

Weekly Global FX Market Monitor

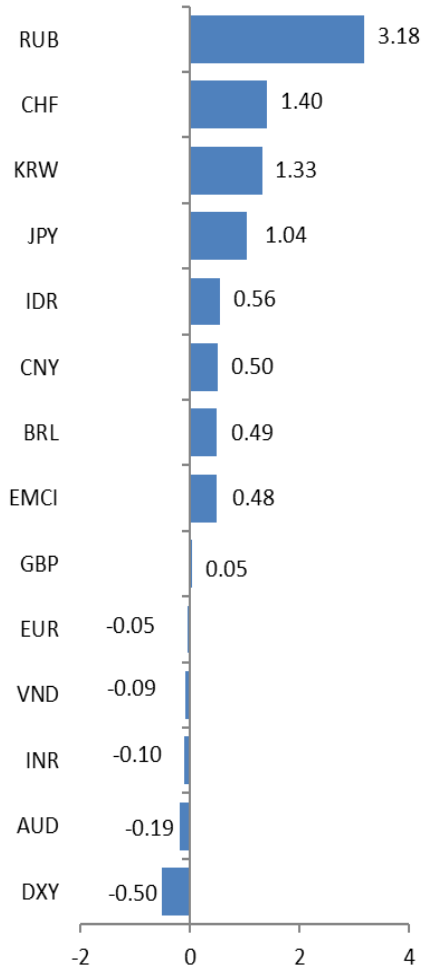
2024.01.02



Global

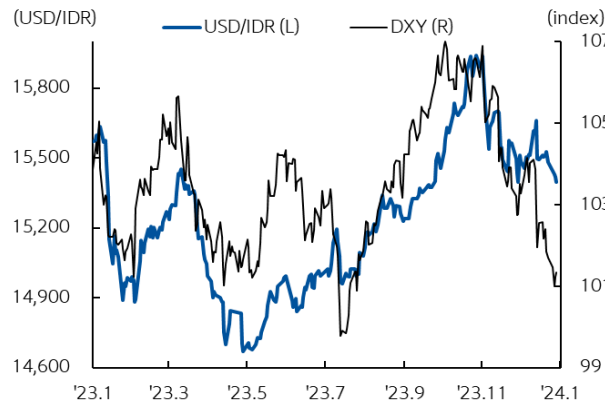
Solution & Trading Center, Seo Jae Kim
02-2151-2322, sjkim@shinhan.com
Translation: Jae Yeon Hyun

Weekly Change (%)



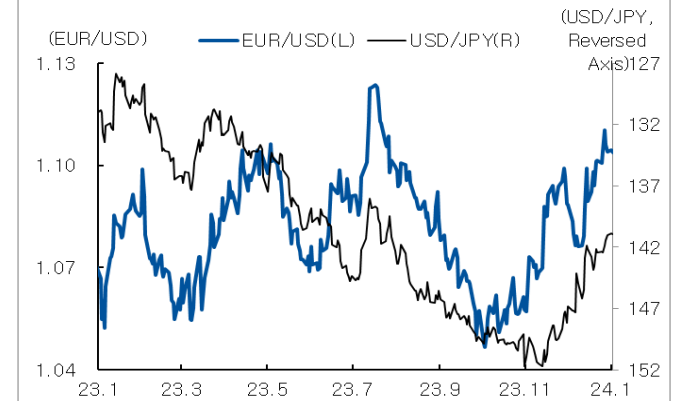
- Last week, weak USD (-0.50%) and a slight decline in EUR(-0.05%), and Strong JPY (+1.04%).
 - After Chairman Powell's dovish remarks, the market advanced its forecast for the timing of the U.S. Fed's interest rate cut, and USD appeared weak, reflecting expectations of an interest rate cut.
 - EUR was above \$1.11 at one point during the week due to a decline in year-end trading volume and a decline in U.S. bond interest rates due to strong U.S. bond bidding, but due to the absence of additional events, EURUSD fell slightly and closed in the 1.10s.
 - The BOJ meeting minutes confirmed the opinion of committee members that there is no rush to end ultra-loose monetary policy, but JPY appeared strong due to the decline in U.S. bond yields and the weakening USD.
- Risk-on sentiment improved due to expectations of an interest rate cut by the U.S. Fed, and EM currencies showed strength last week.
 - RUB was strong (+3.18%) due to increased demand for RUB ahead of the year-end tax payment period. The central bank plans to intervene in the FX market to stabilize RUB starting January 9.
 - Weak INR(-0.10%), a slight decline in VND (-0.09%) and strong IDR (+0.56%)

