



Forex Market **Insights** Newsletter

Volume 192 → 19th Jan 2026 to 23rd Jan 2026

Key Takeaway Summaries

₹ INR

The Indian Rupee weakened significantly this week, with the USDINR pair rising to close at 90.8650.

€ EUR

EURUSD weakened to near 1.1595, its lowest level in around seven weeks.

£ GBP

The GBPUSD pair declined for the third consecutive week. The pair started the week on a positive note as it opened higher at 1.3398.

¥ JPY

USDJPY extended its rally for a fourth consecutive week, reaching an 18-month high near 159.45

Welcome

Dear Members,

The Indian Rupee suffered its worst one-day fall in nearly two months on Friday. USDINR closed the week at 90.8650 amid heavy importer demand and maturing non-deliverable forward positions, though state-run bank dollar sales—likely on behalf of the RBI—limited the slide.

The US dollar broadly strengthened across major crosses, bolstered by resilient economic data, safe-haven demand from geopolitical tensions, and a patient Federal Reserve. GBPUSD peaked at 1.3494 before retreating to 1.3366, undermined by dovish BoE comments despite upbeat UK GDP and output figures. USDJPY advanced to a high of 159.45—its strongest since July 2024 and ended at 158.066, reflecting persistent yen pressure from political uncertainty and unclear BoJ tightening timing.

EURUSD weakened to near 1.1595, its lowest in seven weeks, as the dollar index reached a seven-week high around 99.37. USDINR rose steadily to 90.8650, hurt by a widening trade deficit and firm dollar flows.

Looking ahead, USDINR remains vulnerable to further upside as sustained dollar strength, robust US data, and external pressures are poised to overshadow occasional RBI support, keeping risks tilted higher in the near term.

Thank You.

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Events to WATCH

Jan 23, 10:30

S&P Global Manufacturing PMI (Jan)

Jan 23, 10:30

S&P Global Services PMI (Jan)

Jan 23, 10:30

Manufacturing & Services PMI (Jan)

Jan 23, 10:30

FX Reserves, USD

The Indian Rupee weakened significantly this week, with the USDINR pair rising to close at 90.8650 as elevated dollar demand from importers alongside maturing positions in the non-deliverable forwards market hurt the currency. Rupee slid to its worst one-day fall in nearly two months on Friday but intermittent dollar sales from state-run banks, most likely on behalf of the RBI, helped limit the currency's fall. On the domestic data front, India's CPI gained to 1.33%, but fell short of market expectation of 1.50%, reinforcing expectations of accommodative policy conditions. At the same time, concerns over the rupee were amplified by a widening Indian trade deficit (-25.04B).



The U.S. dollar index rose to a six-week high as stronger-than-expected U.S. economic data led markets to pare back expectations of early Fed rate cuts. Initial jobless claims unexpectedly fell to a six-week low of 198K, signaling a firmer labour market against expectations of an increase to 215K, while the January Philadelphia Fed business outlook survey jumped 21.4 points to a four-month high of 12.6, underscoring economic resilience. Hawkish comments from Atlanta Fed President Raphael Bostic, who reiterated the need to keep monetary policy restrictive, reinforced the higher-for-longer interest rate narrative, added to the dollar's strength. USDINR is likely to remain firm with an upward bias in the near term, as sustained dollar strength and external pressures may outweigh RBI support, keeping the pair supported near current levels with risks tilted toward further upside.

Events to WATCH

Jan 21, 03:00

API Weekly Crude Oil Stock

Jan 21, 20:30

Pending Home Sales (MoM) (Dec)

Jan 22, 19:00

GDP (QoQ) (Q3)

Jan 22, 19:00

Continuing Jobless Claims

Jan 22, 20:30

Core PCE Price Index (MoM) (Nov)

Jan 22, 22:30

Crude Oil Inventories

Jan 23, 20:15

S&P Global Services PMI (Jan)



After a period of consolidation, volatility has returned to USDINR, this time on the upside. The pair began the week near 90.20 and surged in the final trading session to touch a one-month high of 90.88. This move coincided with a sharp rise in the Dollar Index, which climbed to a 1.5-month high as markets reduced expectations of another US Fed rate cut at least until the June meeting.

Structurally, the Indian rupee continues to remain in a bearish trend against the US dollar. The recent upside breakout has further strengthened momentum, with RBI interventions proving ineffective in containing the move. The bullish momentum accelerated this week, with the rupee weakening by over 0.50%. On the daily chart, USDINR has decisively moved above the earlier key resistance near 90.30. The 14-day RSI is currently placed at 64.23, indicating strong bullish momentum without entering overbought territory. On the upside, the next resistance is seen at the all-time high of 91.08 (yellow line). On the downside, immediate support remains at the 50-day SMA (blue line) around 89.6713.

