

# Weekly Global FX Market Monitor

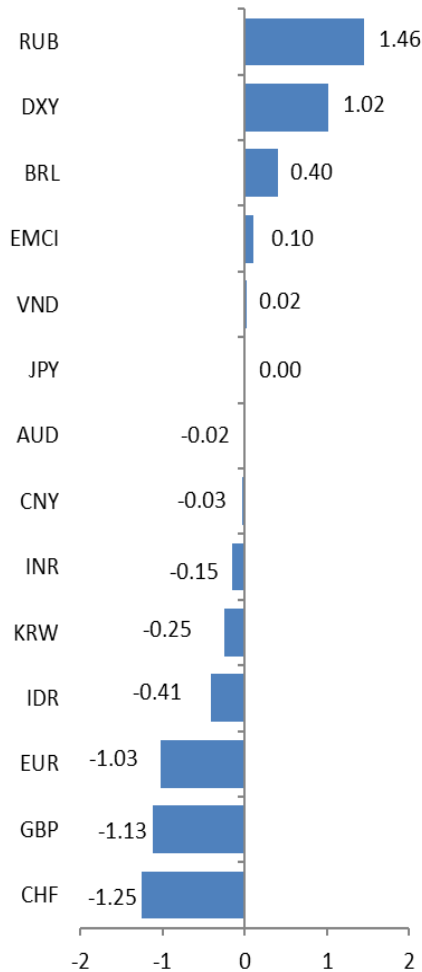
2023.10.30



## Global

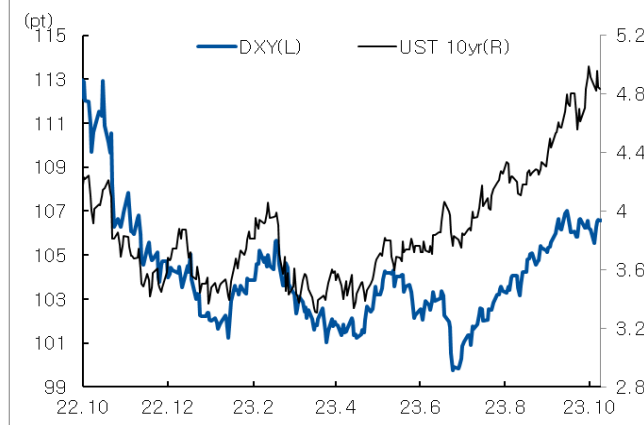
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Translation: Jae Yeon Hyun

■ Weekly Change (%)



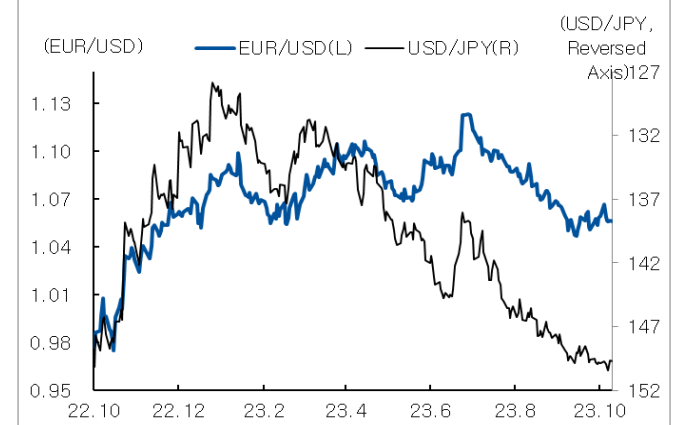
- Last week : Strong USD (+1.02%), Weak (-1.03%), Flat JPY (0.00%)
  - Amid heightened financial market volatility, USD strengthened due to 3Q GDP exceeding market expectations and the ECB's interest rate freeze.
  - EUR, which had soared early in the week, showed weakness due to sluggish October PMI reserves in major EU countries and ECB's decision to freeze the base interest rate, and closed at 1.0565.
  - During the week, JPY was above 150 level, but the exchange rate fell due to a decline in US bond interest rates later in the week, closing at 149 level. Nihon Keizai reported that the BOJ will consider additional policy adjustments at this week's meeting.
- As volatility in the U.S. Treasury and stock markets increased while geopolitical risks were not resolved, EM currencies showed mixed performance last week.
  - Russia's CPI increased by 6% (previous: 5.15%) yoy. The central bank raised the benchmark interest rate by 200 basis points at the October monetary meeting in response to accelerating inflation. RUB (+1.46%) strengthened.
  - VND (+0.02%) slightly strengthened , but INR (-0.15%) and IDR (-0.41%) 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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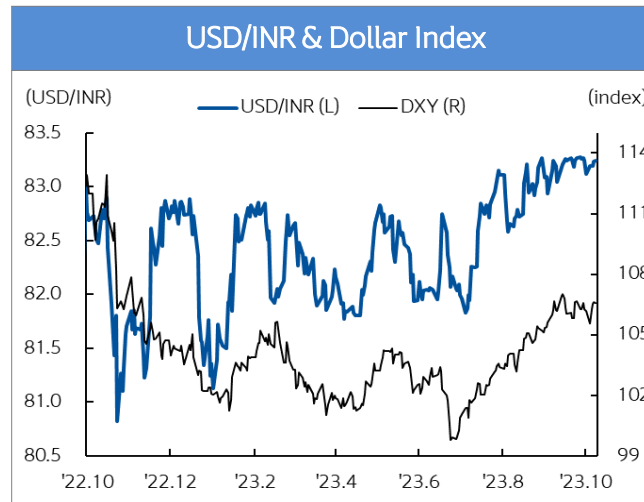


