

Weekly Global FX Market Monitor

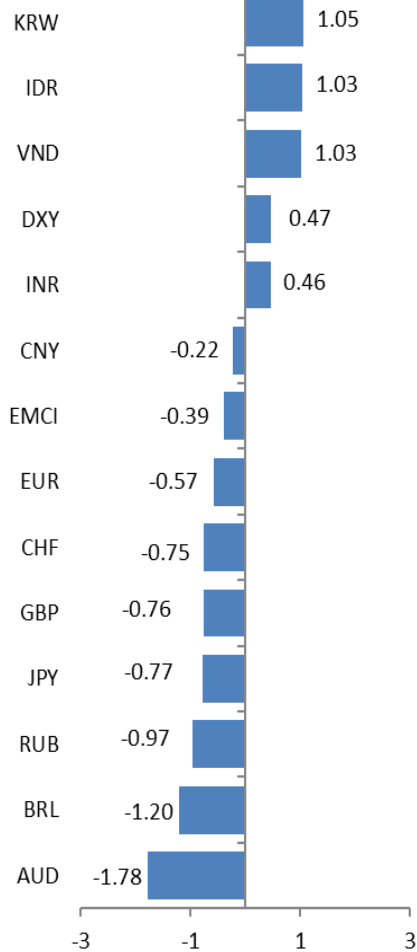
2024.02.05



Global

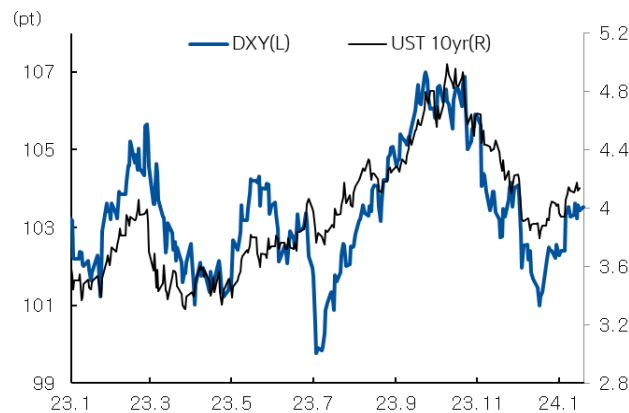
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



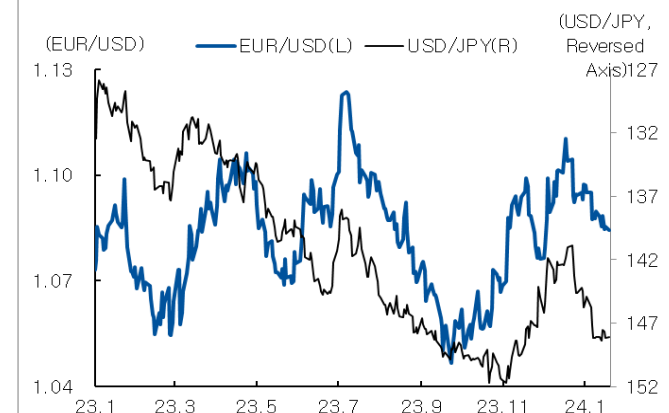
- Last week: Strong USD(+0.47%), Weak EUR(-0.57%), Weak JPY(-0.77%)
- At January FOMC, Although the possibility of the rate cut in March has been eliminated, signal of the Fed's pivot within the year has been reaffirmed and DXY plunged to 103.04 level as US bond yields dropped. DXY rebounded later in the week after confirming stronger-than-expected employment indicators.
- 4Q Eurozone GDP growth was 0% due to France and Germany's sluggish economy. Technical recession was avoided, rebounding from 3Q reverse growth. US dollar strengthened on solid employment indicator and EUR plunged to 1.078 dollar level.
- USDJPY plunged to 146yen as US-Japan interest rate gap shrank. But anticipation on the Fed's rate cut was retreated after the robust US employment indicator was announced and USDJPY soared, closing at 148.3yen.
- Investor sentiment seemed to be recovered due to solid performances of big tech companies and drop in US bond yield. But retreated later in the week and EM currencies mostly weakened.
 - Brazil's central bank cut rates by 50bps as expected. Additional rate cut is anticipated as inflation is improving. BRL(-1.20%) weakened.
- INR(+0.46%), VND(+1.03%), IDR(+1.03%) 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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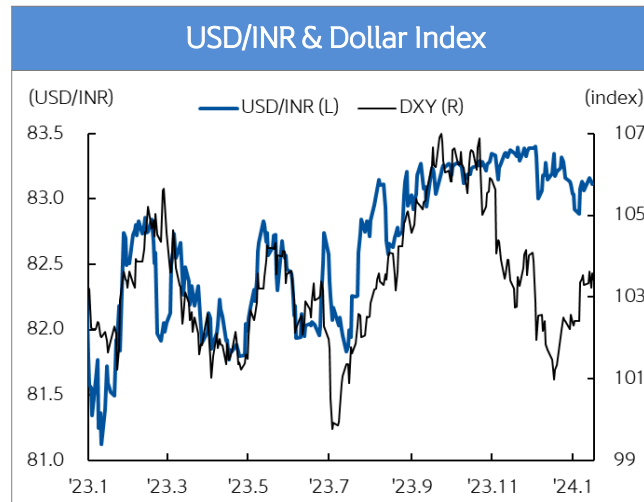


