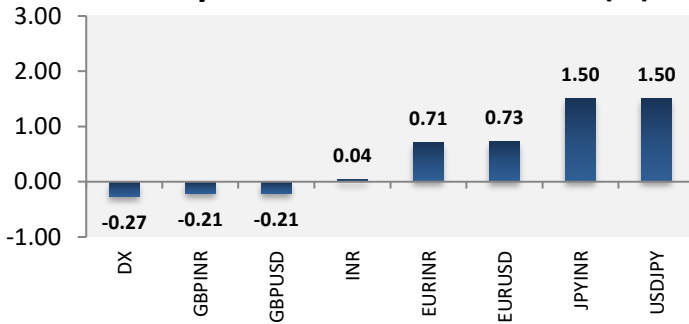


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Fed should alter its monetary policy framework - IMF Official
- US economy is cooling steadily as consumers, factories pull back
- Liquidity surplus at 9-mth peak on high govt spend, FPI inflows

Weekly Currency Performance & Outlook

USDINR

In the holiday shortened last week, the Indian Rupee traded in a range bound manner with a slight stronger bias on account of a huge inflow of funds that was expected to come on account of doubling of MSCI weightage. In addition, the US inflation softened more than expected and raised hopes that the Federal Reserve was near the end of its hiking cycle. The US CPI climbed 0.1% last month, below economists' expectations of a 0.2% gain, and down from a 0.4% increase in February. On a year-on-year basis, the CPI rose 5.0%, its smallest such gain since May 2021. However, core CPI remained elevated, which analysts warned could be a cause for concern. Post this, the dollar index plunged and U.S. 2-year bond yield slipped below 4% as the inflation print was followed by minutes from the Fed's March meeting which revealed concern among several members regarding the regional bank liquidity crisis

USDINR SPOT (CMP: 81.85) is likely to plunge towards 81.20 mark.

EURINR

Last week, both EURUSD and EURINR traded higher owing to fall seen in the US Dollar Index as the inflation print was followed by minutes from the Fed's March meeting which revealed concern among several members regarding the regional bank liquidity crisis.

However, sharp gains were restricted as markets still discount the disappointing release of economic datasets from the zone. 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, Klas 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: 89.99) is likely to trade higher towards 90.80 levels.

GBPINR

Last week, both GBPUSD and GBPINR traded lower on news that the UK was set to be one of the worst performing major economies in the world this year, according to the International Monetary Fund (IMF). It says the UK economy's performance in 2023 will be the worst among the 20 biggest economies, known as the G20, which includes sanctions-hit Russia. The IMF predicts the UK economy will shrink this year, although this is a small upgrade from its last forecast.

GBPINR SPOT (CMP: 101.56) is likely to trade higher towards 102.60 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Apr	80.80	81.40	82.50	83.00
EURINR Apr	88.60	89.40	91.00	91.80
GBRINR Apr	99.50	101.40	103.30	104.20
JPYINR Apr	60.00	60.70	62.50	63.30

Research Team- (022) 4000 3600 Extn: 6134/04

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