

KEY HEADLINES:

- A U.S. dollar rebound against major currencies was interrupted on Wednesday after Canada's central bank signaled an interest rate hike in 2022 and reduced the scope of its asset-buying program.
- The dollar, which tracks the U.S. currency against six major peers, turned down after the announcement from the Bank of Canada and was off by 0.1% at noon in New York after having been up as much as 0.24% for the day. The greenback lost about 1% against the Canadian dollar.
- Earlier the U.S. dollar had rebounded from a seven-week low hit overnight against major currencies as broad weakness in stock markets triggered by a resurgence of COVID-19 cases in India and Japan encouraged a retreat to the safe-haven appeal of the greenback.
- The greenback's bounce had come with softer U.S. Treasury yields as investors reconsidered how long it might take before inflation forces the Federal Reserve to tighten monetary policy and as they saw prices for oil and stocks hit on Tuesday by the prospect of a slower global recovery because of more COVID-19 cases.
- The Fed's Open Market Committee meets next week and the European Central Bank decides policy on Thursday. Though neither is expected to signal a change in policy now.
- The Bank of Canada sharply raised its outlook for the economy and reduced the scope of its large-scale asset-buying program while keeping its key interest rate steady. It said the pandemic will be "less detrimental" to the economy than it had thought. benchmark 10-year Treasury yield US10YT=RR climbed to 1.58% on the news from Canada and then hovered just above 1.57%, not far from the 1.60% level at the start of the week, as the note consolidated gains after a reversal that had driven yields to a 14-month high at 1.7760% last month.
- The biggest casualty of the dollar's rise in Wednesday trading was the euro, with the single currency EUR=EBS weakening as much as 0.24%. It was last flat at \$1.2029 after touching a seven-week high of \$1.2079 overnight.
- In cryptocurrencies, bitcoin BTC=BTSP traded around \$56,000, consolidating after its dip to as low as \$51,541.16 on Sunday. It set a record high at \$64,895.22 on April 14.

Economic Indicators to be released.

| Indicator | Currency | Forecast | Previous | Impact |
|-----------|----------|----------|----------|--------|
|-----------|----------|----------|----------|--------|

| | | | | |
|----------------------------------|------------|-------------|-------------|-------------|
| Monetary Policy Statement | EUR | | | HIGH |
| ECB Press Conference | EUR | | | HIGH |
| Unemployment Claims | USD | 607k | 576k | HIGH |
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Support Resistance Levels – Currency Future:

| Currency | LTP | S1 | S2 | R1 | R2 | Trend |
|----------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| USDINR FUTURE | 75.11 | 74.75 | 74.35 | 75.20 | 75.50 | BULLISH |
| EURINR FUTURE | 90.50 | 90 | 89.60 | 90.55 | 90.90 | BULLISH |
| GBPINR FUTURE | 104.93 | 104.35 | 103.75 | 105.05 | 105.50 | BULLISH |
| JPYINR FUTURE | 69.29 | 68.80 | 68.30 | 69.40 | 70.15 | BULLISH |

**RESEARCH BONANZA
FOREIGN CURRENCY SEGMENT
ANALYST: VIBHU RATANDHARA**

Disclosure:

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Bonanza Portfolio Ltd. 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

| CDSL: a) 120 33500 |

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

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