

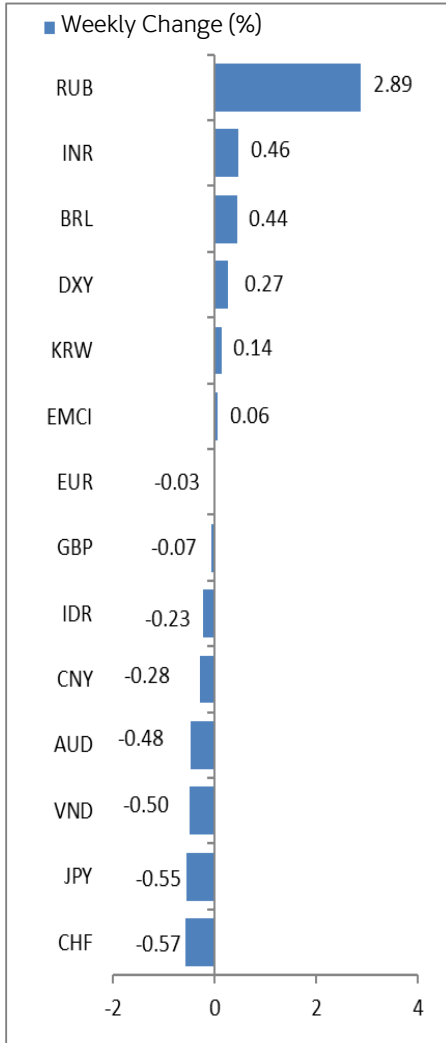
# Weekly Global FX Market Monitor

2024.01.15

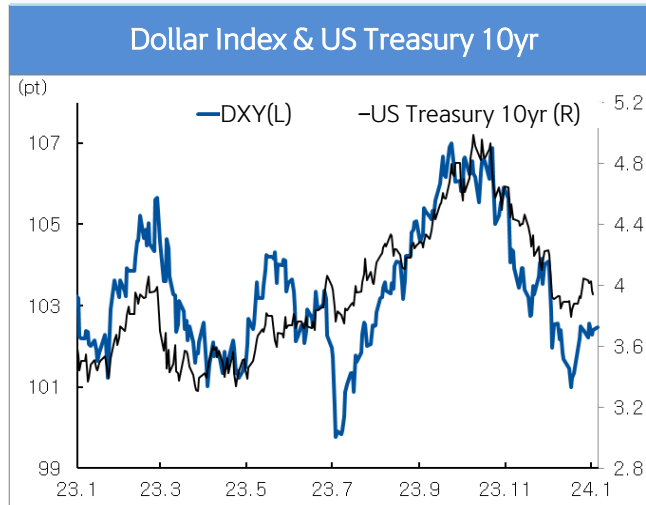


## Global

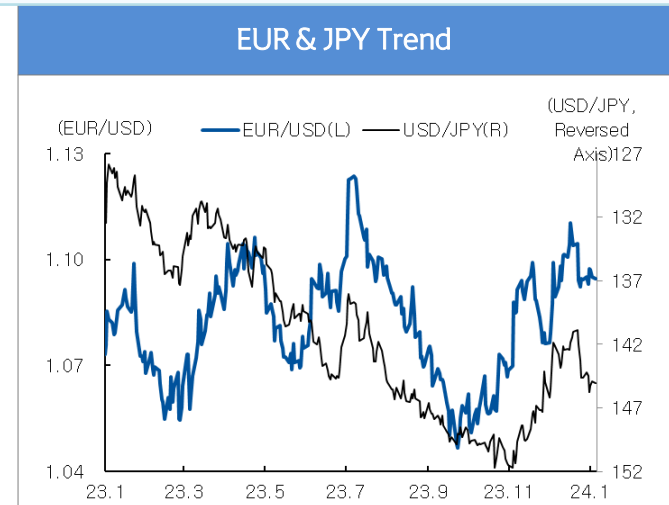
Solution & Trading Center, Seo Jae Kim  
02-2151-2322, sjkim@shinhan.com  
Translation: Jae Yeon Hyun



