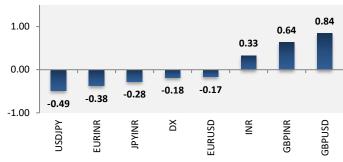


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Saudi to cut oil output in July, OPEC extends deal into 2024
- Rupee's key support level in focus as RBI review approaches
- Indian FPIs investment hit 9-month high at Rs 43,838 crore in May

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee appreciated by almost 0.33 percent after the dollar index saw its worst session in almost a month on upbeat risk and wagers that the U.S. Federal Reserve will not raise rates at the June meeting. Comments by two Fed officials that they prefer not raising rates at this month's meeting, alongside an article in the Wall Street Journal that the U.S. central bank will hold rates at the current level at the June meeting, pushed down the odds of any rate action at the June 13-14 meeting. The probability of a Fed rate hike at the June meeting has dropped to nearly 30%. Moreover, India's economic growth accelerated to 6.1% in the March quarter, data out on Wednesday showed, much higher than the 5% reading expected by economists polled by Reuters.

USDINR SPOT (CMP: 82.30) is likely to fall towards 81.80 mark.

EURINR

Initial trend of EURUSD and EURINR last week was higher after the US Dollar Index dropped sharply on mounting expectations that the Fed will skip hiking rates in June. On the domestic front, the Eurozone inflation numbers point to a slowdown in inflation. However, ECB President Lagarde said that more rate hikes are on the way. Money markets are pricing in an 85% chance of a 25-basis point hike when the ECB meets on June 15. Towards the end, the shared currency traded lower. Oil prices jumped more

than \$1 a barrel after the world's top exporter Saudi Arabia pledged to cut production by another 1 million barrels per day from July, counteracting macroeconomic headwinds that have depressed markets.

EURINR SPOT (CMP: 88.21) is likely to trade lower towards 87.50 levels.

GBPINR

Last week, both GBPUSD and GBPINR surged sharply on account of sharp fall in DXY after the Fed's Governor Philip Jefferson and Philadelphia Fed President Patrick Harker suggested the central bank would skip a rate hike in the next meeting. Markets are pricing in a roughly 32% chance that the Fed will raise rates by 25 basis points at its June meeting, compared with a near 67% chance a day ago, according to the CME FedWatch tool.

GBPINR SPOT (CMP: 102.56) is likely to trade higher towards 103.20 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Jun	81.20	81.80	83.00	83.60
EURINR Jun	87.20	88.00	89.80	90.60
GBRINR Jun	101.60	102.40	104.00	104.80
JPYINR Jun	58.40	59.00	60.20	60.80

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