

Weekly Global FX Market Monitor

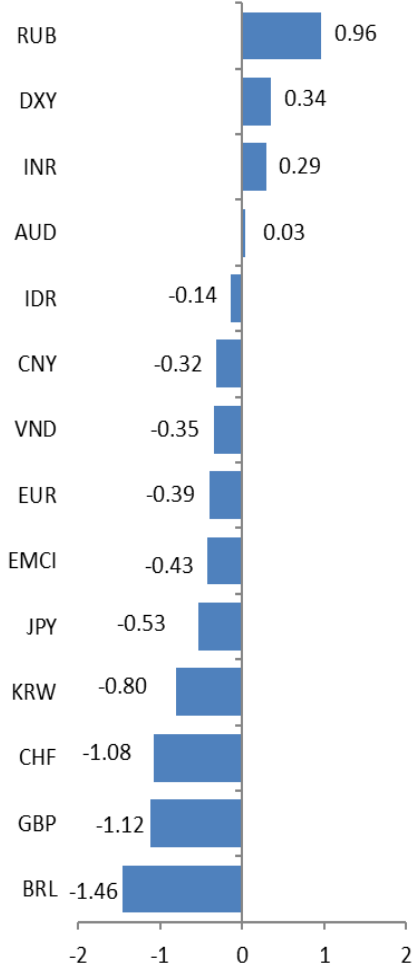
2023.9.25



Global

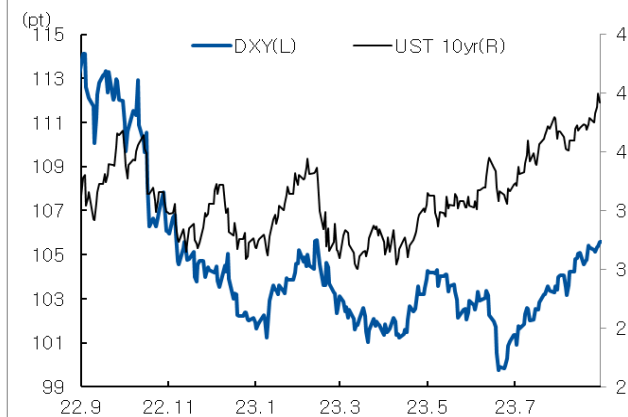
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



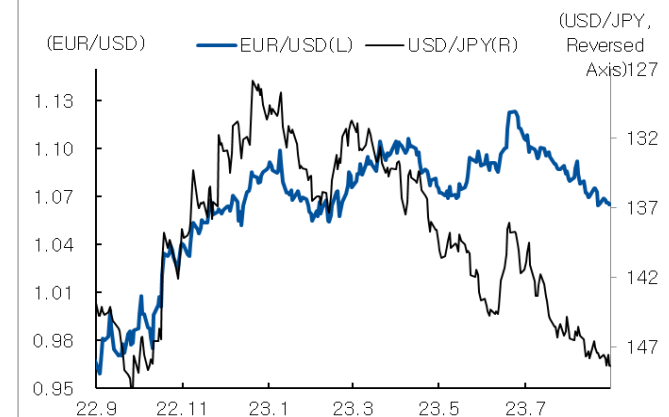
- Last week, Strong USD (+0.34%), Weak EUR(-0.39%), Weak JPY (-0.53%)
 - Despite the Fed's rate freeze, concerns are growing about the prolongation of the austerity policy as the dot plot is raised. The 10-year US bond interest rate rose to 4.49% at one point during the week, hitting the highest level since 2007. Accordingly, USD strengthened last week as well.
 - After confirming the hawkish FOMC results, USD rose and EUR fell to \$1.065. The sluggish EU economy compared to the U.S. economy is also a factor in the weakening EUR.
 - The BOJ froze interest rates at the September monetary policy meeting and maintained an ultra-loose monetary policy. JPY rose to 148 range due to the rise in U.S. Treasury yields and the BOJ's adherence to an easy monetary policy.
- Conservative market sentiment was maintained due to the Fed's hawkish interest rate freeze, and EM currencies showed weakness last week.
 - RUB(+0.96%) was strong due to rising oil prices.
 - Strong INR (+0.29%), while VND (-0.35%) and IDR (-0.14%) were weak.

