



Forex Market **Insights**  
Newsletter

Volume 50 → Dec 17<sup>th</sup> to Dec 23<sup>rd</sup> 2022

# Exclusively for PDEXCIL members: Complimentary

## Myforexeye application access

\*Till December 2022



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Currency	Bid	Ask
USDINR	73.3575	73.4575
🕒 29 12:55:39   Event		
H- 73.3650 L- 73.2000 +0.0675 (0.09%)		
EURUSD	1.1809	1.1810
🕒 29 12:55:39   Event		
H- 1.1922 L- 1.1795 -0.0002 (-0.02%)		
NZDUSD	0.7027	0.7028
🕒 29 12:55:39   Event		
H- 0.7069 L- 0.7020 -0.0028 (-0.40%)		
AEDINR	19.9700	19.9790
🕒 29 12:55:39		
H- 0.7069 L- 19.8960 0.0300 (0.16%)		
JPYINR	0.6649	0.6652
🕒 29 12:55:39		
H- 0.6656 L- 0.6635 +0.0001 (0.03%)		
CNYINR	11.2023	11.2031
🕒 29 12:55:39		
H- 11.2045 L- 11.1607 0.0416 (0.37%)		
USDCNY	70.3525	71.4275
🕒 29 12:55:39		
H- 70.3636 L- 70.2636 +0.0675 (0.09%)		

## Key Takeaway Summaries

### ₹ INR

The local unit this week plunged on all days except on Wednesday

### € EUR

The ECB announced a 50-basis point rate increase, which caused the EUR to rise.

### £ GBP

The unfavorable retail sales figures for the UK led weakness in GBP

### ¥ JPY

Remember that the 135 level has been crucial on numerous occasions

# Welcome

Dear Members,

A cold snap in Europe raises the risk of electricity blackouts that could worsen the pain inflicted by the energy shock and high inflation. France is striving to avert power cuts, and Germany is bleeding cash to keep the lights on. Global Investors are trying to assess how deep Europe's economic slowdown will prove, paying attention to the weather report.

Investors pay attention towards the US economy and its inflation pressures on Tuesday when November housing starts and existing home sales numbers are due. The consumer confidence survey awaited on Wednesday, which slipped to a four-month low in November. Additionally the personal consumption expenditures index is also for release on Dec. 23 after recent inflation data came in softer-than-expected.

A set of emerging market central banks will mark the end to a year in which the scale and pace of rate hikes in developing economies hit multi-year highs. With recessions looming in the United States and Europe, however, money managers expect another poor year for equities and are huddling around lower-risk trades. On the domestic front the Indian rupee lost 0.5% this week after weaker-than-expected inflation figures for November indicated a slower pace of rate hikes by the Reserve Bank.

Thank You



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## Events to WATCH

The Indian rupee declined against the USD on Friday and ended at 82.87, extending its weekly decline, mainly on account of dollar demand from importers and crude oil levels. The local unit this week plunged on all days except on Wednesday when it was helped by the softer-than-expected inflation reading of the US. The rupee this week was bogged down by hawkish rate hikes from the US Fed, Bank of England and the ECB. Interest rates rose by 50 basis points in major economies, along expected lines but the accompanying comments were seen as hawkish relative to expectations.



Meanwhile, more worries about the growth outlook, increasing risk appetite. Futures pointed to more losses for equities in the US after the S&P 500 Index dragged 1.11% on Friday. Indian shares posted a weekly decline. The rupee forward premiums jumped this week, carrying the upside momentum from last week when the Central Bank of India likely conducted sell/buy swaps. Currently 1-year USDINR annualized premium hovering at 2%. In the upcoming week, the rupee will be eyeing the extent of risk aversion prompted by growth worries and how the DXY responds to it.



# \$ USD

REPO RATE

4.5%

GDP

2.9%

INFLATION

7.1%

UNEMPLOYMENT

3.7%

TRADE BALANCE

\$-78.162B

## Events to WATCH

Dec 20, 19:00  
Building Permits  
(Nov)

Dec 21, 20:30  
Existing Home Sales  
(Nov)

Dec 21, 20:30  
CB Consumer  
Confidence (Dec)

Dec 22, 19:00  
GDP (QoQ) (Q3)



Rupee remained on the back foot since the start of the week and registered a second consecutive week loss, On the first day of the week USDINR opened with the gap up and continued to gain, adding of forex reserves by our central bank is making difficult for our beloved Rupee to gain and change of dot plot by US Central bank in this week has also made market participants to dump riskier assets.

A new price up gap was formed on the first day of this week– 82.3375 to 82.49 highlighted by green horizontal lines, partially filled during the week itself. Interestingly, all price gaps towards rupee weakness have been filled up. The unfilled ones are towards rupee gains. Momentum indicators have spiked and reached at overbought territory.

