

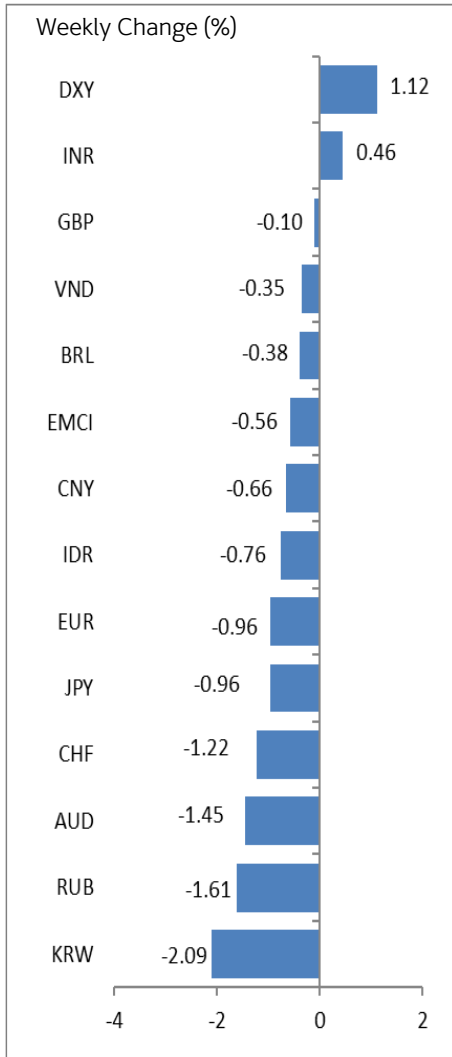
Weekly Global FX Market Monitor

2024.01.08

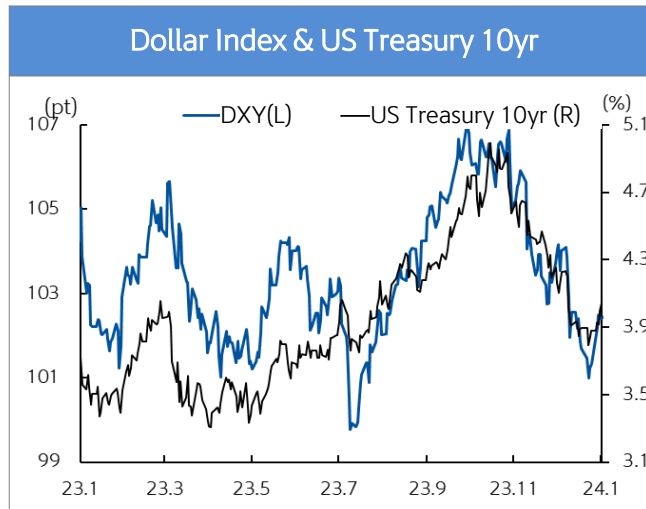


Global

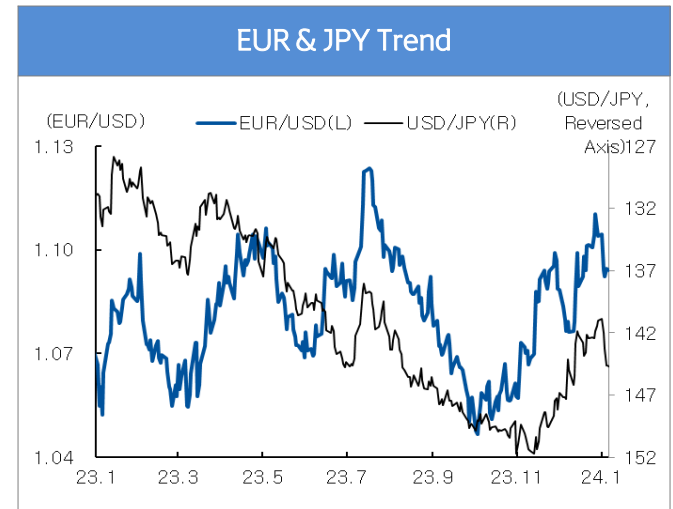
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Translation: Jae Yeon Hyun