Dollar Index & US Treasury 10yr



Source : Bloomberg , SHB Solution & Trading Center

EUR & JPY Trend



Source : Bloomberg , SHB Solution & Trading Center

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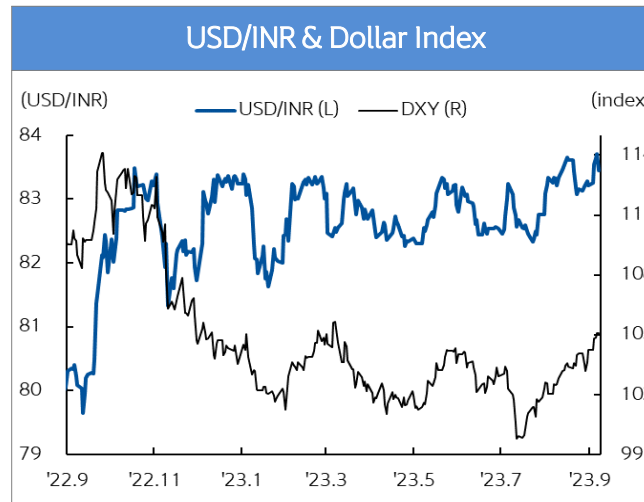


India

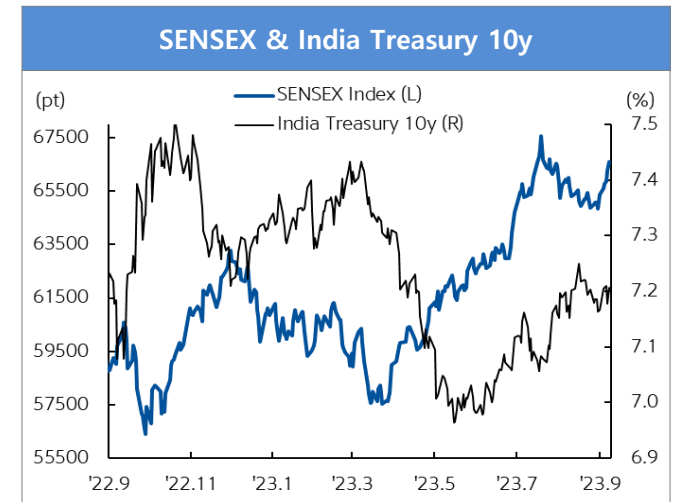
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USD/INR	82.94
52wk high	83.29
52wk low	80.52
Sensex	66,009
52wk high	67,927
52wk low	56,147
Government Bond (10yr,%)	7.19
52wk high	7.54
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.82
Consumer Prices (% YoY)	6.83
Producer Prices (% YoY)	-0.52
RBI rate(%)	6.50
Manufacturing PMI (index)	58.6
Industrial Production (% YoY)	5.70
Core Sector Growth(% YoY)	7.98
Exports (% YoY)	-6.84
Imports (% YoY)	-5.24
Current Account (\$bn)	-1.34
Financial Earnings and Expenses (INR10mn)	-1542
FX Reserve (\$mn)	593,037

- Last week(9/18~9/22) USD/INR moved around 82.93~83.26, finished bullish. (+0.29%)
- Despite the Fed's hawkish stance and rise in oil price, INR rose due to USD sell of exporters, central bank's intervention, and news on India's global bond index inclusion.
- Indian government bond will be included in JP Morgan's GBI-EM from June 2024. India's weight is 10%, will increase by 1%p per month for 10 months.
- FPI net sold in equity and bond markets.
 - Equity: net sold(9/18~9/21 accumulated: \$684.59 million), SENSEX dropped. (-2.24%)
 - Bond: net sold(9/18~9/21 accumulated: \$142.18 million), bond yield dropped. (10y, 7.19%, -1.20bp)
- Foreign capital outflow from equity market is visible due to the Fed's hawkish stance and concerns over recession. But as India will be included in the global bond index, capital inflow to bond market is expected to increase and USDINR is expected to receive downward pressure this week. (Expected Range: 82.5~83.5)



Source: Bloomberg, SHB Solution & Trading Center



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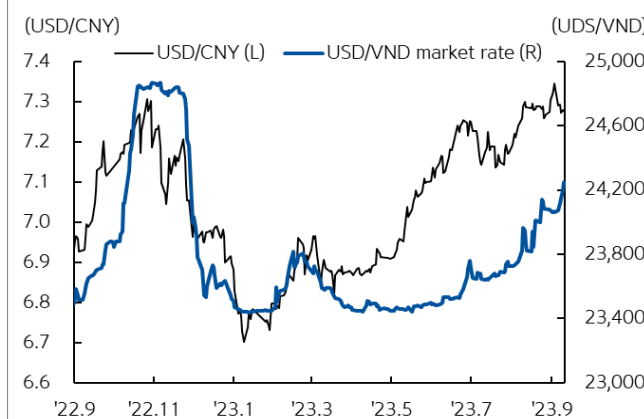
Vietnam

