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KEY HEADLINE

The Indian rupee ended marginally higher on Friday, aided by the softness in U.S. treasury yields and some easing in the dollar after concerns of U.S. interest rates staying higher for longer pushed the local unit towards a record low earlier in the week.

At the NSE Future Aug 29 contract, the rupee down by 2 paise to closed at 83.10 against the previous close of 83.11 and made low of 83.04 and high of 83.16 during the day. On the week, however, the currency declined 0.31%. On Thursday, spot rupee slipped to 83.16, hovering near a record 83.29 low hit in October.

India's [foreign exchange reserves](#) are up by \$708 million at \$602.161 billion for the week ending August 11, latest data by the [Reserve Bank of India \(RBI\)](#) showed on Friday.

The dollar was flat on Friday but set for a 5th consecutive week of gains in its longest winning streak for 15 months, buoyed by demand for safer assets on worries over China's economy and bets that U.S. interest rates will stay high. The People's Bank of China (PBOC) set a much stronger-than-expected daily fixing, lifting the yuan from a 9-month low hit on Thursday. The yuan weakened against the dollar to 7.3060 in offshore trading after the PBOC set the official mid-point at 7.2006, more than 1,000 pips stronger than Reuters' estimate. The U.S. dollar index, which measures the currency against six peers, edged 0.01% lower at 103.380, after touching a new two-month high of 103.680 earlier in the session. For the week, it is set to gain 0.5%.

China's economic troubles have deepened, with property developer China Evergrande seeking chapter 15 protection in a U.S. bankruptcy court. Concerns are also growing over default risks in its shadow banking sector.

Currency pair

Currencies	14/8/2023	18/8/2023	Change (%)
USDINR	83.05	83.13	0.00
EURINR	90.91	90.36	-0.60
GBPINR	105.22	105.63	0.40
JPYINR	57.55	57.26	-0.60

USDINR

RECOMMENDATION: BUY ABOVE 83.15 SL 82.90 TARGET 83.60

EURINR

RECOMMENDATION: SELL BELOW 90.25 SL 90.60 TARGET 89.50

GBPINR

RECOMMENDATION: BUY ABOVE 105.90 SL 105.50 TARGET 106.70

JPYINR

RECOMMENDATION: SELL BELOW 57.15 SL 57.40 TARGET 56.60

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