

Weekly Global FX Market Monitor

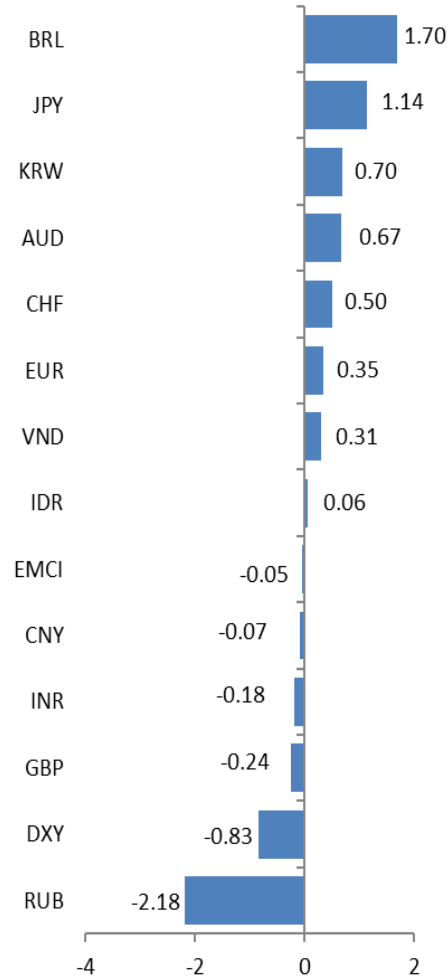
2023.12.26



Global

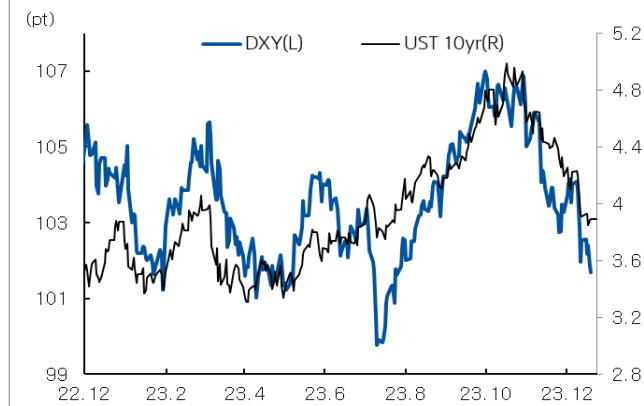
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Translation: Jae Yeon Hyun

Weekly Change (%)



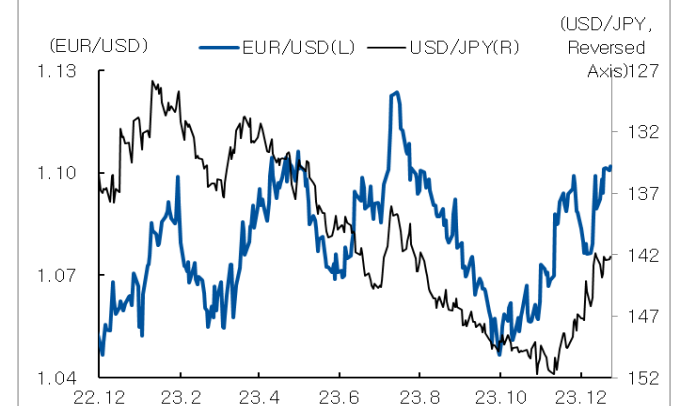
- Last week, weak USD(-0.83%), Strong EUR(+0.36%), Strong JPY (+1.14%).
 - DXY rose, supported by warnings from Fed about excessive bets on rate cuts and disruptions to shipping in the Red Sea. However, the market maintained its view of a soft landing for the US economy after 3Q GDP revision and the PCE inflation index came in below market expectations. DXY closed at 101.6 pts.
 - EUR rose despite negative events such as the sluggish German Ifo economic expectations index.
 - Despite recent expectations of monetary policy normalization, USDJPY exchange rate rose when the BOJ froze policy at the December monetary policy meeting, but the exchange rate fell again due to the decline in US interest rates. It fell and closed at 142 yen.
- While expectations for an early interest rate cut by the Fed remains, EM currency indices also showed a stable trend, falling slightly.
 - The Central Bank of Brazil forecasts inflation of 4.6% and 3.5% in 2023 and 24, respectively. This level exceeds the targets for 2023 (3.25%) and 2024 (3%). BRL (+1.70%) showed strength last week due to the rise in prices of other raw materials such as iron ore.
 - Weak INR(-0.18%), Strong VND(+0.31%) and IDR(+0.06%).