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USD/VND	24,334
52wk high	24,874
52wk low	23,415
VN index	1,193
52wk high	1,255
52wk low	874
Government Bond(10yr,%)	2.62
52wk high	5.30
52wk low	2.41
Major Indices Snap shot	
Real GDP Growth	4.14
Rate(% YoY)	
Consumer Prices (% YoY)	2.96
Total Mining Industries	
Producer Price(% YoY)	9.18
Refinance rate(%)	4.50
Manufacturing PMI (index)	50.5
Industrial Production (% YoY)	2.60
Retail Sales(% YoY)	10.00
Exports (% YoY)	-7.6
Imports (% YoY)	-8.3
Current Account (\$mn)	5966.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	89,241

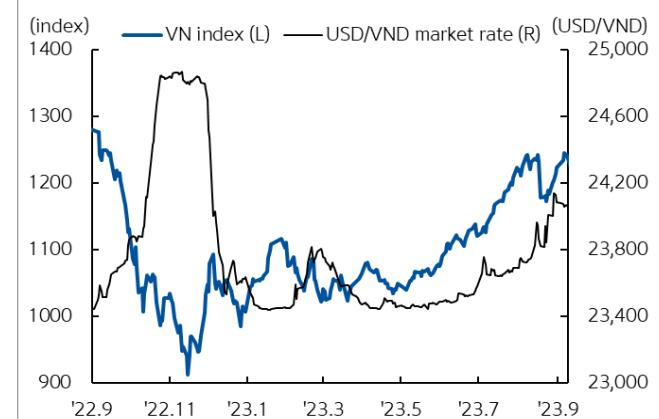
- Last week(9/18~9/22) USD/VND(market rate) moved in the range of 24,290~24,376, finished bearish. (-0.35%)
- SBV announced central rate at 24,060 (9/22), dropped compared to 9/15. (24,036, -0.10%)
- While USDCNY continues to rise despite Chinese government's active intervention, expectations on the Fed's pivot retreated after dot plot was adjusted upward after the FOMC and strong dollar remained. Weakening of Vietnamese dong continued accordingly.
- FPI (equity, bond, mutual fund, ETF, etc.) sold a net of \$67.86 million. - VN index fell(-2.80%), and VNIBOR declined by 15.0bps. (2.90, 9/22)
- After the Fed's hawkish rate freeze, Chinese yuan is continuously receiving downward pressure and USDVND is likely to rise. But depending on US economic indices announcement this week, USD might fall. Major indices including 3Q GDP (consensus: 5.0%yoy), September export/import (consensus: -4.2%yoy and -5.7%yoy), mining & manufacturing production, retail sales, consumer price (consensus: 3.2%yoy), etc. (Expected Range: 23,990~24,500)

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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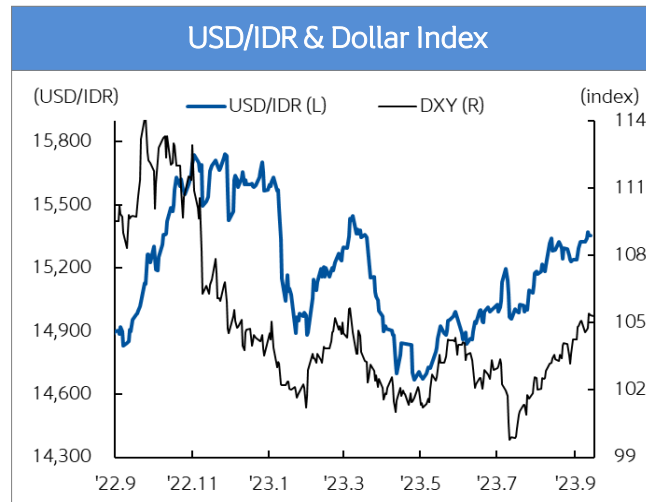


