



Forex Market **Insights** Newsletter

Volume 172 → 1ST Sep 2025 to 5th Sep 2025

Key Takeaway Summaries

₹ INR

The Indian rupee recorded a historic slide against the US dollar during the week, breaching the 88 level for the first time by making a new all time high of 88.31 on Friday.

€ EUR

Political uncertainty in France and weak German consumer confidence weighed on the Euro.

£ GBP

The UK CBI retail sales improved slightly to -32 in August from -34, still marking an 11th consecutive monthly decline.

¥ JPY

While BoJ Governor Ueda maintained a cautious stance, markets are increasingly pricing in a potential 25 basis-point hike before year-end.

Welcome

Dear Members,

This week, shifting U.S. monetary policy signals, trade tensions, and global economic data drove significant currency market movements.

The EURUSD pair surged 2.39% to 1.1684, lifted by dovish Federal Reserve remarks hinting at a September rate cut and optimism for Ukraine-Russia peace talks, though U.S. tariff threats and Eurozone political uncertainty curbed gains. The USDINR hit a record 88.31, pressured by U.S. tariffs of up to 50% on Indian goods and foreign investment outflows, despite India's strong 7.8% GDP growth. The USDJPY dropped to 147.066, with a weaker dollar facing Japan's steady 3.1% inflation and potential Bank of Japan rate hike. The GBPUSD edged down 0.13% to 1.3503, bolstered by a softer dollar and cautious Bank of England policy amid slightly improved UK retail sales.

Looking ahead, U.S. PCE inflation, payrolls, and upcoming Fed and ECB meetings will shape trends. Trade disputes and Japan's rate hike prospects may fuel further volatility.

Thank you

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Events to WATCH

Sept 1, 10:30
S&P Global
Manufacturing
PMI(Jul)

Sept 3, 10:30
Manufacturing &
Services PMI
(MoM) (Aug)

Sept 5, 17:00
FX Reserves, USD

The Indian rupee recorded a historic slide against the US dollar during the week, breaching the 88 level for the first time by making a new all time high of 88.31 on Friday. This sharp depreciation was primarily driven by renewed tensions in the ongoing India–US trade war, with US implementing steep tariffs of up to 50% on Indian goods, escalating concerns about India’s trade balance and export competitiveness. The rupee’s weakness was further exacerbated by steady hedging demand from importers, continuous outflows of foreign portfolio investment (FPI) and heightened demand for dollars at the month’s end.



Despite robust economic data showing India’s GDP growing at 7.8% in quarterly supported by healthy performances in manufacturing (7.7%), construction (7.6%), and services (9.3%), macroeconomic optimism was overshadowed by capital flows and trade policy headwinds. Looking ahead, the rupee is likely to remain under pressure given the twin impact of additional US tariffs and persistent FPI selling. Weakness in domestic equity markets and rising worries about a widening trade deficit are expected to keep the rupee biased towards further depreciation. Market participants will closely watch upcoming domestic PMI figures and US labour data for further cues.

\$ USD

REPO RATE

4.5%

GDP

3.3%

INFLATION

2.7%

UNEMPLOYMENT

4.2%

TRADE BALANCE

\$ -60.18B

Events to WATCH

Sept 2, 19:15

S&P Global
Manufacturing PMI
(Aug)

Sept 3, 19:30

JOLTS Job Openings
(Jul)

Sept 4, 17:45

ADP Nonfarm
Employment Change
(Aug)

Sept 4, 18:00

Initial Jobless Claims

Sept 4, 18:00

Trade Balance (Jul)

Sept 4, 21:30

Crude Oil Inventories

Sept 5, 18:00

Nonfarm Payrolls (Aug)

Sept 5, 18:00

Unemployment Rate
(Aug)



The USDINR pair touched a new all-time high of 88.31, surpassing the previous peak of 87.9575 recorded on 10th February 2025. This upward movement was driven by rising concerns that US tariffs could slow down the country's economic growth and put pressure on its balance of payments, further straining already weak portfolio inflows. The rupee closed at 88.1950 per USD, down 0.65% on the day, marking its largest single-day loss in nearly three months.

