

Weekly Global FX Market Monitor

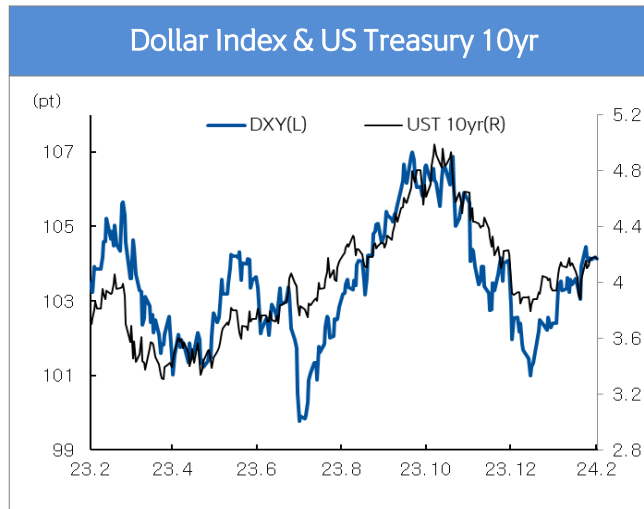
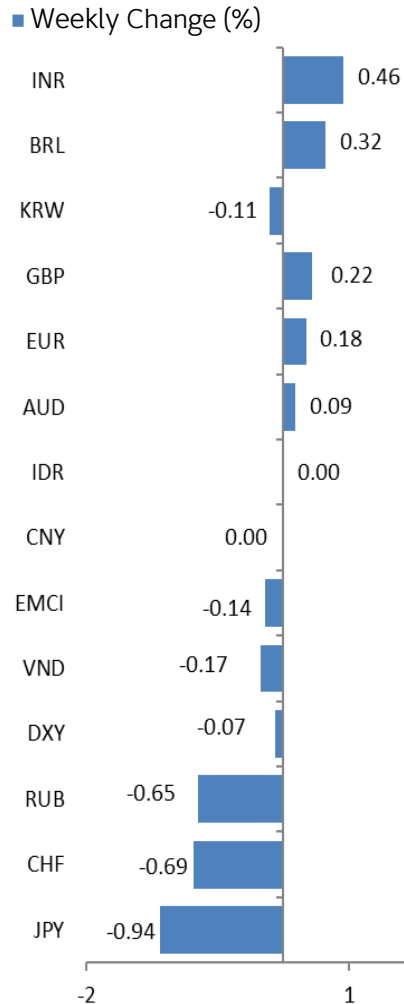
2024.02.13



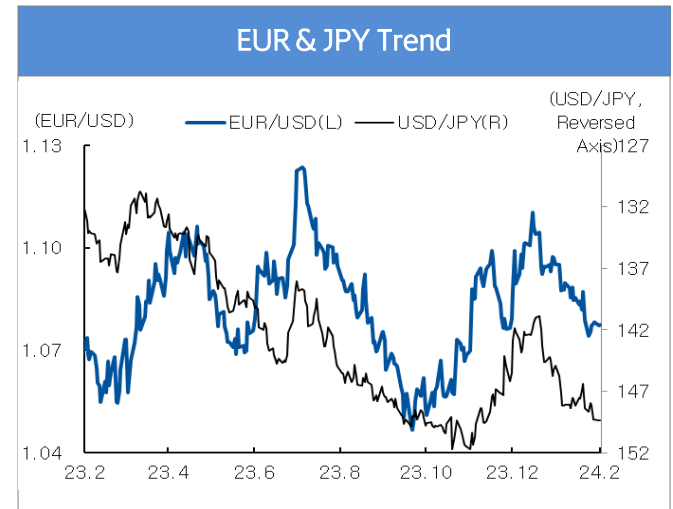
Global

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Translation. Bong Kwon Jeong