Indonesia

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USD/IDR	15,375
52wk high	15,763
52wk low	14,575
Jakarta index	7,017
52wk high	7,214
52wk low	6,543
Government Bond(10yr,%)	6.76
52wk high	7.69
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	5.17
Rate(% YoY)	
Consumer Prices (% YoY)	3.27
Total Mining Industries	
Producer Price(% YoY)	3.72
Refinance rate(%)	5.75
Manufacturing PMI (index)	53.9
Industrial Production (% YoY)	-1.26
Retail Sales(% YoY)	1.30
Exports (% YoY)	-21.21
Imports (% YoY)	-14.77
Current Account (\$mn)	-1,900
Financcil Earnings and Expenses (IDR10bn)	-775,064
FX Reserve (\$mn)	137

- Last week(9/18~9/22) USD/IDR(market rate) moved around 15,370~15,384, dropped compare to last week. (-0.14%)
- Bank Indonesia made no change in the interest rate at September monetary policy meeting as market expected. The interest rate is remained at 5.75% in order to deal with weakening of IDR and food prices hike.
- Although strong dollar continued and USDIDR rose, but only slightly due to BI's efforts to defend the value of IDR.
- FPI net purchased in both equity and bond market.
 - Equity: Net purchased(9/18~9/22 accumulated: \$110.53 million), Jakarta index rose. (+0.49%)
 - Bond: Net purchased(9/18~9/19 누적: accumulated \$9.24 million), bond yield rose(10y, 6.76%, +7.40bp)
 - Bond market data from 9/20~9/22 not provided.
- USD is expected to remain strong as the Fed is likely to maintain hawkish stance for quite some time. But as foreign capital inflow to Indonesian bond market is expected, USDIDR won't rise drastically. (Expected Range: 15,300~15,450)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD 0.6428

52wk High 0.7137

52wk Low 0.6199

S&P/ASX200 7,045

52wk High 7,558

52wk Low 6,457

Government Bond(10yr,%) 4.36

52wk High 4.36

52wk Low 3.19

Major Indices Snapshot

Real GDP Groth Rate (%YoY) 2.1

Consumer Prices (%YoY) 6

Producer Prices (%YoY) 3.9

Policy Rate (%) 4.10

AU-US 2yr Spread (%) -1.06

China Imports from Australia (% USD YoY) -0.8

Exports(%MoM) -2.0

Imports(%MoM) 2.5

Current Account(% GDP) 1.2

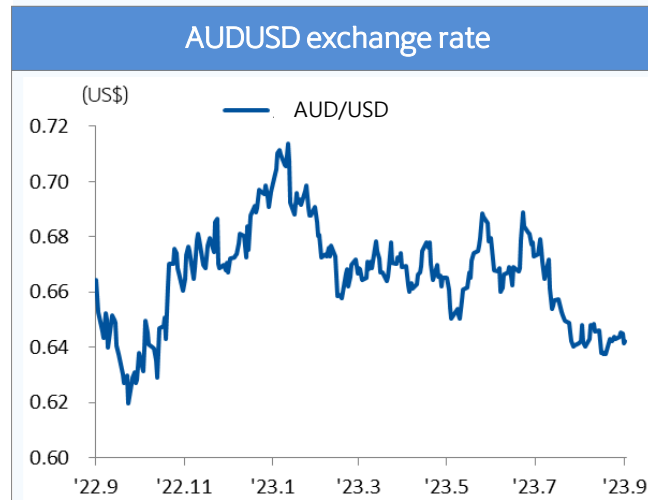
• Last Week :

- AUD rallied until the FOMC and recovered to 0.65 level.
- But as the Fed's dot plot implied hawkish stance following hawkish rate freeze at the FOMC, AUD dropped. Iron ore price rally also faltered.

• Outlook :

- While the US economy and global economy vary, strong USD and weak EUR increase downward risk of AUD.
- China is merely managing risk and the economy will struggle for quite some time due to sluggish real estate market, which has impact on related industries. Considering sluggish global economy and pressure on US treasury yield hike, AUD will receive downward pressure.

*JP Morgan adjusted forecast downward.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 9/22)

	'23.12	'24.03	'24.06
A N Z	0.65	0.68	0.68
Wells Fargo	0.62	0.63	0.65
MUFG	0.64	0.65	0.67
JP Morgan	0.68	0.70	0.69

