

Weekly Global FX Market Monitor

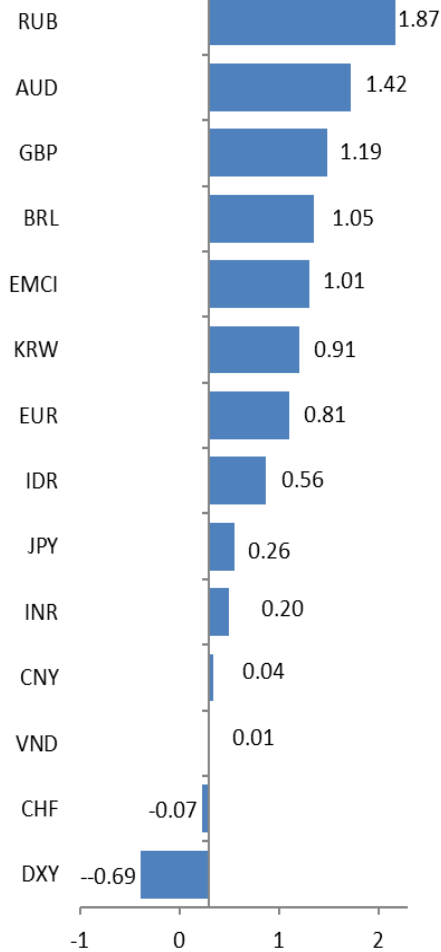
2024.05.20



Global

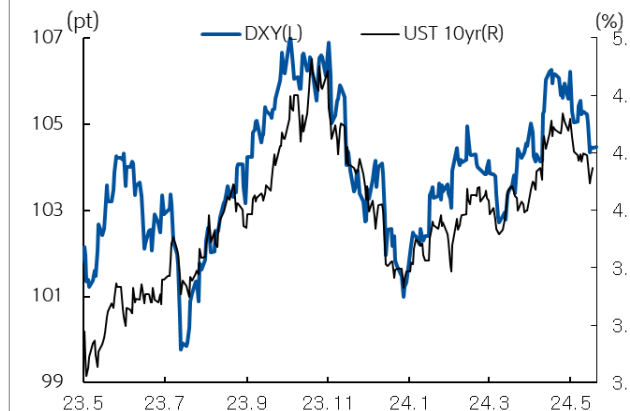
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Translation: Jae Yeon Hyun

Weekly Change (%)



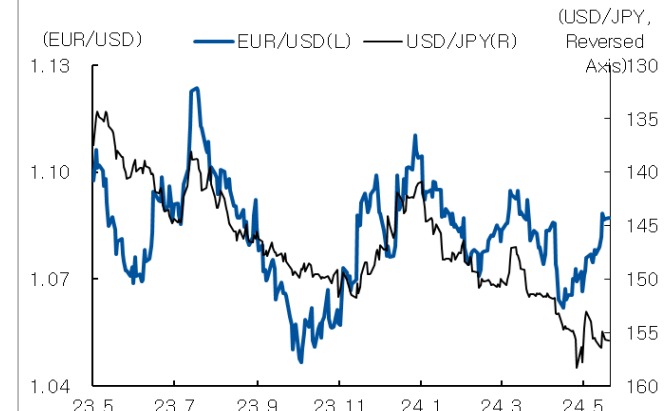
- Last week: Weak USD (-0.69%), Strong EUR (+0.81%), Strong JPY (+0.26%)
- Expectations on the Fed's rate cut in September increased as April US CPI and retail sales didn't meet market anticipation. US bond yield and DXY dropped. (DXY closed at 104pt)
- USD weakened after CPI and PPI were announced and EUR rose, nearing 1.09 dollar. But slightly dropped late in the week and closed at 1.086 dollar.
- USDJPY plunged below 154yen but rose late in the week due to higher than expected US import prices, closing at 155.6yen level.
- Caution on the Fed has mitigated after April US economic data and EM currencies rose.
 - China's property shares jumped on report of government plans to buy unsold houses. The Biden administration raised tariffs on Chinese imports but the market took it as symbolic measure. CNY(+0.04%) finished steady.
 - INR(+0.20%), VND(+0.01%), and IDR(1.34%) all strengthened.