- Last week, strong USD (+0.27%), weak EUR (-0.03%) and JPY (-0.55%).
  - Skepticism about an early interest rate cut was raised after solid U.S. employment demand and the U.S. CPI exceeded market expectations, but expectations of an interest rate cut by the U.S. Fed remained. Accordingly, DXY showed limited movement.
  - Despite sluggish production and consumption indicators in Germany, expectations for a U.S. Fed's interest rate cut remained, and EURUSD fluctuated little and closed at \$1.095.
  - Japan's wage growth rate in November 2023 rose 0.2% compared to the previous month, falling below the previous level (1.5%). Following the Noto Peninsula earthquake, expectations are growing that monetary policy normalization will be delayed due to a slowdown in wage growth. USDJPY closed at 144 due to the decline in U.S. bond yields.
- Expectations of an interest rate cut by the Fed has remained even after the release of US economic indicators. Thus, EM currencies were mixed last week.
  - Russia began selling CNY ahead of the election. RUB (+2.89%) showed strength due to the central bank's intervention in FX market.
  - INR (+0.46%) showed strength, but VND (-0.50%) and IDR (-0.23%) recorded weakness.



Source : Bloomberg , SHB Solution & Trading Center



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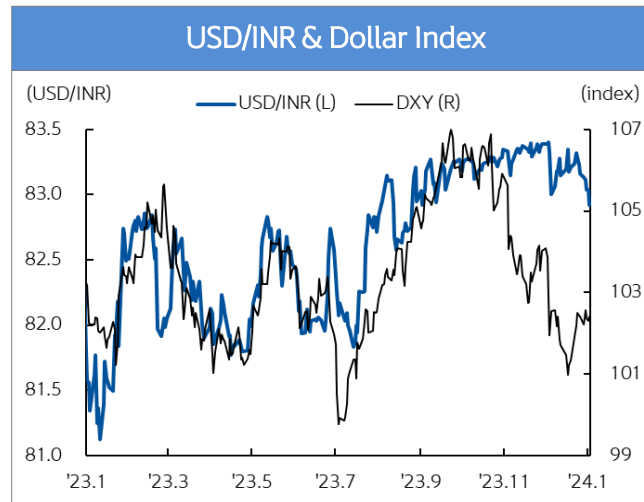


## India

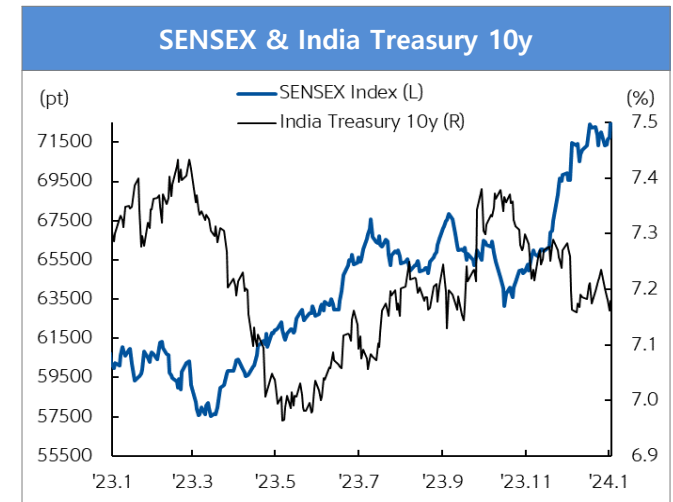
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USD/INR	82.92
52wk high	83.50
52wk low	80.89
Sensex	72,568
52wk high	72,721
52wk low	57,085
Government Bond (10yr,%)	7.18
52wk high	7.45
52wk low	6.94
<b>Major Indices Snap shot</b>	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.69
Producer Prices (% YoY)	0.26
RBI rate(%)	6.50
Manufacturing PMI (index)	54.9
Industrial Production (% YoY)	2.40
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)	617,303

