

Weekly Global FX Market Monitor

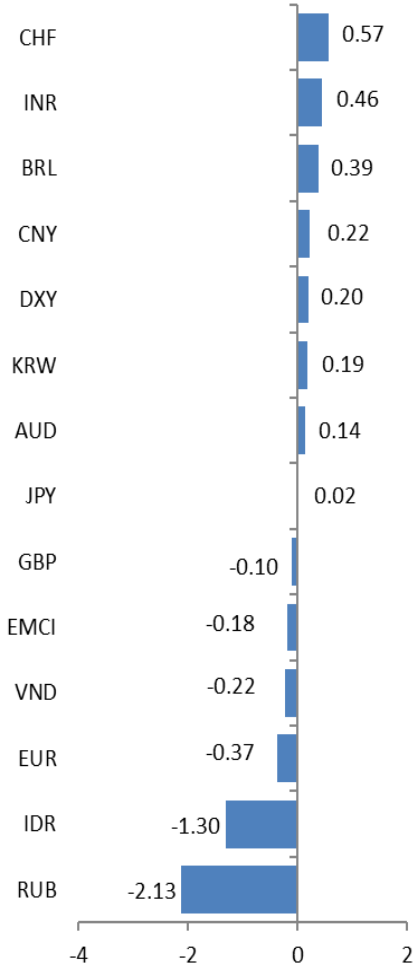
2024.01.29



Global

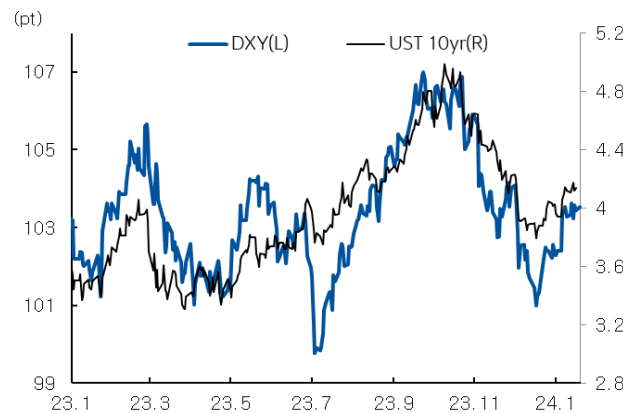
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



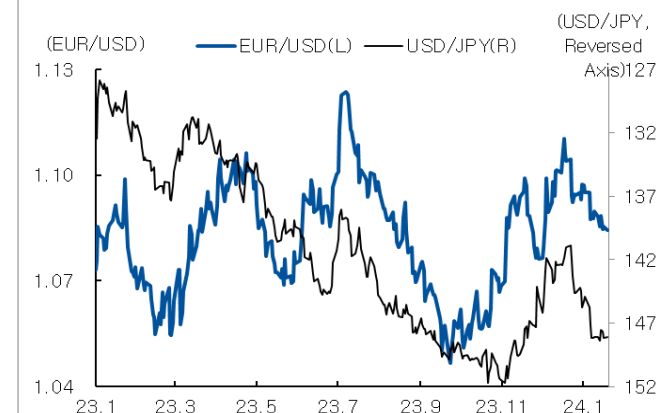
- Last week: Strong USD(+0.19%), Weak EUR(-0.37%), Steady JPY(+0.02%)
- US GDP in 4Q was 3.3%, above market consensus(2%), and anticipation on the Fed's early rate cut has diminished. December PCE rose by 2.9%, slightly below the market consensus. Accordingly, DXY remained flat around 103pt level.
- EUR slightly rose on sound manufacturing PMI. But fell in a reaction to the ECB'S anticipated rate cuts around Summer. EUR closed at 1.085 dollar.
- BOJ maintained the interest rate but the market interpreted the governor's confidence towards achieving inflation target and raising wages to be hawkish. USDJPY dropped but rose later in the week and closed at 148.15 yen.
- Despite the news on China's possible market stimulus, the investor sentiment struggles to recover due to concerns over sluggish Chinese economy. EM currencies weakened.
- At this week's meeting, Brazil is anticipated to cut rate by 50bps. If so, the real policy rate would be around 7%, still higher than the neutral rate of 4.5%. BRL(+0.39%) strengthened.
- INR(+0.46%) strengthened while VND(-0.22%) and IDR(-1.30%) weakened.

