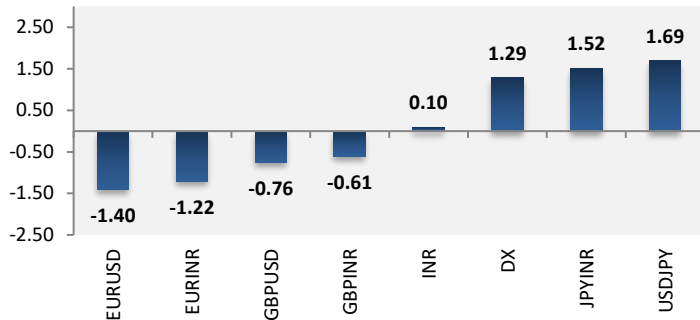


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- Russia's war interferes with progress on debt, other issues
- RBI to conduct 14-day variable rate reverse repo on February 24
- Oil settles up 2% on tightening supply, demand concerns linger

Weekly Currency Performance & Outlook

USDINR

In the last week, the Indian Rupee traded in a strict range bound manner on account of sluggish Asian markets coupled with persistent RBI intervention who have been selling dollars to prevent the rupee from weakening below the 82.90-83.00 levels. In the mid-week, the local unit appreciated tracking an overnight slide in oil prices and a recovery in its Asian peers. Brent crude futures declined about 3%, hitting their lowest level in two weeks, on concerns over the demand outlook. Not only this, the overnight decline in the USD/INR non-deliverable forward (NDF) market also worked in favor of the local unit.

USDINR SPOT (CMP: 82.75) is likely to fall towards the 82.00 mark.

EURINR

Last week, both EURUSD and EURINR plunged by more than 1 percent. Strong US data since the start of the month (from services and jobs data at the beginning of the month to PPI last Thursday) had led to a reassessment of Fed rate expectations. Markets now expect the Fed funds rate to peak around 5.30% from around 4.90% at the beginning of February, while expectations for rate cuts for later this year have been scaled back. This kept the demand for Euro dented. Moreover, the Euro-zone manufacturing activity data came on a soft note. On the

other hand, ECB's Rehn commented that lifting rates in March are appropriate and should continue until the summer. This provided some relief in the shared currency but in vain

EURINR SPOT (CMP: 87.42) is likely to trade lower towards 86.80 levels.

GBPINR

Last week, both GBPUSD and GBPINR fell by around 0.76 percent and 0.61 percent respectively as financial markets mulled upside risks to Federal Reserve (Fed) and Bank of England (BoE) interest rates, the relative balance of which is potentially a constraint on Sterling's recovery prospects. Also, the Dollar Index has been steady as new data showed a still tight US labor market, underpinning convictions that the Federal Reserve's monetary policy tightening may be far from over. This influenced the price of Pound too.

GBPINR SPOT (CMP: 98.98) is likely to trade lower towards 98.00 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Mar	81.70	82.30	83.50	84.20
EURINR Mar	86.10	87.00	88.90	89.70
GBRINR Mar	97.50	98.60	100.50	101.40
JPYINR Mar	60.30	60.90	62.40	63.00

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