- Last week, USD/INR moved in the range of 82.92~83.14, finished bullish. (+0.46%).
- INR exchange rate strengthened weekly due to the inflow of foreign funds following the decline in crude oil prices and news of discussions on inclusion of Indian bonds in the Bloomberg Index. RBI's intervention, which previously responded to foreign capital inflows by purchasing dollars, has also decreased.
- Mining and industrial production growth in November slowed due to the base effect due to the holiday season, increasing only 2.4% yoy, while CPI in December increased due to shortages of onions and tomatoes, etc. Due to the increase in food prices, it increased by 5.69% yoy.
- The main opposition party, the Indian National Congress (INC), begins a two-month cross-country campaign to secure support ahead of the April general elections.
- FPI net sold in equity and net purchased in bond market.
  - Equity: net sold (1/8~1/11 accumulated: \$322.32 mil), SENSEX rose (+0.75%)
  - Bond: net purchased (1/8~1/11 accumulated: \$270.71 mil), bond yield fell (10y, 7.18%, -5.60bp)
- INR exchange rate is expected to show a downward trend due to the continued inflow of foreign funds, but the bottom is expected to be limited due to oil companies and RBI's intervention in dollar purchases. Export and import results scheduled to be announced this week (Consensus: trade balance deficit of \$20.08 billion) (Expected Range: 82.6~83.5)



Source: Bloomberg, SHB Solution & Trading Center



Source: Bloomberg, SHB Solution & Trading Center

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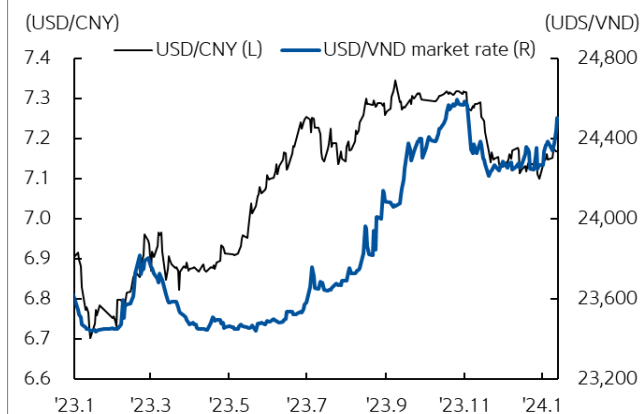
## Vietnam

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USD/VND	24,505
52wk high	24,620
52wk low	23,415
VN index	1,155
52wk high	1,255
52wk low	1,013
Government Bond(10yr,%)	2.40
52wk high	5.00
52wk low	2.25
<b>Major Indices Snap shot</b>	
Real GDP Growth	6.72
Rate(% YoY)	
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

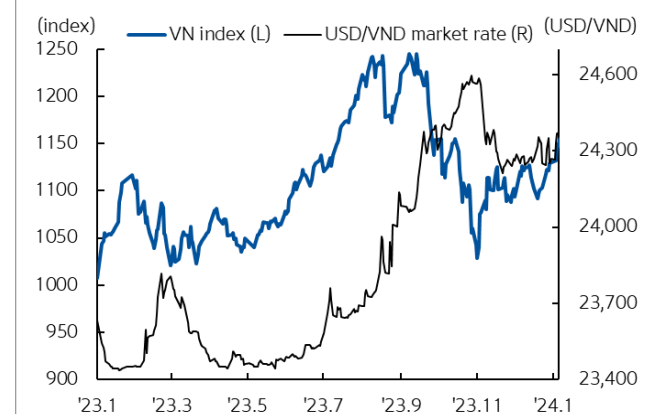
- Last week, USD/VND (market rate) moved in the range of 24,340~24,505, finished bearish. (-0.50%)
- SBV announced its central rate at 23,948 (1/12), weakened compared to 1/5 (23,932, -0.07%)
- While CNY weakened due to continued uncertainty over the economy and financial markets and concerns about deepening cross-strait conflict following the election of a pro-American Democratic Progressive Party candidate in Taiwan's presidential election, VND trend is also bearish due to geopolitical instability, including heightened tensions in the Middle East.
- Domestic automobile sales in December surged 20.0% yoy, due to the fact that it is the last month to apply the government's registration tax reduction benefits.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$16.99 mil.  
- VN index was flat (+0.00%), VNIBOR3M fell by 35bps. (3.50%, 1/12)
- Amid mixed opinions on the Fed's rate path, concerns are raised about deflation in China as prices continue to fall. The PBOC is expected to take monetary easing measures to help the economy recover. The VND exchange rate will be affected by the results of major economic indicators such as China's GDP and the PBOC's decision on further currency easing. CNY and VND exchange rates are expected to decline if monetary easing measures are taken. (Expected Range: 24,200~24,750)

