

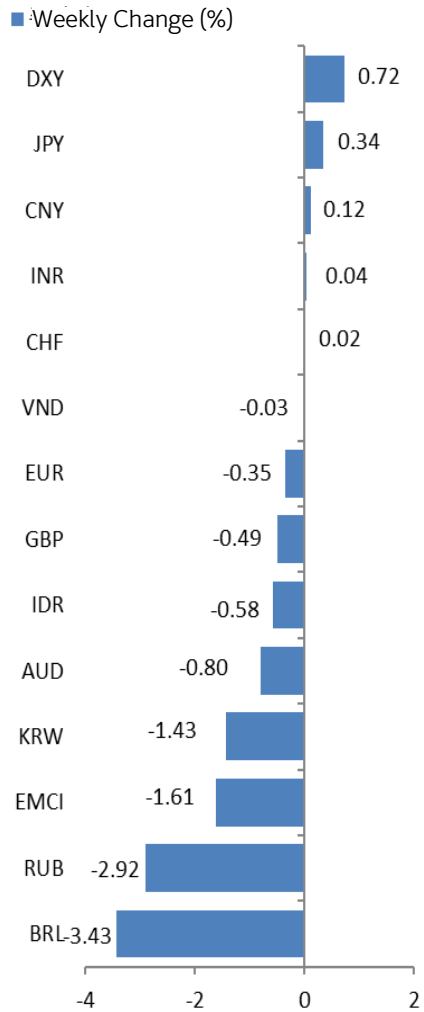
Weekly Global FX Market Monitor

2023.10.04



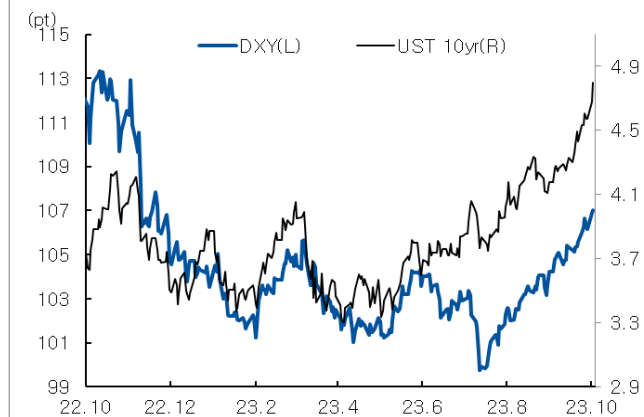
Global

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Translation: Jae Yeon Hyun



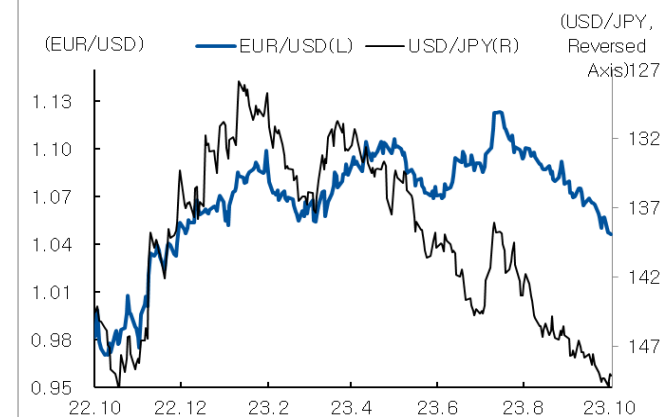
- Last week, Strong USD(+0.72%), Weak EUR(-0.35%), Strong JPY(+0.34%)
- US 10-year bond yield rose above 4.8%, breaking 16-year high. Interest rate continued to rise on concerns over US treasury bond supply and lengthening hawkish sentiment. Accordingly, DXY maintained rising trend.
- September Eurozone CPI rose by 4.3% yoy, lowest since October 2021. Core inflation rate also slowed down but due to strong USD, EUR dropped to 1.047 dollar.
- BOJ is maintaining dovish stance, but as solid US economy is supporting extension of high interest rate, US-Japan interest rate gap has widened. USDJPY rose up to 150 yen level.
- Due to US bond yield hike, USD was appreciated and risk assets have become less attractive. Accordingly, EM currencies weakened.
- BRL(-3.43%) weakened as market sentiment became conservative due to strong USD.
- INR(+0.04%) strengthened while VND(-0.03%) and IDR(-0.58%) 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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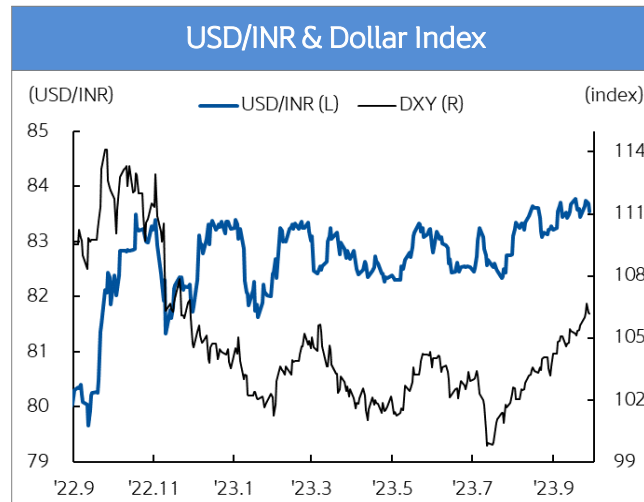