Dollar Index & US Treasury 10yr



Source: Bloomberg, SHB Solution & Trading Center

EUR & JPY Trend



Source: Bloomberg, SHB Solution & Trading Center

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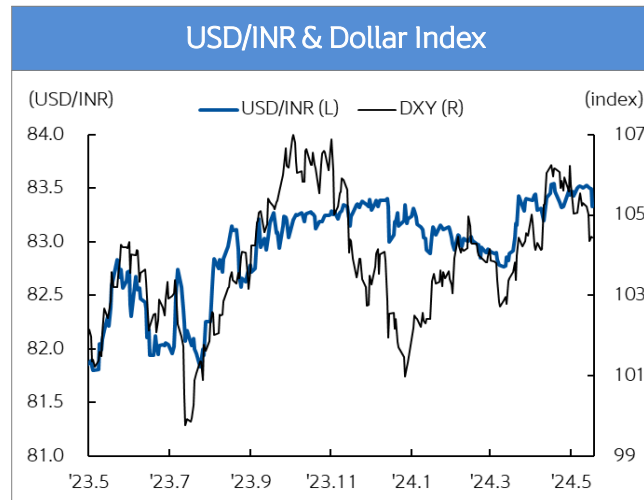


India

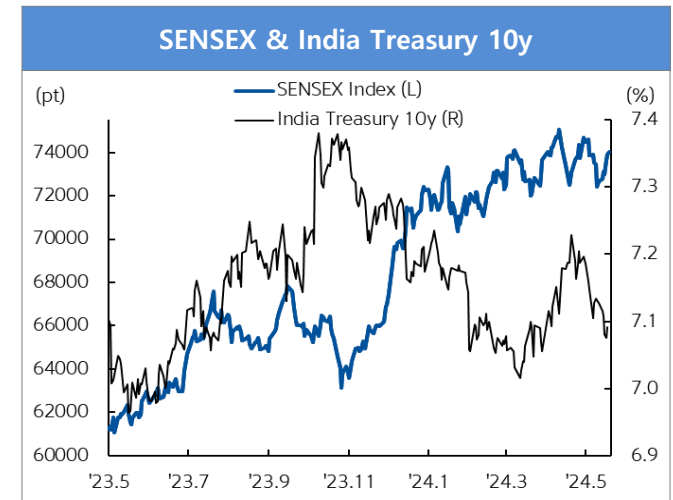
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USD/INR	83.33
52wk high	83.58
52wk low	81.67
Sensex	74,006
52wk high	75,124
52wk low	61,252
Government Bond (10yr,%)	7.09
52wk high	7.40
52wk low	6.96
Major Indices Snap shot	
Real GDP Growth	8.36
Rate(% YoY)	
Consumer Prices (% YoY)	4.83
Producer Prices (% YoY)	1.26
RBI rate(%)	6.50
Manufacturing PMI (index)	58.8
Industrial Production (% YoY)	5.60
Core Sector Growth(% YoY)	5.20
Exports (% YoY)	1.08
Imports (% YoY)	10.27
Current Account (\$bn)	-10.50
Financial Earnings and Expenses (INR10mn)	-39876.3
FX Reserve (\$mn)	644,151

- Last week, USD/INR moved around 83.33~83.53, rose compared to last week. (+0.20%)
- Despite weak USD due to increasing expectations on the Fed's pivot, INR rose only slightly due to uncertainties regarding the general election.
- April CPI inflation rose 4.83% yoy. While non-food prices including energy, housing, clothes, etc. slowed down, food prices continued to rise. Wholesale inflation rose 1.26% yoy owing to an uptick in food and energy inflation. Export and import increased 1.1% and 10.3% each. Trade deficit was \$19.1 billion.
- FPI net sold in equity market and net purchased in bond market. (5/13~5/16)
 - Equity: net sold(5/13~5/16 cumulative: \$1.18 bil), SENSEX rose. (+1.69%)
 - Bond: net purchased(5/13~5/16 cumulative: \$143.53 mil), bond yield dropped. (10y, 7.09%, -3.62bp)
- USDINR is likely to fall as the Fed's rate hike in September is highly anticipated. But the fall will be limited as capital inflow would decrease on low voter turnout and uncertainties regarding the result. (Expected Range : 83.0~83.7)



Source: Bloomberg, SHB Solution & Trading Center



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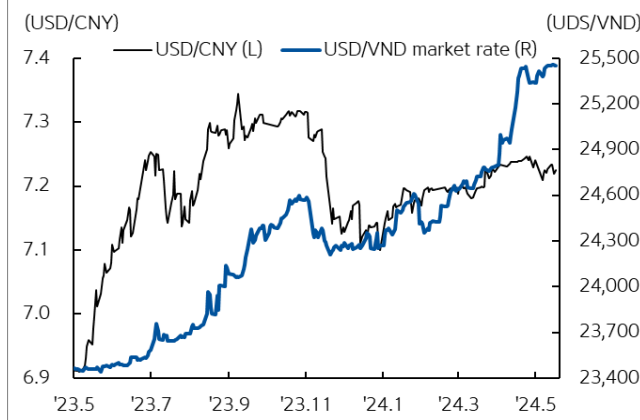
Vietnam

