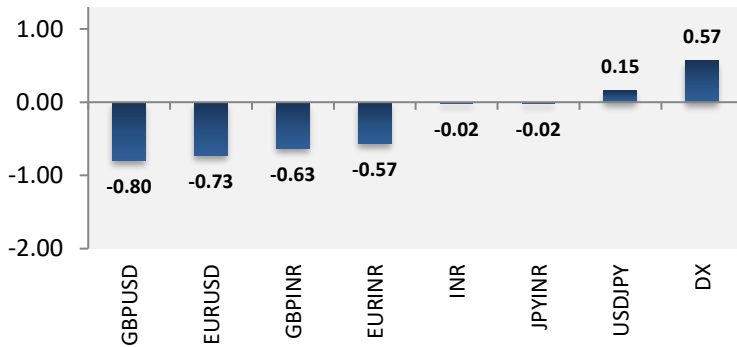


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- India's forex reserves drop for 5th week; fall to over 5-month low
- ECB's Lagarde: Underlying inflation is still strong
- PBOC's Pan vows more substantial support to real economy

Weekly Currency Performance & Outlook

USDINR

Last week, there were all the reasons for Rupee to act volatile and weaken. US treasury yields were on the rise which pulled the US Dollar Index in the northern direction affecting all the currencies in turn. On the other hand, the ongoing conflicts between Israel and Palestine has caused a lot of jitters in the global markets hampering the investment portfolios of investors. Despite this, the local unit has been trading in a range bound manner; all thanks to the RBI for maintaining a non-volatile trend in the local unit despite the uncertain events abroad.

USDINR SPOT (CMP: 83.26) is likely to trade higher towards 83.90- mark in the week ahead.

EURINR

The initial trend of Euro was bullish owing to fall in DXY in the wake of the ongoing retracement slide in the US Treasury bond yields. Later, the trend changed, and the Euro currency weakened as the US Dollar Index surged putting pressure across a basket of currencies as stronger than-expected U.S. consumer inflation revived prospects that the Federal Reserve will have to keep rates higher for longer. U.S. consumer prices were pushed higher by a jump in rental costs in September, data showed on Thursday. Although steady moderation in underlying inflation pressures supported expectations that the Fed would not hike

interest rates next month, the data did raise the chance of rates staying elevated for some time.

EURINR SPOT (CMP: 87.49) is likely to trade lower towards 86.50-mark in the week ahead.

GBPINR

Initial trend of Pound last week was higher owing to lower DXY tracking a slide in U.S. Treasury yields weighed down by dovish Federal Reserve comments. Later, the trend of Pound currency changed, and it plunged sharply owing to higher DXY after the US CPI numbers rattled the markets with the following numbers to digest. Headline CPI for the month rose from 0.3% to 0.4%. The monthly Core inflation, without food and energy, was steady at 0.3%. It seems thus that inflation in food and energy is picking up again, and by chance those are the factors the Fed cannot control with its policy rate. outlook.

GBPINR SPOT (CMP: 101.08) is likely to trade lower towards 100.70-mark in the week ahead.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Oct	82.30	82.70	83.90	84.50
EURINR Oct	86.20	87.00	88.60	89.40
GBRINR Oct	100.00	100.70	102.30	103.10
JPYINR Oct	54.30	55.00	56.60	57.40

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