

 **Pioneer in  
FX Outsourcing**

# **FX MAJORS**

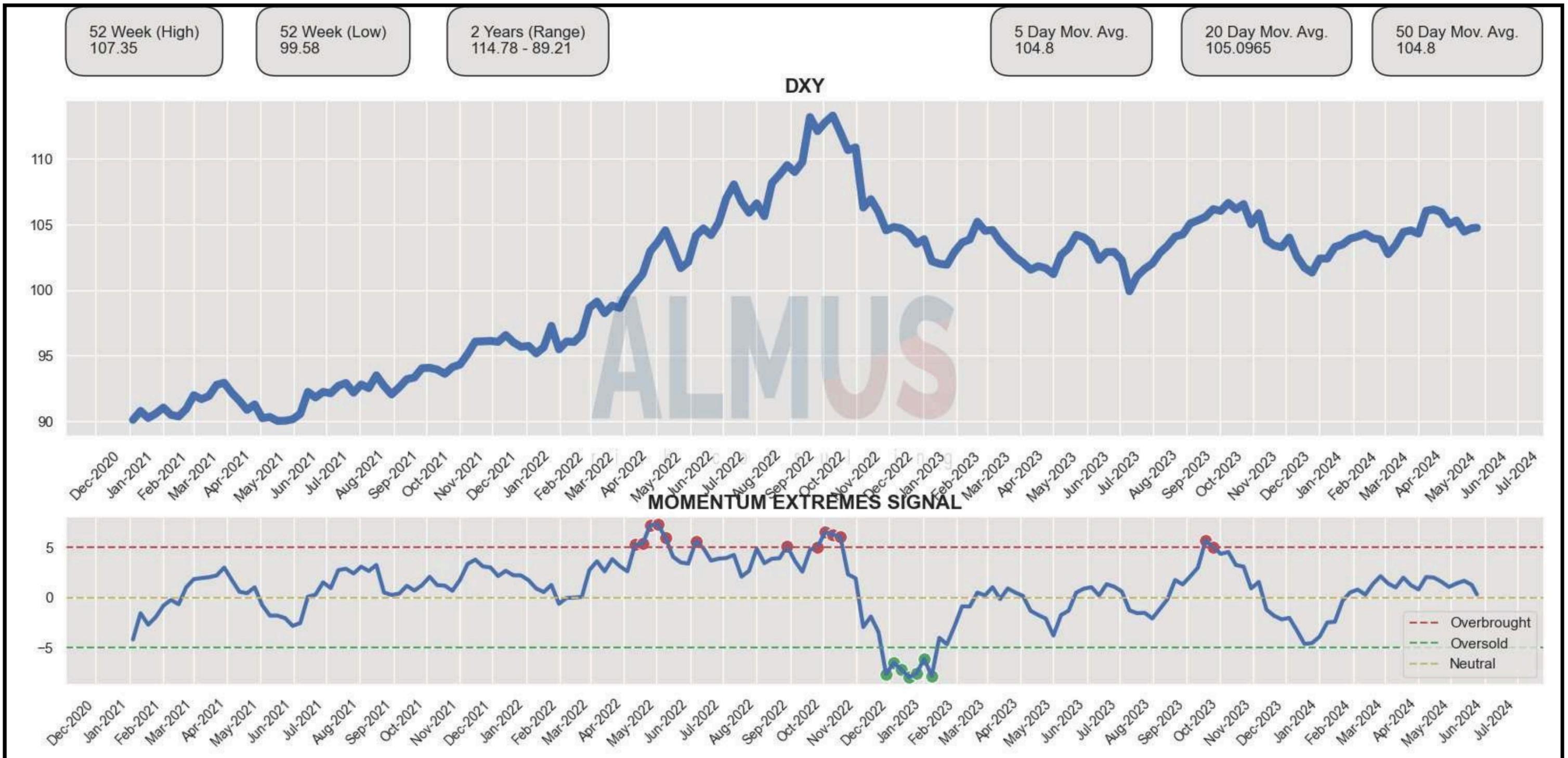
# **OUTLOOK**

A Quantitative-Technical [QTA] Framework  
for Market Timing & Risk Management

*Week of 27/05/2024*

**ALMUS**  
r i s k c o n s u l t i n g

## DXY Weekly: Range 104.00 – 105.40 with Bias Down



## Central Bank Tracker

<i>National Central Bank</i>	<i>Current Key Policy Rate</i>	<i>Last Change</i>	<i>Next Meeting</i>
Bank of Canada (BOC)	5.00%	Jul 12, 2023 (25bp)	05 June 2024
Bank of England (BOE)	5.25%	Aug 03, 2023 (25bp)	20 June 2024
Bank of Japan (BOJ)	0.10%	Mar 19, 2024 (20bp)	26 April 2024
Central Bank of Brazil (BCB)	10.50%	May 08, 2024 (-25bp)	19 June 2024
Central Bank of the Russian Federation (CBR)	16.00%	Dec 15, 2023 (100bp)	07 June 2024
European Central Bank (ECB)	4.50%	Sep 14, 2023 (25bp)	06 June 2024
Federal Reserve (FED)	5.50%	Jul 26, 2023 (25bp)	12 June 2024
People's Bank of China (PBOC)	3.45%	Aug 21, 2023 (-10bp)	
Reserve Bank of Australia (RBA)	4.35%	Nov 07, 2023 (25bp)	18 June 2024
Reserve Bank of India (RBI)	6.50%	Feb 08, 2023 (25bp)	07 June 2024
Reserve Bank of New Zealand (RBNZ)	5.50%	May 24, 2023 (25bp)	10 July 2024
Swiss National Bank (SNB)	1.50%	Mar 21, 2024 (-25bp)	20 June 2024

	Interest Rate[%]	Inflation Rate [%]	10 Year Yield [%]
EUR	4.50	2.40	2.54 [Ger]
USD	5.50	3.40	4.45

**Long Term:** On the fundamental front, the ECB already had a series of "Hikes" and is now on the verge of cutting in June even as the FED is reluctant to cut rates due to sticky inflation scenario in the US. But we believe lot of bad news is already priced in the EUR and it can hold the Support around the 1.0530 or the 1.0360 areas and then bounce up yet again as the ECB also will face inflationary pressures in the coming months. [No Changes Made from Last Report]

**Medium Term:** The pair had last year moved up into our Targets of 1.1240 areas and then undergone a deep Correction which had also reversed up into the 1.1140 areas as discussed in the December Reports. Now a repeat of the Up-Move [at least to the 1.1040 areas] can take place with the Supports at 1.0530 areas or at worst the 1.0360 areas holding.

