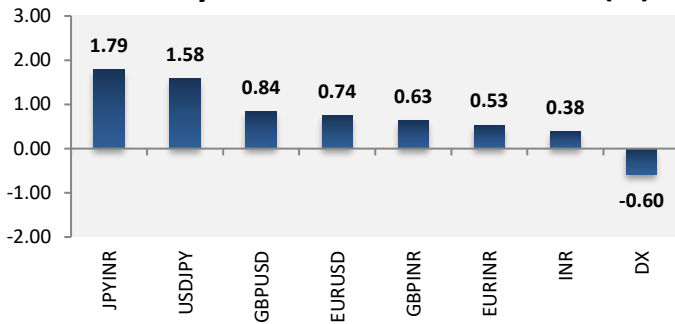


## Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

### Key Highlights

- Eurozone inflation falls sharply to 6.9% in March 2023
- Current account deficit narrows to 2.2% of GDP in Q3: RBI data
- India offers rupee trade option to nations facing dollar crunch

### Weekly Currency Performance & Outlook

#### USDINR

Last week, the Indian Rupee traded in a range bound manner with a slight stronger bias tracking the dollar's broad losses on receding fears about the U.S. banking sector. A deal to buy the assets of Silicon Valley Bank (SVB) allayed concerns about the U.S. banking sector to an extent, undermining demand for the safe-haven dollar. Moreover, lower risk aversion prompted investors to reconsider expectations regarding the U.S. Federal Reserve's rate path. The odds now are almost 50-50 on whether the Fed will hike rates by 25 basis points at the May meeting or opt for a pause.

**USDINR SPOT (CMP: 82.16) is likely to surge towards 83.10 mark.**

#### EURINR

Last week, both EURUSD and EURINR traded higher in the initial few days of the last week after the German business morale unexpectedly improved in March despite the banking sector turmoil. In addition, fall in DXY added to Euro's strength. Inflation eased significantly in Germany in March on the back of lower energy prices but was above forecasts, adding pressure on the ECB to further tighten its monetary policy, which pushed EURUSD pair higher. Towards the end, both EURUSD and EURINR plunged sharply as Eurozone headline inflation fell sharply, but the core rate ticked higher. Eurozone headline inflation tumbled to 6.9%

in March, down from 8.5% in February and below the 7.1% estimate. The massive drop was driven by the sharp decline in energy prices. Inflation hasn't been below 7% since February 2022, but the news was not all good, as March core inflation accelerated to a record 7.5%, up from 7.4% in February. Core inflation is seen as a more accurate gauge of inflation trends, which could spell trouble for the ECB in its battle to contain inflation.

**EURINR SPOT (CMP: 89.05) is likely to trade higher towards 89.90 levels.**

#### GBPINR

Last week, both GBPUSD and GBPINR traded higher in the initial trading days after the Bank of England Governor Andrew Bailey signaled that interest rate-setters would focus on fighting inflation and would not be swayed unduly by worries about the health of the global banking system. Later, sharp gains were restricted pushing Pound into the negative zone as the disappointing retail sales during the strike affected December poses concerns for shoppers.

**GBPINR SPOT (CMP: 101.32) is likely to trade higher towards 102.30 levels.**

### Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Apr	81.10	81.70	83.00	83.60
EURINR Apr	88.00	88.80	90.40	91.20
GBRINR Apr	99.30	101.10	102.70	103.50
JPYINR Apr	60.90	61.50	62.70	63.30

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