- Last week: Weak USD(-0.27%), Strong EUR(+0.16%), Weak JPY(-0.92%).
 - Following positive U.S. employment data, the U.S. Dollar Index rose to the 104-point level. Despite improved investor sentiment, the dollar index fluctuated around the 104-point due to hawkish remarks from Fed.
 - Despite expectations of early rate cuts by the Fed and anticipated rate cuts by the ECB, the EUR started on a downward trend but rose to around \$1.078 amid improved investor sentiment, despite the economic slowdown in the Eurozone.
 - Despite a decline to around 147 Yen per dollar due to falling U.S. Treasury yields, the JPY rebounded to around 149.3 Yen per dollar after BOJ Governor's comments indicating the continued possibility of accommodative monetary conditions.
- With reduced expectations of early rate cuts by the Fed, some recovery in risk asset investment sentiment was observed, resulting in mixed performances for emerging market currencies last week.
 - After showing strength following the obligation for foreign exchange earnings sales by export companies, the Russian ruble (-0.65) has been weakening since mid-January. It is expected that Russian government revenues from oil and gas sales will increase, leading to a resumption of foreign exchange purchases by the government.
 - Last week, INR(+0.46%), VND(+1.03%), IDR(+1.03%) all strengthened.



Source : Bloomberg , SHB Solution & Trading Center



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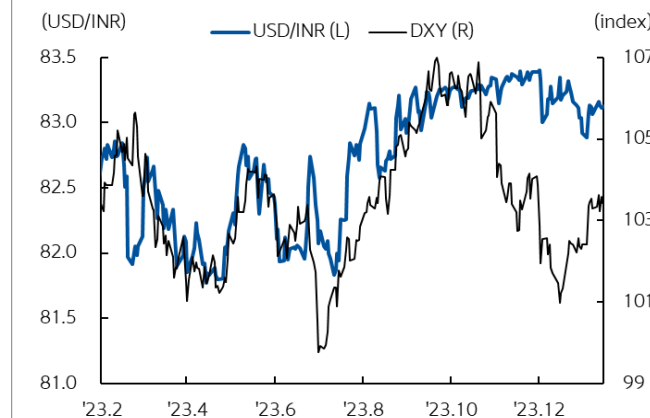
India

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USD/INR	83.00
52wk high	83.50
52wk low	81.61
Sensex	71,072
52wk high	73,428
52wk low	57,085
Government Bond (10yr,%)	7.10
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.1
Producer Prices (% YoY)	0.73
RBI rate(%)	6.50
Manufacturing PMI (index)	56.5
Industrial Production (% YoY)	3.80
Core Sector Growth(% YoY)	3.82
Exports (% YoY)	0.96
Imports (% YoY)	-4.84
Current Account (\$bn)	-8.30
Financial Earnings and Expenses (INR10mn)	-75694
FX Reserve (\$mn)	622,469

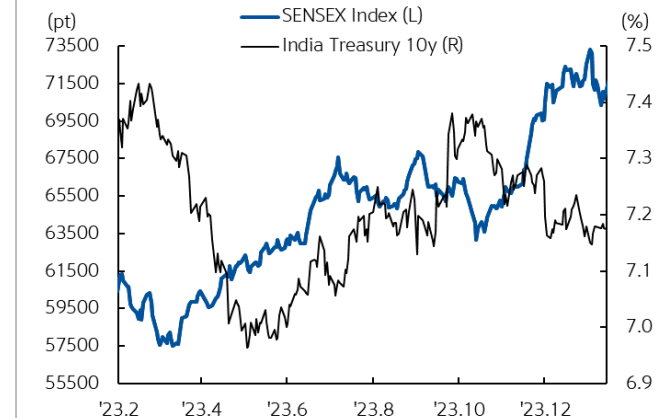
- Last week, USD/INR moved in the range of 82.95-83.07, strengthened compared to last week (+0.46%)
- INR showed strength amid expectations of a neutral stance in the RBI's monetary policy ahead of the February 8 policy meeting, dipping below 83.0 at times. However, after confirmation of the RBI's hawkish monetary policy stance, sentiment turned bearish.
- In its first monetary policy meeting of the year, the RBI voted 5-1 to maintain the benchmark rate at 6.5%, emphasizing the need to lower inflation. It is expected to consider rate cuts only after the Fed lowers rates.
- While industrial production in February increased by 3.8%(YoY), the January CPI recorded a 5.10% (YoY) increase, marking a slight decrease from the previous month's 5.69% and reaching its lowest level in three months.
- Last week (2/5~2/9), FPI net sold in equity market and net purchase in Bond market.
 - Equity: net sold (2/5 - 2/9 cumulative: \$69.757 million), Sensex dropped. (-0.92%)
 - Bond: net purchases (2/5 - 2/9 cumulative: \$69.421 million), Bond yields rose. (10y, 7.09%, +2.10 bp).
- Inflationary pressures are easing, but still exceeding central bank targets, suggesting that RBI rate cuts may be slower than expected. If U.S. CPI data released this week raises the likelihood of a Fed rate cut in the second quarter, it could ease dollar strength, putting downward pressure on the INR exchange rate. However, if inflation exceeds market expectations, it could further push up the INR exchange rate (Expected Range: 82.3~83.2).

