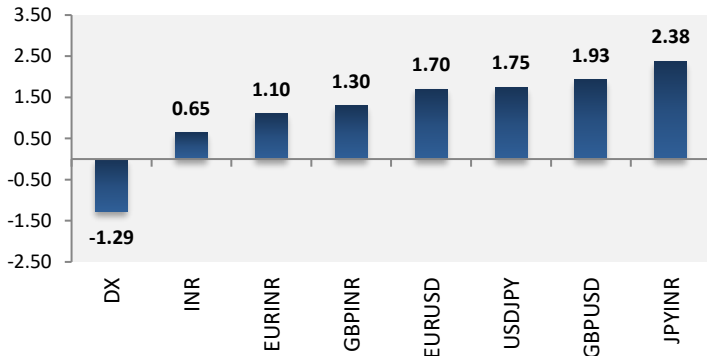


## Key Highlights

- Yen drops to new 15-year low vs euro after BOJ rate decision
- India's forex reserves drop to \$593.75 billion

## Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

- India plans to challenge EU's carbon border tax at WTO

## Weekly Currency Performance & Outlook

### USDINR

Last week, the Indian Rupee appreciated by around 0.65 percent touching the higher levels of 81.85 on account of bunched up corporate inflows coupled with sharp fall in DXY. This strength is likely to continue today as well tracking the positive sentiments in Asian markets after a rally in stocks linked to artificial intelligence drove US benchmarks higher, while expectations for more stimulus in China saw commodities gain. Also, risk appetite and lower US bond yields weigh on the DXY which could benefit Rupee. US Retail Sales see an unexpected rise in May, bucking predictions, but the labor market shows signs of easing amid higher jobless claims.

**USDINR SPOT (CMP: 81.93) is likely to plunge towards 81.20 mark.**

### EURINR

Last week, both EURUSD and EURINR surged by more than 1 percent after the ECB lifted rates by 25bps, as expected, to 3.5%, the highest in 22 years. There were hawkish elements in the latest ECB press conference, the upwardly revised 2025 inflation forecasts. There were a few dovish elements too. President Lagarde clearly signaled a hike in July but deliberately avoided guiding expectations for September. Also, the consumer confidence in the Eurozone improved for the second month in a row in May. Euro zone consumer confidence rose by 0.1 point in

May from April's number. The European Commission's flat estimate measure of consumer confidence stood at -17.4 in May compared with -17.5 in April, the most positive reading since February 2022. In data for April, the Eurozone economic sentiment indicator edged up to 99.3 from 99.2 in March.

**EURINR SPOT (CMP: 89.58) is likely to trade higher towards 90.50 levels.**

### GBPINR

Last week, both GBPUSD and GBPINR surged sharply by more than 1 percent as diversion in FED and ECB policy has pushed the DXY below 102 levels. Another reason for the surge is that expectations continue to build that the Bank of England may have to hike more aggressively in the coming months to temper inflation. UK inflation is seen falling over the coming months and may make current market predictions of a further 100 bps of UK interest rate hikes look a little hawkish. Next week's economic data and events calendar is full of market-moving potential.

**GBPINR SPOT (CMP: 104.98) is likely to trade higher towards 105.50 levels.**

## Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Jun	80.70	81.30	82.60	83.20
EURINR Jun	88.20	89.00	90.60	91.40
GBRINR Jun	103.20	104.00	105.70	106.50
JPYINR Jun	56.60	57.50	59.20	60.00

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

**Disclaimer:** The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not guarantee its accuracy, completeness, and correctness. The document is not and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "Angel One Ltd". Your feedback is appreciated on [advisory@angelbroking.com](mailto:advisory@angelbroking.com)