Dollar Index & US Treasury 10yr



Source : Bloomberg , SHB Solution & Trading Center

EUR & JPY Trend



Source : Bloomberg , SHB Solution & Trading Center

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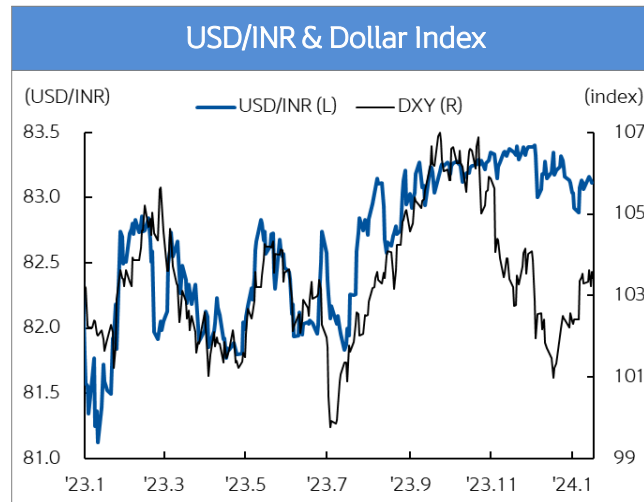


India

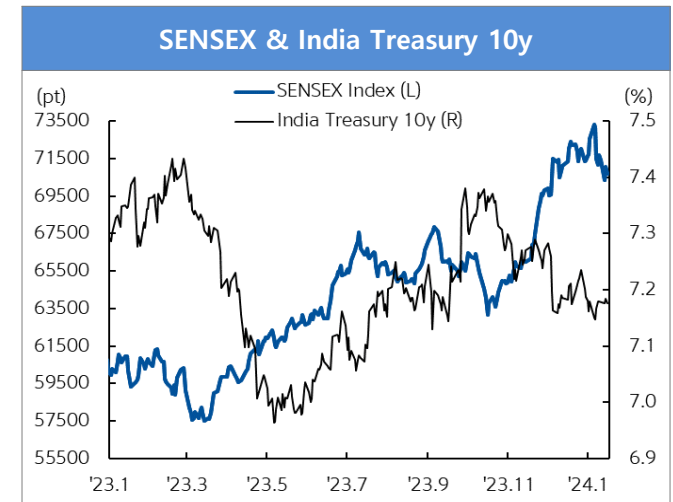
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USD/INR	83.12
52wk high	83.50
52wk low	81.49
Sensex	70,701
52wk high	73,428
52wk low	57,085
Government Bond (10yr,%)	7.18
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth	7.64
Rate(% YoY)	
Consumer Prices (% YoY)	5.69
Producer Prices (% YoY)	0.73
RBI rate(%)	6.50
Manufacturing PMI (index)	56.9
Industrial Production (% YoY)	2.40
Core Sector Growth(% YoY)	7.84
Exports (% YoY)	0.96
Imports (% YoY)	-4.84
Current Account (\$bn)	-8.30
Financial Earnings and Expenses (INR10mn)	-102884
FX Reserve (\$mn)	616,143

- Last week, USD/INR moved in the range of 83.11~83.16, strengthened compared to last week. (+0.46%)
- INR weakened on lack of liquidity due to the sudden market closing (Ram temple consecration ceremony) on Monday, concerns over accelerating outflow of foreign capital amid profit realization. But rebounded later on as the market sentiment recovered on anticipation on soft landing of the US economy.
- Provisional January manufacturing and service PMI was 56.9 and 61.2, continued to increase.
- The Indian stock market cap has reached \$4.33 trillion, beating Hong Kong (\$4.29 trillion) to become 4th largest global equity market.
- FPI net sold in equity market and purchased in bond market.
 - Equity: Net sold (1/23~1/25 accumulated: \$978.41 million), SENSEX dropped. (-0.68%)
 - Bond: Net purchased (1/23~1/25 accumulated: \$106.82 million), bond yield remained steady. (10y, 7.18%, -0.40bp)
- INR is anticipated to react more sensitively to internal issues as 2024-25 fiscal year budget is scheduled to be announced on Feb 1. While fiscal deficit of the previous fiscal year was set to be 5.9% of GDP, will be lowered to 5.5% of GDP for FY2025 (Expected Range: 82.7~83.3)