India

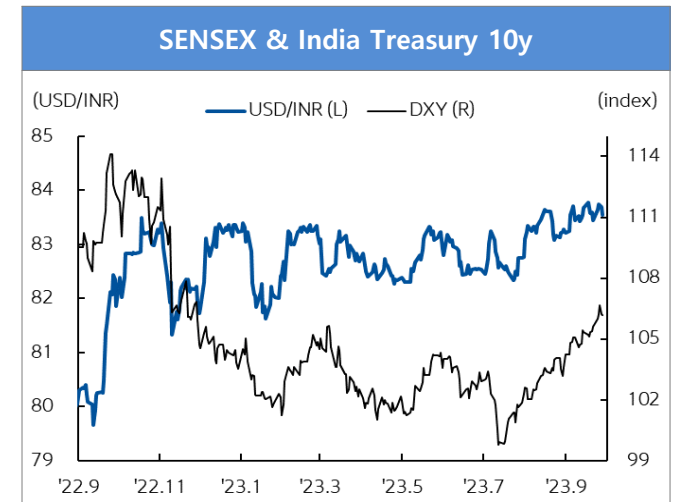
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USD/INR	83.21
52wk high	83.29
52wk low	80.52
Sensex	65,512
52wk high	67,927
52wk low	57,050
Government Bond (10yr,%)	7.23
52wk high	7.54
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth	7.82
Rate(% YoY)	7.82
Consumer Prices (% YoY)	6.83
Producer Prices (% YoY)	-0.52
RBI rate(%)	6.50
Manufacturing PMI (index)	57.5
Industrial Production (% YoY)	5.70
Core Sector Growth(% YoY)	12.07
Exports (% YoY)	-6.84
Imports (% YoY)	-5.24
Current Account (\$bn)	-9.20
Financial Earnings and Expenses (INR10mn)	-37233
FX Reserve (\$mn)	590,702

- Last week(9/25~10/3) USD/INR moved around 83.04~83.24, finished dovish. (-0.20%)
- Amid continuous hike of oil price, concerns over prolonged tapering measures and shutdown, INR weakened.
- September manufacturing PMI was 57.5. While expanding trend was maintained, recorded 5-month low due to slowdown in production increase.
- FTSE Russell and WGBI kept India on a watch list. Will be re-evaluated after 6 months.
- FPI net sold in equity market and net purchased in bond market.
 - Equity: net sold(9/25~9/28 accumulated: \$758.23 million) SENSEX dropped. (-0.48%)
 - Bond: net purchased(9/25~9/28 accumulated: \$136.58 million), bond yield rose. (10y, 7.23%, +1.90bp)
- USD/INR will receive upward pressure as US bond yield hike and strong USD intensify due to the Fed's hawkish stance. But the upper level will be limited considering the central bank's intervention and capital inflow to bond market. (Expected Range: 82.8~83.9)



Source: Bloomberg, SHB Solution & Trading Center



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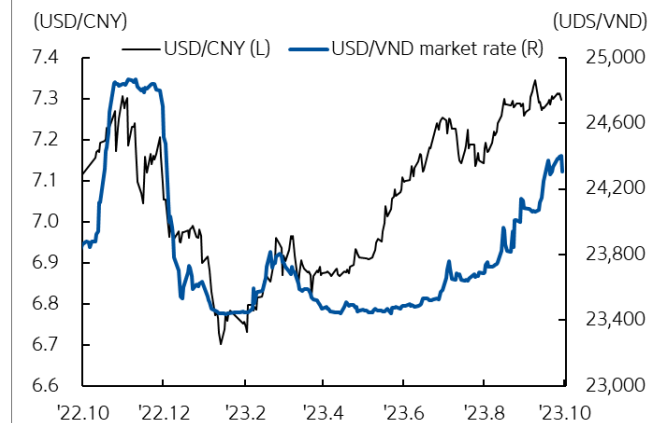
Vietnam

