

Weekly Global FX Market Monitor

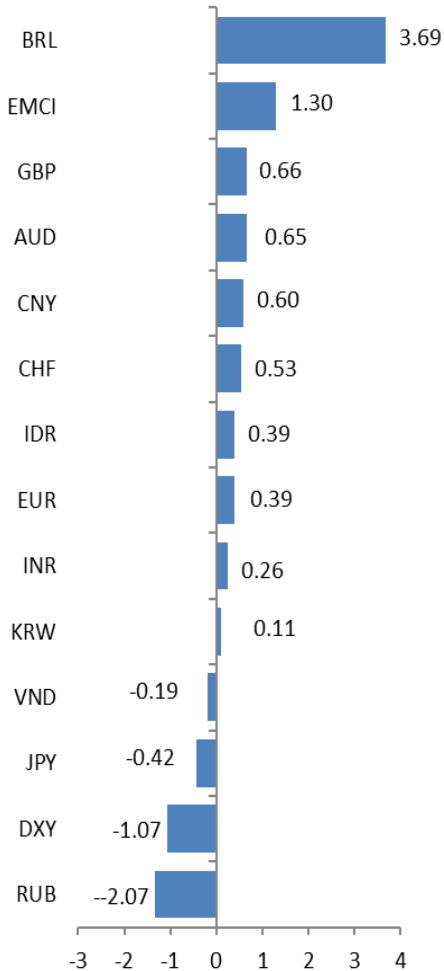
2024.09.19



Global

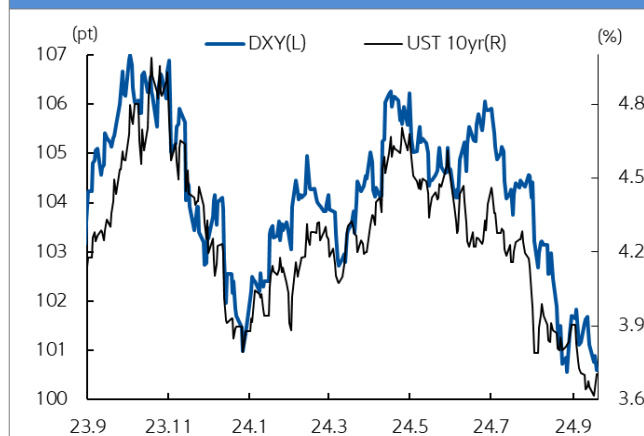
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



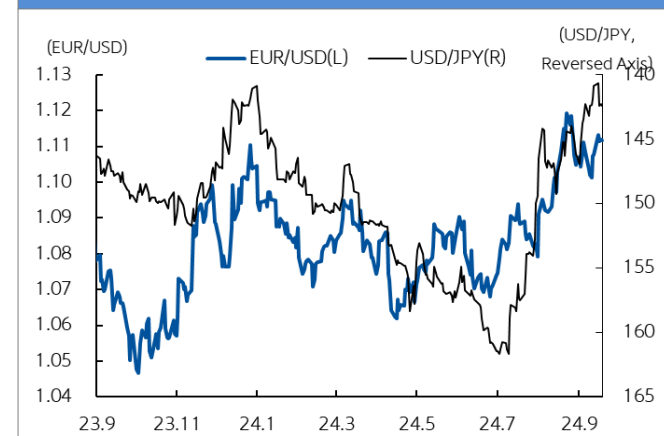
- Last week: Weak USD (-1.07%), Strong EUR(+0.39%), Weak JPY(-0.42%)
- The Fed cut interest rates by half a point at September FOMC, first pivoting in 30 months. But the market didn't react much and DXY slightly rose, maintaining 101pt level.
- ECB cut interest rates by quarter point ahead of FOMC, but took reserved stance regarding additional cuts and EUR continue to strengthen.
- USDJPY plunged to 140 yen level but slightly rose during the week and has been maintaining stable flow despite the Fed's big cut.
- EM currencies index(+1.30%), which rose on expectations on the Fed's rate cut, has been showing significant movement after FOMC.
- Brazil's central bank raised interest rates by 25bp for the first time since 2022. This decision is in contrast to other EM countries who are preparing for rate cuts and BRL(+3.69%) strengthened.
- INR(+0.26%) and IDR(+0.39%) strengthened while VND(-0.19%) 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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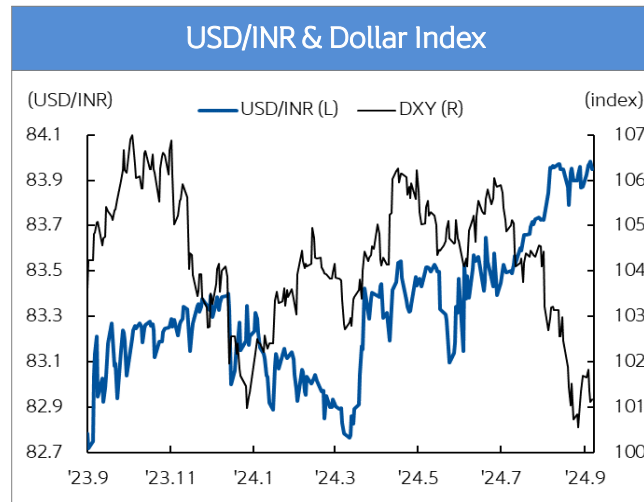