USD/INR & Dollar Index



Source: Bloomberg, SHB Solution & Trading Center

SENSEX & India Treasury 10y



Source: Bloomberg, SHB Solution & Trading Center

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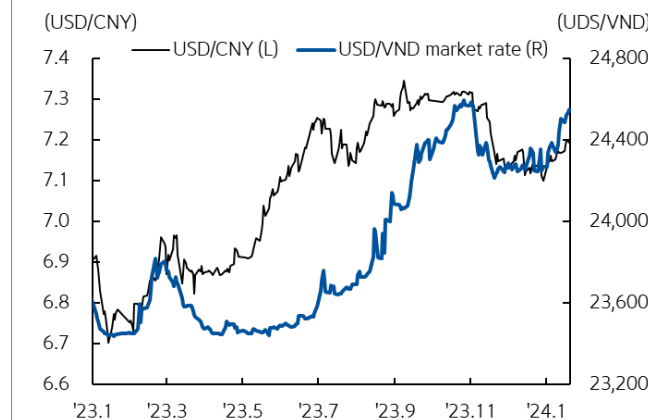
Vietnam

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USD/VND	24,424
52wk high	24,620
52wk low	23,415
VN index	1,199
52wk high	1,255
52wk low	1,013
Government	2.45
52wk high	4.55
52wk low	2.35
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	6.72
Consumer Prices (% YoY)	3.37
Total Mining Industries	9.18
Producer Price(% YoY)	4.50
Refinance rate(%)	4.50
Manufacturing PMI	50.3
Industrial Production (% YoY)	18.30
Retail Sales(% YoY)	8.10
Exports (% YoY)	42
Imports (% YoY)	33.3
Current Account (\$mn)	9673.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,200

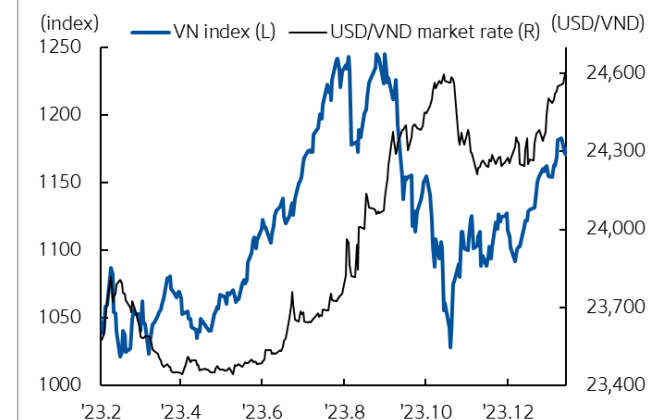
- Last week, USD/VND ranged from 24,371- 24,428, weak VND compared to the previous week.(0.17%)
- SBV set the central rate at 23,959(2/7), representing a weekly increase of 0.01% compared to 23,956(2/2).
- CNY had declined to a 2weeks low due to selling pressure from foreign investors, but exceeding 7.2 was prevented by authorities' intervention. Meanwhile, the VND rose back to the level of 24,400 and the stock market, buoyed by China's efforts to stabilize its market, surged to its highest level in five months, reaching 1,198.53.
- FPI(stocks, bonds, funds, EIF, etc.) net sold \$14.77 million.
 - The weekly VN index rose (+2.94%), VNIBOR recorded 2.70%, up 5.0 bps.
- With China's intervention easing concerns about foreign withdrawals from the stock market, it is expected that downward pressure on the CNY will be limited, and the VND exchange rate appreciation trend will also be subdued. In fact, with exports reaching their highest level in 22 months and retail sales continuing to rise, domestic economic fundamentals are showing signs of recovery, and a reversal to a VND depreciation trend is possible upon resolution of China's uncertainty (expected range: 24,290~24,730).

