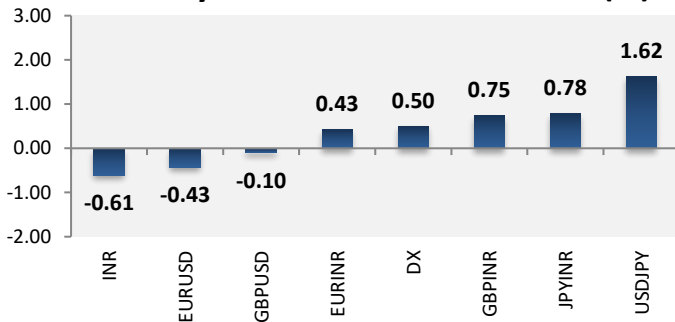


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Asian markets are mixed as U.S. debt ceiling talks set to resume
- PBOC keeps one-year, five-year LPR rates unchanged
- RBI's bumper dividend gives Modi more cash to boost economy

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee weakened by almost 0.61 percent on account of higher DXY and rising U.S. yields following hawkish comments from Federal Reserve officials. Asian currencies declined, with the Chinese yuan once again leading the way. The offshore yuan dropped to 7.0750 to the dollar, a level last seen in December. Higher U.S. yields boosted demand for the dollar. The 2-year U.S. yield climbed to 4.28% on comments by Fed officials and U.S. labor market data. Safe-haven demand and resilient U.S. economic data boosted demand for the dollar.

USDINR SPOT (CMP: 82.66) is likely to surge towards 83.20 mark.

EURINR

Last week, EURUSD traded lower while EURINR surged following the bullish trend seen in USDINR. Fall in Euro was due to as the Industrial Production in the Eurozone dropping by 4.1% in March, more than the 2.5% slide expected. In Germany, the Wholesale Price Index fell 0.4% in April, less than the -0.9% expected; and the annual index dropped from 2% in March to -0.5% in April. The Euro lagged again, amid some divergence among ECB officials. Pablo Hernández de Cos mentioned they are getting closer to the end in terms of monetary tightening. Olli Rehn said that decisions are based on the latest data, how core inflation develops, and how effective monetary policy is. ECB's Guindos said he is concerned about accelerating inflation in the service sector. The

expectation of further rate hikes from the ECB differs from what it used to be for the Euro.

EURINR SPOT (CMP: 89.59) is likely to trade lower towards 88.50 levels.

GBPINR

Last week, GBPUSD traded lower while GBPINR surged following the bullish trend seen in USDINR. UK unemployment rate unexpectedly edged higher from 3.8% to 3.9% in the three months to March, reaching the highest level in over a year. The claimant count change also showed an unexpected increase of 46.7K in April, compared to an expected decline of 10.8K. BoE Governor Andrew Bailey said that inflation is much too high, and that the BoE needs to bring it back sustainably to the 2% target. Bailey added that the easing of labor market tightness is happening at a slower pace than expected in February, and that the labor market remains very tight.

GBPINR SPOT (CMP: 103.15) is likely to trade lower towards 101.80 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR May	81.40	82.00	83.20	83.80
EURINR May	87.70	88.50	90.10	90.90
GBRINR May	101.00	101.80	103.40	104.20
JPYINR May	58.50	59.30	60.80	61.60

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