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USD/VND	24,393
52wk high	24,874
52wk low	23,415
VN index	1,118
52wk high	1,255
52wk low	874
Government Bond(10yr,%)	2.85
52wk high	5.21
52wk low	2.49
Major Indices Snap shot	
Real GDP Growth	5.33
Rate(% YoY)	
Consumer Prices (% YoY)	3.66
Total Mining Industries	9.18
Producer Price(% YoY)	
Refinance rate(%)	4.50
Manufacturing PMI (index)	49.7
Industrial Production (% YoY)	5.10
Retail Sales(% YoY)	10.00
Exports (% YoY)	4.6
Imports (% YoY)	2.6
Current Account (\$mn)	7860.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	89,241

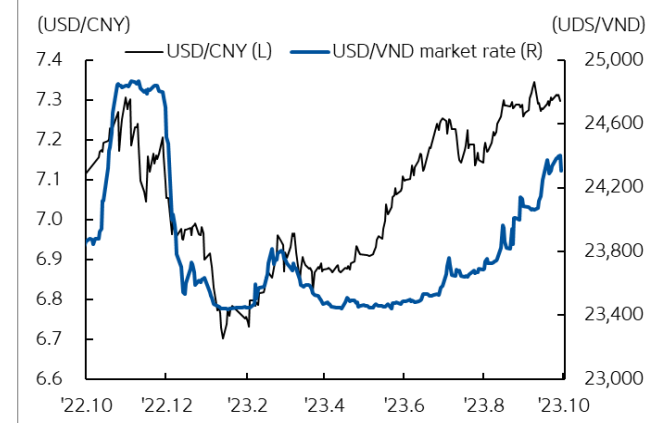
- Last week(9/25~10/3) USD/VND(market rate) moved around 24,305~24,400, dropped compared to last week. (-0.16%)
- SBV announced central rate at 24,089 (9/29), dropped compared to 9/22. (24,060, -0.12%)
- While USDCNY moved within limited range due to the Chinese government's yuan appreciation, dong rebounded on positive September economic indices but plunged as US bond yield skyrocketed.
- 3Q Vietnamese economy grew by 5.33% yoy thanks to export recovery, September consumer price rose by 3.66% yoy. Mining and manufacturing production and retail sales rose by 5.1% and 7.5% yoy. Export/import increased by 4.6% and 2.6% yoy and trade surplus was \$2.29 billion. Manufacturing PMI was 49.7, entering contraction period.
- FPI(equity, bond, mutual fund, ETF, etc.) net purchased \$25.70 million.
 - VN Index fell(-3.22%), and VNIBOR rose by 20.0bps. (3.10%, 9/29)
- While the Fed's prolonged tapering stance has triggered stock market plunge, rise in interest rate, and strong dollar, rise of oil price adds to financial market instability. USDVND may also be exposed to upward pressure. (Expected Range:24,100~24,550)

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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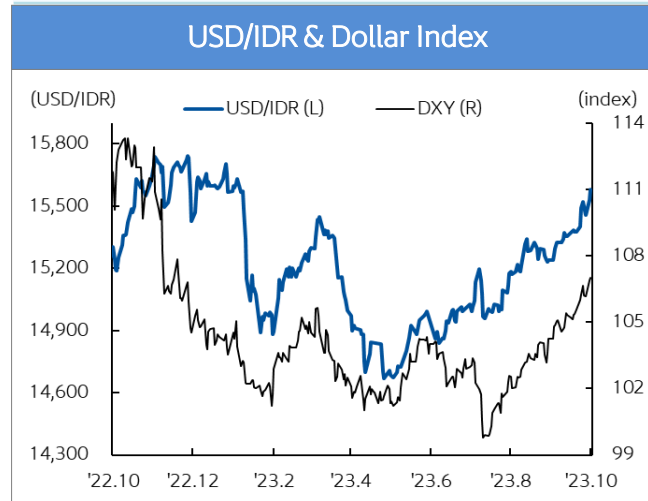


