

# Weekly Global FX Market Monitor

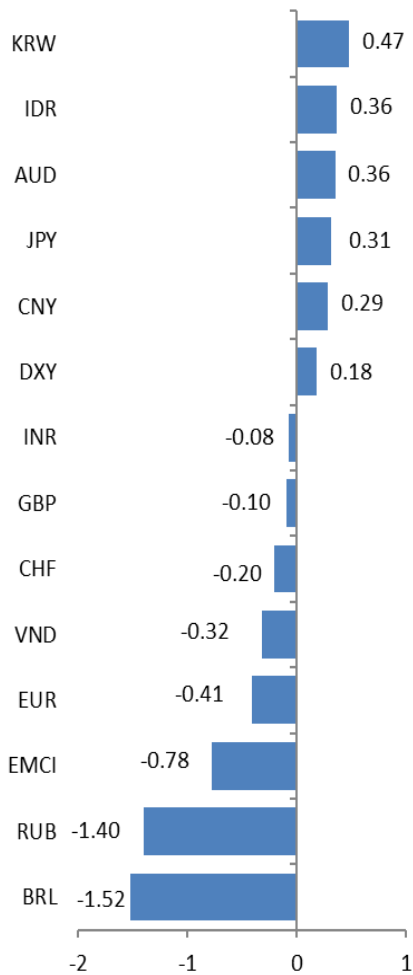
2023.9.4



## Global

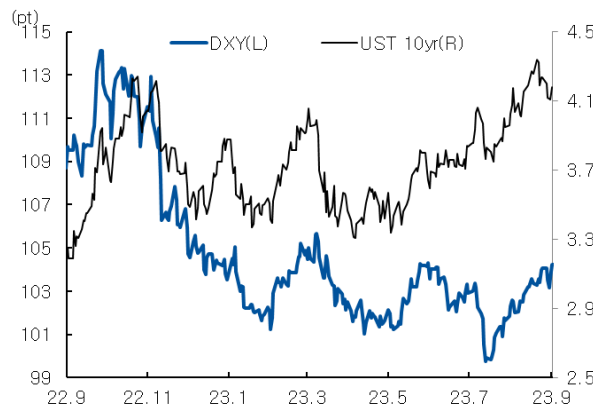
Solution & Trading Center, Seo Jae Kim  
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Translation: Jae Yeon Hyun

Weekly Change (%)



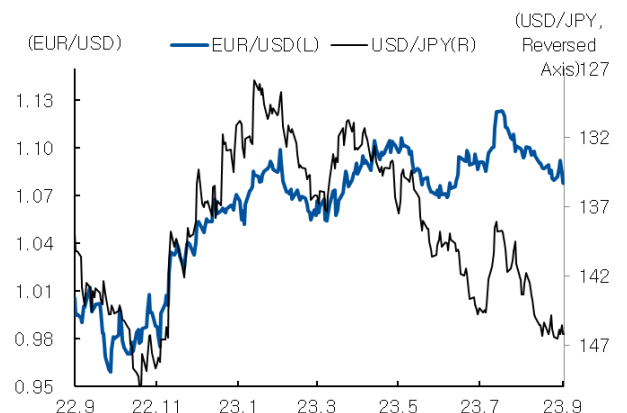
- Global FX market (last week): Strong USD (+0.18%), Weak EUR (-0.41%), Strong JPY (+0.31%)
- DXY plunged after the Jackson Hole meeting but rose later in the week, despite slowdown in wage increase, due to rise in ISM manufacturing PMI in August. DXY closed at 104pt.
- The provisional eurozone CPI in August was around 5%, confirming downward rigidity. But as ECB board member Schnabel turned dovish, possibility of ECB's rate freeze increased and EUR weakened, closing at 1.07.
- USDJPY rose up to 147 during the week but closed at 146 level as US treasury yields dropped later in the week
- Investor sentiment did not recover due to sluggish Chinese economy and rise in US treasury yields. EM currencies weakened.
  - BRL(-1.52%) weakened despite Brazil's inflation is expected to be around 3.5%, higher than the target level of 3%, due to the central bank's expected rate cut of 50bp in September.
  - INR (-0.08%) and VND(-0.32%) weakened while IDR(+0.36%) 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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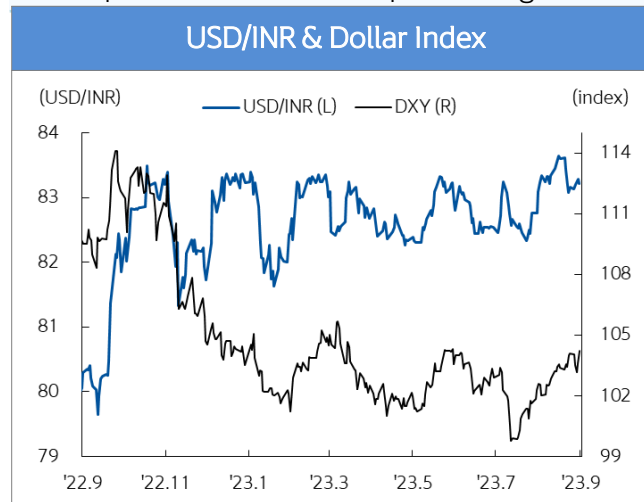


