

DATE: 27-2-2023

KEY HEADLINE

The Indian rupee was flat on Friday just fall by 3 paise against the greenback, pulling back from slight gains made at the open and continuing the trend to weaken less than its Asian peers which fell against a steady dollar. Its Asian peers like the Thai baht and the South Korean won declined 0.3% and 0.4%, respectively.

At the NSE Future Mar 31 contract, the rupee closed at 82.96 against the [revious close of 82.93 and made low of 82.86 and high of 83.02.

The rupee has stayed in a narrow range in February, outperforming its peers due to the Reserve Bank of India's (RBI) likely dollar sales in onshore and offshore markets to keep the currency stronger than 83.

India's foreign exchange reserves fell for the third straight week to hit an eleven-week low of \$561.27 billion as of the week ended Feb. 17, the Reserve Bank of India's (RBI) statistical supplement showed on Friday.

The dollar climbed to seven-week peaks on Friday, after data showed U.S. inflation accelerated while consumer spending rebounded last month, reinforcing expectations that the Federal Reserve may need to hike interest rates a few more times this year to curb the surge in prices. In mid-morning trading, the dollar index rose 0.7% to 105.26, after earlier hitting a seven-week high of 105.32.

Fed funds futures traders are now pricing for the federal funds rate to reach 5.34% in July and to remain above 5% all year. Prior to the January jobs report, the peak rate was itself below 5%. The Fed rate is currently in the 4.50%-4.75% range and two rate hikes of 25 basis points each at the next two meetings have been fully priced in.

Currency pair

Currencies	20/1/2023	24/2/2023	Change (%)
USDINR	82.95	82.96	0.00
EURINR	88.70	87.94	-0.90
GBPINR	99.75	99.54	-0.20
JPYINR	62.16	61.66	-0.80

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USDINR

RECOMMENDATION: BUY ABOVE 83.05 SL 82.80 TARGET 83.60

EURINR

RECOMMENDATION: SELL BELOW 87.90 SL 88.30 TARGET 87.10

GBPINR

RECOMMENDATION: SELL BELOW 99.45 SL 99.90 TARGET 98.50

JPYINR

RECOMMENDATION: SELL BELOW 61.60 SL 62 TARGET 60.80

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