

DATE: 2-08-2021

KEY HEADLINE

- The dollar rose on Friday along with other safe haven currencies as stocks fell and as upbeat U.S. economic data helped reverse some of the losses from earlier this week when dovish remarks by the Federal Reserve tanked a month-long rally in the greenback.
- The dollar index , which measures the greenback against a basket of six currencies, was 0.32% higher at 92.181 at 2:45 p.m. Eastern time. The index was still down 0.77% for the week, on pace for its worst weekly performance since the first week of May.
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- The dollar also got a lift after St. Louis Federal Reserve President James Bullard said the Fed should start reducing its \$120 billion in monthly bond purchases this fall and cut them "fairly rapidly" so the program ends in the first months of 2022 to pave the way for a rate increase that year if needed.
- The greenback slumped earlier this week after Fed Chair Jerome Powell said rate increases were "a ways away" and the job market still had "some ground to cover.
- Meanwhile, the Chinese yuan had recovered all of its losses from Tuesday's plunge to trade at 6.4660 per dollar.
- Bitcoin fell 3%, slipping well below \$40,000, a level the cryptocurrency has not closed above since mid-June.
- MUMBAI, July 30 (Reuters) - The Indian rupee traded in a tight band in July closing the month with mild losses against the dollar while the benchmark 10-year bond yield rose for a second straight month with high global crude weighing on sentiment.
- The rupee traded in a range of 74.22 to 74.95 during the month with traders cautiously watching the outcome of the U.S. Federal Reserve's statements around its plan on tapering of the massive bond buying stimulus.
- Traders are now awaiting the monetary policy committee's meeting outcome on Aug. 6 for further cues on liquidity withdrawal in the domestic market. Almost all traders and economists expect no change in interest rates next Friday.

Currency pair

Currencies	26/07/2021	30/07/2021	Change (%)
USDINR	74.71	74.59	-0.16
EURINR	87.78	88.77	1.12
GBPINR	102.62	104.14	1.48
JPYINR	67.72	68.03	0.45

USDINR

RECOMMENDATION: SELL BELOW 74.50 SL 74.65 TARGET 74

EURINR

RECOMMENDATION: BUY ABOVE 88.90 SL 88.50 TARGET 90

GBPINR

RECOMMENDATION: BUY ABOVE 104.30 SL 103.80 TARGET 105.50

JPYINR

RECOMMENDATION: BUY ABOVE 68.10 SL 67.90 TARGET 68.60

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Vibhu Ratandhara

Disclosure:

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Research@bonanzaonline.com

Bonanza Research Team2

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Bonanza Portfolio Ltd. Bonanza House, Plot No.M-2, Cama Industrial Estate.Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>

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| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186

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