

## KEY HEADLINES:

- The dollar struggled on Wednesday as dovish testimony from Fed Chair Jerome Powell bolstered concerns about rising inflation, hitting multi-year lows against the pound and commodity-linked currencies including the Canadian, Australian and New Zealand dollars.
- The Federal Reserve's Powell reiterated on Wednesday that U.S. interest rates will remain low and the Fed will keep buying bonds to support the U.S. economy. The Fed's commitment to low rates has some investors worried that inflation could spike on passage of further fiscal stimulus. remarks to the House Committee on Financial Services mirrored his testimony before the Senate on Tuesday.
- The dollar's weakness in recent days has been more remarkable as it comes against the backdrop of a broader rise in U.S. yields. Benchmark 10-year borrowing costs are holding near their highest in nearly a year.
- Against the Canadian dollar, the greenback on Wednesday hit its lowest since 2018 and was last 0.25% lower on the day at 1.256 CAD per dollar. The Australian dollar rose to a three-year high of \$0.794 before paring some gains to trade 0.08% stronger at \$0.792. The Kiwi rose to its highest since 2018, last up 0.69% on the day to 0.739.
- The British pound GBP=D3 climbed past \$1.42 overnight for the first time since April 2018.
- The dollar index =USD against a basket of six major currencies was at 90.378, up 0.29% on the day, but still trading within a narrow range.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
RBNZ Gov Orr Speaks	NZD			HIGH
Private Capital Expenditure q/q	AUD	1.1%	-3.0%	MEDIUM
Prelim GDP q/q	USD	4.2%	4.0%	HIGH

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	72.63	72.40	72.20	72.80	73.15	BEARISH
EURINR FUTURE	88.26	88	87.80	88.50	88.70	BEARISH
GBPINR FUTURE	102.51	102	101.85	102.70	103	BULLISH
JPYINR FUTURE	71.64	71.30	71	72	72.30	SIDEWAYS

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#### Disclosure:

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*SEBI Regn. No.: INZ000212137*

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