India

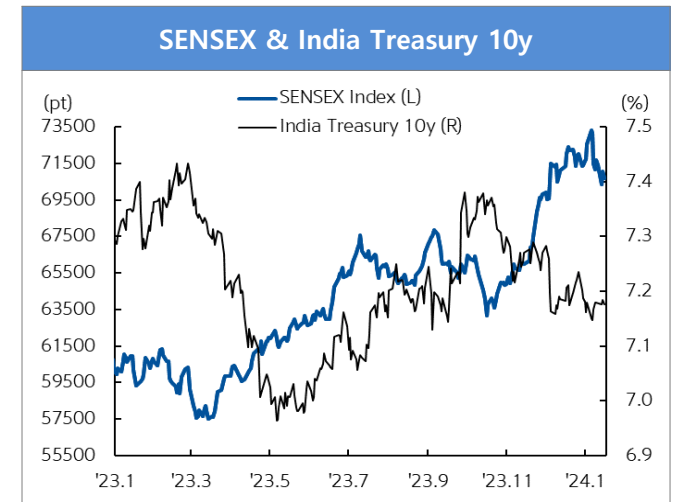
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USD/INR	82.93
52wk high	83.50
52wk low	81.61
Sensex	72,086
52wk high	73,428
52wk low	57,085
Government Bond (10yr,%)	7.06
52wk high	7.45
52wk low	6.94
Major Indices Snap shot	
Real GDP Growth Rate(% YoY)	7.64
Consumer Prices (% YoY)	5.69
Producer Prices (% YoY)	0.73
RBI rate(%)	6.50
Manufacturing PMI (index)	56.5
Industrial Production (% YoY)	2.40
Core Sector Growth(% YoY)	3.82
Exports (% YoY)	0.96
Imports (% YoY)	-4.84
Current Account (\$bn)	-8.30
Financial Earnings and Expenses (INR10mn)	-75694
FX Reserve (\$mn)	616,733

- Last week, USD/INR moved in the range of 82.92~83.15, strengthened compared to last week.(+0.46%)
- INR strengthened as foreign capital inflow accelerated prior to India's inclusion in the global bond index.
- January manufacturing PMI was 56.5, highest in 4 months. Amid production was expanded on solid demand, domestic orders are increasing more rapidly than export orders.
- According to the federal budget plan announced on Feb 1, fiscal deficit target of FY2025 is 5.1% of GDP. The target for FY2024 has also been adjusted downward from 5.9% to 5.8% of GDP. Issuance of government bond will be decreased to 14.1 trillion Rupee from 15.4 trillion Rupee.
- FPI net sold in equity market and net purchase in bond market.
 - Equity: Net sold(1/29~2/1 cumulative: \$484.04 million), SENSEX rose. (+1.96%)
 - Bond: Net purchased(1/29~2/1 cumulative: \$867.59 million), bond yield dropped. (10y, 7.06%,-12.10bp)
- USDINR is anticipated to fall on expectations on India's improving fiscal soundness and capital inflow due to inclusion in the global bond index. The exchange rate is expected to be maintained steady for 6 consecutive times at the monetary policy meeting on Feb 8 as RBI takes more neutral stance. (Expected Range: 82.4~83.2)