Source: Bloomberg, SHB Solution & Trading Center



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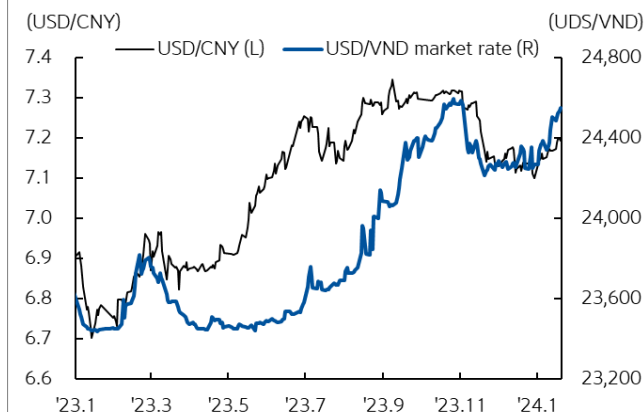
Vietnam

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USD/VND	24,603
52wk high	24,620
52wk low	23,415
VN index	1,176
52wk high	1,255
52wk low	1,013
Government Bond(10Yr,%)	2.45
52wk high	4.90
52wk low	2.30
Major Indices Snap shot	
Real GDP Growth	6.72
Rate(% YoY)	6.72
Consumer Prices (% YoY)	3.58
Total Mining Industries	9.18
Producer Price(% YoY)	4.50
Refinance rate(%)	48.9
Manufacturing PMI (index)	5.80
Industrial Production (% YoY)	9.60
Retail Sales(% YoY)	13.1
Exports (% YoY)	12.3
Imports (% YoY)	9673.00
Current Account (\$mn)	18,465
Financial Earnings and Expenses (VND10bn)	87,200
FX Reserve (\$mn)	

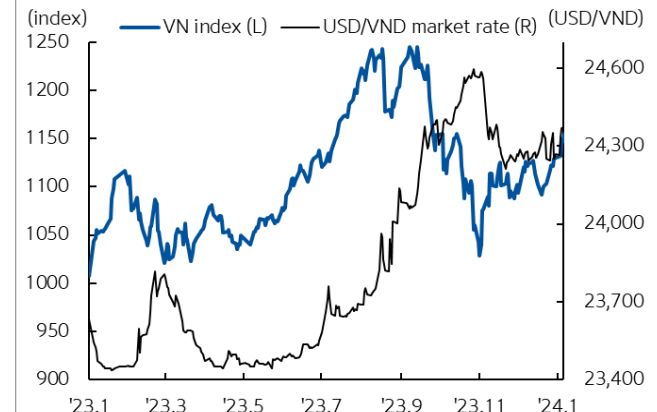
- USD/VND(market rate) ranged from 24,557 to 24,611, closing slightly lower than the previous week(-0.22%)
- SBV announced the central rate at 24,036 on 1/26, showing a weekly stability (+0.00%) compared to 1/19. (24,037)
- The Chinese Yuan, which had shown weakness as it rose to 7.19, rebounded due to news of the government's creation of a stock market stabilization fund and a reduction in benchmark interest rates. VND generally followed a weakening trend amid domestic stock market challenges and the Yuan's depreciation. In the latter half of the week, as the underlying US inflation for December finally approached the 2% mark, expectations of the Fed's rate cut increased, leading to a decline in USD in the black market.
- Last week: FPI(equity, bond, mutual fund, ETF, etc.) net purchased \$36.47 million - VN index declined(-0.49%), and VNIBOR3M decreased by 31.7bps (2.633%, 1/26).
- While Chinese authorities are making efforts to boost the stock market, it may fall short to reverse the sentiment of Yuan depreciation. USDVND is expected to weaken this week, influenced by caution ahead of the FOMC and risk aversion sentiment. Key indicators, including January consumer prices(consensus: 3.40% yoy), retail sales, and import/export performance(consensus: 31.0% yoy and 30.5% yoy), are scheduled for release this week. (Expected Range:24,230 ~ 24,830)

