

## **KEY HEADLINES:**

The Indian rupee spot against the US dollar end higher on Thursday tracking gain in Asian peers added by inflows expected after domestic equity register record high and subdued dollar index despite rebound in crude oil prices and outflows in this month.

Indian equities' increased weightage in MSCI's emerging market index, effective Friday, is expected to attract as much as \$3 billion in inflows, according to one analysis.

The rupee at NSE Future 26 Sep. ended Rally by 10 paise at 83.94 against previous close of 84.04 and after make low of 83.91 and high of 84.01.

Despite its Asian peers having risen between 0.2% and 5% over August so far the rupee's gains have largely proven to be fleeting even as the dollar has dropped 3% this month in the lead up to rate cuts kicking off in the US next month. Also, routine interventions by the Reserve Bank of India (RBI) this month have ensured that the rupee does not fall to 84, a psychological support level for the currency.

The rupee's annualised realized volatility, based on changes in daily prices, is at less than 2%. The Reserve Bank of India is expected to keep the currency on a tight leash, as it has for a while now.

Strong dollar demand from importers and outflows from equities have both contributed to limiting the rupee's gains in recent sessions, Overseas investors have sold \$1.3 billion of local stocks on a net basis this month, compared with nearly \$7 billion of inflows over the previous two months.

The U.S. dollar rose for a second straight session on Thursday after data showed the world's largest economy grew a little faster than expected in the second quarter, modestly reducing expectations for a larger 50 basis-point (bp) rate cut next month by the Federal Reserve. The report also added to growing expectations that the United States could avoid recession altogether, or go through just a mild one.

the dollar rose to a one-week high against the yen to 145.55 and was last up 0.1% at 144.77 yen. Against the euro, the dollar gained, with the single European currency falling 0.4% to \$1.1077. On the week, the euro has so far fallen 1.04%, the biggest weekly decline since early April. The dollar index advanced 0.3% to 101.35 following the GDP data and jobless claims report. On the week, it has gained 0.6%, on track for its largest

weekly rise since early April.

For the month of August, however, the greenback has fallen 3.4%, its worst monthly decline since November 2023. It reached a 13-month low of 100.51 in the previous session, weighed down by a recent sharp re-evaluation of expectations for Fed rate cuts.

Thursday's data showed US GDP grew at a 3.0% annualised rate in the second quarter, according to second estimate. That was an upward revision from the 2.8% rate reported last month, and higher than the 1.4% rise seen in the first quarter and against Reuters had forecast GDP would be unrevised at 2.8%.

In a separate report, jobless claims fell by 2,000 to a seasonally adjusted 231,000 for the week ended Aug. 24. The number of people receiving benefits after an initial week of aid, a proxy for hiring, increased by 13,000 to a seasonally adjusted 1.868 million, near the levels seen in late 2021, suggesting persistent unemployment.

U.S. personal consumption expenditure (PCE) inflation data on Friday is a closely watched global cue this week as it may help investors gauge whether the Federal Reserve is likely to deliver a 25 or 50 basis point rate cut at its September meeting.

Fed fund futures reflected traders pricing a near 35% chance of a 50 basis point cut at the central bank's September meeting down from 37% last week end, with a 25-basis-point reduction having odds of 75%, according to CME FedWatch. Investors are currently pricing in 100 basis points of rate cuts by the Federal Reserve over 2024 and around 210 basis points of rate reductions are expected by the end of 2025.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
CPI Flash Estimate y/y	EUR	2.2%	2.6%	HIGH
Core PCE Price Index m/m	USD	0.2%	0.2%	HIGH

**Support Resistance Levels – Currency Future: ( NSE CUR - 26 Sep 24)**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	83.94	83.55	83.0	84.15	84.60	SIDEWAYS
EURINR FUTURE	93.28	92.90	91.75	93.90	94.50	SIDEWAYS
GBPINR FUTURE	110.63	110.10	109.40	111.30	112.0	BULLISH
JPYINR FUTURE	58.35	57.50	56.70	58.85	59.50	BULLISH

## **Technical Research Analyst**

Vibhu Ratandhara

### **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 Team5**

| CDSL: a) 120 33500 |

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