Source: Bloomberg, SHB Solution & Trading Center



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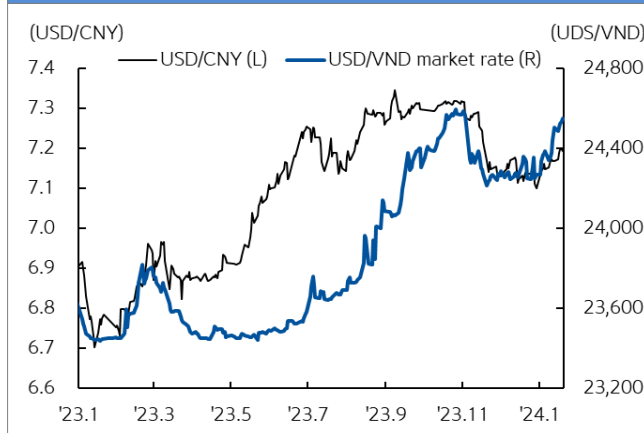
Vietnam

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USD/VND	24,360
52wk high	24,620
52wk low	23,415
VN index	1,173
52wk high	1,255
52wk low	1,013
Government Bond(10Yr,%)	2.45
52wk high	4.55
52wk low	2.33
Major Indices Snap shot	
Real GDP Growth	6.72
Rate(% YoY)	
Consumer Prices (% YoY)	3.37
Total Mining Industries	9.18
Producer Price(% YoY)	
Refinance rate(%)	4.50
Manufacturing PMI (index)	50.3
Industrial Production (% YoY)	18.30
Retail Sales(% YoY)	8.10
Exports (% YoY)	42
Imports (% YoY)	33.3
Current Account (\$mn)	9673.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,200

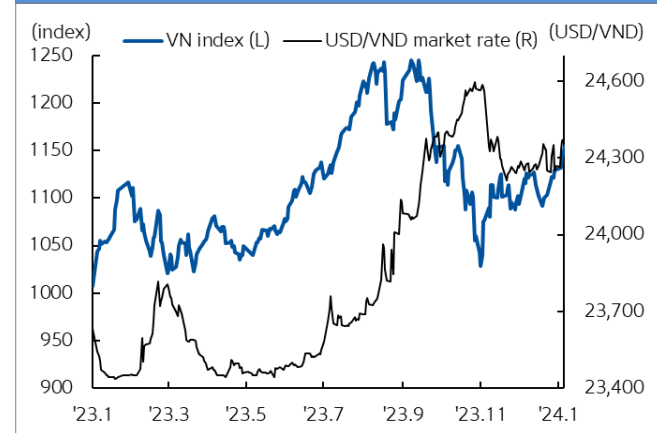
- Last week(1/29~2/2) USD/VND(market rate) ranged from 24,354~24,543, a strengthening trend(+1.03%) compared to the previous week
- SBV set the central rate at 23,959 (2/2), indicating a weekly strength compared to 1/26. (+0.32%, 24,036)
- The Chinese yuan rose to the level of 7.19 despite efforts by financial institutions to defend the exchange rate, as manufacturing contraction persisted and the Hong Kong court issued a liquidation order for the Evergrande group. VND declined to around 24,300, synchronized with the resolution of uncertainties after the FOMC and the preference for risk assets following strong performance by US big tech.
- In January, consumer prices recorded a 3.37% yoy increase. Exports and imports increased by 42% and 33.3% compared to the same period last year, resulting in a trade surplus of \$2.92 billion.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$57 million.
 - VN index declined by 0.27%, and VNIBOR3M increased by 1.7bps (2.65%, 2/2).
- Despite relatively robust US employment figures in January, reaffirming the relative strength of the US dollar and a reversal in expectations for the Fed's rate cut, concerns about economic uncertainties in china persist. Accordingly, USDVND is expected to follow an upward trend this week. (Expected Range:24,220~24,730)