**Short Term:** The pair should trade "Sideways to Up" with Supports around the 1.0745 holding on Dips this week for a rally yet again into the 1.0845 [Hit] and even the 1.0960 areas, Even the Supports at the 1.0820 can hold most of the week. [Minor Changes Made]

**Event-Risks:** US Core PCE [Friday]



Approximate Time Horizon	Target	Swing Sequence
Long Term [3-6 months]	1.1140	Up
Medium Term [1-3 months]	1.0745 – 1.1040	Sideways to Up
Short Term [1- 3 weeks]	1.0820 – 1.0960	Sideways to Up

\*Indicators Prepared in Jupiter Lab; Coded in Python 3.9.0

\*\*Datafeed: Yahoo Finance API

Hedging Matrix	Support 1	Support 2	Resistance 1	Resistance 2
	Buy Areas	Buy Areas	Sell Areas	Sell Areas
Quarterly	1.0290	0.9990	1.1140	1.1240
Monthly	1.0630	1.0360	1.1040	1.1140
Weekly	1.0820	1.0745	1.0960	1.1040

*\*For Detailed Fundamental View : Read Almus Hedging Macros*

	Interest Rate[%]	Inflation Rate [%]	10 Year Yield [%]
GBP	5.25	2.30	4.26
USD	5.50	3.40	4.45

**Long Term:** On the Monetary side, the BoE, despite leading economic indicators pointing to a steep slowdown, can still be constrained due to high inflation to keep the “higher for longer narrative”. The pair should ideally rally into the 1.3340 areas as inflation readings are still ruling higher than the BoE mandate of 2% and the Central Bank can still maintain a Hawkish stance although a cut is priced in August. [No Changes Made]

**Medium Term:** Extension of early 2024 Rally can take it eventually to the 1.3030 areas. Supports are now at the 1.2490 which should hold. Speculators who were once aggregating Long positions have now pared it to get into neutral levels giving room for enough play for such a move. Declaration of UK Elections so far had little impact on the pair.

**Short Term:** It will trade “Sideways to Up” this week with Supports at 1.2630 holding on dips for a move into the Resistance at 1.2890 areas. [Minor Changes Made]

**Event-Risks:** US Core PCE [Friday]



Approximate Time Horizon	Target	Swing Sequence
Long Term [3-6 months]	1.3340	Up
Medium Term [1-3 months]	1.2490 – 1.3030	Sideways to Up
Short Term [1- 3 weeks]	1.2630 - 1.2890	Sideway to Up

\*Indicators Prepared in Jupiter Lab; Coded in Python 3.9.0

\*\*Datafeed: Yahoo Finance API

Hedging Matrix	Support 1	Support 2	Resistance 1	Resistance 2
	Buy Areas	Buy Areas	Sell Areas	Sell Areas
Quarterly	1.1785	----	1.3030	1.3340
Monthly	1.2300	1.2040	----	1.3030
Weekly	1.2630	1.2490	1.2890	1.2970

*\*For Detailed Fundamental View : Read Almus Hedging Macros*

	Interest Rate[%]	Inflation Rate [%]	10 Year Yield [%]
JPY	0.1	2.50	1.02
USD	5.50	3.40	4.45

**Long Term:** It is Targeting the 140 areas on the Long Wave. As we have been warning for several months, the BoJ has intervened in the FX markets. The Line- in-the-Sand so to speak is around the 160.00 areas and this should hold as the BoJ guides the FX pair lower. Of course, it will need some supports from regional Central Banks and more so, the success of this intervention will depend on the Monetary stance of the FED.

**Medium Term:** Technically, it should continue to have large swings due to the nature of intervention. But now going above the 157.80 areas or at worst the 160 levels is unlikely and ideally it should dip down into the 147.40 areas. [Minor Changes Made in Levels]

**Short Term:** Prepare of large Swings on news of further intervention. Ideally Supports at 154.30 and then 151.30 areas should break in such scenario. Resistance for this week is at the 157.70 areas for this week [ Only Minor Changes Made in Levels]

**Event-Risks:** US Core PCE [Friday]



Approximate Time Horizon	Target	Swing Sequence
Long Term [3-6 months]	140.00	Down
Medium Term [1-3 months]	147.40	Down
Short Term [1- 3 weeks]	154.30 – 157.70	Up then Down

\*Indicators Prepared in Jupiter Lab; Coded in Python 3.9.0

\*\*Datafeed: Yahoo Finance API

Hedging Matrix	Support 1	Support 2	Resistance 1	Resistance 2
	Buy Areas	Buy Areas	Sell Areas	Sell Areas
Quarterly	136.20	128.00	---	160.00
Monthly	147.40	136.20	160.00	
Weekly	154.30	151.30	157.70	---

