

DATE: 26-04-2021

KEY HEADLINE

- The dollar fell against major currencies on Friday as U.S. yields languished and the euro got an extra late-day lift following a earlier boost from an upbeat survey of purchasing managers.
- The dollar index fell 0.5% to 90.8080, a level not seen since early March, after the euro climbed 0.7% to \$1.2098, pushing through its earlier high for the week.
- The exaggerated move came after the markets saw a European purchasing managers' index for April come in better than expected, supporting the view that the region's economic recovery is accelerating and won't keep lagging so far behind the U.S. recovery. similar U.S. survey showed factory activity powered ahead in April. Another report said new home sales in the United States jumped 21% in March. Both affirmed that the economy was being lifted by government stimulus and increased vaccinations against the coronavirus.
- Yields on 10-year U.S. Treasuries traded in a narrow range through the news and were at 1.56% late in the day, about four basis points lower than at the start of the week.
- The dollar in the first quarter gained 3.6% but it has lost about 2.6% so far in April.
- Markets now are looking toward next week's meeting of the U.S. Federal Reserve Open Market Committee to review monetary policy and the economy. Fed Chair Jerome Powell is expected to echo Thursday's message from European Central Bank President Christine Lagarde that scaled back some expectations for a withdrawal of monetary easing. remarks could put more downward pressure on Treasury yields and limit any bounce of the dollar.
- The Australian and New Zealand dollars firmed on Friday, but traders said risks are pointed to the downside due to the recent weakening in commodity prices.
- Bitcoin and other cryptocurrencies trimmed some losses that had come out of concern that U.S. President Joe Biden's plan to raise capital gains taxes will curb investment in digital assets. Bitcoin, the biggest and most popular cryptocurrency BTC=BTSP , slumped as much as 5% and fell below \$50,000 for the first time since early March.

Currency pair

Currencies	19/04/2021	23/04/2021	Change (%)
USDINR	74.50	75.05	0.73
EURINR	89.25	90.44	1.33
GBPINR	103.17	104.17	0.96
JPYINR	68.68	69.55	1.26

USDINR

RECOMMENDATION: BUY ABOVE 75.25 SL 74.75 TARGET 76

EURINR

RECOMMENDATION: BUY ONLY ABOVE 90.80 SL 90 TARGET 92.20

GBPINR

RECOMMENDATION: BUY ABOVE 104.50 SL 103.70 TARGET 106

JPYINR

RECOMMENDATION: BUY ABOVE 69.85 SL 69.25 TARGET 71

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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Disclosure:

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