India

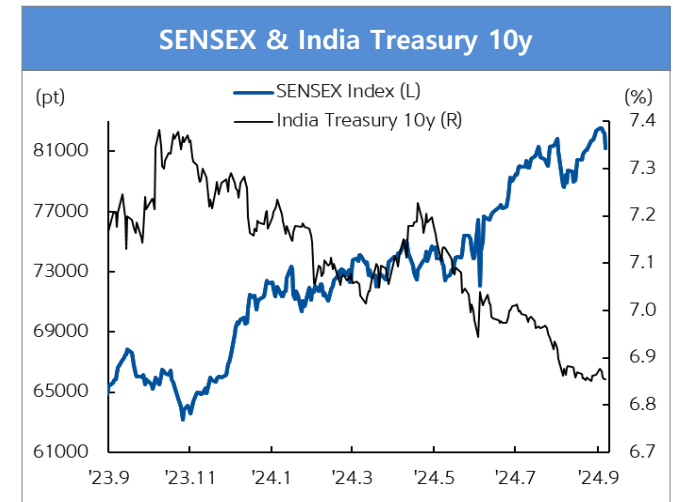
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USD/INR	83.76
52wk high	83.99
52wk low	82.65
Sensex	82,948
52wk high	83,326
52wk low	63,093
Government Bond (10yr,%)	6.78
52wk high	7.40
52wk low	6.75
Major Indices Snap shot	
Real GDP Growth	6.65
Rate(% YoY)	6.50
Consumer Prices (% YoY)	3.65
Producer Prices (% YoY)	1.31
RBI rate(%)	6.50
Manufacturing PMI (index)	57.5
Industrial Production (% YoY)	4.80
Core Sector Growth(% YoY)	6.10
Exports (% YoY)	-9.33
Imports (% YoY)	3.31
Current Account (\$bn)	5.70
Financial Earnings and Expenses (INR10mn)	-14123.3
FX Reserve (\$mn)	689,235

- USD/INR moved around 83.76~83.98, rose compared to last week (+0.26%)
- The rupee initially weakened due to the expansion of the trade deficit caused by rising gold imports ahead of festivals and tariff reductions. However, it reversed course later in the week, appreciating due to reduced intervention by RBI and the Fed's rate cut. Overall, the rupee appreciated compared to the previous week.
- August's CPI was recorded at 3.65%, staying below the central bank's 4% target but increasing compared to the previous month. Exports fell by 9.3%, with the slowdown intensifying, while imports grew by 3.3%, driven by increased gold imports following the tariff reductions. This led to a widened trade deficit of \$229.643 billion. Despite rising loan costs due to prolonged high interest rates, industrial production in July managed to increase by 4.8%.
- FPI(9/9~9/13) net purchased in equity market, net sold in bond market.
 - Equity: Net purchased(9/9~9/13 cumulative: \$1.65405 bil), SENSEX rose(+1.75%)
 - Bond: Net sold(9/9~9/13 cumulative: \$83.31 mil), bond yield fell(10y, 6.78%~-2.4bp)
- The INR is expected to have a downward bias due to pressure from the weakening dollar following the start of the Fed's rate-cut cycle. However, the August consumer inflation rebounded compared to the previous month, leaving uncertainty about whether the RBI will begin its rate-cut cycle in October, which may limit the rupee's appreciation. (Expected Range: 83.4~84.0)



