



Securities

SERVING YOU SINCE 1994

FOREX Newsletter

November 22, 2021

Pulse of the Market

- The dollar index traded at 96.065, staying within sight of last week's 16-month high of 96.266.
- The euro slumped 0.23% to \$1.1274, approaching its lowest since July of last year at \$1.1250.

Recent Interest Rates & US Treasury Yields

USD	0.25%	
EUR	0.00%	
GBP	0.25%	
JPY	-0.10%	
CAD	0.75%	
AUD	0.10%	
NZD	0.25%	
	Change	Yield
2-yr Yield	+0.01	0.22%
5-yr Yield	+0.01	0.84%
10-yr Yield	+0.02	1.33%

The dollar index on Friday rose +0.502 (+0.53%). On Friday, the dollar index posted moderate gains and found some safe-haven support due to the worsening of the global pandemic. Also, weakness in EUR/USD is boosting the dollar as a plunge in German bund yields today weakened the euro's interest rate differentials. The dollar extended its gains Friday on hawkish comments from Fed Governor Waller. The dollar index on Thursday fell -0.281 (-0.29%). The dollar index on Thursday moved lower throughout the day and posted moderate losses. A rally in stocks on Thursday reduced the liquidity demand for the dollar. Losses in the dollar Thursday were contained by stronger-than-expected U.S. economic data. December gold on Friday closed down -9.80 (-0.53%), and Dec silver closed down -0.119 (-0.48%). Gold and silver on Friday fell to 1-week lows and closed moderately lower. Strength in the dollar on Friday undercut metals prices. Also, a rally in technology stocks that pushed the Nasdaq 100 up to a new record high Friday reduced the safe-haven demand for precious metals. A decline in global bond yields on Friday limited losses in gold prices. The dollar and gold have continued safe-haven support from the negative impact of the worldwide spread of the delta Covid variant on the global economic recovery. The 7-day average of new U.S. Covid infections rose to a 6-week high of 97,006 on Thursday. Also, Germany reported its 7-day average of new Covid infections per 100,000 inhabitants climbed to a record 337 on Thursday. Stock indexes today are mixed, with the Nasdaq 100 climbing to a new all-time high and the Dow Jones Industrials falling to a 3-week low. A +12% jump in Intuit to a record high is leading technology stocks higher today and pushed the Nasdaq 100 up to a new all-time high. However, a worsening of the global pandemic has led to lockdowns in Europe that are hammering crude prices and undercutting energy stocks. Also, the worsening pandemic is weighing on travel stocks and cruise ship operators. The greenback was near its strongest since early October against the riskier Australian and Canadian dollars, with the commodity-linked currencies also pressured by a slump in crude oil. The dollar got additional support from bullish comments by Federal Reserve officials Richard Clarida and Christopher Waller on Friday.

Time(GMT)		Economic Release	IMP	Actual	Forecast	Prior
01:30		Consumer Confidence	Medium	-19		-10
06:00		BoE Tenreyro Speech	Medium			-27%
10:00		Inflation Rate YoY (SEP)	High		3.2%	3.2%
12:30		Average Weekly Earnings YoY	Medium			1.77%
19:00		Chicago Fed National Activity Index	Medium			

Euro

EUR/USD on Friday fell -0.0082 (-0.72%). EUR/USD on Friday sank to a new 16-month low. The euro was under pressure Friday as the surge in Covid infections in Europe prompted Austria to impose a nationwide lockdown. The news sent the 10-year German bund yield down to a 2-month low Friday at -0.343%, which is negative for the euro. Further strength in EUR/USD may be limited by concern the pandemic situation in Europe is deteriorating after the 7-day incidence rate.



Yen

USD/JPY on Friday fell -0.27 (-0.24%). The yen shook off early losses Friday and rallied to a 1-week high against the dollar. A decline in T-note yields on Friday supported gains in the yen and weighed on USD/JPY. The yen initially weakened Friday on slack price pressures that are dovish for BOJ policy after Japan Oct national CPI rose +0.1% y/y, weaker than expectations of +0.2% y/y. USD/JPY on Thursday rose modestly and is just below Wednesday's 4-1/2 year high. The yen remains under pressure on central bank divergence.



British Pound

The British pound continues to be soft in general, as the 1.35 level has offered resistance again. As the world goes more "risk off" due to the European Union perhaps locking itself back down, other currencies such as the British pound have taken it on the chin as well, but it is also worth noting that we have turned around to show signs of stability, so therefore it is possible that we could see a bit of a retest. If we were to break above all of that, then it is likely that we could go looking towards the 1.36 handle, which is an area that I think will define the trend.