## India

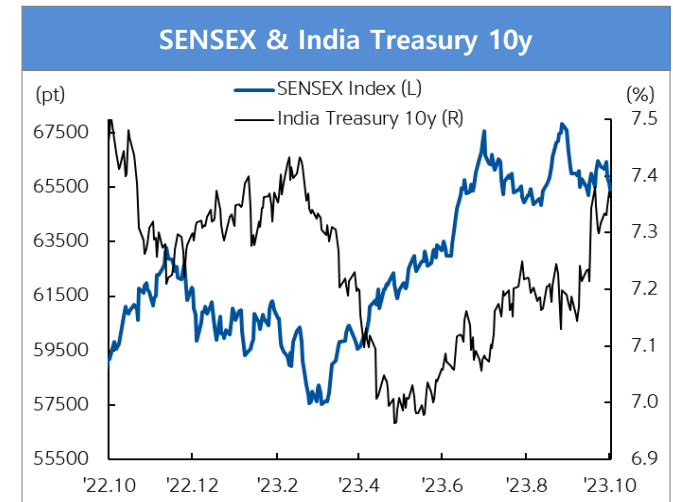
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USD/INR	83.25
52wk high	83.29
52wk low	80.52
Sensex	63,783
52wk high	67,927
52wk low	57,085
Government Bond (10yr,%)	7.36
52wk high	7.50
52wk low	6.94
<b>Major Indices Snap shot</b>	
Real GDP Growth Rate(% YoY)	7.82
Consumer Prices (% YoY)	5.02
Producer Prices (% YoY)	-0.26
RBI rate(%)	6.50
Manufacturing PMI (index)	57.5
Industrial Production (% YoY)	10.30
Core Sector Growth(% YoY)	12.07
Exports (% YoY)	-2.62
Imports (% YoY)	-15.04
Current Account (\$bn)	-9.20
Financial Earnings and Expenses (INR10mn)	-37233
FX Reserve (\$mn)	583,532

- Last week, USD/INR moved in the range of 83.18~83.25, finished bearish. (-0.15%)
- INR is weakening weekly as U.S. economic indicators showed good and USD strengthened.
- FPI net sold in equity and bond markets.
  - Equity: net sold (10/23~10/26 accumulated: \$123.02 mil), SENSEX fell (-2.81%)
  - Bond: net sold (10/23~10/26 accumulated: \$42.10 mil), bond yield fell (10y, 7.36%, -0.50bp)
- Despite rising tensions in the Middle East, the pressure to increase oil prices appears to be limited, so INR exchange rate is more likely to fall than rise this week. It is highly likely that FOMC will freeze the base interest rate at 5.50% on Nov 2, but the possibility of a 25bp increase cannot be ruled out, so it is necessary to be cautious of increased volatility such as a surge in exchange rates due to the FOMC results. (Expected Range: 82.7~83.6)