The recent price action reinforces why importers were advised to hedge on dips. The spot corrected only briefly for a couple of weeks before returning close to recent highs. Exporters, who have been waiting for improved levels, may now begin hedging exposures above 90.80. Importers should remain alert and continue to hedge actively on corrective declines.

Events to WATCH

Jan 19, 15:30
CPI (YoY) (Dec)

Jan 19, 15:30
Core CPI (YoY) (Dec)

Jan 19, 15:30
CPI (MoM) (Dec)

Jan 20, 13:30
Current Account
(Nov)

Jan 23, 14:30
HCOB Eurozone
Composite PMI (Jan)

EURUSD weakened to near 1.1595, its lowest level in around seven weeks, as the US dollar strengthened on the back of firm economic data and reduced expectations of early Fed rate cuts. The dollar gained support as a series of US indicators pointed to continued economic resilience and stable demand conditions. US inflation met expectations, with headline CPI steady at 2.7% YoY, while core inflation eased slightly. At the same time, strong retail sales, improving industrial and manufacturing output, and a decline in jobless claims reinforced confidence in the US growth outlook. The dollar also gained from safe-haven demand during the week, lifting the dollar index to a seven-week high around 99.37 and pressuring the euro. On the euro side, stable inflation across the Eurozone, reinforced expectations that the ECB will keep interest rates unchanged for an extended period. Looking ahead, EURUSD is likely to remain sensitive to incoming US data and central bank guidance. With continuous strength in Dollar and the ECB sounding comfortable with current policy, upside in the euro may remain limited in the near term.



EURUSD recorded a bearish week, closing just below 1.1600 after opening near 1.1700, as demand for the U.S. dollar strengthened on the back of heightened geopolitical tensions and positive U.S. economic data, which reinforced expectations of slower interest-rate cuts beginning around mid-year. The pair remained under sustained pressure throughout the week and tested a weekly low near 1.1584, while failing to achieve a decisive close above the 1.1600 level. From a technical perspective, a sustained move below the 200-day simple moving average would further reinforce downside risks and keep the 1.1500 zone in focus as the next key support area. While selling pressure has dominated, upside momentum appears to be consolidating, and a clear daily close above 1.1700 would be required to revive bullish momentum. Failure to defend the 1.1500 support could expose EURUSD to a deeper correction toward the historically significant 1.1400 psychological level. Overall, price action suggests near-term caution remains warranted.

Events to WATCH

Jan 20, 12:30
Unemployment Rate (Nov)

Jan 20, 12:30
Claimant Count Change (Dec)

Jan 21, 12:30
CPI (YoY) (Dec)

Jan 21, 12:30
PPI Input (MoM) (Dec)

Jan 21, 12:30
CPI (MoM) (Dec)

Jan 23, 12:30
Retail Sales (YoY) (Dec)

Jan 23, 12:30
S&P Global Composite PMI (Jan)

GBPUSD started the week on a strong note, climbing to a peak of 1.3494, but the rally faded as the dollar regained control. Escalating geopolitical tensions revived safe-haven demand, while upbeat U.S. data added fuel to the dollar's strength. U.S. CPI printed at 2.7%, in line with expectations and still above the Federal Reserve's target. Initial jobless claims dropped to around 198K, signalling a labour market that remains resilient, though not overheating. Fed officials reinforced that inflation remains the key concern, pushing ratecut expectations to June and lending further support to the greenback. In contrast, the pound struggled to capitalize on strong UK data. GDP surprised on the upside at 0.3%, with manufacturing and industrial output also improving. However, dovish comments from Bank of England policymaker Alan Taylor, who suggested inflation is cooling faster than expected and rates may be cut further, overshadowed the data. With policy expectations unchanged, sterling weakened and GBPUSD slid to 1.3366. Looking ahead, GBPUSD remains vulnerable as resilient U.S. data and geopolitical risk underpin the dollar, reinforced by a patient Federal Reserve, while dovish BOE rhetoric limits sterling's ability to sustain rallies despite better UK growth.



The GBPUSD pair declined for the third consecutive week. The pair started the week on a positive note as it opened higher at 1.3398 and gained to a weekly high of 1.3496. But later, the sellers gained control and drove the prices lower to a 4-week low of 1.3362. This level coincides with the 100-Day Simple Moving Average, which has been tested twice and has so far provided interim support. Nevertheless, the formation of a dragonfly doji on the final trading session, typically indicative of bearish reversal in the prevailing context, coupled with the MACD line moving downwards towards the zero mark, signals weakening bullish momentum and a rising probability of further downside. A decisive break below 1.3362 could accelerate declines toward the 1.3284 support zone, marking the next technical floor. Overall price structure remains bearish, suggesting Importers to remain vigilant and hedge gradually around the support zone. However, exporters are advised to wait as they had ample opportunities to hedge.

