

## **KEY HEADLINES:**

The Indian rupee against the US dollar end lower on Tuesday due to US Treasury yield climbed to 1-month high makes weaker Asian peers especially Yuan which decline to 7-month low added by dollar demand from foreign bank and firm crude oil prices pressure domestic rupee. While record high equity market which attract more funds flow and positive economic data support rupee at lower level.

The rupee at NSE Future 29 July. ended down by 4 paise at 83.55 against previous close of 83.51 and after make low of 83.54 and high of 83.62. The Japanese yen fell to its weakest level in 38 years while the offshore Chinese yuan hovered close to its lowest since November.

India's annual monsoon rains covered the entire country on Tuesday, six days ahead of the usual time of arrival, the state-run weather department said, although rain totals are still 7% below average so far this season. In a typical year, rains usually lash the southwestern coastal state of Kerala around June 1 and move northwards to cover the entire country by July 8.

Expectations of dollar inflows as domestic bonds are to be included in a JPMorgan index are likely to push out potential weakness in the rupee. The inclusion is expected to spur passive inflows of about \$2 billion around June 28. The \$2-billion single-day inflow estimate by bankers trails only the record-high \$2.7 billion poured into Indian bonds on Aug. 20, 2014.

Foreign investors have bought more than \$10 billion of Indian government bonds that will be included in a widely-followed JPMorgan debt index on June 28, taking their ownership of such papers to a record high. In the nine months since JPMorgan said India's sovereign debt will be included in its emerging market debt index, foreign investors have bought 841 billion rupees (\$10.08 billion) of eligible bonds on a net basis. Overseas buyers now own 1.79 trillion rupees of Indian bonds included in the so-called fully accessible route, which allows unfettered foreign purchases. A majority of these notes will be a part of the JPM index.

The dollar slipped on Tuesday in choppy trading after Federal Chair Jerome Powell struck a slightly dovish tone in his comments, suggesting that the U.S. central bank is more than likely to start its easing cycle later this year.

Powell, in a monetary policy conference in Portugal, said the U.S. economy has made

significant progress on inflation as it gets back on the disinflationary path. His remarks were viewed as dovish. Powell's comments offset data showing U.S. job openings increased in May after posting outsized declines in the prior two months. Job openings, a measure of labor demand, rose 221,000 to 8.140 million on the last day of May, according to the Job Openings and Labor Turnover Survey or JOLTS report.

In late morning trading, the dollar index , which measures the U.S. unit against six other currencies, was down 0.1% at 105.74. Against the yen, the greenback was slightly down at 161.43 . It hit 161.745 per dollar on Tuesday, its strongest level in nearly 38 years. Against the euro , the yen touched a lifetime low of 173.67 on Monday and was just shy of that level on Tuesday. The euro was flat against the dollar at \$1.0739. In other currencies, sterling rose 0.2% against the dollar to \$1.2677 , but not far from the roughly two-month low it hit last week.

Bloomberg Index Services said it will include 34 Indian government bonds that are open for investment under the country's fully accessible route in its emerging market local currency indexes from January 2025. The announcement follows JP Morgan's decision to add Indian government bonds in its Government Bond Index-Emerging Markets from June 2024.

Despite the hawkish shift in policymaker's expectations by FED, the odds of a September rate cut rose to about 69%, up from 63% earlier of this week, according to CME's FedWatch tool.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
ADP Non-Farm Employment Change	USD	163K	152K	HIGH
ISM Services PMI	USD	52.6	53.8	HIGH
FOMC Meeting Minutes	USD			HIGH

**Support Resistance Levels – Currency Future: ( NSE CUR - 29 July 24)**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	83.55	83.40	83.0	83.90	84.40	SIDEWAYS
EURINR FUTURE	89.66	89.40	88.80	90.05	90.85	BULLISH
GBPINR FUTURE	105.57	105.40	104.80	106.30	107.0	BEARISH
JPYINR FUTURE	51.88	51.75	51.20	52.45	53.0	BEARISH

## **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 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 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

| CDSL: a) 120 33500 |

**Bonanza Research Team5**

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