Source: Bloomberg, SHB Solution & Trading Center



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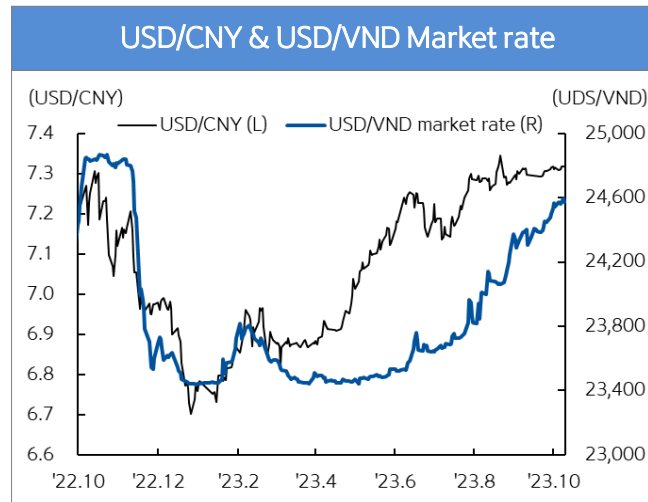


## Vietnam

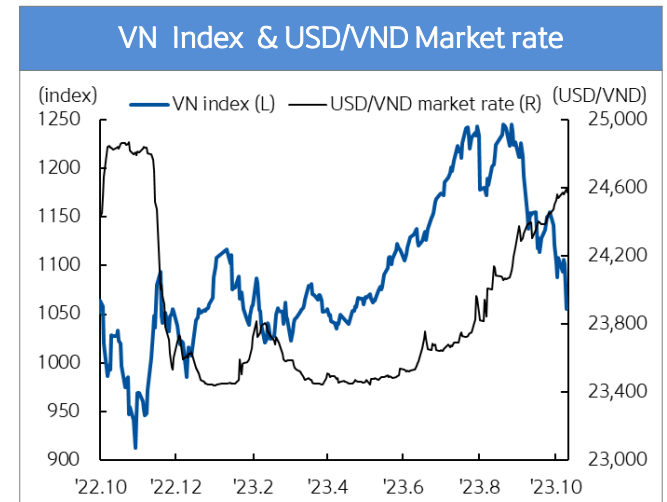
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USD/VND	24,569
52wk high	24,874
52wk low	23,415
VN index	1,061
52wk high	1,255
52wk low	874
Government Bond(10yr,%)	3.10
52wk high	5.21
52wk low	2.49
<b>Major Indices Snap shot</b>	
Real GDP Growth	5.33
Rate(% YoY)	
Consumer Prices (% YoY)	3.59
Total Mining Industries	9.18
Producer Price(% YoY)	
Refinance rate(%)	4.50
Manufacturing PMI (index)	49.7
Industrial Production (% YoY)	4.10
Retail Sales(% YoY)	10.00
Exports (% YoY)	5.9
Imports (% YoY)	5.2
Current Account (\$mn)	7860.00
Financial Earnings and Expenses (VND10bn)	18,465
FX Reserve (\$mn)	87,226

- Last week, USD/VND(market rate) moved in the range of 24,475~24,565 and finished bearish (-0.12%)
- SBV announced central rate at 24,095 (10/26), rose compared to 10/20. (24,110, +0.06%)
- As China increased its involvement in FX market and tightly managed the upper end of the exchange rate, VND exchange rate rose to the global strong USD even though CNY exchange rate showed a sideways trend.
- CPI in October rose 3.59% yoy while exports and imports continued to increase, recording 5.9% and 5.2% yoy. The trade balance is a surplus of \$3 billion. Mining industry production and retail sales increased by 5.9% and 7.0% yoy.
- FPI (equity, bond, mutual fund, ETF, etc.) net sold \$57.07 mil.  
- VN index dropped (-4.28%), and VNIBOR3M rose by 40bps. (3.70%, 10/27)
- While domestic economic indicators, such as export and import performance in October, are showing good performance, the Chinese authorities' exchange rate defense is expected to continue, so further gains in VND exchange rate are expected to be limited, but geopolitical risks and the U.S. FOMC Result need to be focused. (Exchange rate: 24,250~24,700)