- Last week, strong USD (+1.12%), weak EUR (-0.96%) and JPY (-0.96%).
 - DXY rose due to the perception that the market, which had previously reflected expectations of the Fed's interest rate cut, was overly optimistic after the FOMC did not mention the exact timing and confirmed that employment was still strong.
 - EUR, which started at around \$1.10, fell below \$1.09 at one point during the week, but rebounded slightly when the Eurozone service industry PMI recorded 48.8, which was higher than expected and the previous month.
- EM currencies which had strengthened so far reflecting the expectations of the Fed's interest rate cut turned weak after the FOMC's minutes and non-farm payrolls in Dec, along with the perception that expectations of early interest rate cut by the Fed were excessive.
 - BRL weakened (-0.38%). The current account in November recorded a deficit of 1.55 billion dollars, significantly lower than the expected deficit of 430 million dollars.
 - INR strengthened last week (+0.46%), while VND(-0.35%) and IDR(-0.76%) weakened.



Source : Bloomberg , SHB Solution & Trading Center



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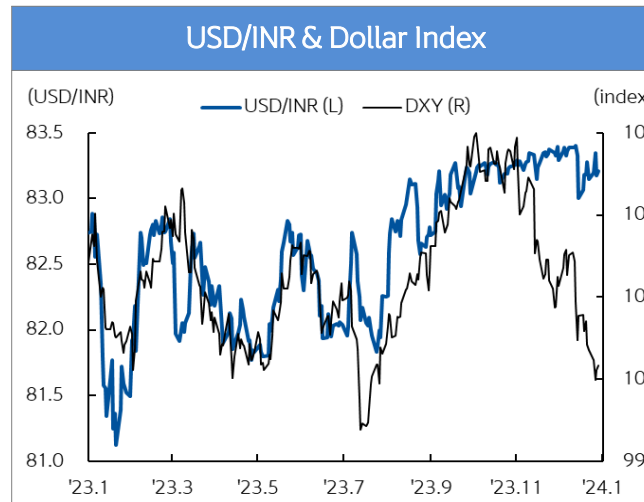


India

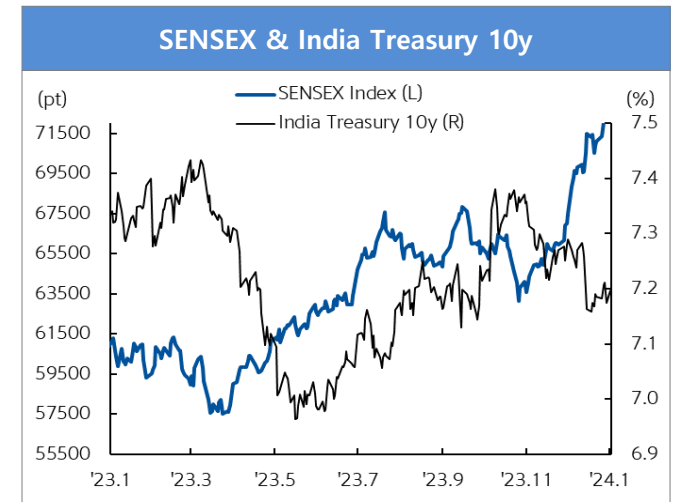
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USD/INR	83.16
52wk high	83.50
52wk low	80.89
Sensex	72,026
52wk high	72,562
52wk low	57,085
Government Bond (10yr,%)	7.24
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.55
Producer Prices (% YoY)	0.26
RBI rate(%)	6.50
Manufacturing PMI (index)	54.9
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)	623,200

- Last week, USD/INR moved in the range of 83.16~83.32, finished bullish (+0.46%)
- INR exchange rate appeared weak due to the reversal of the Fed's pivot expectations and the reversal of strong USD and the rise in crude oil due with heightened tensions in the Middle East, but it turned strong thanks to the inflow of funds from the stock market.
- Manufacturing PMI in Dec recorded 54.9, a slight slowdown compared to the previous month. (56.0). The service and composite PMI continued to expand at 59.0 and 58.5 respectively, the highest in three months.
- FPI net purchased in equity and bond markets.
 - Equity: net purchased (1/1~1/4 accumulated : \$320.01 mil), SENSEX fell (-0.30%)
 - Bond: net purchased (1/1~1/4 accumulated: \$316.00 mil), bond yield rose (10y, 7.24%, +6.10bp)
- While risk-on sentiment is weakening, there is a growing possibility that the interest rate cut in India will be delayed within the year due to concerns about rising prices. This week's INR exchange rate is expected to fluctuate in the low 83.0 range due to continued caution regarding the US inflation announcement. Major economic indicators such as CPI (consensus: 5.90% yoy) and import and export performance (consensus: trade balance deficit of \$20.9 billion) are scheduled to be announced. (Expected Range : 82.7~83.6)