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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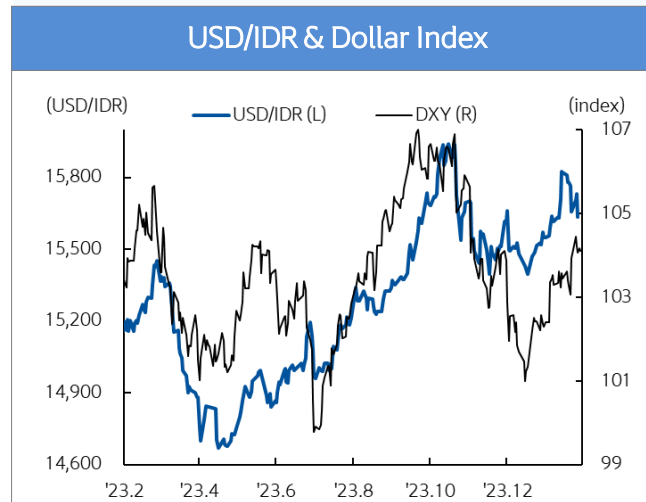


Indonesia

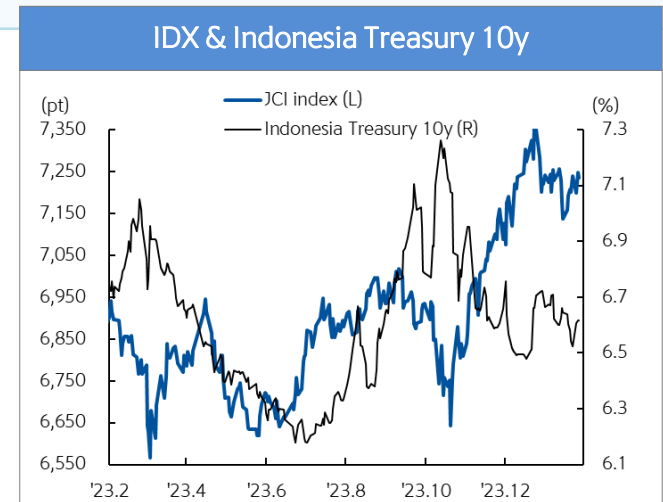
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USD/IDR	15,595
52wk high	15,962
52wk low	14,575
Jakarta index	7,298
52wk high	7,404
52wk low	6,543
Government Bond(10yr,%)	6.64
52wk high	7.26
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	5.04
Rate(% YoY)	5.04
Consumer Prices (% YoY)	2.57
Total Mining Industries	2.80
Producer Price(% YoY)	
Refinance rate(%)	6.00
Manufacturing PMI (index)	52.9
Industrial Production (% YoY)	-1.89
Retail Sales(% YoY)	0.07
Exports (% YoY)	-5.85
Imports (% YoY)	-3.81
Current Account (\$mn)	-900
Finanail Earnings and Expenses (IDR10bn)	-460,420
FX Reserve (\$mn)	145