## India

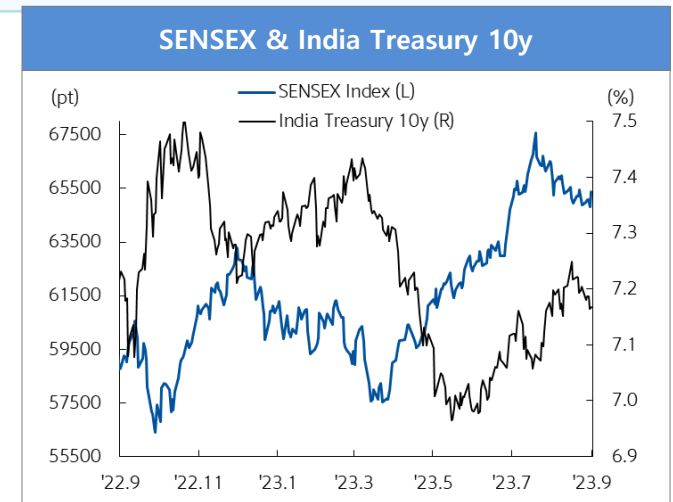
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USD/INR	82.72
52wk high	83.29
52wk low	79.03
Sensex	65,387
52wk high	67,619
52wk low	56,147
Government Bond (10yr,%)	7.17
52wk high	7.54
52wk low	6.94
<b>Major Indices Snap shot</b>	
Real GDP Growth Rate(% YoY)	7.82
Consumer Prices (% YoY)	7.44
Producer Prices (% YoY)	-1.36
RBI rate(%)	6.50
Manufacturing PMI (index)	58.6
Industrial Production (% YoY)	3.70
Core Sector Growth(% YoY)	7.98
Exports (% YoY)	-15.86
Imports (% YoY)	-17.01
Current Account (\$bn)	-1.34
Financail Earnings and Expenses (INR10mn)	-1542
FX Reserve (\$mn)	594,858

- Last week, USD/INR moved in the range of 82.62~82.79 and finished bearish. (-0.08%)
- This week, despite rising oil prices and continued unrest in China, INR weakened only slightly due to USD selling by private oil companies, China's measures to defend CNY and good domestic growth in 2Q.
- In 2Q, the Indian economy grew 7.8% yoy, the fastest pace in a year, thanks to the rapid grrowth of the service sector.
- The government lowered the price of cooking gas to ease inflation ahead of major elections and festivals (Effective from 8/3)
- FPI net purchased in equity and bond market.
  - Equity: net purchased (8/28~8/31 accumulated: \$549.05 mil), SENSEX rose. (+0.77%)
  - Bond: net purchased (8/28~8/31 accumulated: \$216.60 mil), bond yield fell (10y, 7.17%, -3.70bp)
- The possibility of rate freeze in September has increased, but US bond interest rates remain rigid downward. INR exchange rate is expected to have an edge in falling this week, but the lower end is expected to be limited (Expected range: 81.8~83.1)



