

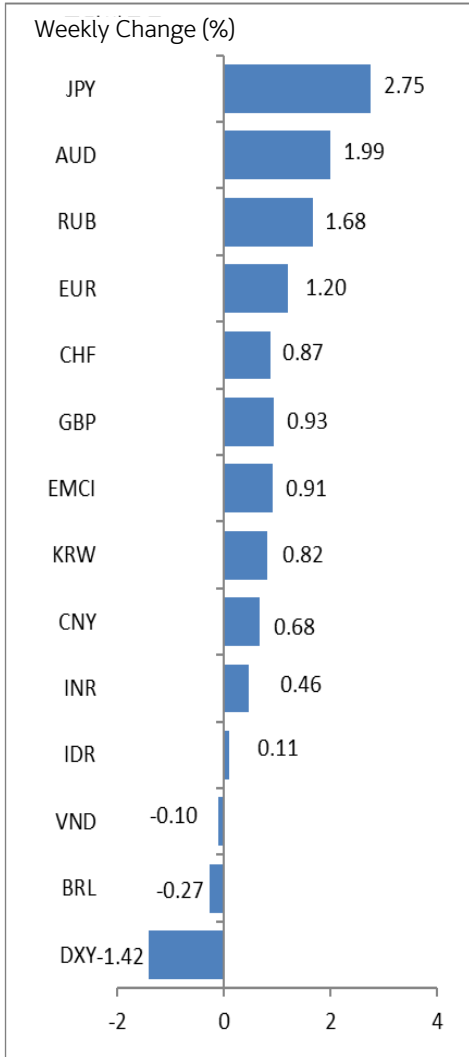
Weekly Global FX Market Monitor

2023.12.18

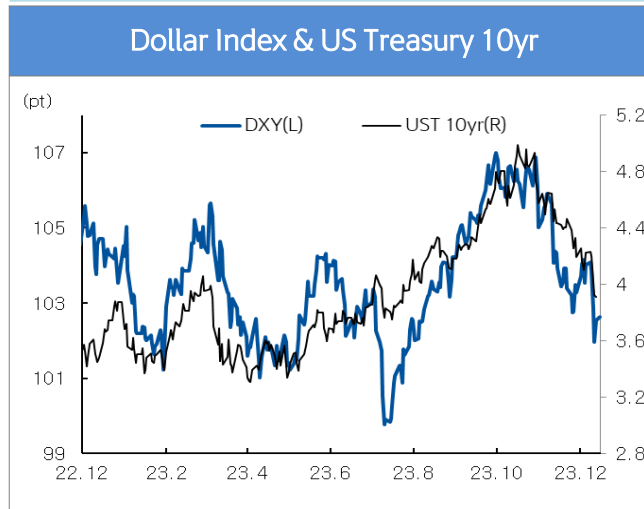


Global

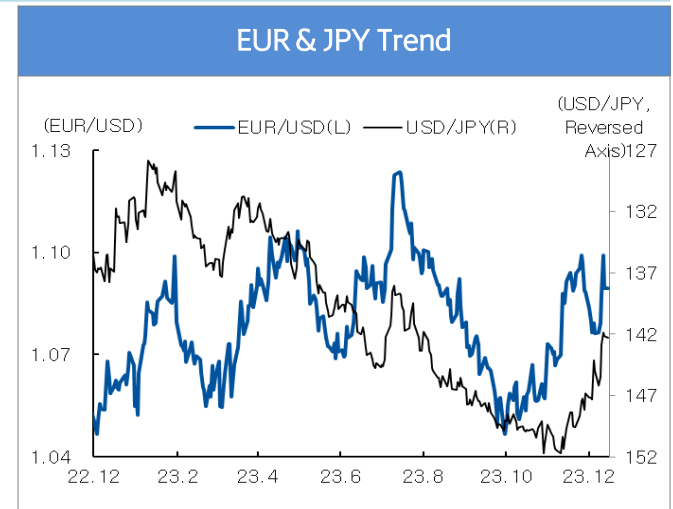
Solution & Trading Center, Seo Jae Kim
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Translation: Jae Yeon Hyun



