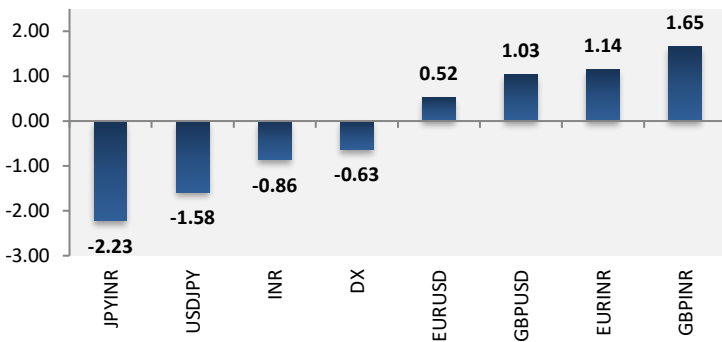


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Dollar softens, China inflation data takes centre stage
- US job gains smallest in 2-1/2 years; labor market still tight
- Indian rupee to get relief on dollar retreats after U.S. jobs data

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee initially traded with a stronger bias on account of huge influx of funds into the local system along with an upbeat risk appetite and a further uptick in U.S. yields. Sharp gains were restricted, and the local unit weakened sharply towards the end of the week on account of opportunistic dollar buying from big corporations and banks. Also, minutes of the U.S. Federal Reserve's June meeting showed that almost all members expected more rate hikes this year. While the Fed had opted for a pause at the June meeting, the minutes revealed that some members could have supported a 25 basis points increase. Further, almost all participants judged additional rate increases later this year would be appropriate.

USDINR SPOT (CMP: 82.74) is likely to trade higher towards 83.40 levels in the week ahead.

EURINR

The initial trend of both EURUSD and EURINR was weak. Europe's latest have been generally shaky, with Germany's manufacturing release perhaps the most concerning. The headline figure there has been below the key 50 level separating expansion from contraction since July last year and the most recent release, for June, was sadly no exception. The PMI limped in at 40.6, its weakest for three years, with firms reporting deeper production

cuts as demand continues to decline. France's PMI was a little better than forecast, but still deep in contraction territory. Later the trend changed, and both the shared currencies surged owing to fall seen in US Dollar Index after Wall Street sold off on stronger-than-expected U.S. jobs data, leaving room for more rate hikes ahead by the Federal Reserve. Companies created far more jobs than expected. Private sector jobs surged by 497,000 for the month, much better than the 220,000 Dow Jones consensus estimate. The increase resulted in the biggest monthly rise since July 2022.

EURINR SPOT (CMP: 90.53) is likely to trade higher towards 91.80 levels in the week ahead.

GBPINR

Last week, both GBPUSD and GBPINR surged by more than 1 percent. There is a possibility that the Pound currency may trade in a bullish manner. The UK currency has been boosted by surging bond yields, a reflection of investors' expectations that the BoE is still far from wrapping up its tightening cycle. Policymakers surprised the market in June by accelerating its pace of hikes with a half-point increase to 5% to fight inflation that has exceeded forecasts for four consecutive months.

GBPINR SPOT (CMP: 105.89) is likely to trade higher towards 107-mark in the week ahead.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Jul	81.50	82.00	83.40	84.00
EURINR Jul	88.60	89.40	91.00	91.80
GBRINR Jul	104.00	104.70	106.40	107.20
JPYINR Jul	56.50	57.20	58.80	59.60

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