Events to WATCH

Jan 19, 10:00

Industrial Production (MoM) (Nov)

Jan 22, 05:20

Trade Balance (Dec)

Jan 23, 05:00

National Core CPI (YoY) (Dec)

Jan 23, 05:00

National CPI (MoM) (Dec)

Jan 23, 05:00

au Jibun Bank Services PMI (Jan)

Jan 23, 05:00

BoJ Interest Rate Decision

USDJPY moved higher over the week, reaching a high of 159.45, its strongest level since July 2024, as the Japanese Yen remained pressured by political and policy uncertainty. Yen sentiment weakened amid speculation that Prime Minister Takaichi may call a snap election in February, raising expectations of expansionary fiscal policies. Ongoing diplomatic tensions with China and a lack of clarity around the timing of the BoJ's next rate hike further weighed on the currency. Markets also looked ahead to the BoJ's upcoming policy meeting, where rates are expected to remain unchanged, though Governor Ueda reiterated readiness to tighten policy if conditions permit. Meanwhile, the Dollar found support from resilient US economic data, including stronger retail sales, a sharp drop in weekly jobless claims to 198K, and the Philadelphia Fed Manufacturing Index rising to 12.6, its highest level in four months. In addition, comments from Fed officials reinforced expectations that interest rates will remain unchanged and expect it by June, supported by consistently better-than-expected economic indicators. The pair ended the week at 158.066, though intervention risks and BoJ tightening expectations may limit further upside.



USDJPY extended its rally for a fourth consecutive week, reaching an 18-month high near 159.45, after closing the previous week below 158. The pair initially surged above the 159 level, which acted as a key immediate resistance through mid-week. Market sentiment remained skewed in favor of the U.S. dollar, supported by safe-haven demand amid rising geopolitical tensions and a run of positive U.S. economic data. However, as the week progressed, the yen recovered modestly on renewed speculation of potential intervention by the Bank of Japan should volatility intensify, prompting the pair to retreat back toward the 158 area by the weekly close. On the downside, buying interest is expected to emerge near the 157 level, which is reinforced by the 50-day simple moving average. The inability to secure a sustained close above 159 reflects subdued demand at elevated levels and suggests sellers remain active amid lingering intervention risks. On the upside, immediate resistance is seen at 159, followed by 161.95, the major peak from 3 July 2024. Overall, price action and momentum indicators suggest that pullbacks continue to attract buyers, keeping the near-term outlook constructive.



Small Hedges, Big Wins: Here's How Micro-Hedging Beats the Blanket Approach

In the volatile world of forex, the ability to manage risk and protect profits can make the difference between a company thriving or struggling. Traditional hedging strategies, often based on bulk or blanket approaches, are widely used to shield businesses from adverse currency fluctuations. Unlike blanket hedging, which uses a one-size-fits-all approach for a company's overall currency exposure, micro-hedging focuses on more specific, targeted transactions, invoices, or exposures.

Why Blanket Hedging Can Lead to Problems

Traditional bulk hedging is like throwing a wide net to protect against any and all currency movements. It involves using broad, company-wide hedges to cover all foreign exchange exposure. While this might seem like an easy way to mitigate risk, it can cause several issues:

Over-Hedging

When a company hedges all of its foreign currency exposure, it often ends up over-hedging. This occurs when hedges are placed on transactions that don't necessarily need protection. Over-hedging ties up capital and limits potential gains, especially when currency movements are favorable.

Lost Opportunities

With blanket hedging, the company often locks in rates across the board, even for transactions that don't require hedging. If a currency pair experiences favorable movement, the company may be unable to benefit from it.

Micro-Hedging: Targeting Specific Exposures with Precision

Micro-hedging is about focusing on specific transactions, invoices, or exposures, rather than blanket hedging for the entire company. It enables businesses to target their hedging efforts where they are most needed. Here's how it works:

Precision

Micro-hedging involves targeting specific risks, such as a single invoice or shipment, rather than hedging for broad exposure. By focusing on individual transactions, companies can hedge exactly when necessary, minimizing excess hedging.

Timing Flexibility

In volatile markets, timing is everything. Micro-hedging provides the flexibility to hedge only when required, aligning perfectly with cash flow and payment schedules. This means companies can lock in favorable exchange rates when they're most advantageous and avoid locking in unfavorable rates on less critical transactions.