From a technical perspective, the daily chart indicates a bullish trend as USDINR has broken and closed above the previous high of 87.9575 (yellow line), signaling further upside potential. The 14-day Relative Strength Index (RSI) has climbed to 68.35, indicating strong bullish momentum and approaching the overbought zone. Additionally, the pair continues to trade above the 21-day Exponential Moving Average (EMA) at 87.38, reinforcing the positive technical bias.

The rupee remains under pressure, falling to record lows amid worries over the impact of US tariffs on India's future growth. Exporters may consider selling at current levels to as seeling at all-time highs will guarantee business wise profitability, but aggressive selling is not advised as the pair could extend gains toward 89.00–89.50. Importers, on the other hand, should remain cautious, as hedging opportunities were limited for them in the past and is likely to remain the same as future outlook remain of rupee depreciation. Importers are suggested to remain active and keep buying at significant dips, use of plain options is highly recommended to manage risk during these uncertain times.

Events to WATCH

Sept 1, 14:30
Unemployment Rate (Jul)

Sept 2, 14:30
CPI (YoY) (Aug)

Sept 2, 14:30
CPI (MoM) (Aug)

Sept 5, 14:30
GDP (QoQ) (Q2)

The EURUSD pair closed the week on the lower side, slipping 0.28% from an open of 1.17190 to a close of 1.16847. Volatility was driven by a mix of political and economic factors affecting both the Euro and the US Dollar. The US Dollar gained support from stronger-than-expected economic data, including a decline in durable goods orders. However, the Greenback also faced pressure due to tensions between President Trump and the Federal Reserve. Meanwhile, the Euro struggled despite a brief rebound from German inflation data. Political uncertainty in France and weak German consumer confidence weighed on the currency. Additionally, the ongoing EU-US tariff dispute, with the EU considering lifting tariffs on US industrial goods to ease tensions, added further uncertainty. This complex backdrop kept the EURUSD pair fluctuating throughout the week, as market participants reacted to shifting headlines and market sentiment. Market participants now look ahead to key data releases, including Eurozone CPI and US Labor data.



EURUSD opened the week at 1.1720, briefly touching a low of 1.1573 mid-week, while the high remained capped near the opening level at 1.1729. Price action was relatively muted, as markets had already priced in the prospects of a U.S. rate cut following Fed Chair Powell's remarks at Jackson Hole. On the technical front, the 1.1800 level continues to act as a key psychological barrier, lying just below the four-year high of 1.1832. The euro's strength was supported by weakness in the U.S. dollar index, which slipped from 98.68 to 97.86, as traders positioned for further Fed easing in upcoming meetings. On the downside, the 50-day EMA around 1.1600 offers immediate support, with a break below 1.1500 needed to signal deeper losses—though this seems less likely given the Fed's dovish stance, which keeps dollar sentiment under pressure. Overall, dip-buying remains evident, and a clear move above 1.1832 would confirm sustained bullish momentum.

Events to WATCH

Sept 1, 11:30
Nationwide HPI (YoY) (Aug)

Sept 3, 14:00
S&P Global Services PMI (Aug)

Sept 5, 11:30
Retail Sales (MoM) (Jul)

Sept 5, 11:30
Retail Sales (YoY) (Jul)

The GBPUSD pair saw a slight decline of 0.13% compared to its previous week's close. While in mid-week Sterling strengthened slightly, supported by a softer US Dollar amid concerns over Federal Reserve's independence. Bank of England Monetary Policy Committee member Catherine Mann said on Tuesday, "A more persistent hold on Bank Rate is appropriate right now, to maintain the tight - but not tighter - monetary policy stance needed to lean against inflation persistence persisting. However, I stand ready for a forceful policy action, in the form of larger, more rapid Bank Rate cuts," keeping pound steady. The UK CBI retail sales improved slightly to -32 in August from -34, still marking an 11th consecutive monthly decline. From the US, political turbulence added pressure on the greenback after President Trump dismissed Fed Governor Lisa Cook, intensifying worries over the Fed's independence. The pair ended the week at 1.3503. Markets expect one rate cut from the Bank of England and two cuts from the Federal Reserve this year, which may help support the pound in the near term.



