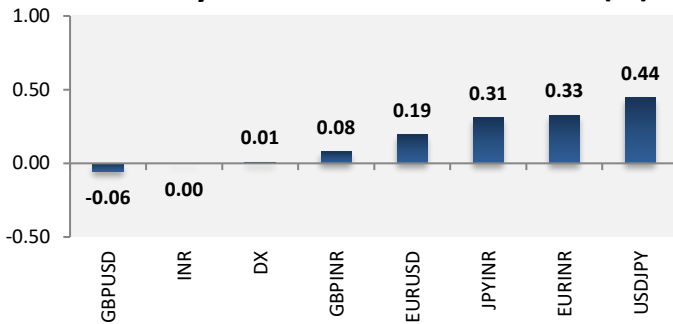


Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

Key Highlights

- FPI buying hits 10-month high of Rs 47,148 crore in June
- Oil prices slip on global economic slowdown fears
- Nikkei leads Asia higher, China struggles to keep up

Weekly Currency Performance & Outlook

USDINR

Last week, the Indian Rupee traded in a range bound manner on account of persistent RBI intervention and lack of important events in the markets that could stir up volumes. The trend of US Dollar Index was mute too to provide any influence to the local unit. Apart from this, the robust release of Current Account dataset from India which has narrowed sharply in the 4th quarter of FY 2022-23 owing to moderation in trade deficit and robust services exports is likely to benefit the local unit as well. The Q4 CAD dropped to 0.2% of GDP. Further, in Q4, FDI recorded robust sequential rise to \$6.4 billion, on the contrary, forex exchange reserves dropped drastically.

USDINR SPOT (CMP: 82.03) is likely to trade sideways to lower in the week ahead.

EURINR

Last week, both EURUSD and EURINR traded higher owing to fall in DXY in the mid-week. Market players expect one interest rate increase of a quarter of a percentage point, contrary to two foreseen by Fed officials, with July odds at 74.4%, as shown in the CME FedWatch Tool. In addition, the comments by ECB Chief also worked in favor of the shared currency. Apparently, the ECB President Christine Lagarde said, "We need to bring rates into "sufficiently restrictive" territory to lock in our policy tightening." The policymaker also added that, "It is unlikely that in the near

future the central bank will be able to state with full confidence that the peak rates have been reached." Moreover, one of the ECB policymakers Martin Kazaks said that he sees the central bank raising interest rates beyond the July meeting if inflation remains too high. ECB's Kazaks also defied the market bets on rate cuts in early 2024.

EURINR SPOT (CMP: 89.46) is likely to trade lower towards 88.50 levels.

GBPINR

Last week, both GBPUSD and GBPINR traded in a range bound manner owing to speculative buying after the massive BoE rate hike which has improved the market sentiments towards Pound currency. Also, bearish trend seen in DXY also worked in favor of Sterling. According to a survey, the Bank of England (BoE) will raise borrowing costs 50 basis points (bps) higher than was thought only two weeks ago, in two quarter-point moves, as elevated inflation proves trickier to bring down than had been expected.

GBPINR SPOT (CMP: 104.15) is likely to trade lower towards 103.50 levels.

Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Jul	80.90	81.50	82.80	83.40
EURINR Jul	87.60	88.40	90.00	90.80
GBRINR Jul	102.20	103.00	104.60	105.40
JPYINR Jul	55.40	56.20	57.80	58.50

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