- Last week, Weak USD(-1.42%), Strong EUR(+1.20%), Strong JPY(+2.75%)
- At the FOMC, Powell acknowledged that discussions on interest rate cuts had begun. US bond yields and DXY fell due to change in Fed's stance
- ECB also froze interest rates at the meeting. However, the US Fed has formalized discussions on interest rate cuts, but the ECB has expressed its position that it is still wary of inflation. As a result, EUR showed strength and closed at \$1.089.
- USDJPY rose to the 146 range at the beginning of the week, but closed at 142 due to a sharp drop in U.S. Treasury bonds immediately after the FOMC.
- Due to the change in the Fed's position, market expectations for an interest rate cut by the Fed are spreading. Investment sentiment has improved and EM currencies have strengthened.
- At the monetary policy meeting, the Central Bank of Brazil decided to cut the benchmark interest rate by 50bp due to the slowing trend of domestic inflation, falling U.S. bond yields, and stabilizing global inflation. BRL (-0.27%) showed weakness the previous week.
- Strong INR(+0.46%), IDR(+0.11%), while weak VND(-0.10%)



Source : Bloomberg , SHB Solution & Trading Center



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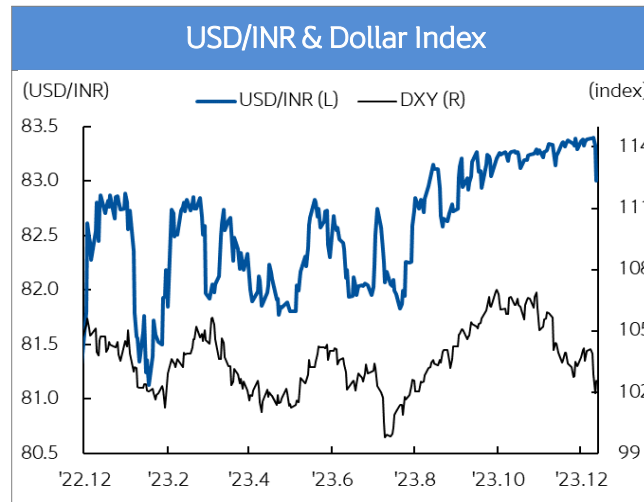


India

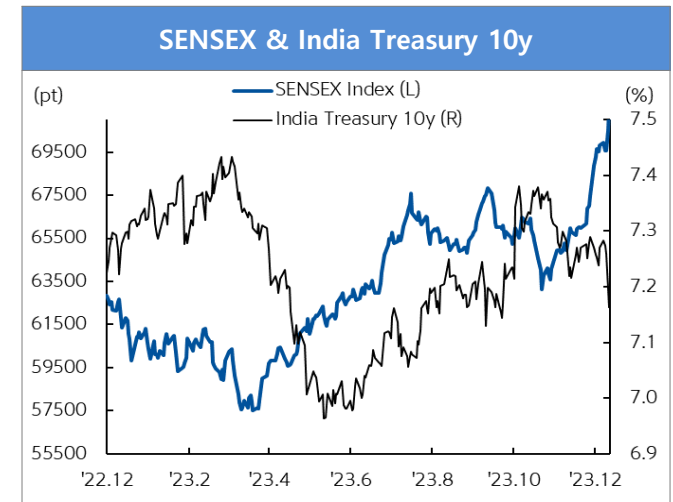
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USD/INR	83.00
52wk high	83.50
52wk low	80.89
Sensex	71,484
52wk high	71,606
52wk low	57,085
Government Bond (10yr,%)	7.16
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.55
Producer Prices (% YoY)	0.26
RBI rate(%)	6.50
Manufacturing PMI (index)	56
Industrial Production (% YoY)	11.70
Core Sector Growth(% YoY)	12.07
Exports (% YoY)	-2.84
Imports (% YoY)	-4.34
Current Account (\$bn)	-9.20
Financial Earnings and Expenses (INR10mn)	-101839
FX Reserve (\$mn)	606,859

- Last week, USD/INR moved in the range of 83.00~83.39, finished bullish (+0.46%)
- INR generally had low volatility due to RBI's intervention despite USD weakening due to increased expectations of interest rate cuts by the Fed. USD/INR fell to the 83.00 level.
- Exports and imports in Nov decreased by 2.8% and 4.3% yoy, resulting in a trade balance of \$20.586 bil in deficit. While CPI rebounded to 5.5% due to the base effect and a surge in food prices, mining and industrial production increased by 11.7% yoy, thanks to increased manufacturing production capacity and increased government spending related to infrastructure.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (12/11~12/14 accumulated: \$1,467.30 mil). SENSEX rose (+3.47%)
 - Bond: net purchased (12/11~12/14 accumulated: \$272.49 mil), bond yield fell (10y, 7.16,- 10.7bp)
- USD/INR is expected to have a downward trend due to increased expectations of an early interest rate cut following the Fed's change in stance, Also, the increased possibility of Prime Minister Modi being elected for a third term will lead foreign capital inflows and trade deficit reduction. (Expected Range: 82.6~83.5)