The GBPUSD pair extended its decline for a second consecutive week, closing at 1.3503, below the prior week's close, indicating a mildly bearish undertone. Despite brief attempts to recover during the week, the pair failed to sustain upward momentum and succumbed to selling pressure in the final session. The pair is holding immediate support at 1.3390, a critical level that has so far limited further downside; however, a decisive break below this could open the path toward the 100-day EMA at 1.3366, reinforcing the bearish outlook. Conversely, any recovery attempt is likely to face strong resistance around 1.3600, a level that has historically restricted upside moves and may continue to act as a cap in the near term. From a hedging perspective, exporters may look to utilize rallies toward the 1.3600 level for initiating fresh hedges, while importers should remain vigilant and secure near-term payment obligations around support levels.

¥ JPY

REPO RATE

0.5%

GDP

0.3%

INFLATION

3.1%

UNEMPLOYMENT

2.5%

TRADE BALANCE

¥ -118B

Events to WATCH

Sept 1, 05:20
Capital Spending (YoY) (Q2)

Sept 5, 05:00
Household Spending (YoY) (Jul)

Sept 1, 05:00
Household Spending (MoM) (Jul)

The USDJPY pair closed the week at 147.066, marking a moderate decline from the previous week. The key driver was a dovish shift in the Federal Reserve's tone, following Chair Jerome Powell's speech at the Jackson Hole Economic Symposium. Powell acknowledged growing risks to the U.S. labor market and reduced consumer spending, hinting at a possible rate cut as early as September, which pressured the U.S. dollar throughout the week. In contrast, the Japanese yen gained strength from favorable domestic developments. Inflation held steady at 3.1%, exceeding the BoJ's 2% target. While BoJ Governor Ueda maintained a cautious stance, markets are increasingly pricing in a potential 25 basis-point hike before year-end, adding further strength to the yen. For the upcoming week, the rate may remain in a limited band or drift lower. Attention will focus on U.S. PCE inflation and jobs data and will be crucial, if they signal ongoing softness, the dollar may weaken further. However, stronger-than-expected data could offer brief support. The prospect of a Bank of Japan rate adjustment continues to favor the yen, suggesting a downward bias unless positive surprises emerge.



USDJPY opened the week at 146.85 and climbed to a high of 148.18, with the yen holding firm as rising expectations of a Fed rate cut weighed on the dollar. The pair consistently found demand around the 147.00 region, which aligns with the 50-day EMA and has acted as a pivotal support. However, a late-week slip below this level signals the possibility of a deeper test toward 146.00 (S1) and 145.00 (S2), both historically important zones. On the upside, USDJPY has managed to reclaim the 147–148 range, and a sustained move above this band could pave the way for a retest of the 150–151 resistance zone, though this remains less probable given the dovish signals from Fed officials. Moving averages still reflect an intact uptrend, and unless a decisive break below the 50-day EMA occurs, corrective dips are expected to draw renewed buying interest. Overall, consolidation within the 146–148 range could serve as a base for fresh upside momentum toward the 150 handle.



Forex Advisory Services

The Different Types of Risk With Foreign Exchange

The financial risk associated with foreign exchange is called foreign exchange risk or currency risk. It is also called FX risk or exchange rate risk.

The exposure to forex risk can affect organizations, big or small as it affects the assets and liabilities and hence the overall profitability. This also includes risk an investor would face while trading in the forex market, if there are open positions – long or short due to adverse exchange rate movement. With the forex market being a global one and functioning 24 hours – 5 days a week, this is likely to continue due to the socio-economic uncertainty. Thus to contain these fluctuations, one requires the forex advisory services.

The different types of risk associated with foreign exchange can be divided into transactional, translational or economic risk. These broadly refer to:

Translational Risk – if the corporate has assets and liabilities (A&L) denominated in a foreign currency, with the fluctuating exchange rates there will be a change in the value of A&L. This gives rise to translational risk.

Transactional Risk – A company when exporting or importing any product or services deals with a foreign importer or exporter respectively. The transaction incorporates payment or receivables of foreign currency. The date on which the transaction is made may vary from the date of settlement. This risk is called transactional risk. On day of conversion, there can be a profit or loss which the corporate would have to bear.

Economic Risk – If there are future cash flows of a company from foreign operations, the operating expenses and revenues tend to change too. This unanticipated change in forex rates causes the economic risk.

A well managed FX risk management policy would help the organization to mitigate such risks and not hurt the company's revenue numbers. This is done by adopting hedging strategies to reduce the effect on the corporate cash flows. The spot, forward and options contracts aid in understanding the hedging tool which would be best for the corporate.