Dollar Index & US Treasury 10yr



Source: Bloomberg, SHB Solution & Trading Center

EUR & JPY Trend



Source: Bloomberg, SHB Solution & Trading Center

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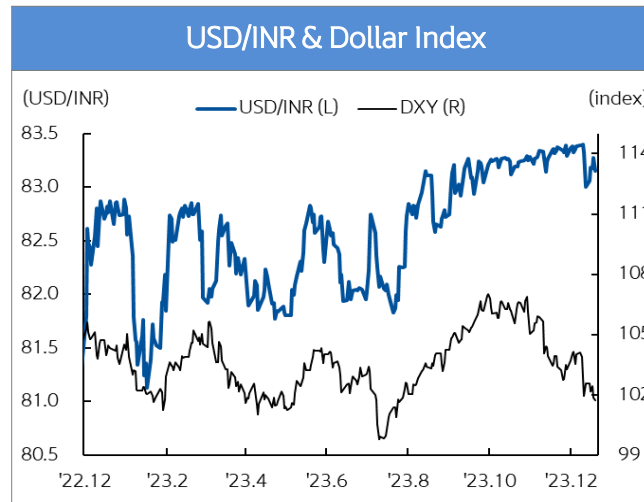


India

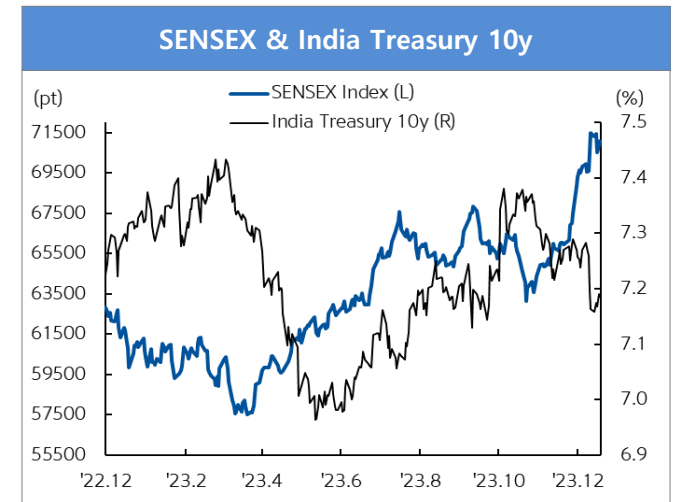
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USD/INR	83.15
52wk high	83.50
52wk low	80.89
Sensex	71,107
52wk high	71,913
52wk low	57,085
Government Bond (10yr,%)	7.19
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.55
Producer Prices (% 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)	615,971

- Last week, USD/INR moved in the range of 83.06~83.27, finished bearish. (-0.15%)
- INR rate rose early in the week along with JPY and other Asian currencies as the BOJ maintained its easing stance despite the decline in US bond yields and the weakening USD due to continued expectations of Fed interest rate cut. Afterwards, the stock market fell thanks to the inflow of foreign funds due to strengthened expectations of the Fed pivot and improved risk-on sentiment.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (12/18~12/21 accumulated: \$522.75 mil), SENSEX fell (-0.53%)
 - Bond: net purchased (12/18~12/21 accumulated: \$483.43 mil), bond yield rose (10y, 7.19%, +2.20bp)
- As U.S. core prices showed little increase last month, the basis for the Fed's interest rate cut next year has been strengthened, while oil prices are also falling due to instability in the Red Sea and the aftermath of Angola's withdrawal from OPEC. USDINR is expected to continue its downward trend this week. (Expected Range: 82.6~83.4)



