

## **KEY HEADLINES:**

The Indian rupee fell against the dollar to its lowest level in nearly 2-months on Thursday, tracking a slump in the Chinese yuan, while hopes of an imminent U.S. debt ceiling deal pushed up treasury yields and the greenback.

The rupee at NSE Future 29 May ended weak by 21 paise at 82.59 against previous close of 82.38 and after make low of 82.37 and high of 82.68, its lowest since march 21, during the session and worst single day fall since May 9. The offshore yuan depreciated further on Thursday to 7.0408 against the dollar as weak economic data released earlier this week continued to weigh. On the other hand, USD/INR near forward premiums plunged, tracking a fall in overnight cash swap rate, while 2-month and 3-month premiums fell to the lowest since Aug 2011. The dollar index has risen roughly 2% since the middle of April to around 103.

The dollar rose to fresh 7-week peaks on Thursday as another round of solid economic data further pared back bets on easing by the Federal Reserve and amid market optimism about a U.S. debt ceiling deal to avert a potential default. The dollar index touched a new seven-week high of 103.59, and was last up 0.6% at 103.49. Against the yen, the dollar rose to a six-month peak of 138.67 and was last up 0.6% at 138.515 yen.

Top U.S. congressional Republican Kevin McCarthy said on Thursday that Speaker McCarthy sees a bill to raise the government's \$31.4 trillion debt ceiling on the House floor next week, according to news reports. He noted that negotiations are at a better place than last week and there is a "structure" to the talks, he added.

Traders are pricing in a roughly 33% chance that the Fed raises the benchmark interest rate at its June meeting. Around a month ago, markets were pricing in around a 20% chance of a cut. U.S. rate futures have also factored in a fed funds rate of 4.635% at the Fed's December meeting, implying a roughly 40 basis points of easing by year-end, down about 15 basis points from the day before.

The key for the rupee and other emerging market currencies this year will be contingent on how the U.S. inflation and growth data shape up and how they affect the U.S. Federal Reserve rate expectations.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
Fed Chair Powell Speaks	USD			HIGH
ECB President Lagarde Speaks	EUR			HIGH

**Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	82.59	82.10	81.70	82.85	83.25	BULLISH
EURINR FUTURE	89.35	88.90	88.25	90.0	90.80	BEARISH
GBPINR FUTURE	102.69	102.10	101.60	103.70	104.80	SIDEWAYS
JPYINR FUTURE	60.06	59.70	59.0	60.60	61.40	BEARISH

## **Technical Research Analyst**

Mahesh Prakot

### **Disclosure:**

M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No. INH100001666 and research analyst engaged in preparation of report

### **Disclaimer:**

This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to

ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently sent or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report

M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate.  
Walbhat Road, Goregaon (E), Mumbai – 400063 Web site:

<https://www.bonanzaonline.com>

SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

**Bonanza Research Team4**

| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186