Source: Bloomberg, SHB Solution & Trading Center



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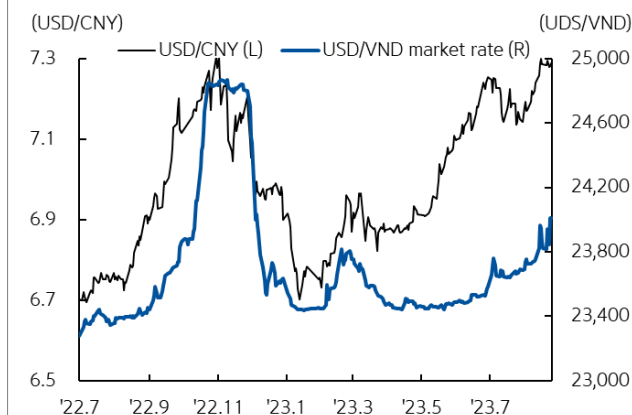
## Vietnam

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USD/VND	24,085
52wk high	24,874
52wk low	23,415
VN index	1,224
52wk high	1,287
52wk low	874
Government Bond(10yr,%)	2.80
52wk high	5.30
52wk low	2.45
<b>Major Indices Snap shot</b>	
Real GDP Growth Rate(% YoY)	4.14
Consumer Prices (% YoY)	2.96
Total Mining Industries Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	48.7
Industrial Production (% YoY)	2.60
Retail Sales(% YoY)	10.40
Exports (% YoY)	-7.6
Imports (% YoY)	-8.3
Current Account (\$mn)	5966.00
Financail Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,679

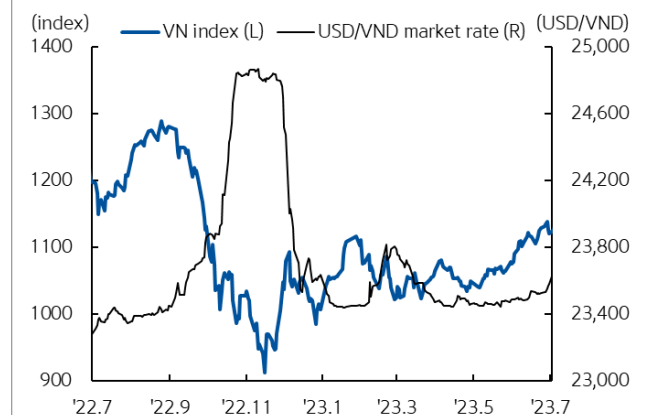
- Last week(8/28~9/1) USD/VND(market rate) moved around 24,001~24,139, slightly weakened in a week. (-0.31%)
- SBV announced central rate at 23,977(9/1), dropped compared to 8/25. (23,942, -0.15%)
- While rising trend of USDVND slightly stopped due to anxiety over the Chinese financial market eased and additional rate hike of the Fed seems less likely, the market rose 4 consecutive days on net purchase of foreigners.
- While consumer price in August rose by 2.96%, mining and manufacturing production rose by 2.6% yoy. Export and import decreased by 7.6% and 8.3% yoy. Trade surplus was \$3.82 billion.
- FPI (equity, bond, mutual fund, ETF, etc.) sold a net of \$38.55 million.  
- VN index rose(+2.91%), and VNIBPR dropped by 40bps. (2.95%, 8/31)
- Although rising trend of USDCNY and USDVND seem to be eased due to stimulus measure of the Chinese government. But still needs to be cautious of possible risks from China. (Expected Range: 23,810~24,150)