Source: Bloomberg, SHB Solution & Trading Center



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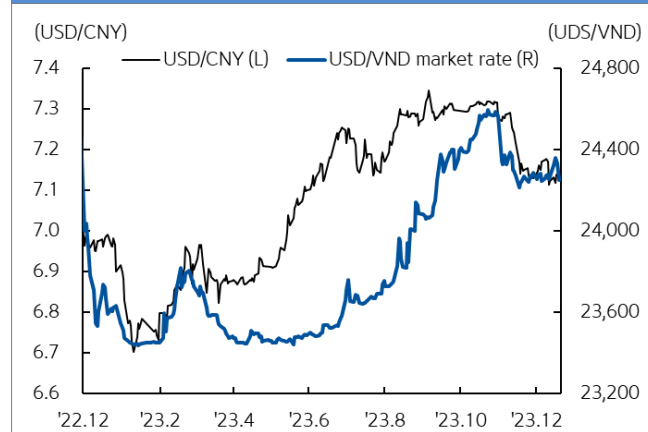
Vietnam

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USD/VND	24,245
52wk high	24,620
52wk low	23,415
VN index	1,118
52wk high	1,255
52wk low	984
Government Bond(10yr,%)	2.25
52wk high	5.25
52wk low	2.22
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)	9673.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,200

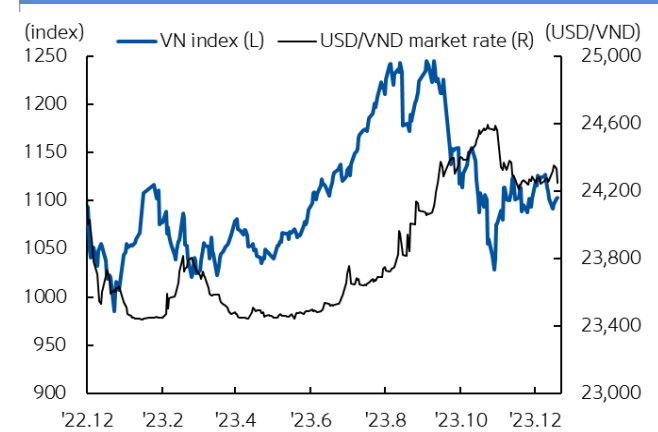
- Last week, USD/VND(market rate) moved in the range of 24,245~24,356, finished bullish (+0.31%)
- SBV announced its central rate at 23,915 (12/22), declined compared to 12/15. (23,882, -0.14%)
- While CNY showed a weakening trend due to negative factors such as the US' push to increase tariffs on Chinese electric vehicles and China's ban on the export of rare earth technology coming to the fore, VND showed a strength along with the global stock market boom.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$110.61 mil.
 - VN index rose (+2.36%), and VNIBOR3M rose by 17.5bps (3.10%, 12/22)
- While major economic indicators such as Vietnam's 4Q economic growth rate and export and import performance are scheduled to be announced this week, USDVND is expected to fall due to the Fed's declaration of a monetary policy pivot and a drop in global interest rates. Economic growth rate in 4Q is expected to be 6.0%, Consumer prices are expected to be 3.8% yoy, and exports and imports are expected to increase by 8.2% and 6.5% yoy. (Expected Range: 24,100~24,420)

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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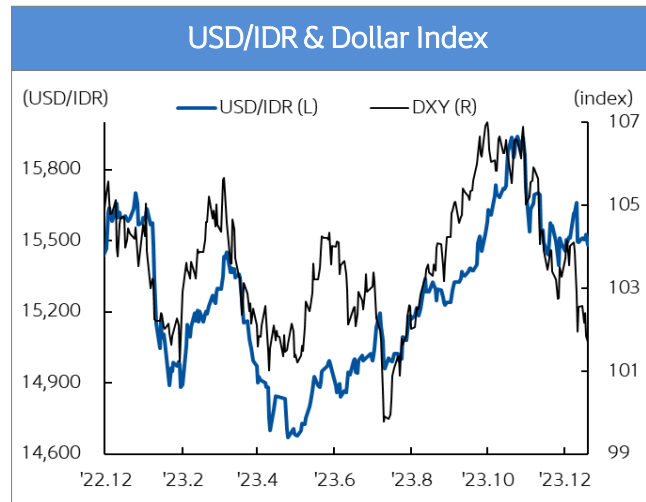