- Last week, USD/IDR ranged from 15,595-15,730, remaining unchanged compared to the previous week (0.00%).
- At the beginning of last week, following positive U.S. employment data, expectations of early rate cuts by the Fed weakened, causing investor sentiment to decline. However, amid the leadership change in China's securities authority and the strong U.S. stock market, investor sentiment rebounded in the latter half of the week. As a result, the IDR, which had been rising at the beginning of the week, ended the week with a slight decline.
- The GDP growth rate for the fourth quarter of 2023 recorded 5.04%(YoY), driven by government spending and export growth, bringing the annual growth rate for 2023 to 5.05%.
- FPI net purchased in equity market and net sold in the bond market over 4 trading days.
 - Equity: net purchased (2/5-2/12, cumulative: \$24.127 million), Jakarta Stock index rose.(1.33%).
 - Bond: net sales (2/5-2/17, cumulative: \$89.43 million), Bond yields rose (10y, 6.65%, +3.90 bp).
- With the presidential election scheduled(2/14), political uncertainty may increase in the Indonesian financial markets. According to the LSI opinion polling agency, Prabowo's candidate has a support rate of 51.9%, significantly ahead of the other two candidates. With a margin of error of 2.9%, the final voting decision is likely to be determined by a slight difference. Watch for increased volatility(Expected Range: 15,500~15,840)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD 0.6520

52wk high 0.6986

52wk low 0.6296

S&P/ASX200 7,638

52wk high 7,699

52wk low 6,773

Government Bond(10yr,%) 4.10

52wk high 4.95

52wk low 3.19

Major Indices Snap shot

Real GDP growth rate (%YoY) 2.1

Consumer Prices(%YoY) 4.1

Producer Prices(%YoY) 4.1

Policy rate(%) 4.35

AU-US 2yr spread(%) -0.66

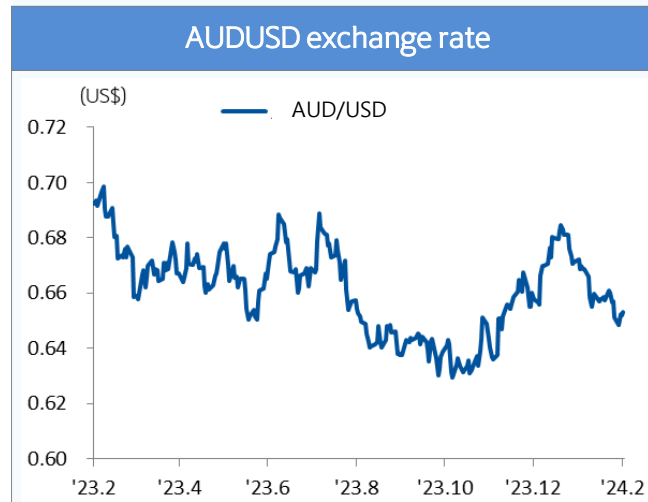
China Imports From Australia(billion USD) 24.9

Exports(%MoM) 4.0

Imports(%MoM) -0.4

Current Account(billion AUD) 1.2

- Last Week :
 - Surprising US employment in January and ISM service index data pushed US bond yields higher, causing the AUD to briefly dip below 0.65
 - However, with China exerting efforts to stabilize its stock market and the RBA announced a cautious stance on inflation due to excess demand over supply in its first meeting of the year on the 6th, the AUD rebounded.
- Outlook :
 - Although US bond yields surged again in February, ongoing efforts by China to support its stock market amid market weakness may act as a positive factor for currencies within China's sphere of influence.
 - Signs of stabilization in commodity prices such as iron ore, which had been showing weakness earlier this year, also suggest a potential short-term rise in the AUD.



Source : Refinitiv, SHB Solution & Trading Center

*No changes

AUD/USD Forecast Distribution * (as of 2/8)