Indonesia

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USD/IDR	15,580
52wk high	15,763
52wk low	14,575
Jakarta index	6,941
52wk high	7,136
52wk low	6,543
Government Bond(10yr,%)	7.02
52wk high	7.69
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	5.17
Rate(% YoY)	
Consumer Prices (% YoY)	2.28
Total Mining Industries	
Producer Price(% YoY)	3.72
Refinance rate(%)	5.75
Manufacturing PMI (index)	52.3
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, USD/IDR(market rate) moved in the range of 15,370~15,384, finished bearish. (-0.14%)
- CPI in September rose 2.28% yoy (decline 3.27% mom), but due to the rise in rice prices, it rose 0.19% mom, exceeding the previous value (-0.02%). In September, the manufacturing PMI recorded 52.3, maintaining the expansion phase, but falling below the previous month's level (53.9) due to the sluggish global manufacturing economy.
- As USD continued to strengthen due to the rise in U.S. Treasury yields, EM currencies weakened, and in line with this, IDR also weakened.
- FPI net sold in equity and bond market.
 - Equity: net sold (9/25~10/3 accumulated: \$152.09 mil), Jakarta index fell. (-0.82%)
 - Bond: net sold (9/25~10/2 accumulated: \$333.44 mil), bond yield rose (10y, 7.02%, +14.90bp)
- U.S. bond yields are expected to continue rising due to concerns over bond supply due to the increase in the federal government's deficit and the prospect of prolonged high U.S. bond interest rates. Accordingly, USD is expected to strengthen, market sentiment is becoming more conservative, and IDR expected to weaken this week as well. The central bank is expected to intervene to protect the value of IDR, but it is unlikely to be able to stop the decline. (Expected Range: 15,300~15,520)



Source : Bloomberg , SHB Solution & Trading Center



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Australia

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AUD/USD	0.6304
52wk High	0.7137
52wk Low	0.6199
S&P/ASX200	6,887
52wk High	7,558
52wk Low	6,457
Government Bond(10yr,%)	4.66
52wk High	4.66
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 (%)	-1.01
China Imports from Australia (%, USD YoY)	-0.8
Exports(%,MoM)	-2.0
Imports(%,MoM)	2.5
Current Account(% GDP)	1.2

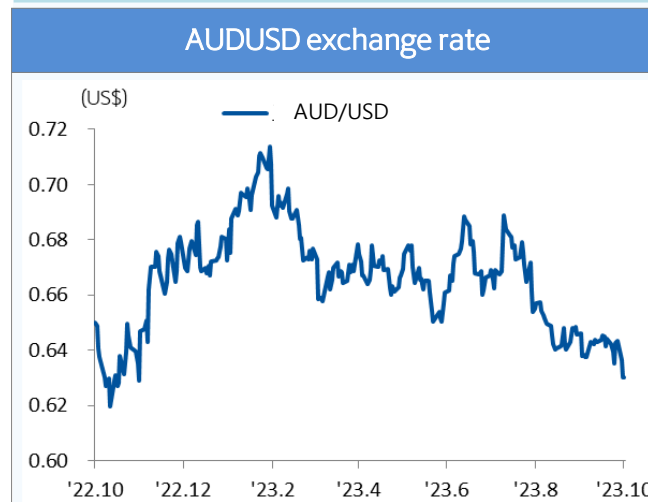
• Last Week :

- AUD, which had been falling, rebounded, recovering to 0.65 due to repeated market position adjustments. However, as the strong interest rate rise centered on mid- to long-term US Treasury bonds strengthened the global dollar, AUD broke below 0.63.
- RBA froze interest rates for 4 consecutive times at a meeting on Oct 3rd, but expressed the possibility of further increases.

• Outlook :

- A clear temperature difference between the U.S. and global economies, and the rise in U.S. bond yields is strengthening the USD and pulling down the AUD.
- As the 10-year U.S. Treasury yield soars to the highest in 16 years, the burden on risky assets in general is increasing. On the other hand, China is only managing the crisis and is likely to struggle for a considerable period of time due to the sluggish real estate market. AUD expected to fall further until the rise in US bond yields subsides.

*Wells Fargo, MUFG adjusted forecast downward.



Source : Refinitiv, SHB Solution & Trading Center

AUD/USD Forecast Distribution * (as of 10/4)

	'23.12	'24.03	'24.06
A N Z	0.65	0.68	0.68
Wells Fargo	0.62	0.61	0.62
MUFG	0.64	0.65	0.66
JPMorgan	0.68	0.70	0.69