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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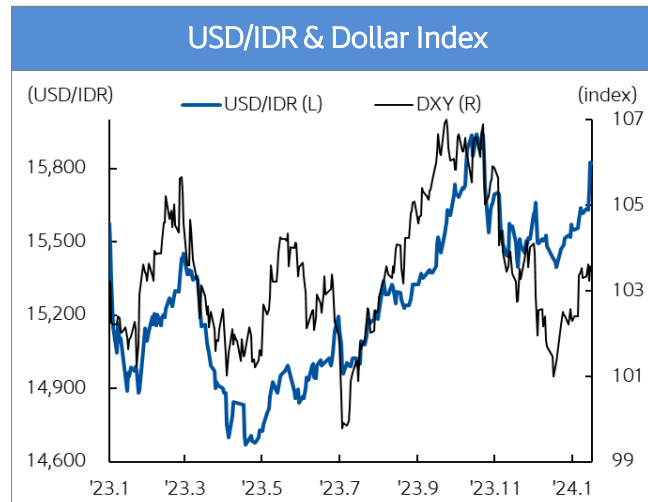


Indonesia

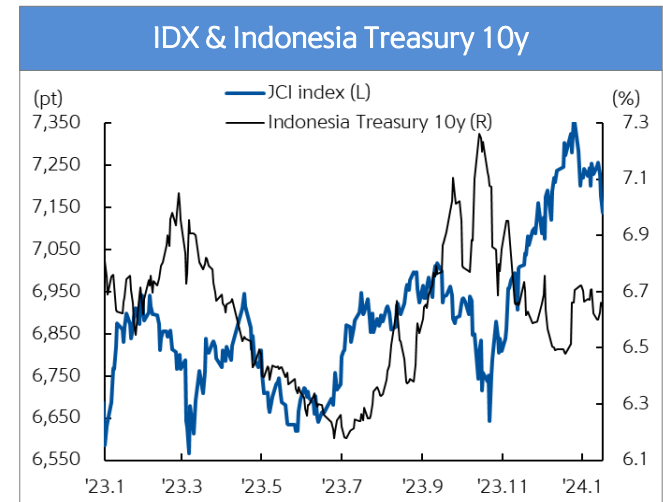
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USD/IDR	15,820
52wk high	15,962
52wk low	14,575
Jakarta index	7,137
52wk high	7,404
52wk low	6,543
Government Bond(10yr,%)	6.64
52wk high	7.26
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	4.94
Rate(% YoY)	2.61
Consumer Prices (% YoY)	2.61
Total Mining Industries	3.14
Producer Price(% YoY)	6.00
Refinance rate(%)	52.2
Manufacturing PMI (index)	-1.89
Industrial Production (% YoY)	0.10
Retail Sales(% YoY)	-5.76
Exports (% YoY)	-3.81
Imports (% YoY)	-900
Current Account (\$mn)	-460,420
Financail Earnings and Expenses (IDR10bn)	146
FX Reserve (\$mn)	146

