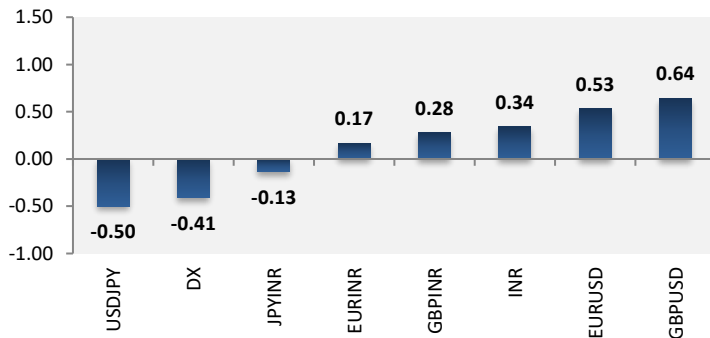


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- US Consumer Prices are seen staying firm, testing the Fed
- India's forex reserves snap 2-week rise, down \$380 million
- IMF warns five-year global growth outlook is weakest since 1990

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee appreciated by almost 0.34 percent on account of huge corporate inflows. Furthermore, weak manufacturing and job openings data dented demand for the US Dollar Index. The American currency overnight dropped to its lowest level since Feb. 2. The 2-year U.S. yield fell to about 3.85% as investors bet the U.S. Federal Reserve is nearing the end of its rate hiking cycle following the weak jobs and manufacturing data prints. Towards the end, the RBI, in a surprise move, decided to pause its rate hike cycle amid rising concerns over global financial stability. It was widely expected that the RBI would raise the repo rate by 25 bps and then go for a pause.

USDINR SPOT (CMP: 81.88) is likely to plunge towards 81.00 mark.

EURINR

Last week, both EURUSD and EURINR traded higher owing to fall seen in the US Dollar Index as weak economic data bolstered views that the Federal Reserve is near the end of its monetary tightening cycle. U.S. job openings in February dropping to the lowest in nearly two years, and the continued decline in factory orders, undermined the dollar as the numbers indicated that rate hikes may be nearing an end. Towards the end, the Euro currency traded lower after the Eurozone S&P Global Composite PMI

eased to 53.7 in March versus 54.1 first readings whereas Services PMI also declined to 55.0 during the stated month from 55.6 preliminary forecasts. Moreover, ECB Governing Council Member, Klaus Knot, commented that the ECB was not done with interest rate hikes, as core inflation remains at 6%, three times the ECB's 2% target.

EURINR SPOT (CMP: 89.20) is likely to trade lower towards 88.20 levels.

GBPINR

Last week, both GBPUSD and GBPINR traded higher after the BoE Chief Economist Huw Pill commented that his May rate decision would be focused on "data flow and its interpretation in the forecast." Earlier, Sylvana Tenreyro, a BoE Monetary Policy Committee (MPC) member, said that a "looser stance is needed to meet the inflation target. However, there were some slight hiccups after non-farm payrolls figures cast the U.S. labor market in a resilient light but also confirmed a continuing slowdown in employment growth while revealing job losses in some parts of the economy. This reversed some of the Pound's gains.

GBPINR SPOT (CMP: 101.61) is likely to trade higher towards 102.60 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Apr	80.80	81.40	82.60	83.20
EURINR Apr	87.80	88.60	90.30	91.20
GBRINR Apr	99.50	101.40	103.00	103.80
JPYINR Apr	60.90	61.70	63.40	64.20

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