

DATE: 28-06-2021

## KEY HEADLINE

- The U.S. dollar ended unchanged on Friday, erasing an early drop after tamer-than-expected producer price inflation, with investors continuing to evaluate whether that the Federal Reserve will act sooner to snuff out inflation if it persists.
- The yield of the benchmark 10-year Treasury jumped above 1.50% Friday to close out a week in which yields notched their largest weekly gains since March.
- The moves higher came after the Federal Reserve's main inflation reading rose 3.45%, the most in 29 years, as supply constraints and increased demand for services helped lift prices in May. Overall, consumer spending remained flat last month, following an upwardly revised 0.9% jump in April.
- US The personal consumption expenditures (PCE) price index, excluding the volatile food and energy components, increased 0.5%, below economists' expectations of an 0.6% increase. In the 12 months through May, the core PCE price index shot up 3.4%, the largest gain since April 1992.
- The dollar index against a basket of currencies ended unchanged on the day at 91.838, after dropping to 91.524.
- The U.S. economy could possibly reach maximum employment and inflation that would merit an interest rate increase next year, but it will be important to watch the data, Boston Federal Reserve Bank President Eric Rosengren said on Friday.
- Minneapolis Federal Reserve President Neel Kashkari said he expects high inflation readings will not last and many Americans will return to the labor market in the fall.
- The British pound fell 0.33% on the day to \$1.3875, weakening further a day after the Bank of England made no changes to monetary policy. The greenback was steady at 110.83 Japanese yen , after reaching a 15-month high of 111.11 on Thursday.
- Bitcoin dipped 8.51% to \$31,699.83 at 22:04 GMT on Friday, losing \$2,937.27 from its previous close.
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## Currency pair

Currencies	21/06/2021	25/06/2021	Change (%)
USDINR	74.44	74.44	<b>0.00</b>
EURINR	88.52	88.93	<b>0.46</b>
GBPINR	103.01	103.48	<b>0.45</b>
JPYINR	67.67	67.23	<b>-0.65</b>

# USDINR

**RECOMMENDATION: BUY ABOVE 74.55 SL 74.35 TARGET 75.30**

# EURINR

**RECOMMENDATION: BUY ABOVE 89.08 SL 88.75 TARGET 89.80**

# GBPINR

**RECOMMENDATION: SELL BELOW 103.40 SL 103.70 TARGET 102.70**

# JPYINR

**RECOMMENDATION: BUY ABOVE 67.30 SL 67.05 TARGET 67.90**

**RESEARCH BONANZA**

**FOREIGN CURRENCY SEGMENT**

**OUTLOOK BY: Analyst Vibhu Ratandhara**

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