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USD/VND	25,449
52wk high	25,463
52wk low	23,442
VN index	1,273
52wk high	1,294
52wk low	1,020
Government Bond(10yr,%)	2.86
52wk high	3.36
52wk low	1.32
Major Indices Snap shot	
Real GDP Growth	5.66
Rate(% YoY)	
Consumer Prices (% YoY)	4.4
Total Mining Industries	
Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	50.3
Industrial Production (% YoY)	6.30
Retail Sales(% YoY)	8.50
Exports (% YoY)	10.6
Imports (% YoY)	19.9
Current Account (\$mn)	6375.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	88,086

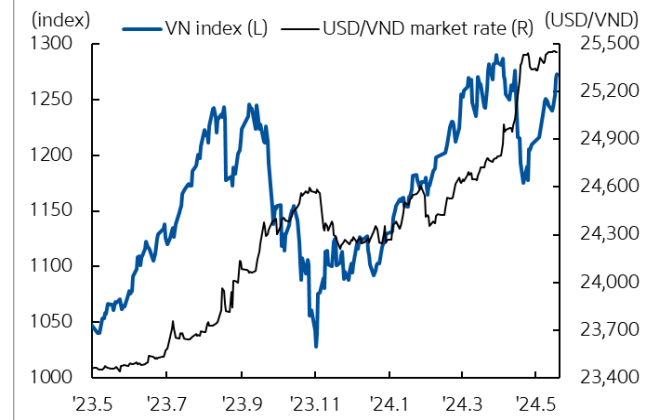
- Last week, USD/VND moved around 25,449~25,454, Strengthened compared to last week(+0.01%)
- SBV announced central rate 24,239, strengthened (+0.13%) compared to last week.
- The CNY exchange rate fell to 7.21 due to increased optimistic expectations for a Fed pivot following the slowdown in US April inflation. However, it rebounded as Fed officials expressed caution about an early rate cut, weakening risk appetite, and causing the rise in the VND exchange rate to stall.
- FPI net sold \$84.41 million.
 - VN index rose by 2.28%, VNIBOR3M was 4.60%, rose by 3.7bp.
- Despite the VND being excessively undervalued relative to its fundamentals, it is expected that the undervaluation will gradually be resolved with the growing expectations for a Fed rate cut. The USD/VND exchange rate is expected to have a downward bias this week(expected range: 25,120 ~ 25,530).

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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Australia

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AUD/USD	0.6697
52wk high	0.6889
52wk low	0.6296
S&P/ASX200	7,847
52wk high	7,897
52wk low	6,773
Government Bond(10yr,%)	4.24
52wk high	4.95
52wk low	3.49
Major Indices Snap shot	
Real GDP growth rate (%YoY)	1.5
Consumer Prices(%YoY)	3.6
Producer Prices(%YoY)	4.3
Policy rate(%)	4.35
AU-US 2yr spread(%)	-0.90
China Imports From Australia(billion USD)	-5.8
Exports(%MoM)	4.0
Imports(%MoM)	-0.4
Current Account(billion AUD)	1.2

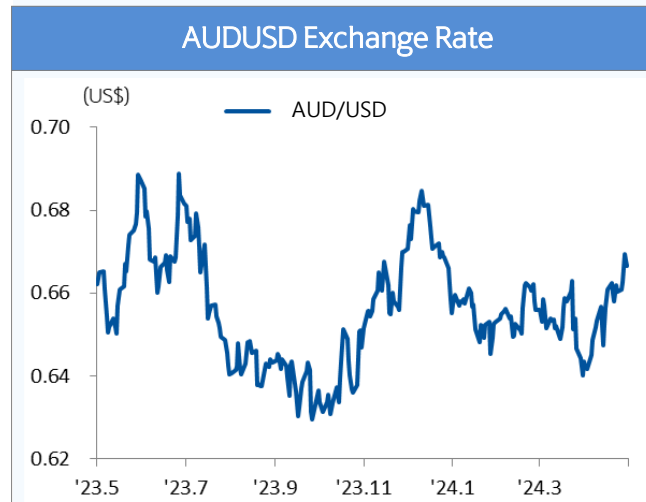
• Last Week :

- On the 14th and 15th, the US April PPI and CPI results met expectations for a rate cut, leading to a decline in US Treasury yields and causing the AUD to briefly exceed 0.67 on the 16th. However, US April import prices exceeded expectations, attracting USD buying interest and curbing further AUD gains.

• Outlook :

- The temporarily paused rise in copper and other metal prices is attempting to resume, creating a relatively favorable environment for the AUD.
- While the AUD is expected to remain relatively strong compared to other major currencies, it will be challenging for the AUD to settle above 0.67 in the short term without a USD weakness.