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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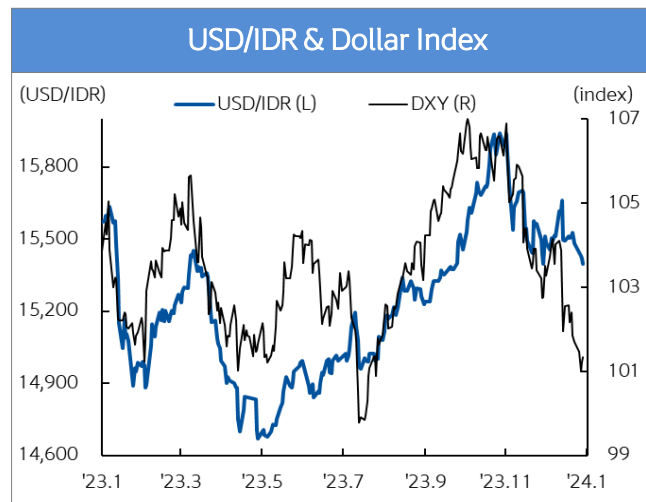


## Indonesia

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USD/IDR	15,550
52wk high	15,962
52wk low	14,575
Jakarta index	7,241
52wk high	7,404
52wk low	6,543
Government Bond(10yr,%)	6.66
52wk high	7.26
52wk low	6.16
<b>Major Indices Snap shot</b>	
Real GDP Growth Rate(% YoY)	4.94
Consumer Prices (% YoY)	2.61
Total Mining Industries	3.14
Producer Price(% YoY)	3.14
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)	146

- Last week, USD/IDR(market rate) moved in the range of 15,520~15,570, finished bearish. (-0.23%)
- Despite new U.S. employment and CPI exceeding market expectations last week, IDR exchange rate rose slightly as expectations of a U.S. Fed's interest rate cut remained. The central bank's foreign exchange reserves in December hit \$146.4 billion, the highest in two years.
- FPI net purchased in equity and net sold in bond market.
  - Equity: net purchased (1/8~1/12 accumulated: \$206.03 mil), Jakarta Index fell (-1.49%)
  - Bond: net sold (1/8~1/10 accumulated: \$133.86 mil), bond yield fell (10y, 6.66%, -4.30bp)
- A slowdown in consumption can be confirmed through this week's U.S. retail sales data. As expectations for a US Fed's interest rate cut remain, the IDR exchange rate is expected to fall. However, if the geopolitical conflict in the Middle East expands, preference for safe assets will be stimulated, and there is always a possibility that IDR will weaken. December export and import results are scheduled to be announced this week, and are expected to drop by 8.39% and rise by 0.10%, respectively, compared to the previous year. In addition, the central bank monetary policy meeting is scheduled and interest rates are expected to be frozen to stabilize the exchange rate. (Expected Range: 15,320~15,630)