My sense is for a rupee recovery – towards 81.20 – 81.50 range. The 81 mark will be an important short term dollar support. Current levels above 82.85 are good for exporters to increase their hedge ratios. USDINR forward premiums have again at 2% annualized, Importers to target spot levels below 81.50 to hedge. Consider vanilla options along with forwards.

## Events to WATCH

Dec 19, 14:30  
German Ifo  
Business Climate  
Index (Dec)

Dec 20, 20:30  
German PPI  
(MoM) (Nov)

EURUSD is holding onto significant gains and is in a good position to increase them as we approach the weekly close, trading at about 1.0582. Thursday saw a rise in the EUR/USD pair to 1.0735, the highest level since early June. First-class occurrences abounded this week, some of which were anticipated and others of which surprised financial boards. The Consumer Price Index (CPI) for November was released by the US on Tuesday. It increased at an annual rate of 7.1%, down from the previous 7.7% and under the 7.3% forecast by market participants, the stock markets surged higher as the value of the dollar fell. Last week monetary policy decisions are also made by the European Central Bank (ECB). The ECB announced a 50-basis point rate increase, which caused the EUR to rise. However, for a change, President Christine Lagarde sounded cautious. The November Consumer Price Index was verified at 10.1% YoY, exceeding the first estimate of 10.0%, indicating that inflation in the Euro Area is still strong. We'll have German PPI figures in the next week.



Following Thursday's wild action, EUR/USD has started to edge higher early yesterday. The pair's near-term technical outlook suggests that the bullish bias stays intact. Unless safe-haven flows dominate the markets ahead of the weekend, the pair could end the week on a firm footing. EUR/USD stays in the upper half of the ascending regression channel and holds above the 20-period Simple Moving Average (SMA), pointing to a bullish bias in the short term. Additionally, the Relative Strength Index (RSI) holds comfortably above 50. On the upside, 1.0680 is the static level aligns as initial resistance before 1.0700 which is the psychological level and 1.0740 is the multi-month high set on Thursday. In case the market mood sours, 1.0630 is the 20-period SMA, which is the mid-point of the ascending channel is likely to act as first support. With a four-hour close below that level, additional losses toward 1.0600 is the lower limit of the ascending channel and holds below the 1.0560 of 50-period Simple Moving Average could be witnessed.

## Events to WATCH

Dec 22, 12:30  
GDP (QoQ)

Dec 22, 12:30  
GDP (YoY)  
)

A busy week for central bank activities caused the GBP/USD to rebound quickly from a six-month high and close the week slightly lower. This drove the monetary policy divergence between the US Federal Reserve (Fed) and the Bank of England (BoE) back into focus. In the busiest week leading up to the Christmas and New Year holidays, the British Pound experienced strong two-way trades. The Bank of England raised interest rates by 50 basis points to 3.50% on Thursday, as anticipated, but restrained from agreeing to further increases due to a split vote. This gave the USD bulls the upper hand. However, a widespread decline in the value of the US dollar propelled the British pound to its highest level in six months, closely missing the psychological level of 1.2450. After the numerous central bank meetings on Friday, investors stayed away from the market. The unfavorable retail sales figures for the UK, and the mixed S&P Global Preliminary Manufacturing and Services PMIs all contributed to the GBP/extinguishing USD's of its loss. Investor focus now shifts to the final full week of 2022, with a focus on the most important economic data coming out of the United States and a relatively calm schedule for the United Kingdom.



It seems bears have taken the charge now as it's been a second consecutive week where Sterling ended lower, on the daily time frame pair is hovering near 200 days SMA (1.2098) which should play a role of major support as that is a long-term indicator and lot of people pay close attention towards this. Breaking of 200 days SMA could push pair towards psychological level 1.20 then we can expect pair towards long term support of 1.1750 while on the upside staying above 200 days SMA for a longer period would give bullish indication and might push pair towards resistance of 1.25. Momentum indicators RSI and MACD giving mixed signals.

# ¥ JPY

REPO RATE

-0.10%

GDP

-0.2%

INFLATION

3.7%

UNEMPLOYMENT

2.6%

TRADE BALANCE

¥ -2027B

## Events to WATCH

Dec 20, 08:20  
BoJ Interest Rate Decision

Dec 23, 05:00  
National Core CPI (YoY) (Nov)



The US dollar has fluctuated during the trading week as it appears that continuing efforts to create a base for a recovery. Remember that the 135 level has been crucial on numerous occasions, so it's not a major surprise to see that we have experienced a small rebound from there. On the other hand, it's conceivable that we could move to the 140 level if we were to break over the candlestick's top. This would be consistent with the idea of rising interest rates globally, which should benefit the US dollar over the Japanese yen as the Bank of Japan keeps up its current policy to keep interest rates lower. In order to maintain the interest rate on the 10-year note in Japan at 0.25%, they are making every effort to buy every bond available. As they continue to print money, it floods the market with the local currency and the supply/demand equation supports the dollar to rise against it. On the other side, if interest rates start to fall again globally, that could aid in the recovery of the Japanese yen.