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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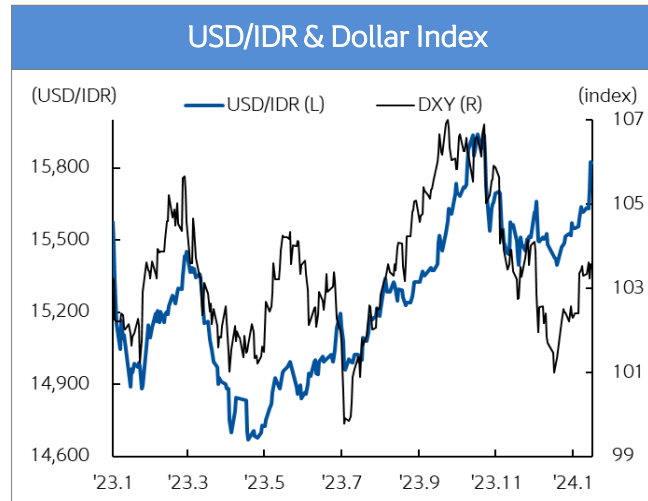


Indonesia

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USD/IDR	15,658
52wk high	15,962
52wk low	14,575
Jakarta index	7,239
52wk high	7,404
52wk low	6,543
Government Bond(10Yr,%)	6.52
52wk high	7.26
52wk low	6.16
Major Indices Snap shot	
Real GDP Growth	4.94
Rate(% YoY)	
Consumer Prices (% YoY)	2.57
Total Mining Industries	3.14
Producer Price(% YoY)	
Refinance rate(%)	6.00
Manufacturing PMI (index)	52.9
Industrial Production (% YoY)	-1.89
Retail Sales(% YoY)	0.07
Exports (% YoY)	-5.85
Imports (% YoY)	-3.81
Current Account (\$mn)	-900
Financail Earnings and Expenses (IDR10bn)	-460,420
FX Reserve (\$mn)	146

- Last week, USD/IDR(market rate) ranged from 15,658~15,810, rose compared to the previous week. (+1.03%)
- Despite Chairman Powell dismissing the possibility of a rate cut in March during the January FOMC, the IDR exhibited strength as a favorable atmosphere for risk emerged due to strong big tech performances and a decline in US bond yields. The IDR decline was influenced by the sustained expansion phase in January's Manufacturing PMI(52.9) and the following subdued inflation rate. (YOY +2.57%)
- FPI net purchased in equity market and net sold in bond market.
 - Equity: Net purchased(1/29~2/2 cumulative: \$31.05 mil), Jakarta Stock index rose. (+1.42%)
 - Bond: Net sales by foreign investors(1/29~1/31 cumulative: \$36.87 mil), bond yield decreased. (10y, 6.52%, -12.20bp)
- US non-farm payrolls for January increased by 353,000 compared to the previous month, surpassing the expected 185,000 and doubling predictions. The stronger than expected US employment data is anticipated to raise concerns about the Fed delaying rate cuts, leading to a reversal in market sentiment towards risk assets. Consequently, a slight increase in the IDR exchange rate is expected. This week, the GDP for Q4 2023 is scheduled for release, and the growth rate for the quarter is anticipated to be around 5%(YOY), slightly higher than Q3(4.94%), driven by increased government investment. (Expected Range: 15,520~15,980).



Source : Bloomberg , SHB Solution & Trading Center



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Major Price Variations in Global Markets 2024.02.05