Source: Bloomberg, SHB Solution & Trading Center



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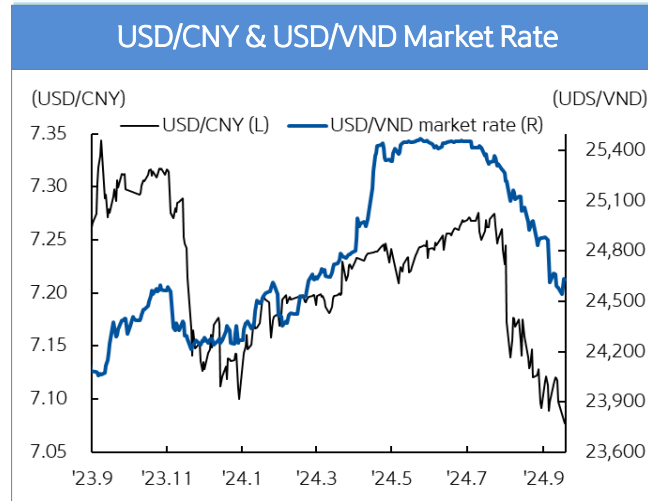


Vietnam

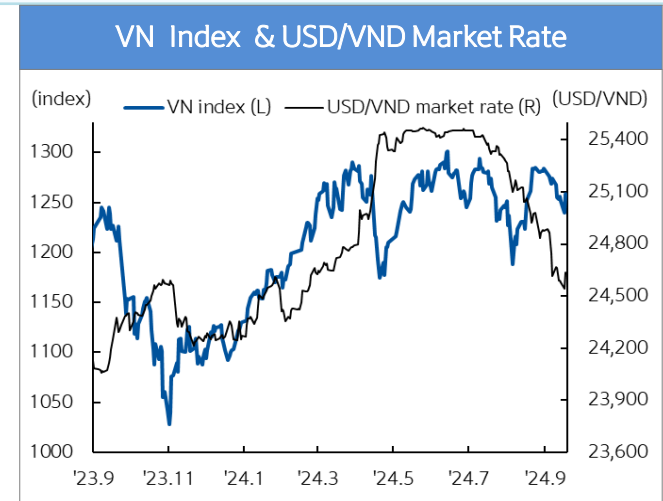
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USD/VND	24,636
52wk high	25,477
52wk low	24,135
VN index	1,265
52wk high	1,306
52wk low	1,020
Government Bond(10yr,%)	2.78
52wk high	3.25
52wk low	1.32
Major Indices Snap shot	
Real GDP Growth	6.93
Rate(% YoY)	
Consumer Prices (% YoY)	3.45
Total Mining Industries	
Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	52.4
Industrial Production (% YoY)	9.50
Retail Sales(% YoY)	8.50
Exports (% YoY)	14.5
Imports (% YoY)	12.4
Current Account (\$mn)	5221.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	84,145

