	0.88	0.34	2.30	0.20	2.53	7.61	4.82
	Australia (AUD/USD)	2023-11-27	0.66	0.41	3.93	2.41	0.69	-0.99	-3.36
FX - EM	South Korea (USD/KRW)	2023-11-24	1,306.30	-0.73	2.82	1.23	0.86	1.69	-3.12
	China (USD/CNY)	2023-11-25	7.15	0.91	2.27	1.83	-1.23	0.04	-3.50
	India (USD/INR)	2023-11-24	83.38	-0.13	-0.22	-0.96	-0.85	-2.10	-0.77
	Indonesia (USD/IDR)	2023-11-24	15,565.00	-0.46	1.83	-2.06	-4.24	0.64	0.02
	Vietnam (USD/VND)	2023-11-27	24,261.00	-0.20	1.28	-1.07	-3.25	2.22	-2.59
	Brazil (USD/BRL)	2023-11-25	4.90	0.16	1.84	-0.38	1.19	8.37	7.72
Russia (USD/RUB)	2023-11-25	89.12	0.43	5.04	6.01	-9.74	-32.08	-16.76	
Stock - DM	United States Dow Jones	2023-11-25	35,390.15	1.27	9.17	3.04	6.94	3.04	6.77
	United States NASDAQ	2023-11-25	14,250.85	0.97	12.72	4.86	9.83	26.94	36.16
	United States S&P 500	2023-11-25	4,559.34	1.13	10.73	3.49	8.42	13.24	18.75
	Japan NIKKEI225	2023-11-24	33,625.53	0.60	8.50	6.33	8.76	18.89	28.86
	United Kingdom FTSE	2023-11-25	7,488.20	-0.21	2.70	2.04	-1.82	0.02	0.49
	France CAC40	2023-11-25	7,292.80	0.81	7.32	0.87	-0.36	8.65	12.65
	Germany DAX	2023-11-25	16,029.49	0.69	9.14	2.54	0.28	10.23	15.12
Stock - EM	South Korea KOSPI	2023-11-24	2,496.63	1.08	8.42	-0.89	-2.43	2.41	11.64
	China Shanghai Stock Exchange	2023-11-24	3,040.97	-0.44	0.77	-0.75	-5.34	-1.96	-1.56
	India Sensex	2023-11-24	65,970.04	0.27	3.43	1.67	5.55	5.90	8.43
	Indonesia Jakarta	2023-11-24	7,009.63	0.46	3.71	1.66	4.82	-0.62	2.32
	Vietnam VN index	2023-11-24	1,095.61	-0.51	3.30	-7.42	2.99	12.78	8.79
	Russia RTS	2023-11-25	1,143.15	1.88	5.94	9.51	8.29	0.18	17.78
Brazil Bovespa	2023-11-25	125,517.27	0.60	10.78	8.36	13.17	15.18	14.38	
Rates - DM	United States	2023-11-24	4.47	3.11	-35.64	22.93	72.46	77.38	59.17
	Germany	2023-11-24	2.64	5.50	-18.50	13.00	17.10	79.30	7.20
	United Kingdom	2023-11-24	4.28	17.90	-25.60	-14.30	6.90	124.50	61.10
	Japan	2023-11-24	0.78	2.10	-7.40	12.10	36.30	52.90	35.50
Rates - EM	South Korea	2023-11-24	3.78	-3.00	-48.50	-10.20	26.80	16.00	4.00
	India	2023-11-24	7.27	5.40	-10.90	7.30	27.90	1.30	-5.80
	Indonesia	2023-11-24	6.66	-29.20	-60.00	13.20	23.60	-31.80	-28.00
	Vietnam	2023-11-24	2.65	-20.00	-65.00	-15.00	-55.00	-255.00	-230.00
	Russia	2023-11-20	11.78	-17.30	-54.10	54.81	91.75	294.20	147.48
	Brazil	2023-11-24	11.12	6.70	-60.20	4.70	-53.40	-241.50	-157.30
Commodity	WTI (\$/bbl)	2023-11-27	75.45	-0.58	-11.80	-5.49	3.83	-1.09	-5.99
	Brent (\$/bbl)	2023-11-27	80.54	-2.16	-10.99	-4.66	4.67	-3.69	-6.25
	Gold (\$/oz)	2023-11-27	2,002.13	1.22	-0.21	4.27	3.03	14.98	9.76

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.

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