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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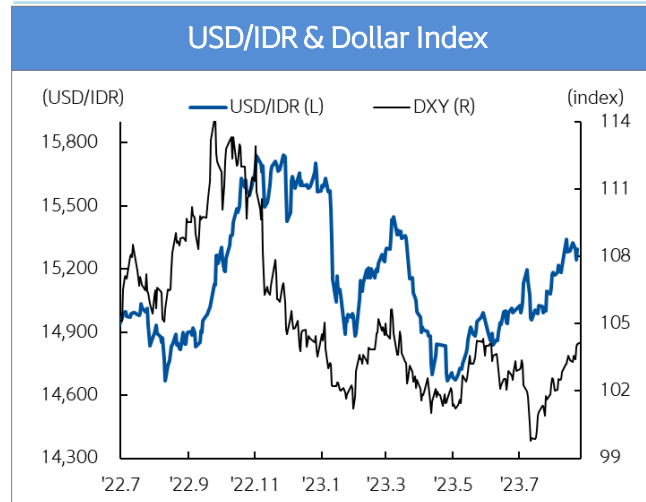


## Indonesia

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USD/IDR	15,240
52wk high	15,763
52wk low	14,575
Jakarta index	6,978
52wk high	7,377
52wk low	6,543
Government Bond(10yr,%)	6.37
52wk high	7.69
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	5.17
Consumer Prices (% YoY)	3.27
Total Mining Industries Producer Price(% YoY)	3.56
Refinance rate(%)	5.75
Manufacturing PMI (index)	53.9
Industrial Production (% YoY)	-1.26
Retail Sales(% YoY)	6.27
Exports (% YoY)	-18.03
Imports (% YoY)	-8.32
Current Account (\$mn)	-1,900
Financail Earnings and Expenses (VND10bn)	-775,064
FX Reserve (\$mn)	138

- Last week, USD/IDR(market rate) moved in the range of 15,230~15,290, finished bullish.(+0.36%)
- CPI in August rose 3.27% compared to the previous year, slightly exceeding the previous month (3.08%), but falling short of the market forecast (3.34%). Inflation is expected to remain stable and within the central bank's target level of 2% to 4%. August manufacturing PMI remained in expansion phase at 53.9.
- IDR appeared strong as US bond interest rates stabilize after the Jackson Hole meeting and the Chinese government actively responded to the real estate crisis.
- FPI net sold in equity and bond market.
  - Equity: net sold (8/28~9/1 accumulated: \$105.35 mil), Jakarta index rose (+1.19%)
  - Bond: net sold (8/28~8/29 accumulated: \$210.36 mil), bond yield fell (10y, 6.39%, -13.40bp)
- It appears that it will be difficult for investment sentiment in emerging countries to recover due to China's economic slump, and IDR is likely to weaken this week. Foreign exchange reserves expected to be announced in August (estimated range this week: 15,000~15,400)



Source : Bloomberg , SHB Solution & Trading Center



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## Australia

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AUD/USD 0.6483

52wk High 0.7137

52wk Low 0.6199

S&P/ASX200 7,274

52wk High 7,558

52wk Low 6,457

Government Bond(10yr,%) 3.97

52wk High 4.32

52wk Low 3.19

### Major Indices Snapshot

Real GDP Groth Rate (% YoY) 2.3

Consumer Prices (% YoY) 6

Producer Prices (% YoY) 3.9

Policy Rate (%) 4.10

AU-US 2yr Spread (%) -1.10

China Imports from Australia (% USD YoY) -10.9

Exports(% MoM) -1.7

Imports(% MoM) -3.9

Current Account(% GDP) 1.4

### Last Week :

- AUD rebounded over 0.65 level in the end of the month. US Fed Chairman Powell was cautious at the Jackson Hole meeting, and Chinese government's diligent response to the real estate crisis contributed AUD rebound.