*\*For Detailed Fundamental View : Read Almus Hedging Macros*

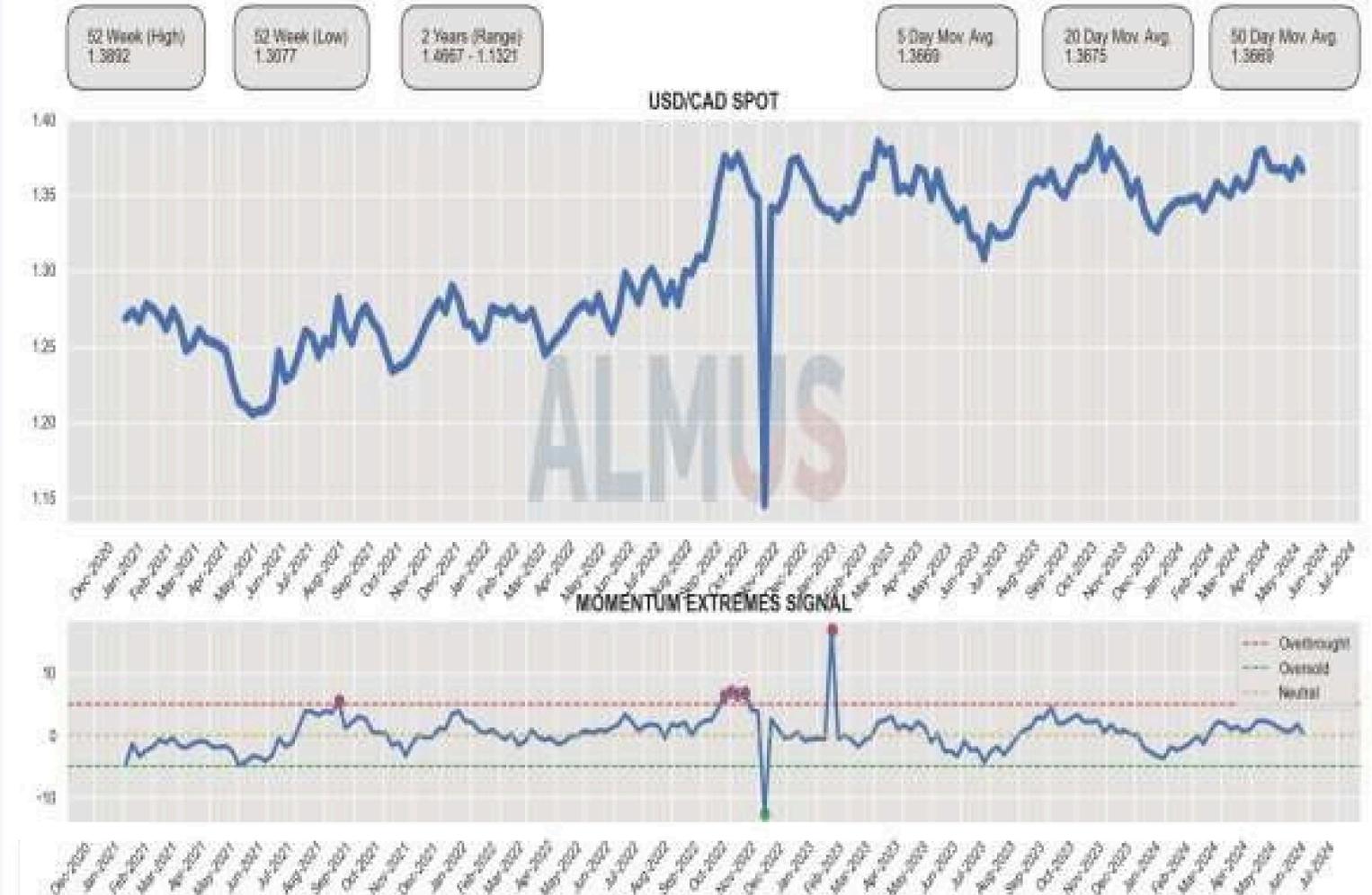
# AUDUSD



**Medium Term:** The Monthly Targets are at still 0.7240 areas.

In the Medium-Term to Short-Term say for a week or two; the pair can hold the Supports at the 0.6480 areas on any dips and then try to rally into the Resistance at 0.6710 areas [almost seen] and then to the 0.6770 areas. In fact even the Support at 0.6555 can hold for most of this week. [Minor Changes Made in Levels from Last Week ]

# USDCAD



**Medium Term:** As anticipated in our previous reports, it hit the 1.3750 Target areas and also seen a good Down-Correction from there and again heading higher to the 1.3950 levels.

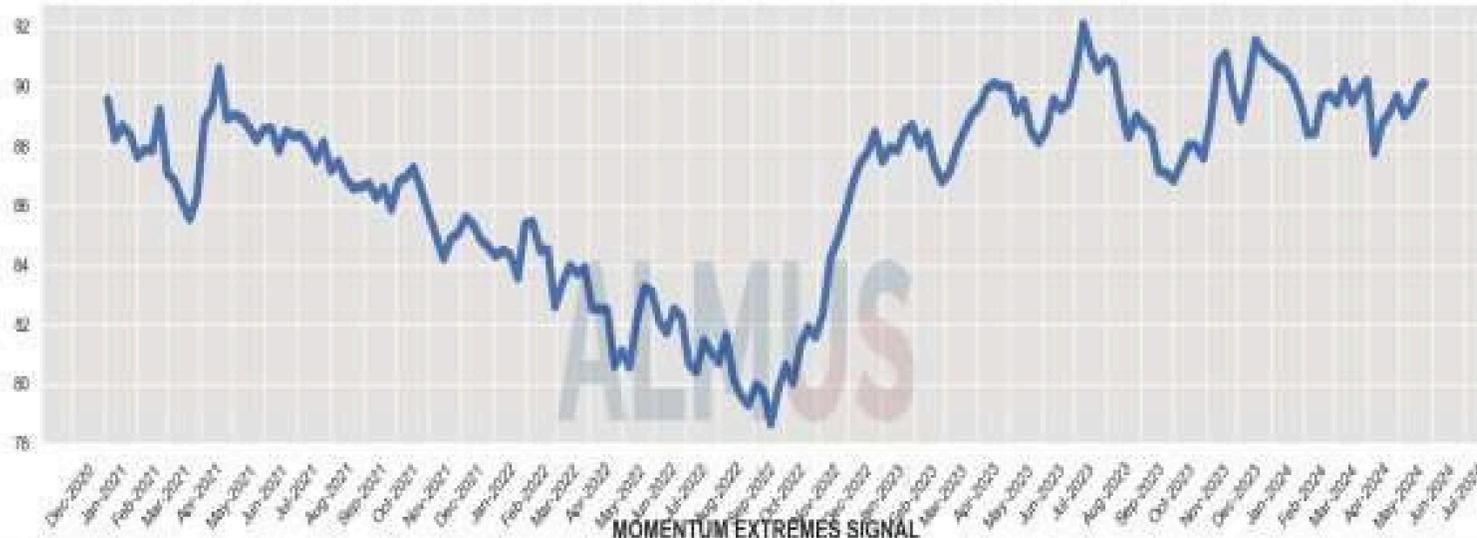
For the Short-Term; it should trade between the 1.3570 and the 1.3755 Resistance areas in Swings for the next one week. Next Support is at the 1.3520 which should hold on any unlikely steep dips during the next two weeks. [Minor Changes Made from Last Week]