The USDJPY opened at 136.568 and traded this week again in a sideways trend to close at 136.741 (+0.13%) level compared to the previous week's close. The pair also touched the low of 134.510 level. Traders will keep focusing on the dollar index movement. If the pair moves upward it could reach the top at the 50-day Moving Average of 139.90 levels. The first and second supports must be at 133.622 and 130.39 levels respectively in case the pair depreciates and the resistance remains the same at 139.897 if the pair rebounds. The MACD line is still moving above and slightly going away from the signal line. It may further expand the divergence in case the pair strengthens. The pair ended the month at a higher level compared to the previous week's close but the price behavior steered the sideways trend. The Relative Strength Index is moving above its 14-day RSI's simple moving average which indicates mixed support for the pair.







# BLOG

## What Is Social Trading?

So what exactly is social trading? Let us discuss in detail below to understand the meaning of social trading and how it positions itself in the forex trading market.

The concept of social trading is fairly easy to understand as it directly involves observing the behaviour of different forex traders and trading experts to analyse and understand their potential strategies for trading.

Once you get a hold of their trading strategies, you can then follow the same with the help of copy trading or mirror trading. There are multiple benefits attached to the concept of social trading as you do not require extremely high knowledge about forex markets to begin with.

Additionally, you also save money as you do not require any additional wealth managers. All you need is a trading account to begin social trading. The main principle behind social trading is to have the ability to observe and mimic the investment patterns of different traders in the community.

### Benefits

#### Relevant And Accurate Information Accessibility

One of the most important benefits of social trading is that you learn about a range of different qualities and strategies from other professional investors. This helps you not only gain the right knowledge but also stay well up to date at all times, which is highly beneficial to stay stable in the forex market. Moreover, you also get access to other important crucial information that is limited to the investors alone, helping you get an edge over your peers of the same level.

#### Pool Of Strategies

Another very important benefit of social trading is the number of possibilities or outcomes you can predict and plan along for. As opposed to individual trading, in social trading, you come across a variety of strategies and predictions from other investors that can greatly align your strategy and help you make better decisions.

### Part Of A Community

For activities like forex trading and investment, it is important you feel like a part of the community in order to not only have ample networking opportunities but also to have instant support when need be. Under social trading, you can discuss and debate over a range of different ideas and information, increasing the learning capacity for you greatly.

### Easier Initial Start

According to studies, social trading is one of the most convenient method to enter trading as it does not require too much experience to turn any trade into your advantage. This is because you are operating and predicting on the basis of the mirrored or copied strategies from other top investors that are known to be successful.



# Mobile Application: Features

## Live rates

Exact time Live Rates are provided for USD, INR, EUR,JPY, GBP and CNY.

## Forward Calendar

Shows the forward rate you'll receive if you book a contract today for the respective rate to hedge, for both import and export separately.

## Rate Alert

Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

## Economic Calendar

Stay updated about the economic events taking place round the globe. Also their impact on the currency- high, medium or low.

## Forex Research

Publications- Daily Reports, Premium Research, Daily Trading Calls, News, Case Studies, Weekly Report, Monthly Report, Blogs.

The screenshot shows the 'Corporate Fx' section of the mobile application. It displays a table of currency rates with columns for Currency, Bid, and Ask. Each row includes a clock icon, a timestamp (29 12:55:39), an 'Event' label, and high/low values (H- and L-). The change in rate is shown in green for positive and red for negative values.

Currency	Bid	Ask
USDINR	73.3575	73.4575
EURUSD	1.1809	1.1810
NZDUSD	0.7027	0.7028
AEDINR	19.9700	19.9790
JPYINR	0.6649	0.6652
CNYINR	11.2023	11.2031
USDCNY	70.3525	71.4275

## FX on Call

Get the best rates as the dealers of Myforexeye do live negotiation with the Bank on a conference call, which includes the client too.

## Order For Forex

This feature enables you to Buy/ Sell Forex and Transfer Money for any purpose.

## Process Forex Transactions

This feature gives you access to Transaction Process Outsourcing service for transactions including Cash, Tom, Spot, Forward, etc for both export and import.

## International Trade Finance

Get access to trade services like Buyer's Credit, Supplier's Credit, Export LC Discounting and Export Factoring.

## Forex Trading

This feature enables you to Buy/ Sell Forex and make money transfer for any purpose.



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