



FX DAILY DOSSIER

March 05, 2024

INR CURRENCIES PAIRS

PAIR	TREND	RANGE
USDINR	Sideways	82.77 - 83.04
EURINR	Mild Bullish	89.76 - 90.18
GBPINR	Sideways	104.92 - 105.40
JPYINR	Mild Bearish	54.95 - 55.30

KEY EVENTS TO WATCH

US ISM Service PMI
@ 8:30 PM

What To Expect In GBPINR After The UK Budget; The Typical Range of 104 to 106 Still Remains Intact:

The British pound rose against the dollar and Rupee ahead of Wednesday's UK budget to be announced by Finance Minister Jeremy Hunt. The pound strengthened by 0.2% against the dollar to \$1.2681 in Asia and expected to open slightly higher against rupee as well.

Markets participants are keenly watching the budget announcement, mindful of last year's sharp market reaction when GBPINR fall from 90 to 86 in a single day.

Hunt is expected to balance tax cuts to boost Prime Minister Rishi Sunak's position without alarming bond investors

about public finances. However, Hunt has tempered expectations of significant tax reductions during the weekend.

We think the reaction will be neutral in the pound as long as tax cuts announcement do not push the gilt markets to react negatively. Any large tax cut announcement may trigger BoE to delay rate cuts which eventually support pound as well.

Technical bias still implies that GBPINR is likely to stay in a typical range between 104 to 106 and breaching on either side will add a wide swing. We still think GBPUSD may find a heavy resistance zone at around 1.2700 - 1.2735 as well.

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