Source: Bloomberg, SHB Solution & Trading Center



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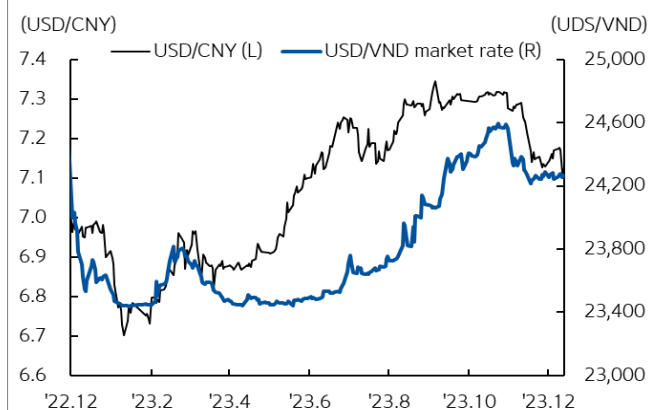
Vietnam

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USD/VND	24,261
52wk high	24,620
52wk low	23,415
VN index	1,102
52wk high	1,255
52wk low	984
Government Bond(10yr,%)	2.50
52wk high	5.05
52wk low	2.25
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	5.33
Consumer Prices (% YoY)	3.45
Total Mining Industries Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	47.3
Industrial Production (% YoY)	5.80
Retail Sales(% YoY)	9.60
Exports (% YoY)	6.7
Imports (% YoY)	5.1
Current Account (\$mn)	7860.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,686

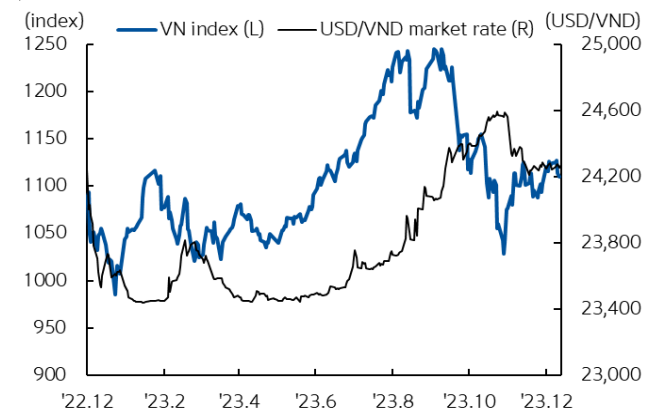
- USDVND(market rate) moved in the range of 24,254~24,278, finished bearish (-0.10%)
- SBV announced central rate at 23,882, strengthened compared to 12/8/ (23,951, +0.29%)
- CNY strengthened against USD due to increased expectations of an early interest rate cut by the Fed despite sluggish consumption and investment indicators, while VND weakened during the week due to the sluggish stock market. On the black market, USDVND exchange rate fell to the 24,650 level.
- Domestic car sales in Nov recorded 35,900 units, a 9% increase(mom), thanks to dealers' discount events, but cumulatively from January to November, compared to the same period last year, it recorded 319,800 units, down 28%.
- ADB (Asian Development Bank) further lowers this year's growth forecast from 5.8% to 5.2% due to the slowdown in growth rates in the industrial and service sectors due to the delay in the recovery of external demand. The inflation rate is expected to be 3.8% and 4.0% this year and next year.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$110.69 mil.
- VN index rose (+2.02%), and VNIBOR3M rose by 40bps (3.30%, 12/15)
- Despite the Fed's signal for a change in monetary policy, the sluggish economy of China, a major trading partner, continues. Thus, the decline in VND exchange rate is likely to proceed more slowly than that of other emerging countries (expected range: 24,080~24,410)

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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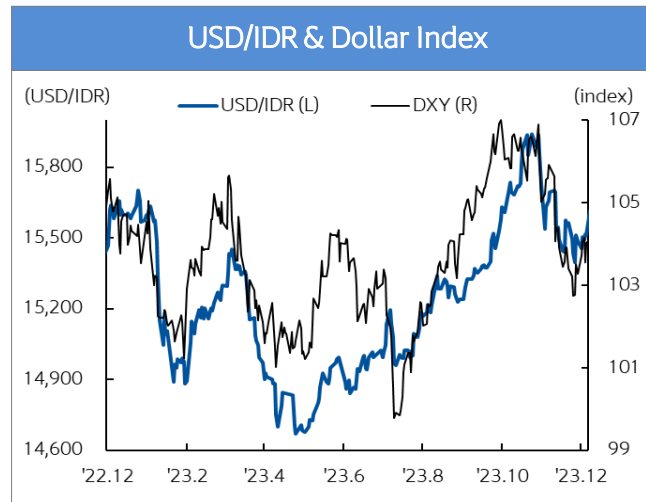