# EURINR

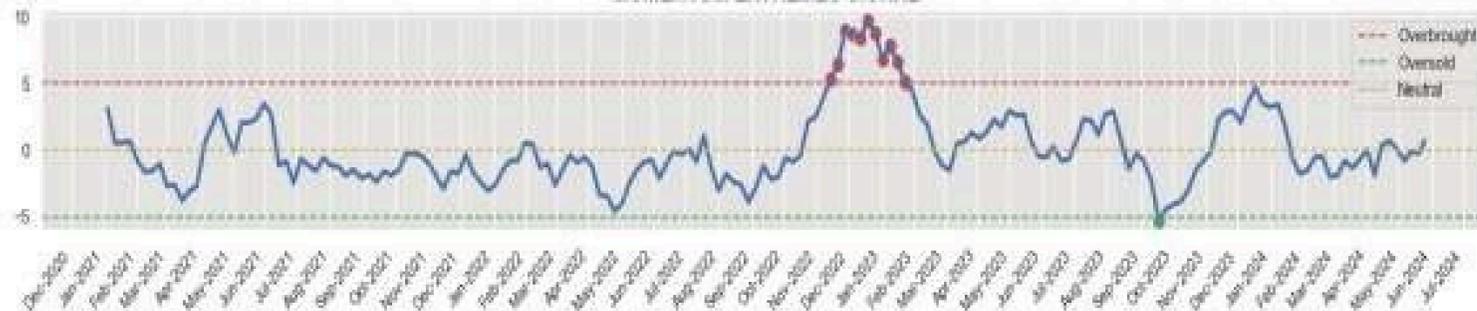
52 Week (High) 92.578    52 Week (Low) 86.97    2 Years (Range) 92.578 - 75.917

5 Day Mov. Avg 90.1753    20 Day Mov. Avg 89.7571    50 Day Mov. Avg 90.1753

EUR/INR SPOT



MOMENTUM EXTREMES SIGNAL



**Long Term:** EUR/INR moved to the Objective at 91.70.

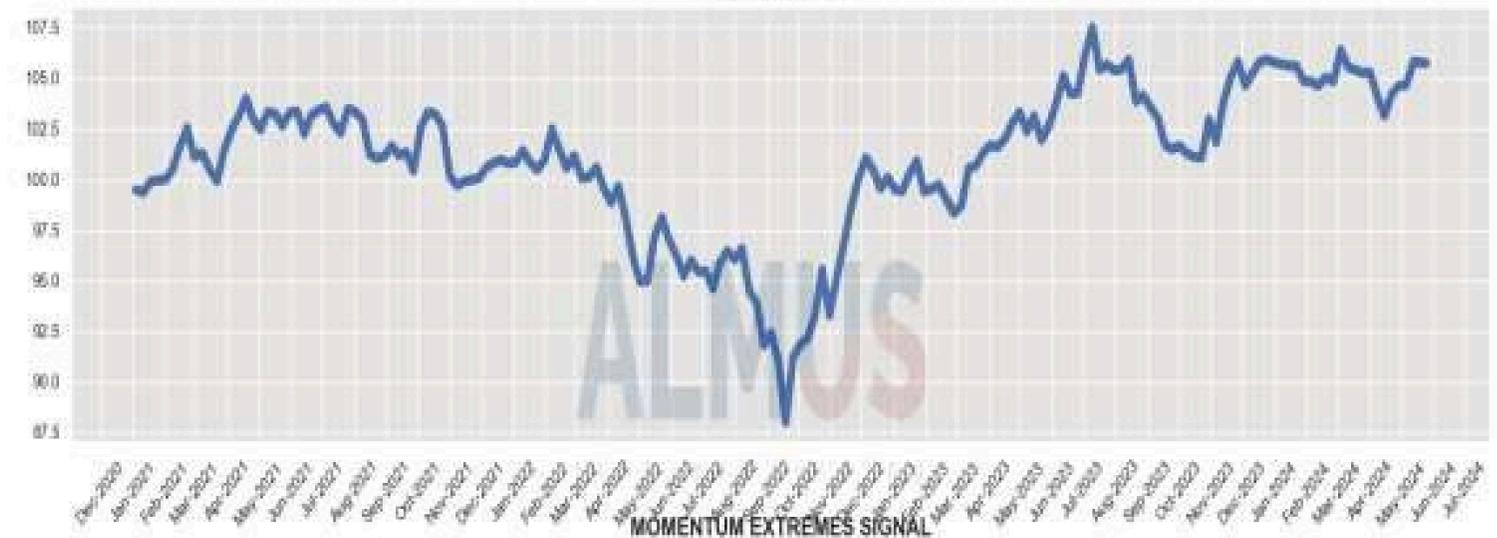
In the Short-Term; say the next 2 weeks it looks the pair it will settle between the Supports at 88.80 and the Resistance at 90.90 [Seen] with a slight upward bias. Interim Supports at 89.70 can also hold the whole of this week. Ideally it is targeting the 91.40 areas on the Weekly Charts. [No Changes Made from Last Week]

# GBPINR

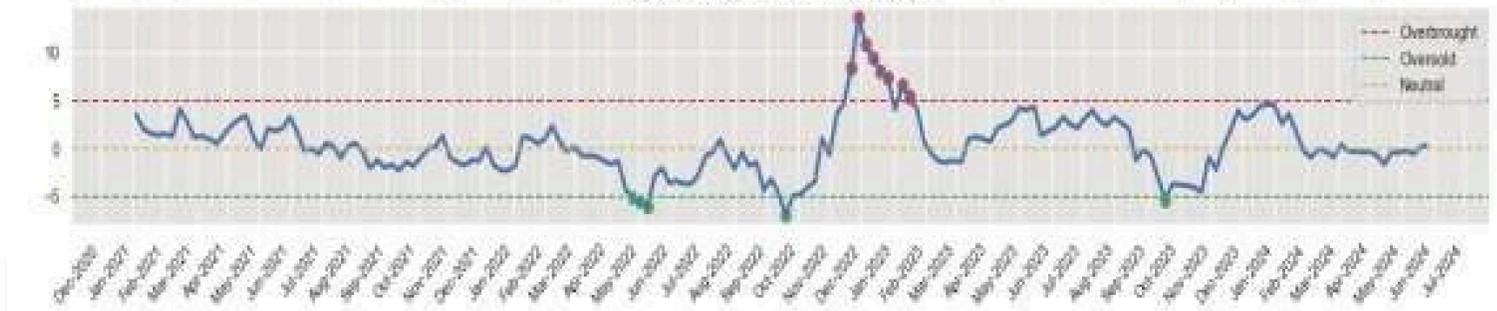
52 Week (High) 107.9487    52 Week (Low) 89.5534    2 Years (Range) 107.9487 - 83.309