Source : Bloomberg , SHB Solution & Trading Center



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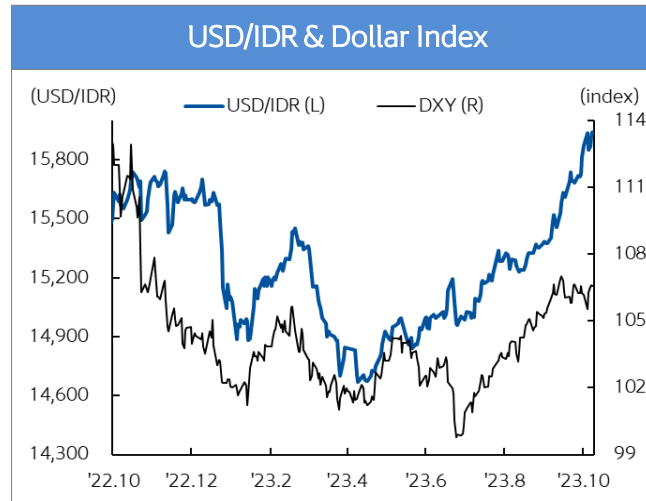


## Indonesia

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USD/IDR	15,940
52wk high	15,962
52wk low	14,575
Jakarta index	6,759
52wk high	7,128
52wk low	6,543
Government Bond(10yr,%)	7.23
52wk high	7.55
52wk low	6.16
<b>Major Indices Snap shot</b>	
Real GDP Growth	5.17
Rate(% YoY)	
Consumer Prices (% YoY)	2.28
Total Mining Industries	
Producer Price(% YoY)	3.28
Refinance rate(%)	6.00
Manufacturing PMI (index)	52.3
Industrial Production (% YoY)	-1.26
Retail Sales(% YoY)	1.00
Exports (% YoY)	-16.17
Imports (% YoY)	-12.45
Current Account (\$mn)	-1,900
Financail Earnings and Expenses (IDR10bn)	-460,420
FX Reserve (\$mn)	135

- Last week USD/IDR(market rate) moved around 15,850~15,940, slightly dropped compared to last week. (-0.41%)
- INR weakened earlier in the week but strengthened for a while during the week as President Joko Widodo showed confidence in protecting INR and the finance minister planned to intervene in the FX market. But as global economic uncertainty caused capital outflow from the FX market, INR weakened.
- FPI net sold in equity and bond market.
  - Equity: net sold(10/23~10/27 accumulated: \$195.80 million), Jakarta index dropped.(-1.32%)
  - Bond: net sold(10/23~10/26 accumulated: \$287.41 million), bond yield rose.(10y, 7.23%, +13bp)
- As global economic uncertainty remains, investor sentiment will not be improved but due to the government's active intervention, USDINR won't fluctuate much. USDINR may receive upward pressure if FOMC result doesn't follow market expectation. 3Q GDP will be announced this week.(market consensus: +4.95% yoy) Due to decreased export and sluggish spending, expected to be lower than the previous data. (5.17%) (Expected Range: 15,700~16,150)