Source : Bloomberg , SHB Solution & Trading Center



Source : Bloomberg , SHB Solution & Trading Center

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2024.01.15



## Australia

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AUD/USD	0.6712
52wk High	0.7137
52wk Low	0.6296
S&P/ASX200	7,494
52wk High	7,628
52wk Low	6,773
Government Bond(10yr,%)	4.08
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 (%)	-0.45
China Imports from Australia (% USD YoY)	8.6
Exports(% MoM)	4.0
Imports(% MoM)	-0.4
Current Account(% GDP)	1.2

### Last week :

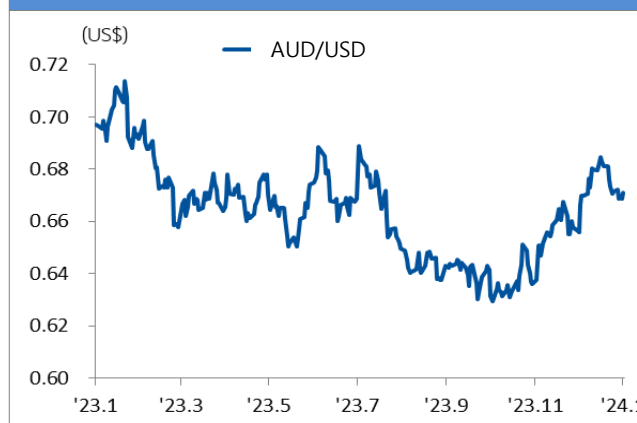
- USDAUD has been on a downward trend since the start of the year, but it has slowed down this week, trading close to sideways. The exchange rate was unmoved by Australian data, including retail sales, but briefly fell after the release of U.S. December CPI and rebounded.
- The iron ore price, which had risen in 2H last year, turned to decline at the beginning of this year, putting a burden on AUD.

### Outlook :

- The direction of USDAUD has come unclear, but there is a possibility that the Taiwan presidential election and the start of the US Republican primary race on the 13th will present a new direction.
- If the Taiwanese regime is established, there is an immediate threat from China and risky assets may fall. Red Sea geopolitical risks are also burdens.