- Last week, USD/IDR(market rate) moved in the range of 15,630~15,820, weakened compared to last week. (-1.30%)
- USD slightly rose and IDR was depreciated as the market anticipation on the Fed's early rate cut diminished due to higher-than-expected 4Q US GDP (3.3%). In addition, President Jokowi's support of the candidate Prabowo triggered rupture of the cabinet, political uncertainty increased and USDIDR rose.
- FPI net sold in equity market and net purchased in bond market.
 - Equity: Net sold(1/22~1/26 accumulated: \$33.78 million), Jakarta index dropped. (-0.1.25%)
 - Bond: Net purchased(1/22~1/23 accumulated: \$67.94 million), bond yield rose. (10y, 6.64%, +2.30bp)
- The result of the FOMC should be taken into account, but there's a consensus that the recent rise of USDIDR is excessive so the exchange rate may fall. But political issues may be reflected on the financial market. Several ministers are weighing resignation and if it becomes a reality, the exchange rate volatility is inevitable. January consumer price will be announced this week. (market consensus: 2.53%yoy) Continued slowdown in inflation is anticipated. (Expected Range: 15,420~15,980)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6588
52wk high	0.7137
52wk low	0.6296
S&P/ASX200	7,578
52wk high	7,628
52wk low	6,773
Government Bond(10yr,%)	4.21
52wk high	4.95
52wk low	3.19

Major Indices Snap shot

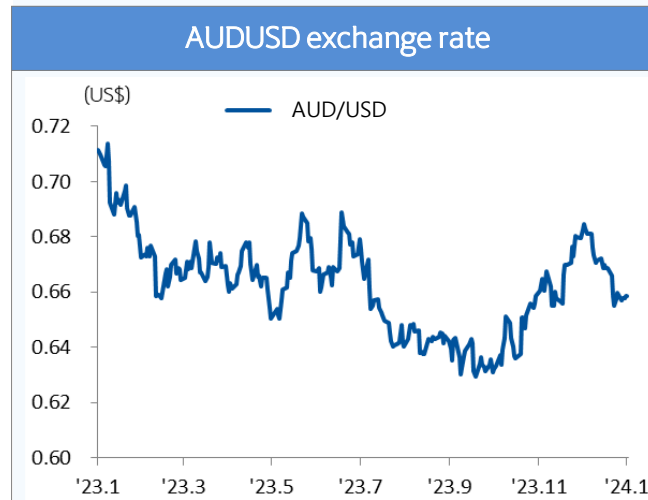
Real GDP growth rate (% YoY)	2.1
Consumer Prices(% YoY)	5.4
Producer Prices(% YoY)	3.8
Policy rate(%)	4.35
AU-US 2yr spread(%)	-0.49
China Imports From Australia(billion USD)	24.9
Exports(% MoM)	4.0
Imports(% MoM)	-0.4
Current Account(billion AUD)	1.2

Last Week :

- After a pause in the downward trend, the AUD traded mostly sideways this week, fluctuating above 0.66
- The monetary policy meetings of the BOJ and ECB, along with positive reactions to the robust U.S. GDP, led to limited volatility. Despite measures to boost the Chinese stock market, it responded relatively flatly.

Outlook :

- With the recent tapering of the rising U.S. bond yields and the expectation that this week's U.S. FOMC will express confidence in inflation, there is a judgment that the AUD could experience a slight rebound.
- External cautious views on the Chinese economy and the potential for worsening Middle East situations pose concerns.



Source : Refinitiv, SHB Solution & Trading Center

*No changes

AUD/USD Forecast Distribution * (as of 1/26)