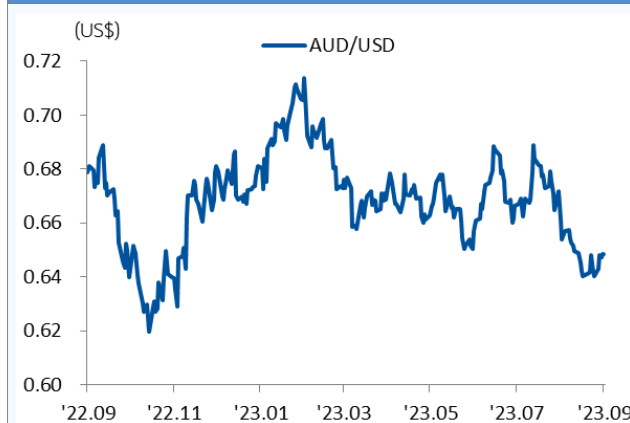
- US July PCE was at expected level, and US treasury yields also fell. China actively defended Yuan.

### Outlook :

- US dollar is losing strength due to falling US treasury yields, but stability is fragile as Country Garden's default is approaching with no progress in attempts to extend repayment due. The deferred interest payment which was unpaid a month ago is also due on Sep 5.

- RBA is expected to keep interest rates unchanged on Sept 5. RBA's new governor Michele Bullock will be inaugurated on Sep 18.

### AUDUSD exchange rate



Source : Refinitiv, SHB Solution & Trading Center

### AUD/USD Forecast Distribution \* (as of 9/4)

	'23.9	'23.12	'24.3
A N Z	0.63	0.65	0.68
Wells Fargo	0.63	0.62	0.63
MUFG	0.66	0.68	0.67
JPMorgan	0.68	0.70	0.70