Dollar Index & US Treasury 10yr



Source: Bloomberg, SHB Solution & Trading Center

EUR & JPY Trend



Source: Bloomberg, SHB Solution & Trading Center

Weekly Global FX Market Monitor

2024.01.02

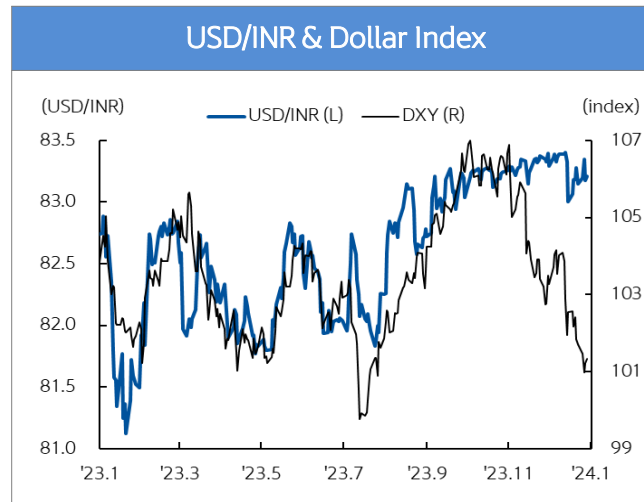


India

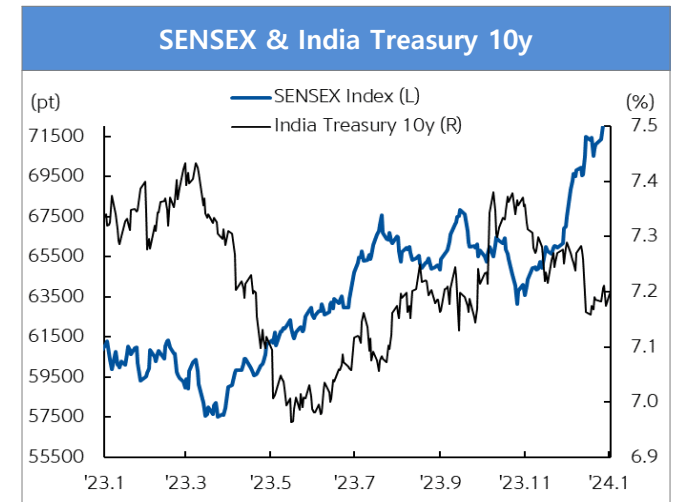
Solution & Trading Center, Seo Jae Kim
02-2151-2322, sjkim@shinhan.com
Translation: Jae Yeon Hyun

USD/INR	83.24
52wk high	83.50
52wk low	80.89
Sensex	72,272
52wk high	72,562
52wk low	57,085
Government Bond (10yr,%)	7.20
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)	7.84
Exports (% YoY)	-2.84
Imports (% YoY)	-4.34
Current Account (\$bn)	-8.30
Financial Earnings and Expenses (INR10mn)	-102884
FX Reserve (\$mn)	620,441

- Last week, USDINR moved in the range of 83.17~83.24, finished bullish (+0.46%)
- USDINR appeared weak early in the week due to the aftermath of year-end position adjustments and dollar purchases by oil companies and central banks, but it showed a strong weekly trend due to inflow of funds from the stock market and weak USD.
- The current account balance in 3Q was \$8.30 billion, or 1% of GDP, falling below 2% of GDP for four consecutive quarters, due to the easing of raw material price increases and improvement in service balance.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (12/25~12/29 accumulated: \$1,382.33 mil), SENSEX rose (+1.64%)
 - Bond: net purchased (12/25~12/29 accumulated: \$226.25 mil), bond yield fell (10y, 7.20%, -1.0bp)
- While expectations for an interest rate cut by the U.S. Fed continue, the government is expected to cut consumption taxes on fuel to manage prices and promote economic recovery ahead of the general election. The downward trend is expected to continue. (Expected Range: 82.5~83.5)