The forex advisory services provide access to real-time currency rate information to the client in order to ensure transparent transactions when

the client exchanges their receivables or payables with the banks.

Many a times, the bank charges a margin over and above the currency rates. When there is no cross-check of real-time rates, the banks generally tend to quote a price in favor of the bank thus levying an extra margin to the client.

The Reality of Trading Success

While the promise of wealth can attract people to trading, the reality is that success is a product of hard work, discipline, and resilience. Even after completing a forex trading course and gaining experience, traders will face challenges like periods of losses, market uncertainties, and emotional fluctuations. Long-term success demands a commitment to ongoing learning, adaptability, and the ability to accept and learn from setbacks.



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

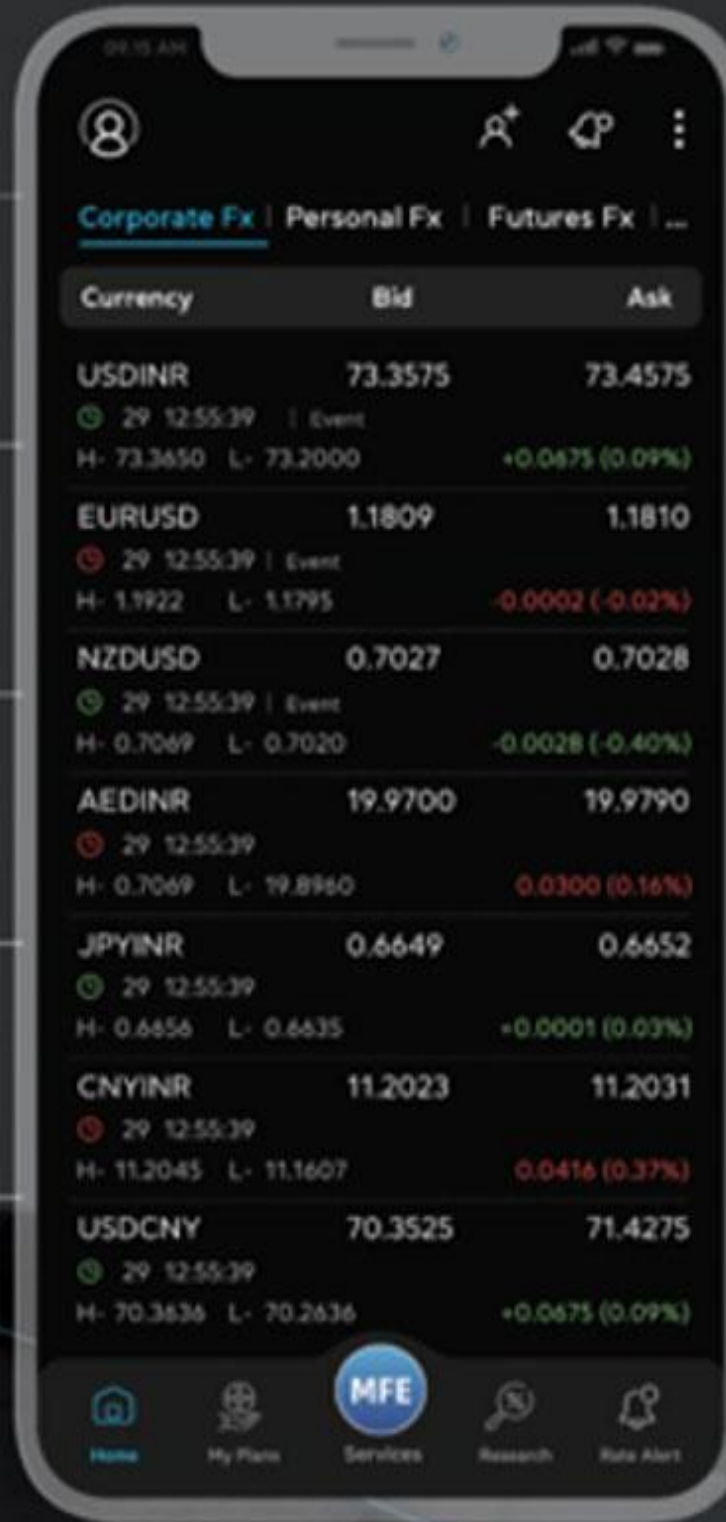
Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

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 entry includes a high/low range and a percentage change.

| 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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