Recommendations for Implementing Micro-Hedging

To effectively implement micro-hedging, companies should:

Assess their specific currency risks: Identify the transactions that are most exposed to currency fluctuations and prioritize those for hedging.

Use advanced forex tools: Leverage hedging instruments like forward contracts, options, and swaps that allow for flexibility and precision.

Conclusion

In today's volatile forex market, micro-hedging offers businesses a powerful tool to navigate currency risks with precision. Unlike blanket hedging, which can lead to over-hedging and cash flow mismatches, micro-hedging allows companies to target specific exposures, align with cash flow schedules, and lock in better exchange rates. Whether dealing with staggered shipments, milestone-based payments, or volatile currencies, micro-hedging enables businesses to protect their profits while maintaining flexibility and control.



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

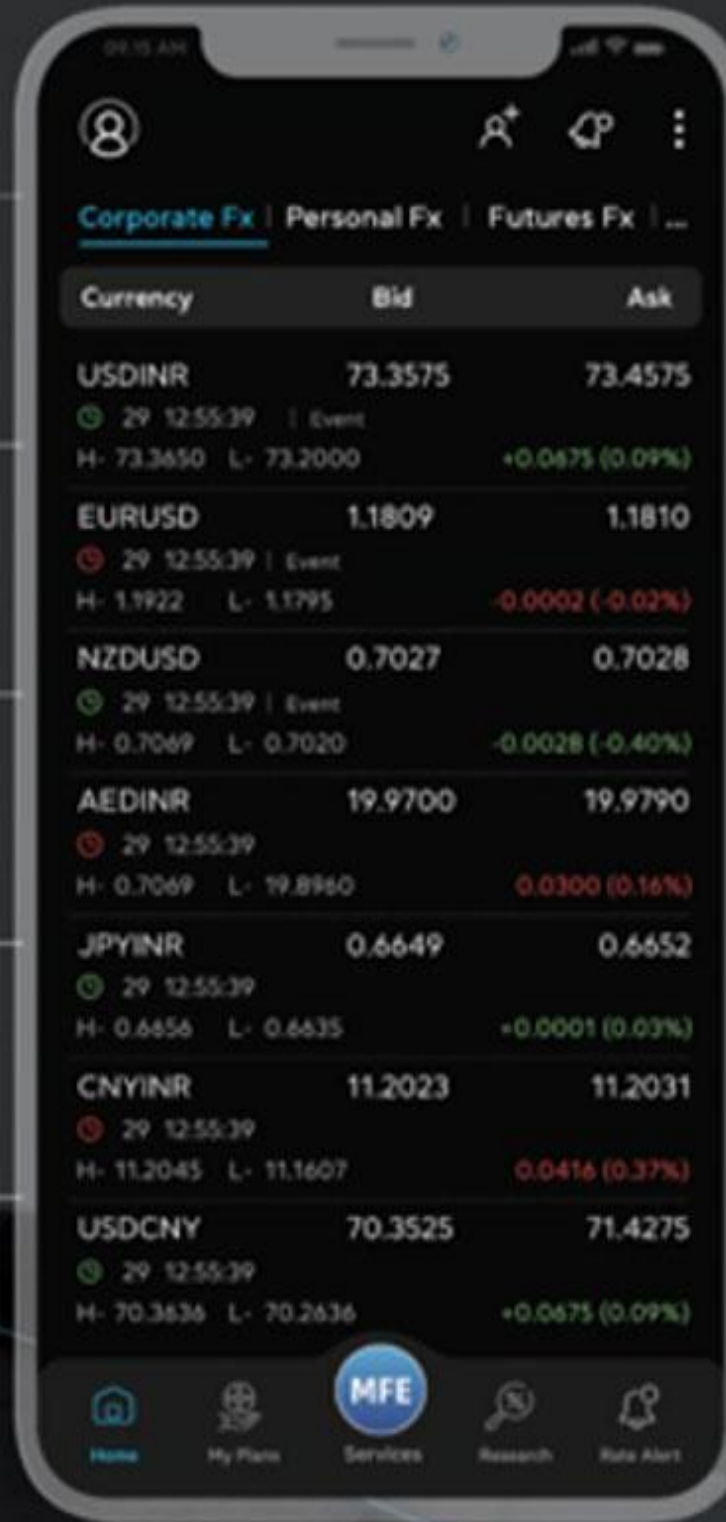
Set Rate alert for different types of transactions and know when the target rate has traded for the first time in forex market.

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 app. 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. The bottom navigation bar includes Home, My Plans, MFE (Services), Research, and Rate Alert.

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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