

GLOBAL HIGHLIGHTS

- India's forex reserves rise by \$6.40 billion to \$642.50 billion
- Bank of England keeps key interest rate steady at 5.25%
- Japan CPI accelerates in Feb'24 snapping three months of declines

FUNDAMENTAL OUTLOOK
Indian rupee

Performance – In the last week, the Indian Rupee weakened by 0.66 percent on account of probable demand for year-end dollars by importers and banks. Also, the bullish trend in the US Dollar Index also added to the woes. Atlanta's Fed President Raphael Bostic projected one rate cut in 2024 if the US central bank embarks on slashing borrowing costs. Echoing some of his comments was Lisa Cook, with both adopting a cautious approach, emphasizing that easing policy prematurely could entrench inflation. On the dovish side, Chicago's Fed Austan Goolsbee still sees three cuts in 2024, adding that they need to see evidence of inflationary declines.

Outlook – *USDINR is likely to surge towards 84.00 levels today.*

Euro

Performance – Last week, both EURUSD and EURINR plunged by almost 0.76 percent to 0.08 percent respectively as weaker economic growth and a faster pace of deflation in the European Union could likely force the European Central Bank to cut rates more aggressively than the Federal Reserve. The deceleration in European inflation will happen faster and from a lower starting pace than US inflation paving the way for the ECB to "signal a faster pace of cuts than currently implied." Bets on an ECB rate cut as soon as June were boosted on Wednesday, following the surprise move by the Swiss National Bank to lower its benchmark rate.

Outlook - *EURINR is likely to trade in a lower manner today.*

Sterling Pound

Performance – Last week, both GBPUSD and GBPINR plunged by almost 1.10 percent and 0.25 percent respectively post the BoE policy. Two of the Bank of England's most ardent hawks withdrew their support for interest rate hikes, as the UK's central bank voted for a fifth-straight meeting to keep policy unchanged. This meant that the BOE was edging toward easing policy later this year. The vote represented the first time since September 2021 that no member of the panel had supported an increase.

Outlook - *GBPINR is likely to trade in a lower manner today.*

Market Highlights (% change)

 as on 22nd Mar'24

	LAST	CHANGE	WOW	MOM
NIFTY	72831.94	0.26	0.26	1.39
SENSEX	22096.75	0.38	0.33	1.16
FTSE 100	7930.92	0.61	2.6	4.57
CAC 40	8151.92	-0.34	-0.15	5.82
HANG SENG	16499.47	-2.20	-1.34	3.76
KOSPI	2748.56	-0.23	2.97	4.66
NYMEX CRUDE	80.63	-0.55	-0.51	4.95
COMEX GOLD	2158.1	-1.13	0.04	7.78

Source: Refinitiv

Currency Highlights (% change)

 as on 22nd Mar'24

CURRENCY	LAST	CHANGE	WOW	MOM
USDINR	83.43	0.33	-0.66	-0.48
DXY	104.00	0.57	0.55	-0.69
EURUSD	1.0805	-0.51	-0.76	0.74
EURINR	90.31	-0.02	0.08	1.37
GBPUSD	1.2601	-0.43	-1.10	0.29
GBPINR	105.322	0.05	-0.25	0.94
USDJPY	151.42	-0.13	1.58	0.57
JPYINR	55.1879	0.61	0.75	-0.10

Source: Refinitiv

Technical Outlook for 26-Mar-24

Currency Futures	Trend	S2	S1	R1	R2
USDINR	Sideways	82.10	82.40	84.00	84.30
EURINR	Sideways	89.80	90.20	91.00	91.40
GBPINR	Sideways	104.50	104.90	105.70	106.10
JPYINR	Down	54.80	55.20	56.00	56.40
EURUSD	Sideways	1.0560	1.0740	1.1160	1.1240
GBPUSD	Sideways	1.2340	1.2550	1.2960	1.3140
USDJPY	Sideways	145.90	147.50	152.80	154.50

NSE Contract – Mar'24 Futures

RESEARCH TEAM

Heena Naik

Research Analyst

heena.naik@angelbroking.com
(022) 39357600

Manish Pargi

Technical Analyst

Manishkumar.pargi@angelbroking.com
(022) 39357600

Prathamesh Mallya

AVP Research (Non-Agro Commodities & Currency)

prathamesh.mallya@angelbroking.com
(022) 39357600

Angel One Ltd.

Registered Office: G-1, Ackruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.

Corporate Office: 6th Floor, Ackruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: 080-47480048

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