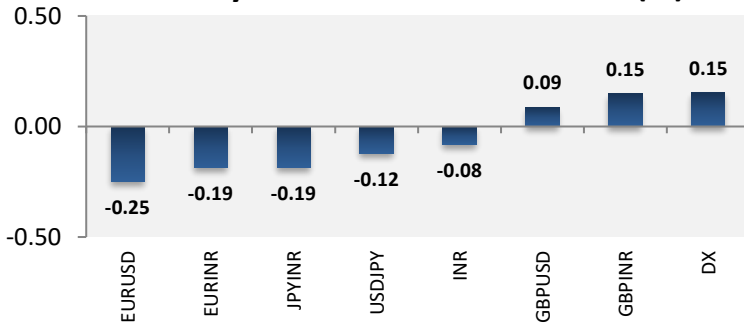


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- India's GDP growth accelerates to 4-quarter high of 7.8% in Q1 FY24
- US Nonfarm Payrolls (NFP) rose to 187K in Aug versus 170K as exp
- Asia looks to extend rally on China, US rate hopes

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee traded in a range bound manner with a slight positive bias on the back of a rally in the Chinese yuan following steps by the country's central bank and on robust domestic June-quarter growth. China's central bank said it would cut the level of foreign exchange reserves that financial institutions must hold, a step directed towards slowing the pace of the recent yuan depreciation. Moreover, huge IPO related influx of funds also helped Rupee to remain stable. However, sharp gains were restricted on back of opportunistic dollar buying by importers and banks.

USDINR SPOT (CMP: 82.71) is likely to trade higher towards 83.10- mark in the week ahead.

EURINR

The initial trend of both EURUSD and EURINR last week was strong on signs of sticky inflation in Europe, while the dollar was squeezed ahead of consumption, inflation and jobs data that could add to evidence of a softening economy. Annual inflation in Germany and Spain barely slowed in August, against expectations. Traders figured it increased chances of a rate hike in Europe next month to about 50-50 and bought the euro which surged by 0.4%. Towards the end, the trend in Euro changed as it went down south after ECB rate-setter Isabel Schnabel - considered one of the most hawkish members at the ECB - said

euro zone growth was weaker than predicted, but that does not necessarily void the need for more rate hikes. Moreover, the EZ inflation held steady this month, but underlying price growth fell as expected, a mixed picture that complicates life for the ECB as it weighs the merits of a pause in rate hikes in the face of a visible slowdown in growth. German unemployment rose more than expected in August, showing the first cracks in what until now had been a very resilient labor market. Money markets are now pricing in a 69% probability that the ECB will leave rates unchanged at its September meeting.

EURINR SPOT (CMP: 89.08) is likely to trade lower towards 88.50-mark in the week ahead.

GBPINR

Last week, both GBPUSD and GBPINR surged after the British Retail Consortium reported a decrease in shop price inflation, which dropped to 6.9% y/y from 7.6% in July. The British pound was later held steady as data showed that previous interest rate rises are beginning to weigh on housing and manufacturing, but official figures showed the economy fared better than previously thought through the COVID-19 pandemic.

GBPINR SPOT (CMP: 104.08) is likely to trade lower towards 103.50-mark in the week ahead.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Sep	81.80	82.30	83.40	83.90
EURINR Sep	88.30	89.10	90.70	91.40
GBRINR Sep	103.50	104.30	105.80	106.60
JPYINR Sep	56.00	56.60	57.80	58.60

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