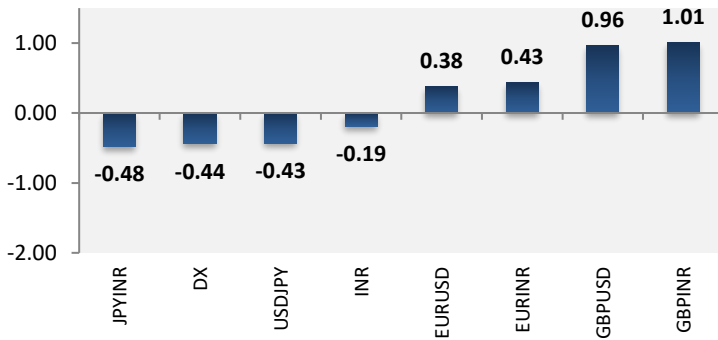


## Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

### Key Highlights

- Indian households see inflation falling - RBI Survey
- Domestic funds sell net 4.05b rupees of stocks
- Dollar slips to 2 week low, Franc rises after SNB comments

### Weekly Currency Performance & Outlook

#### USDINR

Last week, the Indian Rupee traded in a range bound manner with a slight weaker bias on account of corporate dollar buying coupled with persistent RBI intervention in the spot market. In its recent policy, the RBI committee kept the Repo Rate unchanged at 6.50% and maintained the policy stance at 'withdrawal of accommodation while supporting growth'. We may see Rupee weaken in the upcoming days bogged down by the decline in Asian currencies, to kick off a data-heavy week that includes the release of the U.S. inflation data and then the Federal Reserve rate decision.

**USDINR SPOT (CMP: 82.46) is likely to surge towards 83.20 mark.**

#### EURINR

Last week, both EURUSD and EURINR traded higher initially on account of lower US Dollar Index. Towards the end, sharp gains were restricted. The ECB President Christine Lagarde stated at a hearing before the Committee on Economic and Monetary Affairs (ECON) of the European Parliament in Brussels that price pressures remain strong in the Euro area, suggesting that more rate hikes are likely. ECB's Joachim Nagler added the ECB needs to keep raising rates beyond the summer. Money market futures have priced in a 25-bps rate hike by the ECB.

**EURINR SPOT (CMP: 88.59) is likely to trade higher towards 89.20 levels.**

#### GBPINR

Last week, both GBPUSD and GBPINR surged sharply owing to lower DXY. The number of Americans filing new claims for unemployment benefits surged to the highest level in more than 1- 1/2 years last week with a 28K-claim jump to a seasonally adjusted 261K, vs. forecast of 235K. The CME Group FedWatch Tool shows that markets are currently pricing in a nearly 73% probability of the Fed leaving its policy rate unchanged after the June policy meeting. On the domestic front, the money market futures estimate the BoE will hike 100 bps towards the year-end. That means the Bank Rate will hit 5.50%.

**GBPINR SPOT (CMP: 103.61) is likely to trade higher towards 103.90 levels.**

### Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
<b>USDINR Jun</b>	81.20	81.80	83.20	83.90
<b>EURINR Jun</b>	87.20	88.00	89.80	90.60
<b>GBRINR Jun</b>	101.60	102.40	104.50	105.40
<b>JPYINR Jun</b>	58.00	58.60	60.00	60.80

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