Source : Bloomberg , SHB Solution & Trading Center



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## Australia

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AUD/USD 0.6346

52wk High 0.7137

52wk Low 0.6289

S&P/ASX200 6,781

52wk High 7,558

52wk Low 6,677

Government Bond(10yr,%) 4.87

52wk High 4.87

52wk Low 3.19

### Major Indices Snapshot

Real GDP Groth Rate (%YoY) 2.1

Consumer Prices (%YoY) 5.4

Producer Prices (%YoY) 3.8

Policy Rate (%) 4.10

AU-US 2yr Spread (%) -0.60

China Imports from Australia (% USD YoY) 4.9

Exports(%MoM) 4.0

Imports(%MoM) -0.4

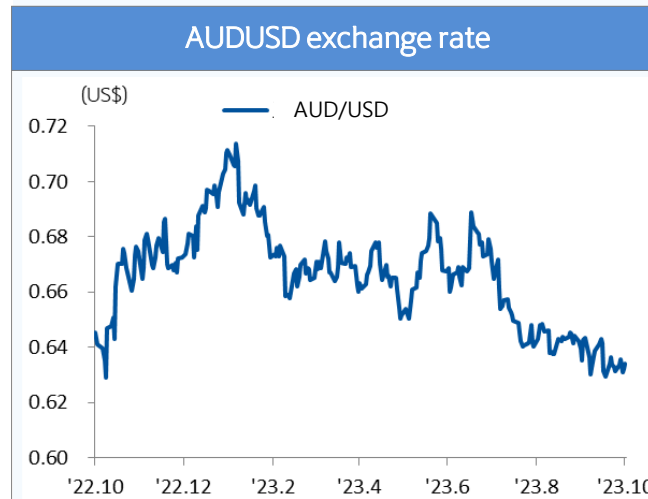
Current Account(% GDP) 1.2

### Last Week :

- While the market fluctuates with US bond yield, AUD lost direction since it touched lowest level in early October.
- As the US bond yield dropped earlier in the week and Australia's September CPI was announced above market consensus, AUD rose up to 0.64doller level on 25th. Later, US bond yield rebounded and AUD fell.

### Outlook :

- The tension in the Middle East has been relieved as the US intervened. But the market sentiment shrank due to cautions on interest rate and AUD is exposed to negative pressure.
- Regardless of China's determination to boost economy, AUD is likely to fall amid worsening outlook on global economy.



Source : Refinitiv, SHB Solution & Trading Center

\*Wells Fargo adjusted forecast upward.

### AUD/USD Forecast Distribution \* (as of 10/27)

	'23.12	'24.03	'24.06
A N Z	0.65	0.68	0.68
Wells Fargo	0.63	0.62	0.63
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 2023.10.30