\*No change in outlook

### AUDUSD Exchange Rate



Source : Bloomberg , SHB Solution & Trading Center

### AUD/USD Forecast Distribution \* (as of 01/12)

	'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

2024.01.15

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-01-15	102.48	0.27	-0.07	-3.91	2.57	0.27	1.13
	Euro (EUR/USD)	2024-01-15	1.09	-0.03	0.48	3.66	-2.57	1.16	-0.83
	Yen (USD/JPY)	2024-01-15	145.03	-0.55	-1.99	3.09	-4.36	-11.34	-2.75
	Pound (GBP/USD)	2024-01-15	1.27	-0.07	0.46	4.27	-2.55	4.47	0.06
	Switzerland (USD/CHF)	2024-01-15	0.85	-0.57	2.05	5.51	0.88	8.62	-1.36
	Australia (AUD/USD)	2024-01-15	0.67	-0.48	-0.16	5.46	-1.88	-3.84	-1.82
FX - EM	South Korea (USD/KRW)	2024-01-12	1,313.85	0.14	0.00	1.88	-1.91	-5.19	-1.96
	China (USD/CNY)	2024-01-13	7.17	-0.28	0.14	1.93	-0.03	-6.11	-0.94
	<b>India (USD/INR)</b>	<b>2024-01-12</b>	<b>82.92</b>	<b>0.46</b>	<b>0.56</b>	<b>0.39</b>	<b>-0.81</b>	<b>-1.65</b>	<b>0.35</b>
	Indonesia (USD/IDR)	2024-01-12	15,550.00	-0.23	0.45	0.90	-3.04	-1.36	-0.98
	<b>Vietnam (USD/VND)</b>	<b>2024-01-13</b>	<b>24,505.00</b>	<b>-0.50</b>	<b>-0.96</b>	<b>-0.22</b>	<b>-3.40</b>	<b>-4.33</b>	<b>-0.96</b>
	Brazil (USD/BRL)	2024-01-13	4.85	0.44	2.31	4.04	-0.70	5.08	0.06
Russia (USD/RUB)	2024-01-13	88.39	2.89	2.13	10.57	2.34	-22.87	1.23	
Stock - DM	United States Dow Jones	2024-01-13	37,592.98	0.34	0.77	11.65	8.94	9.59	-0.26
	United States NASDAQ	2024-01-13	14,972.76	3.09	1.07	11.68	6.09	35.14	-0.26
	United States S&P 500	2024-01-13	4,783.83	1.84	1.37	10.54	6.18	19.62	0.29
	Japan NIKKEI225	2024-01-12	35,577.11	6.88	7.91	10.09	9.84	36.21	6.31
	United Kingdom FTSE	2024-01-13	7,624.93	-0.84	0.64	0.33	2.56	-2.79	-1.40
	France CAC40	2024-01-13	7,465.14	0.60	-1.73	6.59	1.23	6.29	-1.03
	Germany DAX	2024-01-13	16,704.56	0.66	-0.28	9.99	3.72	10.73	-0.28
	South Korea KOSPI	2024-01-12	2,525.05	-2.06	-1.50	2.81	-3.93	5.82	-4.90
Stock - EM	China Shanghai Stock Exchange	2024-01-12	2,881.98	-1.61	-2.06	-6.67	-10.99	-9.81	-3.12
	<b>India Sensex</b>	<b>2024-01-12</b>	<b>72,568.45</b>	<b>0.75</b>	<b>1.52</b>	<b>9.48</b>	<b>9.85</b>	<b>20.42</b>	<b>0.45</b>
	Indonesia Jakarta	2024-01-12	7,241.14	-1.49	0.70	4.54	5.41	9.02	-0.44
	<b>Vietnam VN index</b>	<b>2024-01-12</b>	<b>1,154.70</b>	<b>0.00</b>	<b>4.75</b>	<b>-0.00</b>	<b>-1.17</b>	<b>8.92</b>	<b>2.19</b>
	Russia RTS	2024-01-13	1,136.06	4.48	7.11	9.86	11.97	12.44	4.85
	Brazil Bovespa	2024-01-13	130,987.67	-0.78	0.61	13.16	11.28	18.10	-2.38
Rates - DM	United States	2024-01-12	3.94	-10.67	-26.16	-75.79	8.17	49.90	5.99
	Germany	2024-01-12	2.18	2.80	-4.20	-60.20	-39.40	2.50	16.00
	United Kingdom	2024-01-12	3.79	0.60	-17.40	-63.00	-72.10	45.90	25.60
	Japan	2024-01-12	0.61	-0.30	-11.40	-15.10	13.30	9.70	-0.70
	South Korea	2024-01-12	3.31	-3.20	-22.50	-78.70	-45.20	-9.00	13.00
Rates - EM	<b>India</b>	<b>2024-01-12</b>	<b>7.18</b>	<b>-5.60</b>	<b>-9.50</b>	<b>-12.00</b>	<b>6.40</b>	<b>-10.70</b>	<b>0.50</b>
	Indonesia	2024-01-12	6.66	-4.30	-2.60	-12.10	47.00	-8.90	18.40
	<b>Vietnam</b>	<b>2024-01-12</b>	<b>2.40</b>	<b>-5.00</b>	<b>-10.00</b>	<b>-65.00</b>	<b>-25.00</b>	<b>-260.00</b>	<b>0.00</b>
	Russia	2024-01-12	12.15	36.41	-18.56	11.86	91.52	176.38	28.40
	Brazil	2024-01-12	10.52	-6.40	-38.80	-117.20	-13.50	-192.60	15.70
	Commodity	WTI (\$/bbl)	2024-01-15	72.44	2.36	1.41	-17.39	-3.95	-9.29
Brent (\$/bbl)		2024-01-15	78.03	2.51	1.93	-14.15	-2.30	-8.50	1.29
Gold (\$/oz)		2024-01-13	2,049.06	0.18	3.51	9.64	4.69	8.01	-0.67

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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