

DATE: 31-05-2021

KEY HEADLINE

- The dollar gave up gains from early on Friday as traders tidied positions ahead of month-end and a holiday weekend after seeing new economic data confirm expectations about U.S. inflation and the recovery from the COVID-19 pandemic.
- The dollar index of major currencies rose as much as 0.4% during the day in a sharp rebound from 4-1/2 month lows plumbed on Tuesday before it fell back to flat for the day and the week at 89.99.
- Ending with little change was a break from the down trend since March that had taken 3% from the dollar's value as other major economies began to catch up with vaccination rates in the United States. At the same time, central banks in some other countries had appeared likely to move more quickly than the U.S. Federal Reserve to back away from easy money policies and let interest rates rise.
- The euro was up a bare 0.05% at \$1.22 on Friday afternoon, compared with a four-month high of \$1.2266 earlier in the week. The British pound was flat at \$1.4199, continuing its recent struggle to stay above \$1.42.
- The next big event for the markets is the Fed's monetary policy meeting on June 15 and 16, which could provide clues to when U.S. interest rates will increase.
- The dollar gained against the yen early on Friday and hit a seven-week high before easing to show little change on the day. The dollar last traded around 109.77 yen after reaching as high as 110.2.
- China's onshore yuan appreciated to as few as 6.358 per dollar , a new three-year high. The dollar was last trading at 6.3616 yuan, down 0.15% for the day.
- In cryptocurrencies, bitcoin was down about 6% at \$36,174 in the morning in New York, while ether was down 8% at around \$2,510.

Currency pair

Currencies	24/05/2021	28/05/2021	Change (%)
USDINR	73.30	72.81	-0.66
EURINR	89.33	88.70	-0.70
GBPINR	103.70	103.18	-0.50
JPYINR	67.37	66.25	-1.66

USDINR

RECOMMENDATION: SELL BELOW 72.70 SL 73 TARGET 72

EURINR

RECOMMENDATION: SELL BELOW 88.60 SL 89 TARGET 87.80

GBPINR

RECOMMENDATION: SELL BELOW 103.10 SL 103.60 TARGET 102

JPYINR

RECOMMENDATION: SELL BELOW 66.15 SL 66.40 TARGET 65.50

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

OUTLOOK BY: Analyst Vibhu Ratandhara

Disclosure:

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