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets

2023.9.25

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-09-25	105.56	0.34	1.43	2.58	2.37	-6.74	1.97
	Euro (EUR/USD)	2023-09-25	1.07	-0.39	-1.35	-2.35	-1.37	10.83	-0.51
	Yen (USD/JPY)	2023-09-25	148.40	-0.53	-1.32	-3.30	-11.34	-2.46	-11.64
	Pound (GBP/USD)	2023-09-25	1.22	-1.12	-2.66	-3.69	-0.35	14.55	1.33
	Switzerland (USD/CHF)	2023-09-25	0.91	-1.08	-2.45	-1.24	0.96	9.57	1.94
	Australia (AUD/USD)	2023-09-25	0.64	0.03	0.55	-3.54	-3.19	-0.26	-5.49
FX - EM	South Korea (USD/KRW)	2023-09-22	1,336.75	-0.80	-0.09	-3.13	-2.17	5.58	-5.33
	China (USD/CNY)	2023-09-23	7.30	-0.32	-0.07	-1.64	-5.88	-3.03	-5.49
	India (USD/INR)	2023-09-22	82.94	0.29	-0.00	-1.19	-0.33	-2.50	-0.24
	Indonesia (USD/IDR)	2023-09-22	15,375.00	-0.14	-0.39	-2.83	-0.20	-2.32	1.26
	Vietnam (USD/VND)	2023-09-23	24,334.00	-0.35	-1.62	-3.35	-3.18	-2.62	-2.88
	Brazil (USD/BRL)	2023-09-23	4.94	-1.46	0.03	-3.38	6.12	3.65	6.96
Russia (USD/RUB)	2023-09-23	95.78	0.96	-1.65	-13.16	-19.58	-37.96	-22.54	
Stock - DM	United States Dow Jones	2023-09-23	33,963.84	-1.89	-1.12	0.70	5.35	14.78	2.46
	United States NASDAQ	2023-09-23	13,211.81	-3.62	-2.79	-2.08	11.74	21.57	26.23
	United States S&P 500	2023-09-23	4,320.06	-2.93	-1.94	-0.65	8.79	16.97	12.52
	Japan NIKKEI225	2023-09-22	32,402.41	-2.31	2.46	-1.16	18.32	19.33	24.17
	United Kingdom FTSE	2023-09-23	7,683.91	-0.36	4.71	2.98	3.76	9.48	3.12
	France CAC40	2023-09-23	7,184.82	-2.63	-0.62	0.30	2.42	24.23	10.98
	Germany DAX	2023-09-23	15,557.29	-2.12	-0.48	-1.72	4.01	26.64	11.73
Stock - EM	South Korea KOSPI	2023-09-22	2,508.13	-3.58	-0.44	-2.41	3.86	9.53	12.15
	China Shanghai Stock Exchange	2023-09-22	3,132.43	0.47	2.23	-2.05	-4.08	1.43	1.40
	India Sensex	2023-09-22	66,009.15	-2.24	1.73	4.81	14.74	13.62	8.49
	Indonesia Jakarta	2023-09-22	7,016.84	0.49	1.76	5.68	3.76	-2.25	2.43
	Vietnam VN index	2023-09-22	1,193.05	-2.80	0.82	5.64	13.97	-0.85	18.47
	Russia RTS	2023-09-23	999.99	-2.83	-4.20	-3.85	2.27	-12.42	3.03
	Brazil Bovespa	2023-09-23	116,008.64	-2.31	0.15	-2.49	17.38	3.84	5.72
Rates - DM	United States	2023-09-22	4.43	10.13	10.96	63.91	99.96	71.99	55.89
	Germany	2023-09-22	2.74	6.40	9.40	24.50	41.10	77.40	16.80
	United Kingdom	2023-09-22	4.25	-10.90	-39.60	-11.80	79.80	75.40	57.70
	Japan	2023-09-22	0.75	3.10	8.00	36.70	41.80	50.90	32.40
Rates - EM	South Korea	2023-09-22	4.01	7.90	2.20	35.30	74.10	0.10	27.10
	India	2023-09-22	7.19	-1.20	-3.30	10.00	-14.70	-12.50	-14.10
	Indonesia	2023-09-22	6.76	7.40	9.70	47.40	-13.70	-48.60	-17.70
	Vietnam	2023-09-22	2.62	0.00	0.00	8.00	-113.00	-188.00	-228.00
	Russia	2023-09-22	11.73	8.67	41.30	71.98	91.86	289.07	142.35
	Brazil	2023-09-22	11.44	12.80	18.00	37.00	-161.30	-23.20	-125.30
Commodity	WTI (\$/bbl)	2023-09-25	90.41	-1.17	13.25	30.73	30.54	14.82	12.65
	Brent (\$/bbl)	2023-09-25	93.72	-0.75	10.94	26.91	24.98	8.79	9.09
	Gold (\$/oz)	2023-09-25	1,925.36	-0.44	0.54	0.11	-1.60	18.68	5.56

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.

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