Indonesia

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USD/IDR	15,493
52wk high	15,962
52wk low	14,575
Jakarta index	7,191
52wk high	7,216
52wk low	6,543
Government Bond(10yr,%)	6.57
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 Producer Price(% YoY)	3.55
Refinance rate(%)	6.00
Manufacturing PMI (index)	51.7
Industrial Production (% YoY)	-1.89
Retail Sales(% YoY)	1.78
Exports (% YoY)	-8.56
Imports (% YoY)	3.29
Current Account (\$mn)	-900
Financail Earnings and Expenses (IDR10bn)	-460,420
FX Reserve (\$mn)	138

- Last week, USD/IDR (market rate) moved in the range of 15,493~15,615, finished bullish (+0.11%)
- USDIDR, which showed an upward trend early in the week turned downward after confirming the dovish stance of the Fed.
- Indonesian exports in Nov decreased by 8.56% yoy, but imports increased by 3.29% yoy as demand for energy and consumer goods increased. The trade balance in Nov was a surplus of \$2.41 billion, which was lower than the revised October figure (\$3.47 billion) and the market estimate (\$2.97 billion).
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (12/11~12/15 accumulated: \$272.82 mil), Jakarta index rose (+0.44%)
 - Bond: net purchased (12/12~12/14 accumulated: \$18.91 mil), bond yield fell (10y, 6.57%, -3.60bp)
- USD is expected to continue to weaken due to the Fed's more moderate stance than expected, and IDR may show strength as a result. Indonesian monetary policy meeting scheduled for this week. Despite the Fed's change in position, it is expected to freeze interest rates to stabilize IDR exchange rate (this week's expected range: 15,300~15,800)



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

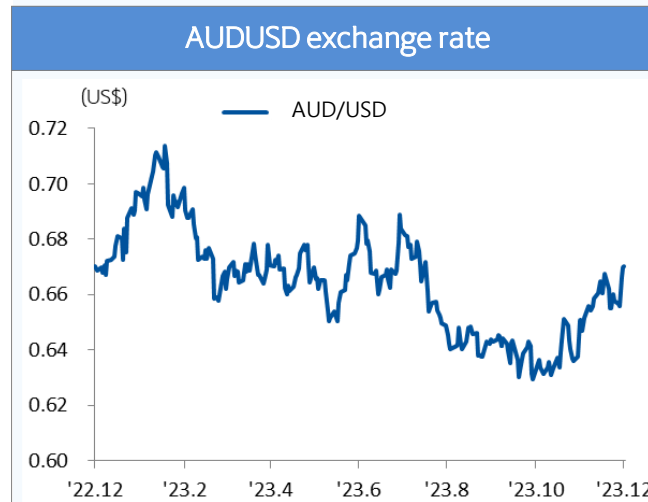
Major Indices Snapshot	
Real GDP Groth Rate (% YoY)	2.1
Consumer Prices (% YoY)	5.4
Producer Prices (% YoY)	3.8
Policy Rate (%)	4.35
AU-US 2yr Spread (%)	-0.54
China Imports from Australia (% USD YoY)	12.0
Exports(% MoM)	4.0
Imports(% MoM)	-0.4
Current Account(% GDP)	1.2

Last Week :

- AUD, which had exceeded 0.66 before the US FOMC, immediately broke above 0.67 immediately after the FOMC due to the weakening global dollar and strong employment in Australia in November
- Amid high iron ore price, FOMC finally declared the market's long-awaited pivot, contributing to the rise in AUD.

Outlook :

- It will be difficult for USD to gain strength for the time being due to the Fed. However, the BOJ monetary policy meeting on the 19th is a variable. This is because a strong yen can lead to a weak AUD.
- However, it will take more time for JPY to strengthen in earnest. After the BOJ, the market will turn around at the end of the year and the direction of AUD will likely be limited.



Source : Refinitiv, SHB Solution & Trading Center

*MUFG adjusted its forecast upward.

