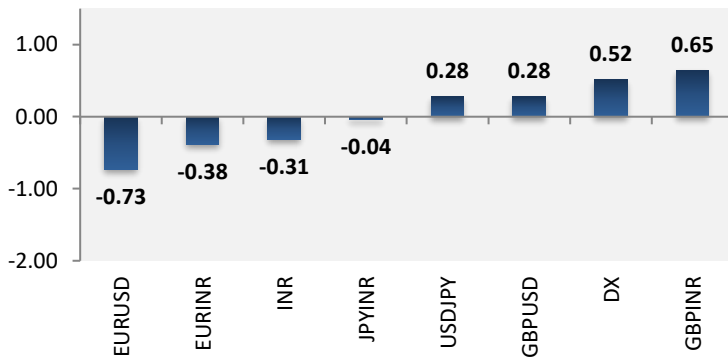


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- All Eyes on Fed Chief Powell in Jackson Hole
- RBI bought net \$4.50 billion in spot forex market in June
- FPIs infuse Rs 8,400 crore in equities in Aug on global uncertainty

Weekly Currency Performance & Outlook

USDINR

In the holiday shortened last week, the Indian Rupee traded in a range bound manner with a slight weaker bias on account of opportunistic dollar buying by importers and banks at lower levels. Apart from this, India's retail inflation in July'23 soared to 7.44% from Q1's average of 4.6% (April to June), exceeding the monthly consensus of 6.4%. However, the market remains relatively unperturbed by Q2's robust price upswing, attributing it to fleetingness and expecting moderation in Q3. On the international front, the bullish trend in US Dollar Index further added woes to the local unit.

USDINR SPOT (CMP: 83.10) is likely to trade higher towards 83.60- mark in the week ahead.

EURINR

Last week, both EURUSD and EURINR traded lower as strong US economic data overshadowed Euro-zone's GDP data. The Euro Area GDP report showed a marginal increase in the QoQ print. MoM industrial production added to the optimism while YoY figures surprised to the upsides relative to expectations although decreasing by 1.2%. From a US perspective, building permits data came in mixed with housing starts beating forecasts while permits fell short of estimates. Industrial production ticked

higher after falling in the prior two months alongside a rise in manufacturing production. Friday's US economic data has augmented Thursday's strong retail sales figures and could keep the Fed on its toes in terms of maintaining higher rates for longer as data continues to echo a strong US economy.

EURINR SPOT (CMP: 90.38) is likely to trade lower towards 90-mark in the week ahead.

GBPINR

Last week, both GBPUSD and GBPINR traded mostly higher as the latest UK inflation numbers reinforced bets that the Bank of England will likely hike interest rates again. Consumer price inflation slowed to 6.8% in July. But core inflation, which strips out volatile food and energy prices, remained at 6.9% in July, flat versus the June reading, and higher than economist expectations for a reading of 6.8%. Services inflation picked up to 7.4% from 7.2% in June.

GBPINR SPOT (CMP: 105.89) is likely to trade lower towards 104.50-mark in the week ahead.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Aug	82.10	82.60	83.60	84.10
EURINR Aug	88.80	89.60	91.20	92.00
GBRINR Aug	104.00	104.80	106.40	107.20
JPYINR Aug	55.70	56.50	58.20	58.00

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