Source: Bloomberg, SHB Solution & Trading Center



Source: Bloomberg, SHB Solution & Trading Center

Weekly Global FX Market Monitor

2024.01.02

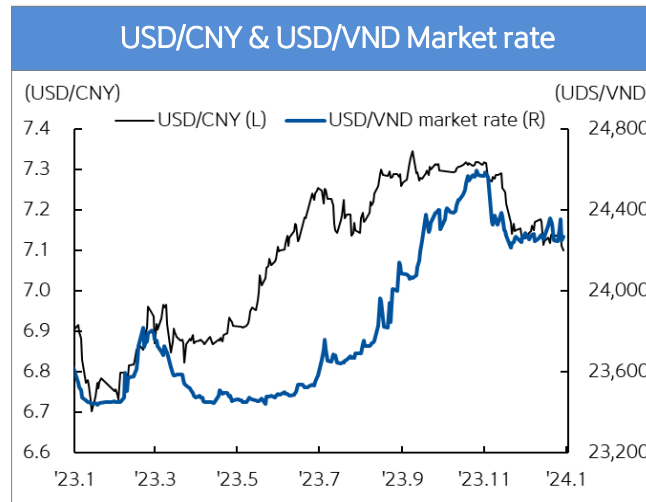


Vietnam

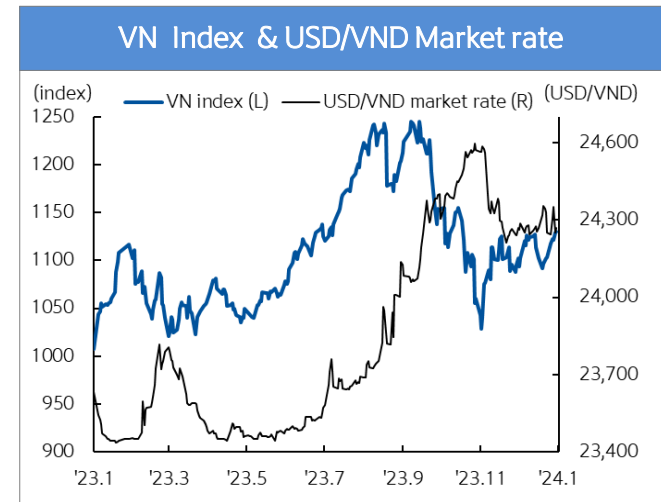
Solution & Trading Center, Seo Jae Kim
02-2151-2322, sjkim@shinhan.com
Translation: Jae Yeon Hyun

USD/VND	24,267
52wk high	24,620
52wk low	23,415
VN index	1,130
52wk high	1,255
52wk low	1,007
Government Bond(10yr,%)	2.50
52wk high	4.90
52wk low	2.25
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	6.72
Consumer Prices (% YoY)	3.58
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)	13.1
Imports (% YoY)	12.3
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 24,245~24,353, finished with a gentle dip (-0.09%).
- SBV announced its central rate at 23,866 (12/29), rose compared to 12/22 (23,915, +0.21%)
- CNY exchange rate fell to 7.10 level due to the global weak dollar, and the movement and volatility of VND was extremely limited due to a decrease in trading volume ahead of the new year.
- Vietnam in 4Q, the economy grew by 6.72% yoy, recording an annual growth rate of 5.05% in 2023, below the government target of 6.5%. Exports and imports in December increased by 13.1% and 12.3% yoy, resulting in a trade balance of \$2.28 billion, consumer prices, Mining and industrial production and retail sales recorded 3.58%yoy, 5.8%yoy, and 9.3%yoy.
- FPI (equity, bond, mutual fund, ETF, etc.) net purchased \$19.28 mil.
- VN index rose (+2.36%), VNIBOR3M declined by 16.70bps. (3.033%, 12/29)
- As expectations for the Fed's interest rate cut continue, Vietnam's economic indicators such as growth rate and import/export performance in 4Q are also showing a good recovery, so USDVND is expected to show downward this week. However, there is a possibility that the exchange rate may show an upward trend contrary to expectations due to the influx of low-price dollar purchases (Expected Range: 24,000~24,400).



Source : Bloomberg , SHB Solution & Trading Center



Source : Bloomberg , SHB Solution & Trading Center

Weekly Global FX Market Monitor

2024.01.02

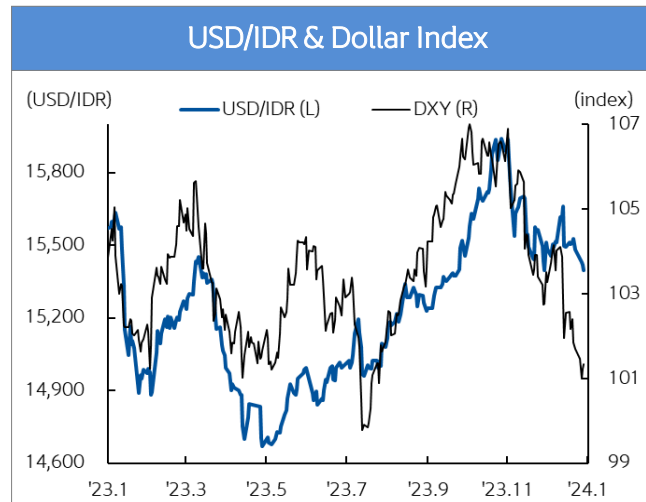


Indonesia

Solution & Trading Center, Seo Jae Kim
02-2151-2322, sjkim@shinhan.com
Translation: Jae Yeon Hyun