5 Day Mov. Avg 105.8348    20 Day Mov. Avg 105.11    50 Day Mov. Avg 105.8348

GBP/INR SPOT



MOMENTUM EXTREMES SIGNAL



**Long Term:** GBP/INR moved to the Objective at 106.90 areas. A further move into the 109.10

areas is still possible in the next two – three months.

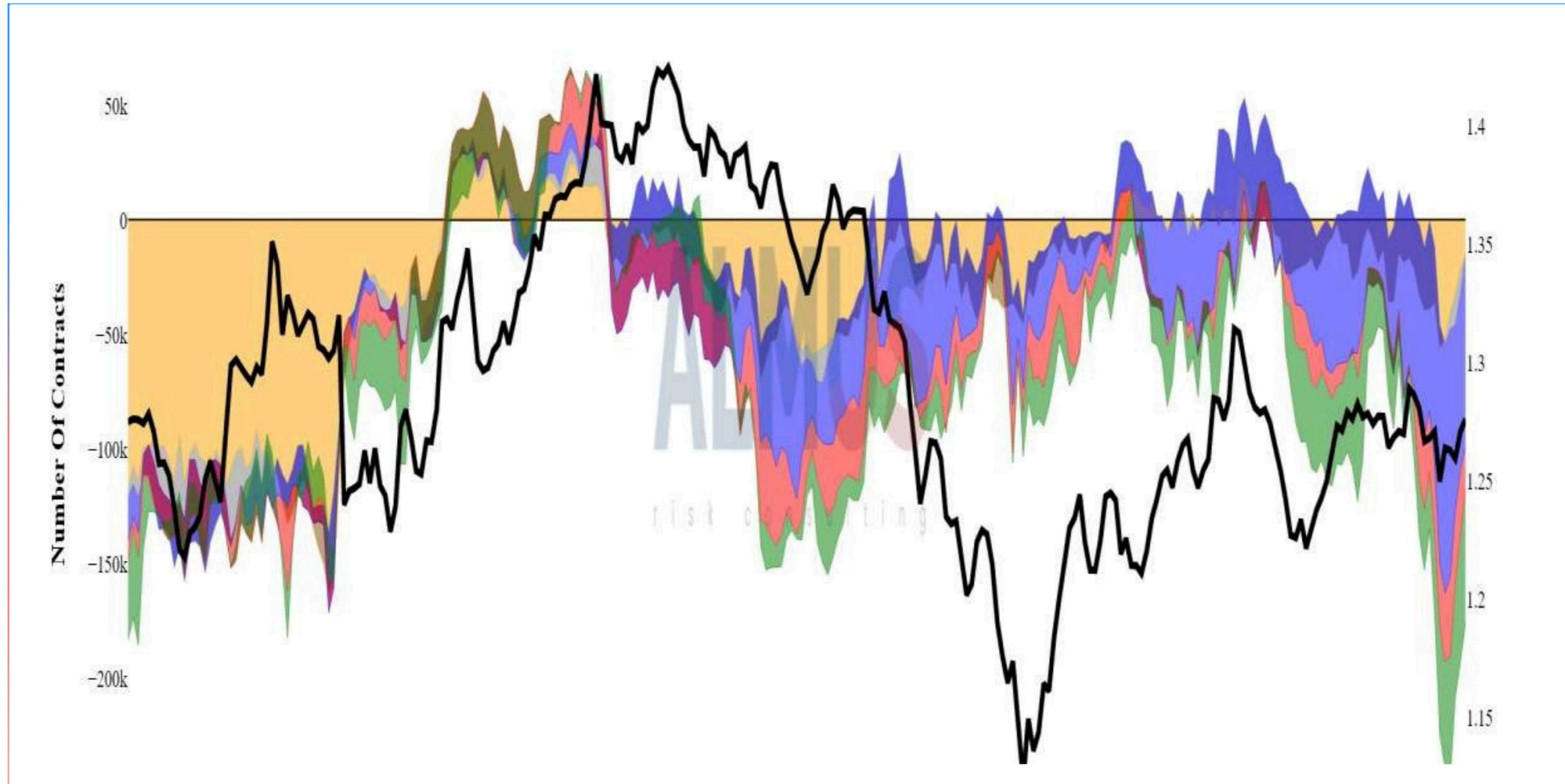
For the next 2 weeks the bias is "Sideways to Up" with the 104.40 Supports and the Resistance at 106.30 areas with an Extension possible to 107.90 areas. [Minor Changes Made from Last Week]