Source: Bloomberg, SHB Solution & Trading Center



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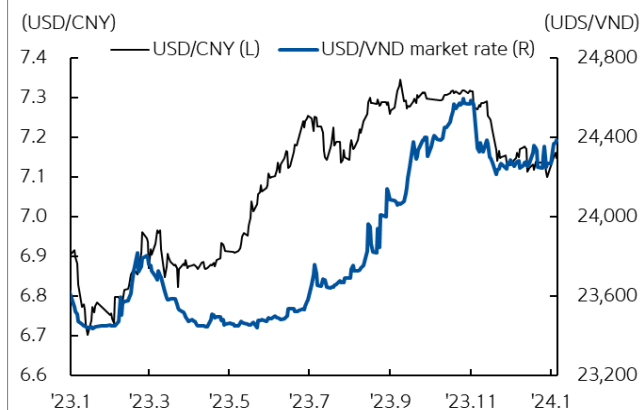
Vietnam

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USD/VND	24,351
52wk high	24,620
52wk low	23,415
VN index	1,155
52wk high	1,255
52wk low	1,013
Government Bond(10Yr,%)	2.35
52wk high	5.00
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)	48.9
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

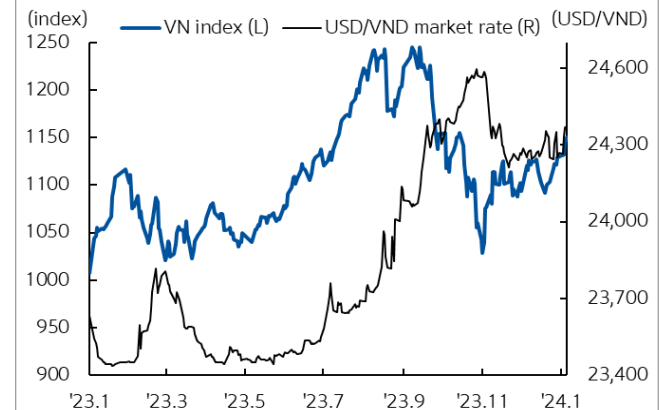
- Last week, USD/VND (market rate) moved in the range of 24,267~24,383, finished bearish (-0.35%)
- SBV announced its central rate at 23,932 (1/5), declined compared to 12/29. (23,866. -0.28%)
- CNY weakened to 7.16 against USD as USD rebounded and foreign investors sold Chinese stocks. The weakening CNY was also driven by concerns about the health of the Chinese economy, as the December manufacturing PMI came in below expectations. VND also weakened, along with other EM currencies, as investors grew skeptical of the Fed's pivot.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$41.13 mil.
- VN index rose (+2.28%), VNIBOR3M rose by 6.70bps. (3.10%, 1/5)
- While expectations for an early interest rate cut from the US Fed have decreased, it's not easy for VND exchange rate to decline significantly due to the sluggish Chinese economy. The exchange rate will show a limited range market while waiting for US CPI which will be announced later in the week. (Expected Range: 24,100~24,450)

USD/CNY & USD/VND Market rate



Source : Bloomberg , SHB Solution & Trading Center

VN Index & USD/VND Market rate



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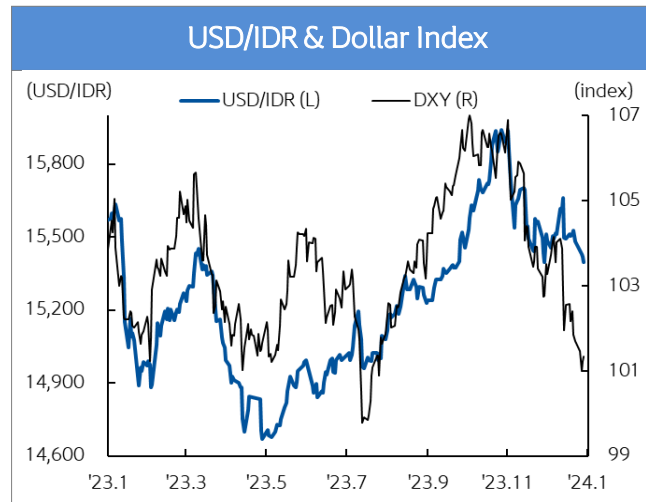