USD/IDR	15,397
52wk high	15,962
52wk low	14,575
Jakarta index	7,273
52wk high	7,310
52wk low	6,543
Government Bond(10Yr,%)	6.48
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 15,397~15,430, finished bullish (+0.06%)
- Expectations of a base interest rate cut by the U.S. Fed led to a weakening dollar and preference for risky assets, and most emerging Asian currencies showed strength. In line with this, IDR also closed strong last week.
- FPI net purchased in equity and net sold in bond market. (12/25~26 was a holiday)
 - Equity: net purchased (12/27~12/29 accumulated: \$186.61 mil), Jakarta Index rose (+0.74%)
 - Bond: net sold (12/27 : \$99.08 mil), bond yield fell (10y, 6.48%, -1.60bp)
- IDR is expected to strengthen this week as expectations of interest rate cuts by the U.S. Fed and investment sentiment in risky assets continue, but the decline in IDR exchange rate is unlikely to be significant due to the lack of special events. CPI for December will be announced and the market is expected to rise by 2.74% yoy, falling below the previous level (2.86%). Slowing inflation could also act as a factor in the strength of IDR. (Expected Range: 15,200~15,600)



Source : Bloomberg , SHB Solution & Trading Center



Source : Bloomberg , SHB Solution & Trading Center

Weekly Global FX Market Monitor

2024.01.02



Australia

Solution & Trading Center, Seo Jae Kim
02-2151-2322, sjkim@shinhan.com
Translation: Jae Yeon Hyun

AUD/USD	0.6837
52wk High	0.7137
52wk Low	0.6296
S&P/ASX200	7,593
52wk High	7,614
52wk Low	6,773
Government Bond(10yr,%)	3.95
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 (%)	-0.56
China Imports from Australia (% USD YoY)	8.6
Exports(% MoM)	4.0
Imports(% MoM)	-0.4
Current Account(% GDP)	1.2

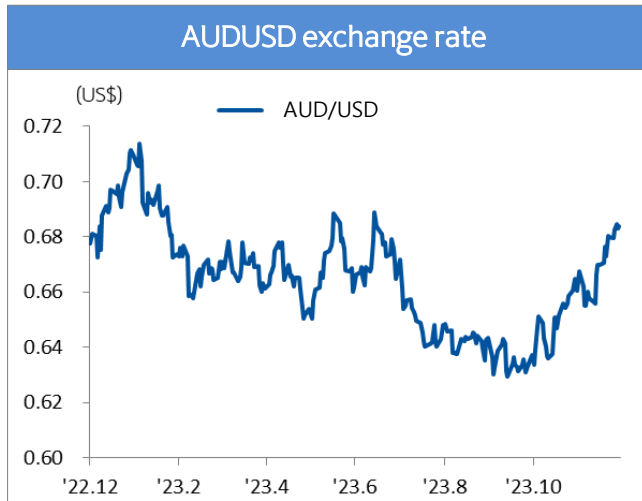
Last week :

- AUD continued its solid upward trend after the US FOMC
- As the market was thin and there are no economic indicators, AUD raised its high point on the 28th to 0.6870; the highest level in over 5 months, after US interest rates fell due to strong US bond bidding.

Outlook :

- After the year-end market that lost momentum, trading volume is expected to increase again with an increase in dollar buying at a low price. As a result, AUD may give back some of its recent gains.
- However, until the US January employment figures on the 5th and the US CPI on the 11th are confirmed, it is likely to remain in the box range without any strong direction.

*ANZ adjusted its forecast upward.