# FX Sentiments Tracker

**[From US CFTC\* Reports]**

\*Data Released for Tuesday of Previous Week

### DXY Vs Rest of Majors [CFTC : No of Contracts]



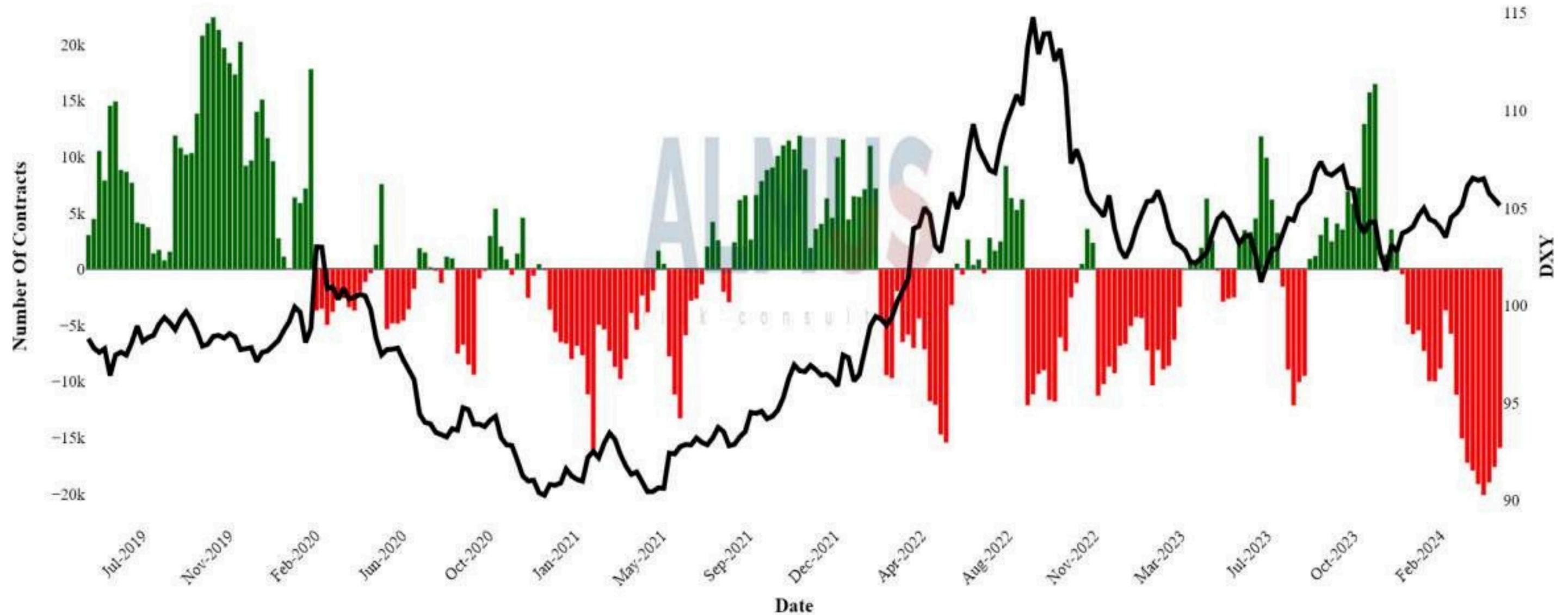
## Net Leveraged Positions DXY – [Shorts Marginally Trim]

Historic Metrics	Last 7 Year	Last 2 year	Last 1 Year
Highest Open Interest [OI]	87469.0	65292.0	48846.0
Highest Longs as % of OI	51.91	60.39	60.39
Highest Shorts as % of OI	84.91	84.91	84.91

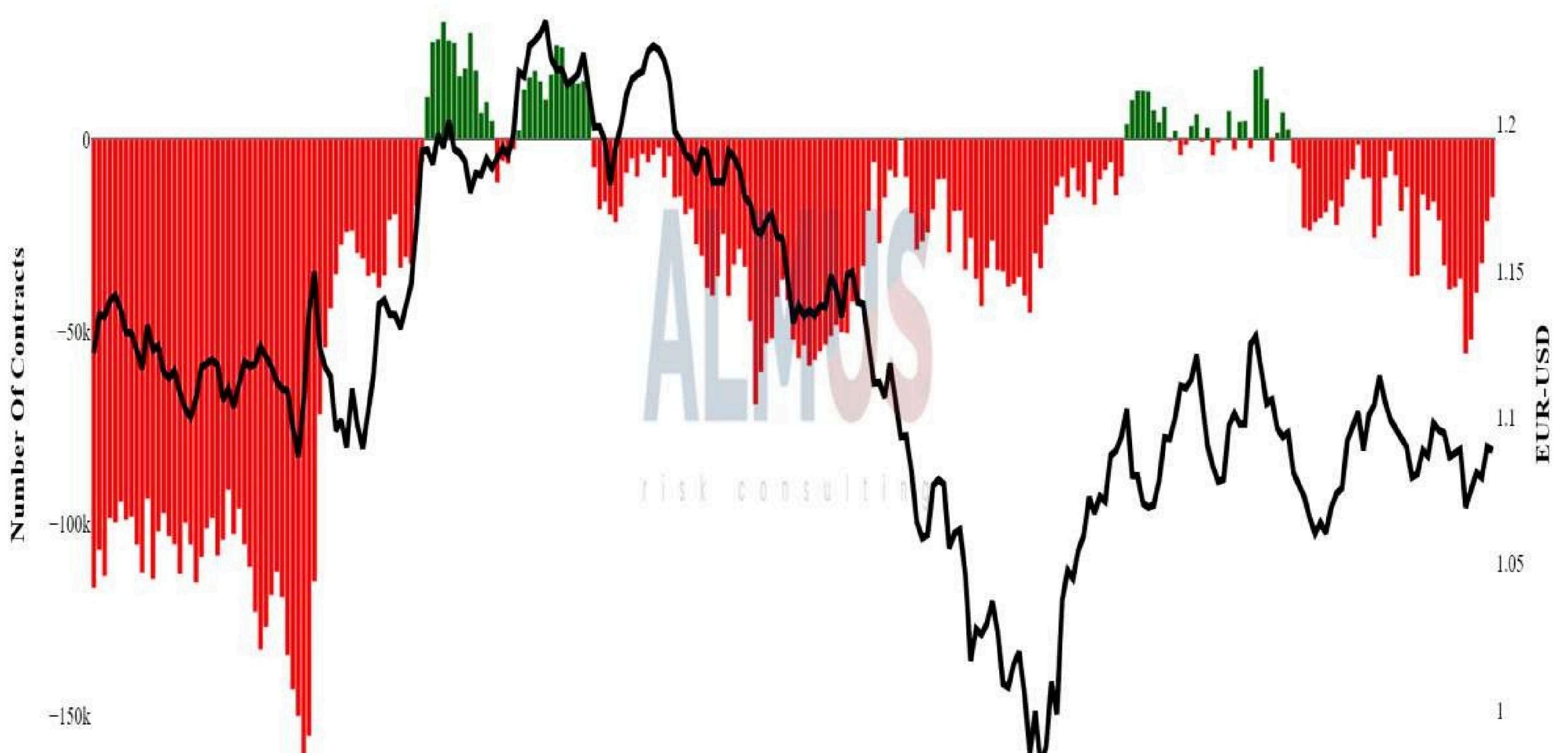
— Price  
■ Longs > Shorts  
■ Shorts > Longs