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2024-02-05	104.09	0.47	1.64	-0.88	2.03	1.14	2.72
	Euro (EUR/USD)	2024-02-05	1.08	-0.57	-1.57	0.49	-2.10	0.42	-2.43
	Yen (USD/JPY)	2024-02-05	148.64	-0.77	-2.70	0.96	-4.13	-10.75	-5.11
	Pound (GBP/USD)	2024-02-05	1.26	-0.76	-0.84	2.18	-1.34	4.94	-0.93
	Switzerland (USD/CHF)	2024-02-05	0.87	-0.75	-2.05	3.64	0.58	6.97	-3.04
	Australia (AUD/USD)	2024-02-05	0.65	-1.78	-3.28	0.06	-1.22	-5.67	-4.68
FX - EM	South Korea (USD/KRW)	2024-02-02	1,322.35	1.05	-1.65	1.56	-1.82	-7.71	-2.59
	China (USD/CNY)	2024-02-03	7.19	-0.22	-0.70	1.68	-0.03	-6.43	-1.30
	India (USD/INR)	2024-02-02	82.93	0.46	0.47	0.40	-0.41	-0.90	0.34
	Indonesia (USD/IDR)	2024-02-02	15,658.00	1.03	-1.20	1.27	-3.08	-4.97	-1.67
	Vietnam (USD/VND)	45324.00	24,360.00	1.03	0.09	-0.06	-2.61	-3.64	-0.37
	Brazil (USD/BRL)	2024-02-03	4.97	-1.20	-1.07	-0.30	-3.22	1.47	-2.28
Russia (USD/RUB)	2024-02-03	90.74	-0.97	0.37	2.77	3.64	-22.20	-1.40	
Stock - DM	United States Dow Jones	2024-02-03	38,654.42	1.43	3.17	13.48	10.23	13.94	2.56
	United States NASDAQ	2024-02-03	15,628.95	1.12	7.61	15.96	12.50	30.17	4.11
	United States S&P 500	2024-02-03	4,958.61	1.38	5.56	13.77	10.73	19.88	3.96
	Japan NIKKEI225	2024-02-02	36,158.02	1.14	8.33	13.17	12.32	31.44	8.05
	United Kingdom FTSE	2024-02-03	7,615.54	-0.26	-0.96	2.67	0.68	-3.62	-1.52
	France CAC40	2024-02-03	7,592.26	-0.55	2.31	7.73	3.79	4.95	0.65
	Germany DAX	2024-02-03	16,918.21	-0.25	1.95	11.38	6.06	9.32	0.99
Stock - EM	South Korea KOSPI	2024-02-02	2,615.31	5.52	1.44	10.43	0.48	5.44	-1.51
	China Shanghai Stock Exchange	2024-02-02	2,730.15	-6.19	-6.79	-9.92	-16.97	-16.34	-8.23
	India Sensex	2024-02-02	72,085.63	1.96	0.08	12.00	9.68	18.48	-0.21
	Indonesia Jakarta	2024-02-02	7,238.79	1.42	-1.52	6.63	5.63	4.73	-0.47
	Vietnam VN index	2024-02-02	1,172.55	-0.27	1.55	8.89	-4.36	8.86	3.77
	Russia RTS	2024-02-03	1,117.31	0.66	2.76	2.15	10.00	11.45	3.12
	Brazil Bovespa	2024-02-03	127,182.25	-1.38	-3.67	7.64	6.42	17.19	-5.22
Rates - DM	United States	2024-02-02	4.02	-11.74	9.05	-63.91	-5.76	62.72	14.08
	Germany	2024-02-02	2.24	-5.80	17.30	-47.60	-29.40	16.10	21.70
	United Kingdom	2024-02-02	3.92	-4.60	28.00	-46.40	-48.50	91.20	38.10
	Japan	2024-02-02	0.67	-4.50	5.80	-25.40	4.40	17.40	5.80
Rates - EM	South Korea	2024-02-02	3.29	-9.70	-1.50	-87.00	-49.00	7.00	11.50
	India	2024-02-02	7.06	-12.10	-15.40	-26.90	-9.70	-24.10	-11.90
	Indonesia	2024-02-02	6.52	-12.20	0.70	-55.10	26.50	-6.70	4.20
	Vietnam	2024-02-02	2.45	0.00	5.00	-60.00	-5.00	-245.00	5.00
	Russia	2024-02-02	11.74	15.89	-12.36	-35.33	52.71	135.62	-12.36
	Brazil	2024-02-02	10.70	1.60	26.60	-95.80	0.40	-248.20	33.00
Commodity	WTI (\$/bbl)	2024-02-05	72.93	-5.01	-1.19	-9.41	-11.94	-0.63	1.79
	Brent (\$/bbl)	2024-02-05	78.05	-5.28	-0.90	-8.06	-9.50	-2.36	1.31
	Gold (\$/oz)	2024-02-05	2,040.44	0.35	-0.24	3.15	5.36	9.26	-1.09

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