

Experts at Alpari reveal FX trends so far in 2023, inflationary impacts, and currency strengths

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Forex market analysts at Alpari have pulled together a report on trending currency pairs, the continued lull in JPY, and effects of inflation on FX markets.

The Forex markets are always changing, with fluctuating exchange rates meaning that favourable currencies on one day may not be such a good investment on the next. With that being said, it's important for those investing in FX to stay in the loop about which currencies are strong, and which global events could be set to influence the markets in the near future.

To help traders stay on top of the current market trends, expert market analysts at [Alpari](#) have collected the [current trends](#) in the FX market so far in 2023 – based on what they've seen thus far and ongoing global events, including the continued inflationary pressures across much of the globe.

Commenting on the importance of following FX trends, Alpari's expert team said:

"The global forex market, which trades 24 hours a day, five days a week, presents many opportunities for traders of varying experience levels.

"Currencies react to a plethora of factors, including economic data announcements, central bank actions, and even global catastrophes.

"As the prices of FX pairs move, traders can seize on the volatility for the chance at profits, provided the trader has the required skills and knowledge to take advantage of such an opportunity."

First, Alpari's experts made their observations on which currencies they expect to see rise in the next quarter. They found that central European currencies have been performing well, with the Pound Sterling (GBP) and Swiss Franc (CHF) both expected to continue to rise.

Currencies that have seen an increase in popularity include GBP, JPY, USD, and EUR – which Alpari's team described as the 'major' consistent currencies.

These currencies have remained favourites to traders for some time due to the size of each economy - despite global circumstances these currencies are continually favoured by traders in the FX market.

Several countries have seen high levels of inflation in the past few months, causing living costs, food prices, and energy bills to increase. In response, many countries have increased their central bank interest rates to bring inflation down.

This has had a positive impact on the FX markets, according to Alpari's forecast – which suggests that the future strength of both the USD and GBP is dependent on future interest rate increases.

Finally, Alpari's team of analysts made their predictions for the Japanese yen (JPY). Since the peak of the Covid-19 pandemic in 2020, the JPY has remained fairly weak, which sadly seems set to continue into the next quarter of 2023.

According to the analysts, the Japanese yen has recorded the second-lowest increase against the US Dollar among all G10 currencies, with the USD/JPY pairing having climbed by just 5.9% so far in 2023.

This is largely due to the new Governor of the Bank of Japan not making the expected changes to policies that were hoped for by the FX markets, meaning Japan still has very low-interest rates which has continued to make the currency unappealing to investors.

Overall, keeping an eye on trends can allow traders to seize opportunities to invest in sensible currencies. While research into countries' economical situations can prove useful, global circumstances must also be taken into account before investing in a specific currency.

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