- Last week, USD/VND (market rate) moved around 24,543~24,666, weakened compared to last week. (-0.19%)
- SBV announced central rate at 24,151(9/18), rose compared to 9/6(+0.11%)
- The CNY rate rose to 7.12 at the start of the week as the dollar made a modest rebound against most currencies. However, after Harris performed well in the presidential debate and the Fed implemented a big cut, the rate dropped to around 7.07. The VND dropped to 24,543 in response to Fed cut expectations from the 9th to the 13th, but then weakened again as concerns about China's economic slowdown grew after worse-than expected August economic data, closing at 24,629 VND on 9/18
- In August, domestic car sales grew by only 3.7%(YoY). There's potential for recovery as the 50% reduction in registration fees for domestically produced cars took effect from September.
- FPI net sold last week (\$2.63 mil)
 - VN index rose (+0.93%), VNIBOR3M was 3.85 (-80bp)
- Despite the Fed's big cut, its effects on the VND were minimal due to expectations of rate cuts being priced in, compounded by Typhoon Yagi and concerns over China's economic slowdown. While the broad weakness of the USD may support a downward trend in the dong's exchange rate, caution is needed as the market could reverse excessive rate-cut expectation after the FOMC, leading to a rebound in U.S. treasury yields and the dollar. (Expected Range: 24,400~ 24,650)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD 0.6802

52wk high 0.6847

52wk low 0.6296

S&P/ASX200 8,192

52wk high 8,192

52wk low 6,773

Government Bond(10yr,%) 3.92

52wk high 4.95

52wk low 3.81

Major Indices Snap shot

Real GDP growth rate (% YoY) 1.0

Consumer Prices(% YoY) 3.8

Producer Prices(% YoY) 4.8

Policy rate(%) 4.35

AU-US 2yr spread(%) 0.03

China Imports From Australia(billion USD) -19.2

Exports(% MoM) 4.0

Imports(% MoM) -0.4

Current Account(billion AUD) -0.7

Last Week :

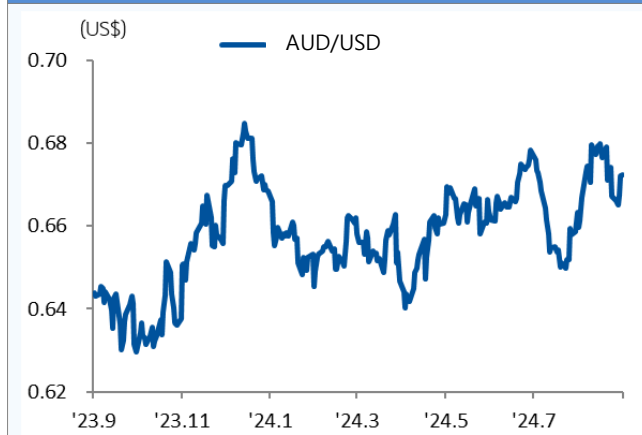
- In early September, the AUD experienced a significant decline, but it rebounded towards the end of the week as the possibility of a big Fed rate cut(50bp) resurfaced.
- Although the outlook for weaker demand for raw materials due to China's economic slowdown weighed heavily on the AUD throughout September, market sensitivity to the Fed increased as the FOMC event approached.

Outlook :

- It's the Fed's time ahead of the FOMC. All eyes are on the FOMC's first rate cut, and even if it doesn't deliver a big cut, a dovish message is expected. This could signal a rise in the AUD.
- However, given the gloomy sentiment in the commodity market, the AUD gains are likely to be limited.

*No changes.

AUDUSD Exchange Rate



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 9/13)

	'24.09	'24.12	'25.03
A N Z	0.69	0.70	0.70
Wells Fargo	0.68	0.70	0.72
MUFG	0.68	0.70	0.71
Citi	0.64	0.66	0.70