AUD/USD Forecast Distribution * (as of 12/29)

	'24.03	'24.06	'24.09
ANZ	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

2024.01.02

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-12-29	101.33	-0.50	-1.39	-4.56	-1.94	-2.41	-2.11
	Euro (EUR/USD)	2024-01-02	1.10	-0.04	1.86	5.35	1.15	3.48	-0.01
	Yen (USD/JPY)	2024-01-02	140.93	1.04	4.46	6.34	2.66	-7.19	0.08
	Pound (GBP/USD)	2024-01-02	1.27	0.05	0.78	5.33	0.30	5.69	0.00
	Switzerland (USD/CHF)	2024-01-02	0.84	1.39	3.66	9.06	6.45	9.99	-0.07
	Australia (AUD/USD)	2024-01-02	0.68	-0.19	2.90	7.06	2.08	0.15	0.00
FX - EM	South Korea (USD/KRW)	2023-12-28	1,288.10	1.33	0.44	4.76	1.51	-1.63	#N/A N/A
	China (USD/CNY)	2023-12-30	7.10	0.50	0.37	2.79	2.08	-1.91	0.00
	India (USD/INR)	2024-01-01	83.24	0.46	0.07	-0.23	-1.54	-0.59	-0.03
	Indonesia (USD/IDR)	2023-12-29	15,397.00	0.56	-0.01	0.38	-2.62	1.70	0.00
	Vietnam (USD/VND)	2024-01-01	24,267.00	-0.09	0.08	0.36	-2.51	-2.61	0.01
	Brazil (USD/BRL)	2023-12-29	4.86	0.49	0.29	3.62	-0.15	8.36	#N/A N/A
Russia (USD/RUB)	2023-12-30	89.47	3.18	-0.92	9.03	-2.44	-17.82	0.00	
Stock - DM	United States Dow Jones	2023-12-30	37,689.54	0.76	3.98	12.48	9.54	13.70	0.00
	United States NASDAQ	2023-12-30	15,011.35	0.32	4.94	13.56	8.87	43.42	0.00
	United States S&P 500	2023-12-30	4,769.83	0.49	3.81	11.24	7.18	24.23	0.00
	Japan NIKKEI225	2023-12-29	33,464.17	0.89	0.10	5.04	0.83	28.24	0.00
	United Kingdom FTSE	2023-12-29	7,733.24	0.23	2.71	1.65	2.68	3.78	0.00
	France CAC40	2023-12-30	7,543.18	-0.53	2.68	5.72	1.93	16.52	0.00
	Germany DAX	2023-12-30	16,751.64	0.11	2.16	8.87	3.74	20.31	0.00
Stock - EM	South Korea KOSPI	2023-12-28	2,655.28	2.13	5.38	7.72	4.13	18.73	0.00
	China Shanghai Stock Exch	2023-12-29	2,974.94	2.06	-1.87	-4.36	-7.09	-3.70	0.00
	India Sensex	2024-01-01	72,271.94	1.64	7.10	9.79	11.67	18.15	0.04
	Indonesia Jakarta	2023-12-29	7,272.80	0.74	3.02	4.80	9.17	6.16	0.00
	Vietnam VN index	2023-12-29	1,129.93	2.44	2.52	-2.10	0.87	12.20	0.00
	Russia RTS	2023-12-30	1,083.48	2.45	-1.08	7.53	10.23	11.63	0.00
Brazil Bovespa	2023-12-29	134,185.24	2.58	6.36	15.12	13.35	22.28	0.00	
Rates - DM	United States	2024-01-01	3.88	-1.59	-31.65	-69.20	4.24	0.43	0.00
	Germany	2024-01-01	2.02	4.50	-33.80	-81.50	-36.80	-54.70	0.00
	United Kingdom	2024-01-01	3.54	3.20	-60.30	-90.00	-85.10	-13.50	0.00
	Japan	2024-01-01	0.61	-0.90	-8.30	-15.10	21.30	19.20	0.00
Rates - EM	South Korea	2023-12-29	3.18	-11.60	-46.50	-83.70	-45.90	-56.00	-56.00
	India	2024-01-01	7.20	-1.00	-9.30	-1.80	8.00	-13.10	2.30
	Indonesia	2023-12-29	6.48	-1.60	-13.50	-43.40	21.90	-44.30	-46.00
	Vietnam	2023-12-29	2.50	0.00	-15.00	-40.00	-20.00	-240.00	-245.00
	Russia	2023-12-29	11.86	-3.43	15.37	-6.95	82.39	147.47	155.84
Brazil	2023-12-28	10.37	-6.30	-58.10	-136.30	-55.10	-239.80	-232.30	
Commodity	WTI (\$/bbl)	2024-01-02	72.01	-2.11	-2.78	-18.93	1.94	-10.28	0.50
	Brent (\$/bbl)	2023-12-29	77.04	-2.96	-7.29	-19.17	3.63	-6.35	-10.32
	Gold (\$/oz)	2023-12-30	2,062.98	0.48	0.92	11.60	8.11	13.67	0.00

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