Source : Bloomberg, SHB Solution & Trading Center

# Major Price Variations In Global Markets

2023.9.4

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-09-04	104.26	0.20	2.20	0.24	-0.25	-4.81	0.72
	Euro (EUR/USD)	2023-09-04	1.08	-0.41	-2.10	0.58	0.88	8.52	0.65
	Yen (USD/JPY)	2023-09-04	146.09	0.31	-2.96	-4.46	-6.95	-3.76	-10.25
	Pound (GBP/USD)	2023-09-04	1.26	-0.10	-1.25	1.22	4.70	9.32	4.20
	Switzerland (USD/CHF)	2023-09-04	0.89	-0.20	-1.48	2.34	5.09	10.64	4.39
	Australia (AUD/USD)	2023-09-04	0.65	0.36	-1.80	-2.49	-4.13	-5.08	-5.30
FX - EM	South Korea (USD/KRW)	2023-09-01	1,318.75	0.47	-2.65	0.22	0.33	2.73	-4.04
	China (USD/CNY)	2023-09-02	7.27	0.29	-1.22	-2.32	-5.46	-4.94	-5.06
	<b>India (USD/INR)</b>	<b>2023-09-01</b>	<b>82.72</b>	<b>-0.08</b>	<b>-0.56</b>	<b>-0.37</b>	<b>-0.26</b>	<b>-3.82</b>	<b>0.02</b>
	Indonesia (USD/IDR)	2023-09-01	15,240.00	0.36	-0.82	-1.62	-0.03	-2.34	2.15
	<b>Vietnam (USD/VND)</b>	<b>2023-08-31</b>	<b>24,085.00</b>	<b>-0.32</b>	<b>-1.64</b>	<b>-2.47</b>	<b>-1.22</b>	<b>-2.63</b>	<b>-1.88</b>
	Brazil (USD/BRL)	2023-09-02	4.95	-1.52	-3.19	1.30	4.66	5.91	6.68
Russia (USD/RUB)	2023-09-02	96.33	-1.40	-4.48	-15.92	-22.03	-37.60	-22.99	
Stock - DM	United States Dow Jones	2023-09-02	34,837.71	1.43	-0.65	3.18	4.33	11.24	5.10
	United States NASDAQ	2023-09-02	14,031.81	3.25	1.01	5.97	20.04	20.64	34.06
	United States S&P 500	2023-09-02	4,515.77	2.50	0.84	5.45	11.62	15.07	17.61
	Japan NIKKEI225	2023-09-01	32,710.62	3.44	1.61	3.76	17.13	18.30	25.35
	United Kingdom FTSE	2023-09-02	7,464.54	1.79	-1.32	-1.88	-6.07	2.52	0.17
	France CAC40	2023-09-02	7,296.77	0.93	-0.25	0.36	-0.70	18.31	12.71
	Germany DAX	2023-09-02	15,840.34	1.33	-0.70	-1.31	1.68	21.38	13.77
Stock - EM	South Korea KOSPI	2023-09-01	2,563.71	1.77	-1.50	-1.45	5.41	6.40	14.64
	China Shanghai Stock Exchange	2023-09-01	3,133.25	2.26	-4.71	-3.00	-5.86	-1.67	1.42
	<b>India Sensex</b>	<b>2023-09-01</b>	<b>65,387.16</b>	<b>0.77</b>	<b>-0.51</b>	<b>4.54</b>	<b>9.33</b>	<b>11.20</b>	<b>7.47</b>
	Indonesia Jakarta	2023-09-01	6,977.65	1.19	1.82	5.19	2.41	-2.78	1.85
	<b>Vietnam VN index</b>	<b>2023-08-31</b>	<b>1,224.05</b>	<b>2.91</b>	<b>0.53</b>	<b>13.51</b>	<b>17.63</b>	<b>-4.41</b>	<b>21.54</b>
	Russia RTS	2023-09-02	1,055.43	1.11	3.91	0.37	11.64	-17.84	8.74
Brazil Bovespa	2023-09-02	117,892.96	1.77	-1.35	4.74	13.50	6.34	7.43	
Rates - DM	United States	2023-09-01	4.18	-5.66	15.58	58.38	18.63	92.55	30.40
	Germany	2023-09-01	2.55	-1.20	-0.80	30.00	-16.20	98.80	-2.20
	United Kingdom	2023-09-01	4.43	-1.30	2.90	31.20	59.00	154.90	75.60
	Japan	2023-09-01	0.63	-2.80	2.60	20.90	12.70	39.10	21.10
Rates - EM	South Korea	2023-09-01	3.78	-15.30	4.70	23.00	2.00	-3.20	4.50
	<b>India</b>	<b>2023-09-01</b>	<b>7.17</b>	<b>-3.70</b>	<b>0.70</b>	<b>18.50</b>	<b>-22.70</b>	<b>-4.80</b>	<b>-16.10</b>
	Indonesia	2023-09-01	6.39	-13.40	13.90	1.80	-47.40	-74.70	-55.20
	<b>Vietnam</b>	<b>2023-08-31</b>	<b>2.80</b>	<b>0.00</b>	<b>10.00</b>	<b>-60.00</b>	<b>-175.00</b>	<b>-90.00</b>	<b>-215.00</b>
	Russia	2023-09-01	11.47	9.04	26.38	57.88	65.37	263.27	116.55
	Brazil	2023-09-01	11.09	0.30	28.50	-42.30	-240.80	-97.90	-159.50
Commodity	WTI (\$/bbl)	2023-09-04	85.85	7.18	3.66	19.67	7.74	-1.17	6.96
	Brent (\$/bbl)	2023-09-04	88.80	5.19	2.97	16.64	3.46	-4.54	3.36
	Gold (\$/oz)	2023-09-04	1,940.11	1.04	-0.14	-1.11	5.05	13.43	6.36

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.

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