Indonesia

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USD/IDR	15,483
52wk high	15,962
52wk low	14,575
Jakarta index	7,238
52wk high	7,249
52wk low	6,543
Government Bond(10Yr,%)	6.50
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)	2.90
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 15,483~15,525, finished slightly bullish (+0.06%)
- USDIDR rose slightly as Fed repeatedly warned that the market's expectations on interest rate cut were excessive, but USDIDR turned downward as the Indonesian central bank confirmed its policy of prolonging high interest rates.
- Indonesia's central bank froze interest rates (base rate: 6%) at the December monetary policy meeting. They emphasized that maintaining inflation within the target range and exchange rate stability remain the central bank's primary concerns.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (12/18~12/22 accumulated: \$93.33 mil), Jakarta index rose (+0.65%)
 - Bond: net purchased (12/18~12/20 accumulated: \$236.17 mil), bond yield fell(10y, 6.50%, -7.30bp)
- Expectations for a soft landing from the Fed are expected to continue this week due to the slowdown in US PCE data in Nov. Accordingly, USDIDR is expected to decline slightly, but the exchange rate fluctuation is unlikely to be large due to a decrease in transaction volume at the end of the year. (Expected Range: 15,200~15,650)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6794
52wk High	0.7137
52wk Low	0.6296
S&P/ASX200	7,509
52wk High	7,558
52wk Low	6,773
Government Bond(10yr,%)	4.03
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 (%)	-0.61
China Imports from Australia (% USD YoY)	8.6
Exports(% MoM)	4.0
Imports(% MoM)	-0.4
Current Account(% GDP)	1.2

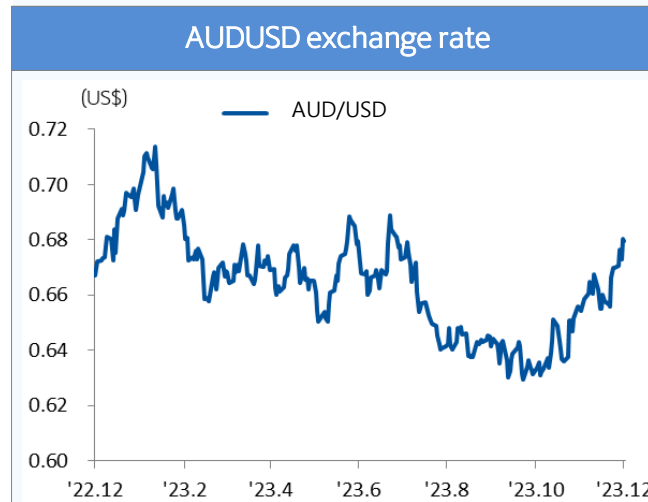
Last Week :

- AUD rose as the hawkish freeze was confirmed in the minutes of the December Reserve Bank of Australia (RBA) policy meeting, and the Bank of Japan (BOJ) froze policy by delaying policy changes.
- As global interest rates continued to decline, AUD recovered to 0.68 for the first time in 5 months.

Outlook :

- US Fed members are putting the brakes on the market's excessive expectations of interest rate cuts, but AUD is rising as US dollars are flowing due to relief from slowing inflation.
- AUD decline is limited due to weakness in year-end trading volume and steady market flow, however additional upside is possible in the short term.

*Wells Fargo adjusted its forecast upward.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 12/22)