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2024.09.19

SORT	NAME	DATE	PRICE	1W(%)	1M(%)	3M(%)	6M(%)	1Y(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-09-18	100.60	-1.07	-1.82	-4.43	-2.88	-4.38	-0.73
	Euro (EUR/USD)	2024-09-19	1.11	0.39	0.29	3.47	2.31	4.10	0.71
	Yen (USD/JPY)	2024-09-19	142.42	-0.42	2.93	11.00	5.93	3.82	-0.97
	Pound (GBP/USD)	2024-09-19	1.32	0.66	1.69	3.85	3.84	6.60	3.76
	Switzerland (USD/CHF)	2024-09-19	0.85	0.53	1.90	4.43	4.89	6.04	-0.63
	Australia (AUD/USD)	2024-09-19	0.68	0.65	0.52	1.39	3.58	4.83	-0.68
FX - EM	South Korea (USD/KRW)	2024-09-14	1,333.55	0.11	2.46	3.03	-1.44	-0.27	-3.41
	China (USD/CNY)	2024-09-19	7.08	0.60	0.88	2.50	1.72	3.03	0.33
	India (USD/INR)	2024-09-17	83.76	0.26	0.13	-0.24	-1.01	-0.59	-0.66
	Indonesia (USD/IDR)	2024-09-18	15,340.00	0.39	1.39	6.91	2.28	0.20	0.37
	Vietnam (USD/VND)	2024-09-19	24,636.00	-0.19	1.37	3.32	0.46	-1.19	-1.49
	Brazil (USD/BRL)	2024-09-19	5.46	3.69	-0.90	-0.47	-7.97	-11.10	-11.06
Russia (USD/RUB)	2024-09-19	92.78	-1.34	-3.16	-7.98	-1.15	4.04	-3.57	
Stock - DM	United States Dow Jones	2024-09-19	41,503.10	1.57	2.07	6.87	6.99	19.87	10.12
	United States NASDAQ	2024-09-19	17,573.30	1.02	-0.33	-1.62	9.13	28.18	17.07
	United States S&P 500	2024-09-19	5,618.26	1.15	1.15	2.39	9.10	26.15	17.79
	Japan NIKKEI225	2024-09-18	36,380.17	0.61	-2.70	-5.68	-9.06	9.44	8.71
	United Kingdom FTSE	2024-09-19	8,253.68	0.73	-0.69	0.76	6.88	7.85	6.73
	France CAC40	2024-09-18	7,444.90	0.65	-0.06	-2.41	-8.63	2.32	-1.30
	Germany DAX	2024-09-19	18,711.49	2.08	2.12	3.20	4.34	18.98	11.70
	Stock - EM	South Korea KOSPI	2024-09-13	2,575.41	1.22	-4.52	-6.63	-3.43	-0.99
China Shanghai Stock Exchange		2024-09-18	2,717.28	-0.70	-6.10	-9.97	-11.28	-13.05	-8.66
India Sensex		2024-09-18	82,948.23	1.75	3.14	7.25	15.19	22.71	14.82
Indonesia Jakarta		2024-09-18	7,829.14	0.87	4.85	16.39	6.71	12.16	7.65
Vietnam VN index		2024-09-18	1,264.90	0.93	0.26	-1.16	1.81	4.41	11.94
Brazil Bovespa		2024-09-19	133,747.70	-0.69	-0.15	11.80	5.35	13.07	-0.33
Rates - DM	United States	2024-09-18	3.70	5.04	-17.88	-51.89	-62.04	-59.88	-17.53
	Germany	2024-09-18	2.19	7.80	-5.70	-20.60	-26.90	-51.80	16.60
	United Kingdom	2024-09-18	3.85	8.60	-7.90	-20.10	-24.20	-54.40	31.00
	Japan	2024-09-18	0.83	-2.70	-4.70	-11.30	6.20	11.40	21.50
Rates - EM	South Korea	2024-09-13	2.93	-6.00	-4.80	-42.50	-40.00	-102.00	-24.80
	India	2024-09-17	6.78	-2.40	-8.90	-20.20	-28.30	-41.80	-39.30
	Indonesia	2024-09-18	6.56	-3.20	-16.40	-64.40	-9.60	-16.70	7.70
	Vietnam	2024-09-18	2.78	-3.00	-6.00	-12.00	14.00	7.00	41.00
	Russia	2024-06-20	15.45	45.28	136.68	228.34	359.60	442.91	358.28
	Brazil	2024-09-18	12.06	18.90	58.70	2.80	96.60	76.10	169.10
Commodity	WTI (\$/bbl)	2024-09-19	70.31	1.94	-5.46	-13.80	-15.77	-22.91	-1.87
	Brent (\$/bbl)	2024-09-18	73.65	4.31	-7.57	-13.69	-15.24	-22.01	-4.40
	Gold (\$/oz)	2024-09-19	2,558.82	0.04	2.18	9.91	18.60	32.49	24.04

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