SORT	NAME	DATE	PRICE	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)	YTD(%)
FX - DM	Dollar Index (DXY)	2023-10-30	106.61	1.02	0.41	4.91	4.87	-3.74	2.98
	Euro (EUR/USD)	2023-10-30	1.06	-1.03	0.79	-3.97	-3.79	6.86	-1.35
	Yen (USD/JPY)	2023-10-30	149.71	0.00	0.10	-4.96	-8.16	-0.67	-12.42
	Pound (GBP/USD)	2023-10-30	1.21	-1.13	0.20	-5.64	-3.08	5.60	0.23
	Switzerland (USD/CHF)	2023-10-30	0.90	-1.25	1.76	-3.38	-0.76	10.96	2.45
	Australia (AUD/USD)	2023-10-30	0.63	-0.02	-0.44	-5.69	-4.45	-1.00	-7.02
FX - EM	South Korea (USD/KRW)	2023-10-27	1,355.90	-0.25	-0.48	-5.77	-1.32	4.56	-6.67
	China (USD/CNY)	2023-10-28	7.32	-0.03	-0.08	-2.05	-5.40	-1.21	-5.72
	<b>India (USD/INR)</b>	<b>2023-10-27</b>	<b>83.25</b>	<b>-0.15</b>	<b>-0.02</b>	<b>-1.57</b>	<b>-1.68</b>	<b>-0.89</b>	<b>-0.61</b>
	Indonesia (USD/IDR)	2023-10-27	15,940.00	-0.41	-2.63	-5.90	-7.76	-2.33	-2.33
	<b>Vietnam (USD/VND)</b>	<b>2023-10-30</b>	<b>24,569.00</b>	<b>0.02</b>	<b>-0.87</b>	<b>-3.58</b>	<b>-4.50</b>	<b>1.09</b>	<b>-3.81</b>
	Brazil (USD/BRL)	2023-10-28	5.01	0.40	0.60	-5.40	-0.64	6.54	5.31
Russia (USD/RUB)	2023-10-28	94.33	1.46	2.91	-3.86	-13.56	-34.80	-21.35	
Stock - DM	United States Dow Jones	2023-10-28	32,417.59	-2.14	-3.25	-8.58	-4.93	-1.35	-2.20
	United States NASDAQ	2023-10-28	12,643.01	-2.62	-4.36	-11.69	3.41	13.88	20.80
	United States S&P 500	2023-10-28	4,117.37	-2.53	-3.98	-10.14	-1.25	5.54	7.24
	Japan NIKKEI225	2023-10-27	30,991.69	-0.86	-2.72	-5.40	7.40	14.34	18.77
	United Kingdom FTSE	2023-10-28	7,291.28	-1.50	-4.16	-5.24	-7.36	3.46	-2.15
	France CAC40	2023-10-28	6,795.38	-0.31	-4.76	-9.11	-9.29	8.33	4.97
	Germany DAX	2023-10-28	14,687.41	-0.75	-4.54	-10.82	-7.76	10.90	5.49
Stock - EM	South Korea KOSPI	2023-10-27	2,302.81	-3.04	-6.58	-11.71	-7.94	1.52	2.97
	China Shanghai Stock Exchange	2023-10-27	3,017.78	1.16	-2.98	-7.88	-9.19	3.49	-2.31
	<b>India Sensex</b>	<b>2023-10-27</b>	<b>63,782.80</b>	<b>-2.81</b>	<b>-3.11</b>	<b>-3.59</b>	<b>4.37</b>	<b>6.38</b>	<b>4.84</b>
	Indonesia Jakarta	2023-10-27	6,758.79	-1.32	-2.61	-2.05	-2.27	-4.21	-1.34
	<b>Vietnam VN index</b>	<b>2023-10-27</b>	<b>1,060.62</b>	<b>-4.28</b>	<b>-8.10</b>	<b>-12.18</b>	<b>1.10</b>	<b>3.24</b>	<b>5.32</b>
	Russia RTS	2023-10-28	1,079.07	-0.21	7.10	4.39	4.40	-3.11	11.18
Brazil Bovespa	2023-10-28	113,301.35	0.13	-2.80	-5.73	8.49	-1.08	3.25	
Rates - DM	United States	2023-10-27	4.83	-7.91	22.71	83.64	131.42	91.59	95.98
	Germany	2023-10-27	2.83	-5.70	-1.10	35.80	37.20	87.00	26.10
	United Kingdom	2023-10-27	4.54	-10.70	18.60	23.40	75.00	114.10	87.20
	Japan	2023-10-27	0.88	3.90	14.00	43.10	41.50	62.50	45.90
Rates - EM	South Korea	2023-10-27	4.29	-2.70	27.80	65.30	94.50	-2.50	55.50
	<b>India</b>	<b>2023-10-27</b>	<b>7.36</b>	<b>-0.50</b>	<b>18.80</b>	<b>23.60</b>	<b>26.00</b>	<b>-5.40</b>	<b>3.00</b>
	Indonesia	2023-10-27	7.23	13.00	35.70	98.90	69.20	-34.50	29.20
	<b>Vietnam</b>	<b>2023-10-27</b>	<b>3.10</b>	<b>6.00</b>	<b>37.00</b>	<b>51.00</b>	<b>-27.00</b>	<b>-207.00</b>	<b>-198.00</b>
	Russia	2023-10-27	12.25	-7.46	41.26	104.98	125.94	340.84	194.12
	Brazil	2023-10-27	11.71	-22.00	-16.90	78.10	-58.60	-39.40	-97.50
Commodity	WTI (\$/bbl)	2023-10-30	84.46	-1.20	-6.97	4.82	10.00	-3.91	5.23
	Brent (\$/bbl)	2023-10-30	89.39	-0.49	-6.21	5.18	12.38	-6.66	4.05
	Gold (\$/oz)	2023-10-30	2,003.58	1.56	9.60	1.96	1.06	22.65	9.84

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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