AUD/USD Forecast Distribution * (as of 12/15)

	'24.03	'24.06	'24.09
A N Z	0.68	0.68	0.70
Wells Fargo	0.65	0.66	0.68
MUFG	0.66	0.67	0.68
JPMorgan	0.69	0.69	0.69

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets

2023.12.18

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-12-18	102.62	-1.42	-1.25	-2.45	0.37	-1.99	-0.87
	Euro (EUR/USD)	2023-12-18	1.09	1.20	-0.42	1.89	-0.25	2.71	1.77
	Yen (USD/JPY)	2023-12-18	142.30	2.71	4.28	3.73	-0.22	-3.79	-7.86
	Pound (GBP/USD)	2023-12-18	1.27	0.93	1.34	2.33	-0.94	4.30	4.87
	Switzerland (USD/CHF)	2023-12-18	0.87	0.87	1.63	3.02	2.86	6.64	6.17
	Australia (AUD/USD)	2023-12-18	0.67	1.99	2.17	4.07	-2.22	-0.01	-1.67
FX - EM	South Korea (USD/KRW)	2023-12-15	1,296.35	0.82	0.34	2.29	-1.23	0.55	-2.38
	China (USD/CNY)	2023-12-16	7.12	0.68	1.76	2.17	-0.01	-2.07	-3.13
	India (USD/INR)	2023-12-15	83.00	0.46	0.17	0.22	-0.99	-0.30	-0.32
	Indonesia (USD/IDR)	2023-12-15	15,493.00	0.11	0.27	-0.90	-3.54	0.81	0.48
	Vietnam (USD/VND)	2023-12-18	24,261.00	-0.01	-0.20	0.47	-3.00	-2.34	-2.59
	Brazil (USD/BRL)	2023-12-16	4.94	-0.27	-1.60	-1.60	-2.63	7.49	6.81
	Russia (USD/RUB)	2023-12-16	90.31	1.68	-0.88	7.08	-7.50	-28.68	-17.85
Stock - DM	United States Dow Jones	2023-12-16	37,305.16	2.92	6.75	7.74	8.76	13.32	12.54
	United States NASDAQ	2023-12-16	14,813.92	2.85	4.87	8.05	8.21	38.38	41.54
	United States S&P 500	2023-12-16	4,719.19	2.49	4.55	5.97	7.02	22.50	22.91
	Japan NIKKEI225	2023-12-15	32,970.55	2.05	-1.83	-1.68	-2.18	19.77	26.35
	United Kingdom FTSE	2023-12-16	7,576.36	0.29	0.96	-1.00	-0.87	3.33	1.67
	France CAC40	2023-12-16	7,596.91	0.93	5.02	4.41	2.82	17.73	17.35
	Germany DAX	2023-12-16	16,751.44	-0.05	5.23	6.51	2.41	20.57	20.31
	Stock - EM	South Korea KOSPI	2023-12-15	2,563.56	1.51	3.79	-0.43	-2.37	8.62
China Shanghai Stock Exchange		2023-12-15	2,942.56	-0.91	-3.66	-5.87	-10.11	-7.11	-4.75
India Sensex		2023-12-15	71,483.75	2.37	8.65	5.75	12.78	16.54	17.49
Indonesia Jakarta		2023-12-15	7,190.99	0.44	3.06	3.68	7.35	5.56	4.97
Vietnam VN index		2023-12-15	1,102.30	-1.97	0.10	-9.04	-1.16	4.73	9.45
Russia RTS		2023-12-16	1,060.64	0.60	-5.48	3.53	1.26	2.12	9.28
Brazil Bovespa		2023-12-16	130,197.10	2.44	4.35	10.07	9.63	26.58	18.65
Rates - DM	United States	2023-12-15	3.91	-31.46	-62.04	-42.14	19.45	46.47	3.62
	Germany	2023-12-15	2.02	-26.00	-62.80	-65.90	-48.80	-6.70	-55.50
	United Kingdom	2023-12-15	3.69	-35.40	-54.00	-67.10	-69.70	44.30	1.50
	Japan	2023-12-15	0.70	-7.00	-10.60	-1.90	26.70	44.00	27.40
	Rates - EM	South Korea	2023-12-15	3.35	-18.60	-46.90	-57.90	-33.70	-2.40
India		2023-12-15	7.16	-10.70	-5.70	-3.60	12.20	-10.50	-16.50
Indonesia		2023-12-15	6.57	-3.60	-38.30	-12.00	27.40	-32.30	-37.10
Vietnam		2023-12-15	2.50	-10.00	-30.00	-30.00	-60.00	-255.00	-255.00
Russia		2023-12-15	12.38	16.79	44.34	73.71	141.20	200.76	207.39
Brazil		2023-12-15	10.67	-27.00	-49.30	-64.10	-54.80	-277.20	-202.20
Commodity	WTI (\$/bbl)	2023-12-18	72.09	1.08	-5.01	-21.20	0.43	-2.96	-10.18
	Brent (\$/bbl)	2023-12-18	77.23	1.58	-4.19	-18.21	0.81	-2.29	-10.10
	Gold (\$/oz)	2023-12-18	2,018.05	1.82	2.02	4.35	3.46	12.89	10.64

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