Canadian Dollar

The Canadian dollar, this year's top-performing G10 currency, is expected to strengthen further over the coming 12 months, supported by higher oil prices and the Bank of Canada's recent shift to a more hawkish stance. It was then expected to strengthen 1.6% to 1.22 in a year's time. The Bank of Canada last week became the first central bank from a G7 country to exit quantitative easing and signaled it could begin raising interest rates in April, three months earlier than previously thought.



Appendix

FOREX Closing Prices for November 19, 2021					
Currency	Open	High	Low	Close	Net Chg
EUR/USD	1.1368	1.1371	1.1248	1.2628	0.1257
USD/JPY	114.258	114.522	113.57	114.002	-0.227
GBP/USD	1.3495	1.3507	1.3405	1.3447	-0.005
USD/CHF	0.9257	0.9288	0.9248	0.9287	0.0032
USD/CAD	1.2598	1.2659	1.2581	1.2642	0.0043
EUR/JPY	129.919	129.967	127.958	128.647	-1.257
GBP/JPY	154.225	154.424	152.495	153.323	-0.881
CHF/JPY	123.325	123.486	122.409	122.719	-0.689
AUD/JPY	83.136	83.326	82.127	82.463	-0.64
EUR/GBP	0.8421	0.8425	0.8383	0.8388	-0.0033
EUR/CHF	1.0523	1.0526	1.0445	1.048	-0.0043
GBP/CHF	1.2497	1.2514	1.241	1.249	-0.0004

Daily Pivot Points							
Contract	Trading Range						
	S3	S2	S1	Pivot	R1	R2	R3
EURUSD	1.20	1.1626	1.2127	1.1749	1.2250	1.1872	1.2373
USDJPY	112.59	113.08	113.54	114.03	114.49	114.98	115.44
GBPUSD	1.3297	1.3351	1.3399	1.3453	1.3501	1.3555	1.3603
USDCHF	0.9221	0.9234	0.9261	0.9274	0.9301	0.9314	0.9341
USDCAD	1.2518	1.2549	1.2596	1.2627	1.2674	1.2705	1.2752
EURJPY	125.74	126.85	127.75	128.86	129.76	130.87	131.77
GBPJPY	150.48	151.49	152.40	153.41	154.33	155.34	156.26
CHFJPY	121.18	121.79	122.26	122.87	123.33	123.95	124.41
AUDJPY	80.75	81.44	81.95	82.64	83.15	83.84	84.35
EURGBP	0.8330	0.8357	0.8372	0.8399	0.8414	0.8441	0.8456
EURCHF	1.0360	1.0403	1.0441	1.0484	1.0522	1.0565	1.0603
GBPCHF	1.2325	1.2367	1.2429	1.2471	1.2533	1.2575	1.2637

Sources: News, Charts & Quotes (Courtesy: Reuters, US Department Of Treasury)

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

Contact Details

IGI Commodity Team

Zaeem Haider Khan	Head of Commodity	Cell: 0321-4772883	Tel: 042-3830559-68	zaeem.haider@igi.com.pk
Ehsan Ul Haq	Trader – Lahore	Cell: 0321-4861015	Tel: 042-3830559-68	ehsan.haq@igi.com.pk
Momina Sohail	Trader – Lahore	Cell: 0301-6600005	Tel: 042-3830559-68	momina.sohail@igi.com.pk
Muhammad Naveed	Branch Manager – Islamabad	Cell: 0345-5599900	Tel: 051-2604861-62	muhammad.naveed@igi.com.pk
Shakeel Ahmad	Branch Manager – Faisalabad	Cell: 0300-9652121	Tel: 041-2540843-45	shaeel.ahmad1@igi.com.pk
Asif Saleem	Trader – Rahim Yar Khan	Cell: 0334-7358050	Tel: 068-5871652-6	asif.saleem@igi.com.pk
Mehtab Ali	Trader – Multan	Cell: 0300-6348471	Tel: 061-4512003	mehtab.ali@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of
Pakistan Stock Exchange Limited |
Corporate member of Pakistan Mercantile Exchange Limited

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780
Website: www.igisecurities.com.pk

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (+92-21) 32429613-4, 32462651-2,
Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

Islamabad Office

3rd Floor, 85 East Kamran Center,
F-Block, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651