

DATE: 10-05-2021

KEY HEADLINE

- The dollar fell to its lowest in more than two months on Friday after U.S. jobs data for April came in well below expectations, putting a damper on hopes that a roaring economic recovery would lead to higher rates any time soon.
- USD/INR opened the day a lot weaker at 73.6250 and registered a loss of 13 paise/USD over its previous day's close. With the steep rise in covid cases of over 400,000 cases in three consecutive days, the downtrend in USD/INR seems to be not justified in the current circumstances amid the foreign fund outflows and growing negative sentiment on the economy.
- The forward dollar premia fell across the maturities with the 1-month and 3-month forward dollar premia now trading higher at 5.70% and 5.38% per annum respectively.
- US Nonfarm payrolls increased by only 266,000 jobs last month after rising by 770,000 in March, the Labor Department said in its closely watched employment report on Friday. Economists polled by Reuters had forecast payrolls advancing by 978,000 jobs. dollar was down 0.34% at 90.561 against a basket of major currencies, having dropped as low as 90.338, its lowest since Feb. 26, following the data.
- The euro was up 0.44% against the greenback at \$1.21140 and the British pound was up 0.3% at \$1.3933.
- Elsewhere, China's exports unexpectedly accelerated in April and import growth hit a decade high, helping to push the yuan and Asian stocks higher. yuan was at a more than two-month high versus the dollar, set for its longest weekly winning streak since September, helped by the strong trade data and softer dollar.
- MSCI emerging market currency index hit a record high of 1732.79 on Friday, lifted by gains in the Chinese yuan.
- Canadian dollar was up 0.27% at 1.2185 to the U.S. dollar, having surged on Thursday to its strongest in more than three years CAD=D3 . Australian dollar was up 0.19% versus the U.S. dollar, at 0.77995 AUD=D3 , more than recouping losses from earlier in the session.
- In cryptocurrencies, ether rose 0.51% to \$3,507.92, having hit a all-time high on Thursday. was up 1.4%, at \$57,237.60.

Currency pair

Currencies	3/05/2021	7/05/2021	Change (%)
USDINR	74.53	73.66	-1.16
EURINR	89.69	88.99	-0.78
GBPINR	103.15	102.49	-0.63
JPYINR	68.10	67.51	-0.86

USDINR

RECOMMENDATION: SELL BELOW 73.60 SL 74 TARGET 72.70

EURINR

RECOMMENDATION: SELL BELOW 88.95 SL 89.30 TARGET 88

GBPINR

RECOMMENDATION: SELL BELOW 102.50 SL 102.85 TARGET 101.50

JPYINR

RECOMMENDATION: SELL BELOW 67.50 SL 67.80 TARGET 66.70

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Vibhu Ratandhara

Disclosure:

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