Source : Bloomberg, SHB Solution & Trading Center

Major Price Variations in Global Markets 2023.10.04

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-10-03	107.00	0.72	2.65	3.90	4.81	-4.25	3.36
	Euro (EUR/USD)	2023-10-04	1.05	-0.35	-3.06	-3.80	-4.45	4.81	-2.23
	Yen (USD/JPY)	2023-10-04	149.13	0.34	-1.78	-3.12	-11.68	-3.35	-12.08
	Pound (GBP/USD)	2023-10-04	1.21	-0.49	-4.36	-5.02	-3.41	5.22	-0.07
	Switzerland (USD/CHF)	2023-10-04	0.92	0.02	-3.96	-2.62	-1.63	6.36	0.37
	Australia (AUD/USD)	2023-10-04	0.63	-0.80	-2.46	-5.83	-6.65	-3.06	-7.50
FX - EM	South Korea (USD/KRW)	2023-09-27	1,349.40	-1.43	-1.93	-3.63	-3.56	5.41	-6.22
	China (USD/CNY)	2023-09-29	7.30	0.12	-0.12	-0.80	-5.78	-1.34	-5.47
	India (USD/INR)	2023-10-03	83.21	0.04	-0.55	-1.50	-1.05	-1.60	-0.56
	Indonesia (USD/IDR)	2023-10-03	15,580.00	-0.58	-2.18	-3.56	-3.92	-1.78	-0.08
	Vietnam (USD/VND)	2023-10-04	24,393.00	-0.03	-1.29	-3.01	-3.73	-2.10	-3.12
	Brazil (USD/BRL)	2023-10-04	5.17	-3.43	-4.44	-6.91	-1.99	0.02	2.18
Russia (USD/RUB)	2023-10-04	99.86	-2.92	-3.41	-10.59	-21.50	-40.75	-25.70	
Stock - DM	United States Dow Jones	2023-10-04	33,002.38	-1.83	-5.27	-4.11	-1.78	11.91	-0.44
	United States NASDAQ	2023-10-04	13,059.47	-0.03	-6.93	-5.48	7.14	20.75	24.77
	United States S&P 500	2023-10-04	4,229.45	-1.03	-6.34	-5.08	2.54	14.98	10.16
	Japan NIKKEI225	2023-10-03	31,237.94	-3.33	-5.16	-6.54	10.43	15.73	19.71
	United Kingdom FTSE	2023-10-04	7,470.16	-2.04	0.08	-0.76	-2.64	8.13	0.25
	France CAC40	2023-10-04	6,997.05	-1.09	-4.11	-5.28	-4.75	20.76	8.08
	Germany DAX	2023-10-04	15,085.21	-1.12	-4.77	-6.19	-3.18	23.55	8.34
Stock - EM	South Korea KOSPI	2023-09-27	2,465.07	-3.70	-3.08	-3.87	1.24	13.63	10.22
	China Shanghai Stock Exchange	2023-09-28	3,110.48	0.84	-0.81	-2.26	-4.00	2.28	0.69
	India Sensex	2023-10-03	65,512.10	-0.77	-0.18	0.05	10.84	12.82	7.68
	Indonesia Jakarta	2023-10-03	6,940.89	-0.82	-0.80	3.88	1.58	-1.86	1.32
	Vietnam VN index	2023-10-03	1,118.10	-1.75	-8.66	-1.23	3.68	3.71	11.02
	Russia RTS	2023-10-04	993.74	-0.48	-5.85	0.08	0.50	-8.99	2.38
	Brazil Bovespa	2023-10-04	113,419.00	-0.68	-3.79	-5.23	11.74	-2.34	3.36
Rates - DM	United States	2023-10-03	4.80	25.99	61.67	94.10	138.41	115.68	92.07
	Germany	2023-10-03	2.97	16.00	41.90	53.10	71.30	105.10	39.70
	United Kingdom	2023-10-03	4.60	27.10	16.90	15.70	116.70	63.30	92.50
	Japan	2023-10-03	0.77	2.60	13.40	36.20	37.60	52.10	34.50
Rates - EM	South Korea	2023-09-27	4.01	6.00	7.90	41.00	75.00	-19.80	27.70
	India	2023-10-03	7.23	-0.70	6.70	11.40	-7.20	-23.10	-9.40
	Indonesia	2023-10-04	7.02	14.90	64.40	81.50	29.40	-24.80	8.40
	Vietnam	2023-10-03	2.85	12.00	14.00	11.00	-86.00	-216.00	-223.00
	Russia	2023-10-03	11.97	15.41	50.19	89.00	115.38	313.46	166.74
	Brazil	2023-10-03	12.08	22.90	99.10	156.60	-61.70	32.00	-60.40
Commodity	WTI (\$/bbl)	2023-10-04	89.38	-4.59	4.48	28.07	10.74	3.31	11.36
	Brent (\$/bbl)	2023-10-03	90.92	-3.24	2.68	21.80	7.05	2.32	5.83
	Gold (\$/oz)	2023-10-04	1,824.57	-2.70	-6.08	-5.24	-9.69	5.70	0.03

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.

This report is provided only for a reference. Investors should judge market conditions for themselves before making any investment decisions