Indonesia

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USD/IDR	15,515
52wk high	15,962
52wk low	14,575
Jakarta index	7,351
52wk high	7,404
52wk low	6,543
Government Bond(10Yr,%)	6.71
52wk high	7.26
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	4.94
Consumer Prices (% YoY)	2.61
Total Mining Industries Producer Price(% YoY)	3.55
Refinance rate(%)	6.00
Manufacturing PMI (index)	52.2
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 15,470~15,515, finished bearish (-0.76%)
- USD strengthened and USDIDR rose due to the perception that market was overly optimistic on the Fed's rate cut. The possibility of an interest rate cut was confirmed through the FOMC minutes in Dec , but there was no mention of the exact timing and extent, which disappointed the market. As a result, USDIDR continued to rise.
- CPI in December rose 2.61%yoy, falling below the previous value (2.86%). Inflation continues to slow as supply-side bottlenecks ease.
- FPI net purchased in equity market:
 - Equity: net purchased (1/2~1/5 accumulated: \$185.09 mil), Jakarta Index rose (+0.64%)
 - Bond: info is not given
- The direction of USDIDR will likely be decided after the US CPI and the speeches of the Fed's members this week. CPI expected to be around 3.2%, but US employment remains solid. The rupiah is likely to weaken due to lower expectations of the Fed's interest rate cut and weakening investment sentiment for risky assets. With the February election approaching, political uncertainty is increasing, so the foreign exchange market should be aware of the increased volatility. (Expected Range: 15,220~15,620)



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Weekly Global FX Market Monitor

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Australia

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AUD/USD 0.6714

52wk High 0.7137

52wk Low 0.6296

S&P/ASX200 7,500

52wk High 7,628

52wk Low 6,773

Government Bond(10yr,%) 4.11

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 (%) -0.53

China Imports from Australia (% USD YoY) 8.6

Exports(% MoM) 4.0

Imports(% MoM) -0.4

Current Account(% GDP) 1.2

Last week :

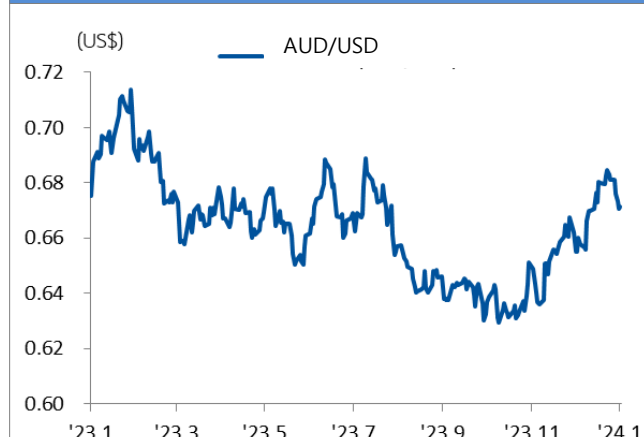
- USDAUD was up to 0.687 at the end of the year then fell in the new year, attempting to fall below 0.67. It is a natural reversal occurred along with the increase in trading volume in the new year, since the overall market was biased in one direction in the latter half of December.
- USD strengthened with the strong U.S. ADP, contrasting with the weak Chinese manufacturing PMI.

Outlook:

- As an interest rates rise and risky assets falter, recent global economic conditions also create tension in the market.
- USD could attempt further gains due to major issues such as the geopolitical risks in the Red Sea, the earthquake in Japan, the upcoming US CPI and Taiwan elections.

*No change in outlook

AUDUSD Exchange Rate



Source: Bloomberg, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 01/05)