	'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
JPMorgan	0.69	0.69	0.69

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2024.01.29

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-01-29	103.53	0.19	2.17	-2.84	1.88	1.57	2.17
	Euro (EUR/USD)	2024-01-29	1.08	-0.37	-1.78	2.15	-1.40	-0.07	-1.78
	Yen (USD/JPY)	2024-01-29	148.07	0.02	-4.75	0.70	-3.90	-11.94	-4.75
	Pound (GBP/USD)	2024-01-29	1.27	-0.12	-0.29	4.31	-1.10	2.77	-0.29
	Switzerland (USD/CHF)	2024-01-29	0.86	0.63	-2.58	4.43	0.95	7.09	-2.58
	Australia (AUD/USD)	2024-01-29	0.66	0.08	-3.48	3.15	-2.11	-6.87	-3.48
FX - EM	South Korea (USD/KRW)	2024-01-26	1,336.30	0.19	-3.14	1.76	-4.63	-7.88	-3.61
	China (USD/CNY)	2024-01-27	7.18	0.22	-0.48	1.94	-0.48	-5.47	-1.08
	India (USD/INR)	2024-01-25	83.12	0.46	0.04	0.09	-1.50	-1.84	0.11
	Indonesia (USD/IDR)	2024-01-26	15,820.00	-1.30	-2.13	0.63	-5.07	-5.51	-2.67
	Vietnam (USD/VND)	2024-01-27	24,605.00	-0.22	-1.20	-0.04	-3.79	-4.70	-1.37
	Brazil (USD/BRL)	2024-01-27	4.91	0.39	-1.82	1.57	-3.52	3.24	-1.09
Russia (USD/RUB)	2024-01-27	89.87	-2.13	2.73	4.23	0.07	-22.58	-0.44	
Stock - DM	United States Dow Jones	2024-01-27	38,109.43	0.65	1.11	17.56	7.47	12.16	1.11
	United States NASDAQ	2024-01-27	15,455.36	0.94	2.96	22.24	7.95	32.99	2.96
	United States S&P 500	2024-01-27	4,890.97	1.06	2.54	18.79	6.74	20.15	2.54
	Japan NIKKEI225	2024-01-26	35,751.07	-0.59	6.83	15.36	9.13	30.56	6.83
	United Kingdom FTSE	2024-01-27	7,635.09	2.32	-1.27	4.72	-0.77	-1.67	-1.27
	France CAC40	2024-01-27	7,634.14	3.56	1.21	12.34	2.11	7.57	1.21
	Germany DAX	2024-01-27	16,961.39	2.45	1.25	15.48	2.99	11.96	1.25
	South Korea KOSPI	2024-01-26	2,478.56	0.24	-6.66	7.63	-4.97	-0.22	-6.66
Stock - EM	China Shanghai Stock Exchange	2024-01-26	2,910.22	2.75	-2.18	-3.56	-11.16	-10.86	-2.18
	India Sensex	2024-01-25	70,700.67	-0.68	-0.89	11.96	5.99	17.43	-2.13
	Indonesia Jakarta	2024-01-26	7,137.09	-1.25	-1.87	5.60	3.43	3.45	-1.87
	Vietnam VN index	2024-01-26	1,175.67	-0.49	4.05	10.85	-2.65	5.24	4.05
	Russia RTS	2024-01-27	1,109.95	-1.78	2.44	2.86	7.38	11.85	2.44
	Brazil Bovespa	2024-01-27	128,967.32	1.04	-3.89	13.83	7.31	14.83	-3.89
	Rates - DM	United States	2024-01-26	4.14	1.47	24.06	-70.72	27.05	64.26
Germany		2024-01-26	2.30	-4.30	32.00	-56.20	-18.60	8.30	27.50
United Kingdom		2024-01-26	3.96	3.50	45.90	-63.30	-31.70	64.70	42.70
Japan		2024-01-26	0.72	4.90	8.20	-15.80	26.20	22.40	10.30
Rates - EM		South Korea	2024-01-26	3.39	-2.80	12.10	-101.30	-26.80	15.70
	India	2024-01-25	7.18	-0.30	-1.00	-16.40	7.30	-17.20	0.20
	Indonesia	2024-01-26	6.64	2.30	14.80	-55.20	37.80	-3.60	16.40
	Vietnam	2024-01-26	2.45	5.00	5.00	-65.00	-5.00	-245.00	5.00
	Russia	2024-01-26	11.58	-2.24	-39.42	-74.50	37.63	119.73	-28.25
	Brazil	2024-01-26	10.68	-9.60	34.60	-78.80	-16.70	-244.20	31.40
Commodity	WTI (\$/bbl)	2024-01-29	78.88	4.91	10.09	-7.79	-2.11	-1.00	10.09
	Brent (\$/bbl)	2024-01-29	84.41	5.43	9.57	-6.71	-0.68	-2.60	9.57
	Gold (\$/oz)	2024-01-29	2,025.23	0.17	-1.83	1.46	3.06	5.31	-1.83

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