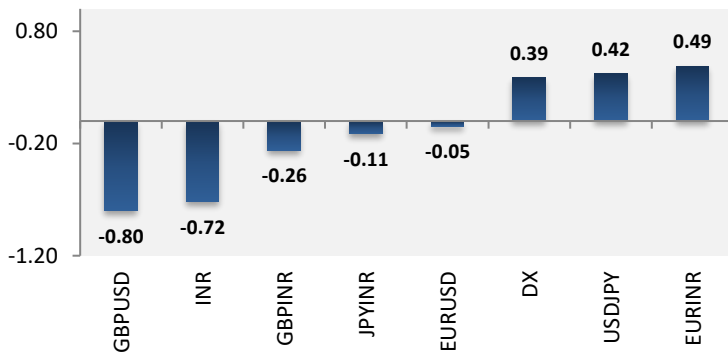


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Investors await RBI monetary policy this week
- U.S. Nonfarm payrolls increased by 187,000 jobs last month
- Asia shares wary ahead of U.S., China inflation data

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee weakened by 0.72 percent pressured by the dollar's move higher versus its major peers and Asian currencies. Apparently, the ratings agency Fitch cut the U.S. credit rating from AAA to AA+, citing "expected fiscal deterioration over the next three years." This will spark risk aversion flows, which means lower equities in Asia, as well as haven buying of treasuries and currencies such as the Japanese yen and Swiss franc against riskier currencies, such as the Australian and New Zealand dollars.

USDINR SPOT (CMP: 82.84) is likely to trade higher towards 83.50- mark in the week ahead.

EURINR

Last week, both EURUSD and EURINR traded in opposite directions. Fall in EURUSD was mainly due to surge in DXY as a resilient domestic economy bolsters expectations interest rates will remain higher for longer. Despite net short dollar positions hitting their highest since March 2021, the greenback has gained nearly 3% from its lowest in more than a year on July 14 amid receding expectations for Federal Reserve interest rate cuts. Renewed strength in the dollar coincided with a dent in the euro's stellar run over the past few weeks - it is still up roughly 2.4% against the dollar for the year - on firming expectations the European Central Bank is done hiking rates. With regards to datasets, Germany reported lower than-expected June exports

and imports, with imports dropping 3.4% and exports rising just 0.1%, with annual rates in negative territory. Also, Eurozone Producer Price Index (PPI) for June dropped to the lowest level in three years with -3.4% y/y figures, versus -3.1% expected and -1.6% prior (revised).

EURINR SPOT (CMP: 91.01) is likely to trade lower towards 90-mark in the week ahead.

GBPINR

Last week, both GBPUSD and GBPINR traded mostly lower. owing to higher DXY. The latest COT data, released by the CFTC, recorded a small decline in the number of long, non-commercial Sterling positions to 59,000 contracts from 63,700 the previous week. In terms of contracts, this was still close to the largest long position for 14 years. The Bank of England raised its key rate by 25 bps. The BoE's vote split was 6-3, with two members expecting a 50-bps hike, while Swati Dhingra voted to keep rates unchanged. The UK central bank's move was in line with market expectations after a surprise half-point increase in June. Still, signs of debate between policymakers prompted traders to pare bets on the pace of further hikes, with markets priced in for rates peaking below 5.75% in February.

GBPINR SPOT (CMP: 105.38) is likely to trade lower towards 104.50-mark in the week ahead.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Aug	81.90	82.40	83.50	84.00
EURINR Aug	89.20	90.00	91.50	92.30
GBRINR Aug	103.70	104.50	106.10	106.90
JPYINR Aug	56.70	57.50	59.00	59.80

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