

KEY HEADLINES:

The Indian rupee spot against the US dollar end at record closing low on Thursday as global currency route still pressure Indian rupee and recovery in dollar index as well dollar demand from local importers pressure rupee, while rally in global as well domestic equity market and likely central bank buying at lower level to cap losses in domestic currency offer support from sharp fall in Indian rupee. Global risk sentiment has soured this week as investors have been unwinding carry trades funded by the Japanese yen and amid concerns of a economic slowdown in the United States.

The rupee at NSE Future 28 Aug. ended flat by 0 paise at 84.0 against previous close of 84.0 and after make low of 83.97 and high of 84.04. Most Asian currencies rose with the Indonesian rupiah, up nearly 0.9%, leading gains.

The Reserve Bank of India (RBI) kept its key interest rate unchanged on Thursday, as widely expected, retaining its focus on bringing inflation down even as global market volatility left other major central banks poised to ease policy. The MPC, kept the repo rate unchanged at 6.50% for a ninth straight policy meeting. Four out of six MPC members voted in favour of the rate decision. The MPC last changed rates in February 2023, when the policy rate was raised to 6.50%. "Growth remains resilient, inflation has been trending downward and we have made progress in achieving price stability, but we have more distance to cover," Das said. The RBI kept its growth forecast for fiscal 2025 unchanged at 7.2%, slower than the 8.2% expansion in fiscal 2024. The central bank also retained its inflation forecast at 4.5% in the current year.

India's foreign exchange reserves hit a record high of \$675 billion as of Aug. 2, Shaktikanta Das, the governor of the central bank said. The reserves rose by \$7.6 billion in the reporting week, as per Reuters' calculations. They had fallen by \$3.5 billion in the prior week, the biggest in over three months.

India's central bank could cut interest rates by 100 basis points in a monetary easing cycle that is likely to start in December as inflation eases towards its 4% target, a fixed income official at Bank of America, India said.

Despite the recent pressure on the rupee, the RBI's routine interventions have kept volatility expectations in check. The rupee's 1-month implied volatility is at 1.55 - 1.75%, hovering close to its lowest in nearly two decades.

The dollar rose on Thursday after new U.S. labor market data showed that

unemployment benefits fell more than expected last week, easing fears of an imminent recession.

Initial jobless claims fell to a seasonally adjusted 233,000 for the week ended Aug. 3, the Labor Department said on Thursday, suggesting fears that the labor market is unraveling were overblown.

The yen was last down 0.37% at 147.205, having slid 1.6% on Wednesday and the Swiss franc , another currency that was used to fund carry trades and that benefited from the unwinding momentum earlier this week, was down 0.47% at 0.866 per dollar, after dropping more than 1% on Wednesday. The euro was down 0.05% at \$1.0917, while sterling was up 0.48% at \$1.275.

Investor focus will now be on the U.S. consumer price inflation report for July due next week, as well as comments by Fed Chair Jerome Powell at the central bank's Jackson Hole Economic Policy Symposium on Aug. 22-24.

On Monday, Fed fund futures reflected traders pricing a near 100% chance of a 50 basis point cut at the central bank's September meeting, according to CME FedWatch. Futures imply 106 basis points of cuts this year, LSEG data showed.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
CPI y/y	CNY	0.3%	0.2%	HIGH

Support Resistance Levels – Currency Future: (NSE CUR - 28 Aug 24)

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	84.0	83.60	83.0	84.50	85.10	BULLISH
EURINR FUTURE	91.76	91.50	89.90	92.20	93.0	BULLISH
GBPINR FUTURE	106.54	106.40	105.70	106.90	107.40	BEARISH
JPYINR FUTURE	57.59	57.10	56.40	58.20	59.0	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

| CDSL: a) 120 33500 |

Bonanza Research Team5

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