*No changes.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 5/17)

	'24.06	'24.09	'24.12
A N Z	0.66	0.67	0.69
Wells Fargo	0.64	0.64	0.65
MUFG	0.66	0.68	0.70
Citi	0.65	0.65	0.64

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2024.05.20

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-05-20	104.49	-0.69	-1.57	0.39	1.01	1.25	3.11
	Euro (EUR/USD)	2024-05-20	1.09	0.81	2.08	0.64	-0.58	0.59	-1.47
	Yen (USD/JPY)	2024-05-20	155.82	0.26	-0.62	-3.73	-4.77	-11.05	-9.49
	Pound (GBP/USD)	2024-05-20	1.27	1.19	2.90	0.67	1.62	2.18	-0.18
	Switzerland (USD/CHF)	2024-05-20	0.91	-0.07	0.34	-2.97	-2.63	-1.21	-7.43
	Australia (AUD/USD)	2024-05-20	0.67	1.42	3.91	2.34	2.21	0.74	-1.61
FX - EM	South Korea (USD/KRW)	2024-05-20	1,355.95	0.91	1.73	-1.36	-4.75	-2.78	-5.00
	China (USD/CNY)	2024-05-18	7.22	0.04	0.20	-0.36	-0.14	-3.15	-1.72
	India (USD/INR)	2024-05-17	83.33	0.20	0.25	-0.38	-0.08	-1.13	-0.15
	Indonesia (USD/IDR)	2024-05-17	15,955.00	0.56	1.66	-2.04	-2.90	-6.83	-3.50
	Vietnam (USD/VND)	2024-05-18	25,449.00	0.01	-0.31	-3.62	-4.63	-7.83	-4.64
	Brazil (USD/BRL)	2024-05-18	5.10	1.05	2.70	-2.82	-3.81	-3.27	-4.84
Russia (USD/RUB)	2024-05-18	91.00	1.87	3.55	1.69	-1.63	-11.79	-1.67	
Stock - DM	United States Dow Jones	2024-05-18	40,003.59	1.24	5.31	3.73	13.80	19.68	6.14
	United States NASDAQ	2024-05-18	16,685.97	2.11	9.19	6.75	16.81	31.82	11.16
	United States S&P 500	2024-05-18	5,303.27	1.54	6.77	6.59	16.62	26.51	11.18
	Japan NIKKEI225	2024-05-20	38,872.79	1.82	4.87	1.33	16.43	26.18	16.16
	United Kingdom FTSE	2024-05-18	8,420.26	-0.16	6.64	9.08	12.32	8.55	8.88
	France CAC40	2024-05-18	8,167.50	-0.63	1.81	4.78	12.70	9.02	8.28
	Germany DAX	2024-05-18	18,704.42	-0.36	5.45	9.58	17.63	14.92	11.66
Stock - EM	South Korea KOSPI	2024-05-20	2,748.10	0.75	6.03	3.40	10.31	8.29	3.50
	China Shanghai Stock Exchange	2024-05-17	3,154.03	-0.02	2.90	7.91	2.79	-3.94	6.02
	India Sensex	2024-05-18	74,005.94	1.69	1.26	1.30	12.72	19.89	2.44
	Indonesia Jakarta	2024-05-17	7,317.24	3.22	3.24	-0.48	4.61	9.20	0.61
	Vietnam VN index	2024-05-17	1,273.11	2.28	8.36	3.50	15.35	19.31	12.67
	Russia RTS	2024-05-18	1,211.87	2.87	3.25	10.82	6.07	16.91	11.85
Brazil Bovespa	2024-05-18	128,150.71	0.43	2.42	-1.36	1.74	15.72	-4.50	
Rates - DM	United States	2024-05-20	4.41	-7.65	-21.07	13.47	-0.98	73.74	53.09
	Germany	2024-05-17	2.52	-0.20	5.00	11.30	-7.30	17.90	49.10
	United Kingdom	2024-05-17	4.13	-3.90	-13.40	1.90	2.30	29.00	59.00
	Japan	2024-05-20	0.97	3.00	11.60	23.30	21.70	56.90	35.30
Rates - EM	South Korea	2024-05-17	3.46	-8.00	-17.00	-2.50	-35.00	13.50	28.00
	India	2024-05-17	7.09	-3.60	-9.50	-0.70	-12.40	12.60	-8.20
	Indonesia	2024-05-16	6.94	-3.20	1.70	31.30	-1.70	50.60	45.50
	Vietnam	2024-05-17	2.86	-1.00	-5.00	46.00	12.00	-24.00	49.00
	Russia	2024-05-17	14.01	32.71	50.29	184.15	221.21	313.95	214.91
	Brazil	2024-05-17	11.72	-11.90	3.70	86.80	67.00	-2.80	135.30
Commodity	WTI (\$/bbl)	2024-05-20	79.81	0.87	-4.01	2.08	2.85	11.54	11.39
	Brent (\$/bbl)	2024-05-20	83.79	0.52	-4.01	1.76	1.79	10.86	8.76
	Gold (\$/oz)	2024-05-20	2,422.35	3.68	4.08	19.66	22.46	22.85	17.42

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