Latest Positioning	Last Week	Previous Week	Change %
Open Interest [OI]	39965	42866	7.26
Longs as % of OI	40.2	40.94	1.84
Shorts as % of OI	80.05	82.09	2.55

Leveraged Money [Net] & DXY Futures



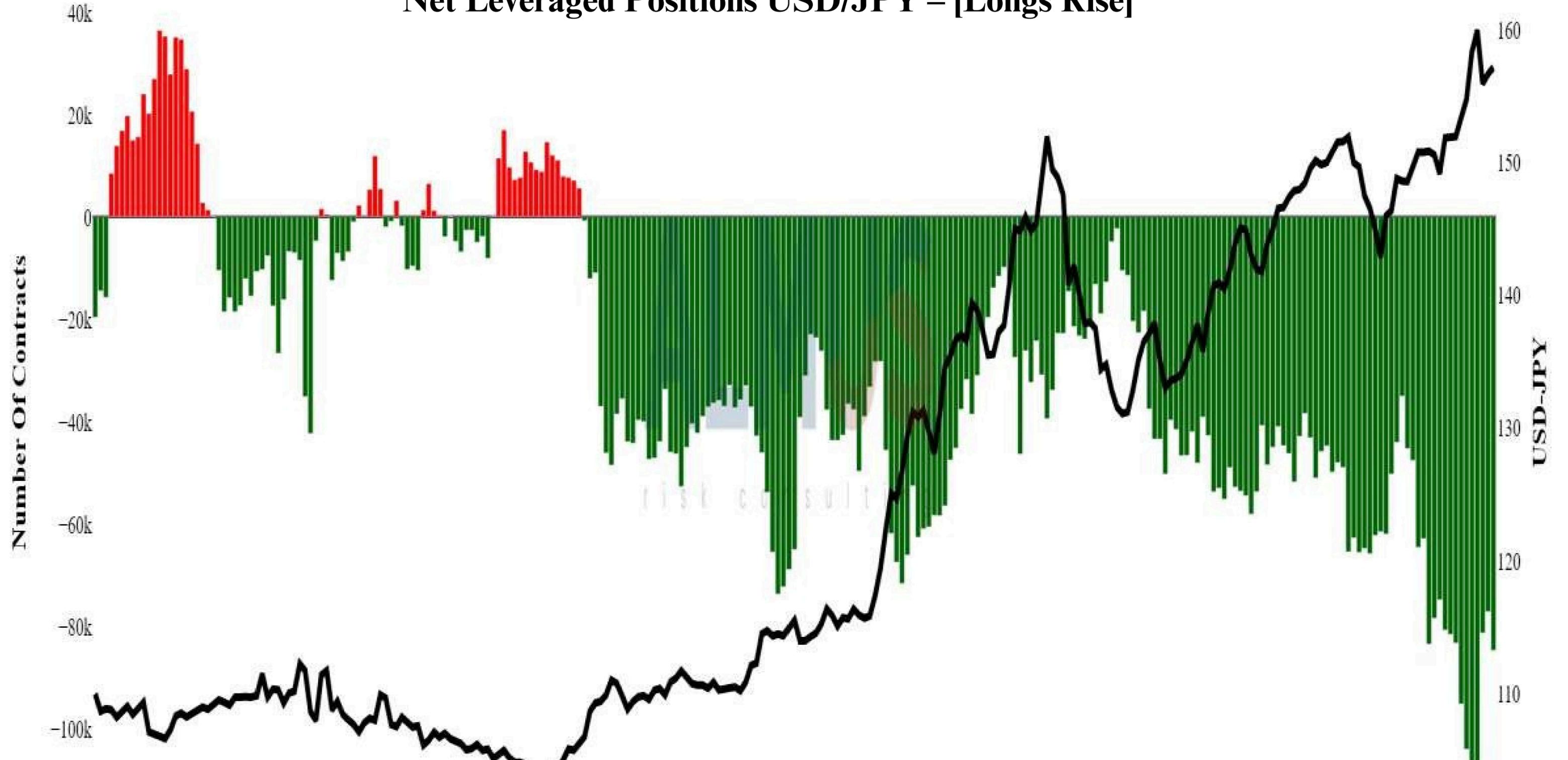
### Net Leveraged Positions EUR/USD – [EUR Shorts Trim]



