

KEY HEADLINES:

- A report of strong U.S. economic growth in the first quarter did little to bolster the dollar on Thursday, which stayed just off nine-week lows as a doggedly dovish outlook from the Federal Reserve and bold spending plans from the White House furthered expectations that inflation will rise.
- US GDP increased at a 6.4% annualized rate in the first quarter, the Commerce Department said, the biggest first-quarter increase in growth since 1984. Strong economic growth will typically increase the value of the dollar: stronger growth drives more spending, which in turn drives prices higher.
- As prices rise, the Fed has historically intervened by raising interest rates to prevent inflation. But the Fed is currently committed to keeping rates low, suggesting rising consumer prices could hamper the dollar.
- The dollar can also be hurt by the government or central bank's injection of more dollars into the system. On Wednesday, President Joe Biden's push for another \$1.8 trillion in spending risked expanding the U.S. budget and trade deficits, a perennial Achilles heel for the dollar. dollar was also hurt by Fed Chair Jerome Powell comments on Wednesday which quashed speculation about an early tapering of asset buying, saying employment was still far short of target. president is proposing more than \$4 trillion in new spending and tax credits, equivalent to around of 18% of annual GDP. Put that way, the \$4 trillion number is fodder for overheating fears when the economy is already surging with the help of around \$5.5 trillion in COVID-related fiscal stimulus.
- Against a basket of currencies, the dollar index rose in the New York session, last up 0.22% on the day to 90.718. Earlier in the session, the index hit its lowest level since Feb. 26. The earlier dip in the dollar also drove the euro EUR=EBS to a nine-week high, though the single currency has since stabilized to around \$1.211.
-

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Manufacturing PMI	CNY	55.9	51.9	HIGH
German Prelim GDP q/q	EUR	-1.5%	0.3%	MEDIUM
GDP m/m	CAD	0.5%	0.7%	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	74.37	74.10	73.50	74.60	74.95	BEARISH
EURINR FUTURE	90.18	90	89.40	90.45	90.75	BEARISH
GBPINR FUTURE	103.67	103.20	102.65	104	104.60	BEARISH
JPYINR FUTURE	68.31	68	67.30	68.65	69.15	BEARISH

RESEARCH BONANZA
FOREIGN CURRENCY SEGMENT
ANALYST: VIBHU RATANDHARA

Disclosure:

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

Disclaimer:

This research report has been published by 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 send 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 Bonanza portfolio Ltd shall be liable. Research report may differ between 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

*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
2018 © [Bonanza Portfolio Ltd.](#)