	'24.03	'24.06	'24.09
A N Z	0.68	0.69	0.70
Wells Fargo	0.66	0.67	0.69
MUFG	0.66	0.67	0.68
JP Morgan	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)	2024-01-08	102.47	1.12	-1.48	-3.37	0.19	-1.36	1.12
	Euro (EUR/USD)	2024-01-08	1.09	-0.96	1.64	3.52	-0.56	1.95	-0.91
	Yen (USD/JPY)	2024-01-08	144.83	-2.72	0.08	2.54	-2.43	-8.94	-2.62
	Pound (GBP/USD)	2024-01-08	1.27	-0.10	1.31	3.89	-1.14	4.35	-0.13
	Switzerland (USD/CHF)	2024-01-08	0.85	-1.22	3.38	6.52	4.02	8.25	-1.14
	Australia (AUD/USD)	2024-01-08	0.67	-1.45	2.05	4.73	0.58	-2.86	-1.44
FX - EM	South Korea (USD/KRW)	2024-01-05	1,315.65	-2.09	-0.34	2.65	-1.30	-3.51	-2.09
	China (USD/CNY)	2024-01-06	7.15	-0.66	0.00	2.11	1.45	-3.73	-0.66
	India (USD/INR)	2024-01-05	83.16	0.46	0.27	0.11	-1.13	-0.73	0.06
	Indonesia (USD/IDR)	2024-01-05	15,515.00	-0.76	-0.06	0.64	-3.22	0.60	-0.76
	Vietnam (USD/VND)	2024-01-08	24,351.00	-0.35	-0.44	0.14	-2.89	-3.66	-0.34
	Brazil (USD/BRL)	2024-01-06	4.88	-0.38	1.08	6.00	-0.54	9.78	-0.38
Russia (USD/RUB)	2024-01-06	90.94	-1.61	1.51	10.03	-0.49	-20.14	-1.61	
Stock - DM	United States Dow Jones	2024-01-06	37,466.11	-0.65	3.36	12.15	11.06	11.40	-0.59
	United States NASDAQ	2024-01-06	14,524.07	-3.78	0.83	8.14	6.32	37.42	-3.25
	United States S&P 500	2024-01-06	4,697.24	-1.80	2.02	9.02	6.78	20.59	-1.52
	Japan NIKKEI225	2024-01-05	33,377.42	0.21	3.31	7.69	3.05	28.50	-0.26
	United Kingdom FTSE	2024-01-06	7,689.61	-0.43	1.79	2.60	5.96	-0.13	-0.56
	France CAC40	2024-01-06	7,420.69	-1.52	-1.41	5.11	4.34	8.16	-1.62
Germany DAX	2024-01-06	16,594.21	-0.64	-0.98	8.96	6.35	13.58	-0.94	
Stock - EM	South Korea KOSPI	2024-01-05	2,578.08	-1.36	2.39	7.03	2.03	12.58	-2.91
	China Shanghai Stock Exchange	2024-01-05	2,929.18	-0.86	-1.36	-5.83	-8.37	-7.23	-1.54
	India Sensex	2024-01-05	72,026.15	-0.30	3.15	9.14	10.33	20.24	-0.30
	Indonesia Jakarta	2024-01-05	7,350.62	0.64	2.67	6.71	9.44	9.96	1.07
	Vietnam VN index	2024-01-05	1,154.68	2.28	2.69	2.32	1.46	9.82	2.19
	Russia RTS	2024-01-06	1,087.35	1.74	3.14	10.15	11.40	15.34	0.36
Brazil Bovespa	2024-01-06	132,022.92	-1.62	3.88	15.64	11.04	21.16	-1.61	
Rates - DM	United States	2024-01-05	4.05	16.66	-11.92	-67.28	11.42	32.76	16.66
	Germany	2024-01-05	2.16	13.20	-9.10	-72.20	-32.20	-16.00	13.20
	United Kingdom	2024-01-05	3.79	25.00	-23.80	-75.50	-70.70	23.40	25.00
	Japan	2024-01-05	0.61	-0.40	-6.00	-20.20	21.80	17.60	-0.40
Rates - EM	South Korea	2024-01-05	3.34	16.20	-23.80	-99.80	-29.80	-23.80	16.20
	India	2024-01-05	7.24	6.10	-2.30	2.00	12.80	-9.20	6.10
	Indonesia	2024-01-05	6.71	22.70	11.60	-33.30	53.00	-28.60	22.70
	Vietnam	2024-01-05	2.35	-5.00	-25.00	-75.00	-65.00	-270.00	-5.00
	Russia	2024-01-04	11.78	-1.67	-11.09	-18.11	67.60	150.71	-8.01
	Brazil	2024-01-05	10.59	22.10	-38.80	-141.70	-23.10	-251.60	22.10
Commodity	WTI (\$/bbl)	2024-01-08	73.90	3.14	3.75	-10.74	0.05	0.18	3.14
	Brent (\$/bbl)	2024-01-08	78.90	2.41	4.03	-6.72	0.55	0.42	2.41
	Gold (\$/oz)	2024-01-06	2,045.45	-0.85	1.29	12.37	6.80	11.60	-0.85

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.

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