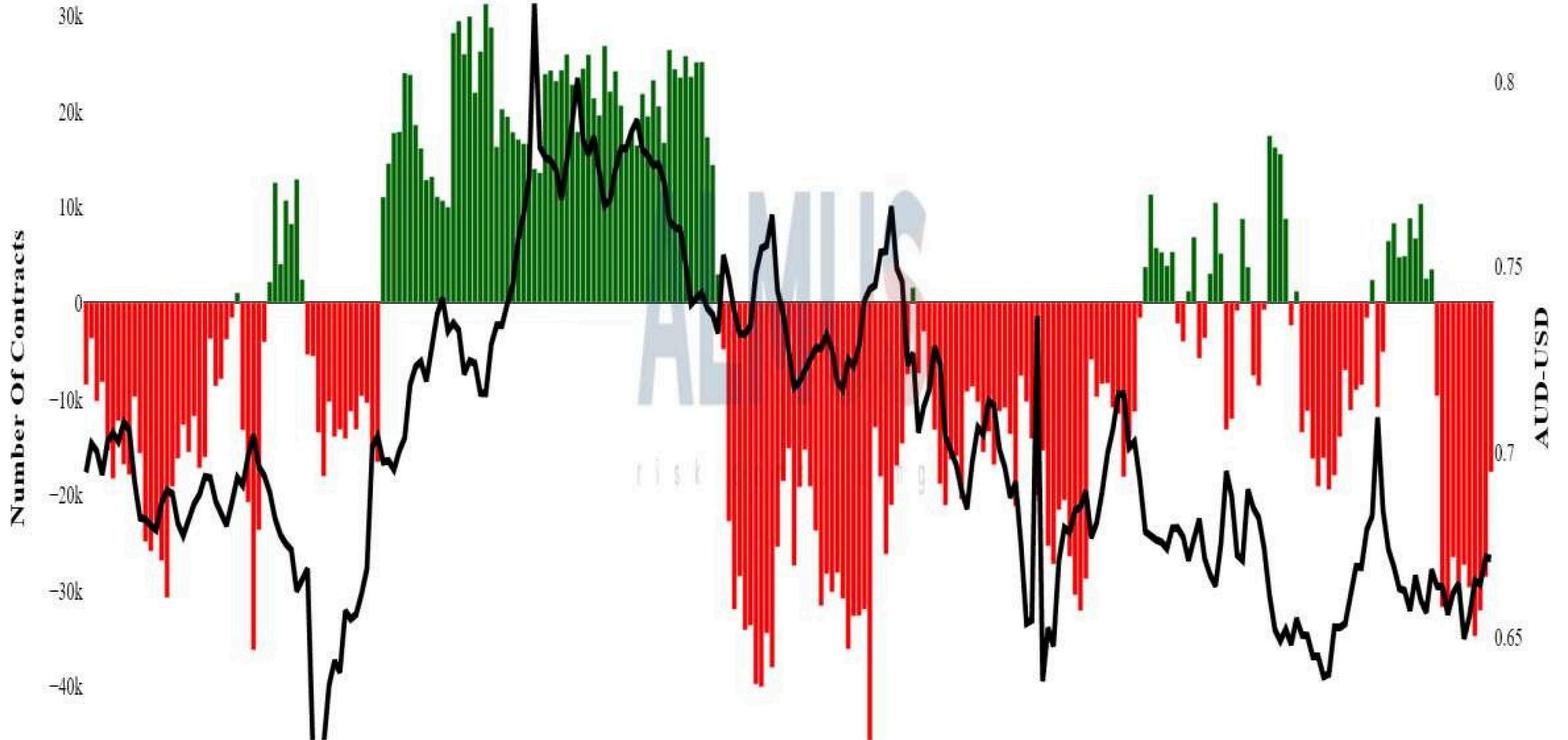
### Net Leveraged Positions GBP/USD – [Neutral]



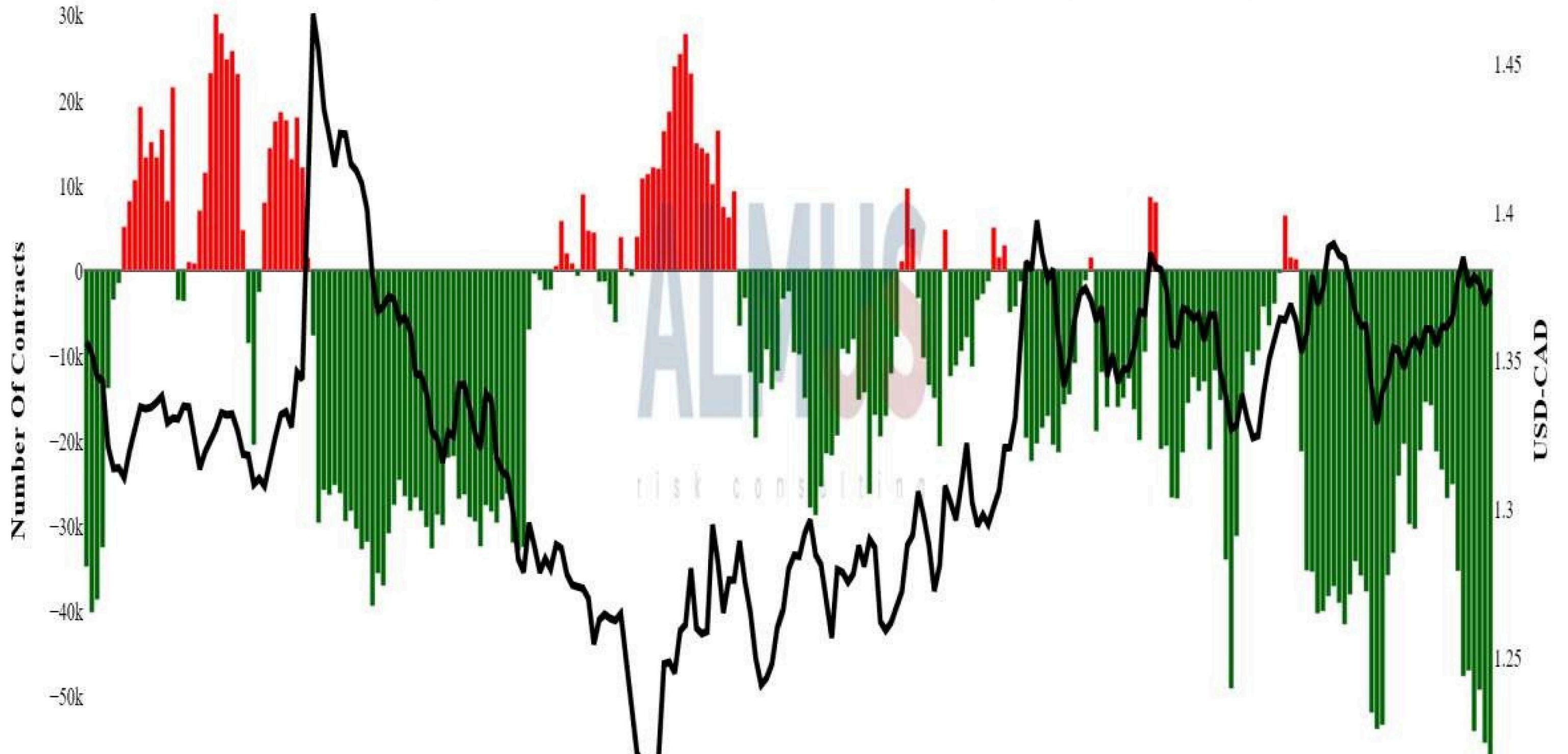
### Net Leveraged Positions USD/JPY – [Longs Rise]



### Net Leveraged Positions AUD/USD- [Shorts Trim]



### Net Leveraged Positions USD/CAD – [USD Longs High & Rise Again]



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# THANK YOU

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