	'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 2024.02.13

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-02-12	104.17	-0.27	1.72	-1.60	1.29	0.52	2.80
	Euro (EUR/USD)	2024-02-13	1.08	0.16	-1.63	0.69	-1.23	0.46	-2.42
	Yen (USD/JPY)	2024-02-13	149.32	-0.92	-2.40	1.61	-2.52	-11.32	-5.55
	Pound (GBP/USD)	2024-02-13	1.26	0.24	-0.78	2.84	-0.43	4.03	-0.81
	Switzerland (USD/CHF)	2024-02-13	0.88	-0.67	-2.27	2.96	0.31	5.00	-3.92
	Australia (AUD/USD)	2024-02-13	0.65	0.11	-1.95	2.40	0.66	-6.26	-4.14
FX - EM	South Korea (USD/KRW)	2024-02-08	1,328.25	0.27	-0.93	-1.33	-0.92	-5.12	-3.02
	China (USD/CNY)	2024-02-09	7.19	-0.00	-0.35	1.27	0.24	-5.66	-1.30
	India (USD/INR)	2024-02-12	83.00	0.46	-0.10	0.40	-0.06	-0.33	0.25
	Indonesia (USD/IDR)	2024-02-12	15,595.00	0.00	-0.29	0.67	-1.80	-2.56	-1.27
	Vietnam (USD/VND)	2024-02-13	24,424.00	-0.17	0.33	-0.17	-2.45	-3.47	-0.63
	Brazil (USD/BRL)	2024-02-10	4.95	0.32	-0.95	-0.30	-1.01	6.48	-1.96
Russia (USD/RUB)	2024-02-13	91.22	-0.65	-3.11	0.43	10.48	-18.89	-1.92	
Stock - DM	United States Dow Jones	2024-02-13	38,797.38	1.09	3.20	13.17	9.97	14.55	2.94
	United States NASDAQ	2024-02-13	15,942.55	2.21	6.48	15.54	16.84	36.05	6.20
	United States S&P 500	2024-02-13	5,021.84	1.60	4.98	13.74	12.50	22.77	5.28
	Japan NIKKEI225	2024-02-09	36,897.42	2.04	3.71	13.29	13.62	33.34	10.26
	United Kingdom FTSE	2024-02-13	7,573.69	-0.51	-0.67	2.90	0.66	-3.92	-2.06
	France CAC40	2024-02-13	7,689.80	1.32	3.01	9.15	4.76	7.86	1.94
	Germany DAX	2024-02-13	17,037.35	0.79	1.99	11.83	7.61	11.30	1.71
Stock - EM	South Korea KOSPI	2024-02-08	2,620.32	3.06	2.31	7.96	0.58	5.59	-1.32
	China Shanghai Stock Exchange	2024-02-08	2,865.90	3.43	-0.95	-6.14	-11.67	-12.37	-3.67
	India Sensex	2024-02-12	71,072.49	-0.92	-2.06	9.45	8.80	17.61	-1.62
	Indonesia Jakarta	2024-02-12	7,297.67	1.33	0.78	6.72	6.07	5.76	0.34
	Vietnam VN index	2024-02-07	1,198.53	2.94	3.30	7.64	-3.52	11.78	6.07
	Russia RTS	2024-02-13	1,120.94	-0.25	-1.33	1.22	11.99	15.33	3.46
Brazil Bovespa	2024-02-10	128,025.70	0.66	-2.26	6.19	8.44	18.46	-4.59	
Rates - DM	United States	2024-02-12	4.18	2.14	24.03	-47.25	2.71	44.73	30.02
	Germany	2024-02-12	2.36	4.60	17.80	-35.50	-26.10	-0.20	33.80
	United Kingdom	2024-02-12	4.06	5.00	26.40	-27.90	-47.00	66.10	52.00
	Japan	2024-02-12	0.73	0.10	11.90	-12.40	14.20	22.40	11.20
Rates - EM	South Korea	2024-02-08	3.41	6.00	5.00	-62.50	-33.20	10.00	23.00
	India	2024-02-12	7.09	2.10	-8.50	-20.50	-10.80	-26.90	-8.00
	Indonesia	2024-02-12	6.65	3.90	-1.90	-20.70	31.10	-2.70	16.50
	Vietnam	2024-02-07	2.45	0.00	0.00	-40.00	-5.00	-205.00	5.00
	Russia	2024-02-12	11.94	19.09	-20.46	12.85	64.44	116.75	7.94
	Brazil	2024-02-09	10.82	12.10	14.80	-62.10	-2.10	-276.30	45.10
Commodity	WTI (\$/bbl)	2024-02-13	76.93	4.94	5.85	-1.70	-7.52	-4.01	7.37
	Brent (\$/bbl)	2024-02-12	82.00	5.14	4.74	0.70	-5.54	-5.08	6.44
	Gold (\$/oz)	2024-02-13	2,019.15	-0.83	-1.82	3.71	5.88	8.94	-2.12

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