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

2023.12.26

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-12-22	101.70	-0.83	-2.14	-3.68	-0.67	-2.62	-1.76
	Euro (EUR/USD)	2023-12-26	1.10	0.36	0.61	4.25	1.05	3.61	2.95
	Yen (USD/JPY)	2023-12-26	142.22	1.14	4.55	4.82	0.91	-6.57	-7.80
	Pound (GBP/USD)	2023-12-26	1.27	-0.20	0.63	4.51	-0.06	5.34	5.16
	Switzerland (USD/CHF)	2023-12-26	0.86	0.57	2.84	6.99	4.64	8.88	8.00
	Australia (AUD/USD)	2023-12-26	0.68	0.67	3.04	6.42	1.99	1.20	-0.07
FX - EM	South Korea (USD/KRW)	2023-12-22	1,302.90	-0.50	-0.18	2.60	-0.62	-2.06	-2.87
	China (USD/CNY)	2023-12-26	7.14	-0.07	0.23	2.46	1.45	-2.43	-3.33
	India (USD/INR)	2023-12-22	83.15	-0.18	0.20	-0.26	-1.44	-0.47	-0.50
	Indonesia (USD/IDR)	2023-12-22	15,483.00	0.06	0.59	-0.70	-3.51	0.65	0.55
	Vietnam (USD/VND)	2023-12-25	24,245.00	0.31	-0.00	0.58	-2.93	-2.59	-2.52
	Brazil (USD/BRL)	2023-12-23	4.86	1.70	0.97	1.56	-1.88	6.42	8.63
	Russia (USD/RUB)	2023-12-23	92.32	-2.18	-4.15	3.74	-9.90	-26.12	-19.64
Stock - DM	United States Dow Jones	2023-12-23	37,385.97	0.22	5.64	9.94	10.85	12.60	12.79
	United States NASDAQ	2023-12-23	14,992.97	1.21	5.21	12.97	11.12	42.82	43.25
	United States S&P 500	2023-12-23	4,754.63	0.75	4.28	9.62	9.34	23.66	23.83
	Japan NIKKEI225	2023-12-25	33,254.03	1.51	-1.10	2.91	1.70	25.93	27.44
	United Kingdom FTSE	2023-12-22	7,697.51	1.60	2.80	0.96	3.16	3.00	3.30
	France CAC40	2023-12-23	7,568.82	-0.37	3.78	6.25	5.66	16.36	16.92
	Germany DAX	2023-12-23	16,706.18	-0.27	4.22	8.44	5.54	19.84	19.98
	Stock - EM	South Korea KOSPI	2023-12-22	2,599.51	1.40	4.12	4.16	1.14	12.35
China Shanghai Stock Exch		2023-12-25	2,918.81	-0.41	-4.02	-5.91	-7.36	-4.79	-5.52
India Sensex		2023-12-22	71,106.96	-0.53	7.79	7.70	12.91	18.82	16.87
Indonesia Jakarta		2023-12-22	7,237.52	0.65	3.25	3.42	9.00	6.42	5.65
Vietnam VN index		2023-12-25	1,117.66	2.36	2.01	-1.78	-1.27	13.44	10.98
Russia RTS		2023-12-26	1,063.67	-1.10	-6.95	6.68	2.28	10.40	9.59
Brazil Bovespa		2023-12-23	132,752.93	1.96	5.76	14.52	11.58	21.02	20.98
Rates - DM	United States	2023-12-25	3.90	-3.64	-57.15	-63.84	16.03	14.78	2.02
	Germany	2023-12-25	1.98	-10.00	-66.40	-81.90	-37.40	-42.40	-59.20
	United Kingdom	2023-12-25	3.51	-19.00	-77.80	-81.80	-81.50	-13.20	-16.70
	Japan	2023-12-25	0.62	-5.70	-15.40	-11.30	25.40	23.80	20.10
Rates - EM	South Korea	2023-12-22	3.29	-5.70	-46.90	-70.40	-36.20	-17.90	-44.40
	India	2023-12-22	7.19	2.30	-5.90	-0.10	9.90	-12.60	-14.20
	Indonesia	2023-12-22	6.50	-7.30	-16.50	-26.70	20.70	-43.80	-44.40
	Vietnam	2023-12-25	2.25	-5.00	-20.00	-45.00	-55.00	-300.00	-290.00
	Russia	2023-12-25	11.87	-10.01	8.78	10.85	81.55	141.33	156.26
	Brazil	2023-12-22	10.39	-27.60	-69.50	-104.50	-67.50	-259.30	-229.80
Commodity	WTI (\$/bbl)	2023-12-26	73.86	1.92	-2.22	-18.29	6.47	-7.16	-7.97
	Brent (\$/bbl)	2023-12-22	79.07	3.29	-3.53	-15.22	6.65	-2.36	-7.96
	Gold (\$/oz)	2023-12-23	2,053.08	1.66	3.16	6.64	7.27	14.54	12.56

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